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SEVENTY-THIRD CONGRESS, SECOND SESSION

SENATE

MONDAY, MAY 21, 1934

(Legislative day of Thursday, May 10, 1934)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On motion of Mr. ROBINSON of Arkansas, and by unanimous consent, the reading of the Journal for the calendar days Friday, May 18, and Sunday, May 20, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. ROBINSON of Arkansas. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Cutting	Keyes	Robinson, Ark.
Ashurst	Davis	King	Robinson, Ind.
Austin	Dickinson	Logan	Russell
Bankhead	Dieterich	Long	Schall
Barbour	Dill	McCarran	Sheppard
Black	Duffy	McGill	Shipstead
Bone	Erickson	McNary	Smith
Borah	Fess	Metcalf	Steiwer
Brown	Frazier	Neely	Thomas, Okla.
Bulkley	Gibson	Norbeck	Thompson
Bulow	Goldsborough	Norris	Townsend
Carey	Hale	Nye	Vandenberg
Clark	Harrison	O'Mahoney	Van Nuys
Connally	Hastings	Overton	Wagner
Coolidge	Hatfield	Patterson	Walsh
Copeland	Hayden	Pittman	Wheeler
Couzens	Kean	Pope	White

Mr. ROBINSON of Arkansas. I desire to announce that the Senator from California [Mr. McADOO] is absent because of illness, and that the junior Senator from Arkansas [Mrs. CARAWAY], the Senator from Illinois [Mr. LEWIS], the Senator from Iowa [Mr. MURPHY], and the Senator from Florida [Mr. TRAMMELL] are necessarily detained from the Senate.

I wish further to announce that the junior Senator from Tennessee [Mr. BACHMAN], the senior Senator from North Carolina [Mr. BAILEY], the Senator from Virginia [Mr. BYRD], the Senator from Georgia [Mr. GEORGE], the senior Senator from Tennessee [Mr. McKELLAR], the junior Senator from North Carolina [Mr. REYNOLDS], the Senator from Kentucky [Mr. BARKLEY], the Senator from South Carolina [Mr. BYRNES], the Senator from Connecticut [Mr. LONERGAN], and the Senator from Maryland [Mr. TYDINGS] are temporarily detained from the Senate at the White House in a conference with the President.

I also wish to announce that the Senator from Colorado [Mr. COSTIGAN], the Senator from Florida [Mr. FLETCHER], the Senator from Virginia [Mr. GLASS], the Senator from New Mexico [Mr. HATCH], the Senator from Mississippi [Mr. STEPHENS], and the Senator from Utah [Mr. THOMAS] are detained in an important committee meeting.

Mr. FESS. Mr. President, I desire to announce that the Senator from Rhode Island [Mr. HEBERT], the Senator from Wisconsin [Mr. LA FOLLETTE], and the Senator from Pennsylvania [Mr. REED] are necessarily absent from the Senate.

The VICE PRESIDENT. Sixty-eight Senators have answer to their names. A quorum is present.

ONE HUNDREDTH ANNIVERSARY OF THE DEATH OF LA FAYETTE

The VICE PRESIDENT laid before the Senate the following cablegram, which was read:

[Cablegram—Translation]

PARIS, *May 18, 1934.*

The PRESIDENT OF THE CONGRESS OF THE UNITED STATES,
Washington, D.C.:

I beg you to make the French Chamber of Deputies a party to the moving and high testimony of fidelity given by the American Congress to the memory of La Fayette, whose name will remain forever the symbol of that Franco-American friendship which the magnificent part taken by the United States during the war in the common defense of right and liberty has rendered faultless henceforth.

FERDNAND BUISSON,
President of the Chamber of Deputies.

Mr. BYRD. Mr. President, I submit a resolution, which I ask to have read, and ask unanimous consent for its present consideration.

The VICE PRESIDENT. The resolution will be read.

The resolution (S.Res. 246) was read, considered by unanimous consent, and unanimously agreed to, as follows:

Resolved, That the thanks of the Senate are hereby extended to the French Chamber of Deputies for their expressions of friendship and good will, communicated in the message of May 18, 1934, of the President of the Chamber of Deputies.

Resolved further, That a copy of this resolution be communicated through appropriate channels to the French Chamber of Deputies.

A. CYRIL CRILLEY

The VICE PRESIDENT laid before the Senate a letter from the Secretary of Commerce, transmitting draft of proposed legislation to relieve A. Cyril Crilley, assistant trade commissioner, and a special disbursing officer of the Bureau of Foreign and Domestic Commerce, in the matter of a certain expenditure, which, with the accompanying paper, was referred to the Committee on Claims.

MARCH REPORT OF RECONSTRUCTION FINANCE CORPORATION

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the Reconstruction Finance Corporation, submitting, pursuant to law, a report of the activities and expenditures of the Corporation for March 1934, together with a statement of loans authorized during that month, showing the name, amount, and rate of interest in each case, which, with the accompanying papers, was referred to the Committee on Banking and Currency.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate resolutions adopted by the Greenville (S.C.) Trades and Labor Council, favoring the removal of H. H. Willis as chairman of the State Cotton Textile Industrial Relations Board, and the sending into South Carolina of someone to assist in reducing machine loads in the textile industry and to put into effect the provisions of the N.I.R.A., which were referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by the board of supervisors of the county of Maui, Territory of Hawaii, favoring the enactment of legislation granting statehood to Hawaii, which was referred to the Committee on Territories and Insular Affairs.

He also laid before the Senate resolutions adopted at a special session of the Municipal Council of Badajoz, Province of Romblon, and by a mass meeting of residents and vacationists of the city of Baguio, Mountain Province, P.I., pro-

testing against the levy of an excise tax on coconut oil and its products exported to the United States from the Philippine Islands, which were ordered to lie on the table.

He also laid before the Senate resolutions adopted by the municipal court of Calapan, Province of Mindoro, and the municipal and provincial governments of Zamboanga, at Zamboanga, P.I., approving and expressing appreciation for the enactment of Public Law No. 127, Seventy-third Congress, being an act to provide for the complete independence of the Philippine Islands, to provide for the adoption of a constitution and a form of government for the Philippine Islands, and for other purposes, which were ordered to lie on the table.

THE WORLD COURT

Mr. BARBOUR. Mr. President, I present and ask unanimous consent to have printed in full in the RECORD and appropriately referred a paper in the nature of a resolution adopted at the annual meeting of the Middle Atlantic Conference of Congregational and Christian Churches.

There being no objection, the paper in the nature of a resolution was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

The Middle Atlantic Conference of Congregational and Christian Churches urges the Senate Foreign Relations Committee to report at once to the Senate the three World Court treaties which have been in its hands since 1930; and earnestly requests the Senate to give its consent to the ratification of these protocols before the present session adjourns, so that this issue, which has been pending before the Senate in some form for 11 years, may be settled and the 1932 pledges of both parties for adherence to the World Court fulfilled without further delay.

REPORTS OF COMMITTEES

Mr. DILL, from the Committee on Interstate Commerce, to which was referred the bill (S. 3266) to amend the Railway Labor Act approved May 20, 1926, and to provide for the prompt disposition of disputes between carriers and their employees, reported it with amendments and submitted a report (No. 1065) thereon.

Mr. LOGAN, from the Committee on Military Affairs, to which was referred the bill (H.R. 9123) to authorize the Secretary of War to lend War Department equipment for use at the Sixteenth National Convention of the American Legion at Miami, Fla., during the month of October 1934, reported it with amendments and submitted a report (No. 1066) thereon.

He also, from the same committee, to which was referred the bill (H.R. 363) for the relief of James Moffitt, reported it without amendment and submitted a report (No. 1067) thereon.

He also, from the Committee on Claims, to which was referred the bill (S. 762) for the relief of Teresa de Prevost, reported it with amendments and submitted a report (No. 1072) thereon.

Mr. SHEPPARD, from the Committee on Military Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

H.R. 311. An act for the relief of Martin Henry Waterman, deceased (Rept. No. 1068); and

S. 2581. An act for the relief of Charles H. Willett (Rept. No. 1069).

Mr. AUSTIN, from the Committee on Military Affairs, to which was referred the bill (S. 3199) for the relief of Thomas A. Coyne, reported it without amendment and submitted a report (No. 1075) thereon.

Mr. SMITH, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 1132) to amend the Standard Baskets Act of August 31, 1916, to provide for a 1-pound Climax basket for mushrooms, reported it with an amendment and submitted a report (No. 1070) thereon.

Mr. POPE, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 2462) relating to loans by the Reconstruction Finance Corporation in connection with agricultural improvement projects, reported it with an amendment and submitted a report (No. 1071) thereon.

Mr. PITTMAN, from the Committee on Mines and Mining, to which was referred the bill (S. 2836) to amend the Mining Act of May 10, 1872, as amended, reported it with an amendment and submitted a report (No. 1073) thereon.

Mr. HATCH, from the Committee on Indian Affairs, to which was referred the bill (S. 2531) to define the exterior boundaries of the Navajo Indian Reservation in New Mexico, and for other purposes, reported it with amendments and submitted a report (No. 1074) thereon.

Mr. FRAZIER, from the Committee on Indian Affairs, to which was referred the bill (S. 3626) referring the claims of the Turtle Mountain Band or Bands of Chippewa Indians of North Dakota to the Court of Claims for adjudication and settlement, reported it without amendment and submitted a report (No. 1076) thereon.

PROCEDURE IN IMPEACHMENT PROCEEDINGS

Mr. ASHURST, from the Committee on the Judiciary, to which was referred the resolution (S.Res. 242) authorizing the appointment of a committee to receive evidence and take testimony in impeachment trials, reported it with amendments.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

Mr. LOGAN, from the Committee on Military Affairs, reported favorably the nominations of several officers in the Regular Army.

Mr. DIETERICH, from the Committee on the Judiciary, reported favorably the nomination of William Ryan, of Illinois, to be United States marshal, eastern district of Illinois, to succeed Arthur M. Burke, resigned.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The VICE PRESIDENT. The reports will be placed on the Executive Calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ASHURST (by request):

A bill (S. 3646) to amend section 938 of the Revised Statutes to vest the courts with discretion to refuse to order the return of vessels seized for violation of any law of the United States; and to amend subsection (b) of section 7 of the Air Commerce Act of 1926, as amended, to provide for the forfeiture of aircraft used in violation of the customs laws; to the Committee on the Judiciary.

By Mr. NEELY:

A bill (S. 3647) authorizing the Sistersville Bridge Board of Trustees to construct, maintain, and operate a toll bridge across the Ohio River at Sistersville, Tyler County, W.Va.; to the Committee on Commerce.

By Mr. THOMAS of Oklahoma:

A bill (S. 3648) to validate certain conveyances by Kickapoo Indians of Oklahoma made prior to February 17, 1933, where a full and fair consideration has been paid, and to provide for actions in partition in certain cases, and for other purposes; to the Committee on Indian Affairs.

By Mr. DILL:

A bill (S. 3649) for the relief of Emanuel Wallin; to the Committee on Public Lands and Surveys.

A bill (S. 3650) to amend the Emergency Railroad Transportation Act, 1933, approved June 16, 1933; to the Committee on Interstate Commerce.

By Mr. FLETCHER (by request):

A bill (S. 3651) to amend the Federal Reserve Act and sections 5197 and 5136 of the Revised Statutes, as amended by the Banking Act of 1933, and for other purposes; to the Committee on Banking and Currency.

By Mr. CLARK:

A bill (S. 3652) authorizing the coinage of a 2½-cent nickel piece; to the Committee on Banking and Currency.

A bill (S. 3653) authorizing the erection of a memorial to John D. Orear; to the Committee on the Library.

By Mr. GEORGE:

A bill (S. 3654) to authorize the disposal of surplus personal property, including buildings, of the Emergency Con-

servation Work; to the Committee on Public Lands and Surveys.

By Mr. STEPHENS:

A bill (S. 3655) to amend the act entitled "An act for preventing the manufacture, sale, or transportation of adulterated or misbranded or poisonous or deleterious foods, drugs, medicines, and liquors, and for regulating traffic therein, and for other purposes", approved June 30, 1906, as amended; to the Committee on Commerce.

A bill (S. 3656) for the relief of Robert N. Stockton; to the Committee on Claims.

By Mr. ASHURST:

A bill (S. 3657) authorizing the construction of a dam on the San Pedro River, Ariz.; to the Committee on Irrigation and Reclamation.

CONTROL OF CHINCH BUGS

Mr. CLARK. Mr. President, I ask unanimous consent, on behalf of the Senator from Iowa [Mr. MURPHY] and myself, to introduce a joint resolution of an emergency character, which I ask may be read and lie on the table until I may have an opportunity to ask unanimous consent for its consideration.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the joint resolution will be read.

The joint resolution (S.J.Res. 126) to provide funds to enable the Secretary of Agriculture to cooperate with States in control of chinch bugs was read the first time by its title and the second time at length, as follows:

Resolved, etc., That to enable the Secretary of Agriculture to apply such methods of control of chinch bugs as in his judgment may be essential to accomplish such purposes, in cooperation with such authorities of the States concerned, organizations, or individuals, there is hereby appropriated and made immediately available $1,000,000: *Provided*, That this appropriation shall be used for expenditures of general administration and supervision, purchase and transportation of materials used for the control of chinch bugs, and such other expenses as in the discretion of the Secretary of Agriculture may be deemed necessary, including the employment of persons and means in the District of Columbia and elsewhere and rent outside the District of Columbia: *Provided further*, That the cooperating State shall be responsible for the local distribution and utilization of such materials on privately owned land, including full labor costs: *Provided further*, That in the discretion of the Secretary of Agriculture no part of this appropriation shall be expended for chinch-bug control in any State until such State has provided the necessary organization for the cooperation herein indicated: *Provided further*, That procurements under this appropriation may be made by open-market purchase notwithstanding the provisions of section 3709, Revised Statutes: *And provided further*, That no part of this appropriation shall be used to pay the cost or value of farm animals, farm crops, or other property injured or destroyed.

The VICE PRESIDENT. The joint resolution will lie on the table.

STUDY OF SALES TAX

Mr. BARBOUR submitted the following resolution (S.Res. 245), which was referred to the Committee on Finance:

Resolved, That the Committee on Finance is authorized and directed to make a full and complete study with a view to determining:

(1) The feasibility and advisability of a Federal sales tax on all articles, except foodstuffs, sold in the United States by the producer, manufacturer, or importer thereof, and levied with the object of allocating a proportion thereof to States which do not levy and/or collect, and which do not permit their respective political subdivisions to levy and/or collect, any production, manufacture, and/or sales tax on articles subject to such Federal tax.

(2) What provisions or limitations should be contained in such Federal sales tax with reference to any or all such articles.

(3) What articles should be defined as foodstuffs for the purposes of such tax.

(4) What portion of the receipts from such Federal sales tax should be allocated to the States, and the basis and method of allocating such portion to the individual States eligible therefor.

(5) The methods to be used in collecting such Federal tax.

(6) The method of ascertaining the sale price of all articles subject to such tax.

In making such study the committee shall consider all factors bearing upon such a tax program, with particular reference to any revision which may be necessary in the tariff laws.

The committee shall report to the Senate, as soon as practicable, the results of its study, together with its recommendations for necessary legislation in connection with such tax program.

For the purposes of this resolution the committee is authorized to hold such hearings, to sit and act at such times and places during the sessions and recesses of the Senate in the Seventy-third and succeeding Congresses until the submission of its final report, to employ such clerical and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $25,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

CHANGE OF REFERENCE

On motion of Mr. SHEPPARD, the Committee on Military Affairs was discharged from the further consideration of the bill (S. 2100) to provide for the commemoration of the Battle of Big Dry Wash, in the State of Arizona, and it was referred to the Committee on Public Lands and Surveys.

UTAH POWER & LIGHT CO.

Mr. KING. Mr. President, recently I received a letter from the secretary of the Consumers League of my State, an organization which is interested in questions affecting the public welfare. It is particularly interested in public utilities. The secretary requested that I have placed in the CONGRESSIONAL RECORD a statement signed by a number of citizens of my State and addressed to the directors of the Utah Power & Light Co. I intended that this statement, after having been placed in the RECORD, should be referred to the Federal Trade Commission, which has for some time been investigating certain public utilities. After communicating with the members of the Commission I am advised that they have practically completed their investigation and are now preparing a report for submission to Congress. I have also conferred with the Chairman of the Committee on Interstate Commerce of the Senate and with members of that committee, and he and they are of the opinion that the statement should be referred to such committee.

Accordingly, Mr. President, I ask unanimous consent that the statement be inserted in the CONGRESSIONAL RECORD and be transmitted to the Committee on Interstate Commerce of the Senate for consideration and appropriate action upon its part.

There being no objection, the statement was referred to the Interstate Commerce Committee and ordered to be printed in the RECORD, as follows:

[From the Salt Lake City (Utah) Tribune of Apr. 29, 1934]

APRIL 28, 1934.

BOARD OF DIRECTORS,
Utah Power & Light Co., City.

GENTLEMEN: The undersigned, being holders of 6 and/or 7 percent preferred stock of Utah Power & Light Co., and representing only their own stock, make the following requests of the directors of the Utah Power & Light Co., and request an acknowledgment and answer to this letter:

1. That the contract between the Utah Power & Light Co. and the Electric Bond & Share Co. for managerial and other services be canceled.

(The Utah Power & Light Co. has paid to the Electric Bond & Share Co. for such services the following amounts:

In the year 1933	$105,540.35
In the year 1932	145,343.00
In the year 1931	159,163.00
In the year 1930	181,386.00
In the year 1929	166,530.00

These figures secured from the Utah Power & Light Co. and the Utah Public Utilities Commission.

These fees, we understand, are largely based on a percentage of the gross revenue received by the company. (Reference: P. 1688, Report of Federal Trade Commission of July 15, 1932.) It is contended by these stockholders that any services rendered by the Electric Bond & Share Co., if any such services are necessary, should be paid for by the Utah Power & Light Co. for actual services only and not on a percentage of gross revenue received by the Utah Power & Light Co.

2. That a proper retirement reserve be set aside each year.

(In the past the amount set up for retirement reserve has greatly varied. In the year 1931 the retirement reserve was cut to $500,000 from $700,000 in the previous year and a dividend of $900,000 was paid on common stock, and in the year 1932 the retirement reserve was cut to $300,000 and a dividend of $150,000 was paid on common stock.

In the year 1933, retirement reserve	$700,000
In the year 1932, retirement reserve	300,000
In the year 1931, retirement reserve	500,000
In the year 1930, retirement reserve	700,000

These figures obtained from the annual reports of the Utah Power & Light Co.)

3. That the preferred-stock holders be given the right to select three fourths of the members of the board of directors.

In the report of the Federal Trade Commission made July 15, 1932, pages 1686 and 1687, referring to the Utah Power & Light Co., the following is stated (quoting from Federal Trade Commission report):

"As successor by reorganization to Utah Securities Corporation, Electric Power & Light Corporation became and continued to be the owner of all outstanding common stock of the Utah Power & Light Co. The total inflation of $34,330,246 is equal to all of the $30,000,000 book value of common stock and $4,330,246, or 16.8 percent, of the book value of preferred stock outstanding on December 31, 1930."

These stockholders have not sufficient information at this time to confirm the figures of the Federal Trade Commission and do not necessarily agree with them; nevertheless it is believed that the greatest equity in the property lies in the preferred-stock holders.

Dividends were paid on the common stock of the Utah Power & Light Co., which was owned by the Electric Power & Light Co., a subsidiary of the Electric Bond & Share Co., as follows:

1928	$1,200,000
1929	1,200,000
1930	1,200,000
1931	900,000
1932	150,000
1933	None.

(This information obtained in letter dated Jan. 2, 1934, from G. M. Gadsby, president Utah Power & Light Co.) These dividends were paid without plainly disclosing this fact in the annual published report to preferred-stock holders of the company, with the exception of the year 1932, which showed dividend payment on the common stock of $150,000.

4. That one half of the common stock now held in the Utah Power & Light Co. by the Electric Bond & Share Co. be distributed pro rata to the preferred-stock holders.

(By this means the preferred stock, with this one-half interest in the common stock, would have voting control of the property.)

We believe that the management should set aside out of earnings a reserve for the payment of dividends on the preferred stock. We have faith in the property; we favor proper and strict regulation by the public service commission, with justice and fairness to the public, to the company's employees, and the shareholders.

The company is faced with difficult economic and climatic conditions, opposition to the public-utility industry, and constant demand for lower rates. In addition, there is dissatisfaction on the part of many preferred-stock holders due to the acts of the management of the company. We believe that the people of this State are willing that a public utility receive a fair return on an investment fairly established and that the influence of the large number of resident preferred-stock holders will be great if exerted in a just cause. It is believed by these stockholders that if this corporation is directed and operated by the preferred-stock holders, 10,000 of whom reside in this territory, that, with such management, cooperation with the public and customers would be secured, which would give reasonable rates to the consumer, reasonable wages to the employees, and a reasonable return to the stockholders.

Sincerely,

ERNEST BAMBERGER, *Salt Lake City, Utah.*
CHARLES E. HUISH, *Eureka, Utah.*
PATRICK HEALY, *Ogden, Utah.*
JOHN A. MARSHALL, *Salt Lake City, Utah.*

REGULATION OF TRAFFIC IN FOOD AND DRUGS

Mr. DIETERICH. Mr. President, I ask unanimous consent to have printed in the RECORD a memorandum in regard to Senate bill 2800, submitted by various associations and members of the cosmetic industry, relating to food, drug, and cosmetic control.

There being no objection, the memorandum was ordered to be printed in the RECORD as follows:

MEMORANDUM IN REGARD TO SENATE BILL 2800, SUBMITTED BY THE UNDERSIGNED ASSOCIATIONS AND MEMBERS OF THE COSMETIC INDUSTRY

APRIL 24, 1934.

To the honorable the Members of the United States Senate:

GENTLEMEN: We respectfully submit the following memorandum in regard to S. 2800, relating to food, drug, and cosmetic control, now before the Senate for consideration, and in doing so beg leave to say that in our judgment, and in the judgment of the cosmetic industry generally, legislation of the character proposed, if properly framed, will be of advantage to the legitimate members of the industry as well as to the public, in that it will give full protection to health and tend to relieve the public of apprehension in regard to the character of cosmetic products permitted in interstate commerce. The public is clearly entitled to the elimination of cosmetics, as well as of drugs, which are dangerous to health, and if the bill is so framed as to accomplish this purpose, it is bound to be to the lasting advantage of both the public and the industry.

There are, however, at least two particulars in which the bill in its present form is plainly unjust to the industry, without in any way adding to the protection of the public. What we have to say in addition is by way of what we hope are constructive suggestions, which would, we believe, assist in effecting the purposes of the act. Concretely, our objections are as follows:

ADULTERATED COSMETICS

In defining what is an adulterated cosmetic in section 5 (a), the bill uses language unnecessarily involved, which may be expected to give rise to conflicting interpretation causing unnecessary hardship to the industry and interfering with the effective administration of the act. It seems obvious to us that as the only legitimate purpose of such a definition is to protect health, a provision applying to cosmetics the language of section 4 (a), which defines an adulterated drug, and as proposed at the hearing (hearings, pp. 258–261), is all that is necessary to accomplish this purpose. We suggest, therefore, that for the section as reported there be substituted the following:

"SEC. 5. A cosmetic shall be deemed to be adulterated—(a) If it is dangerous to health under the conditions of use prescribed in the labelling thereof, or if no conditions of use are thus prescribed, then under such conditions of use as are customary or usual."

Everything that is dangerous to health is included in this definition. As stated, it follows the language of the provision in regard to drugs, with the addition of the words emphasized, and it must be evident that if the language is sufficient in the case of drugs, it is sufficient in the case of cosmetics as well, for the dangers to health from the use of drugs are obviously greater than the dangers to health from the use of cosmetics, since drugs are used largely internally, and cosmetics entirely externally.

In connection with cosmetics, the head of the present Food and Drug Administration, Mr. Campbell, stated at the hearing that the definition provided by the bill of adulteration in cosmetics was "more exacting" than in the case of drug products, and in discussing the subject he referred to instances of disastrous injury which he said had resulted from the use of certain cosmetics (hearings, Feb. 27 to Mar. 3, 1934, p. 546). He seemed to assume that the prevention of such injuries in the case of cosmetics required the use of more sweeping language than that provided in the case of drugs. It is respectfully submitted however, that all of the cases which he so vividly presented were obviously due to cosmetics dangerous to health, and would therefore come within the definition of an adulterated cosmetic which we have suggested. If it is sufficient to define an adulterated drug as one that is "dangerous to health", it is also sufficient to use the same language in defining an adulterated cosmetic, and clearly in both cases the definition adequately protects the public.

Our specific objection to the provision as it now stands is that it naturally gives rise to variety of interpretations, some of which would be most injurious to the industry, and while we do not believe that such interpretation would be sustained by courts of last resort, it must be remembered that we are dealing with a criminal statute, and those engaged in the industry are entitled to have the language of the statute so clear as to leave no doubt as to its meaning. The provision of the bill as reported is as follows:

"SEC. 5. A cosmetic shall be deemed to be adulterated (a) if it bears or contains any poisonous or deleterious substance in such quantity as may render it injurious to the user under the conditions of use prescribed in the labeling thereof, or under such conditions of use as are customary or usual."

Properly construed, this is probably unobjectionable, but according to one interpretation the words "as may render it injurious to the user" may mean as may possibly render it injurious to any user, an interpretation placed upon it by Mr. Campbell himself (hearings, p. 547).

That such a provision would be arbitrary, injurious, unreasonable, and indefensible seems very clear. There are few, if any, cosmetics even within the broad definition of the bill, which includes soap and all other cleansing materials, which when applied to the skin may not in some circumstances and with some people result in irritation or injury, no matter how innocuous the substance may be. A similar definition as to drugs would probably likewise ban a large number of medicinal preparations which are obviously proper and useful.

Mr. Campbell referred to the suggestion that word "average" be used, making the paragraph read "injurious to the average user." We quite agree that such a provision would be insufficient, because the term "average" might leave outside the definition cases of cosmetics or drugs which would be injurious to a great many people, although not injurious to the "average." It is submitted that a drug or cosmetic ought not to be put under the ban, where it is not dangerous to health in itself, and only results in irritation or injury because of some supersensitivity or idiosyncracy in cases so rare as to be negligible. Long lists of wholesome foods and harmless drugs have frequently been suggested which are, in such cases, injurious to the user.

It is perfectly obvious that under the definition as it now appears in the bill, if interpreted as suggested, the Food and Drug Administration could bar from interstate commerce numerous cosmetics which have never been considered, and are not, dangerous to health or harmful to the user, merely on its assumption that they might be harmful to some one or more users, no matter how rare the case or remote the possibility.

The reported definition would inevitably give rise to large numbers of civil claims and administrative complaints absolutely without foundation, based on the definition and its interpretation by claims' attorneys to the effect that any user who can possibly assert a casual relation between some alleged injury and the use of a particular cosmetic is entitled not only to maintain a civil action for damages but to cause as well criminal proceedings to be insti-

tuted against the manufacturer, and to make demand upon the Secretary of Agriculture that the products be suppressed. A field would thus be opened up where the possibilities of blackmail and nuisance actions are unlimited, and legitimate industries would be exposed to wholly needless and unjustified expense and litigation.

MULTIPLE SEIZURES

The bill provides for seizures of any article of food, drug, or cosmetic in interstate commerce that is adulterated or misbranded, or manufactured, processed, or packed in a factory not holding a valid permit. The multiplicity of such seizures may well in certain instances destroy the business of the manufacturer or otherwise result in irreparable injury. It is submitted that the provisions of section 19 (c) which seek to avoid such a result are too narrow for the purpose. It is noted in the first place that the jurisdiction given the district courts is to restrain by injunction the institution of more than one seizure, whereas it should include jurisdiction to restrain the prosecution of more than one where more than one seizure action has been begun. Moreover, it is limited to cases of misbranding only. It seems clear that the district courts ought to be invested with power to restrain the institution or prosecution of more than one seizure action in any case where it is convinced that the public interest will not thereby be adversely affected, and that the ends of justice require it to be done. Therefore, we ask that section 19 (c) be changed to read as follows:

Further to avoid multiplicity of libel for condemnation proceedings without impairing the protection of the public or the opportunity for prompt trial on the merits of alleged violations, the district courts of the United States are hereby vested with jurisdiction to restrain by injunction as hereinafter provided the institution or prosecution of more than one seizure under section 16 where in the judgment of the court the issuing of such an injunction will not adversely affect the interests of the public and the ends of justice require such action.

It is noted that the foregoing provision does not require such action on the part of the court, but merely allows it to issue the injunction in the exercise of its judicial discretion.

THE REGULATORY POWER

By way of constructive criticism, it is suggested that section 10 (a) which, at present, touches only the question of tolerances and the power to determine them, might well be broadened so as to include the power to prescribe other conditions of use to safeguard the public health. By way of illustration, the manufacturer of cosmetics might be required in certain cases to give instructions and directions in regard to their use, and in some cases, require tests to avoid irritation due to hypersensitivity, as has been done in New York City.

Such a broadening of the regulatory powers would seem to be in the public interest and could be accomplished by merely adding at the end of section 10 the words "and in connection with such tolerances, or otherwise, he may prescribe other conditions for the protection of health."

THE COMMITTEE ON PUBLIC HEALTH

We also suggest that the efficient administration of the act would be assisted if there were added to the Committee on Public Health, as provided for in section 22, one or more members of each of the three industries subject to regulation, with the industry member or members empowered to sit with the committee only when consideration is being given to his or their particular industry. To accomplish this, it is suggested that there be added after the words "to their political affiliation", in section 22, subparagraph (6), line 5, page 37, the following: "2 members to be selected by the President from the food-producing—processing—and manufacturing industry, 2 from the drug industry, and 2 from the cosmetic industry, all of whom shall be selected for their scientific attainment and training in their respective industries. The members thus chosen from an industry shall sit as members of the committee only when regulations and matters concerning their own industry are under consideration."

It is perfectly clear that the industry members thus selected by the President would be in accord with the purposes of the act and capable of rendering constructive aid in the formulation of regulations, on account of their scientific training and familiarity with the history and conditions of the industry, and that, in many instances, they would be able to call to the attention of the Secretary and the committee conditions needing correction, which might otherwise escape notice, and to point out how such conditions could best be dealt with for the protection of the public without injury to the industry. The conclusions of a committee thus constituted would carry greater weight with the courts, and assure their more ready acceptance by the industry itself. In this way, enforcement of regulations through acquiescence would, in a large measure, be substituted in place of enforcement through prosecution.

ADMINISTRATION

Our final suggestion is that the bill be amended by substituting the Secretary of Commerce for the Secretary of Agriculture. In support of the proposal, we may point out, among other things, the fact that the natural growth of the Department of Agriculure has been so great as to make it impossible for the Secretary to give active attention to all its activities even in normal times, and that his duties under the Agricultural Adjustment Act and arising out of the present emergency absolutely preclude him from giving any active attention to the administration of food, drugs, and cosmetic legislation.

At the hearings objection was voiced to this proposal on the grounds that the administration of the Food and Drug Act had for 25 years been in the hands of the Food and Drug Administration, and it was not desirable to change that situation. We had no intention to suggest that the matter be taken out of the hands of that body. Our thought is that this bill puts three great industries having a volume of billions of dollars, under Governmental administration and direction and they are entitled to have the control placed in the hands of a Cabinet officer whose circumstances would permit him to give their affairs his active and personal consideration. At the hearing before the sub-committee the Secretary of Agriculture said: "My own time has been taken up so exclusively with emergency matters in the field of agriculture and national recovery that I have not had an opportunity to give this measure the degree of study and active support it deserves." As is also well known, he has been obliged to put the active conduct of processing and compensating tax matters and other functions of the greatest importance in the hands of subordinates, although the law contemplated that they should be performed by himself.

The matter of this bill was deemed a proper one for the consideration of the Committee on Commerce and not the Committee on Agriculture, and, in fact, it concerns commerce and public health alone, and is in no way concerned with the functions of the Department of Agriculture, which was created "to acquire and to diffuse among the people of the United States useful information on subjects connected with agriculture in the most general and comprehensive sense of the word, and to procure, propagate, and distribute among the people new and valuable seeds and plants."

Control of cosmetics and control of drugs lie wholly outside of the normal functions of the Department of Agriculture and the sort of control of food that is given by the present act lies outside of agricultural functions. The whole matter relates to commerce and the conduct of commerce among the States, and comes directly within the scope and purpose of the Department of Commerce, both as stated in the act creating it and in practice. Chapter 10 of title 5 of the United States Code provides for a Department of Commerce, and section 3 states that "it shall be the province and duty of said Department to foster, promote, and develop the foreign and domestic commerce, etc." Clearly, so far as foods, drugs, and cosmetics are concerned, the Government ought to have two objectives, viz: To protect the public health and to foster commerce. Neither of these matters is in any way a function of the Department of Agriculture. The interest of the farmer in the matter is identical with those who live in cities, towns, and villages. Obviously with respect to food, the primary need of protection lies with the urban and not the rural class. That the administration is now nominally in the hands of the Secretary of Agriculture is an accident. To place the supervision of the act in the hands of the Secretary of Commerce would not require the transfer of the Food and Drug Administration to his Department either physically or administratively. It is assumed that if the Secretary of Commerce were given this responsibility, the Food and Drug Administration would remain where it is now and function as it does now, with the exception that instead of being a practically autonomous body it would have the benefit of the active supervision of the head of the Department officially concerned, viz, commerce.

It is no argument against this suggestion that the Food and Drug Administration is housed in 1 of the 6 acres of buildings now used by the Department of Agriculture. The bureaus and divisions of the Interior Department, for instance, are very widely scattered.

Nor is there any reason why the Secretary of Commerce and the Food and Drug Administration should not have all the advantages of the facilities of the Bureau of Animal Industry which the Food and Drug Administration now enjoys.

Here it may be suggested that the purpose of the act probably requires the active assistance of the Bureau of Standards of the Department of Commerce, but there seems to be no practical or administrative difficulty in utilizing the functions of bureaus and divisions in different departments of the Government in order to carry out the purpose of this or any similar act. The Bureau of Public Health Service is a bureau in the Treasury Department, but there seems to be no reason why the facilities of that Bureau may not be used in the administration of the Food and Drug Act, despite the fact that it is not under the Secretary of Commerce or the Secretary of Agriculture.

The duty of exercising all the important powers listed in the bill is by its terms placed upon the Secretary of Agriculture; he is to find the facts; he is to formulate the regulations, and promulgate them, and in general he is to exercise discretionary powers of a very broad and important nature. As already stated, everybody knows that the circumstances are such as would prevent him from even giving direction to the affairs of the Food and Drug Administration.

As stated, the administration of the bill should have in mind the protection of the public and the interests of the great commerce involved in the three industries. Both of these functions belong to the Department of Commerce, in whose Secretary, it is suggested, control of the administration of this act should rest. It is noted that both of these objectives are within the scope of the Departments' activities, as shown by the Twenty-first Annual Report of the Secretary of Commerce for the fiscal year ending July 30, 1933, page IX.

"The chief service of the Department of Commerce, measured by the proportion of funds so devoted, is in the interest of public

protection and safety. It has become customary to regard the Department as concerned almost exclusively with the promotion of trade. Most of its budget, however, is spent in protecting life and property. At least 65 percent of its available funds is devoted to the maintenance of lighthouses, marine and aeronautic inspection, to the prevention of mining disasters, to protection against dishonest weights and measures, and to the performance of other functions, the activities and responsibilities of which do not shrink with the general decrease of business. In times like the present keener competition for the reduced volume of business naturally results in curtailing expenditures, subjects the general standards and practices of business and transportation to unusual strain, and it is especially necessary that vigilance in the interest of public security be maintained."

It may be noted that since the close of the first 9 months of the year covered by the foregoing report, the activities of the Department of Commerce have been materially curtailed, and, in consequence, there is no reason why the direction of the administration of the proposed act could not have the personal attention of the Secretary.

We earnestly ask your careful consideration of the foregoing suggestions.

Respectfully submitted.

Allied Manufacturers of the Beauty and Barber Industry, George D. Chisholm, president, 36 West Forty-fourth Street, New York City; Beauty and Barber Supply Institute, Inc., Joseph Byrne, secretary, 11 West Forty-second Street, New York; National Hairdressers and Cosmetologists Association, Inc., Emil Rohde, president, 2322 South Grand Avenue, St. Louis, Mo.; American Cosmeticians Association, Mrs. N. McGavran, Hotel Sherman, Chicago; Chicago and Illinois Hairdressers Association, Marc Gartman, president, 139 North Clark Street, Chicago, Ill.; New York State Hairdressers and Cosmetologists Association, Emile F. Martin, president, 507 Fifth Avenue, New York City; Los Angeles Hair Dressers and Cosmetologists Association, J. Crowley, secretary, Los Angeles, Calif.; All American Beauty Culture Schools Associated, H. T. Raley, president, Raley Building, Harrisburg, Ill.; New York State Beauty Schools Association, Inc., C. B. MacNeil, vice president, 33 West Forty-sixth Street, New York; Ladies Hairdressers Association of New England, May Kehoe, president, Boston.

NOTE

Allied Manufacturers of the Beauty and Barber Industry includes a membership of 47 manufacturers in New York and throughout the country employing over 5,000 workers.

Beauty and Barber Supply Institute, Inc., includes 500 jobbers and distributors located throughout the country with approximately 6,000 employees.

National Hairdressers and Cosmetologists Association, Inc., represents 29,455 shops throughout the country with approximately 90,000 employees.

Chicago and Illinois Hairdressers Association represents 1,250 shops in the State of Illinois with 5,000 employees.

New York State Hairdressers and Cosmetologists Association represents 2,000 shops in the State of New York with 8,000 employees.

New York State Beauty Schools Association, Inc., includes 27 schools with over 2,000 students.

Los Angeles Hairdressers and Cosmetologists Association includes in its membership shops in Los Angeles and vicinity and the All American Beauty Culture Schools Associated represents a large number of schools throughout the country, but exact statistical information regarding these two organizations was not available at the time of going to press. The American Cosmeticians Association has a membership of about 45,000.

CHAIRMANSHIP OF REPUBLICAN NATIONAL COMMITTEE

Mr. ROBINSON of Indiana. Mr. President, I ask unanimous consent to have printed in the RECORD an article published in the Week, at Columbus, Ohio, of the issue of Saturday, May 19, 1934, entitled "A Chairman Skillful in Organization, Entrenched in Confidence of Business Men, Wise in Party Needs, Is Demand of the Times."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Week, Columbus, Ohio, Saturday, May 19, 1934]

A CHAIRMAN SKILLFUL IN ORGANIZATION, ENTRENCHED IN CONFIDENCE OF BUSINESS MEN, WISE IN PARTY NEEDS, IS DEMAND OF THE TIMES

The coming meeting of the National Republican Committee scheduled for the city of Chicago, Ill., on June 5, 1934, is an occasion that should arouse the intense interest of every Republican voter in the Nation.

The decision, that it is contemplated will be made at this meeting, of choosing a successor to the retiring chairman, Mr. Everett Sanders, is a matter of profound importance, not only to the future of the Republican Party but to the future peace, happiness, and prosperity of the American people.

At this juncture in the affairs of the Nation when our economic and social existence is threatened, if not actually involved, with the prospect of dissolution, leadership in politically organized defense of the sacred inheritances guaranteed under the Constitution calls for those outstanding qualifications and traits of character which radiate courage, inspire confidence, elevate and dignify honesty of purpose in espousing a cause in the interests of the common weal.

Intensified and highly efficient organization ability, supported by the all-important powers of capable and judicious management, combine with the foregoing to provide ideal leadership. The decision, therefore, to be made at this meeting is second in importance to few, if any, which the party has been called upon to make since it came into existence.

Personal ambitions, friendships, or reward for services rendered must all be subordinated to the greater importance of organization and management through which only can success be achieved.

The situation is sufficiently precarious to justify extraordinary measures if need be. And before a decision is made the jury sitting in judgment should enrich its knowledge by a preliminary survey of exhaustive proportions. Should it appear that no one man was available who possessed all the qualifications required, but who did possess the necessary organizing ability, then it would appear that two men, whose combined qualifications would supply the required power, should be named. Success is paramount to all else.

The pressure imposed by a vivid realization of the advantage attached to an early decision should not be permitted to outweigh the more important element of capability. On the other hand, it does not appear that any necessity exists for deferring the choice of a new leader until after the November elections.

Temporizing would only serve to handicap rather than promote the program contemplated; hence, as soon as the man for the job is decided upon, his appointment should be immediately made. Nothing is to be gained by unnecessary delay, whereas much can be lost through the disadvantages that attach to the lack of organization when organized effort is essential to successful accomplishment.

Organization should be in the process of development now. The public mind is gradually awakening to the fallacies of government by theory and experiment, and there is much concern in Washington over the rising tide of criticism besetting the multitude of agencies comprising the new deal.

The failure of the administration, also, to impugn the integrity of former public officials through imperialistic modes of procedure has in no way added to their comfort. That the American people have not forsaken the traditional spirit of fair play is each day becoming more apparent.

The opportunism which contributed so largely to the favorable acceptance of the blatant theories advanced by the Democratic Party in 1932 is fast becoming recognized to have been a delusion.

Antidotes of Russian extraction, embodied in the alphabetical soup dished up by the administration, have failed to live up to the many virtues proclaimed for them, and the American people are beginning to see that it is time to call a halt. As a result the business world is in a state of chaos and bewilderment.

The underlying currents of thought are demanding a definition of purpose. From what has taken place, so far, there is little hope of any such assurance from the invisible government in power at the present time. "Planning" as used by the administration has proved to be a misnomer. A use of words that dignify the employment of practical methods, in arranging a definite series of steps for the attainment of a particular objective, has proven to be nothing more than proselyting in an effort to delude the people with reference to the risks involved in theories, speculation, and experiment.

Hence, in the absence of judicious leadership, we are left to ponder whether we are jumping from the frying pan of new dealism and restriction to the fire of regimentation and inquisition, through new laws about to be adopted by Congress. We are simply floundering in a maze of artificialities totally devoid of sense of direction or clarity of purpose.

This challenge to our civilization must be met in no uncertain way. A most auspicious occasion for the choosing of weapons is provided by the coming meeting of the National Republican Committee. It would seem that sufficient importance attaches to the occasion to justify the exercise of every reasonable precaution. The offices of a subcommittee, for the purpose of making a survey among the outstanding leaders in all walks of life, might afford a most valuable prelude to selective action. This would naturally involve a temporary delay of possibly 2 weeks, but better 2 weeks' delay than the prospect of 4 more years of apostate philosophy of government.

Delay is not always a manifestation of weakness. On the contrary, the very essence of strength lies in the virtues of investigation and research. However, Rome must not be permitted to burn while the modern Nero fiddles. Neither must the bogey of demagogues nor political opportunists serve to sway us from the line of duty.

To build constructively and securely we must provide a sound foundation upon which our superstructure is to rest. The designs for such an undertaking stand out upon the trestle board and the economic vision and political foresight of the master builder is much in demand to interpret properly and correlate their arrangement into a towering edifice of political supremacy, in the interests of a common cause.

The gauntlet has been thrown down in the nature of an abdicated Congress, whereby the illegitimate offsprings of mental degeneracy have been foisted upon business America until the future is altogether unassuring.

With each new shuffle in the new deal comes a corresponding new joker. We are unable to determine whether trumps of today will be trumps tomorrow. We are unable to determine whether our business shall suffer extinction by suffocation, under the arbi-

tary rules of higher wages and shorter working hours, or tomorrow will find us in the arms of a legalized monopoly under the codes, or we may be cast adrift altogether to shift for ourselves.

The time has come, and the Republican Party must carry the flag, for a restoration of constituted government as defined by the Constitution of the United States of America. The American way, as evidenced by its 157 years of evolutionary progression, has achieved a world accomplishment.

We have already gone too far toward the Russian way, in experimentations that possess no lasting merit; and it is high time that patriotic Americans, who are interested in the future welfare of the Nation, join hands in the erection of a beacon light—the selection of a leader—whose guiding genius will steer us clear of the shoals of ignominious disaster.

ELECTION OF PRESIDENT AND VICE PRESIDENT—CONSTITUTIONAL AMENDMENT

Mr. ROBINSON of Arkansas. I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Senate Joint Resolution 29.

The VICE PRESIDENT. Is there objection? The Chair hears none, and lays before the Senate the joint resolution.

The Senate resumed the consideration of the joint resolution (S.J.Res. 29) proposing an amendment to the Constitution of the United States providing for the popular election of President and Vice President of the United States.

Mr. NORRIS. Mr. President, I ask unanimous consent that the joint resolution be read for amendments, committee amendments to be considered first.

The VICE PRESIDENT. The clerk will read the joint resolution for amendment.

The Chief Clerk proceeded to read the joint resolution and read as follows:

Resolved, etc., That the following be proposed as an amendment to the Constitution of the United States, which shall be valid as a part of said Constitution when ratified by the legislatures of three fourths of the States, to wit:

"The Executive power shall be vested in a President of the United States of America. He shall hold his office during the term of 4 years and, together with the Vice President, chosen for the same term, be elected as follows: The choice of each State for President and Vice President shall be determined at a general election of the qualified electors of such State. The time of such election shall be the same throughout the United States, and unless the Congress shall by law appoint a different time such election shall be held on the first Tuesday after the first Monday in November in the year preceding the expiration of the regular term of the President and Vice President. The electors in each State shall vote directly for President and Vice President, and the laws of such State which apply to the canvassing of votes for chief executive of the State shall apply to the votes cast for President and Vice President. The laws of the State providing for the placing of the names of candidates for the office of chief executive of such State, including the names of independent candidates, upon the official ballot, if any is provided by the laws of the State, shall apply to the names of candidates, including independent candidates, for the office of President and Vice President. Each State shall be entitled to as many votes for President and Vice President as the whole number of Senators and Representatives to which the State is entitled in Congress. Each State shall certify and transmit, sealed, to the seat of the Government of the United States, directed to the President of the Senate, the result of said election. Such certificate shall contain distinct lists of all persons for whom votes were cast for President and for Vice President, the number of votes for each, and the total votes of the State cast for all candidates for President and for all candidates for Vice President. The President of the Senate shall, at a joint session of the Senate and House of Representatives, open all the certificates, and the votes shall then be counted.

Mr. ROBINSON of Arkansas. I desire to suggest an amendment, on page 3, line 8, after the word "votes", to insert the words "by States", so that it will read:

And the votes by States shall then be counted.

Mr. NORRIS. Mr. President, I shall have no objection to that amendment; but under the unanimous-consent agreement, we are considering committee amendments first.

The VICE PRESIDENT. Let the Chair understand the parliamentary situation. The Senator from Nebraska did not ask, as the Chair understands, that committee amendments be considered first.

Mr. NORRIS. Yes; I did.

Mr. ROBINSON of Arkansas. I did not so understand.

Mr. NORRIS. Yes; but I have no objection to the amendment suggested by the Senator from Arkansas.

The VICE PRESIDENT. Without objection, the amendment proposed by the Senator from Arkansas is agreed to.

The reading of the joint resolution was resumed.

The first amendment of the Committee on the Judiciary was, on page 3, after line 8, to strike out:

The votes cast in any State for any candidate for President shall be disregarded if such votes are less than 1 percent of the total votes cast in such State for President. Each person for whom votes were cast for President in each State shall be credited with such proportion and fraction thereof of the Presidential votes of such States as he received of the total votes cast at said election for President, using for such fraction three decimals. The person having the greatest number of Presidential votes for President shall be President.

And in lieu thereof to insert:

The person having the greatest number of votes cast for President in any State shall be credited with all the Presidential votes for President to which said State is entitled. The person having the greatest number of Presidential votes for President shall be the President, if such number is 35 percent or more of the total Presidential votes cast for President.

Mr. NORRIS. Mr. President, I desire to offer an amendment to the committee amendment. On page 3, lines 22 and 23, I move to strike out the words "is 35 percent or more" and to insert in lieu thereof the words "be a majority."

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. It is proposed, on page 3, lines 22 and 23, to strike out the words "is 35 percent or more" and to insert in lieu thereof "be a majority", so as to make the sentence read:

The person having the greatest number of Presidential votes for President shall be the President, if such number be a majority of the total Presidential votes cast for President.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Nebraska to the amendment of the committee.

The amendment to the amendment was agreed to.

Mr. ROBINSON of Arkansas. Mr. President, as I understand the purpose of the amendment just offered by the Senator from Nebraska and adopted by the Senate is to substitute a majority for 35 percent?

Mr. NORRIS. That is correct. That is the only effect of the amendment.

Mr. ROBINSON of Arkansas. The Senator has become convinced it is better not to permit an election by popular vote of what may be termed a minority candidate?

Mr. NORRIS. That is true.

The VICE PRESIDENT. The question is on agreeing to the committee amendment as amended.

The amendment as amended was agreed to.

The next amendment of the Committee on the Judiciary was, on page 4, line 4, in section 2, after the word "President", to insert "or if no person shall have received 35 percent of the total Presidential votes"; in line 6, to strike out "such persons" and insert "the persons having the highest numbers of Presidential votes not exceeding 3 on the list of those voted for as President", and in line 9, after the word "immediately" to insert the words "by ballot", so as to read:

If two or more persons shall have an equal and the highest number of votes cast for President, or if no person shall have received 35 percent of the total Presidential votes, then from the persons having the highest numbers of Presidential votes not exceeding 3 on the list of those voted for as President, the House of Representatives shall choose immediately by ballot the President.

Mr. NORRIS. Mr. President, I have an amendment which I desire to submit, striking out section 2. It has been proposed to amend section 3 by two committee amendments. The amendment that is printed and on the desks of Senators provides for striking out on page 4, lines 3 to 17. That will include all of section 2. It is immaterial whether the committee amendments are agreed to or otherwise, but they will have to be disposed of first under the parliamentary situation, I presume.

The VICE PRESIDENT. Without objection, the committee amendments to section 2 are rejected.

Mr. NORRIS. Now I offer an amendment to strike out section 2, on page 4, lines 3 to 20.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. It is proposed to strike out, on page 4, section 2, as follows:

SEC. 2. If two or more persons shall have an equal and the highest number of votes cast for President, then from such persons the House of Representatives shall choose immediately the President. In choosing the President, the votes shall be taken by States, the representation from each State having 1 vote. A quorum for this purpose shall consist of a Member or Members from two thirds of the States, and a majority of such quorum shall be necessary to a choice.

If two or more persons shall have an equal and the highest number of such votes cast for Vice President, then from such persons the Senate shall choose the Vice President.

The VICE PRESIDENT. Without objection, the amendment offered by the Senator from Nebraska is agreed to.

Mr. NORRIS. That completes the committee amendments.

The VICE PRESIDENT. The question is on the engrossment and the third reading of the joint resolution.

The joint resolution was ordered to be engrossed for a third reading and read the third time.

The VICE PRESIDENT. The question is, Shall the joint resolution pass?

Mr. VANDENBERG. Let us have the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. BANKHEAD (when his name was called). I have a general pair with the senior Senator from Wisconsin [Mr. LA FOLLETTE]. If permitted to vote, I would vote "nay."

The VICE PRESIDENT. The Chair calls the attention of the Senator from Alabama to the fact that, this being a joint resolution involving an amendment to the Constitution, it requires a two-thirds vote to pass it.

Mr. FESS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. FESS. Do pairs count on a question of this kind?

The VICE PRESIDENT. It would require two pairs in the affirmative against one in the negative.

Mr. METCALF (when his name was called). I have a general pair with the Senator from Maryland [Mr. TYDINGS]. Not knowing how he would vote, I withhold my vote. Were I permitted to vote, I should vote "nay."

The roll call was concluded.

Mr. TOWNSEND (after having voted in the negative). I inquire if the senior Senator from Tennessee [Mr. MCKELLAR] has voted?

The VICE PRESIDENT. That Senator has not voted.

Mr. TOWNSEND. I have a general pair with that Senator. Not knowing how he would vote, I withdraw my vote.

Mr. FESS (after having voted in the negative). I have a general pair with the senior Senator from Virginia [Mr. GLASS]. I am not advised how he would vote. Therefore, I must withdraw my vote.

Mr. HATFIELD (after having voted in the negative). I inquire if the senior Senator from Florida [Mr. FLETCHER] has voted?

The VICE PRESIDENT. That Senator has not voted.

Mr. HATFIELD. I have a general pair with that Senator. Not being able to obtain a transfer, I withdraw my vote.

Mr. METCALF. I understand that under the ruling of the Chair I am at liberty to vote. Therefore, I vote "nay."

Mr. MCNARY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. MCNARY. I submit the inquiry to justify the vote just cast by the Senator from Rhode Island. A number of Senators have general pairs. This being an amendment to the Constitution requiring a two-thirds vote, is a Senator having a single pair at liberty to vote on a question of this kind?

The VICE PRESIDENT. The pairs of Senators are a matter of conscience with them. The Chair, as a parliamentarian, could not answer as to the technique of their consciences, as to whether or not they feel they should withhold their votes. Ordinarily, 2 affirmative votes are required for 1 negative vote in case of a general pair on a question requiring a two-thirds vote.

Mr. MCNARY. The question arises with me not so much as a matter of conscience as a matter of the rules of the Senate.

The VICE PRESIDENT. There is no rule of the Senate concerning the matter. The Chair repeats that, in his opinion, it is a matter of conscience on the part of the various Senators concerning their pairs with their colleagues.

Mr. MCNARY. I feel quite indifferent about the matter; but the usual practice has been that pairs are assumed to cover legislative measures, and that when a constitutional question arises, pairs of two to one being required, the parties to a pair are absolved from it.

The VICE PRESIDENT. That would be the ordinary construction of the Chair, though, as he repeats, some Senator might think he was obligated to his pair in his absence, and withhold his vote.

Mr. NORRIS. I desire to announce the absence from the city of the Senator from Wisconsin [Mr. LA FOLLETTE]. If present, he would vote "yea."

Mr. DIETERICH. I desire to announce the absence of my colleague [Mr. LEWIS] on important official business.

Mr. ROBINSON of Arkansas (after having voted in the affirmative). I have a general pair with the Senator from Pennsylvania [Mr. REED]. I have been advised that I am at liberty to vote. However, I transfer my general pair with the Senator from Pennsylvania to the Senator from Iowa [Mr. MURPHY] and will let my vote stand. I am advised that the Senator from Iowa would vote "yea" if present.

Mr. FESS. Mr. President, on the same basis I feel that I am at liberty to vote, although I do not know how my pair would vote if present. I therefore vote "nay."

Mr. HATFIELD. In keeping with the statement made by the Senator from Arkansas [Mr. ROBINSON] and also in keeping with the explanation made by the Senator from Ohio [Mr. FESS], I vote "nay."

Mr. NORRIS (after having voted in the affirmative). In order that I may make a motion to reconsider, I change my vote from "yea" to "nay."

Mr. ROBINSON of Arkansas. I regret to announce that the Senator from California [Mr. MCADOO] is detained from the Senate on account of illness.

I desire further to announce that the Senator from Tennessee [Mr. BACHMAN], the Senator from Kentucky [Mr. BARKLEY], the Senator from North Carolina [Mr. REYNOLDS], the Senator from South Carolina [Mr. BYRNES], the Senator from Connecticut [Mr. LONERGAN], the Senator from Georgia [Mr. GEORGE], the Senator from Tennessee [Mr. MCKELLAR], the Senator from North Carolina [Mr. BAILEY], the Senator from Virginia [Mr. BYRD], and the Senator from Maryland [Mr. TYDINGS] are detained at a conference at the White House.

The Senator from Colorado [Mr. COSTIGAN], the Senator from Florida [Mr. FLETCHER], the Senator from Virginia [Mr. GLASS], the Senator from New Mexico [Mr. HATCH], the Senator from Mississippi [Mr. STEPHENS], and the Senator from Utah [Mr. THOMAS] are detained at an important committee meeting.

The Senator from Arkansas [Mrs. CARAWAY], the Senator from Oklahoma [Mr. GORE], the Senator from Iowa [Mr. MURPHY], and the Senator from Florida [Mr. TRAMMELL] are necessarily detained from the Senate.

Mr. FESS. I desire to announce that the Senator from Rhode Island [Mr. HEBERT] and the Senator from Pennsylvania [Mr. REED] are necessarily absent. I am advised that the Senator from Pennsylvania would vote "nay" if present.

The Senator from Connecticut [Mr. WALCOTT] is detained from the Senate on official business. If present, he would vote "nay."

The Senator from California [Mr. JOHNSON] is detained on official business. I am informed that if present he would vote "yea."

The roll call resulted—yeas 42, nays 24, as follows:

YEAS—42

Adams	Couzens	McCarran	Russell
Ashurst	Cutting	McGill	Schall
Black	Dill	Neely	Sheppard
Bone	Duffy	Norbeck	Shipstead
Borah	Erickson	Nye	Thompson
Brown	Frazier	O'Mahoney	Van Nuys
Bulkley	Harrison	Overton	Wagner
Bulow	Hayden	Pittman	Walsh
Clark	King	Pope	Wheeler
Coolidge	Logan	Robinson, Ark.	
Copeland	Long	Robinson, Ind.	

NAYS—24

Austin	Dieterich	Hatfield	Patterson
Barbour	Fess	Kean	Smith
Carey	Gibson	Keyes	Steiwer
Connally	Goldsborough	McNary	Thomas, Okla.
Davis	Hale	Metcalf	Vandenberg
Dickinson	Hastings	Norris	White

NOT VOTING—30

Bachman	Costigan	La Follette	Stephens
Bailey	Fletcher	Lewis	Thomas, Utah
Bankhead	George	Lonergan	Townsend
Barkley	Glass	McAdoo	Trammell
Byrd	Gore	McKellar	Tydings
Byrnes	Hatch	Murphy	Walcott
Capper	Hebert	Reed	
Caraway	Johnson	Reynolds	

The VICE PRESIDENT. On this question the yeas are 42, the nays are 24. Two thirds of the Senators present not having voted in the affirmative, the joint resolution is rejected.

Mr. NORRIS subsequently said: Mr. President, I ask unanimous consent that tomorrow, at 3 o'clock p.m., the Senate proceed to vote without further debate upon the motion to reconsider the vote by which Senate Joint Resolution 29 was rejected, and that if the vote shall be reconsidered the Senate shall then vote without further debate upon the passage of the joint resolution.

The PRESIDING OFFICER (Mr. LOGAN in the Chair). Is there objection to the unanimous-consent request of the Senator from Nebraska?

Mr. McNARY. Mr. President, I think one or two Members on this side of the aisle opposed the joint resolution when it was brought up a few days ago. They are not present. Personally, I have no objection to the request; but in the absence of Members of the Senate who opposed the joint resolution, I should not want to give unanimous consent to proceed to vote again on it without further debate.

Mr. NORRIS. Let me say to the Senator that I have no desire myself to have that done. I include that in the request only because I realize that Senators in charge of the unfinished business do not want delay, and I have assumed that no one wants to debate the question further, because it has been debated. I can, of course, make the motion at any time within 3 days without unanimous consent. I simply submitted the request for unanimous consent in my desire not to interfere with the consideration of the unfinished business any more than necessary.

Mr. ROBINSON of Arkansas. Mr. President, my understanding is that the Senator from Nebraska has requested that at 3 o'clock tomorrow the unfinished business be temporarily laid aside, and that the Senate proceed at once to vote on a motion to reconsider, and, if that motion shall prevail, to vote without further debate on the joint resolution itself.

Mr. McNARY. I understand that perfectly. The Senator has made a very full and complete explanation. I quite appreciate what the Senator desires. Only a few Members of the Senate are present, however; and I cannot consent to a vote on reconsideration and on the joint resolution itself without debate in view of the possibility that some Senator may wish to debate it. I suggest that the Senator renew his request tomorrow, when there will be a larger attendance of Senators.

Mr. NORRIS. Then I will submit another request for unanimous consent. Several Senators have said that they are not familiar with the joint resolution in its amended form. I ask unanimous consent that Senate Joint Resolution 29, as amended, and as we voted upon its final passage, be printed in bill form, and be printed in the RECORD so that Senators may be apprised of its exact form.

Mr. McNARY. I think that is quite proper.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it so ordered.

The joint resolution as amended is as follows:

Joint resolution proposing an amendment to the Constitution of the United States providing for the popular election of President and Vice President of the United States.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two thirds of each House concurring therein), That the following be proposed as an amendment to the Constitution of the United States, which shall be valid as a part of said Constitution when ratified by the legislatures of three fourths of the States, to wit:

"The Executive power shall be vested in a President of the United States of America: He shall hold his office during the term of 4 years and, together with the Vice President, chosen for the same term, be elected as follows: The choice of each State for President and Vice President shall be determined at a general election of the qualified electors of such State. The time of such election shall be the same throughout the United States, and unless the Congress shall by law appoint a different time such election shall be held on the first Tuesday after the first Monday in November in the year preceding the expiration of the regular term of the President and Vice President. The electors in each State shall vote directly for President and Vice President, and the laws of such State which apply to the canvassing of votes for chief executive of the State shall apply to the votes cast for President and Vice President. The laws of the State providing for the placing of the names of candidates for the office of chief executive of such State, including the names of independent candidates, upon the official ballot, if any is provided by the laws of the State, shall apply to the names of candidates, including independent candidates for the office of President and Vice President. Each State shall be entitled to as many votes for President and Vice President as the whole number of Senators and Representatives to which the State is entitled in Congress. Each State shall certify and transmit, sealed, to the seat of the government of the United States, directed to the President of the Senate, the result of said election. Such certificate shall contain distinct lists of all persons for whom votes were cast for President and for Vice President, the number of votes for each, and the total votes of the State cast for all candidates for President and for all condidates for Vice President. The President of the Senate shall, at a joint session of the Senate and House of Representatives, open all the certificates, and the votes by States shall then be counted. The person having the greatest number of votes cast for President in any State shall be credited with all the Presidential votes for President to which said State is entitled. The person having the greatest number of Presidential votes for President shall be the President, if such number be a majority of the total Presidential votes cast for President. The foregoing provisions shall apply to the election of Vice President, but no person constitutionally ineligible to the office of President shall be eligible to that of Vice President.

"SEC. 2. If two or more persons shall have an equal and the highest number of votes for President, then the House of Representatives shall choose immediately, by ballot, one of them for President. If two or more persons do not have an equal and the highest number of votes for President, and if no person have a majority of such votes, then from the persons having the three highest numbers of such votes the House of Representatives shall choose immediately, by ballot, the President. But in choosing the President, the votes shall be taken by States, the representation from each State having 1 vote. A quorum for this purpose shall consist of a Member or Members from two thirds of the States, and a majority of all the States shall be necessary to a choice.

"If no person has a majority of the votes for Vice President, then from the persons having the two highest numbers of such votes the Senate shall choose the Vice President. A quorum for this purpose shall consist of two thirds of the whole number of Senators, and a majority of the whole number shall be necessary to a choice.

"SEC. 3. Congress may by law provide what procedure shall be followed and the method of obtaining a decision in case there shall be more than one certificate of Presidential votes from any State, or in case of any other dispute or controversy that may arise in the counting and the canvassing of the Presidential votes by said joint session of the Senate and House of Representatives.

"SEC. 4. Paragraphs 1, 2, and 3 of section 1, article II of the Constitution, and the twelfth amendment to the Constitution are hereby repealed."

Mr. NORRIS. I now move to reconsider the vote by which Senate Joint Resolution 29 was rejected, and give notice that I shall call up the motion at 3 o'clock p.m. tomorrow.

The PRESIDING OFFICER. The motion will be entered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had concurred in Senate Concurrent Resolution No. 17, as follows:

Resolved by the Senate (the House of Representatives concurring), That the President be requested to return to the Senate the bill (S. 3355) to authorize the coinage of 50-cent pieces in commemoration of the two hundredth anniversary of the birth of Daniel Boone, to correct an error therein.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (S. 2845) to extend the provisions of the National Motor Vehicle Theft Act to other stolen property, and it was signed by the Vice President.

RECIPROCAL TARIFF AGREEMENTS

The Senate resumed the consideration of the bill (H.R. 8687) to amend the Tariff Act of 1930.

Mr. FESS obtained the floor.

Mr. LONG. Mr. President, I rise to a parliamentary inquiry. I do not want to lose my rights. When the Senate took a recess on Friday, I had the floor, and yielded to other Senators. I am perfectly willing that the Senator from Ohio shall take my place and make his speech, but I do not want to lose my right to complete my speech.

Mr. ROBINSON of Arkansas. Mr. President, it is perfectly apparent that a Senator cannot retain the floor under the circumstances.

The VICE PRESIDENT. No; the Senator cannot retain the floor. The Senate has transacted business since last Friday concerning the joint resolution just disposed of, and undoubtedly no Senator has a preferential right to recognition.

Mr. LONG. I do not think we ought to be quite so technical as that. I yielded on Friday in order that the Senate might take a recess.

Mr. ROBINSON of Arkansas. The Senator has a right to resume the floor. There is no question about that.

Mr. LONG. Very well.

Mr. FESS. Mr. President, last Friday I had occasion to make some remarks on the history of the much-disputed tariff question, and stated at the time that at a later date I should claim the floor to discuss the pending measure. That is my purpose in rising to address the Senate.

The trying and protracted period of a world-wide economic depression may be compared with an epidemic that ravages mankind throughout a large portion of the world. At first there are various speculations as to the cause of the trouble and the best methods of effecting a cure. As the disease grows in momentum and magnitude, hope gives way to panic, and established and approved methods are abandoned for hastily conceived nostrums and cure-alls. The country becomes a laboratory of experimentation, and despair prompts us to grasp at any new remedy that promises some degree of relief. Whatever may be claimed as justification for reliance upon experiments and panaceas during a crisis, these should cease when the emergency passes. Important as is a return of economic recovery, desirable as is immediate return of prosperity, vastly more important and desirable is the maintenance of our Constitution and the institutions developed under it.

Crises are not new and not confined to our own country. In our past they have been more or less periodic and due to disturbances of economic forces in which speculation has played a part, and at times legislation has been the occasion. The remedy lies in the correction of faulty legislation where that is the cause and to resumption of normal processes where speculation is the cause. The crisis of 1817 was an inevitable result of the speculation that followed the War of 1812. That of 1837 resulted from the speculative movement in western land purchases. That of 1857 was largely due to the Walker tariff of 1846, only deferred by foreign demands for our goods in China and the countries engaged in the Crimean War. That of 1893 was likewise largely due to tariff tinkering, as was the case of that of 1913, only to be relieved by the World War.

In all of these cases the sound remedy was followed—the resumption of the normal processes of economic law to relieve results of the violation of the forces of the laws of economic growth. True, in every case there were theoretical reformers urging various nostrums as cure-alls, but not until 1933–34 was there any yielding by the Congress to any such nostrums.

The depressing effects of the present crisis reached us in 1929, although the economic disturbance had affected Europe the year before. It resulted from a world-wide convulsion in the play of economic forces to win the war, resulting in the death of 15,000,000 of the world's best, when 25,000,000 more seriously, if not, totally disabled; in the devastation and destruction of hundreds of billions of dollars of property, and in the mortgaging for the future of much of the world's existing property, heavily debt burdened. The major cause of the all-embracing economic break-down is found in the all but complete abandonment of all sound principles of business and government, which will not and cannot be relieved by further violation of the laws of a sound economy such as has been inaugurated, the failure of which we all recognize, if we do not admit. As in the past, and as in the present as viewed in other countries, notably the British Empire, if not the quickest, the surest method is to permit the normal laws of trade to operate, free from the deadening uncertainty of experimentation with the laws of economic progress. Had the foibles of the new deal been avoided and the operation of normal processes of trade been permitted to continue as they were operating in the last half of the year 1932, we would doubtless have been today far in the lead of Great Britain's substantial comeback, reached without resort to fantastic theories foisted upon us in the program of experimentation. Even as it is, in spite of these artificial stimuli, some gains are to be noted.

There is accumulating evidence throughout the world that the depression has run its course, and that the crisis will pass if interferences with normal processes are but removed. Responsibility for the amelioration of human suffering and distress has not ceased, and will continue in greater or less degree until that distant time we call the millennium shall come.

There has never been a time when the relief of human distress and of human want has not engaged the thoughtful and earnest endeavor of civilized nations.

There have been notable instances of individual effort, of associated activities of public-spirited groups and organizations, and of national and governmental assistance. Individual and organized beneficences are primarily a local function, and doubtless government participation in relief activities where local resources are exhausted must continue throughout our day and through generations yet unborn. "The poor ye have always with you"; and the poor and suffering must always be a fundamental concern of individuals and of organized society. But this does not mean that a program devised in times of panic and despair to cover an emergency period must necessarily be applied as a permanent policy, even though the patient is on the road to recovery. It does not mean that economic experiments initiated in times of panic should be continued when and if the crisis is passing, or that emergency should be continued to be cited as an excuse merely for economic or fiscal experimentation. Emergency must not be allowed to become the vehicle on which revolutionary or unconstitutional measures are to become permanent policies.

That the world, especially beyond our borders, is recovering from the economic distemper that has afflicted it for 4 years or more, is daily becoming more evident. The nations making the greatest progress are those least affected by artificial remedies. Reliance upon emergency measures and economic and fiscal experiments as shown in these countries in contrast with our own is a hindrance rather than a help. Such nostrums can no longer have the excuse of necessity or of expediency. As might have been expected when recovery is viewed as a world situation the improvement has been first apparent and has proceeded further in

the countries which were first to feel the effects of the depression and unhindered by artificial stimuli. Economic and industrial improvement is shown in figures of industrial production compiled by the statistical section of the League of Nations for the following countries: Japan, United Kingdom, Canada, Belgium, France, and Germany.

Taking the indexes of industrial production as compiled by these countries and reduced by the League of Nations to a common base by which the average production of 1928 is taken as 100, the index of Japan, at the end of 1933, had advanced 39 percent above the level of 1928. The indexes of the other countries were still below the 1928 level, but the percentages which they had regained of their extreme losses below the level of 1928 were, for the United Kingdom, 92 percent; for Canada, 43 percent; for Belgium, 42 percent; for France, 40 percent; and for Germany, 35 percent. Compared with these figures, the percentage of recovery for the United States, according to the Cleveland Trust Co. Business Bulletin, April 15, 1934, is 32 percent. It is true that we cannot tell how much of this increase is due to Government expenditure, which is more properly for relief than for recovery. Obviously it must be a large percentage.

It will be noted that this larger degree of recovery up to the end of 1933 in the countries mentioned—Japan, United Kingdom, Canada, Belgium, France, and Germany—than in the United States for the same period, has been brought about without resort to the experimental or emergency legislation which has been put into effect in this country. It would appear, therefore, that what we need at this time in America, instead of resorting to the laboratory of experimentation, is a calm appraisal of national and international conditions and an abandonment of the prevalent practice of citing an emergency as the reason for unprecedented experiments in legislation as is here proposed, as the sine qua non of economic recovery.

It is this economic emergency which is given as the reason for each and every item of the program of the new deal and is now being urged as the ground for the passage of the pending measure, H.R. 8687, to delegate to the President the power to negotiate reciprocal trade agreements. In section 350 (a) of the pending bill it is described "as a means of assisting in the present emergency, in restoring the American standard of living, in overcoming domestic unemployment, and the present economic depression."

In his testimony before the Ways and Means Committee on March 8, 1934, the Secretary of State cited the existing great emergency as the reason for requesting this extraordinary grant of power to the executive branch of the Government.

I wish here and now to say that, while I cannot agree with the Secretary on his tariff views, all who know him will freely concede to him great respect for his consistency of views. He is one of the few outstanding American statesmen who still resist the protective tariff theory, and consistently plead for the principle of limiting tariff duties to revenue purposes.

HULL AMENDMENT TO TARIFF LAW

When we were discussing the act to amend the tariff law of 1930, Secretary Hull, then Senator, offered the following amendment:

> The Government of the United States agrees not to increase its protective tariffs above the present level for a period of 2 years, or to create new barriers or impediments to trade, provided other nations shall agree to pursue a like policy.

When before the committee on the pending proposal, and after referring to the fact that "we have seen in every part of the world despotism, dictatorships, and autocracies spring up overnight", the Secretary of State said:

> My observation after rather careful investigation has been that the mainspring of the moving influence of those revolutions has been people out of work, people who have become hungry, without enough clothes, without enough shelter, and other people have been hurled headlong into bankruptcy and are mad at everybody and everything, including their own institutions of government. We are not going to fall into that soon, but you could easily become victims of those things in other parts of the world, and for that reason I would invoke your attention long enough to deal with this emergency situation, the acuteness of which I cannot overemphasize. (P. 17, Ways and Means Committee Hearings.)

Again, the Secretary of State said in his testimony before the Ways and Means Committee, and other spokesmen of the administration said substantially the same thing:

> It is manifest that unless the Executive is given authority to deal with the existing great emergency somewhat on a parity with that exercised by the executive departments of so many other governments for purposes of negotiating and carrying into effect trade agreements, it will not be practicable or possible for the United States to pursue with any degree of success the proposed policy of restoring our lost international trade.

Mr. President, I wonder whether the words of the Secretary of State are properly understood when he makes the statement—

> It is manifest that unless the Executive is given authority to deal with the existing great emergency somewhat on a parity with that exercised by the executive departments of so many other governments * * * it will not be practicable or possible for the United States to pursue with any degree of success the proposed policy of restoring our lost international trade.

In appraising this statement it should not be overlooked that over 300,000,000 people of Europe and Asia, constituting the populations of many of the countries with which we are to bargain, are today under dictators. To give the President of the United States commensurate power with such dictators for bargaining is proposing an abandonment of American ideals never before suggested in high circles.

At the hearing held by the Finance Committee on April 26 the Secretary of State said:

> We are now faced with a panic and extraordinary measures are needed to meet the emergency. This is an emergency measure.

While it is admitted that we have unemployment today in our cities in large proportions but slightly relieved beyond Government stimulation, an examination of the recovery of other parts of the world would argue against, rather than for, such radical departures as here proposed.

The proposition before us, as stated by the spokesman of the administration, can be summed up in these words: That an emergency exists; and that the President must be given authority somewhat on a parity with that exercised by the executive departments of so many foreign governments for the purpose of negotiating trade agreements, in order that we may restore our foreign trade.

That the world has been engulfed in a great depression is known to all men. That signs are multiplying that the world is recovering from the depression is apparent to students of world affairs and observers of world conditions. In some aspects the emergency in our own country seems to be passing. To deny that we are emerging from the emergency is to deny the efficacy of the recovery program of the President which Senators on the other side of the aisle pressed so earnestly for adoption, and which many on this side supported in order that those having the responsibility of leadership in the crisis might have authority to act. If, in accordance with the contention of the Democrats, their policy is effective, it becomes the duty and the obligation of the legislative branch of the Government to scrutinize with greater care the remedies proposed by the Chief Executive and his advisers.

No one disputes the statement of the Chairman of the Finance Committee in presenting the bill to the Senate that the commerce of the world has materially declined, especially since 1929; and it is equally true that domestic trade has declined. In fact, the relative decline in domestic trade has been greater than the decline in foreign trade. Let Senators not forget that improvement in domestic business is the surest and soundest method of obtaining improvement in our foreign trade. Advancement of foreign trade as against domestic trade is a positive injury to our people. On the other hand, a prosperous domestic trade is the first essential of a prosperous foreign trade. To state it differently, a prosperous America would be our greatest possible contribution to the prosperity of the world. This should be our first and foremost concern in all our legislation, both of an emergent and permanent character, the opposite of

which, when viewed from results, is emphasized in the pending bargaining-tariff proposal.

If we will but give domestic business a chance, we shall be definitely setting our faces toward recovery and the return of more prosperous times. Since 1928 in the outside world, and 1930 in our own country, production has been greatly interrupted. It is now showing a normal and world-wide advance toward improved conditions. It should not be further interrupted by hazardous and unwise experiments, and we should definitely avoid using the occasion for embarking on dangerous and unconstitutional proposals. It is the belief of the best thought of America that all basic elements of the country—agriculture, manufacturing, transportation, banking resources, mining, managerial ability, and skilled labor—now temporarily interrupted, will emerge if given a chance free from governmental interference.

Authorities on trade movements inform us that due to slowing up of production our inventories are low, that we now have greater shortages of goods and construction that our people need and want and greater accumulations of money and credit seeking employment than have ever existed before in this or any other country.

Mr. President, the significance of those facts must not be overlooked. With low inventories of goods, the people want and need, due to a slowing down for 4 years, and with the largest accumulation in history of money and credit idle and willing to work, nothing is necessary for resumption of business except confidence, which never can come except through the removal of the uncertainty which is brought about by this program of experimentation.

Improvement will be insured if we will but remove the obstacle of uncertainty involved in a program of artificial nostrums. The removal of uncertainty is the most important determinant of revival of business to absorb unemployment.

I cite as an example a recent statement of the Cleveland Trust Co., which is recognized as an authority because of the careful analyses it makes of economic currents:

> The index of industrial production of this bank was 29 percent below normal in January, 26.3 in February, 23.6 in March, and the April estimate is 21.7.

Showing a gradual improvement in the industrial situation as reflected by the analysis of that bank:

> Further improvement seems indicated for May. April increases were largest in iron and steel, textiles, lumber, automobiles, and coal.

All of those are basic commodities.

The Department of Labor estimates that manufactures have absorbed two and three quarters millions of workers more than a year ago, and that there has been an increase of $79,000,000 in weekly wages. General Johnson puts the figure at 3,000,000 reemployed through the operation of the National Recovery Administration. Of course, these wage increases are in reality a restoration of actual wage cuts incidental to the new monetary policy, and must be interpreted in the light of currency revaluation reducing the dollar to 59 cents, which tended to reduce the purchasing power of the previous wage scale. Under more normal and less artificial and arbitrary methods of recovery, gains might have been and most certainly would have been less nominal and more real.

Bank clearings are offered as another criterion of domestic improvement. They recorded on April 21 of the present year the largest weekly total since January 1932. After allowing for technical differences in the periods compared, bank clearings this year reflect some gains in business over last year. Many cities reported larger clearings than a year ago, an increase being noted in New York, Boston, Philadelphia, Chicago, Pittsburgh, Cleveland, and some other western and southern points. To what extent this showing is due to Government stimulation by public expenditures is difficult to analyze. What proportion is relief and what recovery is, of course, quite important but difficult to determine.

Production of durable goods, the key log to the jam, has not been satisfactory, but has shown some increase. Production of nondurable goods has increased slightly more than seasonally in March and the first half of April 1934, according to the monthly report of the Conference of Statisticians in Industry of the National Industrial Conference Board. Whether there is any substantial improvement beyond Government stimulation is still a question. Notable gains were reported, especially in the automobile industry; some gains in building and engineering construction, which would be reflected in gains in steel and iron; bituminous coal mining; electric power production; and textile apparel manufacturing. What percent, if any, of this increase is normal and what is artificial stimulus has not as yet been analyzed. It is the belief of management that it would have been greater if permitted to pursue normal processes free from the uncertainty of experimentation. Some gains are also noted in the production of passenger cars and trucks; and exports of motor vehicles substantially increased in February over a year ago.

Statistics appearing during the week of April 21 indicated a rising business tendency, according to Moody's index figures, for freight-car loadings, electric-power production, and steel-ingot output. It is believed that, given a chance, with greater certainty in the future, less experimentation, and less governmental interference, we will see, as in England and Canada, a substantial turn toward recovery.

Mr. President, it should be noted that in the last 2 weeks, from the index figures of same agencies, there has been something of a recession instead of an increase. It is, however, rather difficult to analyze.

The future analyst in dealing with this period of the new deal will point to the economic adventures as attempted artificial stimuli on behalf of reforms involving serious economic consequences.

He will not only emphasize the danger of such artificial nostrums as relief, but will also direct attention to penalizing legislation, written on the impulse of the moment, which ultimately must result not only in disappointment but in disaster, so well illustrated by what we have been passing through since the 4th of March 1933, in the form not only of deficits, and increased taxes to meet them, but many other radical suggestions. No thoughtful student can view the recent trend in taxation without concern.

That principle of taxation which applies the burden according to ability to pay is sound within limits. When it reaches the point of penalizing the taxpayer, it will defeat itself as a revenue source and result in an actual loss. This is demonstrated by experience in the history of taxation. It is the principle known in political economy as "diminishing returns." In the field of customs duties it is well demonstrated. Rates up to a given scale insure increased revenue; beyond that scale they mean a decrease of revenue. A rate of taxation which discourages enterprise will reduce the revenue. That is why a balanced Budget, not by increasing taxes but by reducing Government expenses, is essential. If it must depend upon constant increase of the tax burden, it will defeat itself. All Government obligations must in the final analysis be met by this source, unless repudiation is resorted to, which makes a growing deficit a continuous obstacle against business revival.

The outlook for the payment of taxes is not brightened by a program of Government competition with industry on the one hand and penalizing legislation on the other. Unless there is some assurance that the profits of industry are not to be totally absorbed by tax demands, there will be no enlargement of an existing industry nor the development of a new industry. The contention from high circles for a redistribution of wealth through the form of taxation is a deterrent to recovery. The demand from like sources for the elimination of the element of profit from investment on behalf of business as a philanthropy is a further deterrent. Investment at best is a risk fraught with grave concern. If the Government policy dictates the elimination of profit on behalf of philanthropy, then it must guarantee against loss, else business is wiped out and revenue lost.

It is obvious that the investor who is under Government compulsion through exacting taxation to conduct his busi-

ness on altruistic lines by eliminating the element of profit will decline to make the effort. The constant threat on the part of certain influential factors of the administration that if the manager declines to embrace the expensive plans of the new deal, which demand additional taxes, his business will be taken over and run by the Government, compels him to stop, look, and listen.

This cumulation of adverse forces antagonistic to a revival of business is one of the greatest obstacles against normal recovery through which enterprise must employ labor, and the Government may be compelled to continue its ominous program inaugurated on Government expenditure, already resulting in a shocking state in the Treasury, which, if not halted, will make the Government the chief employer of labor, with all the frightful consequences involved in political management of industry.

This situation accounts for the rumor that a number of men with large incomes have recently said that rather than see their earnings swallowed up by the Government in taxes, they would take things easy. The danger of this statement arises from the fact that it is not so much a matter of choice as compulsion. While the rumor will be criticized by the element which is throttling the thrifty and punishing the frugal and industrious in a desire to soak the rich, the country is less interested in a criticism of a practice than it is in actual results compelled by Government policies, as inevitable results are much more important to the public than mere individual criticism of the conduct of the taxpayer. These are some of the obstacles in the way of normal recovery, which, if removed, would open the way. Yet in the face of these obstructions the strength of American industry is sufficient to show some gains in meeting demands.

In a not distant future the years 1933 and 1934 will be singled out as the years when an American administration actually ordered millions of hogs slaughtered, and meat destroyed, when 10,000,000 men were out of work and in needy circumstances. This period will be marked as the time when the Government paid farmers $10 per acre for leaving their wheat ground lie fallow, a similar sum if they would plow up their cotton, notwithstanding the millions of citizens seeking in vain employment, and actually suffering by underconsumption of these very necessaries of life. These are some of the economic blunders of the program of national planning which make business revival very difficult.

The power to revive is further shown in our foreign trade. The foreign commerce division of the Chamber of Commerce of the United States reports that—

> The year 1933 was a turning point in our foreign commerce. The steady decline in both our export and import trade was definitely checked in the middle of the year, and was replaced during the last half of the year by a substantial recovery movement. This paralleled in part the improvement in domestic trade and the change in economic conditions in many major sections of the world.

In the testimony before the Ways and Means Committee by the administration advocates of conferring this extraordinary tariff power upon the President, and repeated by the chairman in opening the debate on the floor of the Senate, much stress was laid upon the decline of our foreign trade from 1929 to 1932. But in these arguments the decline in imports and exports was stated in terms of value, and not in terms of volume. The decline in value makes an impressive showing, amounting to something like 69 percent in 1932 compared with 1929; a decline that is largely due, however, to the enormous fall in commodity prices.

But when the decline is expressed in terms of volume instead of value the picture is not such a gloomy one. In volume the decline in our imports and exports amounted to about 30 percent, about the same as the decline on some branches of domestic production and far less than the decline in the steel and construction industries. In these arguments, however, the comparison of the statistics of foreign trade have generally been based upon the figures for 1929 and 1932. The year 1929 was a boom year, a year of abnormally large exports and imports, and the year 1932 followed the collapse of central Europe, a low year of the depression. The comparison is misleading because it is based on inflated prices in 1929 and deflated prices in 1932.

A comparison of 1929 and 1933 would not make quite such a bad showing. Imports in 1932 were $1,323,000,000; in 1933 they were $1,449,000,000. Our exports in 1932 were $1,577,000,000; in 1933 they were $1,647,000,000. Here was an increase of $126,000,000, or 9.6 percent, in imports in 1933 over 1932; and an increase in our exports of $70,000,000, a 4-percent increase over 1932. When it is noted that our exports for the first 5 months of 1933 were lower by 24 percent than they were in the first 5 months of 1932, the net gain of 4 percent for the full 12 months of 1933 over 1932 is more significant. Suspension of production covering the usual period of depression will give way to increased business activity due to low inventories as is shown by statistics. Our foreign, as our domestic, commerce awaits the chance for normal processes, not artificial nostrums, and certainly not unconstitutional proposals, such as delegating the taxing power to the Executive.

The increase of exports and imports took place without the exercise by the President of any tariff-bargaining powers and in spite of the program of experimentation. It is reasonable to suppose that foreign trade will gradually improve as business conditions improve both here and abroad and world prices approach a more nearly normal level. A plan to stabilize currencies and restore world prices would have a better and more far-reaching effect upon world trade than Presidential bargain hunting. Our domestic trade is twice as large as the trade of the rest of the world.

Mr. President, not to detain the Senate unduly, I should like to have permission to insert in the RECORD, without reading, a table which gives the total exports and imports by months for the years 1932 and 1933.

There being no objection, the table was ordered to be printed in the RECORD as follows:

Total exports and imports, by months, 1932 and 1933

[Values in thousands of dollars, i.e., 000 omitted]

Month	Domestic exports		Reexports		Total exports		
	1933	1932	1933	1932	1933	1932	Percent gain (+) or loss (−)
January	$118,559	$146,909	$2,030	$3,116	$[illegible]	$150,022	−19.6
February	99,423	151,048	2,092	2,924	[illegible]	153,972	−34.1
March	106,293	151,403	1,722	3,473	[illegible]	154,876	−30.3
April	103,265	132,268	1,952	2,826	105,217	135,094	−22.1
May	111,845	128,553	2,358	3,346	114,203	131,899	−13.4
June	117,517	109,478	2,274	4,671	119,791	114,149	+4.9
July	141,573	104,276	2,536	2,555	144,109	106,831	+34.9
August	129,315	106,270	2,157	2,330	131,472	108,600	+21.1
September	157,490	129,537	2,629	2,500	160,119	132,037	+21.3
October	190,942	151,035	2,228	2,054	193,070	153,089	+26.1
November	181,251	136,402	2,965	2,432	184,256	138,834	+32.7
December	189,788	128,975	2,831	2,638	192,619	131,613	+46.4
Total	1,647,201	1,570,151	27,774	34,865	1,674,975	1,611,016	+4.0

Month	General imports			Total trade	
	1933	1932	Percent gain (+) or loss (−)	1933	1932
January	$96,006	$135,520	−29.2	$216,595	$285,542
February	83,748	130,999	−36.1	185,263	284,971
March	94,860	131,189	−27.7	202,875	286,065
April	88,412	126,522	−30.1	193,629	261,616
May	106,869	112,276	−4.8	221,072	244,175
June	122,197	110,280	+10.8	241,988	224,429
July	142,980	79,421	+80.0	287,089	186,252
August	154,916	91,102	+70.0	296,388	199,702
September	146,641	98,411	+49.0	306,760	230,448
October	150,857	105,499	+43.0	343,927	258,588
November	128,505	104,468	+23.0	312,761	243,302
December	133,217	97,067	+37.2	325,836	228,700
Total	1,449,208	1,322,774	+9.6	3,124,183	2,933,790

Total exports and imports, by months 1934 (first quarter)
[Values in thousands of dollars; i.e., 000 omitted]

Month	Domestic exports, 1934	Reexports, 1934	Total exports		General imports	
			1934	Percent gain over 1933	1934	Percent gain over 1933
January	$169,531	$2,643	$172,174	42.8	$135,711	41.4
February	159,671	3,134	162,805	60.4	132,656	58.5
March	187,495	3,520	191,015	76.8	158,000	66.6

Source: Bureau of Foreign and Domestic Commerce, Department of Commerce.

Mr. FESS. Mr. President, no other nation has the domestic purchasing and consuming power that we have. Here in the United States—I scarcely need repeat what is known by our people—we have a market for over 90 percent of our production. We are dependent upon foreign markets for less than 10 percent of our consumption, while foreign countries, in contrast, depend upon exports for an outlet for from 20 to 80 percent of their products. There certainly is no prospect for us to increase the export of such goods as are now produced in other countries far in excess of their domestic requirements. I need go no further by way of illustration than to refer to our experience in the case of wheat. At one time we found a market in Europe for all our surplus wheat. Today that market is gone, not because the people are not consuming wheat, but because they are getting it from countries which are now producing it which did not produce wheat prior to the World War.

With the exception of cotton, certain types of machinery, some electrical appliances, typewriters, adding machines, and automobiles, the demand for many of our products which were formerly exported in large quantities has declined because of increased production in countries that can sell these products at prices lower than our cost of production.

The export demand for American cattle and wheat has declined sharply because of increased production in Canada, Argentina, Australia, and Russia. Intensive effort has been directed since the World War toward increased production of both agricultural and manufactured products. Almost every country has made some effort to become more self-contained and less dependent upon other countries.

This economic situation is one of the contributions of the World War which was called into existence first as an emergency and has now become permanent. It has definitely absorbed the foreign market by supplying it with cheaper production, never to be regained by us with our more expensive products due to higher standards of living.

That is one reason for the decline in world trade; and so long as this tendency continues we shall find it difficult to obtain larger foreign markets through international agreements by tariff bargaining, except upon such terms that we shall have far more to lose than to gain.

The advocates of extending this unprecedented tariff power to the President have not told us with any definiteness where greater foreign markets are to be found or what of our commodities may benefit, and they have been equally indefinite about what domestic products are to be sacrificed in order that our exports may be increased. There have been some intimations from the Secretary of Agriculture that some unspecified small and inefficient industries may be wiped out and their products imported from more efficient foreign countries, his test of efficiency apparently being cheapness of price. It would be interesting to the American people to be told by authority just what articles of American production are to be included in the list of those which are inefficient and expensive. In all probability the American people will deny both intimations—that their industries are inefficient, or that they are expensive.

The Secretary also intimated that if we bought more sugar from Cuba, Cuba might buy more lard from us. Such a prospect might appeal to the Corn Belt, but it would be far from satisfactory to Louisiana and the beet-sugar States.

Mr. DICKINSON. Mr. President, will the Senator yield?

Mr. FESS. I yield.

Mr. DICKINSON. I should like to suggest that the best corn section of Iowa is also the sugar-beet-producing section of Iowa. Therefore, if we were to buy more sugar from Cuba in order to sell more lard, we should be cutting off the sugar-beet area of Iowa. On top of that, the best corn area of Iowa is also the best hog area of Iowa. Therefore, we have three conflicting interests there, none of which can be segregated according to any international trade agreement with any country in the world without punishing some particular industry.

Mr. FESS. I appreciate the statement of the Senator from Iowa, who conclusively refutes the statement of another citizen of Iowa from whom I was quoting. That is why I used the expression that the action that is proposed might be favorable to the hog area or the corn area. I had not attempted to analyze it, but I admit the strength of the statement of the Senator.

Mr. President, if Secretary Wallace's definition of efficiency—that is, cheapness—should be applied to all our products, Japan would supply our pottery; France, our silk, laces, and wines; England, our cotton and worsted goods; Germany and Belgium, our steel products; Switzerland, our cheese and watches; Argentina, our wheat, flaxseed, and meat; and New Zealand, our butter. Under any such impracticable program, new alphabetical bureaucracies would have to be speedily established to care for the unemployed and feed the hungry, and "recovery" would be a word to be mentioned only in our prayers. Of course, no administration should be permitted to carry out any such program as that.

Nevertheless, implied and involved in this tariff-bargaining plan is some thought or idea of applying such a theory in part, at least. The program is definitely described as being a give-and-take arrangement. What is there that we could take in a foreign market that would compensate us for what we would have to give of our domestic market? Let the items be specified.

There are many cities in the United States whose trade is worth more to us than the entire commerce of some foreign countries. Our domestic market is so much more important to us than any possible foreign market that it should be maintained and safeguarded in spite of the alluring but deceptive promises of reciprocal trades. We have only the friendliest feeling for foreign countries and for their people; we wish them peace, prosperity, and continued development; but our altruistic sentiments do not include the folly of destroying our own business, or any part of it, to promote at our expense the business of foreign competing countries.

We were assured that there would be no lowering of the tariff on agricultural products. That assurance came from the very highest authority, the President of the United States, while a candidate; and the assurance has been constantly repeated by those identified with the administration.

Mr. President, if we could always match promise with performance, it would not be serious; but, unfortunately, promises made in a campaign may not, at the time they are made, be fully comprehended by the one making them. Consequently, it is a common thing for the most solemn promise to be broken, or, I may say, respected only in the breach rather than in the observance.

In a speech on July 30 at Albany, N.Y., Governor Roosevelt, now President Roosevelt, said:

> Let us have courage to stop borrowing to meet continuing deficits. Stop the deficits. Let us have equal courage to reverse the policy of the Republican leaders and insist on a sound currency. * * * This concerns you, my friends, who have managed to lay aside a few dollars for a rainy day.

That statement was made by the same person who on the 10th of March 1933 announced that for 3 long years we had been on the road to ruin, and said that we were facing a startling deficit of $1,200,000,000 for that year. Hardly 6 months had elapsed—in fact, only 4 months—when a message came to us stating that the deficit, instead of being $1,200,000,000, would be six times that; and yet the order was to "stop these deficits."

On October 4 Mr. Hoover was making an address in Des Moines, Iowa. He made rather a startling statement in

reference to the country having narrowly escaped going off the gold standard. That statement was offensive to many of our Democratic leaders, including the very distinguished Senator from Virginia [Mr. GLASS].

Mr. LONG. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER (Mr. MCCARRAN in the chair). Does the Senator from Ohio yield to the Senator from Louisiana?

Mr. FESS. I yield.

Mr. LONG. I suppose the Senator could quote Mr. Hoover as our Democratic tariff authority now. That ought to be good news. Whatever the Senator might quote would be good Democratic tariff philosophy at this time.

Mr. FESS. My friend from Louisiana is so facile in his illustrations that I am afraid to approve or disapprove his statement. I am not sure just what he means. Of course, I know he makes that statement in good humor, as I take it in good humor.

Mr. LONG. I was just comparing what President Hoover had said with what President Roosevelt had said. President Hoover had said that he wanted to have the tariff-making authority turned over to him under the flexible-tariff law, and President Roosevelt had spoken of it in effect as being anarchistic and unconstitutional.

Now we have flopped back and have adopted Mr. Hoover's policy, I guess, or that of somebody else—I do not know who it is. I have never found out where President Roosevent comes in on this thing. Either he is disowned here or he has quit the company. I do not know just where we stand on this matter. I am going to send out a questionnaire and find where I stand with the party.

Mr. FESS. I should be interested in that.

I interpret the reference of the Senator from Louisiana to mean that those of us who supported the flexible-tariff provision as approved by President Hoover are inconsistent now because we refuse to go as far as the pending bill proposes to go. I discussed that question last week. I said that I approached the flexible-tariff provisions with a good deal of reluctance. When it was first suggested, it was offensive to me; but the logrolling practice which always obtains in the legislative branch when there are two or three thousand tariff items to consider, all at one time, offered so many opportunities for error that I felt, if we could enter upon a scientific method by which a survey would be made, the data assembled, and a body of facts presented upon which the President might act, not upon a whole schedule but upon an individual item, the innovation would be justified; and for that reason, with some reluctance, I supported it. Of course, however, I never dreamed of going to the extent of permitting the President, without a hearing or the collection of data, just upon his own ipse dixit, to say what a tariff rate should be. That would be exceedingly offensive, to my way of thinking on tariff legislation.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. FESS. I yield.

Mr. VANDENBERG. Is there not the further very important distinction that under the existing flexibility there is a specific yardstick—to wit, the cost of production—whereas under this proposed new arrangement we are embarking upon the uncertain sea of personal judgment, which may be unrelated to cost of production; indeed, which we are notified will be primarily related to a tryrannical decision as to what business is entitled to survive in the United States? I do not know how a difference could be more fundamental than that.

Mr. FESS. The Senator is correct. He gives an illustration very apt and commanding.

There is another danger which I should like to have my colleagues realize. If power shall be given to the President to say what this rate shall be or what that rate shall be, an industry which is now protected might be forced into a controversy with the highest authority on some rule under the N.R.A. which might involve serious consequences. What is to deter the President from saying, "Meet this requirement, or you will be destroyed"? The President would not say that, but why should we give such power to any man that under impulse he might be led to do such a thing? That is a consequence which would be possible under the provision written into this authority, of which heretofore nobody ever dreamed.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. FESS. I yield.

Mr. VANDENBERG. The Senator certainly is justified in his observation. I call his attention to the fact, by way of further confirmation, that it is a fundamental theory in the philosophy of fascism that a dictatorship of that character can only succeed as it has its hand upon the economic power to rule or ruin industry. Therefore this proposal is Fascist in its philosophy, Fascist in its objective, and might well become Fascist in its operation.

Mr. FESS. Certainly that is true, and, as has been said so often, the danger is not how far the step, it is the direction in which the step is taken. It is not the number of steps taken, but rather whether the first step is to be taken. When the first step shall have been taken, everybody knows what will follow.

Mr. President, I recall that less than 20 years ago, when I was a Member of the other body, there was a destructive fire in a city in a certain State, and an appeal came from that State to the House of Representatives for relief from the Government. The appeal developed a very serious debate, and even a Member of the House from the State which was to be benefited spoke against the relief being given, on the ground that if we embarked on that policy we would never stop.

As I have stated, that was less than 20 years ago.

There was recently a drought in the West, and I am told that it is being estimated that the loss will amount to somewhere between five and six hundred million dollars. No doubt we shall be asked, before we adjourn, to give authority for the appropriation of an enormous amount of money for relief, and we shall be justified in taking that action, because we have started upon the policy, the first step of which was difficult to take, but it has now become the practice of the Government, and we pursue the course easily. That is the significance of any innovation, especially if there is a test of constitutional authority in making it.

Mr. President, I was about to quote what President Hoover said about our near approach to going off the gold standard. His statement somewhat aroused our Democratic brethren, and an ex-Secretary of the Treasury, now a very distinguished Member of this body, who wrote the Federal Reserve Act of 1913, and who was called upon to reply to the statement which had been made by President Hoover. Let me read a brief statement made by the Senator from Virginia [Mr. GLASS], who had been Secretary of the Treasury in President Wilson's Cabinet, and who wrote the plank in the Democratic platform announcing the party's position in favor of a sound currency. This is what the Senator said:

> I assert that those of us responsible for legislation never had the remotest intimation from the administration that the gold standard was in danger. I repeat the assertion that anybody who now says anything to the contrary of what is alleged here is either ignorant of the facts or indifferent to the truth.

The Senator further commented upon the statement:

> If the President and the Secretary of the Treasury had knowledge of the fact that this country was faced with imminent disaster by being driven off the gold standard in 2 weeks, and failed to so advise the banks and private investors who purchased nearly $4,000,000,000 of these Federal securities, they were guilty of amazing dishonesty; they were cheating the investment public; and could not even appropriate to themselves the solace of future oblivion.

That was the statement of the senior Senator from Virginia in answering President Hoover's allegation that we were within 2 weeks of going off the gold standard.

The Democratic candidate for President at that time, now the distinguished President of the United States, made this statement:

> The business men of this country, battling hard to maintain their financial solvency and integrity, were told in blunt language in Des Moines, Iowa, how close an escape the country had some months ago from going off the gold standard. This, as has been clearly shown since, was a libel on the credit of the United States.

The distinguished speaker proceeded:

> No adequate answer has been made to the magnificent philippic of Senator Glass, in which he showed how unsound was this assertion. And I might add Senator Glass made a devastating—

I wish this language to be especially noted—

> Senator Glass made a devastating challenge that no responsible government would have sold to the country securities payable in gold if it knew that the promise, yes, the covenant, embodied in these securities, was as dubious as the President of the United States claims it was.

Mr. President, I am mentioning this to indicate the danger of relying upon promises made during the time of a campaign. I have just finished quoting a statement from the President. What followed? First, gold payments were suspended. Next, the gold standard was forsaken, although that action was claimed to be but temporary. Then it was flatly repudiated by law, the President thereafter referring to it as one of the old fetishes of so-called "international bankers."

On October 22, discussing the gold-purchase plan, the idea being to change the value of the dollar much faster by manipulating the price of gold, the President said:

> We are thus continuing to move toward a managed currency.

Mr. President, let us keep in mind the statement that no responsible government would issue bonds to be paid in gold, if it knew that the gold-redemption clause was to be eliminated or that the Government was to go off the gold standard. It took 3 months to accomplish that result, and during those 3 months the Government sold to banks and investors $1,400,000,000 worth of securities, all of them bearing the engraved words, "Principal and interest payable in gold coin of the present standard of value."

On March 9, 1933, the Congress enacted an emergency law investing the President and the Secretary of the Treasury with absolute power to control money and banking, including the power to require all private owners of gold, if necessary, to deliver it up to the United States.

On March 12 the Treasury sold $800,000,000 worth of short-term bonds, called "certificates of indebtedness", and on each bond was engraved the promise to pay in gold.

On March 15, 3 days later, another issue of $100,000,000 of Treasury bills was made.

On April 5, only 20 days later, the President issued an order commanding all private persons and all private banks to deliver by May 1 all their gold possessions.

On April 5, parallel to the President's order commanding privately owned gold to be surrendered, the Secretary of the Treasury issued a statement saying:

> Those surrendering gold, of course, receive an equivalent amount of other forms of currency.

And that is a fairly good statement of what gold-standard money is, in accordance with the statement of the Secretary of the Treasury.

On April 19 the President proclaimed the embargo on exports of gold.

On April 23, 4 days after the President had proclaimed the embargo on gold exports, thereby serving notice on the world that the American Government would no longer hold its dollar to the gold standard—for that is what the embargo meant—the United States Treasury offered and sold $500,000,000 of short-term bonds called "3-year notes." It issued them in small denominations, and recommended them to small investors; and in the Treasury circular offering these bonds the Government said:

> The principal and interest of these notes will be payable in United States gold coin of the present standard of value.

People bought them on that representation, unaware that the Government was then writing a law to repudiate that contract.

Five days later the Senate passed the inflation law.

Then, on June 5, responding to the wishes of the administration, the Congress by joint resolution repudiated the gold clause and violated its most solemn pledge without consulting the other party to the contract.

Mr. President, I take the time to point out only that one instance, dealing with the money question, to say nothing about a great number of other issues treated in identically the same way, to indicate that the promise we have that there will be no lowering of the tariff on agricultural products cannot be relied upon. That is not questioning the honesty of the utterance. It is simply calling attention to the fact that promises are not kept when it appears convenient to break them.

Mr. President, I have dealt with our present economic situation. I now propose to indicate by contrast how Great Britain proceeded and what her condition was in 1921. When Great Britain was faced with her most dangerous unemployment problem, and had for sometime before entered upon the system of the dole, and was seriously considering its abandonment, as a necessity, the problem before the Parliament of Great Britain was, What is to be done about the unemployed? Bonar Law was the man who was willing to announce a policy that had been antagonistic to the British idea of trade for more than 70 years. The Prime Minister said that there were three possible alternatives:

One was to abandon the dole; but the consequences of such abandonment at the time could not be fully understood.

The second alternative was to allocate to the various colonies a certain portion of the unemployed.

The third alternative was to adopt the system of protective tariff.

The British had not gone far in the discussion until the idea of giving up the dole without some substitute had to be abandoned. Then the question came as to the allocation of the unemployed. Immediately certain questions arose: First, where to send the unemployed? Who would want them? Second, what would be sent with them? What would be their condition after they were sent away? What would be their feeling about being taken from their old localities, in which their ancestors were born and lived, and sent to foreign parts?

The present administration, under the new deal, evidently was not familiar with the experience of Great Britain; for when the British Government came to inaugurate the program of sending large numbers of the unemployed to various colonies, the whole plan was found to be so impracticable that it was immediately dropped. I had not heard anything about it after that until it was revived here in the United States by the announcement that that would be one of the methods of caring for the unemployed. I assumed that those who were talking about it had not looked into the possible consequences, and I am not at all surprised that we now are hearing nothing more about it.

Great Britain finally was led to the only practicable alternative of the three, namely, to adopt the policy of giving to her own people sufficient work to employ at least a portion of them.

With that statement as a preface I desire to present the problem of Great Britain, and how she was dealing with it back in 1921.

THE EXPERIENCE OF GREAT BRITAIN—THE BRITISH TRADE CRISIS—DEFINITE ACTION ESSENTIAL

There is a striking similarity in the description of conditions in the United States today, as stated by the advocates of the pending bill, and conditions in England in 1921, as depicted in a bulletin of the Tariff Reform League of London. I am about to quote from the Tariff Reform League bulletin; and I should like to have those who do me the honor of listening note the similarity of the condition of Great Britain then with our condition of today.

1. Our overseas trade (i.e., British foreign trade), upon which this country depends for the bulk of its food and raw materials, has dwindled to less than one half of its pre-war volume.

Taking 20 principal countries, including the United Kingdom, investigation of official returns for the latest fully comparable period namely, the third quarter of 1920, shows that the aggregate weight—volume, not value—of exports from these countries amounted to 92.3 percent of the pre-war volume, while exports from the United Kingdom alone were only 41.6 percent of their pre-war volume.

Our exports—

Note that the word "our" refers to Great Britain and not to the United States—

Our exports of United Kingdom produce in 1913 were 91,803,000 tons.

Our exports of United Kingdom produce in 1920 were 39,509,000 tons.

A falling off of nearly two thirds.

For the first 5 months of this year, 1921, our exports of United Kingdom produce, excluding coal, coke, and fuel, were 2,935,000 tons, as compared with 6,324,000 tons in the corresponding 5 months of 1913.

That was about a 2-to-1 ratio.

2. Our chief foreign competitors—Germany, Belgium, the United States, and Japan—are capturing our former markets in all parts of the world, including our own Empire.

Examples: The United Kingdom's share in the total competitive import trade of Australia decreased from 63.2 percent in 1913 to 46.6 percent in 1919, whilst in the same period the United States' share increased from 11.8 to 29.3, and the share of Japan from nil in 1913 to 11.4 percent.

The statement shows that Britain's decrease in that trade was nearly 50 percent while the United States increased her trade by a little less than 200 percent.

The United Kingdom's share in the total import trade of New Zealand decreased from 59.73 percent in 1913 to 37.6 percent in 1918, and the United States' share increased from 9.46 percent to 26.2 in the same period, and Japan's share from nil to 4.3.

The United Kingdom's share in South Africa's import trade decreased from 54.4 percent in 1913 to 45.5 percent in 1919, whilst the United States' share increased from 9.5 percent to 24.1 percent, and the Japanese share from 0.3 to 3.8.

3. The chief reason for these adverse conditions is the high price of British goods, both at home and abroad.

Examples are given, comparing British and German prices—and this is very suggestive, because Germany is one of the countries that even then put, and since then has put, much emphasis on efficiency in manufacturing:

Examples: German steel bars, £10 a ton; British, £16 to £17 a ton. German magnetos, £5; British, £12 to £15.

In other words, in Britain the price was more than double that in Germany—

German gramophones, £3. British, £7.
German rock-cutting machine, £650. British, £1,200.

And so it goes. These items are only a few that I have taken, but about the same ratio is shown throughout:

German chucks, 17s. 7d. each. British, 54s. 6d. to 58s. each.
German 3-jaw chucks, £2 3s. 7d. each. British, £6 0s. 8d. each.
Meat-cutting machines: German price, £295. British price, £500.
Eighteen tenders were presented for a 10,000-kilowatt turbo alternator, including British, French, German, and various other manufacturers, with the following result:
German price, £47,000, delivered in 10 months.
British price, £84,000 and £95,110, deliveries from 12 to 18 months.

4. The price of British goods is high because of (a) high taxation and high cost of raw materials and (b) low production coupled with high wages.

The report proceeds:

5. We are being undersold in the world's markets by Germany and other countries because—
(A) Taxation is lower in these countries than it is here—

Meaning Great Britain—

(B) Production is higher in these countries than it is here.
(C) Wages are lower in proportion to production in these countries than they are here. In the case of Germany, owing to this fact and the depreciated value of the mark, wages are only about one fourth the value of British wages.
(D) These countries control their own home markets, which absorb three fourths of their normal production, and this enables them to maintain a large output.

Mr. President, if we take those facts, and in their light look into our own situation, the similarily is most striking. Although Britain has a free-trade background of many years, if she could have her own labor employed to produce the commodities she consumes, instead of letting them come in from Germany, she would have some relief, and it is the trend on the part of Great Britain ultimately to leave the field of free trade for, at least, a modified form of protection.

Although there is a marked similarity in the condition of British trade in 1921, as described by this bulletin, with conditions in the United States at the present time, as pictured by the official spokesmen of the administration, there was a very decided difference in the remedy proposed in Great Britain compared with that submitted for our approval here. This will be apparent as I continue to read from the bulletin:

6. If this country (i.e. Great Britain) is to recover and increase its trade in overseas markets, we must produce cheaper, and in order to do so, we must command a large and prosperous trade in the home market.

I ask if that does not sound like the American protective-tariff principle? We must produce more of our needs, and we must maintain our home market.

This can only be accomplished by the adoption of a trade policy which will secure the control of British markets in the interests of British production, and the essential basis of such a policy is a national customs tariff.

There is the first official statement of the British authority, as expressed in this bulletin, that the British have got to go on the basis of protection.

Up to this time, Mr. President, the labor question has not been discussed. I now will cite some of the statements in this bulletin on that particular phase of the problem:

THE INTEREST OF LABOR

No one is more interested than the British working man in the adoption of such a policy. The dominant feature of the industrial situation today is the justifiable demand of labor for the maintenance of high wages and a higher standard of living than was possible before the war. It is more necessary today therefore than ever before to convince our industrial workers—

Does that not sound like the policy of Henry Clay, of William McKinley, of Samuel J. Randall, and of other leading Democrats who believe in the protective tariff—and we have many of them who at least believe in the protection of specific articles?

This bulletin goes on to say:

1. That wages can only come from production.
2. That high wages, if obtained from low production, necessarily mean high cost of production and therefore high prices. That is to say, when wages are high and goods are scarce the purchasing power of money is low. High wages from low production do not therefore ensure a high standard of living.

That is splendid American doctrine. I quote further from the bulletin:

3. That high wages, if obtained from high production, permit of low cost of production and therefore the possibility of low prices. Under such conditions goods are plentiful and the purchasing power of money is high. High production must therefore accompany high wages if a high standard of living is to be maintained.

That is a splendid illustration of our modern formula of efficiency production—a better article this year, produced at a lower price by labor paid at a high price, and put on the market on a margin of profit. That is the formula of modern industry, and, though stated in other words, that is what this British bulletin suggests:

(4) That wages—whether high or low—can only be assured to the worker if the industry which pays the wages is protected against unrestricted foreign competition.

There is a recital of the experience of what we used to call "free trade" England, and that is the remedy that was considered and applied in order to surmount the difficulty in 1921.

I shall now proceed to enumerate the acts of Great Britain leading to the protection of home industries in order to provide employment for her unemployed.

The Safeguarding of Industries Act and later legislation of an even more pronounced protectionist character was England's method of meeting the crisis. She restricted competitive imports, safeguarded domestic industries, put people then on the dole back on the pay rolls, and shielded her

own industries and those of her colonies with imperial preferential tariffs.

Throughout Europe, as was the case in England, since the World War it has been the aim and object of the various nations to solve first their domestic problems, find employment for their own people, safeguard their own industries, and establish wherever they could new industries, in order that production might be diversified, the national life enriched by new opportunities for the employment of labor and capital, and the national economic system so developed and strengthened that it would be less dependent upon foreign sources of supply.

While this program of national development is more difficult for the nations of Europe than it is for the United States, nevertheless it has proceeded to some considerable extent, and national needs heretofore supplied by international trade have been supplied from domestic sources to a larger extent than was formerly the case.

Because of the lack of natural resources and of restricted area, with the necessary absence of varied climatic conditions suitable to a wide variety of agricultural production, there is much more economic interdependency on the part of the nations of Europe than is the case with the United States, which spans the richest section of a continent endowed by nature with unparalleled resources, with a tropical, semitropical, and temperate climate, and blessed with a skilled, inventive, and industrious people unmatched anywhere in the world, past or present.

Europe, with an area of 3,800,000 square miles, is divided into some 25 nations of varied nationalities, religions, customs, and laws, separated by artificial tariff barriers.

The United States, with an area, exclusive of its insular possessions, of 3,026,789 square miles, is one Nation, under one Constitution and one flag; with a united people speaking one common language, actuated by a common purpose, and moving forward to a common destiny with uninterrupted freedom of trade representing the greatest buying power in all history.

It is not surprising, therefore, that Europe, crisscrossed as it is with national boundaries, populated with 330,000,000 of people of divided allegiance, of diverse interests, with age-long feuds, animosities, and suspicions, should have, as Washington pointed out many years ago, a set of primary interests distinct from our own. It is not surprising that they have adopted measures and resorted to practices peculiarly adapted to their political and economic system.

We are told that we should follow their example. We are told by the spokesmen of the administration that we should adopt their methods. We are urged to adopt a bargaining tariff system because Europe has it. What about our own, our American system, the system adopted by Washington and approved by Jefferson, Madison, Jackson, and an almost unbroken line of American Presidents and by almost all our most illustrious statesmen?

It is a system recommended by Hamilton's famous report on manufactures, founded upon our unmatched natural resources, adapted to our climatic conditions and the spirit and enterprise of our people.

It is the mainspring of our national development. It has enlarged to an unrivaled extent the domestic market for agricultural products. It has encouraged manufactures. It has diversified our industries. It has led to a more abundant life for the American people than any other economic system in the world. No other eulogy of the American system is needed than that uttered by Woodrow Wilson in an article in the North American Review of October 1909, when he said:

> The principle upon which the system of protection was originally founded was the development of the country, the development of the resources of the continent, and the skill of the people. The principle is intelligible and statesmanlike, especially in a new country. Hamilton's position, the position of those who have intelligently and consistently followed him, is defensible enough. Nobody now doubts that the policy of Hamilton put the Nation under a great stimulation, gave it the economic independence it needed, immensely quickened the development of its resources and the power of its people.

Because of the efforts to widen opportunities for employment and secure a greater distribution of labor an increasing proportion of our population was finding employment in manufacturing, mining, and mechanical pursuits. In 1860 we were no longer a people devoted almost exclusively to agriculture. By 1880 only 49 percent of our population were engaged in agriculture, lumbering, and fishing; 25 percent in manufacturing, mining, and mechanical employment; and 12 percent in trade, transportation, and clerical work.

The Nation's industrial expansion under the policy of protection continued throughout the 40 years following the census of 1880, and the census of 1920 graphically depicts the progress that was made. According to the census reports of that year, 27 percent, or a fraction over one fourth, of our population was engaged in agriculture, lumbering, and fishing; 33 percent in manufacturing, mechanical pursuits, and mining; and 25 percent in trade, transportation, and clerical work; leaving but 15 percent for all other pursuits.

The enlightened vision of Washington, Hamilton, Jefferson, and Andrew Jackson was reaching its full achievement, and the efforts of American statesmanship for the diversification of our industries, the distribution of our labor, and the development of a well-rounded industrial system, through the encouragement and protection of agriculture and manufacturing, were accomplishing some of the results hoped for at the initiation of the program.

I wish to call attention to that particular phase which evidently is a product of our protective-tariff system. We have about as many people engaged in manufacturing as in agriculture, and about as many in each of those industries as we have in other fields; so we have today, through the legitimate operation of this American system, a population equally divided in the various lines of activity. Today the energies of our people and the population of our country are almost equally divided between agriculture, manufacturing, transportation, trade, clerical work, and professional or domestic service.

No nation on earth shows such a wise and beneficial balance of human effort and human service. In no other nation are there such opportunities for agriculture, manufacturing, trade, and professional and clerical service. No economic or fiscal system devised by the ingenuity of man has brought such far-reaching results, such widespread development, and such far-flung benefits as the so-called "American system."

Yet it is this system that the political descendants of Thomas Jefferson, James Madison, Andrew Jackson, and Woodrow Wilson now ask us to abandon, and in its place to accept the European system; to give up the American policy of protection to agriculture, of encouragement to manufactures, of equality of treatment to all nations, and adopt the European system of bargaining tariffs. Notwithstanding our efforts, within our constitutional limitations, to introduce into our tariff system more flexible methods of tariff adjustments, foreign countries, and particularly European countries, have, it is true, a far more flexible and expeditious method of effecting tariff changes than we have. This is possible because of the fundamental difference in their form of government. These other governments are not bound by strict constitutional limitations as we are. They have not the sharp distinction between legislative and executive power that is laid down in our Constitution. They are not hampered by a provision of fundamental law. In those countries where the executive is a constituent part of the Parliament, or where the legislative branch of the government is less restrained by constitutional limitations than is the American Congress, wide power to impose or to change customs duties may be conferred upon executive officials or administrative boards without submission to or ratification by the legislature.

Under the cabinet system of government, generally denominated "responsible ministry", the legislative program is controlled by the "government" of the day. When the government proposes a bill and insists on its passage, the legislature must pass it or resort to one of two alternatives—either to force the resignation of the cabinet, permitting the opposition to take over responsibility, or to ask the sovereign to prorogue Parliament and send the issue directly to the voters for approval or disapproval. Such executive

control of legislative procedure makes it also comparatively simple for ministers to obtain the routine enactment of minor measures, for instance, bills confirming provisional orders, as in Great Britain.

A large part of the tariff rates actually enforced in France, Spain, Switzerland, Italy, Germany, and other European countries are finally determined, not by the legislature, but by treaties negotiated by the executive, though these treaties are submitted to the legislative bodies for amendment, and the treaties are sometimes made provisionally effective before ratification. Especially during the war nearly all the governments of Europe controlled tariff rates by executive decree; but even in times of peace many governments have granted much wider powers to the executive than has been the custom in this country.

Under stress of the ever-increasing complexity of modern administration and of the growing difficulty of passing complicated measures through Parliament, the expedient of delegating legislative powers to executive authorities has been resorted to more and more frequently. Present-day acts of the British Parliament have a tendency to lay down a few broad general rules or declarations of principles, leaving details to be worked out on those general lines by the legislature, and brought into force by administrative regulations or statutory rules.

But the Parliament of Great Britain has been consistently cautious in its delegation of legislative powers, insisting that they be carefully expressed and limited, and not unfrequently reserving to itself some kind of control over the powers delegated. The judicature act amendment (1875) for an early example, and the tithe act (1891), required that every order in council and rule of court made in pursuance of it be laid before each House of Parliament within 40 days after being made, subject to being annulled on an address from either House. The board of agriculture act (1889) stipulates that the draft of any order in council made under the act shall be laid before each House for not less than 30 days, during which time it can be rejected by an address of either house against the draft, or any part of it, without prejudice, however, to the making of any new draft order.

In changing her policy from a tariff for revenue to a tariff in part protective, Great Britain entrusted large powers to the executive. The safeguarding of industries act, 1921, enumerated certain products of key industries to be dutiable at 33⅓ percent ad valorem; but the board of trade was empowered to include other articles in the list and to exclude articles improperly included. That is to say, the board defined in detail what articles were included in such phrases as "optical instruments", "scientific glassware", "laboratory porcelain", and "synthetic organic chemicals." There have been a considerable number of additions and exclusions. In Great Britain, confirmation by Parliament of executive orders usually means that the orders are confirmed wholesale in a routine way; but owing to the acuteness of the controversy over free trade and protection, the confirmation of orders under this section of the law was at times hotly contested.

The special act for the protection of the dyestuffs industry in Great Britain provides for a licensing system, and the determination of the articles and the quantities to be admitted is left to the board of trade. Many Senators will recall that when we first discussed the protection of synthetic dyes, a very powerful argument was offered in both branches of Congress to the effect that we should do it by the licensing system, because it had been adopted by Great Britain. The law establishes the procedure to be followed, and prescribes the establishment of certain committees, but the acts of the board of trade are not submitted to the confirmation of Parliament.

TARIFF POLICIES IN THE DOMINION OF CANADA

Mr. President, a discussion of the tariff policy of the colonies of Great Britain is a most interesting line of study.

In sections 286–301 of the Canadian customs act (R.S., ch. 48) the powers of the Governor-in-Council are set forth under 40 heads or subheads. Most of the powers relate to administration rather than to the substance of the tariff. A similar broadly discretional power over tariff duties was conferred on the Governor-in-Council in 1922, in the following terms:

If at any time it appears to the satisfaction of the Governor-in-Council on a report from the Minister of Customs and Excise, that natural products of a class or kind produced in Canada are being imported into Canada, either on sale or on assignment, under such conditions as prejudicially or injuriously to affect the interests of Canadian producers, the Governor-in-Council may, in any case or class of cases, authorize the Minister to value such goods for duty, notwithstanding any other provisions of this act, and the value so determined shall be held to be the fair market value thereof (act of 1922, ch. 18, sec. 3).

TARIFF CHANGES IN AUSTRALIA

In Australia's tariff act, 1921, provision was made for the flexibility of rates in 75 instances by use of the elastic clause, as prescribed by departmental bylaws, meaning bylaws made by the minister of trade and customs. Such bylaws have been issued altering the customs duties in three different ways:

First. Permanently classifying, under certain of the elastic numbers, commodities theretofore unclassified.

Second. Transferring commodities from other items to a special elastic one, thereby, until a new order is issued, establishing a new rate of duty.

Third. Altering duties temporarily, frequently for a single day.

The tariff board act, 1921–24, of Australia provided for the appointment of a tariff board consisting of four members, to be appointed by the governor general for a term not less than 1 year nor more than 3 years. One of the members shall be an administrative officer of the department of trade and customs, who shall be appointed chairman of the board. The declared purpose of the tariff board is to assist the minister in the administration of matters relating to trade and customs.

TARIFF TRENDS IN FRANCE

In France taxes can be laid or abolished only by law—law of June 1, 1864, and repeated annually in the budget act. However, a large measure of control over tariff matters has been delegated by French law to the executive, not only during the war but also before and since. This power to change tariff duties is exercised by decrees issued by the council of ministers, the decrees being submitted to the chambers for ratification within a period stated.

Mr. President, I have made a rather hasty recital of the efforts of these countries to drift away from the free-trade policy and to embracing some form of protective policy.

We are frankly told that we should grant this power to negotiate tariff bargains because other governments have such power, and because such authority in the hands of the Executive is necessary in order to increase our foreign trade. It is this European practice which has appealed to this administration. Such authority has been vested in European activities for many years. But has it increased the foreign trade of European countries; has it opened export markets for them to any appreciable extent? Commerce between European countries and world trade in general during 1932 was at its lowest ebb when stated in depreciated prices. It has been alleged that this is due to the high tariffs and the trade barriers and restrictions which have been set up since the World War.

It is true that tariffs have been raised throughout the world and that trade barriers have multiplied. In some cases these tariff increases have been made for purely bargaining purposes in order that reductions may be made as a concession for tariff reductions by other countries.

Mr. President, the Senator from Michigan [Mr. VANDENBERG], only the latter part of last week emphasized this particular point and illustrated, in a tariff discussion, that often the rates are not raised as a basis of protection or for revenue but because they are to be used in trading, and the desire is to have them high enough so they may be reduced 50 percent and still be within the safety zone.

Mr. VANDENBERG. Mr. President——

The PRESIDING OFFICER (Mr. HATCH in the chair). Does the Senator from Ohio yield to the Senator from Michigan?

Mr. FESS. I yield.

Mr. VANDENBERG. I should like to call the attention of the Senator to the fact that the opinion to which he adverts, and which I uttered in the debate on Friday, is based upon official credentials. I call to the Senator's attention Document No. 7 of the Seventy-third Congress, first session, in which the Chairman of the United States Tariff Commission makes this specific statement:

> Unless a reciprocity policy is handled with skill, it may succeed in obtaining no concessions other than removal of those high rates, trade barriers, and discriminations which foreign countries have erected or maintained for the very purpose of bargaining them away.

Mr. President, that is not the worst of it. I continue reading from the same official document, which comes from the same source which now recommends to us this amazing policy against which the Senator so eloquently inveighs:

> Since 1919 there is evidence that the increasing of tariff rates and the erection of barriers, principally for use in bargaining, has grown rather than diminished. Accordingly the difficulty of making a reciprocity policy yield net reductions in foreign tariffs has increased rather than diminished as the bargaining countries have attained greater experience.

We have attained no experience. We are undertaking to cope with those who for 10 years have been engaged in this practice of manipulation.

Even that is not the end of the warning which comes to us in this official document. I intrude upon the Senator's good nature with this one final interruption.

Mr. FESS. I very gladly yield.

Mr. VANDENBERG. I quote against the same authority:

> In fact, a worse result might follow from a reciprocity policy announced but not rapidly executed.

In other words, the European manipulation, putting tariffs up for the mere purpose of bargaining them down, has come to be such a scientific success that, except as we may be in a position to act swiftly and promptly—and everybody knows we are not going to act in that fashion—we stand to lose even the trade which we now possess.

Mr. FESS. The Senator is absolutely correct in that warning. I am glad he reinforces what he said the other day, and what I am saying now, by the recitation of a statement made by the tariff authority of the Government.

I recall with interest the Senator's suggestion the other day that, when we engage in diplomatic rivalry with the trained diplomats of foreign nations we are apt to lose everything we have. I recall a statement made to me by our former Ambassador to Belgium, the famous Brand Whitlock, commenting upon the danger of American diplomats or American financiers undertaking to reach a safe conclusion on the subject of a balanced currency. His statement was, "Our boys would find, before the night was half over, that they had not even a shirt left."

In almost every case of this kind a reciprocal agreement would prove unequal and unjust. That is because of the difference in purpose between European tariff making and ours. We have no rates in our tariff law designedly fixed for bargaining purposes, while that is the ruling motive in many foreign countries. Any concession we should make would be an actual concession and possibly an extremely costly one, whereas many concessions made by foreign countries would be only nominal in character. They follow the custom of the proverbial trader who puts his bid high enough to give him a large margin and still leave him in the safe zone. A reduction from their higher rate, or bargaining rate, would still leave their intermediate or lower rate sufficiently high to protect their domestic industry, while our tariff rates are supposed to equalize the difference in foreign and domestic costs of production, and any reduction in such rates would open the doors to unequal and unfair competition.

As pointed out in a report on tariff bargaining, submitted to the Senate March 29, 1933, by the Tariff Commission, the one from which the Senator from Michigan has just quoted, there is grave danger, in negotiating reciprocal agreements, that no concessions will be obtained "other than removal of those high rates, trade barriers, and discriminations which foreign countries have erected for the very purpose of bargaining them away."

Since 1919—

The report continues—

> there is evidence that the increasing of tariff rates and the erection of barriers, principally for use in bargaining, has grown rather than diminished. Accordingly, the difficulty of making a reciprocity policy yield net reductions in foreign tariffs has increased rather than diminished.

The report points out that—

> Many countries are maintaining emergency tariff rates and trade barriers—

And

> the possibility that the United States would obtain in return for its tariff concessions only the abandonment of measures too cumbersome and oppressive, and of tariff rates too high, to outlast the depression * * * and reciprocal tariff agreements by which concessions were made in return for the reduction of such temporary duties might mean the grant of valuable concessions in return for totally illusory concessions.

I quote from pages 9 and 10.

The European tariff bargaining system offers us no promise of real or substantial benefits, and the results it has accomplished so far do not commend it to us as a model for us to follow. Even if it were extended to the free list, as has been suggested in certain quarters by some economists, it must not be overlooked that such practices could not only be in violation of the very foundation principle of the protection system, for the preservation of which we must resist this European proposal of bargaining tariff. Duties on goods not produced in this country would insure revenue, and as a revenue-only tariff, would be justifiable. But the policy violates the principle of duties for the encouragement of American industry on behalf of investment of American capital in the employment of American labor. It is fundamental with protectionists that duties on noncompeting articles, such as coffee, must be resisted to avoid the burden upon all our people of paying a tax in the form of customs duties which cannot be shifted from the American consumer to the foreign producer, as in the case of a protective duty on a competing article.

The proposal to give to the President the power to bargain on noncompeting articles on the free list, either by placing duties on such articles as coffee, for example, or to reduce the quota of such articles, would not only be in violent contravention of the principles of the American system, but it would result in direct opposition to the wishes and interests of the American public. Our refusal to tax these noncompetitive common necessities is not so much to please the foreign producer as to help the American consumer. It is true, as was said on the floor of the Senate, that if the purpose of the bargaining tariff be to conduct successful negotiations without regard to the welfare of our own people, then the free list must be included, just as, if the purpose of imposing tariffs were for revenue only, we should include duties on imports which we must have and do not produce in our country. Neither can be justified.

Mr. VANDENBERG. Mr. President, will the Senator from Ohio yield again?

Mr. FESS. I yield.

Mr. VANDENBERG. I should like to revert for just a second to the discussion we were having respecting the European system of putting up rates in order subsequently to bargain them down. The Senator from Ohio read from the official document to which I had previously referred. He did not read from the document the very significant heading, and I desire to insert it at this point in the debate, because, in a single sentence, it sums up the whole challenge. The heading of this official document reads:

> The padding of tariff rates in preparation for bargaining.

Mr. FESS. That is very significant.

Mr. VANDENBERG. Yes, Mr. President. They have padded their rates. We have not padded our rates. When Uncle Sam goes into the market place in search of that kind of a bargain, he comes home at night in a barrel.

Mr. FESS. Mr. President, the fact emphasized by the Senator from Michigan must not be overlooked—that we place our duties on the basis of protection. European countries place their duties on the basis of bargaining. Ours are limited to the difference in the cost of production between our country and the country competing with us. We cannot afford to reduce our tariffs. They can afford to reduce their tariffs, because of the different purpose in mind when the rates are fixed.

EUROPEAN AND AMERICAN EXPERIENCE WITH BARGAINING TARIFFS

Our people need not be in the dark on the possibilities involved. In Europe a bargaining-tariff system has been employed for many years, and tariff walls are higher and more numerous there than they have ever been before. Tariff barriers have increased more in tariff-bargaining countries than anywhere else. These European bargaining tariffs are the cause of more jealousy, strife, friction, and negotiations than any other tariff procedure that could be devised. This result is inevitable where no principle is involved, and the only determinant is points for bargaining.

France, for instance, may offer reciprocal concessions to Germany, and immediately England and other countries demand that the same concessions be granted to them. Italy may offer concessions to Russia, and at once the high officials of neighboring nations are stirred with alarms of military or economic alliances. Germany and Austria agree on a reciprocal basis for the free interchange of commodities, and immediately the proposed bargain is thrown into the World Court and annulled. It might have meant the establishment of fairer trade relations between two neighboring states and promoted their economic recovery; but the consummation of this tariff bargain was not permitted, by a World Court vote of 8 to 7, on the ground that it violated Austria's international engagements under the Geneva protocol of 1922.

Of course, I am referring, as the Presiding Officer knows, to the proposed customs union, which, without any question, would have been effective between Germany and Austria had it not been for the determined protest of the former Allies against these two countries, which finally was referred to the League of Nations and later by the League of Nations referred to the World Court.

Years of tariff bargaining in Europe show that the main purpose of the negotiations is national security, the enlargement of national influence, and alliances either of a political or an economic character. They are entered into for strategic purposes, and are not consummated through the sacrifice of domestic industries or at the expense of domestic labor. Whatever else might be said of the American foreign policy, we have learned the wisdom of equal treatment of all nations with no discrimination, never asking for any treatment we were not willing to grant others.

Not only have we the experiences of Europe to caution us against such an unwise course, but we have our own unfortunate, unsuccessful, or abortive experiments with bargaining tariffs. The few times when any suggestion to modify this principle was made, it failed of its purpose. In our early tariff legislation we proceeded on the theory of equal treatment to all nations. The limited occasions in the past when it seemed mutually advantageous to enter into a particular tariff agreement with some particular country are conclusive in results. Entertaining originally the intention of offering equality of treatment, special commercial relations that were entered into with certain nations resulted in inequality of treatment. Our history along this line is of value in this discussion.

Prior to 1890 the United States attempted to negotiate tariff treaties with six countries—with the German Zollverein in 1844, which was not ratified; with Canada, in 1854, which was ratified, but abrogated in 1866; with Hawaii in 1875, which was ratified and extended in 1887, remaining in effect until 1900; with Spain, in 1884, for Cuba and Puerto Rico, which was not ratified; with the Dominican Republic, in 1884, which was not ratified; and two treaties with Mexico, the first of which, in 1856, was not ratified by the Senate, and the second of which, though ratified by the Senate, never became effective because the necessary legislation was not enacted by Congress.

The treaty with the Zollverein was not ratified by the Senate. The treaties with Spain and the Dominican Republic, negotiated by President Arthur, were withdrawn from the Senate by a great Democratic President, Grover Cleveland, and never resubmitted. A treaty with Great Britain relating to the British West Indies, which had been in process of negotiation, was not consummated because the British Government withdrew from further negotiations when it learned the fate of the Spanish treaty. So, out of these protracted efforts to secure tariff bargains, only two treaties—those with Canada and with Hawaii—became effective.

Mr. HATFIELD. Mr. President, will the Senator yield?

Mr. FESS. I yield.

Mr. HATFIELD. Has the Senator from Ohio in his investigation found where a Chief Executive has ever asked for authority so extensive as asked for in this legislation?

Mr. FESS. No; there has never been a case in our history when any President asked for any such authority as this.

Mr. HATFIELD. And in all the reciprocity relations that heretofore have existed between this country and other nations, it was necessary to have the approval of the Senate before they were put into effect.

Mr. FESS. Oh, certainly. In other words, there never was any effort to make a bargain with any country except through treaty channels, and the treaty had to have the approval of this body.

Mr. HATFIELD. What vote does it take on the part of the Senate to approve such treaty?

Mr. FESS. Two thirds.

The treaty with Canada remained in force only 11 years. It was abrogated by the United States because of the hostile sentiment aroused against Canada during the Civil War, because of the need of additional revenue and because of the dissatisfaction of the fish, coal, and lumber industries of the United States.

The Hawaiian bargaining treaty led to grave international complications. When the treaty went into effect the British Commissioner to Hawaii notified the Hawaiian government that under the most-favored-nation clause of the British-Hawaiian Treaty of 1851—

> Her Majesty's Government cannot allow of British goods imported into the Sandwich Islands being subjected to treatment other than that which is accorded to similar goods of American origin.

The German Government also raised the question of most-favored-nation treatment, although it had no treaty with Hawaii upon which to base a claim.

The British Government insisted upon its claims, and Hawaii sent an envoy to Europe to negotiate with the British and German Governments. The American minister wrote to James G. Blaine, then Secretary of State, that "the British claims are still held over the head of the Hawaiian government."

The situation called from Mr. Blaine the emphatic statement to the Hawaiian government that—

> This Government cannot permit any violation, direct or indirect, of the terms and conditions of the treaty of 1875. The treaty was made at the continuous and urgent request of the Hawaiian government. It was expressly stipulated "on the part of His Hawaiian Majesty that so long as this treaty shall remain in force he will not make any treaty by which any other nation shall obtain the same privileges relative to the admission of any article free of duty hereby secured to the United States."

So runs the quotation from our then Secretary of State, James G. Blaine, to the Hawaiian government.

> The extension of the privileges of this treaty to other nations under the most-favored-nation clause in existing treaties would be as flagrant a violation of the explicit stipulation as a specific treaty making the concession. The Government of the United States considers this stipulation as of the very essence of the treaty and cannot consent to its abrogation or modification, directly or indirectly.
>
> If any other power should deem it proper to employ undue influence upon the Hawaiian government to persuade or compel action in derogation of this treaty, the Government of the United States will not be unobservant of its rights and interest and will be neither unwilling nor unprepared to support the Hawaiian government in the faithful discharge of its treaty obligations.

Mr. HATFIELD. Mr. President, will the Senator yield?

Mr. FESS. I yield.

Mr. HATFIELD. It was the then distinguished Secretary of State, Mr. Blaine, who initiated the idea of reciprocal trade agreements, was it not?

Mr. FESS. It was.

Mr. HATFIELD. Possibly he was the pioneer in that movement, was he not?

Mr. FESS. He was.

Mr. HATFIELD. But he never thought of asking the Congress of the United States to abrogate its power in favor of the Chief Executive in carrying out the idea of reciprocal trade relations?

Mr. FESS. Certainly not. The Senator from West Virginia is emphasizing the importance of the historic fact that what has been done in the effort toward reciprocal tariff arrangements in this country, which has usually been linked with the names of Blaine, McKinley, and others, cannot be cited as a justification for the pending proposal, for that now before us is as different from the previous proposals as the day is from night.

This threatening controversy led to a change of ministry in Hawaii and to the acceptance, finally, of the position taken by America's dauntless Secretary of State. Thus, of the two bargaining tariffs negotiated prior to 1890, one could not stand the stress of war-time passions and the dissatisfaction of injuriously affected industries, and the other drew us into the dangerous whirlpools of international complications. This is our history of tariff bargaining through the constitutional channel of treaty making down to 1890.

Mr. HATFIELD. Mr. President, will the Senator yield again?

Mr. FESS. I yield to the Senator from West Virginia.

Mr. HATFIELD. If that be true, the complications resulting from the pending proposal would be far greater than the complications which might have arisen under treaty agreements ratified by the Senate?

Mr. FESS. I should think so. If there were likely to be any liability or any possible involvement incident to a treaty, it would almost certainly be disclosed in the discussion in this body, and the ratification of such treaty would require a two-thirds vote before it could become binding. For that reason I should think that the dangers in connection with reciprocal agreements could be and would be avoided if they could be negotiated through the ordinary channels of treaty making. In the consideration of such a question, the difference between the judgment of 1 man and the judgment of 96 men ought to be considered very outstanding.

Mr. HATFIELD. In other words, the discussion that would necessarily take place amongst the 96 men in the Senate of the United States would bring about such an expression of opinion as would go far toward disclosing and averting any complications or any embarrassments which might result to the Government, as contrasted with what might happen if the entire responsibility were left with the Chief Executive of the Nation and those associated with him representing the executive department of the Government of the United States?

Mr. FESS. I think the Senator's conclusion is justified.

Mr. HATFIELD. Mr. President, will the Senator yield further?

Mr. FESS. Yes.

Mr. HATFIELD. Has the Senator given any consideration to the fact that under the responsibility which will go with the enactment of this proposed legislation, the Chief Executive by secret treaty may carry on and make these contracts which will extend over a period of at least 3 years, and for the Congress of the United States to abrogate them in any way will be to repudiate a contract made by the Chief Executive?

Mr. FESS. That involvement is possible. The Senator makes an inference that ought not to be overlooked. We have been asked to give this authority to one man largely because of the difficulty of reaching bargains in the open, which, it is said, could be obviated by reaching them in secret. It has been stated over and over again that that is one of the difficulties we want to obviate by this method.

The suggestion made by the Senator from West Virginia about the safety of having tariff bargaining brought about through the channel of treaty making rather than as an Executive function calls attention to a recent episode that has become very historic. I say what I am about to say not by way of criticism of President Wilson, because I was a great admirer of his, but everyone knows that had the treaty-making power been limited merely to negotiations conducted by the President this country today would be in the League of Nations. I recall how a small group of Senators sent out warning against involvement in that covenant, lest we might become party to it, and I remember how the late President Wilson referred to them as a "band of willful Senators" and how it wrought upon his mind, because he was so completely committed to the idea that that was the greatest single thing he could do in the direction of averting war. I think I do not go too far when I say that the failure to ratify that covenant almost, if not entirely, cost him his life. My own view of the matter is that it would have been a fateful step for this Government to have gone into the League of Nations. I was one of the few Members of the House of Representatives at that time who gave reasons at once after the covenant was first printed on the 14th of February 1919 why we must not become a party to it unless the covenant was amended. I was called down in rather brutal language by my warm friend, William Howard Taft, who was then ex-President, and who said that I "talked like a wild man." I think history since that fight has justified a million times the position that some of us took on the League of Nations controversy.

There is not a person in the country who does not know that had it not been for the opportunity in this body for unlimited debate in opposition to that covenant, thereby getting the facts before the people, we would have taken that step. That, I know, is rather a far-fetched illustration, but it does call attention to the possible danger of giving to the Chief Executive treaty-making power without requiring ratification of the treaty by this body.

Mr. HATFIELD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from West Virginia?

Mr. FESS. I yield.

Mr. HATFIELD. I hardly agree with the Senator that it is a far-fetched illustration. I think it is absolutely in line with the power that is being asked by the Chief Executive to regulate tariff rates. Had the then President of the United States, Mr. Wilson, been given the same power by the Congress of the United States, as the Senator properly has stated, we would now be an integral part of the League of Nations. There is little difference between the power which the present incumbent of the White House is asking and the power which President Wilson failed to ask of Congress before he undertook to negotiate his treaty which would have let the United States into the League of Nations.

Mr. FESS. I thank the Senator for his interpretation and his opinion.

Mr. President, there is a cycle of thinking in the country, more vocal today than I have ever known, tending to ignore all the lessons of history. It is said that the past holds no lessons for the present nor suggestions for the future. We all well know of the derision of the past by modern statesmen. The lesson of history is offensive to them. To be up to date you must not merely subscribe to all the folly and foibles of the new deal but to be modern and progressive it becomes necessary to ignore the voice of history, to junk fundamentals, embrace revolution in the fatuous name of evolution, and join the economic adventures in their great crusade against the hopeless failures of our fathers and supplant the institutions of 140 years of growth by a modern system, the handiwork of the reformers fresh from the college cloister, too often the incubator of theories—some sound, but most mere fancies—of use when confined to the classroom as mental exercise for students, but dangerously harmful

when seriously applied in the field of governmental experimentation.

After 1890 our further experience with bargaining tariffs continued to be disappointing and unsatisfactory. The tariff bill introduced early in 1890 by William McKinley became the vehicle through which the realization of reciprocity ideals was attempted, although the bill as introduced in the House of Representatives by Mr. McKinley contained no reciprocity provisions. It is this legislation to which the advocates of the pending measure wrongly allude as a precedent for the present proposal. In a letter to President Harrison, Mr. Blaine said that the lack of shipping facilities to reach the South American markets had been the chief obstacle in the way of increased exports, and pointed out that nearly all articles exported to those countries were subjected to excessive customs duties, and that over 85 percent of the American imports from Latin America—coffee, cocoa, rubber, hides, dye, and cabinet woods—were admitted free of duty. He advised that an amendment should be submitted to the House bill authorizing the President to declare free entry to the products of any nation of the American Hemisphere whenever such nation should admit free of duty American foodstuffs, lumber, furniture, manufactures of iron and steel, cottonseed oil, and refined petroleum. This amendment, unlike the pending proposal, provided a definite program, authorized by legislation, and did not leave the field of negotiation wide open to Presidential discretion and tariff bargaining upon the sole responsibility of the Executive. It did not violate the taxing power as provided in the Constitution, which remained a legislative function. It was made, as the pending resolution proposes, a Presidential prerogative.

Provisions for this limited, constitutional reciprocity were inserted by the Senate through proper legislative methods, the bill as reported to the Senate having contained, like the House bill, no such provisions.

In a special message to Congress, President Harrison transmitted the letter from Mr. Blaine, and alluding to the statement that over 85 percent of the imports from Latin America were admitted free, he said:

> If sugar is placed upon the free list (as it was in the tariff bill, a bounty being substituted for the duty) practically every important article exported from those States will be given untaxed access to our markets, except wool. The real difficulty in the way of negotiating profitable reciprocity treaties is that we have given freely so much that would have had value in the mutual concessions which such treaties imply.

Mr. Blaine, in a speech on August 29, 1890, said it would be a great mistake to repeal the duties on so large an amount of imports from Latin American countries without an attempt to secure in return reciprocal arrangements which would stimulate our export trade to Latin America. He said that he favored "a system of reciprocity not in conflict with the protective tariff but supplementary thereto." Here is the distinction ignored by the present advocates of tariff bargaining in the pending tariff proposal.

Mr. HATFIELD. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from West Virginia?

Mr. FESS. I yield.

Mr. HATFIELD. The Senator from Ohio is aware of the fact that there is now in existence a treaty which has been negotiated between the Governments of Colombia and the United States. The authorities representing both sides of the contract, I take it, are waiting for the passage of this measure through the Senate before the treaty is submitted for approval. Does the Senator know anything about that matter?

Mr. FESS. I have not the facts about it.

Mr. HATFIELD. I communicated with the Assistant Secretary of State, Colonel Thayer, and he admitted that such a treaty is in existence and has been in existence since last December. I asked for the substance of the treaty, and he declined to give it to me; but he did send me a news release which dealt with the fact that such a treaty does exist.

Mr. FESS. Does the Senator say that the Assistant Secretary of State declined to let the Senator see the treaty?

Mr. HATFIELD. That is very true.

Mr. FESS. I cannot understand that.

Mr. HATFIELD. In my address on May 1 I read the letter which I received from the Assistant Secretary of State and made it a part of my remarks on that occasion.

Mr. FESS. The proper course would be to introduce a resolution in the Senate asking that the information be sent to the Senate.

Mr. HATFIELD. I may say to the distinguished Senator from Ohio that I am now having prepared a resolution which I shall introduce tomorrow, I hope, with the purpose of asking to have the treaty sent to the Senate. It seems to me that the Committee on Foreign Relations should take up this matter, and bring before it some representative from the office of the Secretary of State with the idea of inquiring into the matter.

Mr. VANDENBERG. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. DIETERICH in the chair). Does the Senator from Ohio yield to the Senator from Michigan?

Mr. FESS. I yield.

Mr. VANDENBERG. The Senator from West Virginia is making an amazing statement.

Mr. FESS. He certainly is.

Mr. VANDENBERG. I wonder if I have correctly understood it. Does the Senator from West Virginia state that we have already negotiated with Colombia, through our State Department, a reciprocity treaty which could not be made effective unless this bill should be passed?

Mr. HATFIELD. That is my understanding; and my understanding is based on the conversation I had by telephone with the Assistant Secretary of State, Dr. Sayre.

Mr. VANDENBERG. In other words, the Senator is stating that without waiting for congressional approval of this revolutionary grant of power to the Executive a treaty already has been negotiated, in advance of obtaining such power?

Mr. HATFIELD. Not only is that true, if the Senator from Ohio will permit me——

Mr. FESS. I yield.

Mr. HATFIELD. But I understand that there is a tacit agreement between the State Department authorities and the authorities of Germany whereby, if this reciprocal legislation shall be passed, the United States will exchange so many million pounds of lard for so many dyes that will be manufactured by German chemists instead of being manufactured in the United States of America, as is the case at the present time.

Mr. VANDENBERG. I hope the Senator will persist in his proposal to inquire by resolution whether there are any existing commitments in the State Department in respect to this subject.

Mr. HATFIELD. I may say to the distinguished Senator from Michigan that I am having the resolution prepared, and it is my purpose to submit it tomorrow.

May I make a further observation?

Mr. FESS. Just a moment. The serious thing is not that such a treaty is being framed but that a Senator is denied, by a responsible member of the State Department, the opportunity of knowing what the treaty is. That is a serious situation; and I do not think there is any Member of this body who will not say that we want all the facts with regard to it.

Mr. HATFIELD. I may say to the Senator from Ohio that the office of the Secretary of State has made the record, and it is to be found in the CONGRESSIONAL RECORD of May 1. I may say further to the Senator, respecting the imports that heretofore have come from Colombia to the United States, that 90 percent of them are represented by coffee and crude oil.

Mr. LONG. Mr. President, before the Senator from West Virginia takes his seat, let me inquire whether the Senator understands that a large quantity of tallow is about to be moved into this country, and that there have been tentative negotiations along that line? I have received, through

such sources as were available to me, the information that negotiations are in process to move a large quantity of tallow into this country.

Mr. HATFIELD. Mr. President, I have not had any information upon that subject; but I have good reason to believe that there are many movements in the direction of reciprocal treaties which will involve not only the agricultural industries of this country but the chemical industry and many other industries.

Mr. FESS. Mr. President, if the Senator from West Virginia is correct in the understanding of this matter that he has expressed, it is positively the most astonishing thing that has come to my attention. I have never said, here or elsewhere, very much about the trend toward assumption of Executive authority. I have felt it deeply; and the evidences are cumulative that we are rapidly drifting into a stage of assumption of Executive authority that the country will not tolerate. This is one of the items. It is an absolutely unbelievable thing to me.

Now, I shall proceed with the history of what is known as the "McKinley reciprocity proposal."

The McKinley Tariff Act was approved October 1, 1890, and contained provisions for reciprocity through penalty duties prescribed by Congress itself on five specified commodities—sugar, molasses, coffee, tea, and hides—which were to be imposed automatically when these commodities were imported from countries whose duties on American products were, in the opinion of the President, "reciprocally unequal and unjust." Please note that these provisions were punitive, embodying penalty duties. Thus the reciprocity provision of the act of 1890 was based on the principle of penalizing, not on that of promising tariff reductions in return for supposititious and dubious concessions. That proposal was legislative and not Executive, and it was punitive to insure protection, not to abandon it.

Ten reciprocity agreements were arranged under the terms of the McKinley Act, most of them being designed, especially on the part of Germany and some other countries, to obtain the advantage of shipping beet or cane sugar into our market free of duty.

In 1892 Grover Cleveland was for the second time elected President, and with him a Democratic House and Senate. A tariff bill was introduced in December 1893 and approved October 3, 1894. This Democratic tariff law of 1894 repealed the reciprocity provisions of the act of 1890. The report of the Ways and Means Committee declared that these provisions had brought "no appreciable advantage to American exporters." Further to insure the repeal of the reciprocity provisions of the McKinley law, the House of Representatives passed a resolution specifically providing for repeal.

The Republicans regained control in 1896. In the meantime popular sentiment for reciprocity had gained headway, and the Dingley Tariff Act of 1897 reincorporated provisions designed to secure reciprocal concessions and advantages. The President was authorized, by specific legislation enacted by Congress, to negotiate with the governments of countries exporting argols, crude tartar, brandies, wines, paintings, or statuary with a view to the arrangement of commercial agreements in which reciprocal and equivalent concessions might be made.

John A. Kasson, of Iowa, was appointed a special commissioner to negotiate agreements under the provisions of the act. In December 1899 the Kasson treaties were submitted to the Senate; but no action was taken in 1900 and 1901 beyond extending the time limit for ratification. Mr. Kasson strongly supported ratification, contending that the treaties were unquestionably consistent with the principles of protection; that the United States was not sufficiently sure of its foreign markets to abandon a policy of reasonable protection for its home market; but he contended the home market was so safeguarded for American producers as to justify moderate concessions to aid the export trade. Disheartened by the failure to ratify the treaties, Mr. Kasson resigned in March 1901. Action on the treaties was abandoned, and no mention of reciprocity was contained in President Theodore Roosevelt's message of 1904.

In 1903 the convention with Cuba was ratified.

In 1903 an agreement for special treatment of United State imports into Brazil was arranged.

In 1909 President Taft arranged with the Canadian Government for a reciprocity agreement between the United States and Canada, but Canada refused to ratify it in 1911.

This, in brief summary, recounts our experiments with reciprocal and bargaining tariffs. It is not a record that prompts us to look with favor upon President Roosevelt's prescription of bargaining tariffs for economic ills, and for the expansion of our foreign trade. We are now told that we can no longer rely upon the treaty route. It is too difficult to reach conclusions. Delay in ratifying treaties, or the failure of the Senate to ratify some proposed treaties, cannot justify, as is claimed by spokesmen of the administration, the abandonment of legislative precedents, the violation of constitutional limitations on the power of the Executive, and the abrogation of the rights and prerogatives of Congress, as proposed in this bill. If a treaty cannot win the approval of the Senate as the Constitution provides, it is far better that we have no such treaty, and it is surely no justification for unconstitutional procedure.

If a treaty affecting the mining, fishing, agricultural, or manufacturing industries of the country cannot obtain the consent and approval of the legislative branch of the Government, it is for the best interest of our country that we have no such treaty.

The unimpaired maintenance of our constitutional checks and balances as between legislative and executive functions, and the continuance of our democratic form of government, are of vastly more importance than foreign markets purchased at the sacrifice of our rights and liberties. As a general rule the negotiation of just and equal reciprocity treaties is an intricate, difficult, and exacting task. To be fair to all domestic and foreign interests involved is wellnigh impossible. Of such treaties as we have entered into in the past, few, if any, have proven satisfactory, and most of them soon outlived whatever usefulness they had. These results do not argue for speed, but rather caution and the taking of time. It is claimed that if we could rush into them more speedily, avoid the delays encountered in the past, eliminate the constitutional right and duty of the Senate to advise and concur, and confer upon the President the sole power to negotiate and approve the compacts, we would be equipped with an instrumentality to solve the economic problems of a troubled world.

Mr. President, it is this trend which must be alarming to every student of our American system. I wonder how many people realize how far we have drifted away from the constitutional barriers, checks, and balances which hold nicely in their relationship the judicial and legislative branches of the Government.

I was tremendously impressed with the possible involvement of President Roosevelt's closing address to the House of Represenatives and the Senate in joint session, when, appearing before us to ask for a certain type of legislation, he made the statement frankly that what we needed in this country, in contradistinction to the equal power of the coordinate departments, was a union of these departments. Those were his words.

Where is the student who can comprehend the full meaning of that? It is the comment not only of American authors, but the best foreign opinion which ever expressed itself on the American system of government, that the one outstanding differentiation between ours and all other governments is that this is the one Government which maintains a strict independence of each of the three coordinate departments, where there is an interdependence in relationship, but an entire independence in the exercise of their functions. That differentiates ours from every other government on earth today.

Consider Great Britain. What is the power of the King in Britain today? The power there is the House of Commons. Once it was "The *King*, the Lords, the Commons." Later it became "The King, the *Lords*, the Commons." But today it is "The King, the Lords, the *Commons*." That is because the House of Commons have all the power in the British Empire today, both legislative and executive.

Mr. HATFIELD. Why "the Commons"?

Mr. FESS. It is because of the drift toward giving more voice to the people who are represented in the Commons. Here in our own country, born out of the struggle between the executive and the legislative, there is this differentiation, which maintains the absolute independence of the various departments in the exercise of the functions assigned to them.

Why was Thomas Jefferson so bitter against the aggressions of Great Britain? I will state the reason, which all Senators will readily recall. The Legislature of the State of Virginia, of which Thomas Jefferson was a member, was adjourned by a provincial governor appointed by the British King. The great apostle of local government and individual liberty in government, sitting as the elected representative of his own people, to legislate for their welfare, was sent home. By whom? By an officer appointed by the King of Great Britain. That was only one of the incidents which led to a jealousy on the part of our people to maintain a strict relationship between the three coordinate departments. Whatever might have been in the mind of President Roosevelt when he commented upon the change of relationship between the legislative and the executive, when he said that what we need is a union of them, the possibilities are tremendously significant.

There has been much said about the trend toward Executive authority. I am the last who would charge, here or elsewhere, that the President of the United States wants to be a dictator. I do not believe it. But I do say that I am greatly distressed over the step-by-step progress by which we are getting away from the legislature, gradually giving the power over to the Executive.

Mr. President, let me illustrate what I mean; and I am glad to have my learned friend the Senator from Maryland [Mr. TYDINGS] listening to what I am saying, because I know that he and I do not differ very widely in respect of what is in my mind.

These departments have been so sharply differentiated, and they are so jealous of their prerogatives, that the President is always confined in his legislative functions to the signing of a bill or vetoing it, and any effort toward dictating what shall be done, anything beyond a message to inform the people of the state of the Union, is always resented.

For the last 20 years we have been drifting away from that standard, but we have never reached such a stage as that in which we now are. Let me illustrate:

A few days ago a message from the President was read concerning a problem of legislation. The moment the clerk ceased the reading and the message had been ordered referred to the proper committee, the chairman of the committee to which the message had been ordered referred, rose in his place and presented a bill, which had been framed at the White House and sent here, carrying out the principles written in the message. In other words, we are in an emergency situation. We are doing things none of us would endorse. The only excuse is that "These are emergencies, and we have nothing else to do. The President wants us to do it. The American people are back of the President, and therefore we are going to do it."

We get the President's advice; and not only that, but the bill is written at the White House, and then we undertake to put it through as it is written.

Think of doing a thing of that kind 25 years ago! Think of coming before either House of Congress with a bill sent from the White House! It would have created such a furore that it would not have gotten anywhere. Today, however, we say there is nothing else to do; that the President has the responsibility, and the President ought to have the power. He has with him counselors. They ought to be the best. If he believes this is the thing to do, all we will ask him to do is to send it to us, and we will put it through.

That is not wise. We say it is limited to emergencies. Every now and then people raise the question whether or not we are totally abandoning our fundamental American principles. I think we are slipping along that way. Step by step we are doing it.

One of the key men of the present administration appeared in my home town to speak to the students of the college of which he had been a professor before he was given his position in the Government. In that speech he used language which has been used by many of the key men of the Executive Department. He talked about revolution. A friend of mine read a report of the speech in a local paper, and as the two men were very warm friends, my friend wrote to the speaker and said he hoped he was being misquoted. In the letter sent to the speaker who talked revolution, my friend used this language:

> I am convinced that the propaganda of revolution by those temporarily in positions of administrative authority is doing much to defeat recovery. The President, in his recent New York address, stressed the harm being done by fear, and the necessity of substituting confidence for fear before recovery becomes a reality. This is true. Recovery will be unattained as long as fear is the motive of action. No instrumentality can more effectively entrench fear in the minds of men than to promote the idea that this administration stands for revolution.

Then the writer added:

> But I wish to express a thought beyond the fact that such actions are retarding recovery. I, together with millions of Americans, regardless of party, or race, or belief, am giving unswerving loyalty to this administration and to its efforts for recovery. If, under the cloak of this loyalty, this administration is promoting the purposes of revolution rather than of recovery, then a different issue is presented to the country. It is an issue of such unprecedented importance that it should be decided by the country and not imposed upon it by administration officials.

That was written to a leading figure, a man prominent in this administration, in commenting upon his address at the college.

I now read from the letter of this key man, written in reply to the writer of the letter from which I have just read:

> I must say that I was somewhat surprised by your letter of the 17th.
>
> Apparently you did not take Franklin Roosevelt seriously when he promised that if elected he would inaugurate a new deal. Knowing Roosevelt, I knew that when he said that he was for a new deal he meant a new deal and not a return to the old methods and the old evils. Certainly when the people of the country swept him into office and swept the old dealers out, they were voting for a change in economic arrangements and not for a return of the old economic order.
>
> * * * * * * *
>
> In the face of these revolutions we have attempted to conduct our economic life with a set of individualistic ideas adapted to conditions that existed in preceding centuries. The result was bound—

Note this language:

> The result was bound to be antisocial, and, as it turned out, also immoral and irreligious. It is natural, therefore, for those of us who really believe in the new deal to speak of it as a revolution; for we know that the recovery that you seem to think we should aim at is only a return to the old speculation which is to bring again in turn the old depressions and ruin in its wake.
>
> Whatever you may think of President Roosevelt's new deal, you certainly cannot accuse him of misleading the people of the country into thinking that all he wanted was recovery of things as they were. He referred the other night over the radio to the "edifice of recovery" that his administration was attempting to construct—

And so on.

This man, who happens to be a personal friend of mine, who is a very brilliant scholar, and who is a great social force in America, and who was called to Washington because of his great prestige, makes no apology. He wanted to get away from what he said is antisocial, immoral, irreligious. What is it? It is the capitalistic system, it is the individualistic system which he is against. People say to me, "Why, this is not the abandonment of any principles in the United States." I am afraid it is.

In view of the fact that I read part of this letter, I think I ought to read the second letter which my friend wrote to this key man in Washington, who, as I said, is also a friend of mine:

> Your revolution, taking from the people their liberties and substituting therefor the State's power, is not a new deal but an old deal which in the experience of humanity has heretofore been a bad one. Such historical inaccuracy affords little basis for confidence in one's ability either to properly appraise the present or to mold the future.

I cannot agree with such an appraisal of the life of America or of western civilization. It is true that society is not static, and that a free society such as has obtained in America, infused as it is with the principle of living growth, is subject to change and evolution. It is likewise true that society is never perfect, and that every period of our history had had and will have its attendant evils. Those evils have been met and removed through the agency of reform, not of revolution.

And so on.

I have read this letter publicly now for the first time, although it has been in my possession since November 1933 during all this talk about Dr. Wirt and Professor Tugwell and the others who are constantly quoted here.

Mr. President, is there anyone who does not see a suggestion of revolution in the statement that this is an antisocial, immoral, irreligious civilization of ours which must be reformed? Some persons call it "bloodless" revolution. We have suggestions coming to us to pass over to the President such powers as we have been giving him. We have suggestions to give to the Secretary of Agriculture the power we gave him under the Agricultural Adjustment Act, and after 10 months of the most dismal experience we are supplementing it by compulsion, until we are saying to the farmer, "the time will be here when you cannot put a plow in your field or turn a furrow without first getting advice from Washington."

The proposal now is to give to one man or a set of men the power to agree to suspend laws; and then, when such agreements shall be approved by the President, they become the fair-trade practice and have the force of law with the power of imposing a penalty not in the courts, not by a jury, but by the enforcer of the code. Do you say, Mr. President, that does not mean anything; that that is not a trend away from American ideals? It is the most amazing course any nation ever undertook, especially a nation such as ours.

That, Mr. President, is not the only thing that has been done or said. I presume that Dr. Tugwell is one of the clearest-headed thinkers of the numerous experts who have been brought to Washington. Dr. Tugwell has been a rather copious writer as well as a frequent speaker. Nobody, as a rule, can fail to understand him, because he speaks very clear English. In a recent book Dr. Tugwell says:

The flow of new capital into different uses would need to be supervised. * * * If there were a system of planning * * * which allocated to specific industries capital sufficient to produce an amount of goods which would be taken by consumers at the price possible with capacity production, and no more, prices could be lower than they are at present. The surplus-investment capital could then be assigned to other industries.

There is a suggestion, Mr. President, coming from what is pretty generally known as one of the brilliant minds connected with the group of experts here advising the President, that we ought to have a national planning system, with authority in Washington to say how much capital may go to this industry, how much to that, and how much to the other; and that it should be allocated. Think of the possibilities. Could such a plan be hatched in a brain in America with the background of American liberty? My God, what would be the thought of such a man as Thomas Jefferson, if he were alive today, on hearing the doctrine proclaimed that, if a man wants to go into business, the capital to be put in the business is to be allocated to him by authority of the Government?

Then the second principle that Dr. Tugwell enunciates is:

Prices would have to be controlled.

There is price fixing. The citizen is not only told how much he may sow, but how he will reap it; how much he will keep for home consumption; what part he may sell, at what price he may sell it, to whom he may sell it, and under what conditions he may sell it. That is a fine situation, is it not—price fixing?

Third—

Industrial associations are to be set up which must receive certificates of convenience and necessity from the Government, with authority to fix conditions of competition, maximum prices, and minimum wages, working under a control board.

The further you go the worse it gets.

Mr. HATFIELD. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. LOGAN in the chair). Does the Senator from Ohio yield to the Senator from West Virginia?

Mr. FESS. I yield.

Mr. HATFIELD. Has the distinguished Senator from Ohio any idea as to the amount of money expended by different industries in America yearly in the way of experimentation in order to develop the highest efficiency and to unfold and reveal new processes and uses, all for the welfare of the country?

Mr. FESS. I do not have the figures, but they are tremendously large, I know.

Mr. HATFIELD. I will say to the distinguished Senator from Ohio that chemical research and control for the chemical industry and the chemical processing industries is estimated to approximate $75,000,000 to $100,000,000 annually. In fact, Mr. President, there are few, if any, industries in America that could operate successfully without the chemical equation entering into their manufactures. This large sum for research has for its purpose the unfolding of the undeveloped equations in chemistry, thus giving to the American people since the World War a chemical industry sufficient for domestic needs.

Mr. FESS. Mr. President, I wonder what would be the future of the chemical industry if, instead of its being under the large impulse of aspirations for profit, it were put into the deadening hands of Government and made a regimented industry? Where would it then get? It would be under such an influence as that said to be exercised by the peculiar bird of Australia which, reaching a sleeping citizen, gradually fans him into complete forgetfulness from which he never awakens. That is the situation we are in; and here is the keyman of the present administration offering such contemptible ideas to America; and yet it is said that we are not drifting away from American ideals. I will have something more to say about that later on, not today but at some other time; I am too full for utterance just now.

Mr. President, I now quote from a Representative in Congress who came before the Committee on Ways and Means asking for this proposed legislation:

The situation the world over at this time, as I understand it, is that all of the other countries practically are in a position now, under the tariff system in vogue in those countries, to act promptly through their ministerial or executive branches of the government and to negotiate trade agreements, and we alone are standing out here with such rigidity in our tariff policy that we cannot act fast enough to protect ourselves.

That seems to be one of the spurs which are used for the purpose of urging action on this bill.

In reply to that interrogative statement, Secretary Wallace said:

Yes, sir. Secretary Hull made that point abundantly clear this morning.

I am quoting from Committee on Ways and Means hearings, part I, page 49.

Assistant Secretary of Commerce Dickinson urged the conferring of this tariff power upon the President, "where", as he said, "it can be exercised with speed and promptness." (Ways and Means hearings, pt. 3, p. 30.)

Mr. HATFIELD. Mr. President, will the Senator yield?

Mr. FESS. I yield.

Mr. HATFIELD. The Senator is aware of the fact that the distinguished Secretary of State when a Member of this body introduced a measure repealing the flexible-tariff provision of the present tariff act?

Mr. FESS. Yes; I remember that, and I think I referred to it in the earlier part of my address. Such a program accentuates the dangers of the proposal to grant this power to the President. It denies to domestic industries fair warning of contemplated changes in the tariff duties under which they plan and conduct their business.

If speed is what is needed and if secrecy is essential, then sacrifice is bound to result. It threatens labor with sudden dislocation and unemployment. It aggravates instead of assuages the troubles and unrest of our citizens and intensifies the dangers inherent in tariff bargaining. It multiplies the faults of the old method and retains none of its

merits and safeguards. It involves such grave possibilities that haste should be avoided. I commend the warning of Abraham Lincoln.

As though conscious that this is true, Secretary Hull said in his testimony before the Ways and Means Committee, part I, page 4:

> It can be stated with emphasis that each trade agreement undertaken would be considered with care and caution, and only after the fullest consideration of all pertinent information. Nothing would be done blindly or hastily. The economic situation in every country has been so thoroughly dislocated and disorganized that the people affected must exercise patience while their respective governments go forward with such remedial undertakings as the proposed bilateral bargaining agreements.

Assistant Secretary of State Sayre said that care, caution, and research would be necessary before negotiations are completed. "The agreement is not going to be made", he said, "until both sides are convinced that there is a sound basis for a trade." (Ways and Means hearings, pt. V, p. 5.)

The argument that this reciprocal trade proposal is necessary to expedite reciprocal tariff bargaining and introduce a new element of speed and promptness into the negotiations is refuted by the admissions of the spokesmen of the administration.

Instead of speed they now suggest a thorough study; instead of rapidity they propose research; instead of promptness they urge patience. In spite of these assurances of caution, the pending proposal carries Executive authority to tax our people by a charge of duty without survey and recommendation of any sort and even without hearing on the part of the citizens to be affected.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Arkansas?

Mr. FESS. I yield.

Mr. ROBINSON of Arkansas. Does the Senator take the position that such hearings as may be had should be public?

Mr. FESS. I should think so. I will say to the Senator from Arkansas that in matters of an international character where treaties are involved there ought to be an element of secrecy, but when it comes to matters of bargaining or trade, I think open covenants openly arrived at would be the better plan.

Mr. ROBINSON of Arkansas. Why does the Senator distinguish as to hearings between a treaty and an executive agreement? The object of an executive agreement is to make a mutually favorable bargain between the two contracting nations. Does not the Senator realize that if the matter were to be heard in public and at length it would tend to embarrass both the governments which were prospective parties to the agreement and thus prevent the accomplishment of the purpose in mind?

Mr. FESS. I think the Senator is drawing a wrong conclusion. Where we are dealing with the tariff we are affecting individuals all over the country involved in the particular industry with which we are dealing, and that ought not to be done in secret.

Mr. ROBINSON of Arkansas. Of course, if the hearings which are to be held should proceed in the open it would place both parties to the contract at a very great disadvantage with respect to the desires and interests of other nations which are competitors of the contractors in commerce. In other words, if we made public all the details of the proposed bargain, the competitors would attempt to anticipate our success by seeking to obtain a bargain for themselves.

Mr. FESS. I do not agree with the conclusion the Senator has stated.

Mr. ROBINSON of Arkansas. Does the Senator feel that all hearings should be public?

Mr. FESS. I think all hearings dealing with matters like the tariff, or, let us say, trade agreements, ought to be public.

Mr. ROBINSON of Arkansas. What I cannot understand is why the Senator distinguishes between the tariff and other matters of public concern.

Mr. FESS. There is a wide difference where there is involved a principle of proper international relationship which might contemplate some delicate question which ought to be considered in secret. I have always recognized there is strength in that contention. But where it is a matter of bargaining for a tariff agreement, where we grant some concession and receive some concession, then the hearings should be conducted in the open.

Mr. ROBINSON of Arkansas. Where a mere trade agreement between two nations is involved, does the Senator feel it is to the advantage of those seeking to enter into the bargain to advise their competitors fully of all they have in mind?

Mr. FESS. Whatever might be accomplished in secrecy, if thereby an error be committed, such error could be avoided if the negotiations had not been conducted in secrecy. I think I am justified in my contention that tariff bargaining should not be conducted in secrecy.

Mr. President, in the light of these facts, with all the efforts of the proponents to overcome the solid objections of the producers and wage earners of the country, to mitigate the dangers of their proposal, and to conciliate the opposition to their program, the pending measure still remains a menace to cordial international relations and a threat to many domestic industries.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield further?

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Arkansas?

Mr. FESS. I yield.

Mr. ROBINSON of Arkansas. The Senator realizes, does he not, that our competitors for foreign commerce have been indulging their right to enter into executive agreements or into arrangements similar to the executive agreements contemplated by the pending measure, and that they have already obtained very great advantages over our Government by reason of the agreements which they have heretofore made?

Mr. FESS. And because they did that, ought we to do the same thing?

Mr. ROBINSON of Arkansas. The Senator does not assume that circumstance has caused hostility on our part toward the foreign nations so promoting their own advantage, does he? Why should we assume that if we shall pursue the course to which they have resorted we will give an affront when they have given us none?

Mr. FESS. I think it is much wiser for us to pursue the American idea than to borrow anything which European countries are practicing. Their interests are not ours.

Mr. ROBINSON of Arkansas. Under that course, which has prevailed during the last few years, all international commerce has been dwindling and our foreign commerce has been shrinking more rapidly and out of proportion to the foreign commerce of our competitors.

Mr. FESS. It is very obvious that the Senator from Arkansas was not present when I discussed that phase of the subject, because that situation is easily explained.

Mr. ROBINSON of Arkansas. If the Senator from Ohio will permit me, the Senator has been speaking now 4½ hours and it has not been possible for me to be present all the time, nor would it be possible for me to remain in constant attendance if he should choose to speak 4½ hours more.

Mr. FESS. I apologize to the Senator. I am likely to speak 4½ hours more if the Senator from Arkansas pursues his present course.

Mr. President, in the light of these facts, with all the efforts of the proponents to overcome the solid objections of the producers and wage earners of the country, to mitigate the dangers of their proposal, and to conciliate the opposition to their program, the pending measure still remains a menace to cordial international relations and a threat to many domestic industries. Abroad it will arouse jealousies and animosities among nations now on friendly terms with us, alienate those nations not included in the agreements or benefited by the bargains, and involve us in international complications and controversies. In this

country it will foster ill feeling and discontent among those whose business and employment are sacrified in the supposed interest and for the presumed benefit of other groups and other industries. It flaunts the traditional democratic theory of equal opportunity for all and special privileges for none and runs directly counter to the established American policy of equality of treatment for all nations, which is a basic principle of the American tariff policy.

The people of this country are not willing to abandon the American system and adopt the European system. They will not surrender the protective tariff for a bargaining tariff. They will not approve reciprocity negotiations that are not consistent with the principle of protection, and within the limits of the Constitution. They will not substitute an international game of "you scratch my back and I will scratch yours" for our historic policy of equality of treatment for all nations and adequate protection for our own labor and industries.

America will not barter its birthright for a mess of pottage. It will not surrender constitutional government for a personal government. It will not scuttle the Republic and set up a political or an economic dictatorship.

MESSAGE FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTION

A message in writing from the President of the United States was communicated to the Senate by Mr. Latta, one of his secretaries, who announced that the President had approved and signed the following acts and joint resolution:

On May 15, 1934:

S. 2313. An act providing for the suspension of annual assessment work on mining claims held by location in the United States and Alaska.

On May 17, 1934:

S. 8. An act to add certain lands to the Boise National Forest; and

S. 3144. An act to legalize a bridge across the Saint Louis River at or near Cloquet, Minn.

On May 18, 1934:

S. 696. An act to authorize Frank W. Mahin, retired American Foreign Service officer, to accept from Her Majesty the Queen of the Netherlands the brevet and insignia of the Royal Netherland Order of Orange Nassau;

S. 2080. An act to provide punishment for killing or assaulting Federal officers;

S. 2249. An act applying the powers of the Federal Government, under the commerce clause of the Constitution, to extortion by means of telephone, telegraph, radio, oral message, or otherwise;

S. 2252. An act to amend the act forbidding the transportation of kidnaped persons in interstate commerce;

S. 2253. An act making it unlawful for any person to flee from one State to another for the purpose of avoiding prosecution in certain cases;

S. 2575. An act to define certain crimes against the United States in connection with the administration of Federal penal and correctional institutions and to fix the punishment therefor;

S. 2841. An act to provide punishment for certain offenses committed against banks organized or operating under laws of the United States or any member of the Federal Reserve System; and

S.J.Res. 36. Joint resolution authorizing the President of the United States of America to proclaim October 11, 1934, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 1328. An act to provide for the donation of certain Army equipment to posts of the American Legion;

S. 1882. An act to authorize the Secretary of the Interior to issue patents for lots to Indians within the Indian village of Taholah, on the Quinaielt Indian Reservation, Wash.;

S. 2042. An act to establish a department of physics at the United States Military Academy at West Point, N.Y.;

S. 2442. An act for the protection of the municipal water supply of the city of Salt Lake City, State of Utah;

S. 2794. An act to amend the Longshoremen's and Harbor Workers' Compensation Act with respect to rates of compensation, and for other purposes; and

S. 3397. An act to amend the laws relating to the length of tours of duty in the Tropics and certain foreign stations in the case of officers and enlisted men of the Army, Navy, and Marine Corps, and for other purposes.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H.R. 7306) to amend section 10 of the Act entitled "An act extending the homestead laws and providing for right-of-way for railroads in the District of Alaska, and for other purposes", approved May 14, 1898, as amended.

The message further announced that the House further insisted on its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, and 15 to the bill (H.R. 8617) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1935, and for other purposes; further insisted on its amendments to Senate amendments numbered 12 and 16 to the bill; agreed to the further conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. LUDLOW, Mr. GRANFIELD, Mr. SANDLIN, Mr. BUCHANAN, Mr. MCLEOD, and Mr. SINCLAIR were appointed managers on the part of the House at the further conference.

RECIPROCAL TARIFF AGREEMENTS

The Senate resumed the consideration of the bill (H.R. 8687) to amend the Tariff Act of 1930.

Mr. METCALF. Mr. President, I offer the amendment which I send to the desk. I shall not ask for a vote on it tonight; but I should like to have it read, so that it will appear in the RECORD.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed to add, at the end of the bill, the following section:

SEC. —. The provisions of this act shall not be used in a manner which will withdraw protection from American workers against those countries which employ cheap labor or who operate under a standard of living which is lower than that prevailing in this country. To this end, the Bureau of Labor Statistics of the Department of Labor shall be required to ascertain differences in the wages of labor, and whenever the wages in the foreign country are 20 percent or more below the domestic wage no agreement may be consummated.

Mr. METCALF. Mr. President, ordinarily any discussion of this bill would lead to the age-old conflict between protectionists and free-traders. Today, however, the theory of protection is up against a strange and new protagonist. The protectionist is given no argument to combat; he is given no facts to prove right or wrong; he is given no ground upon which to prove the claim that protection is right. Instead, he is face to face with abstract and academic theories born in the brains of economists trained under ultra liberal tutelage.

Men who really accomplish things are men who deal in facts and not in abstractions. One Senator was for years an ardent champion of the theory of tariff for revenue only, until suddenly confronted by facts. He suddenly discovered that the copper workers of his State were face to face with the copper workers of foreign countries, and he found the mines and the smelters closing their doors, and whole towns destitute and decaying. He found the roofs of the copper-mine buildings of his State covered with copper sheeting from Chile, paid for by the very men who go into the bowels of the earth in his State and by the sweat of their brow attempt to compete with the men their earnings support.

Such things are facts, and no amount of theory or international reciprocity can correct them.

I should like to deal in facts as they concern the State of Rhode Island, not particularly because it happens to be my State, but because I am most familiar with it, and because I believe it to be representative of the industrial regions of the United States.

The population of the State of Rhode Island is 687,000, with an average of a little over 4 persons in each family. Two years ago, approximately 400,000 Rhode Islanders received their livelihood from the factory pay rolls. In other words, in excess of 95,000 persons were engaged in the manufacture of products for sale.

By far the largest manufacturing industry in the State of Rhode Island is the production of textiles; and in this pursuit there were 57,087 wage earners. In order of their importance, the textile mills produced worsteds, woolens, cotton goods, dyeing and finishing materials, silk and rayon, and lace.

The Secretary of Agriculture has declared, without objection on the part of any other official of the administration, that the manufacture of finer textiles in this country is inefficient and should be sacrificed in order that Belgium, France, and China may sell their textiles to this country. Specifically mentioned in the category of finer textiles is lace goods, in the manufacture of which are employed some 1,100 people in the State of Rhode Island. Two years ago 7,060 persons were engaged in the production of finer textiles other than lace goods, and of these the new deal has already threatened the jobs of some 2,000.

The second largest industry in Rhode Island is the manufacture of metal goods. Divided in order of importance is the manufacture of textile machinery, foundry goods, electrical machinery, and numerous other plants employing from 100 to 2,500 people. A few of these, particularly those engaged in the manufacture of instruments, ornamental ironwork, nonferrous metal products, and gold and silver metal work, have been marked as victims of reciprocity trade agreements. The employees of these industries are to be forced into competition with the employees in similar industries in foreign countries. While the number of employees thus affected is small in relation to the whole of the United States, they nevertheless constitute an important factor in the small community of Rhode Island. They total in number approximately 785.

The jewelry industry ranks third in importance in Rhode Island. Two years ago there were engaged in the manufacture of this product 6,829 persons. Of these, 438 manufactured optical goods; about 100 manufactured jewelry and instrument cases; 1,028 jewelers' findings; and 5,430 manufactured common jewelry. Parts of the jewelry industry will undoubtedly be slated for destruction under reciprocity treaties with the jewelry-manufacturing countries of Europe. Specifically, the importation of optical goods and of certain kinds of cheap jewelry will be encouraged, according to rumors already prevalent among the "brain trust" in Washington. In this category Rhode Island has approximately 1,100 employees.

My State also produces a quantity of rubber goods, which have already met disastrous competition from Japan. It is my understanding that some of the workers in Rhode Island rubber plants found that they could buy Japanese rubber shoes in the stores of Rhode Island for less money than the actual wages they received for the manufacture of such shoes. Under a reciprocity treaty reducing the tariff on these goods, the workers in the rubber industry of Rhode Island could easily be entirely eliminated. Already one of the largest rubber plants in the State has been forced to close its doors, and the homes of the workers are standing vacant, with hundreds of them receiving relief from the State and Federal Governments.

Under the theory out of which this tariff bill was conceived, a minimum of 5,585 Rhode Island workers would lose their jobs. Eleven hundred of these have for years been engaged in the manufacture of lace goods and have no other means of earning a living. The remainder are engaged in the manufacture of optical goods, jewelry, fine textiles, rubber goods, and certain fine metal products. The total number of persons dependent for their livelihood upon the pay checks of these people is over 20,000. Taking Rhode Island as a basic example of the working of the new tariff bill, we would find the jobs of 5,500 persons destroyed and the capital investments which gave them work made worthless.

In compensation for this act the "new dealers" expect an increase in our foreign trade. That is, in return for the money which we would pay Japan, France, Belgium, and other countries for their lace, rubber goods, silk, and jewelry, we should sell them other products, the manufacture of which would theoretically stimulate industrial activity and give work to additional people. In order for this to be successful it would be necessary for the surviving industries to absorb those persons made idle by reciprocal tariffs. It would be necessary for the woolens, worsteds, and cotton goods factories of Rhode Island to absorb some 1,500 employees who had been engaged in the manufacture of lace and other fine textiles. This is on the basis of employment 2 years ago.

We find that from 1929 to 1931 employment in the manufacturing industries of Rhode Island had decreased by 30,000 persons. Among those 30,000 persons are workers who have for years been trained in those industries which might survive reciprocity treaties. It would, therefore, be in the interest of industrial efficiency, as well as common justice, for the surviving industries to absorb the employees who were idle as a natural result of the depression before they could absorb the employees made idle by the artificial effects of tariff reduction and who would be people trained in other lines. By the use of simple logic anyone can conclude that the failure of 5,500 persons to produce lace or jewelry or rubber in order that foreign countries might sell these commodities in the United States could not by the wildest imagination make a market abroad for more than the actual products manufactured by 5,500 persons of equal productive power.

Even if we assume the theorists to be correct, and find that the woolen and worsted industries or the metal industry or some parts of the jewelry industry are able, by virtue of an increased foreign trade, to employ new workers to the extent of those made unemployed by the act which brought about this new foreign trade, it must follow that they would be drawn from the 30,000 persons who were taken from the pay roll of these industries between 1929 and 2 years ago. The natural result would be that we would have 5,500 unemployed citizens of Rhode Island, who are trained in specialized work, and many would find it too late in life to learn new trades. We would experience in the State of Rhode Island not only the destruction of the capital investment in those factories which would close, but as well, a depression in all other plants as a result of a lack of confidence in their fate from day to day, and from a loss of the margin of profit upon which all industry must depend for its very existence.

This is a most conservative prediction, and is based upon declarations of policy already made by officials of the administration who have designated certain industries in this country as inefficient. Actually the possibility of a loss in the industrial production of Rhode Island is much greater. One administration leader declares that "it ought to be evident that among articles the imports of which total less than 5 percent of domestic production, will be found fertile opportunities for a profitable trade bargaining to open closed markets to our products of farms and factories."

In analyzing this statement one can readily refer to the famous resolution requiring the United States Tariff Commission to furnish a list of such products from which the administration might choose those to be used for bargaining with foreign countries.

Further reiterating the policy of the administration, the Secretary of State declared that:

> In shaping its policy and executing its obligations under any agreement, each government should direct its first and greatest efforts toward eliminating the restrictions and reducing the duties which most clearly lack economic justification.
>
> Particularly (a) duties or restrictions which now completely or almost completely exclude foreign competition, such as those which restrict the importation of particular commodities to less than 5 percent of the domestic consumption thereof.
>
> (b) Duties or restrictions on articles whose imports have been substantially curtailed since 1929 as compared with domestic consumption.

This was made a declaration of policy by Secretary Hull at the Economic Conference in London and was again reiterated in the conference at Montevideo.

Thus we have two outstanding members of the administration stating the declaration of policy upon which this tariff bill would operate, and we find in the list of products from which would be drawn articles for trading with foreign countries many commodities manufactured in the State of Rhode Island. Among them are cotton goods, yarns and pile fabrics, wool and worsted goods, and silk and rayon manufactures.

Just what will happen as a result of reciprocal trade agreements in these particular industries cannot be predicted. However, it is significant that the cotton goods which I have mentioned, woven wool fabrics, cotton cloth, wool cloth, and silk fabrics, are on all three lists from which will be drawn articles for reciprocal bargaining. It is not unreasonable to assume that reciprocal treaties will be entered into which would more than offset any possible gain which the major industries might expect from favorable foreign-trade balances. It is a lamentable fact that plants manufacturing these products must go through a period of instability, and that those men who have spent their lives in building up a manufacturing business must have a complete lack of confidence in the acts of their government insofar as the prevention of disastrous foreign competition is concerned.

The State of Rhode Island should regard with serious concern the tremendous increase in importations from abroad. Last year bleached cotton cloth was shipped into the United States in the amount of 21,000,000 square yards, which is a record for all time. In fact it is 60 percent above the previous high record in 1929. Printed, dyed, and colored cotton cloth was admitted into the United States last year in the amount of 15,913,000 square yards, which was an increase of 16 percent above 1932. Cotton floor coverings were imported in the amount of 12,200,000 square yards last year, an increase of 126 percent above the year 1929. Cotton yarns were imported in the amount of 1,631,000 pounds, an increase of 29 percent over the year 1932.

The cotton-goods industries of my State cannot continue to face foreign competition of this nature. The tremendous inflow of cotton manufactures cannot help but make serious inroads on the employment of men in the State, and any hope of recovery will most certainly be retarded for many years should these industries be further forced to curtail their operations by reason of reciprocal tariff agreements entered into by men who have never seen a cotton mill.

As I have said before, the manufacture of wool goods is of tremendous importance to the citizens of Rhode Island. Over 25,000 people are normally employed in the woolen and worsted plants alone. Last year these plants witnessed the alarming spectacle of an increase of 88 percent in importations of wool yarns, 37 percent increase in importations of lightweight worsteds, 35 percent increased admissions of heavyweight worsteds, and 37 percent more general woolen goods. The same thing is true in silk manufactures and in the manufacture of knit wear, where the importations increased in 1933 on a range of from 11 percent to 22 percent.

Rhode Island has for a long time been a leading State in the manufacture of files and screws. A substantial percentage of the output of our factories has gone into the export trade. This business has felt severely the effect of the slump in international trade.

The average exportations of files and rasps from the United States between 1926 and 1930 was 2,261,000 dozen, which fell last year to approximately 1,000,000 dozen. Importation of files from Germany and Switzerland increased steadily from 1920 until the adoption of the present tariff law, after which importations fell off rapidly until at the present time only 30 percent of the number shipped into the United States in 1929 are in competition with the American file industry.

Importations consist of ordinary files from Germany and a class of small, fine files called "Swiss-pattern files" from Switzerland. Production of Swiss-pattern files is a specialty in United States industry and forms an important factor in the trade. While importations have never seriously endangered industries of this kind, nevertheless, the decrease in importations from 93,000 dozen in 1929, as a result of the Smoot-Hawley tariff, is of considerable importance to the profitable operation of our plants.

A similar situation exists in the manufacture of other small metal products in the United States, all of which are of first importance in the metal industry of Rhode Island. In the manufacture of such metal products the superior workmanship and superior methods of American plants have made it possible for us to compete with foreign countries, even with our higher wage scales. These industries deserve protection, and we should scrutinize with utmost care any move on the part of Washington professors to delve into the complex workings of the industry.

When the effect of the protective tariff is brought down to specific cases we have revealed facts which are alarming to any business man. Importations of that type of commodity produced in the manufacturing regions of the United States are already increasing. In the manufacture of cotton, the manufacturer is forced to add to his cost of production increased pay rolls as a result of code regulations and trade practices; he is forced to curtail his output of goods and at the same time to pay higher taxes and heavier prices for raw materials. Each of these factors is mounting rapidly, and we cannot expect to continue to build up the prices of domestic commodities if we are to compete with foreign countries.

With these facts in mind, I do not see how we can expect early industrial recovery, if we insist upon passing measures like the pending bill.

KING HILL IRRIGATION DISTRICT

Mr. BORAH. I ask unanimous consent for the present consideration of Senate bill 3151, to cancel certain Government liens on lands within the King Hill irrigation district, State of Idaho. I spoke to the majority leader about the bill this morning. I think there is no objection to it.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 3151) to cancel certain Government liens on lands within the King Hill irrigation distrct, State of Idaho, which had been reported from the Committee on Irrigation and Reclamation with an amendment, to strike out all after the enacting clause, and to insert in lieu thereof the following:

That the Secretary of the Interior is hereby authorized to enter into a contract with the King Hill irrigation district, organized under the laws of the State of Idaho, by which said district and the United States shall rescind the agreements between them of March 2, 1926, November 14, 1923, January 11, 1922, June 17, 1920, and December 17, 1917, each party in such rescissory agreement to release the other from all obligations, accrued or to accrue, under the said five agreements, and the United States as a part of said rescissory agreement to quitclaim to the said district all the right, title, interest and estate of the United States in or to said King Hill reclamation project, including the water rights thereof and any real estate acquired or held by the United States in connection therewith.

Mr. BORAH. Mr. President, I do not think it is necessary to enter into an explanation of the bill, further than to say that the measure as it is now on the calendar was drawn in the Interior Department, and has the approval of that Department. It also has the approval of the Reclamation Bureau and the Budget Director. It provides for the cancelation of certain claims on a project in Idaho, the Government having concluded that it does not desire to proceed any further in the construction of the project.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to convey to the King Hill irrigation district, State of Idaho, all the interest of the United States in the King Hill Federal reclamation project, and for other purposes."

VEHICLES FOR HIRE IN THE DISTRICT OF COLUMBIA

Mr. KING. Mr. President, I desire to make a brief statement with respect to a bill reported from the Committee on the District of Columbia.

As Senators are aware, recently there has been considerable criticism growing out of the fact that there have been numerous accidents as the result of the alleged negligence of taxicab drivers. In some instances, there is no provision for obtaining compensation, as many of them are not financially responsible and do not carry insurance. The matter was inquired into very carefully in the Senate Committee on the District of Columbia, and a bill was unanimously reported providing for the carrying of insurance by those having licenses as public carriers within the District.

I ask unanimous consent for the present consideration of Senate bill 3032, the measure to which I refer.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. McNARY. Mr. President, does the bill involve taxicab bonds?

Mr. KING. It requires of operators and owners that they obtain the usual insurance to operate taxicabs.

Mr. McNARY. Did the committee hold hearings?

Mr. KING. A subcommittee was appointed, and I understand that hearings were held on the subject, and that the question was fully considered.

Mr. McNARY. And the committee unanimously reported the bill?

Mr. KING. Yes.

Mr. McNARY. I have no objection to the consideration of the bill.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Utah for the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 3032) to require financial responsibility of owners and operators of vehicles for hire in the District of Columbia, and for other purposes, which had been reported from the Committee on the District of Columbia with amendments, on page 1, line 4, after the word "require", to strike out "any and all corporations, companies, associations, joint-stock companies, or associations, partnerships, and persons, their lessees, trustees, or receivers, appointed by any court whatsoever", and insert "all owners"; on page 2, line 5, after the word "insurance", to strike out "in a solvent and responsible surety or insurance company authorized to do business in the District of Columbia"; in line 8, after the word "payment", to strike out "to any person"; in line 9, after the word "such", to strike out "corporations, companies, associations, joint-stock companies or associations, partnerships, and persons, their lessees, trustees, or receivers, appointed by any court whatsoever, or renters of their cabs" and insert "owner or his agent, lessee, employee, or renter"; in line 14, before the word "to", to strike out "injury" and insert "damage"; in line 16, after the word "such", to strike out "motor cabs or other vehicles" and insert "vehicle"; in line 18, after the word "terms", to insert "and/"; in line 19, after the word "the", to strike out "Commission" and insert "Public Utilities Commission of the District of Columbia"; on page 3, line 4, after the word "respective", to strike out "judgments. Any such policy of liability insurance shall be issued only by such insurance companies as may have been approved by the Commission, and any such bond or undertaking shall be secured by a corporate surety approved by the Commission. No such bond or policy of insurance may be canceled or terminated unless not less than 20 days prior to such cancelation or termination notice of intention so to do has been filed in writing with the Commission", and to insert "judgments: *Provided, however*, That such bond or bonds, or policy or policies, of insurance shall contain a provision for a continuing liability thereunder notwithstanding any recovery thereon"; at the end of section 1 to insert the following new sections:

SEC. 2. That the bond or bonds, policy or policies, of insurance required by this act shall be issued only by such company or companies as shall be certified to the Public Utilities Commission of the District of Columbia by the superintendent of insurance of the District of Columbia as hereinafter provided, except the superintendent of insurance shall not certify to the Public Utilities Commission that a company issuing insurance policies or surety bonds under the provisions of this act is responsible, unless such company or companies shall have and maintain at all times, in addition to the reserve provided by law, an unimpaired capital, if a stock company, of $50,000; and if a mutual company, a surplus to the policyholders of not less than $50,000: *Provided*, That such company or companies shall be subject to the approval of the Public Utilities Commission.

SEC. 3. If, after the issuance of a certificate, it shall appear to the said superintendent that any company or companies are no longer trustworthy or financially capable of meeting their obligations, he shall withdraw from the Public Utilities Commission the certificate theretofore issued by him, and in such event the company or companies shall immediately cease to write any further bond or bonds or policy or policies of insurance under this act.

SEC. 4. No bond or policy of insurance written pursuant to the terms of this act shall be canceled or terminated by any insurance or surety company unless not less than 5 days prior to such termination or cancelation notice of intention to do so has been filed in writing with the commission.

And on page 4, line 19, before the word "It", to insert "SEC. 5"; in line 20, after the word "this", to strike out "paragraph" and insert "act"; in line 25, after the word "this", to strike out "paragraph" and insert "act"; on page 5, line 1, after "SEC.", to strike out "2" and insert "6"; and after line 5 to insert a new section, as follows:

SEC. 7. This act shall take effect and be in force 60 days from and after the passage and approval of this act.

So as to make the bill read:

Be it enacted, etc., That the Public Utilities Commission of the District of Columbia is hereby directed to require all owners operating, controlling, managing, or renting any passenger motor vehicles for hire in the District of Columbia, except as to operations licensed under paragraph 31 (b) of the act approved July 1, 1932, known as the "license act", and except such common carriers as have been expressly exempted from the jurisdiction of the Commission, to file with the Commission for each motor vehicle to be operated a bond or bonds, policy or policies, of liability insurance conditioned for the payment of any judgment recovered against such owner or his agent, lessee, employee, or renter, for death or for injury to any person or damage to any property, or both, caused in the operation, maintenance, use, or by reason of the defective construction of such vehicle. Any such bond or undertaking or policy of liability insurance shall be in such form and on such terms and/or conditions as the Public Utilities Commission of the District of Columbia may direct: *Provided*, That such bond or policy may limit the liability of the surety or insurer on any one judgment to $2,500 for bodily injuries or death and $500 for damage to or destruction of property, and all judgments recovered upon claims arising out of the same transaction or transactions connected with the same subject of action to $5,000 for bodily injuries or death and $1,000 for damages to or destruction of property, to be apportioned ratably among the judgment creditors according to the amount of their respective judgments: *Provided, however*, That such bond or bonds, or policy or policies, of insurance shall contain a provision for a continuing liability thereunder notwithstanding any recovery thereon.

SEC. 2. That the bond or bonds, policy or policies, of insurance required by this act shall be issued only by such company or companies as shall be certified to the Public Utilities Commission of the District of Columbia by the Superintendent of Insurance of the District of Columbia as hereinafter provided, except the Superintendent of Insurance shall not certify to the Public Utilities Commission that a company issuing insurance policies or surety bonds under the provisions of this act is responsible, unless such company or companies shall have and maintain at all times, in addition to the reserve provided by law, an unimpaired capital, if a stock company, of $50,000; and if a mutual company, a surplus to the policyholders of not less than $50,000: *Provided*, That such company or companies shall be subject to the approval of the Public Utilities Commission.

SEC. 3. If, after the issuance of a certificate, it shall appear to the said Superintendent that any company or companies are no longer trustworthy or financially capable of meeting the obligations, he shall withdraw from the Public Utilities Commission the certificate theretofore issued by him, and in such event the company or companies shall immediately cease to write any further bond or bonds, or policy or policies, of insurance under this act.

SEC. 4. No bond or policy of insurance written pursuant to the terms of this act shall be canceled or terminated by any insurance or surety company unless not less than 5 days prior to such termination or cancelation notice of intention so to do has been filed in writing with the Commission.

SEC. 5. It shall be unlawful to operate any vehicle subject to the provisions of this act unless such vehicle shall be covered by an

approved bond or policy of liability insurance as provided herein. The Commission shall have the power to make all reasonable rules and regulations which, in its opinion, are necessary to make effective the purposes of this act.

SEC. 6. Any violation of this act or of the regulations lawfully promulgated thereunder shall be deemed a misdemeanor and upon conviction shall be punishable by a fine of not more than $300 or by imprisonment for not more than 90 days.

SEC. 7. This act shall take effect and be in force 60 days from and after the passage and approval of this act.

The PRESIDING OFFICER. The question is on agreeing to the amendments of the committee.

The amendments were agreed to.

Mr. KING. Mr. President, without making a full explanation of the measure, I ask to have inserted as a part of my remarks several paragraphs of the report which was submitted by the Senator from Nevada [Mr. MCCARRAN], who was chairman of the subcommittee.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

The purpose of this bill is to require all owners operating, controlling, managing, or renting any passenger motor vehicles for hire in the District of Columbia to file with the Public Utilities Commission of the District of Columbia for each motor vehicle a bond or policy of liability insurance conditioned for the payment of any judgment recovered against such owner for death or for injury to any person or damage to property caused in the operation of such vehicle. Under the present law there is no requirement in the District of Columbia which protects the public from the negligent or careless operation of public vehicles for hire. The enactment of this legislation will eliminate from the public streets many cab owners and operators who are not financially responsible and are judgment-proof. The legislation will likewise prevent many persons from entering the public-utility field who are unreliable and financially unable to meet the demands made upon them in cases where judgments are rendered by the courts.

The bill requires that the owner or operator file with the Public Utilities Commission a bond or policy of liability insurance, but limits the liability of the insurance company or surety on the bond to $2,500 for bodily injuries or death and $500 for damage to property, with the further provision that such bond or insurance policy shall contain a provision for a continuing liability notwithstanding any recovery thereon. The bill further provides that the superintendent of insurance of the District of Columbia shall pass upon the bonds or policies of insurance and shall certify to the Public Utilities Commission that the company or companies issuing the bonds or insurance policies are responsible. The bill provides for a penalty for the operation of any motor vehicle for hire without complying with the provisions of the bill.

Approval has been given to the bill by many civic and other organizations of the District of Columbia, namely, the Federation of Citizens' Associations, the Washington Board of Trade, the Washington Chamber of Commerce, and others, as well as by the Public Utilities Commission of the District of Columbia, the Insurance Department, the Corporation Counsel, and the Board of Commissioners of the District of Columbia. The above organizations and bodies, as well as numerous others, endorse and recommend the passage of this legislation.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

RECIPROCAL TARIFF AGREEMENTS

The Senate resumed the consideration of the bill (H.R. 8687) to amend the Tariff Act of 1930.

Mr. HARRISON. Mr. President, does the Senator from Louisiana desire to speak on the bill tonight?

Mr. LONG. No.

Mr. HARRISON. Does the Senator from Oregon know of any Senator who does wish to speak at this time?

Mr. MCNARY. Not this evening. We shall have one or two speakers tomorrow.

RECESS

Mr. HARRISON. Then, Mr. President, I move that the Senate take a recess until 11 o'clock tomorrow morning.

Mr. MCNARY. Will not the Senator make that 12 o'clock tomorrow, in view of the fact that there are to be some important committee meetings and conferences?

Mr. HARRISON. Very well, Mr. President. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 58 minutes p.m.) the Senate took a recess until tomorrow, Tuesday, May 22, 1934, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

MONDAY, MAY 21, 1934

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D.D., offered the following prayer:

Merciful God, our Heavenly Father, help us this day to fulfill the duties of our station; to bear any annoyances or trivial irritations; to put kindly construction on unkindly acts; to give of our best to the least; to love even the ungrateful. Enable us to do these things not for the praise of man but for the extension of Thy kingdom in human hearts and homes and for the sake of our Savior, whom we love, and all praise and glory be unto Thee forever. Amen.

The Journal of the proceedings of Thursday, May 17, 1934, and Sunday, May 20, 1934, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 9092. An act to authorize the Secretary of War to lend to the housing committee of the United Confederate Veterans 250 pyramidal tents, complete; fifteen 16- by 80- by 40-foot assembly tents; thirty 11- by 50- by 15-foot hospital-ward tents; 10,000 blankets, olive drab, no. 4; 5,000 canvas cots; 20 field ranges, no. 1; 10 field bake ovens, to be used at the encampment of the United Confederate Veterans, to be held at Chattanooga, Tenn., in June 1934; and

H.R. 9394. An act to authorize the Federal Radio Commission to purchase and enclose additional land at the radio station near Grand Island, Nebr.

The message also announced that the Senate had passed a bill and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 3586. An act for the relief of George A. Fox; and

S.Con.Res. 17. Concurrent resolution requesting the President to return to the Senate the bill (S. 3355) to authorize the coinage of 50-cent pieces in commemoration of the two hundredth anniversary of the birth of Daniel Boone, for the correction of an error therein.

The message also announced that the Senate disagrees to the amendments of the House to the amendments of the Senate to the bill (H.R. 8617) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1935, and for other purposes, nos. 12 and 16; further insists upon amendments to said bill, nos. 1, 2, 3, 4, 5, 6, and 15, disagreed to by the House; and requests a further conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. TYDINGS, Mr. BYRNES, Mr. COOLIDGE, Mr. HALE, and Mr. TOWNSEND to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 4253) for the relief of Laura Goldwater, disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BAILEY, Mr. LOGAN, and Mr. CAPPER to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the joint resolution (H.J.Res. 325) extending for 2 years the time within which American claimants may make application for payment, under the Settlement of War Claims Act of 1928, of awards of the Mixed Claims Commission and the Tripartite Claims Commission, and extending until March 10, 1936, the time within which Hungarian claimants may make application for payment, under the Settlement of War Claims Act of 1928, of awards of the War Claims Arbiter, disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. KING, Mr. GEORGE, Mr. WALSH, Mr. REED, and Mr. COUZENS to be the conferees on the part of the Senate.

SWEARING IN OF MEMBER

The SPEAKER laid before the House the following communication from the Clerk of the House:

MAY 21, 1934.

Hon. HENRY T. RAINEY,
Speaker of the House of Representatives,
Washington, D.C.

DEAR SIR: The certificate of election of Hon. J. Y. SANDERS, Jr., has been received, to fill the unexpired term of Hon. Bolivar E. Kemp, of the Sixth District of the State of Louisiana.

Very respectfully,

SOUTH TRIMBLE,
Clerk of the House of Representatives.

Mr. WILSON. Mr. Speaker, it is my pleasure to present to the House of Representatives Hon. JARED Y. SANDERS, Jr., Member-elect from the Sixth Louisiana District, and I request that the oath be administered.

Mr. SANDERS appeared in the well of the House and took the oath of office prescribed by law.

CORRECTION

The SPEAKER laid before the House the following concurrent resolution from the Senate:

Senate Concurrent Resolution 17

Resolved by the Senate (the House of Representatives concurring), That the President be requested to return to the Senate the bill (S. 3355) to authorize the coinage of 50-cent pieces in commemoration of the two hundredth anniversary of the birth of Daniel Boone, to correct an error thereon.

The resolution was agreed to.

HOMESTEAD LAWS FOR THE DISTRICT OF ALASKA

Mr. DEROUEN. Mr. Speaker, I call up the bill (H.R. 7306) to amend section 10 of the act entitled "An act extending the homestead laws and providing for right-of-way for railroads in the District of Alaska, and for other purposes", approved May 14, 1898, as amended, with a Senate amendment and move to concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out lines 1 to 20, inclusive, and insert "*Provided further*, That any citizen of the United States, after occupying land of the character described as a homestead or headquarters, in a habitable house, not less than 5 months each year for 3 years, may purchase such tract, not exceeding 5 acres, in a reasonable compact form, without any showing as to his employment or business, upon payment of $2.50 per acre, under rules and regulations to be prescribed by the Secretary of the Interior, and in such cases surveys may be made without expense to the applicants in like manner as the survey of settlement claims under the act of June 28, 1918 (40 Stat. 632), as amended by section 1 of the act of April 13, 1926 (44 Stat. 243): *And provided further*, That the minimum payment for any such tract shall be $10, and no person shall be permitted to purchase more than one tract except upon a showing of good faith and necessity satisfactory to the Secretary of the Interior."

The Senate amendment was agreed to.

CALENDAR WEDNESDAY

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that business in order on Calendar Wednesday of this week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

COMMITTEE ON BANKING AND CURRENCY

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may be permitted to sit this afternoon during the session of the House.

Mr. TRUAX. Mr. Speaker, reserving the right to object, I understand the purpose of this meeting is to report a bill that would be a substitute bill for the McLeod bill. Will the distinguished chairman of the committee give us some information as to whether that is so.

Mr. STEAGALL. I cannot say to the gentleman what action the Committee on Banking and Currency will take this afternoon. I may say to the gentleman that legislation in which he is interested is under consideration by the committee along with other measures, but I cannot anticipate the action of the committee or give assurances as to what will be done. I am not in position to say. That will be for the committee to decide.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

Mr. TRUAX. Mr. Speaker, I object.

Mr. WOLCOTT. Will the gentleman withhold his objection a moment?

Mr. TRUAX. I withhold my objection.

Mr. WOLCOTT. I know the gentleman's views on this legislation, and the gentleman and other Members are acquainted with my views on the subject. I am a member of the committee, and I have gone over this matter very carefully with the Chairman of the Committee on Banking and Currency and with the gentleman from Michigan [Mr. BROWN].

Mr. TRUAX. Has the gentleman consulted the author of the McLeod bill?

Mr. WOLCOTT. I have, and I may say to the gentleman that this bill now under consideration by the Banking and Currency Committee can be made a good bill. I am convinced that we should get together with the administration in an attempt to get relief for the depositors in these closed banks. The gentleman and I have talked this over. I have talked the matter over with Mr. MCLEOD, and, although I cannot speak for him, I can say that we are heartily in favor of any legislation which will give relief to the depositors in closed banks. I hope the gentleman will not insist upon his objection. [Applause.]

Mr. BURKE of Nebraska. Mr. Speaker, I demand the regular order.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

Mr. BYRNS. Mr. Speaker, may I make a statement to the gentleman? Surely the gentleman is not going to object to the committee sitting this afternoon to consider matters now pending before that committee.

Mr. TRUAX. I am not convinced that is the purpose of the meeting.

Mr. BYRNS. There is no other purpose in the world. The members of the committee desire to meet, and they are certainly entitled to meet, and I am sure the gentleman is not going to object to the members of the committee having a meeting this afternoon when the only object they have is the perfection of the bill referred to.

Mr. STEAGALL. I have stated to the gentleman from Ohio [Mr. TRUAX] the business before the committee. I cannot, of course, disclose to the gentleman things transpiring in executive meetings of the committee, and I cannot undertake to commit the committee to any action in advance. I can only make this request in order to expedite the business of the session.

Mr. TRUAX. Mr. Speaker, in view of the fact that the distinguished Chairman of the Committee on Banking and Currency and his colleagues have at last decided to take some action, I withdraw my objection.

The SPEAKER. Is there objection to the request of the gentleman from Alabama [Mr. STEAGALL]?

There was no objection.

STATUES OF GEORGE WASHINGTON AND ROBERT E. LEE

Mr. WOODRUM. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting the proceedings had in the rotunda of the Capitol on Friday night at the ceremonies in connection with the acceptance of the statues of Washington and Lee.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. WOODRUM. Mr. Speaker, I desire to here record in the permanent archives of the Government a brief description of the ceremonies and the addresses delivered in the rotunda of the Capitol on the evening of May 18, 1934. The occasion was ceremonies under the auspices of the Virginia delegation in Congress officially accepting, on behalf of the Government, the statues of George Washington and Robert E. Lee, which many years ago had been presented to the Government and placed in Statuary Hall.

As a matter of historic interest, I should like to recall briefly that about 30 years ago the State of Virginia,

through a committee from the Senate and House of Delegates from Virginia, procured and presented to the Government these two statues. The commission representing the State at that time was as follows:

From Senate of Virginia: Hon. H. T. Wickham, of Hanover; Hon. J. N. Opie, of Staunton; Hon. Thos. D. Gold, of Berryville; Hon. Edward Lyle, of Roanoke; Hon. Don P. Halsey, of Lynchburg.

From House of Delegates of Virginia: Hon. Richard B. Davis, of Petersburg; Hon. J. C. Featherston, of Campbell County; Hon. Geo. E. Sipe, of Harrisonburg; Hon. H. C. Rice, of Charlotte County; Hon. J. C. Gent, of Lebanon.

Of the above commission, only three members are still alive, to wit, Hon. H. T. Wickham, of Hanover; Hon. Don P. Halsey, of Lynchburg; and Hon. George E. Sipe, of Harrisonburg.

The statues were placed in Statuary Hall, but were never officially accepted by the usual procedure of the passage of a resolution of acceptance. When I came to Congress, I learned somewhat accidentally that Virginia's contribution to the Hall of Fame had never been officially accepted by the Government. I found upon inquiry that the reason assigned was that some objection had been made to the acceptance of the statue of Lee because he wore a Confederate uniform. After considerable discussion among my colleagues, I was led to believe that if there had been such feeling in other years, it had entirely passed away. On February 22, 1932, the two hundredth anniversary of the birth of George Washington, I introduced in the House of Representatives the following resolution:

House Concurrent Resolution 24

Resolved by the House of Representatives (the Senate concurring), That the thanks of this Congress be presented to the Governor and through him to the people of the State of Virginia for the statues of George Washington and Robert E. Lee, whose names are so honorably identified with the history of our country; that these works of art are accepted in the name of the Nation and assigned to places in the old Hall of Representatives already set aside by Congress for the statues of eminent citizens; and that a copy of this resolution, signed by the President of the Senate and the Speaker of the House of Representatives, be transmitted to the Governor of Virginia.

This resolution was duly reported out by the House Committee on the Library and placed upon the calendar. The first time it was called for consideration some objection was raised by one Member of the House, but on the second calling of the resolution it was passed by the House as originally drawn. This resolution was concurred in by the Senate.

The ceremony in the rotunda of the Capitol on the evening of May 18 was the official acceptance of these statues and was under the auspices of the Virginia congressional delegation all of whom were present and who are as follows:

CONGRESSIONAL DELEGATION FROM VIRGINIA

Senators: CARTER GLASS and HARRY FLOOD BYRD.

Representatives (at large): CLIFTON A. WOODRUM, ANDREW J. MONTAGUE, SCHUYLER OTIS BLAND, THOMAS G. BURCH, HOWARD W. SMITH, PATRICK H. DREWRY, COLGATE W. DARDEN, JR., JOHN W. FLANNAGAN, and A. WILLIS ROBERTSON.

Through the kind offices of the Architect of the Capitol, Mr. David Lynn, and his genial and efficient assistant, Mr. Arthur E. Cook, supervising engineer, very ample and sufficient arrangements were made for this ceremony. An audience of approximately 650 people, composed of distinguished citizens of Virginia and other States, Federal and State officials, Members of the House of Representatives and Senate from other States, and many visiting dignitaries of patriotic and fraternal organizations was present. The Marine Band orchestra furnished music. Appropriate floral decorations were furnished by the Department of Agriculture and the Botanic Garden, and the young ladies who are sponsors for the several congressional districts in the Virginia Society of the District of Columbia served as ushers. Preceding the formal ceremony an informal reception was held in Statuary Hall.

The program in the rotunda of the Capitol was introduced by our distinguished and beloved senior Senator from Virginia, Hon. CARTER GLASS. In opening the ceremony Senator GLASS said:

We come not to pay tribute to George Washington and Robert E. Lee, but to perform belated formalities in doing honor to Statuary Hall.

The presentation of the statues was by Gov. George C. Peery, of Virginia, who spoke as follows:

Mr. Chairman, Senator WALSH, fellow Virginians, ladies, and gentlemen, the Congress of the United States, by a resolution passed in 1864, designated the old assembly hall of the lower House as "National Statuary Hall." The resolution of Congress authorized the President to "invite all the States to provide and furnish statues in marble or bronze, not exceeding two in number for each State, of deceased persons who have been citizens thereof and illustrious for their historic renown or for distinguished civic or military services such as each State may deem to be worthy of this national commemoration."

The purpose to be accomplished met with hearty accord. The practical execution thereof met with some difficulty. The number of illustrious persons to be commemorated was limited to two from each State. This limitation of selection engendered differences of opinion in some States, resulting in delay in accepting the invitation of the President. In other instances doubt arose, following the animosities of war, as to whether the selection of some of the heroes of the South would be graciously received and approved by the Nation. Happily, in later years this feeling has been forgotten and the States, in response to the resolution, have from time to time made selections and sent statues of their heroic dead to take their place in the Nation's Hall of Fame.

It is difficult to appraise accurately the elements of greatness in persons whose character, virtues, and achievements widely differ. Perhaps it is well that the selections have not been limited to any one class or profession and that they have taken a wide range among those eminent in the several walks of life.

And so to this pantheon of fame have come the statues in marble or bronze of many of the Nation's great. "Where pilgrims from all parts of the Union, as well as from foreign lands, may come and behold * * * the actual form and mold of those who have inerasably fixed their names on the pages of history."

In this galaxy of the Nation's renowned, here and there, we find the figures of one whose fame rests upon military achievement. We see another who has won distinction by patriotic service and exalted leadership. From one State comes the statue of a great inventor. Another sends the kindly image of a French missionary, whose faithful work among the Indians, coupled with his daring and achievement as an explorer, entitled him to receive this chaplet of distinction.

From the Lone Star State came the marble likeness of a man in frontier garb, who was born in Virginia, later became Governor of Tennessee, and still later emigrated to Texas and became Governor and Senator from that great State.

Another State placed one of her crowns of distinction upon one of Indian blood, who invented an alphabet for the people of the Cherokee race.

From one of our Southern States came the statue of a beloved physician, who discovered sulphuric ether as an anæsthetic in surgery, and who declared that his profession was to him a "ministry from God."

To the State of Illinois belongs the distinction of contributing the first statue of an illustrious woman. She contributed the statue of Frances E. Willard.

After years had softened the feeling that arose from civil strife there came from two of the States of the South the likeness of the President and Vice President of the Confederacy, so that the devotees of a lost cause might look with reverent affection upon the image of these heroes of the South.

For Virginia, the duty of selecting two of her most illustrious sons has not been a difficult task. Upon her roster are the names of many distinguished men whose statues might well merit places beside the illustrious dead from other States. There are Jefferson, Madison, Monroe, Marshall, Mason, Henry, Jackson, Wilson, and a host of others whose fame rests upon no insecure foundation and each of whom might well be awarded a place in the Nation's Hall of Fame.

But a review of the roster brings us unerringly back to two who stand out in bold relief as the Commonwealth's most illustrious men. And those men are Washington, the Father of our Country, and Lee, the matchless leader of the lost cause.

In presenting the statue of Washington to the Nation, Virginia feels that she has set the chief star in the Nation's Hall of Fame. No galaxy of illustrious American leaders would be complete that did not include Washington. His statue alone would suffice to illumine any chamber in which are gathered the immortals of the Nation. Virginia gave him birth. She reared him. She loved him. In Virginia he made his home. And now Virginia guards his grave. And while he is still the child and son of the Old Dominion, yet the Commonwealth recognizes that he is the Father of the Republic and that our glory is the glory of the Nation.

Neither do we stop there, for in truth the glory of our Nation in Washington is shared by the free people of all the earth.

We read in Holy Writ that "There is one glory of the sun, and another glory of the moon, and another glory of the stars—for one star differeth from another star in glory." This is true of the illustrious dead whose statues have been awarded a place in the Nation's Hall of Fame, but methinks that if these silent figures could be touched to life, they would all bow in common obeisance to the glory of Washington.

Our National Capital bears his name. Here in this beautiful city where all may see, a lofty monument, built by a grateful people to his memory, points to heaven. And hary-by, at historic Mount Vernon, in his native Virginia, his mortal remains rest in

dreamless sleep. Virginia and the Nation acclaim him as a pioneer in freedom.

"First in war, first in peace, and first in the hearts of his countrymen."

The other upon whom Virginia places her signal mark of distinction is a man who has been described as "One of the most striking, one of the noblest tragic figures the world has ever produced." This man is the beloved Lee. Virginia gave him birth, and now points to many shrines which bespeak his life and character. We wander through the halls at Stratford and muse with ourselves upon the surroundings that helped to mold his character in infancy and early boyhood. We follow him to school in Alexandria and on to West Point, where he became a model student and graduated high in his class. We read with interest and delight of the romance of his life, culminating in his marriage to Mary Custis at Arlington in June 1831, of the happy married life that followed and of the splendid sons and daughters who were born of the marriage. We follow him in his career back to West Point, where he became superintendent of the Military Academy in 1852, and then years later returned to the Army and continued in the military service of the Nation until the tragic days of civil war arose.

Then came the time for making the most momentous decision of his life. It was marked by no vacillation or weakness. It was devoid of personal interest. It was glorified by unselfishness, and eloquently bespoke the nobility and greatness of the man. His decision was that he could not take up arms against his native State.

We go with him through that tragic struggle to Bull Run, Sharpsburg, Chancellorsville, and many other battlefields, and finally to Gettysburg and to the travail and sorrow that came with the fall of the curtain at Appomattox.

Lee's greatness was the greatness that withstood defeat. Too often is the world's standard of greatness measured by success. Washington was great, but he was successful; Lincoln was great, but he, too, was successful. Grant was a great soldier, but he drank of the joy of victory. But Lee was great in defeat.

In the combination of the traits that go to make up true nobility and greatness, Lee, among the men of his day and generation, stood out like the giant mountain peak that rears its lofty head far above its stately fellows and stands out with a distinctive glory and grandeur.

Among the tributes to Lee, I mention but two.

The late Theodore Roosevelt said of him:

"Lee will undoubtedly rank as without any exception the greatest of all the great captains that the English-speaking people have brought forth—and this, although the last and chief of his antagonists may claim to stand as the full equal of Marlborough and Wellington."

Lord Wolseley said of him:

"He was the ablest general and to me seemed the greatest man I had ever conversed with."

Virginia presents to the Nation the statues of these two men—the choicest spirits of her illustrious sons.

Upon one are the words "Washington—Virginia", and upon the other, "Lee—Virginia"—only two words of inscription upon each! But what a wealth of meaning in those words! What a reminder of a glorious past, and what an inspiration for what we steadfastly hope will be a more glorious future!

The acceptance of the statues was by Senator DAVID I. WALSH, of Massachusetts, whose address follows:

It is a high privilege to participate here in the ceremonies attending the formal consecration in the Hall of Fame of these statues of two of America's immortals, which is, indeed, a hall of exalted associations, long the meeting place of our House of Representatives in the early days of our Republic. Originally a place of statutes, it is now a place of statues—of many illustrious men who contributed to the establishment and the advancement of our Nation.

All those who are enshrined here in sculptured marble and bronze have claim to fame. But the two of her native sons whom Virginia has proudly selected for inclusion in the noble array of soldiers and statesmen are of the heroic figures of the ages whose names and whose fame are imperishable—George Washington and Robert E. Lee.

It is not my purpose on this occasion to undertake any eulogy of either of these heroic figures. Their lives and their deeds have been recounted and extolled times without number. Yet with such men as these our tributes and the world's tributes will never cease. But other speakers will deliver the eulogies appropriate to this occasion.

I am here not in any personal capacity but rather as the delegate of the Congress to accept on its behalf Virginia's gift to the Hall of Fame which Congress established. Moreover, much as I appreciate the privilege and honor thus conferred upon me, I realize that it is not to me personally but rather to my native State—Massachusetts.

It seems to me to be peculiarly fitting and appropriate that it has devolved upon a representative of the Commonwealth of Massachusetts to respond on behalf of all of the 48 States to this presentation of Washington and Lee from the Commonwealth of Virginia.

Massachusetts and Virginia were the earliest British colonies in the New World, and from the earliest days to the present time their histories have had many parallels.

Virginia and Massachusetts stood shoulder to shoulder in the battles of the Revolutionary War. They collaborated in the Declaration of Independence, and both figured prominently in the proceedings of the constitutional convention.

It was John Adams of Massachusetts who proposed George Washington for Commander in Chief of the Army, and it was Adams who was our first Vice President and who succeeded Washington as President. And it was Adams who appointed the great John Marshall of Virginia Chief Justice of the Supreme Court.

When we turn to the Civil War we find Massachusetts and Virginia on opposite sides, but, as in the past, each was in the forefront. Massachusetts was in the lead in the demand for the abolition of slavery. Massachusetts contributed heavily in men and in money to the support of the Union forces. Virginia gave the South, General Lee, and the capital of the Confederacy was established at Richmond.

The animosities engendered by the Civil War have long since been obliterated. The Mason and Dixon's line is no longer even a figure of speech. Much more than that is the fact that as time marches on the pioneer States which share a common ancestry and similar histories tend more than ever to a common consciousness and community of interest and of spirit. Whatever the spirit of sectionalism, if there be any such spirit today, it does not exist between Massachusetts Bay and Jamestown.

Furthermore, it seems to me that the acceptance here by the Nation of Virginia's gift of a statue of Gen. Robert E. Lee is in the nature of a final attestation of the entire extinguishment of the passions which once divided our country and set brother against brother, and which lingered long after all arms had been laid down.

We demonstrate here that the terms "friend and foe" no longer have any application to our own countrymen. Many statues have been erected to the brave and noble leader of the armies of the Confederacy, but the placing of a statue of Lee alongside of Washington in the national hall of fame beneath the Capitol dome, is epochal.

We now unite in proclaiming Lee a national hero. And again I advert to the happy circumstance that it is a successor to Charles Sumner in the Senate of the United States from Massachusetts, who stands here to give official expression to this sentiment on behalf of Congress, and, may I be permitted to add, on behalf of the Nation.

Virginia has many illustrious sons from whom to choose in determining which two should be accorded the particular honor or statues in Statuary Hall—Washington, Jefferson, Marshall, Madison, and Lee—to name only a few. The Virginia roll of honor is a long one. The selection of Washington, of whom alone it has been said so often and so well that he was "first in war, first in peace, and first in the hearts of his countrymen", was, of course, obvious and very nearly inevitable. The selection of Gen. Robert E. Lee rather than Jefferson or Marshall or Madison to stand beside Washington in this Hall might not at first glance look to be so obvious a choice. But upon reflection, we cannot fail to be deeply impressed by the qualities of greatness which Washington and Lee had in common and which make them particularly fitting companions in this gallery of heroes.

It is much more than the fact that they were both natives of the same State and that their dispositions were shaped by the influences of the same physical surrounding, the same social life, and the same general ancestry. Earnest, sedate, and studious, even in boyhood, both early assumed the duties of manhood. A commanding presence and an equally commanding personal dignity were common to both from their youth to their last hours. Both were remarkable for a combination of moral and intellectual qualities so evenly balanced and so exquisitely proportioned that no one quality overshadowed or dwarfed another. Equally characteristic of both were their perfect integrity and probity in every relation and every situation of their lives.

Both proved themselves of the greatest military genius the world has ever known. And, finally, both were endowed with those supreme gifts of mind and of soul which raise up one man among millions to be a historical leader of men.

It is the singular felicity of the Commonwealth of Virginia to produce two such stainless captains.

To Washington and to Lee, all honor and glory, now and forevermore!

The addresses of Governor Peery and Senator Walsh were broadcast over the Dixie network by the Columbia Broadcasting Co.

Judge Don P. Halsey, of Lynchburg, Va., a distinguished Virginian, who was secretary of the Virginia commission which presented the statues to the Government, made the following address:

VIRGINIA'S SONS IN STATUARY HALL

As the secretary of the commission which had the matter in charge, I think it may be of interest if I give a brief historical summary of how, why, and when, the statues of George Washington and Robert Edward Lee were placed in Statuary Hall, formerly the Hall of the House of Representatives, here in the National Capitol of the United States.

As you all probably know, this Hall was set apart by Congress as a shrine of patriotism, where each State of the Union is given the privilege of placing the statues of two of its illustrious dead, such as "each State shall determine to be worthy of this national commemoration."

Some 30 years ago, when I was a young member of the Virginia State Senate, the thought occurred to me, that, of all Virginia's great sons, the two most "worthy of this national commemoration" were Gen. George Washington and Gen. Robert Edward Lee. Accordingly, I introduced and secured the passage of the necessary enactments, which provided that the Houdon statue of Washington should be copied in bronze, and that a companion statue of Lee should be made by Mr. Edward V. Valentine, the great Virginia sculptor, who had made the famous recumbent statue of Lee which marks his tomb in Lexington. A commission was created with authority to cause these statues to be made and placed in Statuary Hall, which was composed of the following members: Hons. H. T. Wickham, J. N. Opie, Thomas D. Gold, Edward Lyle, and myself, on the part of the senate, and Hons. Richard B. Davis, J. C. Featherston, George E. Sipe, H. C. Rice, and J. C. Gent, on the part of the house of delegates. The Honorable Claude A. Swanson, then Governor of Virginia, was a member ex officio, and, when present, acted as chairman. The regularly elected chairman was Hon. Richard B. Davis, of Petersburg, and the secretary of the commission was your present speaker. After the death of Senator Opie, Judge George L. Christian, of Richmond, was chosen to fill the vacancy.

The statue of Lee having been completed in handsome style by Mr. Valentine, both this statue and the copy of the Houdon statue of Washington were cast in bronze at the foundry of the Gorham Manufacturing Co., in Providence, R.I., and during the summer of 1909 were transported to Washington and duly erected upon suitable pedestals in Statuary Hall, where they have since remained.

In choosing Washington to be thus honored there could be no difference of opinion, for not only Virginia but all America with unanimous acclaim hold him supreme and unrivaled, alone in his imperial grandeur, deserving above all others the immortal tribute of Gen. Henry Lee, as "first in war, first in peace, and first in the hearts of his countrymen." And if Virginia had desired to select his companion in this hall of fame from among his contemporaries, so many there were deserving of the honor that their number constituted an embarrassment of riches—Henry, Madison, Monroe, Jefferson, Mason, Wythe, Marshall, and many others fully measured up to the highest standard of greatness, and would have reflected honor upon their State and Nation, and have been found worthy to stand in this great company of America's noblest and best. But having selected Washington for our representative of the Revolutionary time, it seemed fitting to take the other from a later time, and that the most stirring period of the Nation's history, and with this in view, surely none could be found more truly worthy of the honor than the stainless chieftain, Robert Edward Lee.

In presenting the measures providing that the statue of Lee should accompany that of Washington in our national Valhalla, I did so from no desire to offend northern sentiment, although the wounds of the War between the States were then not wholly healed, but rather from entirely opposite motives. I believed then, and time has proved that I was right in believing, that such a gesture by Virginia would be, as it was intended to be, of great moment toward strengthening the ties that now bind together the once divided North and South into one great reunited country in which sectionalism is dead and buried, and reunion and reconciliation have taken its place, with "the wounds of war healed in every heart and on every hill." I believed then, as I know now, that for Virginia thus to exercise her legal right to make her own choice in this matter would enhance, rather than diminish the love and respect in which she is held by all her sister States, and that every star in the constellation of the Union would twinkle with delight when Virginia gave the statues of her Washington and her Lee to the Nation she helped to make, and which, as time has proved, she stands forever ready to defend.

I believe then, and I know now, that Virginia and the South had all to gain and nothing to lose by thus sending Lee as well as Washington to stand in America's Capitol, for, as time again has proved to be true, I felt that the more the character of Lee was discussed, the more it would stand out as similar to that of Washington, and the more would the world be brought to a realization and an appreciation of his greatness and the righteousness of the cause for which he fought, and I am content with the result. In the beautiful and felicitous language of the gifted and lamented James Lindsay Gordon, I knew that "of the long list of glorious names which America has furnished to the history of the world, it was our mother's fortune to furnish the two that lead that mighty band—the two characters that tower in complete and rounded stature over all their great compatriots, the Castor and Pollux of our Nation's history, the 'Great Twin Brethren', who will ride down the centuries leading the vanguard of our army of immortality—chiefs of the deathless host of patriots, soldiers, philosophers, and statesmen, who put life to heroic uses and battled for noble ends, the two of this continent incomparable and unrivaled—George Washington and Robert E. Lee."

Both of them were "rebels." If one is to be condemned for it, the other must be also, for there is no difference between them except that the rebellion in which Washington figured was successful, while that led by Lee was not. Both of them had held commissions under the governments which they afterward opposed. Washington won against the King under whose flag he had served, while Lee lost against the country whose battles he had fought. Each went with his State, when the time came, when the choice had to be made, and the parallel between them is complete except that one was victorious and the other was vanquished.

If Washington had been living in 1861, and had been confronted with the same choice that Lee had to make, I have no doubt that he would have done the same as Lee did, and that is among the reasons why I wanted to see them together in Statuary Hall—because there are no two great characters in history so much alike as Washington and Lee, and because I wanted the world to know that Virginia gives to these two noblest and best beloved of all her sons equal honor and equal reverence.

In a notable speech on Robert E. Lee, which he said was inspired by the action of the Virginia Legislature in declaring the purpose to present his statue to be placed in Statuary Hall, Judge Emory Speer, a distinguished and eloquent Georgian, said:

"Deny Lee a place by Washington! Ah, is it sure, if in the awful hour when the invading columns approached Virginia's soil, the winds of the Prophet had breathed upon the slain that they might live, caught from the wall at Mount Vernon by the reincarnated hand of the Father of his Country, the defensive blade of Washington would not have gleamed beside the sword of Lee? Repel them not, my country, the fervid love of thy sons who fought with Lee, and of the children of their loins. Their prowess thou hast seen on the hills of Santiago, on the waters of Luzon. In thy need the children of Grant have been and are brethren in arms of the kinsmen of Lee. Officers of his, thou hast called to thy service in the highest places in peace and war. His comrades and his kinsman wear thy swords. With joy his sword, too, leaped at thy command. The flowers of spring with equal hand thou wilt henceforth strew on graves of all the dead. Why, then, repel his blameless name from thy immortals' scroll? Then honor him and in thy need on those who love him wilt thou not call in vain. And woe to the foe in press of battle when the soul of Lee shall fire their hearts and his bright sword shall point the charging columns of thy sons."

Not only at Santiago and Luzon, but since those words were spoken, the sons of those who followed Lee and Grant have fought and died together on the fair fields of France in the cause of liberty and right, and though the eloquent tongue of Speer is silent now, in death, his patriotic and prophetic spirit inspires us here tonight with a love that embraces every foot of American soil, every State in the Union.

It is not, therefore, in any spirit of sectional prejudice or bitterness that Virginia gives these statues, but rather in the spirit of those noble words uttered by the late President Theodore Roosevelt over 30 years ago:

"We are now a united people; the wounds left by the great Civil War, incomparably the greatest war of modern times, have healed, and its memories are now priceless heritages of honor, alike to the North and to the South. The devotion, the self-sacrifice, the steadfast resolution and lofty daring, the high devotion to the right as each man saw it, whether northerner or southerner, all these qualities of the men and women of the early sixties, now shine luminous and brilliant before your eyes, while the mist of anger and hatred that once dimmed them have passed away forever. All of us, North and South, can glory alike in the valor of the men who wore the blue, and the men who wore the gray."

Mr. Roosevelt also wrote such high praise of Lee, as a soldier, that none of his own followers could say more.

In his life of Thomas H. Benton, in the American Statesman Series, on page 34, are found these words:

"The world has never seen better soldiers than those who followed Lee, and their leader will undoubtedly rank as without any exception the very greatest of all the great captains that the English-speaking peoples have brought forth, and this although the last and chief of his antagonists may himself claim to stand as the full equal of Marlborough and Wellington."

It is, then, with the greatest pride and gratification that Virginia today, with a heart full of love and gratitude, acknowledges the thanks that the Congress has bestowed upon her for presenting these statues of her greatest sons. For nearly a quarter of a century they have stood in this Capitol, by right of law but until now without the thanks of Congress and ceremony of dedication. Never, however, has Virginia doubted that this day would come, and now that it has and her sister States join with her in thus paying tribute and homage to her great sons, she extends to them one and all her heartfelt appreciation and loving regard, feeling more fully at one with them and the "Union strong and great" than she has ever felt before.

The true significance of Virginia's selection of Washington and Lee as her representatives in Statuary Hall is found in those words of Thomas Carlyle: "Who is to have a statue? means whom shall we consecrate and set apart as one of our sacred men, * * *. Show me that man you honor; I know by that symptom better than any other what kind of a man you yourself are, for you show me there what your ideal of manhood is; what kind of a man you long inexpressibly to be, and would thank the gods, with your whole soul, for being if you could." It is because Washington and Lee are still Virginia's ideal men that she today dedicates and consecrates these statues to their memory and thereby declares that by their example and their teachings she hopes forever to abide. In honoring them, Virginians honor themselves, and show to the world the kind of men and women we would be if we could. And if we cannot honor them more, it is only because—

"Far above us and all our love, beyond all reach of its voiceless praise,
Shine forever the names that never shall feel the shade of the changeful days
Fall and chill the delight, that still sees winter's light in it shine like May's.

"Strong as death is the day's dark breath whose blast has withered the life we see,
Here where light is the child of night, and less than visions or dreams are we;
Strong as death; but a word, a breath, a dream is stronger than death could be.
"Strong as truth, and superb in youth eternal,
Fair as the sundawn's flame,
Seen when May, on her first born day, bids earth exult in her radiant name,
Lives, clothed around with our love, and crowned with praise that dies not, their lovelit fame."

Dr. Francis P. Gaines, president of Washington and Lee University at Lexington, Va., closed the program with the following eloquent tribute to Washington and Lee:

It may be the despair of historians, but it is a fact of human experience that the deeds of men, like the low features of a swiftly retreating landscape, become quickly confused and indistinguishable, while the characters of important men rise slowly with enhanced vividness, the hilltops of our observation. In the case of men, moreover, about whom epochs revolve, these characters may become merged with ideals or transmuted into them; and then the personages are the mountain peaks, open to long stretches of vision, inevitable in snow-capped loftiness against the horizon. Upon such a vista does this program focus, upon twin mountain majesties of worth—if we may modify a Byronic phrase, upon Washington and Lee.

Not from surface manifestations could we classify these men as twins. The apparent variation between their careers is almost as wide as the range of human fortune.

It was ordained that both of these men should lead an effort to smash a formal political pattern.

It was ordained that one of them should succeed and that having broken to bits that ancient pattern he should become chief artisan in a new design that excited the wonder of the world, and remains, we fondly believe, the image of its hope. Honor and glory were his; cities and States and nations did him homage; and his name was set upon the chronicles of time in the luster of victory.

It was ordained that the other man should fail. For a long time the throngs that follow the tribal god, success, passed this man by and he was marooned in a kind of forlornness, accepted at best as the perfect type of gracefulness in defeat. But his people loved him always, even when not quite comprehending him, loved him as no mere mortal was ever loved by his own. Some drew near and became acquainted with him; and all who learned to know him found a refreshing of life, as weary pilgrims come into the shadow of a great tree; never again the hot rays of bitterness to scorch the tissues of their souls, never again the dreary desert stretches of despair to daunt their spirits.

Tonight we demonstrate that even as these men could

"Meet with triumph and disaster
And treat those two imposters just the same",

so can we in our appraisal. The outcome of their effort is of little significance. Issues have been acknowledged, factionalisms have been forgotten. Even the warfare into which these men entered is not the chief item in our thinking of them; the spilling of blood, in which they had reluctant part, was a gesture of our development, unnecessary but perhaps with such compensations as Whitman indicates:

"That the hands of the sisters, Death and Night,
Incessantly softly wash again, and yet again, this soiled world."

The deeds of these men are not of primary consequence, as the landscape of the years retreats from us. But upon the horizon remain the everlasting granite of their characters, the shining eminence of their ideals, the twin mountain majesties of worth.

For though these men lived in different centuries, exalted with heroic effort different flags, entered into widely divergent consequence, there is about them some basic identity which of itself would make appropriate their eternal fellowship here.

II

The initial identity gives us caution. Washington and Lee were both spiritual citizens of a kind of incommunicable solitude. They resided in the fastnesses of the primal sanities, and the temper of modern interpretation, seeking headlines in human eccentricity, does not find in them easy material. The rootage of their lives was in profound yet simple motives, below the level of our fluencies, and the fruitage of their lives is not to be packed into glib phrases.

But it is obvious to even hurried and casual scrutiny that these men share a fundamental harmony in that for them character was destiny. In each case this quality was revealed before and during and after the particular crisis of life that challenged.

For each man found himself conspicuously emergent in a crisis that he had little part in precipitating. Neither had concerned himself with the political antecedents of the decisive hour. Neither had so manipulated the issues and the tense emotions as to frame a set-up of circumstances that might give him a sudden supreme opportunity. In both cases the hour sought the man, because his preparation had been in terms of competence, his chief equipment was trustworthiness. With the spotlights of doom playing upon the stage, each man quietly entered and took the center because of the character that was his.

Both recognized in this crisis not an invitation to self-assertion but a trust committed. As the preparation had been one of character, so was the realization. Whatever statics of action or analyses of strategy be stored in the academic records, the notable facts of their career derive from the quality of their endeavor, from the fortitude, from the energy of devotion, from the keeping of inviolate faith. Gradually both of these men became in themselves the cause they championed. Armies followed them, suffered with them, died before their eyes, because from these two men emanated a strength of character that exalted little lives into surpassing heroism.

Both personages were projected by force of character into immense influence upon events subsequent to the crisis. One of them found beyond the moment of victory an era of national chaos; the other discovered beyond the moment of defeat an era of sectional desolation. By some paradox of history, success for the one and failure for the other meant alike the rebuilding of a society. Each one might well have closed the chapter of his performance, to submit it with confidence into the far-away tribunals of utter justice; such a course was impossible for both by reason of their character. They turned from yesterday unto tomorrow. They penetrated in statesmanlike vision far into the future; they labored for that future; they belong to it.

Beyond all exposition of their performances, beyond the labored eulogies of their distinction, the final interpretation of these men is in terms of the vigor and the beauty of their dream, outrunning the span of their own earthly days.

It is not surprising that both of these men should have had sympathy for an enterprise which is of all human effort most prophetic of brighter tomorrows—education. Washington set increasing reliance upon it; gave to it a growing enthusiasm. As sunset drew near, he was hoping for a dawn bright with learning. In state papers he pleaded for it. He endorsed the idea of West Point, citadel of knowledge for military security; he yearned for a national university in this city, as if to set the governing function and the educative process upon a plane of comparable dignity; he turned a substantial gift which Virginia had made to him unto an educational institution in that State, which gratefully took his name.

Lee dreamed of a great future beyond the desolation of his day, and he too turned to education. Modestly declining manifold proposals that guaranteed economic sufficiency or glory of position, he dedicated his life, as it were, to another epoch of hardship that he might plant harvests for others to reap. He rode his gray horse over Virginia's mountains to the same school Washington had favored, and there he sought to make effective his dream in the perpetual miracle of life, by which in the souls of youth, tenderest of materials, immutable purposes are fixed.

III

Above all other factors that may give fitness to their presence in sculptured likeness here where the heart of the Nation beats, is this quality of forwardness, this survival value of character in the continuity of their dream. The twin mountain peaks are no longer behind us across a landscape which the years make dim. These figures have shifted and are in front of us, always in front of us. They are not ideals which we remember; they are ideals to which we aspire.

Virginia does not make here a contribution to a museum of history. Virginia does not present effigies of biography, however significant. Virginia does not offer specimens of the wealth of personality that has been her endowment, nor memorials of the shining figures of great drama in which she had a share.

Virginia presents here an enduring illumination of the qualities of character which give promise to our life. Here are the symbols of hope, the incarnations of prophecy. Here are the heralds of a

"Golden Age whose light is of the dawn,
And not of sunset, forward, not behind."

To think of these characters is to be conscious not of trivial incidents in a crowded career but of some heritage of nobility which, please God, shall prove inescapable. To look upon these likenesses is to believe that we can yet pay them the adequate tribute of building a Nation which shall be the fulfillment of their dream.

The invocation and benediction were given by the Reverend James Shera Montgomery, Chaplain of the House of Representatives.

Mr. Speaker, the heroic and inspiring figures of Washington and Lee, as they now stand side by side in Statuary Hall, have at last been officially recognized and accepted by the United States Government.

THE LEGISLATIVE APPROPRIATION BILL—1935

Mr. LUDLOW. Mr. Speaker, I call up the bill (H.R. 8617) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1935, and for other purposes.

The Clerk read the title of the bill.

Mr. LUDLOW. Mr. Speaker, I move that the House further insist upon its disagreement to Senate amendments nos. 1, 2, 3, 4, 5, 6, and 15; also further insist upon its amendments to Senate amendments nos. 12 and 16, and agree to the conference asked by the Senate.

The SPEAKER. The question is on the motion of the gentleman from Virginia.

Mr. LUDLOW. Mr. Speaker, I yield such time as he may desire to the gentleman from Texas [Mr. BUCHANAN].

Mr. BUCHANAN. Mr. Speaker, I have secured this time in order to make a statement to the House so that the House may decide the policy to pursue on this bill, and the one which will probably hereafter be pursued. I do not think the five members of a conference committee ought to speak for the House on a question that may or may not disturb the cooperative relations between the Senate and the House.

To start with, the legislative bill has been agreed to in conference and the conference report approved by both Houses, except as to a few amendments increasing the salary of certain employees of the Senate. Your conferees did not agree to these amendments and did not recommend an agreement to these amendments for this reason. When we were conducting hearings on the legislative bill, numerous requests came to us to increase the salary of certain employees of the House. Several requests came to us to grant additional employees for the House. We have a rule of the House that prohibits legislation on appropriation bills. We respect and enforce this rule. We did not even consider or conduct hearings on these applications for increases in salaries of employees of the House, neither did we conduct hearings on increasing the number of employees of the House; and in the consideration of the legislative bill on the floor of the House, when an amendment was offered to the bill providing that each Member should have another secretary during these times when we have so much work to do, we made a point of order against the amendment, and it was held not in order.

So the Members of the House have been denied any increase in the number of employees and all requests for increases in salary have been denied.

The bill goes over to the Senate; and while the Senate has a rule that no legislation can be placed on an appropriation bill they put amendments on the bill increasing the number of employees of the Senate, which we agreed to, and increasing the salary of some of the employees of the Senate, which we did not agree to. Two of the salaries were increased $1,500 each.

Your committee did not feel this was the time to increase the salary of employees of either the House or the Senate when we are carrying a reduction in the basic salary of all other employees of the Government. We did not agree to this and had another conference and I have had several individual conferences with Senate conferees.

The Senate is now contending, and this is the point I want the House to decide when the vote comes on the motion of my colleague, the gentleman from Indiana [Mr. LUDLOW], that the number of its employees and the salaries the Senate pays its employees is the business of the Senate and not the business of the House. They say they concede the same right to the House and they further contend that this course of procedure is essential to continued good will between the two Houses. They further insist that never in the history of this Government has the Senate ever attempted to interfere with the number of employees of the House or the salaries paid the employees of the House. They are incorrect in this last mentioned contention.

I want to present both sides of this question and I do not want my opinion or my personality, if it could have any effect, to enter into your decision of this matter, because it marks a change of policy on the part of the House. Heretofore the Senate has insisted very strenuously on the right of a veto power of the action of the House in fixing the salaries of its own employees and the House has just as strenuously insisted on the noninterference of the Senate in such matters.

I read from Hinds' Precedents, volume 5, section 7241. On March 3, 1881, the House, by a resolution of instructions to its conferees, insisted on its right to determine the compensation of its officers and employees and forced the Senate to recede.

Now listen:

> In 1875 a prolonged disagreement occurred between the House and Senate over the Senate amendments to the legislative bill. The Senate insisted on diminishing the amount of compensation of the clerks at the desk of the House, and the House insisted that that was a matter in which the courtesy between the two Houses should leave to the House to fix.

The Senate now claims that they never attempted to interfere with the House fixing the salaries of its own employees, and yet we have here a Senate amendment attempting to reduce the salaries of the clerks at the desk in the House and holding up the bill through four conferences on account thereof.

I continue from Hinds' Precedents:

> There were four conferences without an agreement. The fifth conference agreed, and the report was drawn up on the principle as stated by Mr. Horace Maynard, of Tennessee, chairman of the House conferees, "That each House shall be entrusted by the other to regulate the number and pay of its own employees."

I am reading this to you in order that you may have both sides, in order that you may have the position formerly taken by the House, and the position formerly taken by the Senate.

The Senate formerly took the same position your conferees now take. To save my life, when our affirmative approval is required to this bill and these amendments, I cannot see how we can dodge the responsibility resulting from the Senate amendments.

Neither can I see why the employees of the House and the employees of the Senate should have any special treatment over and above the employees throughout the Federal service of the United States.

Mr. McLEOD. Will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. McLEOD. Is it not a fact that the committee on the part of the House, in discussing it, contended that no discrimination should be made regarding certain employees without a complete survey of the whole employees? The question was raised that it pertained to different classes, and is it not a further fact that at the first conference it was practically understood that if we receded on the amendment for the additional employees that the Senate would recede on the additional salary?

Mr. BUCHANAN. It was the understanding according to every member of the House conferees and according to the Clerk of the House that if we would recede on the amendments increasing the number of employees the conferees of the Senate would recede on the increase of salary. Since then one member of the conferees on the part of the Senate said that he did not so understand it. Our understanding and our agreement was that our agreement as to the number of employees in the Senate was in consideration of their receding on the increase of salaries of their employees of the Senate. I did not intend and would not have mentioned this part of our proceeding except for the direct question of my conferee.

Now, one other idea as to the parliamentary procedure between the two Houses. When either House places a legislative amendment on an appropriation bill and that amendment goes to conference, if the other House does not agree to it, it is understood that the body that proposes the legislative amendment shall recede.

Mr. DONDERO. Will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. DONDERO. How many additional employees of the Senate does this involve?

Mr. BUCHANAN. My recollection is six. With two of them the increase is $1,500 each, and they are new employees of the Senate. Therefore, when you vote on this motion to insist, I want you to understand that you are voting that this House will take stock now and hereafter of how many employees the Senate will have and what their salaries shall be, and you are also voting that the Senate now and hereafter will take stock of how many employees the House has and what their salaries shall be. Individually I think that a wholesome practice. That is my individual conviction. When any bill requires affirmative action by the House and Senate both Houses are responsible for its passage, and are equally responsible to our constituents.

Mr. RAMSPECK. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. RAMSPECK. I agree with what the gentleman said, but I am wondering whether the committee has made any investigation of whether or not these increases are warranted. I think that is the real question.

Mr. BUCHANAN. Some of them are, probably, but some are not.

Mr. RAMSPECK. Has the committee considered that question?

Mr. BUCHANAN. Some of them are and some of them are not. I think that is a fair statement. There are salaries where an increase is warranted to make them comparable with the salaries of other employees in the House. What I contend now, and what I have contended with the committee, is that they should bring in a joint resolution, a legislative resolution, where the subject belongs, and not on an appropriation bill, and have an overhauling of the salaries. They should have an overhauling of the salaries of the employees of the Senate and the salaries of the employees of the House, and settle the matter by legislative action so that there will be no more trouble about it.

Mr. RAMSPECK. I agree with the gentleman that we ought to stop legislation on appropriation bills.

Mr. BUCHANAN. That is all I have to say to you. I just want you to know what you are voting on. [Applause.]

Mr. LUDLOW. Mr. Speaker, I yield myself 5 minutes. I think there is nothing that I can add to what has been so well said by the chairman of our committee. The entire issue involved here is an effort by the other branch of Congress to increase the salaries of some of its employees. When the legislative appropriation subcommittee, of which I have the honor to be chairman, was in session, several gentlemen came before it and presented very convincing reasons why certain employees of the House should have increases of salary. A number of our employees are very obviously underpaid. The Parliamentarian of the House is a much underpaid official, considering his importance in the legislative equation. [Applause.] One of the assistant cashiers in the Sergeant at Arms office is patently underpaid, as is our pair clerk, and so I might recite a very considerable list of employees of this branch, all of whom are inadequately remunerated for their services; but we took what we believed was a correct position, á very sound position, that in times like these there should be no increases in salaries either in the departments or in the legislative branch of the Government. We put thumbs down on all of those applications for increases in salaries in the personnel attached to the House of Representatives. The bill went to the Senate. In the Senate Committee on Appropriations certain increases in salaries were made in regard to the personnel of that branch.

Then the bill appeared for consideration on the floor of the upper branch of Congress, and there was a regular rush to add amendments to it, increasing the salaries of Senate employees. In two cases amendments were adopted on the floor giving to certain employees—and I have no doubt they are valuable and efficient employees—an increase of $1,500 each per annum as long as each one of those employees was continued in the service, and as a matter of fact neither one of the employees has been in the service any considerable length of time. I think one less than a year and the other perhaps about a year. I have no doubt they are capable and conscientious employees and perhaps should be better paid, but our legislative conferees took the position in the conference committee that having stood consistently, and as we thought righteously, against any increases in salaries in the personnel of the House or of the departments, we were not going to stand for these increases in the other body, and that is where the whole issue lies. As a matter of fact, this way of increasing salaries is altogether improper at best. As the able chairman of this committee has stated, the matter should be approached in a regular way through a regular legislative committee, after a complete study and very thorough consideration of these positions in their interrelationship one with the other.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. LUDLOW. Yes.

Mr. BLANTON. I believe every Member of this House appreciates the splendid work the gentleman from Indiana [Mr. LUDLOW] has done with his bill. He has the precedents behind him and is supported by them, and I believe the House is going to back him up. I am glad that he is a man of decision and backbone. Why not vote on the question now?

Mr. LUDLOW. I thank the gentleman for his very kind remarks. I think the matter has been brought up here primarily to enable the House to express itself, as the proposition is one of importance, and I think that was the idea that actuated the chairman of our committee in making his able and illuminating presentation of the issue to which we have just listened.

Mr. BLANTON. All the precedents of the two Houses back the gentleman up in his position.

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield?

Mr. LUDLOW. I yield.

Mr. BANKHEAD. I think all Members of the House ought to have a fair interpretation of the precedents in this matter, if there are any. As I understood the case read by the chairman of the committee, after four conferences and violent disagreements, it was finally decided that each House should have the discretion of fixing salaries of its employees.

Mr. BUCHANAN. It was not decided that each House should have the discretion to employ and fix the salaries of its own employees. The Senate merely finally yielded after four conferences on that bill. In other words, the Senate position was like the conferees' position is now—just reversed.

Mr. BLANTON. Will the gentleman yield?

Mr. LUDLOW. I yield.

Mr. BLANTON. Every Member of the House is held responsible by the country for all the money that is taken out of the Federal Treasury whether it goes to the Senate or somewhere else, because we are a party to it whenever we allow it to be taken out. Now, where they have an unlimited, tremendous contingent fund to draw from and they spend $50,000 for this and $100,000 for that without the House having any voice in it at all, it is not exactly fair to the House. The time ought to come when each House could have the right to pass upon the reasonableness of the expenses of each body. I think the position taken by the gentleman from Indiana [Mr. LUDLOW] is sound legislatively. It is sound because the people want it that way. The people want to depend on both Houses, and if we leave it to the voice of only one House, there could be extravagance the like of which the people never heard of before. [Applause.]

Mr. LUDLOW. Mr. Speaker, I yield to the gentleman from Michigan [Mr. MCLEOD].

Mr. MCLEOD. I just want to ask one question. Is it not the intention of the gentleman from Indiana to offer a resolution calling for the appointment of a committee to make a survey of the situation that has been discussed this morning, relative to salaries?

Mr. LUDLOW. I understand there is a resolution now pending before the Committee on Accounts to make a survey of these various positions, and that it is being approached in a legislative way, which, as the gentleman himself said a moment ago, is the proper way to approach it.

Mr. MCLEOD. It is the only reasonable way to approach it.

Mr. LUDLOW. I am thoroughly in accord with the gentleman from Michigan [Mr. MCLEOD] in what he said a moment ago. It was our understanding when we rejected these piecemeal proposals for increases in salaries that the entire subject would be studied in a thorough way, and that a resolution would be brought in that would do justice to everybody and take care of all worthy cases.

Now, Mr. Speaker, this matter has been brought up in this way by the chairman of the committee in order that the House may understand exactly the issue involved here. As chairman of the subcommittee, I could not violate my sense of honor by agreeing to these Senate increases when we have consistently and uniformly denied increases to the personnel of the House of Representatives, in cases that are at

least equally meritorious. There is no purpose on our part to violate the comity that exists between the two Houses; but there is a right way and a wrong way to revise salaries, and we stand for the right way.

I hope that the House will back us up and send this bill back to conference.

The SPEAKER. The question is on the motion of the gentleman from Indiana [Mr. LUDLOW].

The question was taken; and on a division (demanded by Mr. BUCHANAN) there were—ayes 95, noes 4.

So the motion was agreed to.

The SPEAKER appointed the following conferees: Messrs. LUDLOW, GRANFIELD, SANDLIN, BUCHANAN, MCLEOD, and SINCLAIR.

WHAT AND WHY MUST AMERICA CHOOSE

Mr. EATON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by inserting a brief address which I made over the radio.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. EATON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address which I made in Washington, D.C., May 16, 1934, over the radio:

Since the depression set in, the American people, until a few months ago, have been in a state of political and economic hypnosis. Because we had attained a level of economic prosperity unequaled in the history of the world, we fell further and harder in the crash of 1929 than did any other country. We were bewildered by the irrational contradictions of our condition. We were confused and discouraged by poverty in the midst of plenty; by unemployment of millions with enormous areas of work waiting to be done. Our greatest national asset for 150 years had been the courage, initiative, and individual self-reliance of our people in all walks of life. Like the securities in our banks, this asset suddenly became frozen by fear and distrust. Having joyously sown the winds of greed, selfishness, dishonesty, and simian frivolity, we found it a grievous business when suddenly called upon to reap the inevitable whirlwind harvest of ruin.

In July 1932 unmistakable signs of recovery began to show and, judging by our experience in previous depressions, this movement would have continued until normal conditions returned. But the process of recovery was interrupted by the political campaign of 1932. The popular appeal in this campaign rested upon two propositions equally false, and, because of the universal distress, equally alluring. The first proposition was that the world-wide depression was caused by a political administration in Washington. The second proposition was that this world-wide depression could be cured by placing a different political administration at the helm in Washington. By an overwhelming nonpartisan vote the Democratic Party was returned to power, and on March 4, 1933, President Roosevelt in his inaugural address launched the new deal.

No peace-time President ever faced a more difficult task. But he approached his immediate problems with a show of courage and optimism which was contagious and which gained for him and his initial policies a popular confidence and support without parallel in our history.

The first objectives to which the new administration addressed itself were relief and recovery. Legislation was demanded by the President giving him almost unlimited control over our banking and monetary systems, economy in governmental expenditures, and industrial and agricultural recovery. This legislation was passed by Congress practically without discussion or amendment and by a nonpartisan vote.

During the special session of 1933, Congress, completely dominated by the President, was mainly occupied in denuding itself of its constitutional rights, duties, and responsibilities, and in clothing the Chief Executive with new autocratic powers without precedent in our peace-time history. All this was done in the name of emergency and with the almost unanimous support of public opinion.

As long as Mr. Roosevelt and his advisers confined their efforts to solving the problems of relief and recovery, the Republican minority in Congress refrained from exercising its constitutional functions of criticism and opposition. The whole country, in and out of Congress, regardless of politics, was united in waging a war for relief and recovery from the depression.

During the present session of Congress a revolutionary change has taken first place in the program of the Roosevelt administration. It is called "reform" by some of its advocates. A rapidly increasing number in both political parties call it "revolution." As yet it has not been presented to the American people as a coherent, all-inclusive plan, although its advocates seek to sugar-coat the pill by describing it as "national planning." Up to date it consists of a conglomeration of contradictory and hampering legislative restrictions upon American business, industry, and agriculture. One definite thing about this favorite child of the new-deal "brain trust" is the enormous increase in the national debt which it has created. Another certainty created by this revolution is the uncertainty as to the future, by which it has slowed down business recovery. It is not socialism. It is not fascism. It seems to be a species of denatured communism imported direct from Russia and decked out with a few American trimmings. It has been aptly described by Mr. Walter Lippmann as the "economy of bedlam."

The first objective of this Rooseveltian revolution is to make permanent the temporary and admittedly unconstitutional sections of the emergency legislation enacted by Congress to effect relief and recovery.

The second objective which has been to a considerable degree achieved is to bring all American industry, agriculture, trade, and commerce under the bureaucratic control of the Federal Government.

As soon as this new mass of contradictory and coercive legislation, which was opposed by the Republican minority in Congress and voted for under protest by many American-minded Democrats, reaches the enforcement stage, it will reveal the fact that the American farmer is regimented to the status of a mere cog in a bureaucratic machine. American industry and commerce are imprisoned in a bureaucratic strait-jacket. The free expression of adverse public and even private opinion has been made a crime. And by granting the Executive the tariff-making authority, lodged by our Constitution in Congress alone, the American worker will have had cut from under him the American standard of living and will inevitably be reduced to the economic level of the workers in low-wage countries.

This sovietizing of America rests upon the assumption that the old America, which was the hope of the world, and which in 150 years by practice of American principles and methods had become the greatest nation in all history, ceased to exist on November 8, 1932, and an entirely new America fashioned on the Russian model was born on that fateful day.

Professor Tugwell, the high priest of the new American sovietism, says, "Many observers are observing the contemporary Russian practice and are carefully recording the experience there which later may be of assistance to us." He further declares:

"We have a century and more of development to undo. The institutions of laissez faire have become so much a part of the fabric of modern life that the removing of their tissues will be almost like dispensing with civilization itself."

In outlining the steps to be taken in order to completely Russianize America under the new deal, Professor Tugwell proposes, first, "to uproot statutes and constitutions"; second, "to completely destroy all industry as industry has been developed in America"; and, third, "to completely destroy the sovereignty of the States."

To effect these changes he declares that—"it will require the laying of rough, unholy hands on many a sacred precedent, doubtless calling on an enlarged and nationalized police power for enforcement."

As an earnest of how this new-deal revolution will work when the "enlarged and nationalized police power" takes hold, we have the case of the little New Jersey tailor who was fined $100 and sent to jail for a month because he had committed the heinous crime of pressing a pair of pants for 35 cents.

Since the essence of this new-deal revolution is political control and political planning of all business and all life, it is only fair to inquire what guaranty have we that political government will do better than the private citizen has done in planning and operating business and agriculture. If it is granted that business is shot through with dishonesty, corruption, and inefficiency, is it not equally true that politics is rotten with hypocricy, selfishness, greed, and stupidity? Why then swap a horse admittedly lame in one leg for another one lame in two or three legs? Under our present constitutional system the citizen can watch, criticize, and control his Government. But under this new-deal revolutionary scheme, which makes the citizen nothing and the Government everything, who is there to control the Government? In other words, why trade self-government by free citizens for a ruthless, bureaucratic despotism inflamed by half-baked theories and dominated by self-appointed and inexperienced advisers.

Against all this the Republican Party is girding itself for a finish fight. And in this inevitable conflict it will find a growing support from important groups in the Democratic Party who still believe in the principles of Jefferson. The next great political alinement in this country will be between American-minded citizens in both political parties on the one side, and Russian-minded citizens on the other.

The Republican Party once more faces a supreme responsibility to the Nation and to civilization itself. The issue is every hour becoming more clearly defined. It is simply this: Can we retain our American political liberties for which the English-speaking race has battled through a thousand years, and at the same time achieve for our citizens adequate economic freedom? In a word, the issue, is, Shall we as a nation remain American or become Russian? Within this issue lies all the materials for a progressive, sane, workable public policy which recognizes the existence of evils, economic, social, and cultural, and which proposes remedies that, while curing these evils, will at the same time strengthen and perpetuate all that is permanent in our national economy.

The distinguished Secretary of Agriculture tells us, in effect, that America must now choose between being regimented under an alien system of sovietized government control; or taking a place in open competition with the starving low-wage nations of the world, as just another unit in a high-sounding scheme of economic

internationalism. I believe such a choice to be as unnecessary as it is un-American and ruinous.

In a period of social and economic transition such as the world is now passing through, we must expect and provide for fundamental changes in the ideals and mechanics of civilized existence. But granting this I do not believe that the American people can be induced to throw away their solid and infinitely valuable national achievements of 150 years in exchange for a foggy mass of alien social theories that have never succeeded anywhere, any time. Whatever we may choose in the future it will be, as in the past, an American-minded choice in accord with tested American ideals. We have no use for any kind of dictatorship at home. And still less use for any plan of internationalism that must inevitably reduce our standards of living to the proletarian levels now in ascendancy throughout the rest of the world.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On May 16, 1934:

H.R. 4060. An act for the relief of Ellen Grant; and

H.R. 8052. An act to amend sections 203 and 207 of the Hawaiian Homes Commission Act, 1920 (U.S.C., title 48, secs. 697 and 701), conferring upon certain lands of Auwaiolimu, Kewalo, and Kalawahine, on the island of Oahu, Territory of Hawaii, the status of Hawaiian home lands, and providing for the leasing thereof for residence purposes.

On May 17, 1934:

H.R. 190. An act for the relief of Elizabeth T. Cloud;

H.R. 1209. An act for the relief of Nellie Reay;

H.R. 2750. An act for the relief of Scott C. White;

H.R. 4927. An act for the relief of C. J. Holliday; and

H.R. 4929. An act for the relief of J. B. Trotter.

On May 18, 1934:

H.R. 200. An act for the relief of Jacob Durrenberger;

H.R. 503. An act to authorize the donation of certain land to the town of Bourne, Mass.;

H.R. 1207. An act for the relief of Robert Turner;

H.R. 1208. An act for the relief of Frederick W. Peter;

H.R. 2021. An act to place Jesse C. Harmon on the retired list of the United States Marine Corps;

H.R. 2203. An act for the relief of Enoch Graf;

H.R. 2431. An act for the relief of certain newspapers for advertising services rendered the Public Health Service of the Treasury Department;

H.R. 4928. An act for the relief of the Palmetto Cotton Co.; and

H.J.Res. 317. Joint resolution requesting the President of the United States of America to proclaim May 20, 1934, General La Fayette Memorial Day for the observance and commemoration of the one hundredth anniversary of the death of General La Fayette.

GOLD REVALUATION

Mr. GRAY. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes—preferably 5 minutes, but I will accept 3—on the gold-revaluation program.

The SPEAKER. Is there objection to the request of the gentleman from Indiana [Mr. GRAY]?

There was no objection.

Mr. GRAY. Mr. Speaker, the gold-revaluation plan to restore the currency represents the deliberate consideration and judgment of Congress, the House, the Senate, and the President, and is the most forward step in currency legislation taken by Congress and the President during the 100 years since Jackson's time. [Applause.]

Under the relief act passed May 12, 1933, and the declaration of the President following, approving the gold-revaluation plan as a means to restore the depleted money supply, all the machinery and the facilities to put in force the revaluation of gold to increase the supply of money, have been completed in every detail, installed and set up in working order, and all parts made ready to start in motion by the Executive power.

The gold stock of the country has been seized upon and taken over and paid for in gold certificates. And the 2,000,000,000 stabilization fund has been provided and made ready for use to carry out the plan as declared for.

If this plan was now put in operation promptly and without further delay, commodities, values, and the price level would rise promptly to a higher stage. [Applause.] And by next harvest and fall-crop market time, prices would be doubled or raised to the 1926 price level, and earnings and income from industry would be restored or far on their way. [Applause.]

The one question of the hour is, Why do we not do what we have said we should do? [Applause.] Why do we not do what we have determined to do? Why do we not do what we have prepared to do? [Applause.] Why do we not do what we are ready to do? [Applause.] Why do we not do what we can do any day, to restore the money supply back in circulation, stop the panic and bring a return of prosperity? [Applause.] Why are we ignoring and disregarding all we have said and done? Why are we holding all our completed plans and waiting [applause], to try out questionable experiments of creating and maintaining a scarcity to raise prices, without a claim or any practical assurance that such scarcity would accomplish the object?

If the gold-revaluation plan which has been provided in Congress, approved and declared for by the President, and the machinery for the operation of which has been set up and made ready to put in motion, and which could be started any day by the Treasury turning on the Executive power, was put in force and made to operate, the effect upon the country would be like magic. [Applause.] Values and the price level would start rising even before the money was actually in circulation, and the 1926 price level would be reached before all the money was available for use [applause], and farm values and the price level would be doubled by next fall's grain and stock market time. [Applause.] The perverted economic and monetary operations which brought on the panic would be reversed. Earnings and income and the buying and consuming power would be restored to 40 million farm population and dependents which in turn would start normal industrial production, restoring employment and labor's buying and consuming power. [Applause.]

The same powerful controlling financial interests which postponed and prevented currency-relief legislation for 12 years during three Republican administrations are now exerting their force and power, defying and interfering with this Democratic administration in the operation of the gold revaluation relief measure enacted and ready to be carried into effect. While all the mechanics, means, and facilities have been created, installed, and made ready for the issue and restoration of the money supply, they remain motionless and in silent waiting while the panic continues on and the people are in distress under cover of the same misleading plea and assurance of a better feeling and prosperity around the corner held out to postpone relief for three former administrations.

The Roosevelt administration came in power in the midst of a farm and industrial crisis. The people were writhing in the throes of an economic panic or depression. Industry was paralyzed and broken down and the people in want and distress, suffering for the common necessaries of life in the midst of plenty and great abundance. Congress was convened in special session to consider and analyze the cause and charged with the duty and obligation of determining upon a course, plan, and program providing for a solution, remedy, and relief.

THE FAILURE OF THE BUYING AND CONSUMING POWER

When Congress was convened in special session, there were many different theories advanced to explain the cause and account for the panic, among which were the want of confidence, overproduction of the vital necessities of life, the "extravagance" of starving, destitute people, with many other causes presented and assigned. But one by one these causes were considered and explained away, or time had proven their fallacy, or the claim of one had served to disprove the other, until one cause was simplified and made plain. And finally, ultimately, and at last, Congress, on full consideration and final judgment, in practically unanimous accord, agreed that the panic or depression had resulted

from a failure of consumption, a failure of the buying and consuming power, the inability of the people to take, use, and consume what agriculture and industry produce.

THE FALL OF VALUES AND THE PRICE LEVEL

And it was the further determination of Congress that the failure of the buying and consuming power had resulted from the fall of values and the price level, leaving the people without earnings and income, without power to consume what industry produces. And it was further the judgment of Congress that to provide relief and a return of normal prosperity there must be a rise of commodity values, a restoration of the price level and the wage scale to restore earnings and income from industry and bring back to the people—the masses—their power to buy and consume what agriculture and industry produce.

WITHDRAWAL OF MONEY AND CREDIT

It was further found by Congress and the President, as shown by the monetary measures enacted, that the fall of values and the price level had resulted from a contraction of currency and credit, changing the relative value of money and commodities, which had multiplied taxes, debts, and fixed charges, taking away the people's surplus earnings, which constitute their buying and consuming power. And Congress and the President further found, by such currency measures enacted that a recovery from the panic required a restoration of the supply of money and credit to bring a rise of values and the price level and a return of earnings from income and industry.

THE CURRENCY PROVISIONS OF THE RELIEF ACT

To replenish the supply of money and credit, Congress enacted the relief currency provisions as embodied in the Recovery Act of May 12, 1933, which provided for four different forms of currency to restore money and credit withdrawn from circulation. One of these provided for the remonetization of silver, another for the revaluation of gold, another for a resort to Federal Reserve notes (if the Federal Reserve banks would assent), and the fourth for an issue of United States currency notes. By further and additional provisions of the act, and at the instance and request of the President, Congress delegated and gave to the Executive certain powers authorizing the President to employ or resort to one, more, or all of the different forms of currency provided to restore the depleted supply of money and credit.

POWER DELEGATED TO THE PRESIDENT

It was the agreement and consensus of opinion that any of the forms of currency provided, if resorted to in full and proper measure, would raise values and the price level and restore the buying and consuming power. But to meet the request of the President for full and complete control of the measure, and to facilitate, expedite, and hasten the currency operations provided for and bring about restoration and relief promptly, speedily, without hesitation, or delay, the currency plan to be resorted to, as well as the administration of the measure, was placed at the discretion of the President, with full power to employ any or all of the currency provisions provided under the act, to the end that no want of authority or power could intervene to postpone prompt and speedy relief.

Accordingly, as provided under the law, the President in the exercise of his discretion, after mature deliberation until October, declared for the revaluation-of-gold plan as the currency measure under which to restore the depleted money supply. And in February, following this declaration, the President seized upon and took over the gold, provided for a $2,000,000,000 stabilization fund, and all preparations were ready and complete for the administration and enforcement of the law. But the provisions of the recovery act under which the gold revaluation plan was authorized to restore the money supply in circulation has never been put in operation or entered upon or carried into force and effect. The step authorized and prepared for has never been taken to restore the money supply. And today the money supply remains depleted the same as if the measure had never been enacted, the same as if the President had never exercised the option declaring for the revaluation of gold for the restoration of money and credit back in circulation.

THE OBJECT AND WHY REQUIRED

The declared object and purpose of the revaluation-of-gold plan is to bring a rise of commodity prices and thereby a return of earnings and income and a restoration of the buying and consuming power. And the declared goal and object to be reached is the general 1926 price level, which would be to double the price of all farm grain, crops, and stock, and the price of all commodities not arbitrarily fixed by combination or agreement.

Money values and commodity values are always relative and opposite. There can be no such relation as high money values and high commodity values maintained at the same time. If money values are high, commodity values will be low. The higher money values rise the lower commodity values will fall. If commodity values are too low, it is because money values are too high.

The revaluation of gold therefore involves the problem of the general price level, the relative value of money and commodities, the control of the money supply for a restoration and stabilization of prices measured in money. The one most important function or effect of the stabilizing facilities provided is to take from private manipulating financiers the power to control values and the price level and restore that power to the public. The power to control values and the price level now rests with the Federal Reserve Board, a private, selfish banking octopus, without responsibility for the public welfare. Under the gold revaluation program the power to control values and the price level will rest with the Secretary of the Treasury directly responsible to the President until that power can be recovered by Congress.

The practical effect of the revaluation of gold upon the money supply and the commodity price level will be the same as if new gold mines were discovered and the gold supply increased and doubled, which would double the money supply and in turn double the relative value of commodities. Gold is no longer in circulation as money. Currency is issued upon and made to represent gold. Money is not issued upon the quantity or corpus of the metal, but upon the value fixed, real, or assumed. If the existing supply of gold is revalued and its value is doubled, the supply of gold is doubled for the purposes of issuing money the same as doubling the quantity, and upon which double the amount of money can be issued while maintaining the gold standard.

The revaluation of gold is a problem involving the operation of economic laws as well as the principles of money. The immutable law of supply and demand applies to both money and commodities. Gold by itself and of itself is a commodity the same as wheat, corn, or lumber. And its value changes, fluctuates, rises, or falls with the supply and demand for gold the same as with any other commodity.

If the demand for a commodity is increased without a corresponding increase of supply, the value of the commodity will be increased. If the demand is decreased without a corresponding decrease of supply, the value of the commodity will fall. If the supply of a commodity is increased in proportion to the increased demand, the value will remain stable and unchanged. The demand upon gold has been doubled without a corresponding increase of supply, and the object of the revaluation of gold is to increase the supply of gold for money to counteract, neutralize, and equal the increased demand and thereby restore and stabilize the value of gold and the relative values of commodities.

The difficult part of the problem has been to discover the cause, how the increased demand upon gold was maneuvered and brought about by the international bankers and financiers. And the interesting and illuminating part is to realize and understand how the cause has been hidden, covered, and concealed in denial and evasion; how it has been kept a guarded secret for over 12 years, or since May 18, 1920, by the vandal character of the acts being such as to preclude acceptance and belief. For a proper consideration and understanding of the revaluation-of-gold plan, the cause, object, and purpose of the sudden increased demand upon gold must be explained, realized, and understood.

HOW THE VALUE OF GOLD WAS CHANGED

The international financiers and bankers who had amassed fortunes in billions during the great World War, profiteering upon the needs and emergencies of the Government, were not satisfied with their huge profits and gains. As the holders of the war-debt bonds and claims, they conceived a plan to increase and multiply the value of their bonds by increasing the value of the money in which paid, and which they organized and carried out, assuming currency reform, sound money, and an honest dollar.

Under a secret gentlemen's agreement, the precise form of which may never be known, the World War nations were all led in concerted action to make demand for gold to establish a so-called "international gold standard." In pursuance to this agreement and as a part of the plan, a secret bankers' meeting was held May 18, 1920, in Washington, D.C., under the very shadows of the Capitol, and at which a secret resolution was passed calling upon the Federal Reserve and member banks to call their loans and discounts, withdrawing currency and credit from circulation. Following this action and concurrently therewith the discount rate was raised, securities were sold under the open-market operations, loans were called in, and currency canceled until the circulation and credit was all but suspended.

The concerted action of the nations, led and directed under the secret gentlemen's agreement, making demand upon gold for money without an increased supply to meet the demands, made the corner and monopoly of gold complete and multiplied the value of gold manyfold relatively and over other values and prices here and throughout all the World War countries; and the operations of the Federal Reserve Board, in obedience to the secret resolution passed, contracting and withdrawing money from circulation, made the fall of values and prices promptly effective in our own country, and like action was taken in other nations to bring about and accomplish the same purpose.

It was this secret concerted movement, increasing and multiplying the demands upon gold and the action of the secret bankers' meeting and the contraction of money in other nations, which brought on the world-wide panic and a scarcity of money not only here but likewise in other World War countries. The revaluation-of-gold plan is a program to relieve from the increased demand upon gold by increasing the supply of gold in value for use as money and under which the money and credit withdrawn can be restored back into circulation and use.

There are two ways, plans, or systems under which to revalue gold for money. One is by maintaining a stabilization fund with which to bid for and buy gold upon the open markets of the world—by purchasing, increase the demand for gold when gold falls below the stable level, and by selling gold and relieving the demand when gold rises above the stable level. These operations contemplate control of the world price of gold for the purpose of international exchange—that is, for use of money between the nations—looking to world commerce and trade and the sale of our products abroad.

The other means provided and available for the revaluation of gold is the power vested in Congress under the Constitution to coin, issue money, and regulate the value thereof, and which can be exercised by the President under the delegation of powers conferred upon him. The powers conferred by the Constitution under which to revaluate our own gold and restore and stabilize values and the price level here can be exercised promptly and without delay and without waiting for international agreement or the consent of other nations.

Congress has always possessed this power, and there has never been a single day since this panic fell upon the country when Congress could not have revaluated gold, relieving the strain and demand upon gold, raised commodity values, and the price level, and restored normal prosperity within the confines of our own country.

HOW THE INCREASED VALUE OF GOLD WILL INCREASE COMMODITY VALUES AND THE PRICE LEVEL

The increased demand upon gold and thereby the increase in the value of gold without a corresponding increase in money in dollars, brought about by the international bankers, carried the same increased value of gold from gold to money based upon gold. And with their war-debt bonds and claims payable in money, in a fixed number of dollars, the same increased value of gold and money was carried to their bonds and claims, and increased and multiplied their value the same as gold and money, manyfold. But the same operations which increased the value of gold, money, and bonds produced an opposite effect upon commodity values and prices and forced down the value of property and the price level correspondingly and in proportion as gold and money was increased and raised in value.

The effect of these gold maneuvers and manipulations of the international bankers and financiers was to take value from commodities, property, and labor and shift and transfer that value to their bonds and war-debt claims. And every dollar the people have lost in the fall of commodity values, prices, and wages has been taken and is now held by these conspiring, manipulating bankers in the increased value of their war-debt bonds and claims.

Congress found, and it is universally agreed, that the panic was caused or resulted from a failure of the buying and consuming power—the power of the people to take, buy, and consume the products of farm, factory, mill, and workshop. And by following the course of unerring cause and effect, the precise operation of increasing the value of gold can be traced from the secret gentlemen's agreement and the secret bankers' meeting following to the rise of money values and the fall of prices and the destruction of the power of the people to take, buy, and consume what industry produces. Observing the principles and laws of money, that an increase of the value of money decreases commodity values and prices, the increased value of money—the dollar—and the resulting low values and prices, made money call for manyfold the property and commodities for the payment of debts and contract obligations. With taxes and debts left calling for the same number of dollars and the dollar made to call for three to four times the property and commodities, taxes and debts were increased and multiplied upon the people measured in property, commodities, and labor, in which, and only in which, they can be paid.

When this panic fell upon the country before the increased demand for and value of gold and the resulting increase in the value of money and the fall of commodity values and the price level, the farmers were selling not more than one third of their products with which to pay taxes, interest, and fixed charges. And they were left with the other two thirds or more with which to buy, take, and consume the products of factory, mill, and workshop, and with a balance over to use for payments on their debts and mortgages. But when the international financiers and bankers increased the demands for and the value of gold, increasing the value of money and the dollar and forcing down values and the price level, the farmers were compelled to sell instead of one third, three thirds or all of their crops, stock, and produce with which to pay taxes, interest, and fixed charges, and were left with no part with which to buy and consume, destroying the buying and consuming power of 40,000,000 farm population and dependents.

The fall of values, destroying the farmers' buying and consuming power, finally left the retail merchant without demands, the wholesale house without sales, and the factory, mill, and workshop without orders. The wheels of industry slackened and slowed down and brought unemployment to industrial labor and destroyed the buying and consuming power of another 30,000,000 and their dependents. And the fatal circle of hard times, want, suffering, and distress in the midst of plenty and great abundance was realized and complete.

The gold-revaluation plan is a program to reverse these gold-demand operations by increasing the value of gold, not to make gold high, scarce, and dear but to broaden the gold base, and upon which to increase the currency and number of dollars, which in turn will reduce the gold value of money, increase commodity values, prices, and wage scales, and thereby restore the buying and consuming power of the people.

Gold must be further valued higher and more currency issued upon the base.

THE GOAL OR OBJECT TO BE REACHED

The one first and most important step in any great public movement is the declaration of policy and purpose to be entered upon and carried out. The action of Congress and the President providing for the revalution of gold to double the basis of the money supply and for the restoration of the 1926 price level marks the completion of that one first step. This step is a great forward stride in the reform of our money system; and when the administration will go the whole way in carrying out the declared program, prosperity will be far on the way.

While the currency legislation was pending, and to warrant and induce the Congress to delegate its power over money and confer that power upon the President, the President made a clear statement of his intention and the use he would make of that power. The following is the President's declared purpose, made May 7, 1933, to Congress and the country, and the statement is so clear and unequivocal that it precludes any doubt or question of the object, purpose, or goal to be reached:

> The administration has the definite objective of raising commodity prices to such an extent that those who have borrowed money will on the average be able to repay that money in the same kind of money which they borrowed.

This plain, clear, and unequivocal declaration of the purpose of Congress and the country has since been repeated and reiterated on different occasions and at different times, until October 22, 1933, when he said:

> Finally, I repeat what I have said on many occasions, that ever since last March the definite policy of the Government has been to restore commodity price levels. * * * When we have restored the price levels, we shall seek to establish and maintain a dollar which will not change its purchasing and debt-paying power during the succeeding generations. I said that in my message to the American delegation in London last July, and I say it now once more.

It will be observed that the President has declared for a restoration of commodity prices which will allow men who have borrowed money to pay the loan in the same kind of a dollar as borrowed; that is, to repay under the same price level. Congress has generally agreed if not specifically declared for a restoration of the 1926 price level. The farm price-level is now only 56 percent, or slightly over one half, of the 1926 price level and a rise to that level would practically double prices. But the President has declared for the restoration of the price level which would carry commodity prices even higher. The great bulk of the debts today are secured by renewal notes and mortgages and were originally and first created under a price level much higher than 1926 prices. If the President carries prices to the 1926 level, commodity values will be substantially doubled. If he changes the relative value of money to give the debtor the right to pay in the same dollar as borrowed, he will carry the price level much higher. And there is where the commodity price should be to restore the tax, debt, and interest-paying power, and the buying and consuming power of the people.

This is the price goal declared for by the President, and to say that he will not vindicate his pledge to Congress and the people of the country is to challenge the integrity of a President of the United States, to charge him with bad faith and false pretense to obtain a grant of power. The President will carry out this pledge to Congress and the people. The only uncertain element remaining is the time in which under this plan the price rise declared for can be accomplished. The President says it can be accomplished and that it will be accomplished. And by the gold-revaluation plan it can be accomplished in record-breaking time.

WHAT IT MEANS AND TO WHAT APPLIED

It must be forever and eternally kept in mind that money values, commodity and labor values, are always relative and opposite. If money values are high, commodity and labor values will be low. If money values rise higher, commodity and labor values will fall lower. The rise and the corresponding fall and the fall and corresponding rise of money, commodity values, and prices, we call fluctuation of values or changing price levels. Stabilization, as the term is used in the new currency legislative program, means to establish at a certain fixed point the relative value of money with commodity values, prices, and labor, so that commodity values, prices, and labor will be held as determined and fixed at a constant or unchanging level.

In stabilization, money is only an incident to the main object to be reached or attained, as fixing an unchanging bushel or pound is only an incident in ascertaining the amount or weight of products sold or exchanged. Money is a measure of commodity and labor values as a bushel is a measure of quantity, or as a pound is a measure of weight and measures out the amount of goods or produce, or the amount of labor or services to be performed required for the payment of taxes, interest and debts, other obligations, or in exchange for other commodities or services.

Stabilization is to keep the money measure of commodities, labor, and labor products unchanging and always calling for the same amount of value. Taxes assessed are payable in money. Debts and contracts for money are payable in money. The people do not raise, grow, or produce money. The people must buy money with their goods, products, and labor with which to pay taxes, debts, interest, and money charges the same as men who have money must buy goods and products with which to live. Money is the value measure, measuring out the amount of commodities and labor required to pay a certain amount of taxes or to pay a certain amount of interest or debts, or to exchange for other property, for other commodities, or other services.

If commodity, labor values, and prices are lowered, the money measure is enlarged and calls for more. More labor and commodities are required to pay taxes, more required to pay interest, debts, and mortgages, and the burden of taxes and debts is increased upon the people. If commodity and labor values and prices are higher, the money measure of commodities and labor is smaller and calls for less commodities and labor to pay taxes, for less commodities and labor to pay mortgages, and the burden of taxes and debts will be lighter upon the people.

Under fluctuating, changing values and prices controlled by the money measure, the farmer who borrowed $5,000 when he could have paid the debt with 3,500 bushels of corn has since been compelled to give up 9,000 bushels of corn to pay and satisfy the same mortgage debt. Whereas if there had been a stabilization of prices by money, the farmer could have paid his mortgage with 3,500 bushels of corn, the same as when he signed the mortgage and would have left 5,500 bushels of corn to sell, the proceeds of which to use to buy and consume the products of factory, mill, and workshop.

Under stabilization through the control of money the same amount of taxes and debts would always call for the same amount of commodities and labor products, and men could always be assured when they sowed of what price they would receive when they reaped.

WHY PRICE RISE MUST PRECEDE STABILIZATION

For want of public control, stabilization, and publicity of money operations, the international financiers and bankers secretly changing the money measure of value and enlarging the money bushel or pound for the measurement of grain and weights of livestock called for by the dollar, debts and their bonds and claims, the dollar measure was made to call for such great amounts of commodities, labor, and the products of labor to pay taxes, interest, debts, and mortgages that nothing was left for the farmer to sell with which to provide for himself and family, which destroyed the farmers' buying and consuming power and brought the panic upon the country.

There have been great influence and pressure brought to bear upon the Secretary of the Treasury and the administration by the United States Chamber of Commerce, representing under cover and concealment the special monied interests of the country, and demanding immediate unconditional stabilization. This peremptory demand for stabilization is reinforced by intimidation and

threat of the horrors of so-called "inflation", which is the bankers' word and term for higher commodity prices and wages. It was the fall of values and the price level, destroying the buying, consuming, and debt-paying power, that brought the panic upon the country. And so without a rise to the 1926 price level, a rise more than doubling present prices, there can be no relief from this depression.

It is for this reason that stabilization becomes the most important and vital part of the currency or money program as well as the whole program for recovery. The few certain, special money manipulators, who have always evaded and opposed stabilization while prices were falling—to bring about or allow a further fall of value—now when prices are to be raised or restored are demanding stabilization before such restoration in order to hold down the present low price level.

Without a rise and stabilization of the 1926 price level or higher price level there can be no relief from the tax burden; there can be no escape from impossible debts, there can be no restoration of the buying and consuming power. Without such restoration and stabilization at this price level, mortgages on real estate at present values can never be renewed or paid by mortgagors and must be foreclosed and the real estate sold, with a deficiency judgment reaching over to be a lien against their personal effects and chattel property. Without a restoration and stabilization at this price level, building-and-loan mortgages can never be collected and the millions of building-and-loan deposits can never be paid, millions of homes will be lost to families, and millions will be lost to building-and-loan depositors.

Without a rise and stabilization of the price level, private industry cannot be restored, the tax burden will be continued to maintain the dole of public employment until its mounting, crushing weight breaks the already nearly exhausted Treasury and piles high the burden of public debts until repudiation will be the only hope for relief. Without a rise and stabilization of the price level, the struggling people can never escape from the merciless strangle hold of misers, Shylocks, and money changers, demanding their remorseless pound of flesh in the payment of debts calling for property, products, and wages manyfold the amount contracted for when made. Without a rise and stabilization of the price level, a restoration of private industry and earnings and income to employers, for want of public funds to pay and the withdrawal of public employment, we shall be drifting far and fast in the course, not on our way to a return of prosperity but to chaos, disorder, civil anarchy, and revolution.

WHY THE PRICE RISE HAS NOT BEEN REALIZED

These currency-relief measures of May 12, 1933, were enacted for the sole purpose of restoring the volume of money to circulation and thereby increasing values, the price level, and the wage scale. Immediately following the passage of this law, psychologically, on anticipation and belief that the new money would be issued and put in circulation, values and the prices started to rise. But as the money was not issued and put in circulation, the rise begun, lagged, slowed down, and fell back, and the relief assured was not realized.

The reason why values and the price level have not been raised and restored is because the step for that purpose provided under the gold-revaluation plan has not been entered upon and taken. Only the foundation or basis for such a step has been provided and completed. It is true that the Secretary of the Treasury has entered upon certain gold-buying operations or manipulations by offering to purchase gold at a price higher than the world market.

These gold-purchasing operations are speculative, problematical, and uncertain as to whether the gold price will be raised or the gold bid for will come to the United States. They are further uncertain and problematical both in the time they will become effective and in the results when realized as the same will effect price levels in this country. But it is certain in any and all events that the people of this country must wait for relief until we shall have first raised values and the price levels of all the gold-using countries of Europe and changed the commodity values of the world.

The gold-revaluation plan, reducing the gold content of the dollar, has operated with the effect to devalue the dollar abroad, but without appreciable force here to cause a rise of values and the price level. The reason for this difference and effect is that the dollar abroad is taken only for the gold that it calls for, that is, for its 59-cent gold content. But here, as it will pay 100 cents of taxes, interest, debts, and mortgages, it is still taken for 100 cents, and the relative value of money and commodities is not changed.

The reason that there has been no rise in values and the price level, as contemplated and claimed for the law, is that nothing has been put in force to cause such rise in values and the price level. If there had been a rise in values and prices, such rise could not have been explained or accounted for on any recognized economic theory, or any principle or law of money. It would have been a phenomenon defying analysis, solution, or explanation. Before there can be such rise in values, the price level ,and the wage scale, another and further step must be taken under the gold-revaluation plan.

THE FURTHER STEP REQUIRED TO PROVIDE RELIEF

Before the gold-revaluation plan provided for by Congress under the Farm Relief Act and declared for by the President will operate to raise values and the price level here, there must be another and further step taken. There must be an increased amount of currency issued upon the increased value of gold and this currency put into circulation. When this further and second step is taken and money issued and put into circulation and stabilized in the proper amount and not less than the 1926 price level, farm values and the price level will be doubled, thereby doubling the tax-paying power and the interest and debt-paying power of corn, wheat, hogs, cattle, and all farm products.

This increased price of farm products and the realization of an increased income from the farm will leave a greater surplus with the farm population of the country, after the payment of taxes, interest, and debts, to be used in buying and consuming power. This restored buying and consuming power of the 40,000,000 farm population and dependents will start orders going back from retail merchant to wholesale house, factory, mill, and workshop, and will restore employment to industrial labor.

Congress has completed its work. There is nothing more to be done to restore the money to circulation except to carry out and put the law in force, which is the duty of the Secretary of the Treasury as the executive officer of the Government. This step could have been taken first before the gold-buying operations began to raise the price level of the European countries, and relief provided here immediately instead of postponing restoration here until we raise the price level of the world.

It is estimated that since the panic began the people have lost over $12,000,000,000 in earnings, a vast and bewildering sum of money, and that they are still suffering a loss of over a billion dollars in earnings and income every year during the continuance of this panic.

The same special money interests which successfully prevented relief-currency legislation during the three former administrations to restore the money supply and raise the price level, are now throwing monkey wrenches in the currency machinery and holding back and preventing the gold-revaluation plan from being carried out and put in operation in the one and only way to provide relief to the people.

There has never been a single day since the beginning of this panic when Congress could not have acted and revaluated our gold supply, issued new money on the gold standard, and restored the money supply in circulation and stopped this panic and relieved the people. And there has not been a single day since Congress enacted the currency provisions of the Farm Relief Act, May 12, 1933, when new money could not have been issued based upon and redeemable in gold to restore the money supply in circulation and

to start the country back to normal and permanent prosperity promptly, without hesitation or delay.

There is no reason why prosperity should now be further delayed or postponed and the country burdened with crushing taxes to support the people in enforced idleness, except to provide the bondholding classes with investments by, through, and from which to drain the people of vast sums as interest.

ONLY ONE MEANS TO RESTORE PRICES

As before explained to the House, the gold-buying operations and manipulations, bidding higher to raise the price of gold in Europe and the markets of the world, is effective only externally, that is, abroad, and only to devalue the dollar relative to the currencies of gold-standard countries. This first step taken will not bring a rise in values, the price level, and the wage scale or have any appreciable effect here, or, if realized, will be negligible and incidental only. Under economic laws and the principles of money as fixed and certain as life and death, only an increased volume and supply of money issued and made available in circulation will bring such rise of values and the price level.

The one and only salvation and relief for farming and agriculture, and incidentally for all other classes, is a rise of farm values and prices. So that after the farmers have paid their taxes, interest, and fixed charges, they will have remaining a greater surplus for use as buying and consuming power. This is the power to buy, take, and consume the products of factory, mill, and workshop, and thereby restore employment to labor and the buying and consuming power of the industrial population.

All other means or so-called "remedies" are mere makeshift maneuvers, and only postpone the day of reckoning when the farmers must come face to face with foreclosure, insolvency, and bankruptcy, foreboding a system of landlord and tenant in America. And with the failure of the farmers, the great toiling and laboring masses, moved by the first impulse of life to live, will be misled to revolt and strike to secure employment and a living wage by other than orderly means and civil process.

THE PROGRESS AND STATUS OF THE PLAN

Congress and the President are in accord and have agreed that the cause of the panic is the failure of the buying and consuming power, and that this failure of the buying and consuming power has resulted from the fall of values and the price level, and is likewise the cause of the continuance of the depression. Congress and the President are in further agreement that the fall of values and the price level has resulted from the failure of the money supply, from an insufficient volume of money in circulation, and that a remedy and relief from the panic requires a restoration of the supply of money to circulation. Congress and the President have also agreed that the remonetization of silver, the revaluation of gold, a resort to Federal Reserve notes, and the issuance of United States currency notes are all available monetary measures by and through which to restore the volume and supply of money in circulation.

The greatest merit of the gold-revaluation plan over the other currency measures provided for is the policy and strategy of the legislation to forego and forestall the propaganda organized to discredit currency-relief measures by raising the hue and cry of "fiat money" or so-called "inflation" and "printing-press money." The gold-revaluation plan resorted to by the President provides for money issued upon the gold standard, based upon a gold reserve, redeemable in gold; to be issued upon the increased value of gold, which operates with the same effect as discovering new gold mines and doubling the corpus of the gold supply. The President is to be congratulated not only on the merits of the gold-revaluation plan but also on the policy and strategy exercised in his choice of the currency measures, thereby to meet, forestall, and foil the propaganda organizing to defeat the operations of any and all currency-relief measures.

On the passage of the Currency Relief Act of May 12, 1933, providing for these several currency-relief measures and for the option and discretionary power in the President to carry one or more of these into force and effect, to restore the depleted volume and supply of money, commodity values, prices, and wages, psychologically on anticipation of the new money, immediately started rising to a higher level, carrying an increase of prices and all farm values and prices, which only stopped and receded when the expected increase of money was not issued and put into circulation.

There are two steps which can be taken in the administration of the gold-revaluation plan. One is to revalue our own stock of gold, the largest of any nation in the world, to the agreed value of $41.34 an ounce, or to such value as would restore the 1926 price level, and upon that increased value of gold issue the new money to go in circulation. This step could have been taken immediately after the enactment of the law or on any day since that date, and the new money promptly put in circulation based upon and redeemable in gold, and commodity values, prices, and the wage scale would have begun a rise psychologically with the announcement and would have been restored promptly in the course of rising values and wages. But this step under the gold-revaluation plan has never been taken or entered upon.

The other step which can be taken and entered upon under the gold-revaluation plan contemplates a course of bidding for gold on the world markets with other nations, and using the two billion stabilization fund to make good the higher prices bid for gold, requiring foreign nations to bid higher or lose their gold to the United States. This step and prices, under which the people of the United States and prices and under which the people of the United States must wait for their remedy and relief until the United States shall have first forced up world values and the price level in our buying contest with foreign nations.

THE COURAGE OF THE PRESIDENT

There has been no such rise or restoration of commodity values, and the price level as contemplated under the gold-revaluation plan and as claimed for the plan by Congress. This failure has not been from any want of merit in the gold-revaluation plan of relief, but because the step to make the plan effective for this purpose has never been taken and entered upon. No other man succeeding to the Presidency has ever possessed the courage and will to take this great forward step in defiance of the money-monopoly interests to restore the money supply of the people. The gold-revaluation program has been hindered and delayed by spy expert advisers and unfriendly Treasury hold-over officials by diverting the operations and administration to the gold-buying, bidding operations.

BELATED SILVER LEGISLATION

Regardless of the merits of silver as a means to restore the money supply, it is apparent that no effective measure for that purpose can now be agreed upon and prepared for administration at this late date of the closing session; and, if passed by Congress in such form, would be disapproved by the President. Such further consideration of silver legislation will not only prove fruitless and of no avail to accomplish and carry out the purpose intended, but will serve to delay and further postpone the administration and enforcement of the gold-revaluation program already agreed upon and waiting to be enforced to restore money to circulation. While the remonetization and use of silver would be an effective means to restore the money supply, a mere purchase of a limited amount of silver without positive and mandatory provisions for the issue of currency upon the metal would be as abortive and ineffective to restore the money supply required as a thin sprinkle of rain to break a long, protracted drought. The currency program adopted by Congress and declared for and prepared for by the President offers the only hope of currency relief and should now be concentrated upon by Congress and the President for administration to restore the supply of money and credit and bring back earnings and income to the people.

THE PLAN HAS NOT FAILED

The gold-revaluation plan provided by the Democratic Congress and declared for by the President has not failed of its object and purpose. It has only been hindered, postponed, and delayed by the special money interests opposing

and preventing its operation and enforcement. It has never been carried into effect or allowed to operate. If enforced, in good faith and courageous administration, it will remedy the panic, restore normal prosperity, and justify every claim of Congress and the President.

What we need in this country today is more of the wisdom of Thomas Jefferson, who foresaw and warned against the evils of the private control of money as "more dangerous to the liberties of the people than standing armies in times of peace." And even more than the wisdom of Jefferson, we need the courage of Andrew Jackson to challenge and defy the money interests in their course and policy of intimidation, to hinder, delay, postpone, and defeat the administration of relief-currency measures, as he challenged, defied, and defeated the money power of his own day and times organized under the name and style to assume the character of a public agency, of the "Second United States Bank."

CASS GILBERT

Mr. CHRISTIANSON. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. CHRISTIANSON. Mr. Speaker, I have asked your indulgence for a few moments this afternoon while I pay a brief tribute to a Minnesota man who made for himself a name of national and even international significance. Cass Gilbert, the father of the modern skyscraper and the supreme master builder of his time, who died last week, was during the 30 formative years of his life a resident of Minnesota. There he received his early education in the St. Paul public schools and at Macalester College. After serving a year's apprenticeship in an architect's office, he went east to attend the Massachusetts Institute of Technology. He completed his professional training abroad, and then returned to Minnesota to engage in the practice of architecture. In 1895 his design for the State capitol at St. Paul was accepted. That stately structure of white marble was an architectural triumph; it gave its builder immediate and world-wide recognition. St. Paul was too small to hold him. Reversing Horace Greeley's advice, he went east to "grow up with the country."

In New York he did not have to endure the years of struggling apprenticeship that have been the lot of most young men who have gone there to pursue fortune. Almost immediately he began to pierce Manhattan's sky with towers of such incredible beauty that the whole world stopped to look.

A great architect must be a poet as well as builder. He must know truth as well as beauty. Cass Gilbert saw that in order to have significance business must take on a spiritual quality; it must be more than a bartering of goods, a pursuit of profits. To be sure, he did not close his eyes to realities nor fail to see how utterly the actual fails to approach the ideal; but, like the prophets of old, he knew the value of unattainable goals. So his great genius set itself to the task of expressing in architectural form his conception of what business should seek to become. With a boldness which now challenges admiration, but then called forth derision, he did not hesitate to use the motif of gothic cathedrals in building his greatest skyscraper, the Woolworth Tower.

In the shadow of this Capitol stands the still unfinished Supreme Court Building, another product of his genius, chaste in lines that would have done credit to the builders of "the glory that was Greece." In this, as in his other great works, Cass Gilbert has alined himself with those architects who still reverence the past. He never built any modernistic dirigible-mast monstrosities, for he knew that utility does not preclude beauty, and that beauty, universal as to time and place, does not change with vogues and vagaries. Modern he was, but modern in the true sense; he never created something new in order to create something different; he adapted that which was time-tested and authentic to new needs and purposes.

He himself expressed this thought when he said: "My plea is for beauty and sincerity, for the solution of our own problems in the spirit of our own age, illuminated by the light of the past. To carry on, to shape new thoughts, new hopes, new desires in new forms of beauty as we may and can, but to disregard nothing of the past that may guide us in doing so." In those words Cass Gilbert showed himself a sound statesman as well as a great architect.

I hope that I shall be pardoned if in this connection I take occasion to answer the charge that has sometimes been made, that the Middle West is intellectually sterile. The man who, probably more than any other, is responsible for disseminating that libel is a Minnesotan, the author of Main Street. Sinclair Lewis is himself a refutation of the charge. The State that I have the honor to represent has made many cultural contributions to the Nation. If "the great American novel" has yet been written, many critics would pick the epic of the prairies, Giants in the Earth, for the distinction. Its author, O. E. Rolvaag, was a Minnesota man. Knut Hamsun, who wrote Hunger and The Growth of the Soil, developed his literary talent while a street-car conductor in Minneapolis. Paul Manship is making for himself a place beside Rodin and Thorwaldsen in the pantheon of sculpture. The St. Olaf Choir, consisting of young men and women recruited from the farms and villages of the Middle West, has won plaudits in the concert halls of two continents. Every year the Minneapolis Symphony Orchestra plays in the great music centers of America.

Minnesota has made her contributions to science. Drs. William J. and Charles H. Mayo have not only made the little town of Rochester known throughout the world of medicine, but have established and maintained research laboratories in which the boundaries of human knowledge have been extended. In the realm of statesmanship Minnestota has raised to eminence such men as William Windom, Cushman K. Davis, and Knute Nelson, as able as any who have raised their voices in this and the other body, and Frank B. Kellogg, whose legal attainments were recognized in his election to the World Court.

The obvious answer to the charge that there is crudeness and uncouthness in the Middle West is that no part of the United States, or of Europe either, is free from what supercilious critics have called "Americana." But crudeness and uncouthness are not characteristic; they do not measure the cultural level of the people. Unproductive ground does not yield good wheat. An intellectually sterile population would not produce men like Cass Gilbert, who, as a Washington editorialist said last week, "might have walked unashamed with Michelangelo and Da Vinci, with Raphael and Beethoven."

30-HOUR WEEK

Mr. CONNERY. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. CONNERY]?

There was no objection.

Mr. CONNERY. Mr. Speaker, I am taking the time of the House at this time to say that I have just filed a new petition, which is now on the Clerk's desk. This petition will discharge the Rules Committee, if 145 names are secured, from consideration of the bill S. 158, the Black bill, the 30-hour week bill, which passed the Senate at the last session of Congress. If the House signs the 145 names, this bill would come up on June 11; and if the House passed the Black bill with amendments, then the bill would go to conference instead of having to go to the Senate and be sent to a committee. If the House passes the Black bill without amendment, the bill would immediately go to the President for his signature.

So I am asking all the Members, including the 76 Members who have signed the Zioncheck petition, to kindly sign this new Connery petition, which is no. 30, the 30-hour week bill.

Mr. BLANTON. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. BLANTON. The gentleman from Massachusetts [Mr. CONNERY] is one of the most loyal and patriotic men in the

House. Suppose the President were to send us a message today or tomorrow asking Congress, on behalf of the people of the country, to adjourn by June 1, would not my friend from Massachusetts deem it his loyal and patriotic duty as an American citizen and a good Democrat to grant the wishes of the President?

Mr. CONNERY. I would do what I considered my duty as a loyal American citizen and vote against adjournment so as to enact this 30-hour week bill to protect 10,000,000 American unemployed and put them back to work.

Mr. BLANTON. I am afraid the gentleman would not have the majority with him, as the majority will support the President's wishes.

Mr. CONNERY. We will see about that. I have seen stranger things than that happen, I may say to the gentleman from Texas.

Mr. BLANTON. I have followed the gentleman in a great many matters, but I am afraid this is one in which I cannot follow him. I am going to support the President.

Mr. TRUAX. Mr. Speaker, will the gentleman yield?

Mr. CONNERY. I yield.

Mr. TRUAX. The gentleman from Texas asked the question: If the President should send a message to Congress asking them to adjourn for the American people—am I quoting the gentleman correctly?

Mr. BLANTON. Yes; and the Constitution, if the gentleman pleases.

Mr. TRUAX. No; the gentleman just spoke about the people.

Mr. BLANTON. No. The Constitution says that when the two Houses of Congress disagree as to adjournment the President himself can adjourn Congress when he gets ready, and I hope he will.

Mr. TRUAX. I am not talking about the provisions of the Constitution. I am talking about the people of this country. I was elected at large in my State, and I have not received one single request from anyone to adjourn this Congress. They say this is the greatest Congress the country ever had. [Applause.]

Mr. BLANTON. Mr. Speaker, will the gentleman yield for another suggestion?

Mr. CONNERY. I yield.

Mr. BLANTON. If the President should ask Congress to adjourn by June 1, the loyal Democrats of the House would overwhelm the gentleman when he asked them not to adjourn.

Mr. TRUAX. I deny the assertion of the gentleman from Texas.

[Here the gavel fell.]

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts may proceed for 5 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. CONNERY. I shall not take much of the time of the House. I merely want to make this very clear: That the new Connery petition, petition no. 30, is designed to secure quicker action on the 30-hour week bill. It will discharge the Rules Committee on the Black bill, which has already passed the Senate, if we are in session June 11 and within the 6-day limit.

The Black bill passed the Senate without a roll call and it received a tremendous plurality. If we discharge the Rules Committee and the House takes the bill up on June 11 and passes Senate bill 158 without amendment, it would then go to the President immediately for his signature. If the bill is passed with amendments, the bill will go to conference; but in either event we will save such time as might be required to refer a House bill to the Senate committee.

I call the attention of the House to the fact that daily the newspapers carry accounts of strikes, strikes, strikes—strikes out in the West, and strikes down in the South, strikes up in the North, strikes in the East. Why are the workers striking? They are striking for shorter hours and better wages. The passage of the 30-hour week bill will give them the shorter hours, and with the amendment which we intend to offer in the committee it will give them better wages. The passage of the bill amended in this way will save a lot of trouble, turmoil, and strikes in the United States, and will give labor its place in the sun.

The President of the United States, on March 5, speaking to all the leaders of industry in Constitution Hall in this city, asked them, as President of the United States, to shorten hours and increase wages. That was on March 5. Today is May 21. At this date less than one twenty-fifth of 1 percent of the industrial leaders of the Nation have acceded to the wishes of the President of the United States. I say to my friend from Texas [Mr. BLANTON] that I shall vote against adjournment to make these industrial leaders do what they were asked to do by the President of the United States—to shorten hours and increase wages.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. CONNERY. I yield to the gentleman from Texas, having mentioned him.

Mr. BLANTON. Of course, my friend from Massachusetts does not approve of plasterers and painters in Washington who have been getting $9, $10, and $12 a day in steady, continuous employment for several years, striking on Government jobs for more pay, when other men elsewhere are starving to death and have had no work for 2 years?

Mr. CONNERY. Oh, my friend from Texas should know that all these men are striking for is a decent living wage. Establish a decent living wage, and you will not have men starving to death; bring them up to the union wage, and we will not have any starvation in the United States.

Mr. COCHRAN of Missouri. Mr. Speaker, will the gentleman yield?

Mr. CONNERY. I yield.

Mr. COCHRAN of Missouri. May I ask the gentleman from Massachusetts if the Senate bill is now before the Rules Committee?

Mr. CONNERY. It is.

Mr. COCHRAN of Missouri. And the Committee on Labor, of which the gentleman is chairman, favorably reported the bill?

Mr. CONNERY. The Committee on Labor reported the bill unanimously.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. CONNERY. I yield.

Mr. O'CONNOR. Senate bills do not go to the Rules Committee.

Mr. CONNERY. Well, the bill is on the calendar, and I presented to the Rules Committee my Resolution No. 142, asking for a rule on Senate bill 158. I never received a rule.

Mr. O'CONNOR. Did the gentleman ever ask for a rule on the bill?

Mr. CONNERY. I will qualify that and state to the gentleman that I spoke to the Speaker and to the majority leader at that time, and they said they had conferred with the President, and the administration was not in favor of the bill, because of the provision in the bill which would make foreign nations go on a 5-day week if they wished to ship goods to the United States. So it was useless to ask for a hearing.

Mr. O'CONNOR. Has the House Committee reported the Senate bill?

Mr. CONNERY. Yes; unanimously.

Mr. HASTINGS. Without amendment?

Mr. CONNERY. With amendments.

Mr. HASTINGS. The gentleman is asking that the Senate bill be passed without House amendments?

Mr. CONNERY. If the House so desires; yes. I should prefer amendments which the Committee on Labor might see fit to offer on the bill to take care of the wage situation.

Mr. COX. The gentleman thinks he is safe in the assumption that he will not get a rule from the Rules Committee?

Mr. CONNERY. Yes. I do not think I will discuss it, because I do not want to break any confidences, but I will

say that I am safe in the assumption that the Rules Committee will not give me a rule.

Mr. SCHULTE. Will the gentleman yield?

Mr. CONNERY. I yield to the gentleman from Indiana.

Mr. SCHULTE. The gentleman realizes the conditions in his own district as well as in other districts?

Mr. CONNERY. Yes.

Mr. SCHULTE. I am referring to the 30 hour bill. The reason the 30 hour bill is demanded at this time is because there is so much chiseling going on by the big industries.

Mr. CONNERY. Yes. That is one of the reasons.

Mr. SCHULTE. If the gentleman would permit me in his time, I should like to read a letter.

[Here the gavel fell.]

Mr. SCHULTE. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for 1 additional minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. SCHULTE. The letter I refer to is as follows:

STATE OF INDIANA.

DEAR SIR: I wish to notify to you about the place where I am employed—Steel Co. of Indiana Harbor; 76-inch stripe mill. In this mill there are a number of men working 10 hours a day and 7 days a week. They work by hour rate. They do not work according to the N.R.A. schedule. Some men in this mill can't get 3 days a week while others are working 7. I am asking you to check this for the sake of other men and myself.

That is just a sample of the letters we are getting from the industrial centers.

Mr. CONNERY. I have hundreds of similar letters on my desk. May I ask in conclusion that all House Members sign this Connery petition immediately. It is petition no. 30. In my opinion, the passage of legislation to insure a 5-day week 6-hour day in industry will do more to relieve unemployment in the country than any other measure I know of.

The American Federation of Labor and all union labor throughout the country are unanimously supporting this petition and this legislation.

Congress should not adjourn without passing this 30-hour week bill. [Applause.]

Mr. MARTIN of Colorado. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes on the subject matter that has just been discussed by the gentleman from Massachusetts.

Mr. COCHRAN of Missouri. Mr. Speaker, reserving the right to object, and I do not propose to object to this request, we have already consumed an hour. This is an important day. If we are going to take up the time of Consent Calendar day with speeches, we will not get anywhere with the calendar. I serve notice now that I shall object to any further requests for time to make speeches.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. MARTIN of Colorado. Mr. Speaker, I would be recreant to very strong convictions regarding the chief cause of the unemployment of labor and what must be done to reabsorb unemployed labor in industry, if I did not do something more than sign petitions to have these labor bills placed on the calendar.

It is not simply a question whether we like a 30-hour week and a 6-hour day. It is not a question whether we want these shorter workweeks and shorter workdays. The fact may as well be faced that we must have them. They are the major solution of unemployment in industry. The outstanding problem facing our civilization, the greatest challenge to its statesmanship, is to furnish employment so that every man willing to work may find work at a wage which will maintain the American standard of living. The most terrible thing in this country today is the presence of not less than 10,000,000 workers who cannot find work and who must look to charity, public or private, for their daily bread. It is intolerable, and if long continued will not only impair the moral and physical fiber of the individual but will lower the whole American standard of manhood and citizenship. The future of America is bound up in this problem.

I do not agree with those who say that the National Recovery Act has contributed nothing to the solution of this problem. The National Recovery Act as a whole has not only reduced the hours of labor and increased wages and increased employment to the extent of two or three million workers but it furnishes the model of a new system of relationships between industry, labor, and the consuming public. Uncontrolled production, cutthroat competition, low prices to the producer and high prices to the consumer, long hours and short pay, too much food and starvation, must pass out of the picture. The National Recovery Act, the Agricultural Adjustment Act, and practically all the acts of this remarkable and revolutionary Congress show the way. I have confidence that, by whatever means necessary, we shall follow along.

The 30-hour week and the 6-hour day are not to be regarded as were the earlier movements for a reduction in work hours—from a primarily humanitarian standpoint for the worker. The endless-hour day and the endless-day week cried to Heaven for pity on the wage slave. He was the man with the hoe. The picture now is far different than what it was when Victor Berger spoke on the floor of this House about the men who worked 12 hours per day 7 days per week as men who had no time to thank God and nothing to thank Him for.

We are confronted with the problem now of men who have nothing but time in which to thank God and nothing to thank Him for. I am not going to repeat in detail what I have said on former occasions about this problem. I shall repeat only one short sentence: The return of prosperity will not solve unemployment. I might add that with so much unemployment, prosperity cannot return. We must spread the load of society out over the machine, or the whole thing will break down. This generalizes the problem as I see it. We may as well face the issue. Shutting our eyes will not remove it. Putting off the evil day, if that is the way it looks to you, will not avail. I think the statement cannot be challenged that the workers, in the main, have supported the program of the President, including the recovery acts. But these millions of unemployed, living in want, and these other millions who have employment, living in fear, do not feel that the program has gone as far as practicable or necessary.

I know it is disputed that the machine is mainly responsible for the growing, chronic unemployment of labor and it is contended that the resumption of normal activity in all lines of business would reabsorb the great majority of these idle millions. The statistics of railway employment, in my opinion, furnish a reliable index as to which of these views is true.

In 1920 the total number of employees on railways exceeding 100 miles in length, and known as "class I" carriers, was in round numbers 2,000,000. In 1929, which witnessed the greatest volume of traffic in the history of rail transportation, the number of employees on these lines had decreased to 1,660,000. In other words, taking the period of the post-war boom, considered the most prosperous era in the history of any nation, the number of railway employees decreased 340,000, while at the same time the volume of railway business reached its maximum.

It must be conceded that growing competition by water, by truck, and by bus are cutting into the railways, creating a situation which demands the centralized control and regulation of all forms of transportation, to the end that each may make its proper contribution to the transportation business of the country, while preserving all other forms. But water, trucks, and busses had reached a very high stage of competition with railways in 1929, notwithstanding which the railways in that year handled their maximum tonnage and handled it with a decrease of about 18 percent in the working personnel.

The roll of the railway unemployed since 1929 has reached the enormous total of 800,000, and with 400,000 more insufficiently employed to maintain a decent standard of living. Between 1920 and 1932, employment on class I railroads declined from a fraction over 2,000,000 to a fraction

over 1,000,000. The principal cause for this alarming showing is to be found in a sentence stated by Mr. A. F. Whitney, who is the chairman of the Railway Labor Executives' Association; that is, head of the associated railway organizations. Mr. Whitney said:

> In the last decade productivity of railroad workers has increased by leaps and bounds, but nothing has been done to overcome its evil effects on the workers. The result is that hundreds of thousands of skilled railroad workers of years' training in the safe and efficient transportation of people and property have been forced into the bread lines. * * * Railroad managements have stated that they can now handle a 20-percent increase in business without any increase in employment.

Heavier motive power, longer trains, labor-saving devices, endless economies, have produced these results, deplorable directly in the case of the workers and indirectly affecting everybody and everything in the country, and what is going on in the railroad world is going on in all other lines of industry, in agriculture, and everything else. Two men are doing a job. Somebody invents a machine which enables one of them to do it, making a tramp of the other. Then the machine has to shut down.

I need not resort to tonnage statistics or the statements of someone else for all my knowledge on this subject. In my younger days I fired a locomotive. An engine and train crew can now haul over that division at least four times the tonnage handled by a crew with the equipment of that earlier day. The railway men of America are a picked class, but there is no future for them, unless by legislation they are given a proper share of the benefits of the improvements which are putting them out of work. I personally know enginemen and trainmen who have been losing ground for 20 years or more. The machine is shoving them back all the time and into the discard.

There are two bills on the calendar which have the combined endorsement of more men and women than any two bills which have already been passed in the Seventy-third Congress. That, I know, is a big statement, but I have no more doubt than that I am standing here that that statement is true of the 30-hour week bill for general industry and the 6-hour day bill for the railways. These great bodies of workers have other important bills pending, notably retirement pensions, unemployment insurance and disputes adjustment, but action upon all of them cannot reasonably be expected at this late hour on the calendar. The immediate problem is employment relief. It is easy to philosophize about this situation. Practically everybody agrees that with the growing use and efficiency of the machine the hours of labor must be shortened. But when it comes to reducing philosophy into action we hesitate. I favor taking the bull by the horns. Nothing can be said against these bills that has not been worn threadbare against all their predecessors. We cannot surrender to such considerations. The only thing that should defeat these bills is that we can solve the problem without them. I might oppose to any such contention the pessimistic statement of Clarence Darrow that the 6-hour day will not solve the problem, that the machine will soon overtake it. My answer is that it matters not how short the workday must be. Civilization cannot be made a tramp by the machine. Society must ride the machine or be crushed by it. I believe society can ride the machine, and these bills are contributions to that end. We ought to pass them. [Applause.]

Mr. MONAGHAN of Montana. Is it not a question of either regulating our machine system or letting the machine destroy us? In other words, let us not be machine breakers, but let us make the machine serve man by enacting the 30-hour week and 6-hour day into law.

Mr. MARTIN of Colorado. The able young Representative from Montana has stated the problem in a sentence.

[Here the gavel fell.]

REVENUE ACT OF 1932

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H.R. 9234) to amend section 601 (c) (2) of the Revenue Act of 1932.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman tell us what this bill is about?

Mr. DOUGHTON. This bill provides for an exemption from the existing excise tax of 3 cents a pound on liquid malt, malt sirup, and malt extract when sold to, or for resale to, a baker or for use in baking, or for resale to a manufacturer or producer of malted milk and medicinal products.

This bill has a unanimous report of the Committee on Ways and Means and it was also recommended by the Secretary of the Treasury. Under the present law, unless sold directly, the tax applies. This bill provides for an exemption when it is resold, the same as sold directly. It covers manufacturers, bakers, and so forth. The committee report is complete and is a unanimous report by the committee. I think the bill is meritorious.

Mr. JENKINS of Ohio. Has the gentleman conferred with the gentleman from Massachusetts [Mr. TREADWAY], the senior minority member of the committee, about bringing up this bill?

Mr. DIRKSEN. If the gentleman will yield, I will answer the question.

Mr. DOUGHTON. I yield to the gentleman from Illinois.

Mr. DIRKSEN. I talked to the ranking minority member, and I may say that he had information that it would come up and offered no objection.

Mr. DOUGHTON. My understanding is there was no objection to bringing it up at this time.

Mr. BLANTON. Will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from Texas.

Mr. BLANTON. At present the Government receives a tax when these commodities are sold, whether for resale or otherwise?

Mr. DOUGHTON. They are exempt from tax when sold direct.

Mr. BLANTON. Under the present law?

Mr. DOUGHTON. Yes; under the present law. This proposes to put them on the same basis in either case.

Mr. BLANTON. Just what particular industry does this bill propose to help?

Mr. DOUGHTON. The bakers mainly.

Mr. BLANTON. How about the brewers? The malt-extract provision in the bill is particularly designed, also, to help brewers, is it not?

Mr. DIRKSEN. May I say to the gentleman from Texas that it will help the manufacturers and producers of malt everywhere in the country.

Mr. BLANTON. That embraces beer.

Mr. DIRKSEN. Yes; but the malt used in beer is not involved in this bill.

Mr. BLANTON. Then the beer industry is not involved in the bill at all?

Mr. DIRKSEN. No; only indirectly. It does not enter into this bill.

Mr. BLANTON. What particular industry, other than bakers, is this bill designed to help?

Mr. DIRKSEN. All of the malt industries. May I touch on the foundation for the introduction of the bill?

Mr. BLANTON. I will not require the gentleman to do that, since the bill has the approval of our Chairman of the Ways and Means Committee. I withdraw the objection.

There being no objection, the Clerk read the bill, as follows:

> *Be it enacted, etc.*, That section 601 (c) (2) of the Revenue Act of 1932, as amended, is amended by striking out "sold to a baker" and inserting in lieu thereof "sold to, or for resale to, a baker", and by striking out "to a manufacturer or producer" and inserting in lieu thereof "to, or for resale to, a manufacturer or producer."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. BRITTEN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute, with a view to making another unanimous-consent request later.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. BRITTEN. Mr. Speaker, this morning there was made public throughout the land a report from the Board of Review of the N.R.A. It is a quite extensive report and has been made after an investigation involving months of time. I think the report should be either printed as a public document or printed in the RECORD, and I therefore ask unanimous consent, Mr. Speaker, that the report of the Board of Review of the N.R.A. be printed in the CONGRESSIONAL RECORD, in addition to my own remarks attendant thereon.

Mr. O'CONNOR and Mr. BLANTON objected.

Mr. BRITTEN. This is a Democratic board—this is the Roosevelt-Darrow board.

Mr. BLANTON. What are you after it for?

Mr. BRITTEN. I want it preserved as a valuable document for future reading by those interested in political science. It may later prove to be a most valuable directing force toward correcting the outstanding abuses permitted under the N.R.A.

The regular order was demanded.

Mr. BRITTEN. Mr. Speaker, my time is not yet up. The gentleman from Texas [Mr. BLANTON] was extolling the President a while ago and stating what he would do for him. This is the Roosevelt-Darrow report and should be printed.

Mr. BLANTON. I am backing the President.

[Here the gavel fell.]

SENIOR CIRCUIT JUDGES

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 7356) an act to provide, in case of the disability of senior circuit judges, for the exercise of their powers and the performance of their duties by the other circuit judges, and concur in a very unimportant but necessary Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Line 4, after the word "illness", insert "or other cause."

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, may I ask the gentleman if he has consulted the minority members of the committee about bringing the matter up at this time?

Mr. SUMNERS of Texas. I have not.

Mr. MARTIN of Massachusetts. Then I must object, Mr. Speaker.

Mr. SUMNERS of Texas. Will the gentleman withhold his objection a moment or is the gentleman going to object in any event?

Mr. MARTIN of Massachusetts. I think the minority members of the committee should be consulted before making such a unanimous-consent request, and I am going to object until I can consult some of the members of the committee.

Mr. SUMNERS of Texas. I think that is the correct procedure.

Mr. MARTIN of Massachusetts. I object, Mr. Speaker.

EXTENSION OF REMARKS

Mr. CHRISTIANSON. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Minnesota rise?

Mr. CHRISTIANSON. To submit a unanimous consent request. I think the Darrow report should be printed, but I think in all fairness——

Mr. O'CONNOR. Mr. Speaker, I demand the regular order.

Mr. CHRISTIANSON. Mr. Speaker, I want to submit this request.

The SPEAKER. The gentleman will state his request.

Mr. CHRISTIANSON. My request is that the Darrow report, together with the Johnson reply thereto, be printed in parallel columns in the CONGRESSIONAL RECORD.

Mr. O'CONNOR. Mr. Speaker, I object.

The SPEAKER. That is a matter in the control of the Joint Committee on Printing, in any event.

CONSENT CALENDAR

The SPEAKER. The Clerk will call the Consent Calendar.

VALIDITY OF DECLARATIONS OF INTENTION

The Clerk called the first bill on the Consent Calendar, H.R. 8317, to extend the validity of declarations of intention beyond 7 years.

Mr. ZIONCHECK. Mr. Speaker, at the request of the committee, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

APPOINTMENT OF POSTMASTERS

The Clerk called the next bill, H.R. 7088, to amend the provisions of laws relating to appointment of postmasters.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

Mr. HOEPPEL. Mr. Speaker, I object.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WOLCOTT, Mr. JENKINS of Ohio, and Mr. MARTIN of Massachusetts objected.

Mr. HOEPPEL. Will the gentleman from Ohio or the gentleman from Michigan withhold their objection for a statement?

Mr. WOLCOTT. I withhold my objection, Mr. Speaker.

Mr. HOEPPEL. Mr. Speaker, on the other side of the Capitol the accusation has been made that former Secretary of War Hurley is using his offices to perpetuate Republicans in office. I do not want to enter into that controversy, but I wish to make the statement that this bill is to save money for the Government——

Mr. TABER. Regular order, Mr. Speaker.

Mr. HOEPPEL. And the objection the Republicans are now making is nothing but a political maneuver to perpetuate their own postmasters in office.

Mr. TABER. Regular order, Mr. Speaker.

Mr. WOLCOTT, Mr. JENKINS of Ohio, and Mr. MARTIN of Massachusetts objected.

NINTH PAN AMERICAN SANITARY CONFERENCE

The Clerk called the next joint resolution, Senate Joint Resolution 59, to provide for the expenses of delegates of the United States to the Ninth Pan American Sanitary Conference.

Mr. BLANTON, Mr. TRUAX, Mr. LAMNECK, and Mr. YOUNG objected.

RESPONSIBILITY OF MAIL CONTRACTORS

The Clerk called the next bill on the Consent Calendar, H.R. 7299, to authorize the Post Office Department to hold contractors responsible in damages for the loss, rifling, damage, wrong delivery, depredation upon, or other mistreatment of mail matter due to fault or negligence of the contractor or an agent or employee thereof.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 3962 of the Revised Statutes, as amended by the act of May 11, 1926 (44 Stat. 499; U.S.C., supp. VII, title 39, sec. 443), is hereby amended to read as follows:

"The Postmaster General may make deductions from the pay of contractors for failure to perform service according to contract and impose fines upon them for other delinquencies, which deductions or fines may be changed or remitted, in his discretion. Contractors shall also be answerable in damages to the United States for the proper care and transportation of the mails, and be accountable to the United States for any loss or damage resulting to any of such mail or any part of it by reason of the failure to exercise due care on the part of any of the contractor's officers, agents, or employees in the custody, handling, or transportation thereof. He may deduct the price of the trip in all cases where the trip is not performed and not exceeding three times the price if the failure be occasioned by the fault of the contractor or carrier."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RESPONSIBILITY OF RAILROAD COMPANIES CARRYING THE MAILS

The Clerk called the next bill on the calendar, H.R. 7392, to authorize the Post Office Department to hold railroad companies responsible in damages for the loss, rifling, damage, wrong delivery, depredation upon, or other mistreatment of mail matter due to fault or negligence of the railroad company or an agent or employee thereof.

The SPEAKER pro tempore (Mr. MONAGHAN of Montana). Is there objection?

Mr. WOLCOTT. Reserving the right to object, I wish some member of the committee would explain why this bill is necessary, now that the bill H.R. 7299 has been passed? I have no particular objection to it, but it appears to me that this is included in the bill that we have just passed, H.R. 7299.

Mr. TAYLOR of South Carolina. This bill has to do with the contractors, and the other one had to do with the common carriers.

Mr. WOLCOTT. Is there any particular reason why they should have two bills?

Mr. TAYLOR of South Carolina. This bill under consideration has to do with the contract carriers.

The SPEAKER pro tempore. Is there objection?

Mr. FADDIS, Mr. LAMNECK, and Mr. KURTZ objected.

TO AMEND THE LONGSHOREMEN'S AND HARBOR WORKERS' COMPENSATION ACT

The Clerk called the next bill on the Consent Calendar, H.R. 8057, to amend the Longshoremen's and Harbor Workers' Compensation Act with respect to rates of compensation, and for other purposes.

The SPEAKER pro tempore. Is there objection?

Mr. ZIONCHECK. Mr. Speaker, I objected to this bill at the last call, because I wanted an opportunity to study it. I understand the gentleman from New York [Mr. O'CONNOR] is familiar with it, and I should like to have him make an explanation.

Mr. O'CONNOR. Mr. Speaker, this bill, introduced by Mr. BOYLAN, of New York, which has been unanimously reported by the Judiciary Committee through Mr. CELLER, of New York, and for which a rule has been granted, has been put on the Consent Calendar. There being no objection to it by anybody whom I know, it is my thought that we might pass it by unanimous consent and save the time which would be taken under the rule.

In 1927 we passed the Longshoremen's and Harbor Workers' Compensation Act. The longshoremen in the different States were not protected by State compensation laws because they were engaged in foreign commerce or in commerce not entirely within the States. So it became necessary to pass a Federal compensation law for longshoremen and harbor workers. I was privileged to take a part in the passage of that act of July 1, 1927.

In administering that law, however, certain defects arose, which this present bill proposes to correct. This bill provides for six amendments to the law, all agreed upon in the first instance by the workers, by the employers, and by the United States Compensation Commission.

FIRST AMENDMENT

Section 1 of H.R. 8057 adds a new sentence to section 7 (a) of the existing act. It authorizes a deputy commissioner to suspend payment of compensation if the injured employee unreasonably refuses to submit to medical and surgical treatment. The United States Employees' Compensation Commission in its Seventeenth Annual Report (June 30, 1933, pp. 18–19) states:

> Deputy commissioners have found it difficult in a number of cases to make awards which properly protect the interest of the employer, due to the failure of the employee to carry out the entirely proper instructions of the physician or surgeon treating his case, and in some cases due to the deliberate acts of the employee in removing bandages or doing other things which clearly increase the period of disability.

The proposed amendment is in line with the recommendations of the Commission.

SECOND AMENDMENT

Section 2 of H.R. 8057 amends subdivision (c) of section 8 of the existing act so as to provide that in case of permanent partial disability—for example, the loss of an arm—compensation shall first be paid during the "healing period" and that such payments shall be in addition to the compensation payable on account of the permanent partial disability as fixed in the schedule, paragraphs (1) to (12) of section 8 (c).

This amendment sets forth clearly the intentions of those who drafted the original act. Subsequent court interpretations have resulted in some confusion and unexpected injustice. (*Texas Employers Ins. Assn.* v. *Sheppeard*, 32 Fed. (2d) 300; *Texas Employers Ins. Assn.* v. *Sheppeard*, Eq. No. 375 in the United States District Court for the Southern District of Texas, Houston Division; *Baltimore & Philadelphia Steamboat Co. et al.* v. *Norton et al.*, 40 Fed. (2d) 530, 48 Fed. (2d) 57, and 284 U.S. 408; *Crescent Wharf & Warehouse Co.* v. *Pillsbury*, 54 Fed. (2d) 1077.) The United States Employees' Compensation Commission describes the result of these decisions in its latest annual report (pp. 16–17) as follows:

> Among other things it may be pointed out that under the interpretation placed upon section 8 (c) (22) an injured employee who suffers a prolonged period of temporary total disability followed by a permanent partial disability consisting of a small percentage of loss of use of a member in many cases could not be awarded as much compensation for his entire disability, both temporary total and permanent, as he would be clearly entitled to have awarded him for his temporary total disability alone if he had had no ensuing permanent partial disability.

The Commission recommends an amendment "to correct this situation and avoid the incongruous and harsh results of such interpretation as well as to assure compensation in all cases for the disability actually suffered." The amendment proposed in section 2 of H.R. 8057 is in line with this recommendation.

THIRD AMENDMENT

The second amendment, above described, would result in a definite increase in compensation cost to the employers under the act were it not for the third amendment, as follows: Section 2 of H.R. 8057 amends section 8 (c) of the act by reducing the number of scheduled weeks of compensation payable for permanent partial disabilities in paragraphs (1) to (12). In each instance the reduction proposed is equal to the number of weeks of compensation specified in the present "healing-period" clause, section 8 (c) (22), which is repealed by this bill. This amendment, taken together with the previous amendment, constitutes a compromise which corrects injustices without increasing the cost to the employer.

FOURTH AMENDMENT

Section 3 of H.R. 8057 substitutes for the existing paragraph (22) of section 8 (c)—which is in effect repealed by the second and third amendments above—a new subdivision which makes it possible, in cases where a worker loses more than one member listed in the schedule—for example, a finger and a thumb—to pay compensation on account of each member lost. Such separate, consecutive awards are not possible under the existing act. This amendment is identical with that recommended by the United States Employees' Compensation Commission in its latest annual report (p. 17).

FIFTH AMENDMENT

Section 4 of H.R. 8057 amends section 14 (j) of the act so as to authorize the deputy commissioner to make partial lump-sum settlements. At present, lump-sum settlements, when made, must be for the entire amount of the compensation due. The Commission in its Seventeenth Annual Report (p. 17) states:

> Deputy commissioners who have had occasion to apply this section have expressed the opinion that in many cases partial lump-sum settlements would be for the best interests of a person entitled to compensation although there is not sufficient justification for commuting the entire amount due into one payment.

This amendment is in accordance with the recommendation of the Commission. However, the Judiciary Committee added two additional safeguards before a partial lump-sum settlement can be made: (1) It can be made only upon the claimant's application and (2) then only with approval of the Commission.

The amendment also provides that in computing the lump sum payable to a widow, the probability of her remarriage

shall be taken into consideration. Computations are to be made upon the basis of the remarriage tables of the Dutch Royal Insurance Institution, as is provided in the New York compensation law and in accordance with practice generally, since these are widely recognized as the authoritative tables for this purpose.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. Yes.

Mr. BLANTON. Say that a man loses a finger and a thumb. Does the fourth amendment provide that he shall then receive for the loss of the two members as much as he would for the loss of a whole hand?

Mr. O'CONNOR. Oh, no. The present law provides a certain number of weeks for the loss of a finger and a certain number of weeks for the loss of a thumb; but in the interpretation of the law it was held, because the statute was not clear, that where a man suffered both of those injuries, for instance, he was not entitled to compensation for both losses. The amendment takes care of that situation.

Mr. BLANTON. All of the beneficiaries of the United States Compensation Act are employees of the Government.

Mr. O'CONNOR. No. Of course, these are not.

Mr. BLANTON. I am talking about those outside of the longshoremen.

Mr. O'CONNOR. There may be others.

Mr. BLANTON. Are there any others besides the longshoremen?

Mr. O'CONNOR. I do not know.

Mr. BLANTON. I have been wondering how they, with a status not that of a Government employee, got into the United States Compensation Act to begin with.

Mr. O'CONNOR. Because they could not get in under any State act.

Mr. BLANTON. They are not employees of the United States Government.

Mr. O'CONNOR. But the employees and employers contribute, of course, to the fund to provide the compensation.

Mr. BLANTON. They are not employees of the United States Government.

Mr. O'CONNOR. They are not paid by the United States Government. The compensation fund is merely administered by this Employees' Compensation Commission.

Mr. BLANTON. But all of the machinery and overhead is furnished by the United States Government.

Mr. O'CONNOR. I do not know about that; the contributions may cover that overhead, but the employers contribute to the loss. The Government does not.

Mr. BLANTON. I am hopeful that we will watch this matter and not let it be enlarged from time to time, because, the first thing you know, you will have the United States Government looking after everything that the States ought to look after; and whenever anybody takes anything from the United States Government they may as well understand that they are giving away some valuable rights in return. The people everywhere are depending entirely too much upon the United States Government for everything.

Mr. ZIONCHECK. The present law provides that the employees contribute to private insurance companies to provide for paying disabilities.

Mr. BLANTON. I am talking about the overhead and all of the administrative machinery, which is furnished by the United States Government.

Mr. ZIONCHECK. I am particularly interested in the feature that allows those injured a longer period to come back and reopen the thing. That is the real feature of the bill.

Mr. O'CONNOR. That is provided for in the sixth amendment.

Mr. McFARLANE. Are there any limitations on this compensation law as to how much the attorney shall receive for representing parties?

Mr. O'CONNOR. I am quite sure that such a limitation is in the original act of July 1, 1927.

Mr. McFARLANE. That is not covered in this bill?

Mr. O'CONNOR. This bill merely carries certain amendments to the act of 1927.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. O'CONNOR. Mr. Speaker, there is an identical Senate bill, S. 2794, introduced by Senator LA FOLLETTE, on the Speaker's table, which has passed the Senate. I ask unanimous consent to consider the Senate bill in lieu of the House bill.

Mr. WOLCOTT. Mr. Speaker, I reserve the right to object, to ask something about the provisions for a reduction in the number of weeks of pay and the reason for reducing the amount.

Mr. O'CONNOR. That is the third amendment. The number of weeks' compensation is reduced there because of the previous amendment which allows compensation during a preliminary or "healing period", but the total compensation remains the same, without any reduction to the injured employee.

Mr. WOLCOTT. Then there is not any actual reduction in the amount a man will receive?

Mr. O'CONNOR. No.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. ZIONCHECK. Mr. Speaker, I withdraw my reservation of objection for the reason that I have a letter here from the Maritime Employers' Association objecting to the bill. I think it is a good bill because of that objection.

The SPEAKER pro tempore. Is there objection to the consideration of the bill S. 2794?

There was no objection.

The SPEAKER pro tempore. Without objection, the Clerk will report the Senate bill S. 2974.

There was no objection, and the Clerk read the Senate bill, as follows:

Be it enacted, etc., That subdivision (a) of section 7 of the Longshoremen's and Harbor Workers' Compensation Act, as amended, is amended by adding at the end thereof the following new sentence: "If at any time during such period the employee unreasonably refuses to submit to medical or surgical treatment, the deputy commissioner may, by order, suspend the payment of further compensation during such time as such refusal continues, and no compensation shall be paid at any time during the period of such suspension, unless the circumstances justified the refusal."

SEC. 2. So much of subdivision (c) of section 8 of such act, as amended, as precedes paragraph (13) thereof is amended to read as follows:

"(c) Permanent partial disability: In case of disability partial in character but permanent in quality, the compensation shall be 66⅔ percent of the average weekly wages, which shall be in addition to compensation for temporary total disability paid in accordance with subdivision (b) of this section, and shall be paid to the employee, as follows:

"(1) Arm lost, 280 weeks' compensation.
"(2) Leg lost, 248 weeks' compensation.
"(3) Hand lost, 212 weeks' compensation.
"(4) Foot lost, 173 weeks' compensation.
"(5) Eye lost, 140 weeks' compensation.
"(6) Thumb lost, 51 weeks' compensation.
"(7) First finger lost, 28 weeks' compensation.
"(8) Great toe lost, 26 weeks' compensation.
"(9) Second finger lost, 18 weeks' compensation.
"(10) Third finger lost, 17 weeks' compensation.
"(11) Toe other than great toe lost, 8 weeks' compensation.
"(12) Fourth finger lost, 7 weeks' compensation."

SEC. 3. Paragraph (22) of subdivision (c) of section 8 of such act, as amended, is amended to read as follows:

"(22) In any case in which there shall be a loss of, or loss of use of, more than one member or parts of more than one member set forth in paragraphs (1) to (19) of this subdivision, not amounting to permanent total disability, the award of compensation shall be for the loss of, or loss of use of, each such member or part thereof, which awards shall run consecutively."

SEC. 4. Subdivision (j) of section 14 of such act, as amended, is amended to read as follows:

"(j) Whenever the deputy commissioner determines that it is in the interest of justice, the liability of the employer for compensation, or any part thereof as determined by the deputy commissioner with the approval of the Commission, may be discharged by the payment of a lump sum equal to the present value of future compensation payments commuted, computed at 4 percent true discount compounded annually. The probability of the death of the injured employee or other person entitled to compensation before the expiration of the period during which he is entitled to compensation shall be determined in accordance with the American Experience Table of Mortality, and the probability of the remarriage of the surviving wife shall be determined in accordance with the remarriage tables of the Dutch Royal Insurance Institution. The probability of the happening

of any other contingency affecting the amount or duration of the compensation shall be disregarded."

SEC. 5. Section 22 of such act, as amended, is amended to read as follows:

"MODIFICATION OF COMPENSATION CASES

"SEC. 22. Upon his own initiative, or upon the application of any party in interest, on the ground of a change in conditions or because of a mistake in a determination of fact by the deputy commissioner, the deputy commissioner may, at any time prior to 1 year after the date of the last payment of compensation, whether or not a compensation order has been issued, review a compensation case in accordance with the procedure prescribed in respect of claims in section 19, and in accordance with such section issue a new compensation order which may terminate, continue, reinstate, increase, or decrease such compensation. Such new order shall not affect any compensation previously paid, except that an award increasing the compensation rate may be made effective from the date of the injury, and if any part of the compensation due or to become due is unpaid, an award decreasing the compensation rate may be made effective from the date of the injury, and any payment made prior thereto in excess of such decreased rate shall be deducted from any unpaid compensation, in such manner and by such method as may be determined by the deputy commissioner with the approval of the Commission."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

A similar House bill, H.R. 8057, was laid on the table.

CARGOES IN AMERICAN-FLAG VESSELS

The Clerk called the next business, House Joint Resolution 282, requiring 50 percent of the cargo imported and exported under trade agreements between the United States and foreign nations to be carried in vessels of the United States.

Mr. TRUAX. Reserving the right to object——

Mr. BLANTON. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

Mr. TRUAX. Mr. Speaker, I object to that request.

The SPEAKER pro tempore. Is there objection to the present consideration of the joint resolution?

Mr. BLANTON. I object to the consideration of the resolution.

PAYMENT OF CONSULAR OFFICERS OR AGENTS AT FOREIGN PORTS

The Clerk called the next bill, H.R. 5266, to amend section 4548 (U.S.C., title 46, sec. 605) of the Revised Statutes of the United States.

Mr. TRUAX. Reserving the right to object, the Treasury Department recommends that this bill be not enacted; that it is unnecessary; that it is simply a reiteration of existing statutes already on the books. Therefore I object.

Mr. BLANTON. Mr. Speaker, I object.

Mr. BLAND. Will the gentleman reserve the objection? The statute requires payment in gold. While the Treasury Department does make that recommendation, it formerly recommended that this bill ought to pass. This simply brings it in line with the present policy of the Government.

Mr. BLANTON. But the present administration, through our Treasury Department, objects to the bill, and I am backing the administration. Therefore I object. There will be two other objections, which are necessary to stop the bill.

Mr. TRUAX. Both the Secretary and the Assistant Secretary objected. I object.

The SPEAKER pro tempore. Three objections are required.

Mr. McFARLANE. Mr. Speaker, I object.

Mr. BLANTON. Mr. Speaker, I object.

Mr. TRUAX. Mr. Speaker, I object.

DISBURSING OFFICERS OF THE ARMY

The Clerk called the next bill, S. 2046, to provide relief for disbursing officers of the Army in certain cases.

Mr. BLANTON. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

Mr. TRUAX. Mr. Speaker, I object to that request.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. BLANTON. Mr. Speaker, I object.

Mr. COCHRAN of Missouri. Reserving the right to object——

Mr. GOSS. Will the gentleman withhold his objection?

Mr. BLANTON. I will withhold the objection.

Mr. COCHRAN of Missouri. I understand that the Committee on Military Affairs has taken notice of the argument I presented against this bill last week, and the committee has unanimously instructed the chairman to request the committee to file a supplemental report with an amendment which will take care of the situation. Pending that, I hope the gentleman from Ohio will let the bill go over without prejudice.

Mr. TRUAX. Mr. Speaker, I object.

Mr. O'BRIEN. I object.

Mr. BLANTON. I object to the consideration of the bill.

TOUR OF DUTY IN THE TROPICS BY OFFICERS AND ENLISTED MEN OF THE ARMY, NAVY, AND MARINE CORPS

The Clerk called the next bill, H.R. 8567, to amend the laws relating to the length of tours of duty in the Tropics and certain foreign stations in the case of officers and enlisted men of the Army, Navy, and Marine Corps, and for other purposes.

Mr. SPENCE. Mr. Speaker, I desire to ask that Senate 3397 be substituted for this bill.

Mr. BLANTON. Is it an identical bill?

Mr. SPENCE. It is an identical bill, except that the Senate bill gives to the Secretary some additional power, except in the discretion of the Secretary of War for definite emergency.

Mr. WOLCOTT. Mr. Speaker, a point of order. I think the gentleman's request that the Senate bill be substituted is subject to a point of order at this time, because consideration of the bill has not been consented to.

The SPEAKER pro tempore. The gentleman is correct. The Chair sustains the point of order.

Is there objection to the present consideration of the House bill?

Mr. WOLCOTT. Reserving the right to object, I want the gentleman to explain the difference between the Senate bill and the House bill. I have no particular objection to the bill providing section 2 is amended to conform to the wishes of the War Department, and I have been informed that the Senate bill does that.

Mr. SPENCE. The Senate bill conforms to the wishes of both the War Department and the Navy Department. They both agreed it would be well for the bill to pass.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objecion.

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that Senate bill 3397 be substituted for the House bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky [Mr. SPENCE]?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That section 12 (requiring assignments of the Army, Navy, or Marine Corps to permanent duty in the Tropics and at certain foreign stations to be for not less than 3 years) of the Treasury and Post Office Appropriation Act, fiscal year 1934, approved March 3, 1933 (U.S.C., supp. VII, title 10, sec. 17a), is hereby repealed.

SEC. 2. The second and third provisos in the paragraph with the heading "Barracks and Quarters, Philippine Islands" in the act entitled "An act making appropriations for the support of the Army for the fiscal year ending June 30, 1916", approved March 4, 1915 (U.S.C., supp. VII, title 10, sec. 17) are hereby amended to read as follows: "No officer or enlisted man of the Army shall, except upon his own request, be required to serve in a single tour of duty for more than 2 years in the Philippine Islands, on the Asiatic station, or in China, Hawaii, Puerto Rico, or the Panama Canal Zone, except in case of insurrection or of actual or threatened hostilities and except in the discretion of the Secretary of War for temporary emergencies: *Provided*, That the foregoing provision shall not apply to the organization known as the 'Philippine Scouts.'"

Mr. HOEPPEL. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOEPPEL to the Senate bill: Page 2, line 16, after the word "Scouts", add a new section, as follows:

"SEC. 2. No recruit with less than 6 months' service shall be assigned to duty outside the United States except in the discretion of the Secretary of War in case of threatened or actual emergency."

Mr. BLANTON. Mr. Speaker, I make a point of order against the amendment. I will reserve the point of order if the gentleman wants to speak on the amendment.

Mr. HOEPPEL. I should like to speak on the amendment.

Mr. BLANTON. I reserve a point of order on the amendment, Mr. Speaker.

Mr. HOEPPEL. Mr. Speaker, the amendment which I have offered is almost exactly in accordance with the thought expressed to me by the honorable Chairman of the Committee on Military Affairs of the House [Mr. McSWAIN].

I was present in the Senate in the closing days of the "lame duck" session in 1932 when the Senate passed the bill forcing our officers and men to remain 3 years in the Tropics. As only bills of an emergency nature were considered in the special session immediately following, there was no opportunity in that session to secure the repeal of the iniquitous 3-year tenure of service law.

On the first day of the first regular session of the present Congress, I introduced a bill repealing the 3-year tenure of service without imposing any restrictions whatever upon the War and Navy Departments. Two months later, the bill under discussion was introduced. My bill was accorded a hearing and was approved by the subcommittee of the Committee on Military Affairs. After the subcommittee had approved my bill, I spoke to the chairman of the committee [Mr. McSWAIN], requesting a hearing by the full committee and he then indicated that he favored an amendment such as I have introduced. At the next meeting of the full committee, I was present but was informed that the meeting would be an executive one and I departed. During my absence, the Spence bill was substituted for my bill without having had any report whatever from the War Department on its provisions. Subsequently, the War Department reported adversely to the second section of the bill under discussion because of the mandatory provisions therein which thus will add to the problem of administration and which also will tend to tie the hands of the War Department.

I am in favor of the bill we are considering, even though I am not its author, since it differs from my bill only in the matter of administration.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. HOEPPEL. I yield.

Mr. BLANTON. This bill was reported by the committee. Did the gentleman present this amendment to the committee?

Mr. HOEPPEL. I did not because of the fact that the full committee held a hearing and reported the Spence bill without giving me an opportunity to appear before the committee to advance the provisions of my bill in comparison with the Spence bill.

Mr. BLANTON. Then, Mr. Speaker, I take it the amendment offered by the gentleman has had no consideration whatever by the committee.

Mr. HOEPPEL. The only consideration it can be said to have had is what might be inferred from the expression of the gentleman from North Carolina [Mr. McSWAIN].

Mr. BLANTON. I am opposed to any change of the law relating to the Army, the Navy, or the Marine Corps until the proposed change has been carefully considered and passed upon by the proper legislative committee.

Mr. HOEPPEL. Answering the gentleman, he then must be opposed to this bill we are now discussing because the War Department, while it is in favor of the 2-year tenure of service, is officially on record as opposed to the mandatory provisions as carried in this bill.

Mr. BLANTON. I am talking about the lack of opportunity for the committee to pass upon the gentleman's amendment. The gentleman admits that his amendment has not been considered by the committee.

Mr. HOEPPEL. Yes; that is true, primarily because of the fact that I was not called before the committee, as I should have been, and also because of the fact that the whole committee reported this bill in the absence of the chairman, Mr. McSWAIN.

Mr. BLANTON. Then it ought not to pass until the committee considers it.

Mr. Speaker, I make the point of order against the amendment that it is not germane to the bill.

Mr. MAY. Mr. Speaker, if the gentleman will yield, I would suggest that the gentleman withdraw his amendment.

The SPEAKER pro tempore. Does the gentleman from California desire to be heard upon the point of order?

Mr. HOEPPEL. I do, Mr. Speaker.

Answering the gentleman from Kentucky [Mr. MAY], I wish to state that I am as much interested in this bill as is he or his colleague from Kentucky [Mr. SPENCE]. It is a very meritorious bill. Any Member of Congress who has had military experience in the Tropics or who has visited the Tropics should realize that to vote against this bill would be absolutely inhuman.

In my amendment I wish to prevent the sending of young recruits abroad in the Foreign Service. When they are sent out in the Foreign Service, they are isolated; they are torn, in a sense, from their loved ones and in a foreign atmosphere, they must submit to rigid discipline which breaks them down physically as well as mentally in many instances. On the boat on which I returned from Honolulu last summer were 41 mental cases, 12 of whom were in strait-jackets. We should not permit an act of Congress to force our American youth to serve long periods in alien lands. We should regard the interest of the families of the officers and men and enact this bill and this amendment from the standpoint of humane consideration. It will also be an economic advantage to the Nation inasmuch as the retirements because of physical disability and pensions because of breakdown will be reduced to a minimum.

Mr. LEHLBACH. Mr. Speaker, I make the point of order that the gentleman is not addressing himself to the point of order but is arguing his amendment on its merits.

The SPEAKER pro tempore. The Chair is of the opinion that the gentleman from California is addressing himself to the point of order. The gentleman from California will proceed.

Mr. HOEPPEL. Mr. Speaker, inasmuch as my Republican colleagues have been so very kind and gentle to me this afternoon in opposing a bill of mine which would release Republican postmasters at the expiration of their terms of office, I will not argue the point with the gentleman from New Jersey. As I am so vitally interested and anxious to see this bill enacted into law, I ask unanimous consent to withdraw my amendment so that the bill may be enacted now instead of being sent back to the Senate for reconsideration which might result in its defeat because of the stress of business in the closing days of the session. Even though it carries obnoxious mandatory provisions of which the War Department has disapproved, I accept it nevertheless because it will repeal the law establishing 3-year tenure of service in the Tropics.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. GOSS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. GOSS. Mr. Speaker, I understood when unanimous consent was granted to consider the Senate bill in lieu of the House bill that the two bills were identical.

Mr. SPENCE. They are, except as to one sentence, to which I called attention.

Mr. GOSS. As I understood the reading of the Senate bill by the Clerk, it omitted the reference to the Navy and the Marine Corps included in the House bill.

Mr. SPENCE. Mr. Speaker, I may say to the gentleman from Connecticut that the Senate bill is identical with the House bill with the exception that in the Senate bill, after the word "hostilities" which appears on line 10 of page 2 of the House bill, the Senate has added "and except in the discretion of the Secretary of War for temporary emergency."

Mr. GOSS. The gentleman admits that the Senate bill is not identical with the House bill. As I am pointing out the House bill included enlisted men of the Army, Navy, and Marine Corps, whereas the Senate bill, as I understood its reading by the Clerk, did not refer to the Navy and the Marine Corps.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. GOSS. I yield.

Mr. BLANTON. Mr. Speaker, the gentleman from Connecticut misunderstood the situation because the gentleman from Kentucky, in answer to my inquiry, pointed out when he asked to substitute the Senate bill for the House bill, that there was this difference in the two bills.

Mr. GOSS. The matter to which I am referring is the apparent omission of the reference to the Navy and Marine Corps.

Mr. VINSON of Kentucky. They are included in the Senate bill.

Mr. GOSS. Mr. Speaker, I ask unanimous consent that the section of the Senate bill may be again read by the Clerk. I have not the Senate bill before me.

The SPEAKER pro tempore. Without objection, the Clerk will again read the first section of the Senate bill.

The Clerk again read section 1 of the Senate bill.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

ALCOHOLIC BEVERAGES IN THE CANAL ZONE

The Clerk called the next bill, H.R. 8173, authorizing the President to make rules and regulations in respect to alcoholic beverages in the Canal Zone, and for other purposes.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the bill go over without prejudice.

Mr. LEA of California. Mr. Speaker, to that I object.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. JENKINS of Ohio and Mr. BLANTON objected.

Mr. BLANTON. Mr. Speaker, upon the strength of a statement just made to me by the gentleman from California, I withdraw my objection.

Mr. TRUAX. Mr. Speaker, I withhold my objection.

Mr. JENKINS of Ohio. Mr. Speaker, I withdraw my objection but reserve the right to object for the purpose of giving the gentleman from California an opportunity to explain the bill.

Mr. LEA of California. Mr. Speaker, there is now no law whatever regulating or controlling the liquor business in the Panama Canal Zone.

The administration desires this bill in order that the President may pass regulations controlling the transportation, possession, and sale of liquor in the Panama Canal Zone. Today it is unregulated and unrestrained, and this is a situation we should be interested in trying to improve.

Mr. BLANTON. On the gentleman's statement, I withdraw my objection.

Mr. JENKINS of Ohio. Mr. Speaker, reserving the right to object, is there any reason why we cannot legislate on this subject?

Mr. BLANTON. Mr. Speaker, I demand the regular order.

The SPEAKER pro tempore. The Clerk will report the bill.

Mr. JENKINS of Ohio. Mr. Speaker, I object.

Mr. TRUAX. Mr. Speaker, reserving the right to object——

Mr. WOLCOTT. Mr. Speaker, I had previously objected.

Mr. FOCHT. Mr. Speaker, I object.

Mr. BLANTON. Mr. Speaker, I make the point of order that the objection stage has passed. The Speaker had ordered the Clerk to read the bill.

Mr. MARTIN of Massachusetts. Mr. Speaker, I contend the Speaker had no right to proceed in that way.

Mr. BLANTON. There were only two objectors.

Mr. FOCHT. Mr. Speaker, I object to this bill.

Mr. BLANTON. The gentleman from Pennsylvania did not object until the Chair had ordered the Clerk to read the bill.

The SPEAKER pro tempore. The Chair is of the opinion that he had ordered the reading of the bill before all three objections were made.

Mr. MARTIN of Massachusetts. Mr. Speaker, then I make the point of order that a quorum is not present.

The SPEAKER pro tempore. But in view of the fact there are now three objections, the Chair will recognize that fact and the Clerk will report the next bill.

Mr. MARTIN of Massachusetts. Mr. Speaker, in view of the ruling I withdraw the point of no quorum.

PANAMA CANAL TOLLS

The Clerk called the next bill, H.R. 7667, to provide for the measurement of vessels using the Panama Canal, and for other purposes.

Mr. LEHLBACH, Mr. WELCH, and Mr. CARTER objected.

COINAGE OF 50-CENT PIECES

The Clerk called the next bill, H.R. 8513, to authorize the coinage of 50-cent pieces in commemoration of the birthplace and boyhood home of Gen. Thomas J. (Stonewall) Jackson.

Mr. GRISWOLD. Mr. Speaker, reserving the right to object, may I inquire whether this is really intended as a memorial to Stonewall Jackson, or as some kind of a racket out of which people may make money?

Mr. EDMISTON. The proceeds from the sale of these coins will go to the State 4-H camp in West Virginia.

Mr. GRISWOLD. I notice in the bill it is provided that these coins may be purchased only from the Treasury Department by one particular corporation.

Mr. EDMISTON. To be appointed by the Governor of our State.

Mr. GRISWOLD. They can only be purchased from the Treasury Department by one particular corporation at par. No one else has the right to acquire these coins from the Treasury Department except this one corporation and we are authorizing the issuance of $25,000 of these coins.

Mr. TRUAX. Will the gentleman yield?

Mr. EDMISTON. I yield to the gentleman from Ohio.

Mr. TRUAX. What will be the price at which these 50-cent pieces will be purchased?

Mr. EDMISTON. One dollar.

Mr. TRUAX. Who makes the money?

Mr. EDMISTON. The profit goes to the State 4-H camp.

Mr. McFADDEN. Mr. Speaker, I object.

The SPEAKER pro tempore. Three objections are required.

There being no further objections the Clerk read the bill as follows:

Be it enacted, etc., That in commemoration of the birthplace and boyhood home of Gen. Thomas J. (Stonewall) Jackson, there shall be coined in the mints of the United States silver 50-cent pieces to the number of 50,000, such pieces to be of standard troy weight, composition, diameter, and design as shall be fixed by the Director of the Mint and approved by the Secretary of the Treasury, which said 50-cent pieces shall be legal tender in any payment of their face value.

SEC. 2. All laws now in force relating to the subsidiary silver coins of the United States and the coining or striking of the same, regulating and guarding the process of coinage, providing for the purchase of material, and for the transportation, distribution, and redemption of the coins, for the prevention of debasement or counterfeiting, for security of the coin or for any other purpose, whether said laws are penal or otherwise, shall, so far as applicable, apply to coinage herein authorized.

SEC. 3. The coins authorized by this act shall be issued only to the director of the State 4-H camp at Jacksons Mill, W.Va., upon payment of the face value of such coins.

With the following committee amendments:

On page 1, line 3, strike out the words "birthplace and."

Page 1, line 5, after the word "States", insert the words "fifty thousand."

Page 1, line 6, after the word "pieces" strike out the words "to the number of fifty thousand, such pieces to be."

Page 1, line 7, strike out the word "troy" and insert the word "size."

Page 1, line 7, strike out "diameter" at the end of the line.

Page 1, line 9, strike out the words "and approved by" and insert "with approval of."

Page 1, line 10, after the word "Treasury" strike out the words "which said 50-cent pieces shall be legal tender in any payment of their face value" and insert "but the United States shall not be subject to the expense of making the models for master dies or other preparations for this coinage."

"SEC. 2. The coins herein authorized shall be issued at par and only upon the request of the commission authorized by the Governor of the State of West Virginia."

Page 2 line 7, strike out the figure "2" and insert the figure "3."

Page 2, line 15, strike out the word "authorized" and insert the word "directed."

Page 2, line 16, strike out all of section 3 and amend the title so as to read: "A bill to authorize the coinage of 50-cent pieces in commemoration of the boyhood home of Gen. Thomas J. (Stonewall) Jackson."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NAVAL AIR STATION, PENSACOLA, FLA.

The Clerk called the next bill, S. 1103, to authorize the Secretary of the Navy to proceed with certain public works at the naval air station, Pensacola, Fla.

Mr. TRUAX. Mr. Speaker, reserving the right to object, I want to call the attention of the House to the fact that this bill provides an authorization of $5,363,000 for the purpose of constructing buildings, roads, utilities, and removing, relocating, replacing, remodeling, and extending existing buildings, structures, roads, utilities, and appurtenances at the naval air station at Pensacola, Fla. The amount originally requested was $6,955,000. There is no recommendation here from the Navy Department.

Mr. CARTER of California. Will the gentleman yield?

Mr. TRUAX. I yield.

Mr. CARTER of California. May I inform the gentleman that I am going to request that this bill go over without prejudice.

Mr. TRUAX. I will inform the gentleman that I shall object to his request.

Mr. BLANTON. Oh, no; let it go over without prejudice.

Mr. VINSON of Georgia. I may state to the gentleman from Ohio that this bill was thoroughly considered by the Naval Affairs Committee, and the measure has a unanimous report from the committee. I trust the gentleman will not force the gentleman from California [Mr. CARTER] to object, but will permit the bill to go over without prejudice.

Mr. TRUAX. I am willing to withdraw my objection and let the bill go over without prejudice.

Mr. O'BRIEN. Mr. Speaker, I object.

Mr. VINSON of Georgia. Mr. Speaker, will not the gentleman let the bill go over without prejudice?

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. O'BRIEN. Mr. Speaker, I object.

AQUATIC PRODUCTS

The Clerk called the next bill, H.R. 9233, authorizing associations of producers of aquatic products.

Mr. TRUAX. Mr. Speaker, I object.

Mr. BLAND. Mr. Speaker, will the gentleman reserve his objection?

Mr. TRUAX. I reserve the right to object for a brief statement by the gentleman from Virginia.

Mr. BLAND. The statement I want to make is simply that this bill provides for the same relief for the fishermen that has already been given to the farmers. There is no change in the law except it is made applicable to fishermen. Their desperate condition throughout the country, as well as their desire to organize in order to better themselves, is the basis of this legislation.

Mr. TRUAX. Does this bill apply mainly to deep-sea fishermen or to fresh-water fishermen as well?

Mr. BLAND. It applies to all classes of fishermen.

Mr. TRUAX. And I presume the gentleman is referring to commercial fishing?

Mr. BLAND. Yes; all classes of commercial fishing.

Mr. TRUAX. And the bill provides they may organize cooperative marketing associations?

Mr. BLAND. Just as the farmers may do now.

Mr. TRUAX. If the cooperative associations that the gentleman proposes to form under this bill are no more successful in obtaining higher prices for the industry than the farm cooperatives have been in securing higher prices for farm products, I shall not withdraw my reservation of objection.

Mr. BLAND. We just want an opportunity to try it, that is all.

Mr. TRUAX. Yes; but we have tried this for 15 years and the prices are getting lower day by day.

Still reserving the right to object, Mr. Speaker, I want to ask the gentleman another question. I happen to know something about commercial fishing in the Great Lakes. At one time I was chairman of the Great Lakes Conservation Council of Commercial Fishermen. At no time in my career have I ever received a request for consideration or a request to support a measure of this kind and I should like to ask the gentleman where the bill originated and from what set of commercial fishermen it comes.

Mr. BLAND. It proceeded from a number of bills that were considered for the rehabilitation of the industry. I introduced the bill myself as the basis of the consideration that had been given by gentlemen connected with the fisheries industry, not connected with the N.R.A.

Mr. TRUAX. Who were the gentlemen?

Mr. BLAND. One of them is Mr. Fielder, who is connected with the Bureau of Fisheries and at present is Deputy Administrator of the Fisheries Code.

Mr. TRUAX. Then the bill comes from the Bureau of Fisheries and not from the fishermen themselves?

Mr. BLAND. No; it comes from me individually, as a result of studies by me.

Mr. MALONEY of Connecticut. If the gentleman will permit, I may say to the gentleman from Ohio that the request comes largely from the fishermen themselves. I have had letters from outstanding fishermen along the New England coast, including oyster growers and people engaged in all branches of deep-sea fishing, urging the passage of this bill.

Mr. BLANTON. Mr. Speaker, will the gentleman from Ohio yield to me?

Mr. TRUAX. I yield to my friend from Texas.

Mr. BLANTON. I want to say to my friend from Ohio that down the Potomac River and all along the Chesapeake Bay there are some of the finest men to be found anywhere in the world engaged in fishing. That is their means of earning a living. I know a number of them personally. They are dependent on fishing for their meat and bread, and, certainly, as the gentleman from Virginia [Mr. BLAND] has said, they should have the right to do the same thing that the farmers of Ohio and Texas have been granted the right to do by the Members of Congress. I hope the gentleman will not object.

Mr. TRUAX. The farmers of Ohio have largely discontinued their efforts along this line. They have seen the fallacy of trying to elevate their prices through cooperative associations. It just cannot be done.

Mr. BLANTON. All the farmers of Ohio are not that kind of men. They do not give up. They are like the farmers of Texas, who still carry on and stand pat.

Mr. TRUAX. No; they stand pat and let them soak them, just as they are doing today.

Mr. BLANTON. I hope the gentleman will not object to this request.

Mr. TRUAX. Mr. Speaker, I refuse to yield further, and I want to say to the gentleman from Virginia that, in my judgment, the bill will not accomplish the end for which it is designed; but in order to give it a chance, I want to hear from the fishermen back in Lake Erie and Ohio, and so I withdraw the objection and ask that the bill be passed over without prejudice.

Mr. BLANTON. That would fix it so that one objection can stop it again next time and means the death of the bill.

Mr. GRISWOLD. Mr. Speaker, I object to the bill.

TO AUTHORIZE THE TOWN OF SEWARD, ALASKA, TO ISSUE BONDS

The Clerk called the next bill on the Consent Calendar, H.R. 9468, authorizing the incorporated town of Seward, Alaska, to issue bonds in any sum not exceeding $60,000, for the purpose of constructing and installing a municipal light and power plant in the town of Seward, Alaska.

The SPEAKER pro tempore. Is there objection?

Mr. GOSS. Mr. Speaker, I objected to this bill at the last call, and it was put over to give an opportunity to offer an amendment that would be fair to private companies.

Mr. BLANTON. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the bill?

Mr. GOSS. I object.

TO ESTABLISH A DEPARTMENT OF PHYSICS AT WEST POINT

The Clerk called the next bill on the Consent Calendar, S. 2042, establishing a department of physics at the United States Military Academy at West Point, N.Y.

There being no objection, the bill was read, as follows:

Be it enacted, etc., That hereafter there is authorized one professor of physics at the United States Military Academy, with the same status, rank, pay, and allowances of other professors at said Military Academy.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONTROL OF FLOODS IN SALMON RIVER, ALASKA

The Clerk called the next bill on the Consent Calendar, H.R. 5665, authorizing the control of floods in the Salmon River, Alaska.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the project of prevention and control of floods in the Salmon River, Alaska, recommended in the report of the Chief of Engineers, United States Army, in House Document No. 228, Seventy-second Congress, is hereby adopted and authorized and shall be prosecuted under the direction of the Secretary of War and the supervision of the Chief of Engineers in accordance with the plan recommended in such report and subject to the conditions set forth therein.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BRIDGE ACROSS THE MISSOURI RIVER, GARRISON, N.DAK.

The Clerk read the next bill on the Consent Calendar, H.R. 9320, to further extend the times for commencement and completing the construction of a bridge across the Missouri River at or near Garrison, N.Dak.

The SPEAKER pro tempore. Is there objection?

Mr. CARTER of California. I should like to hear from the author of the bill.

Mr. TRUAX. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection?

There was no objection.

BRIDGE ACROSS THE SUSQUEHANNA RIVER NEAR YORK FURNACE, PA.

The Clerk called the next bill on the calendar, H.R. 9326, granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near York Furnace, York County, Pa.

The SPEAKER pro tempore. Is there objection?

Mr. McFARLANE. Reserving the right to object, I should like to hear the bill explained, as this is to be a toll bridge.

Mr. HAINES. This is a bridge to be constructed by the State Highway Department of Pennsylvania. There is a distance of 41 miles between Connowingo and Wrightsville, where there is no bridge, and we should like to have a bridge in that fertile territory.

Mr. McFARLANE. Why does not the State build it without making a toll bridge of it, and let the State take care of it?

Mr. HAINES. The State is not in position to do that at the present time.

Mr. TRUAX. Mr. Speaker, will the gentleman yield?

Mr. McFARLANE. Yes.

Mr. TRUAX. I note in the report upon this bill from the Department of Agriculture, that Mr. R. G. Tugwell, Acting Secretary, says that the bill is without objection, so far as this Department is concerned. Therefore I suggest to the gentleman that he withdraw his objection. I said the other day that in my judgment Dr. Tugwell knew more about bridge than he did about agriculture, but the reporters in some way misheard and it got into the RECORD that he knew more about bridges than about agriculture. In my judgment the good doctor knows more about bridge than he does about the job he is now occupying, and if he recommends this, I think it should go through.

Mr. McFARLANE. I withdraw my objection on that explanation.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the bill as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the Commonwealth of Pennsylvania to construct, maintain, and operate a bridge and approaches thereto across the Susquehanna River, at a point suitable to the interests of navigation, at or near York Furnace, York County, Pa., in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. If tolls are charged for the use of such bridge, the rates of tolls shall be so adjusted as to provide a fund sufficient to pay the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of the bridge and its approaches, including reasonable interest and financing cost, as soon as possible under reasonable charges, but within a period of not to exceed 20 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of tolls shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the costs of the bridge and its approaches, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected, shall be kept and shall be available for the information of all persons interested.

SEC. 3. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

The title was amended to read: "A bill granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near York Furnace, Pa."

BRIDGE ACROSS THE SUSQUEHANNA RIVER, NEAR MIDDLETOWN, PA.

The Clerk called the next bill, H.R. 9401, granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near Middletown, Dauphin County, Pa.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the Commonwealth of Pennsylvania, acting through its department of highways, to construct, maintain, and operate a toll bridge and approaches thereto across the Susquehanna River, at a point suitable to the interests of navigation, at or near Middletown, Dauphin County, and between Middletown, Dauphin County, and Goldsboro, York County, in the Commonwealth of Pennsylvania, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. If tolls are charged for the use of such bridge, the rates of toll shall be so adjusted as to provide a fund sufficient to pay the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of the bridge and its approaches, including reasonable interest and financing cost, as soon as possible under reasonable charges, but within a period of not to exceed 20 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the costs of the bridge and its approaches, the expenditures for maintaining, repairing, and operating the same, and the daily tolls collected shall be kept and shall be available for the information of all persons interested.

SEC. 3. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

BRIDGE ACROSS LAKE CHAMPLAIN

The Clerk called the next bill, S. 3374, to extend the times for commencing and completing the construction of a bridge across Lake Champlain from East Alburg, Vt., to West Swanton, Vt.

The SPEAKER pro tempore. Is there objection?

Mr. ZIONCHECK. Mr. Speaker, I object.

Mr. TRUAX. Mr. Speaker, I object.

Mr. PLUMLEY. Mr. Speaker, will the gentlemen withhold their objection?

Mr. TRUAX. I withhold my objection.

Mr. ZIONCHECK. I reserve mine.

Mr. PLUMLEY. It is quite important and necessary, so far as the State of Vermont is concerned, that if this bill is to be enacted, it become a law prior to the 15th of June. This is one of two bridges necessary to complete a chain of bridges.

Mr. TRUAX. This is a private toll bridge, is it not?

Mr. PLUMLEY. It is not. The State of Vermont is interested in the bill and the Federal Government has recommended it.

Mr. TRUAX. But the Federal Government recommends against it.

Mr. PLUMLEY. Oh, no.

Mr. TRUAX. Oh, yes. I call the gentleman's attention to the report.

Mr. PLUMLEY. It is under a misapprehension then.

Mr. TRUAX. I call the gentleman's attention to the report of Mr. Rexford Tugwell, Acting Secretary of Agriculture. He says:

> Furthermore, this will be a private toll bridge at a point where it is not believed such a bridge should be constructed. The Department, therefore, recommends against favorable action on this bill.

Mr. PLUMLEY. Will the gentleman accept my statement that it is a Federal——

Mr. TRUAX. But I want to follow Mr. Tugwell; and I say that without any disrespect to the gentleman from Vermont.

Mr. PLUMLEY. It is necessary, so far as the State of Vermont is concerned. The State of Vermont has undertaken the purchase of the road.

Mr. ZIONCHECK. Mr. Speaker, I reserve the right to object. I think if the gentleman can get a statement from Mr. Tugwell straightening this matter out there will be no objection.

Mr. FADDIS. Is there a ferry there now?

Mr. PLUMLEY. Yes.

Mr. McFARLANE. Did I understand the gentleman from Ohio to say that he is following Mr. Tugwell on all matters?

Mr. TRUAX. Not on all matters; only on bridge matters.

Mr. FADDIS. What would be the difference between putting in a toll bridge and having a ferry already in existence? Is not a bridge better than a ferry?

Mr. TRUAX. Not a private toll bridge.

The SPEAKER pro tempore. Is there objection?

Mr. TRUAX. I am following the gentleman to whom I referred on bridge matters. I object.

DONATION OF CERTAIN ARMY EQUIPMENT TO AMERICAN LEGION

The Clerk called the next bill, S. 1328, to provide for the donation of certain Army equipment to posts of the American Legion.

The SPEAKER pro tempore. Is there objection?

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. ZIONCHECK. Yes.

Mr. MAY. This bill provides for the delivery or surrender by the War Department to the American Legion posts of obsolete guns. The Secretary of War says that it will cost more to recover them than they are worth, and they have no objection.

Mr. ZIONCHECK. The only reason that I ask that this be passed over without prejudice is that I may be allowed further opportunity to look into the matter. I do not see why the Government wants to relinquish its claim on the property and have no control over it whatsoever, particularly where it may be used for bad purposes in some instances.

Mr. MAY. The only purpose the Legion post uses it for is to fire salutes at funerals of dead comrades. The War Department makes a specific report that they have no objection to it.

The cost of recovering them would be more than they are worth.

Mr. ZIONCHECK. Some American Legion posts use these guns to break strikes, do they not?

Mr. MAY. Well, suppose they do?

Mr. ZIONCHECK. Suppose they did—then I would object.

Mr. GRISWOLD. Will the gentleman yield?

Mr. ZIONCHECK. I yield.

Mr. GRISWOLD. I should like to state that these American Legion posts procured, under this law, 12 rifles. They are all obsolete. They placed a bond with the Government for $1,000, for 12 rifles that are worth about 39 cents each. The only place you could procure ammunition for those rifles is from the American Government, and they do not make any ball cartridges any more for those rifles. So it is all blank ammunition.

Mr. BLANTON. Will the gentleman yield?

Mr. ZIONCHECK. I yield.

Mr. BLANTON. Does not the gentleman have sufficient confidence in the American Legion to know that the posts, taking the rank and file of them, are not going to permit anything improper, such as the gentleman has in mind, to happen?

Mr. ZIONCHECK. I know, as a matter of fact, that in my part of the country they do not do those things, but in different parts of the country I know where the American Legion has been used for breaking strikes, and nothing else.

Mr. BLANTON. But the American Legion posts in good standing are all loyal to the flag and to the country.

Mr. ZIONCHECK. As a general thing; yes.

Mr. MAY. Will the gentleman yield?

Mr. ZIONCHECK. I yield.

Mr. MAY. I want to know if the gentleman desires to put himself in the position of objecting to 10,000 Legion posts having these materials which the War Department says are worthless, because somewhere somebody might do something wrong?

Mr. ZIONCHECK. Let me have the gentleman understand that I did not object. I asked that this go over without prejudice so that I might look into it a little further.

Mr. BLANTON. But that means it cannot pass this session.

Mr. ZIONCHECK. But they have the guns already, have they not? The Government has not asked for their return, has it?

Mr. DIRKSEN. Will the gentleman yield?

Mr. ZIONCHECK. I yield.

Mr. DIRKSEN. It is the custom for these posts to carry a bond running to the United States Government, that amounts to more than the rifles are worth. If this bill goes over, every post will have to produce another bond, which will cost 6 or 7 dollars each. Ten thousand posts means 60 or 70 thousand dollars for bonds.

Mr. CARTER of California. Mr. Speaker, regular order.

The SPEAKER pro tempore. Regular order is demanded.

Mr. MARTIN of Oregon. Well, Mr. Speaker, let us have this out right now. I make a point of no quorum.

Mr. ZIONCHECK. The gentleman should not get excited.

Mr. MARTIN of Oregon. I am getting excited at the gentleman's reflection on the American Legion posts. I am excited.

Mr. BLANTON. But the gentleman has not objected. He has withdrawn his objection.

Mr. FADDIS. Does the gentleman want to go on record that the American Legion is nothing but a bunch of strikebreakers?

Mr. MARTIN of Oregon. I resent that insult to the American Legion posts.

Mr. FADDIS. And so do I.

Mr. MARTIN of Oregon. I want to have this out right now. If the gentleman objects, I am going to make a point of no quorum.

Mr. ZIONCHECK. Well, who has objected? I have not.

Mr. BLANTON. The gentleman from Washington has not objected. He withdrew his request.

Mr. MARTIN of Oregon. But, in effect, he is objecting, because his request will prevent consideration of this bill.

Mr. ZIONCHECK. If the gentleman will listen he will find out that I have not objected. He should pay a little attention to what goes on and not jump at conclusions.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. ZIONCHECK. If the gentleman from Oregon would only vote for the veterans instead of making speeches, it would be better.

Mr. MARTIN of Oregon. I vote for the veterans. You are the bird who is against all patriotic societies.

Mr. ZIONCHECK. Am I? What foundation has the warrior from Oregon for such a statement? Just because I do not vote as the gentleman does on most occasions he should not burst forth in childish wrath as now, for I cannot vote as he does.

Mr. KNUTSON. Mr. Speaker, I make the point of order that no Member of this House is a bird. [Laughter.]

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection the Clerk read as follows:

Be it enacted, etc., That the Secretary of War is authorized and directed to give to each post of the American Legion to which obsolete or condemned Army rifles, slings, or cartridge belts have been loaned under authority of the act entitled "An act authorizing the Secretary of War to loan Army rifles to posts of the American Legion", approved February 10, 1920, as amended, any such equipment now held by such post, and to cancel and release all obligations to the United States incurred pursuant to such act in connection with loans of such equipment to posts of the American Legion.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FOREIGN-TRADE ZONES

The Clerk called the next bill, H.R. 9322, to provide for the establishment, operation, and maintenance of foreign-trade zones in ports of entry of the United States, to expedite and encourage foreign commerce, and for other purposes.

Mr. CULLEN. Mr. Speaker, I ask unanimous consent that this bill may go over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

DIKE ACROSS CAMAS SLOUGH ON THE COLUMBIA RIVER

The Clerk called the next bill, H.R. 9434, granting the consent of Congress for the construction of a dike or dam across the head of Camas Slough (Washougal Slough) to Lady Island on the Columbia River in the State of Washington.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the Crown Willamette Paper Co., of Portland, Oreg., to construct a dike or dam across Camas Slough (Washougal Slough) at a point near the mouth of Washougal River to Lady Island, State of Washington: *Provided*, That the work of constructing this dike or dam shall not be commenced until the plans therefor have been filed with and approved by the Chief of Engineers and the Secretary of War may deem necessary to protect the present and future interests of the United States: *And provided further*, That this act shall not be construed to authorize the use of such dike or dam to develop water power or generate hydroelectric energy.

SEC. 2. The authority granted by this act shall cease and be null and void unless the actual construction of said dike or dam hereby authorized is commenced within 1 year and completed within 3 years from the date of approval of this act.

SEC. 3. That the right to alter, amend, or repeal this act is hereby expressly reserved.

With the following committee amendment:

Page 2, line 3, after the word "War", insert a colon and the following: "*Provided further*, That in approving the plans for said dike or dam such conditions and stipulations may be imposed as the Chief of Engineers and the Secretary of War."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONTAINERS FOR MUSHROOMS.

The Clerk called the next bill, H.R. 5522, a bill to amend the Standard Baskets Act of August 31, 1916, to provide for a 1-pound Climax basket for mushrooms.

Mr. TRUAX. Mr. Speaker, reserving the right to object, this bill, as I understand it, is introduced because of an emergency existing in the mushroom industry. Am I right?

Mr. FIESINGER. Mr. Speaker, will the gentleman from Ohio withhold his objection?

Mr. TRUAX. Mr. Speaker, I withhold my objection to permit the gentleman to make an explanation.

Mr. FIESINGER. Mr. Speaker, the Committee on Coinage, Weights, and Measures, of which I am a member, considered this bill. The purpose of this bill is to amend the standard container act which provides that certain kinds of fruits and vegetables shall be sold in certain measures—quarts, 2 quarts, and so forth. Mushrooms are sold by weight, so it is proposed to amend the standard container act to provide a different size container for the sale of mushrooms.

There is an emergency existing, to reply to the gentleman from Ohio, because the people who sell mushrooms have had some trouble in the courts over the matter of containers, and it is necessary that this bill be passed so they can proceed with their business of selling mushrooms by weight rather than by volume. I may add that Professor Tugwell is agreeable to this proposal.

Mr. TRUAX. I do not care always to follow Tugwell.

Mr. FIESINGER. The gentleman has been following Tugwell in some of the measures today.

Mr. TRUAX. Only on bridges, I beg to inform the gentleman.

Mr. FIESINGER. I think he makes a very reasonable explanation in this case.

Mr. TRUAX. Mr. Speaker, I do not yield further. For 6 years I was director of agriculture of the State of Ohio. During that time we had many, many requests to change the shape and dimensions and the structure of various containers for food. One of the most numerous requests that we had was to change the standard milk bottle. Certain dairies made a specialty of selling a glass of milk in a bottle. They would sell it to high-priced and high-toned clubs where they charge 10 cents for a small glass of milk.

Mr. ZIONCHECK. And the hotels.

Mr. TRUAX. Yes; and the large hotels, I am reminded by the gentleman from Washington.

Mr. ZIONCHECK. The Mayflower Hotel?

Mr. TRUAX. No; I am not referring to the Mayflower Hotel, but to hotels back in Ohio. Had we acceded to this request the one or two big fellows would put the little fellows to a great disadvantage because the few big ones who had the fancy trade, the elite trade, could get the same price for a glass of milk that the little dairy farmer gets for a pint of milk. Our law specifies that milk must be sold in half pints, pints, quarts, or multiples thereof.

Mr. FIESINGER. What has that to do with mushrooms?

Mr. TRUAX. It has a lot to do with them. I think we have standard containers now.

Mr. FIESINGER. Mushrooms are sold by weight, not by volume.

Mr. TRUAX. I am well aware of that.

Mr. FIESINGER. Now, a quart basket, as I understand, contains a pound and a third of mushrooms.

Mr. KINZER. Mr. Speaker, if the gentleman will yield, it is just the reverse of that, it takes a pound and a third of mushrooms to fill a quart basket.

Mr. FIESINGER. The point is that the mushroom growers want a basket which will contain a pound of mushrooms.

Mr. TRUAX. Does the gentleman mean to infer that there have been prosecutions with regard to the sale of mushrooms in the usual containers?

Mr. FIESINGER. Absolutely; that is, they are held to be violators; but the custom in the mushroom trade is to sell by weight and not by volume.

Mr. TRUAX. In order that the gentleman from Ohio may fully understand the situation, no violations in the State of Ohio have been reported within my knowledge.

Mr. FIESINGER. There have been cases over in New York.

Mr. ZIONCHECK. The only reason the gentleman from Ohio objects is because mushrooms in Ohio grow so large they cannot be put in a 1-pound basket. Is not that right?

Mr. TRUAX. No.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. TRUAX. I yield.

Mr. TABER. The situation as I understand it at the present time is that mushrooms can be sold by the pound in solid cardboard containers, but mushrooms keep better in baskets where the air can get at them more or less, and they can be packed better in baskets. Therefore the mushroom producers prefer to pack their mushrooms in baskets. It is their desire to have a basket that will hold a pound of mushrooms so they can use baskets instead of solid containers.

Mr. TRUAX. Mr. Speaker, will the gentleman yield for a question at that point?

Mr. TABER. Certainly.

Mr. TRUAX. The report says that this act provides for 1 pound Climax basket for mushrooms. Is that a special basket made by some particular manufacturer?

Mr. FIESINGER. I understand not.

Mr. TABER. That is a standard basket made by all basket manufacturers.

Mr. TRUAX. Correct.

Mr. FIESINGER. They can make them out of paper or out of wood.

Mr. TRUAX. Why should they have a name on them?

Mr. BLANTON. That means that we have reached the climax of this argument.

Mr. ZIONCHECK. Mr. Speaker, I ask for the regular order.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. TRUAX. Reserving the right to object—and I do not want to object to the bill—I desire to bring out one more point and then I shall withdraw my reservation of objection. Here is a letter from the Federal Land Bank of Louisville, Ky., dated March 20, 1934, in which they rejected a loan in Loveland, Ohio, on the following grounds, and I ask permission to read a portion of this letter.

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio may be allowed to extend and revise his remarks in the RECORD.

Mr. TRUAX. No. I want to read this one letter.

Mr. BLANTON. Does it deal with mushrooms?

Mr. TRUAX. It does.

Mr. ENGLEBRIGHT. Mr. Speaker, I ask for the regular order.

Mr. TRUAX. This deals with the subject under discussion.

The SPEAKER pro tempore. The gentleman from Ohio will proceed.

Mr. TRUAX. This letter, as I stated, is from the Federal Land Bank of Louisville, dated March 20, 1934, and is as follows:

THE FEDERAL LAND BANK OF LOUISVILLE,
Louisville, Ky., March 20, 1934.

Re application No. 145737, Madaline Tarkington.

Hon. CHARLES V. TRUAX,
Member of Congress, Washington, D.C.

DEAR MR. TRUAX: This is to acknowledge your letter of March 7, addressed to Mr. Ernest Rice, General Agent of the Farm Credit Administration of Louisville, relative to the above-captioned application.

An investigation of our files reveals that this application was for the purpose of paying the existing indebtedness of the applicant, and also for the purpose of installing a heating plant in her dairy barn in order to produce mushrooms on a commercial basis.

The production of mushrooms seems to be a very highly specialized type of agriculture, and we are inclined to doubt the ability of the applicant to successfully manage such an enterprise. Furthermore, it seems that the average farmer in her community would know nothing of such an enterprise, and if the farm had to be sold at any time, there would probably be no one in the community who would be in a position to buy the farm and continue the production of that agricultural commodity. For this reason we are inclined to doubt the advisability of making the loan to the applicant on a specialized basis.

On any other basis the income which she would derive from the farm would not be sufficient to maintain the rather valuable improvements which seem to be on the farm. Only a relatively small portion of the land is available for cultivation, and the management, on a general agricultural basis, seems to be unsatisfactory.

We have endeavored to explain our position in regard to this matter, and we wish to assure you that this application has received our considerate attention at all times. On the basis of information at our disposal, however, it seems inadvisable to grant financial assistance to this applicant at the present time.

Very truly yours,

S. BEVERLY DAVIS
(C. L. Graybill, by S. Beverly Davis),
THE FEDERAL LAND BANK OF LOUISVILLE.

That is one of the many, many asinine reasons which have been assigned for rejecting farmers' loans in Ohio. I wanted to get that in the RECORD, and now withdraw my objection.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 1 of the act entitled "An act to fix standards for Climax baskets for grapes and other fruits and vegetables, and to fix standards for baskets and other containers for small fruits, berries, and vegetables, and for other purposes", approved August 31, 1916, is amended by adding at the end thereof the following new paragraph:

"The standards for Climax baskets for mushrooms shall be those set forth above, except that a 1-pound Climax basket of the following dimensions shall be standard for mushrooms when plainly stamped or marked on the side of the basket with the words 'for mushrooms only': Length of bottom piece, 7¾ inches; width of bottom piece, 3⅞ inches; thickness of bottom piece, ⅜ inch; height of basket, 3⅝ inches; top of basket, length, 9⅝ inches; width, 4¾ inches; all outside measurements. Basket to have a cover 4¾ by 9⅝ inches when cover is used."

SEC. 2. Section 3 of such act of August 31, 1916, is amended by inserting immediately before the semicolon a comma and the following: "or to use in any such shipment for any commodity other than mushrooms the 1-pound Climax basket provided for in section 1 of this act."

SEC. 3. This act shall take effect — months after the date of its enactment.

With the following committee amendment:

On page 2, line 16, after the word "effect" insert the word "two."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AGRICULTURAL ADJUSTMENT ACT

The Clerk called the next bill, S. 2817, to amend the act relating to contracts and agreements under the Agricultural Adjustment Act, approved January 25, 1934.

Mr. CARTER of California. Mr. Speaker, I object.

AGRICULTURAL ADJUSTMENT ACT

The Clerk called the next bill, S. 3185, to amend the Agricultural Adjustment Act, as amended, with respect to farm prices.

Mr. JENKINS of Ohio. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

PUBLIC LAND LAWS

The Clerk called the next bill, H.R. 9273, to extend the public-land laws of the United States to certain lands in the Red River in Oklahoma.

Mr. JENKINS of Ohio. Mr. Speaker, reserving the right to object, may I ask for an explanation of this bill.

Mr. McCLINTIC. In 1923, when the Supreme Court of the United States handed down a final decision in the Red River controversy deciding that the south bank of the river

was the line between the two States of Oklahoma and Texas, and that the land between the medial line and Texas belonged to the Federal Government, it left a little island down there in the Red River which I think contained some two or three hundred acres. This island was homesteaded some 10 or 12 years ago by a homesteader. Since that time he has died and he left a widow who has been holding down the land for these many years hoping that at some time the Federal Government would allow her to perfect the homestead entry.

This is the only claim that I know anything about, and I dare say there is no person who would object to the Federal Government's extending supervision over this land after the decision which the Supreme Court has rendered.

Mr. McFARLANE. Will the gentleman yield?

Mr. McCLINTIC. I yield to the gentleman from Texas.

Mr. McFARLANE. Does this bill affect any land in the Red River belonging to the Government other than the tract the gentleman has just mentioned?

Mr. McCLINTIC. There may be a few parcels or fractions, but may I say I have not been contacted by any other person except the widow I referred to. At my suggestion the Interior Department drew this bill and sent it to me to be introduced. A unanimous report has been made by the Public Lands Committee, and I am sure no controversy will ever arise over the same.

Mr. McFARLANE. This does not affect the one-fourth interest in the river bed up and down the river?

Mr. McCLINTIC. No.

Mr. McFARLANE. As decided by the Supreme Court?

Mr. McCLINTIC. No.

Mr. JENKINS of Ohio. May I ask the gentleman what the Secretary of the Interior has to say with reference to this matter? I notice somewhere in the report it was brought out that very valuable improvements have been made on this property. Is the Government expected to pay anything to anyone?

Mr. McCLINTIC. Not a penny.

Mr. JENKINS of Ohio. Mr. Speaker, I withdraw my reservation of objection.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the public-land laws of the United States be, and the same are hereby, extended to the public lands in that part of the Red River between the medial line and the south bank of the river, in Oklahoma, between the ninety-eighth meridian and the east boundary of the territory established as Greer County by the act of May 4, 1896 (29 Stat. 113): *Provided*, That the oil and gas deposits in said lands shall be disposed of only in the manner provided for by the act of March 4, 1923 (42 Stat. 1448), entitled "An act to authorize the Secretary of the Interior to issue to certain persons and certain corporations permits to explore, or leases of, certain lands that lie south of the medial line of the main channel of Red River, in Oklahoma, and for other purposes": *Provided further*, That said lands shall be opened to settlement, entry, and other disposal on such dates as may be fixed by the Secretary of the Interior: *Provided further*, That the Secretary of the Interior is authorized to recognize equitable claims to said lands based on settlement made prior to January 1, 1934: *Provided further*, That all homestead entries of said lands, the allowance of which was erroneous because the lands were not subject to entry, are hereby validated if otherwise regular: *And provided further*, That patents on nonmineral entries, selections, or locations of said lands shall contain a reservation to the United States of all minerals therein, together with the right to prospect for, mine, and remove the same under applicable laws relating to such minerals.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MUNICIPAL WATER SUPPLY OF SALT LAKE CITY

The Clerk called the next bill, H.R. 5531, for the protection of the municipal water supply of the city of Salt Lake, State of Utah.

Mr. CARTER of California. Mr. Speaker, reserving the right to object, I should like to ask the author of this bill a question. After the enactment of this measure, who has title to the land, as described in section 3 of the bill?

Mr. ROBINSON. The present owners have the title to the land. This does not affect title to any land whatever.

Mr. CARTER of California. It certainly does something with the title to the land.

Mr. ROBINSON. No; it simply provides that the owners of mining claims shall only have the use of those claims for the purpose of mining and cutting timber under the regulations of the Department of Agriculture.

Mr. CARTER of California. Section 3 refers to lands that have never been homesteaded or located by mineral claims at all.

Mr. ROBINSON. That has to do with land that would hereafter be subjected to such provisions.

Mr. GOSS. Mr. Speaker, will the gentleman yield?

Mr. CARTER of California. I yield.

Mr. GOSS. It seems to me this would only give them the right to mine on the surface.

Mr. ROBINSON. That is true.

Mr. GOSS. What about the men who have prospected and filed claims and may have the rights below? Does this measure take away such rights?

Mr. ROBINSON. They still have the right to mine below.

Mr. GOSS. They would still have that right?

Mr. ROBINSON. Yes. This bill has been considered by the mining interests that are concerned and by the corporation of Salt Lake City and the mining interests have no objection to the bill as now written. It is a bill that has become almost necessary to take care of the water supply of Salt Lake City on account of drought conditions.

Mr. CARTER of California. I want to call the gentleman's attention to section 3. The land described in this section is reserved from all forms of locations and it is set aside as a municipal water-supply reservoir for the use and benefit of Salt Lake City, and one question I want answered is this: After the enactment of this bill, if it should become law, who owns this land?

Mr. ROBINSON. Salt Lake City.

Mr. CARTER of California. In other words, the Government is giving this land to Salt Lake City?

Mr. ROBINSON. No; Salt Lake City already owns this land.

Mr. GOSS. If the gentleman will permit, may I call attention to page 2 of the report, which says that the title to the surface would remain in the United States, but the mineral claimant would have the right to use so much thereof as may be necessary for carrying on his mining operations.

Mr. DEROUEN. That is a provision for the protection of the miner.

Mr. GOSS. But that has a hearing on the question of the gentleman from California as to the ownership of the land. In other words, the United States Government is giving this land to the city of Salt Lake.

Mr. DEROUEN. No; Salt Lake City already owns it. It gives it only the privilege of using it for the protection of the watershed of the city.

Mr. GOSS. What about the lands they take in hereafter?

Mr. ROBINSON. They are not going to take in any lands.

Mr. ENGLEBRIGHT. Mr. Speaker, will the gentleman yield?

Mr. CARTER of California. I yield.

Mr. ENGLEBRIGHT. The gentleman's contention is that section 3 would prevent the lands described therein from being located for mining or other purposes.

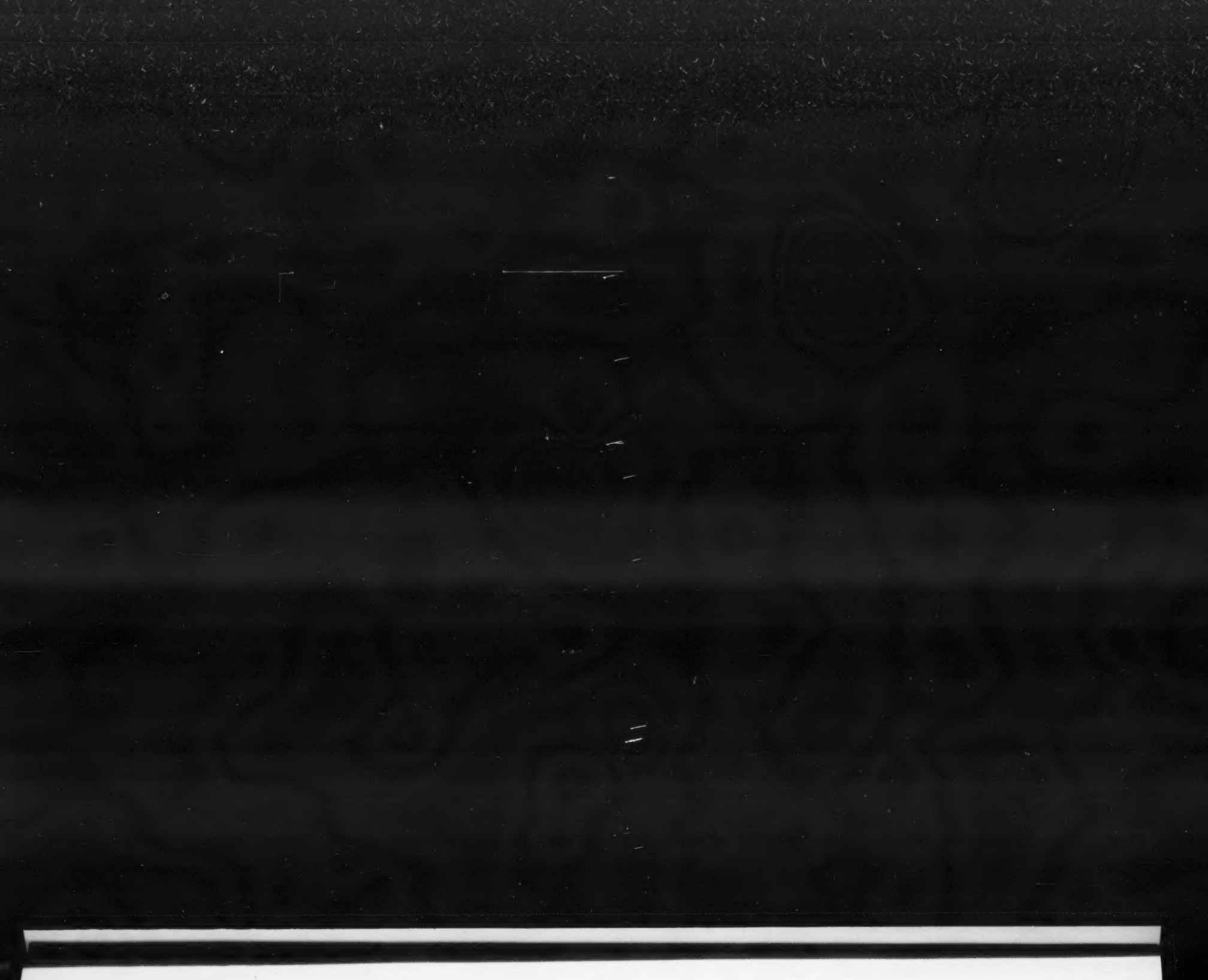
Mr. CARTER of California. Yes.

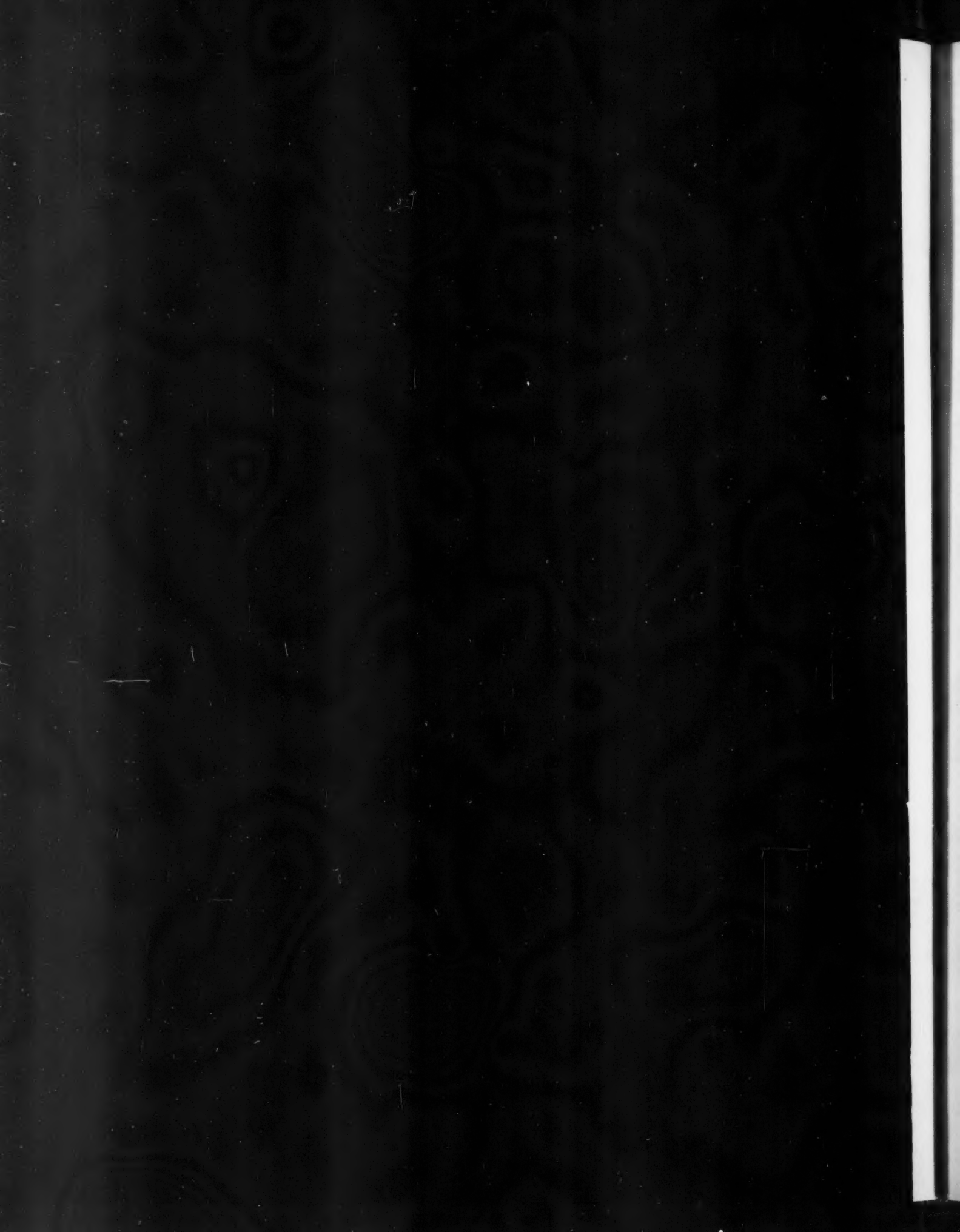
Mr. ROBINSON. The bill does not do that.

Mr. CARTER of California. The bill says in section 3 that these lands "are hereby reserved from all forms of locations", and if that does not mean what I have just stated, I do not know what it means.

Mr. ROBINSON. It is not the intention of the bill to stop mining?

Mr. CARTER of California. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice, to be returned to, perhaps, during this call of the calendar if we can straighten the matter out.





The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

BRIDGE ACROSS MISSOURI RIVER NEAR GARRISON, N.DAK.

Mr. SINCLAIR. Mr. Speaker, I ask unanimous consent to return to Calendar No. 288, the bill (H.R. 9320) to further extend the times for commencement and completing the construction of a bridge across the Missouri River at or near Garrison, N.Dak.

Mr. O'BRIEN. Mr. Speaker, I object.

HOT SPRINGS NATIONAL PARK, ARK.

The Clerk called the next bill, H.R. 9149, to accept the cession by the State of Arkansas of exclusive jurisdiction over all lands now or hereafter included within the Hot Springs National Park, Ark., and for other purposes.

Mr. JENKINS of Ohio. Mr. Speaker, reserving the right to object, I notice this is a transfer of park lands. Generally, when these transfers are made they are made for some pecuniary advantage and I should like to ask what is the pecuniary advantage involved in this transaction?

Mr. DEROUEN. None whatever. This is additional territory that has been added to the park.

Mr. JENKINS of Ohio. Will this involve any expense to the Government?

Mr. DEROUEN. Not at all. It only permits the Government to accept this land.

Mr. JENKINS of Ohio. Does it carry with it any potential power to raid the Treasury?

Mr. DEROUEN. Not a nickel.

Mr. CARTER of California. Reserving the right to objest, how many acres are there in this?

Mr. DEROUEN. I do not know the exact area, but this simply permits the United States to accept it.

Mr. CARTER of California. There is no expense whatever to the Government, and no opportunity for it to expend a dollar?

Mr. DEROUEN. No. This is usually done in all similar park legislation. We have had similar legislation here.

The SPEAKER pro tempore. Is there objection?

There was no objection, and the Clerk read the bill, as follows:

Be it enacted, etc., That the provisions of the act of the Legislature of the State of Arkansas, approved March 25, 1933, ceding to the United States exclusive jurisdiction over all lands now or hereafter included within the Hot Springs National Park, are hereby accepted, and the provisions of the act approved April 20, 1904, as amended by the acts of March 2, 1907, and March 3, 1911, relating to the Hot Springs Mountain Reservation, Ark., are hereby extended to all lands now or hereafter included within said park.

SEC. 2. That all hunting, or the killing, wounding, or capturing at any time of any wild bird or animal except dangerous animals when it is necessary to prevent them from destroying human lives or inflicting personal injury, is prohibited within the limits of the said park.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BRIDGE ACROSS THE MISSOURI RIVER AT GARRISON, N.DAK.

Mr. SINCLAIR. Mr. Speaker, the gentleman who objected to returning to H.R. 9320 is ready to withdraw his objection, so I ask unanimous consent that we return to the bill, H.R. 9320, to further extend the times for commencement and completing the construction of a bridge across the Missouri River at or near Garrison, N.Dak.

The SPEAKER pro tempore. Is there objection?

Mr. CARTER of California. I should like to ask the gentleman if this is a toll bridge?

Mr. SINCLAIR. No. It is simply an extension of time to build a Federal bridge across the Missouri River.

Mr. CARTER of California. A Federal bridge?

Mr. SINCLAIR. A Federal bridge, and also a State bridge. It is on a Federal highway project.

Mr. CARTER of California. I withdraw my objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That, in commemoration of the three hundredth anniversary of the founding of the colony of Connecticut, or near Garrison, N.Dak., authorized to be built by the State of North Dakota, by the acts of Congress approved February 10, 1932, and February 14, 1933, are hereby further extended 1 and 3 years, respectively, from February 14, 1934.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider the vote was laid on the table.

TO AUTHORIZE COINAGE OF 50-CENT PIECES IN COMMEMORATION OF THE THREE HUNDREDTH ANNIVERSARY OF THE FOUNDING OF THE COLONY OF CONNECTICUT

The Clerk read the next bill on the Consent Calendar, H.R. 8833, to authorize the coinage of 50-cent pieces in commemoration of the three hundredth anniversary of the founding of the colony of Connecticut.

The SPEAKER pro tempore. Is there objection?

Mr. McFARLANE. Reserving the right to object, will this cost the Government anything?

Mr. MALONEY of Connecticut. No; not a cent.

Mr. McFARLANE. You are bearing all the expense yourselves?

Mr. MALONEY of Connecticut. Yes.

There being no further objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in commemoration of the three hundredth anniversary of the founding of the colony of Connecticut, there shall be coined by the Director of the Mint ten thousand 50-cent pieces of standard size, weight, and silver fineness and of a special appropriate design to be fixed by the Director of the Mint, with the approval of the Secretary of the Treasury, to be legal tender in all payments at face value.

SEC. 2. That the coins herein authorized shall be issued at par and only upon the request of the chairman or secretary of the Connecticut Tercentenary Commission.

SEC. 3. Such coins may be disposed of at par or at a premium by said commission, and all proceeds shall be used in furtherance of the Connecticut Tercentenary Commission projects.

SEC. 4. That all laws now in force relating to the subsidiary silver coins of the United States and the coining or striking of the same; regulating and guarding the process of coinage; providing for the purchase of material, and for the transportation, distribution, and redemption of the coins; for the prevention of debasement or counterfeiting; for security of the coin; or for any other purposes, whether said laws are penal or otherwise, shall, so far as applicable, apply to the coinage herein directed.

With the following committee amendments:

Page 1, line 5, strike out "ten" and insert "twenty-five"

Page 1, line 6, after the word "thousand", insert the word "silver."

Page 1, line 7, strike out the word "silver."

Page 1, line 9, strike out the words "to be legal tender in all payments at face value" and insert "but the United States shall not be subject to the expense of making the models for master dies or other preparations for this coinage."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PROCEEDINGS AGAINST THE ELECTRO-METALLURGICAL CO., ETC.

The Clerk called the next bill, H.R. 9269, limiting the operation of sections 109 and 113 of the Criminal Code and section 190 of the Revised Statutes of the United States with respect to counsel in certain proceedings against the Electro-Metallurgical Co., New-Kanawha Power Co., and the Carbon & Carbide Co.

The SPEAKER pro tempore. Is there objection to the consideration of the bill?

Mr. GRISWOLD. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection?

There was no objection.

JASON LEE CENTENNIAL

The Clerk called the next business, House Joint Resolution 312.

There being no objection the Clerk read the House joint resolution, as follows:

Whereas the year 1934 marks the one hundredth anniversary of the overland journey of Jason Lee to Oregon, where he established the first permanent American settlement in the year 1834 and became the first missionary to the American Indians in the territory now comprising the Northwestern States of the United States; and

Whereas this settlement by Lee, and subsequent immigration sponsored by him, made possible the historic meeting at Champoeg 9 years later at which the inhabitants of the Oregon country established the first provincial government west of the Rocky Mountains and invited the United States to assume jurisdiction over it; and

Whereas Jason Lee played a very important part in the work of Lt. William A. Slacum, of the United States Navy, who was sent by John Forsyth, Secretary of State under Jackson's administration, as the first official commissioned by the Federal Government to visit old Oregon, entertaining Lieutenant Slacum in his log home, supplying information about conditions and prospects in Oregon, cooperating with him in bringing the first cattle from California into Oregon and breaking the cattle monopoly of the Hudson's Bay Company, and drafting by Jason Lee himself of the first petition from Oregon to the United States for the setting up of an established government, the same petition being brought back to Washington by Lieutenant Slacum; and

Whereas Lieutenant Slacum wrote in his report to the State Department as follows: "No language of mine can convey an adequate idea of the great benefit these worthy and most excellent men, the Messrs. Jason and Daniel Lee, and Messrs. Shepherd and Edwards, their assistants, have conferred upon this part of the country"; and

Whereas in the year 1838 Jason Lee returned overland to the East, visiting the great centers of population, giving addresses which were widely reported in the press of the country, and holding important meetings at which Lieutenant Slacum and Members of Congress also spoke, thus arousing much interest in the colonization of Oregon; and

Whereas Jason Lee chartered the *Lausanne*, which sailed from New York Harbor on October 10, 1839, en route to Oregon by way of Cape Horn and the Hawaiian Islands, and which carried to Oregon a party of 51 persons, including clergymen, skilled mechanics, farmers, blacksmiths, cabinetmakers, and school teachers, all of whom landed in Oregon June 1, 1840, after a journey of approximately 8 months; and

Whereas Jason Lee is recognized as the "Father of American Oregon", as is indicated by the legend under the imposing painting of Jason Lee which hangs in the State Capitol Building at Salem, Oreg.; and

Whereas the Legislative Assembly of the State of Oregon by resolution has authorized during the year 1934 the celebration at the capital of that State of the one hundredth anniversary of the Jason Lee settlement, and the several States of the Union have been invited to participate therein; and

Whereas in commemoration of this Jason Lee Centennial, a "Jason Lee Special", or covered wagon, is scheduled to leave Boston on April 16, 1934, and, following the trail of Jason Lee, to arrive in Salem, Oreg., on September 8 following: Therefore be it

Resolved, etc., That the Senate and House of Representatives of the United States of America do hereby officially recognize the great contribution made by Jason Lee in the settling and building of American Oregon and do hereby request the President of the United States to issue a proclamation calling upon the people of the United States to observe the year 1934 as a Jason Lee Centennial with such exercises as shall commend themselves to the approval of groups in the various communities concerned.

Mr. LLOYD. Mr. Speaker, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. LLOYD: Strike out all of the preamble.

The SPEAKER pro tempore. The question is on agreeing to the amendment.

Mr. JENKINS of Ohio. Mr. Speaker, I rise in opposition to the amendment to make an inquiry. It is the understanding, is it not, that this bill carries no obligation which will involve the Federal Government in any financial expenditure?

Mr. LLOYD. There is no such obligation.

The amendment was agreed to; and the joint resolution as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

DIVISIONS OF JUDICIAL DISTRICT OF NORTH DAKOTA

The Clerk called the next bill, H.R. 3357, to amend section 99 of the Judicial Code (U.S.C., title 28, sec. 180), as amended.

The SPEAKER pro tempore. Is there objection?

Mr. BLANTON. I reserve the right to object. What does the bill do?

Mr. SINCLAIR. All this does is to change the terms of court in the divisions in the State of North Dakota. It will save $3,000 a year in expense.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 99 of the Judicial Code, as amended (U.S.C., title 28, sec. 180), be amended to read as follows:

"SEC. 99. The State of North Dakota shall constitute one judicial district to be known as the district of North Dakota. The territory embraced on the 1st day of January 1933 in the counties of Adams, Billings, Bowman, Burleigh, Dunn, Emmons, Golden Valley, Grant, Hettinger, Kidder, Logan, McIntosh, McLean, Mercer, Morton, Oliver, Sioux, Slope, and Stark shall constitute the southwestern division of said district; and the territory embraced on the date last mentioned in the counties of Barnes, Cass, Dickey, Eddy, Foster, Griggs, La Moure, Ransom, Richland, Sargent, Sheridan, Steele, Stutsman, and Wells shall constitute the southeastern division; and the territory embraced on the date last mentioned in the counties of Benson, Bottineau, Cavalier, Grand Forks, Nelson, McHenry, Pembina, Pierce, Ramsey, Rolette, Traill, Towner, and Walsh shall constitute the northeastern division; and the territory embraced on the date last mentioned in the counties of Burke, Divide, McKenzie, Mountrail, Renville, Ward, and Williams shall constitute the northwestern division. The several Indian reservations and parts thereof within said State shall constitute a part of the several divisions within which they are respectively situated. Terms of the district court for the southwestern division shall be held at Bismarck on the second Tuesday in March; for the southeastern division, at Fargo on the second Tuesday in December and at Jamestown on the second Tuesday in October; for the northeastern division, at Devils Lake on the second Tuesday in May and at Grand Forks on the second Tuesday in November; and for the northwestern division, at Minot on the second Tuesday in April. The clerk of the court shall maintain an office in charge of himself or a deputy at each place at which court is held in his district."

With the following committee amendment:

Line 8, page 1, strike out "1933" and insert "1932."

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

TO PROTECT DERIVATIVE CITIZENSHIP STATUS

The Clerk called the next bill, H.R. 9475, to clarify the status of certain citizens who derive naturalization from parent or husband, and for other purposes.

The SPEAKER pro tempore. Is there objection?

Mr. JENKINS of Ohio. Mr. Speaker, this is another bill seeking to lay down the bars. I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

BRIDGE ACROSS RIO GRANDE AT LAREDO, TEX.

The Clerk called the next bill, H.R. 9185, authorizing the International Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Rio Grande at Laredo, Tex.

The SPEAKER pro tempore. Is there objection?

Mr. CARTER of California. Mr. Speaker, I reserve the right to object, in order to get some explanation of whether this is a toll bridge?

Mr. WEST of Texas. Yes; it is a toll bridge.

Mr. CARTER of California. Then I shall have to object.

Mr. WEST of Texas. Mr. Speaker, will the gentleman reserve his objection?

Mr. CARTER of California. I reserve my objection.

Mr. WEST of Texas. There is not a free bridge on the Rio Grande anywhere between the United States and Mexico, especially along the Texas border. There is no provision for it except that the two Governments would get together and bear the expense of putting in a free bridge. All the bridges are toll bridges.

Mr. BLANTON. Mr. Speaker, Laredo is not in my district; it is in the district of my colleague [Mr. WEST], but I happen to know all about the situation there, and I believe this bridge is absolutely necessary. When they have high water in the river it sometimes gets up over the present bridge, stopping travel. Except by our Government officials at these international bridges, we have no other way of checking up on the aliens that come from Mexico.

Mr. CARTER of California. Have we any way?

Mr. BLANTON. We have a pretty good one, because every time you have an international bridge, you have some-

body there representing the United States Government. That is the only way that they can lawfully come into the country.

Mr. HOLMES. Mr. Speaker, will the gentleman yield?

Mr. CARTER of California. Yes.

Mr. HOLMES. The committee gave this matter very serious consideration. At the present time the bridge facilities are adequate to take care of any traffic for many years to come. There is a concrete bridge there 40 feet wide. All of our Federal departments—the Department of Customs, the Department of Internal Revenue, the Customs Department, and the Public Health Department—at the present time have their buildings near to take care of the situation the gentleman from Texas [Mr. BLANTON] just raised. As far as we can find out, there is an average of travel across that bridge, which is 40 feet wide, of anywhere from 1,200 to 1,800 vehicles a day. The roadway is 32 feet wide. This bridge it is proposed to build a little farther up, probably within a half mile or a mile of the location of the present bridge. The committee in the first instance unanimously decided to take no action whatsoever, but in fairness to the gentleman from Texas, who introduced the bill, I must say a lot of statements were made that the gentleman himself has been forced to lay down on account of certain financial interests.

In all fairness to the gentleman from Texas, the subcommittee reported the bill, as well as the full committee.

Mr. BLANTON. The present bridge is not adequate, because high water covers it and stops travel.

Mr. CARTER of California. Mr. Speaker, in view of the statements of the two gentlemen from Texas, and further in view of the fact that this is an international bridge, I desire to withdraw my objection.

Mr. TRUAX. Mr. Speaker, I am not withdrawing my reservation of objection.

Mr. BLANTON. Will the gentleman yield?

Mr. TRUAX. In just a moment. I want to call the attention of the House to this statement:

> All existing highway bridges across the Rio Grande are toll structures, and it is the view of this Department, as has likewise been expressed to be the view of highway officials of the Republic of Mexico, that plans should be undertaken to make the bridges across this boundary stream free so as to encourage travel between the two countries. While there is no definite plan in operation for accomplishing that at this time, the question of its ultimate accomplishment is made more difficult each time a new toll bridge is authorized to be constructed between the two countries. The Department, therefore, recommends against favorable action on the bill.
>
> Sincerely yours,
>
> R. G. TUGWELL, *Acting Secretary.*

Mr. BLANTON. Then Dr. Tugwell is, after all, very influential. Will the gentleman yield?

Mr. TRUAX. I yield.

Mr. BLANTON. I hope the gentleman will go down there across that bridge at Laredo this year. This is on the main highway from the United States to Monterey, thence on to Mexico City. Sometimes cars are on that bridge for a very long time before they can clear.

It would well repay the gentleman from Ohio to go down to Monterey. It is one of the most beautiful trips in the world, to Monterey, and thence on to Mexico City. There is a wonderful highway between Laredo and Monterey. It embraces one of the longest stretches of straight boulevard in the country. The mountains around Monterey are simply wonderful. You will find growing profusely oranges, lemons, grapefruit, limes, avocados, and a lot of other good things to eat. There are plenty of deer, wild turkeys, and bear.

On the main plaza two nights each week all the boys and girls congregate, marching around the square, the girls facing one way, the boys the other, until each boy and girl finds the one they are looking for, and then they all march around the same direction together. You will find many tourists from the Eastern States in Monterey and Mexico City during the summer months, and they need bridges to cross the Rio Grande when they want to go to Monterey on business or otherwise.

Mr. TRUAX. What does the gentleman mean by "otherwise"?

Mr. BLANTON. Well, pleasure and business; business and pleasure; that is what takes Americans to Mexico. There are thousands of tourists every summer go to Monterey and Mexico City from the United States. It is one of the most beautiful trips in the world.

Mr. TRUAX. Who and what is the International Bridge Co.?

Mr. BLANTON. My colleague can tell you. I should be glad to see a dozen new bridges built across the Rio Grande between El Paso and Brownsville.

Mr. TRUAX. Not toll bridges. There should be some free bridges.

Mr. BLANTON. It will be many years before there will be a free bridge.

Mr. TRUAX. The Government should go to building some free bridges.

Mr. BLANTON. Would the gentleman have this Government build a free bridge across into a foreign country, and not have the foreign country pay anything toward it?

Mr. TRUAX. No; I would have them pay their part of it.

Mr. BLANTON. But they are not yet ready to do it.

Mr. TRUAX. But the Department says that every time you authorize another toll bridge it makes it that much more difficult to get a free bridge between the two countries.

Mr. BLANTON. All of us hope to see free bridges, and they will come in time, but until we do have free bridges, the toll bridges come in awfully handy.

Mr. JENKINS of Ohio. Will the gentleman yield to me?

Mr. TRUAX. I yield.

Mr. JENKINS of Ohio. The gentleman from Ohio [Mr. TRUAX] has previously on many occasions indicated that he has no great confidence in Dr. Tugwell's capacity as an agriculturalist, with which I agree, and the gentleman has further indicated that he does have some regard for his capacity as a bridge builder. I have no regard for his capacity as a bridge builder. Will not the gentleman go along with me and make it unanimous? He and I agree that this man Tugwell knows nothing about agriculture or bridge building either. Let us build this bridge.

Mr TRUAX. Who and what is the International Bridge Corporation?

Mr. WEST of Texas. It is a private enterprise.

Mr. TRUAX. Is it affiliated with the United States Steel Trust—and I spell that "s-t-e-a-l."

Mr. WEST of Texas. No, sir; it is not.

Mr. TRUAX. Is it a subsidiary of Wall Street or is it composed of local capital?

Mr. WEST of Texas. It is largely local capital.

Mr. CULKIN. Will the Senator from Ohio yield?

Mr. MAY. Will the gentleman yield?

Mr. TRUAX. I yield to the gentleman from Kentucky.

Mr. MAY. The Government is going into all kinds of business. Why not let private capital build a few of these bridges?

Mr. TRUAX. That is what private capital has been doing all the time.

I yield now to the gentleman from New York [Mr. MILLARD].

Mr. MILLARD. Has the gentleman from Texas obtained the consent of the gentleman from Missouri [Mr. COCHRAN], who always objects to these bridges?

Mr. WEST of Texas. No; I did not get the consent of the gentleman from Missouri.

Mr. BLANTON. The gentleman from Missouri does not object to international bridges.

Mr. CULKIN. Does the gentleman yield?

Mr. TRUAX. I yield to the gentleman from Missouri [Mr. LEE].

Mr. LEE of Missouri. I am opposed to all private toll bridges. I think the Government ought to build these bridges.

Mr. BLANTON. For 900 miles from El Paso down to Brownsville, where my friend [Mr. WEST] lives on the Rio

Grande, there is not a single free bridge. All of them are toll bridges. The people are awfully glad to have the toll bridges.

Mr. TRUAX. We cannot make right situations by continually adding wrong ones. In view of the position I have taken on other bridge bills, and in view of the position I am going to take on one or two others on this calendar, I must object to this bill, or at least I will ask unanimous consent that it be passed over until the gentleman can show me what kind of a corporation is building this structure.

Mr. WEST of Texas. I object to passing it over without prejudice, Mr. Speaker.

Mr. TRUAX. Then I object to the consideration of the bill.

Mr. TERRELL of Texas. Will the gentleman yield to me?

Mr. TRUAX. I yield if I have the floor.

Mr. TERRELL of Texas. I am just as much in favor of free bridges as the gentleman from Ohio.

Mr. TRUAX. I want to know whether it is being built by international bankers.

Mr. WEST of Texas. Oh, no.

Mr. TRUAX. Then just who is the International Bridge Co.?

Mr. WEST of Texas. That is a private corporation, the stock of which is owned locally by residents of that section.

Mr. TRUAX. I may say to the gentleman from Texas that in my judgment the Mexicans will not be coming across this bridge to spend their money in the United States, but our citizens will be going across it to spend their money in Mexico.

Mr. TERRELL of Texas. The Mexicans come across the border every day to spend their money in this country.

Mr. TRUAX. Mr. Speaker, again I ask unanimous consent that this bill be passed over without prejudice.

Mr. BLANTON. Mr. Speaker, to that I object.

Mr. TRUAX. Mr. Speaker, I object to the bill.

BRIDGE ACROSS ST. MARYS RIVER AT SAULT STE. MARIE, MICH.

The Clerk called the next bill, H.R. 9585, authorizing the city of Sault Ste. Marie, Mich., its successors and assigns, to construct, maintain, and operate a bridge across the St. Marys River at or near Sault Ste. Marie, Mich.

Mr. TRUAX. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

Mr. BROWN of Michigan. Mr. Speaker, I object.

Mr. TRUAX. Then, Mr. Speaker, I object to the bill.

Mr. ZIONCHECK. Mr. Speaker, will not the gentleman withhold his objection? I think possibly the gentleman has the wrong bill in mind. In the case of the present bill, Calendar No. 311, the State Department, War Department, and Department of Agriculture are in favor of the bill.

Mr. BROWN of Michigan. This bridge is to be built by the city of Sault Ste. Marie.

Mr. TRUAX. Mr. Speaker, I have not had the time in which to study this bill, but the gentleman from Michigan informs me that the bridge is a public undertaking by the municipality.

Mr. BROWN of Michigan. That is true.

Mr. ZIONCHECK. And the State Department, the War Department, and the Agricultural Department are satisfied with the bill.

Mr. BROWN of Michigan. The city of Sault Ste. Marie will build the bridge.

Mr. TRUAX. Mr. Speaker, I withdraw my objection.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in order to facilitate international commerce, improve the postal service, and provide for military and other purposes, the city of Sault Ste. Marie, Mich., its successors and assigns, be, and is hereby, authorized to construct, maintain, and operate a bridge and approaches thereto across the St. Marys River, so far as the United States has jurisdiction over the waters of such river, at a point suitable to the interests of navigation, at or near the city of Sault Ste. Marie, Mich., and the city of Sault Ste. Marie, Canada, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, subject to the conditions and limitations contained in this act, and subject to the approval of the proper authorities in the Dominion of Canada.

SEC. 2. There is hereby conferred upon the city of Sault Ste. Marie, Mich., its successors and assigns, all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property in the State of Michigan needed for the location, construction, operation, and maintenance of such bridge and its approaches as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State of Michigan, upon making just compensation therefor to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

SEC. 3. The said city of Sault Ste. Marie, Mich., its successors and assigns, is hereby authorized to fix and charge tolls for transit over such bridge in accordance with any laws of the State of Michigan applicable thereto, and the rates of toll so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

SEC. 4. The right to sell, assign, transfer, and mortgage all the rights, powers, and privileges conferred by this act is hereby granted to the city of Sault Ste. Marie, Mich., its successors and assigns; and any corporation to which or any person to whom such rights, powers, and privileges may be sold, assigned, or transferred, or who shall acquire the same by mortgage foreclosure or otherwise, is hereby authorized and empowered to exercise the same as fully as though conferred herein directly upon such corporation or person.

SEC. 5. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VETERAN LEGISLATION

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a radio speech made by my colleague the gentleman from Massachusetts [Mr. CONNERY].

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address by my colleague from Massachusetts [Mr. CONNERY]:

Ladies and gentlemen of the radio audience, although I have the privilege of being a member of Post No. 240 of the Veterans of Foreign Wars of the United States in my home city of Lynn, Mass., I speak tonight on the subject of veteran legislation as a Member of the House of Representatives who believes there is a definite distinction between the men who were able to serve their country in time of war and those who, for some reason or other, found it convenient to evade this responsibility of citizenship.

Unfortunately, the public has been greatly misled on the subject of veteran legislation. This situation became worse when antiveteran forces deliberately misconstrued the effects of the independent offices appropriation bill which was passed by Congress on March 28 over a Presidential veto.

I am not here to defend Congress on this issue, because it needs no defense. I am greatly amused, however, by the frequent charge that Members of Congress only vote for veteran benefits because they want to be reelected at the polls. You have been told that Congress refused to accept a White House veto on veteran legislation simply because we were afraid of the veteran vote. The absurdity of this insult is exceeded only by the ignorance of those who voice such opinions. In the face of existing public sentiment, and with respect to my party now in control, any man of ordinary intelligence should know that it is much more popular for a Member of Congress to support the administration at every opportunity. I hardly need tell you that the popular vote is much stronger in any community than the veteran vote. Any observer of public opinion will admit that the masses are following the leadership of the President, and that any Member of Congress who wants to court the favor of the great majority of voters only needs to be a rubber stamp for those in control.

I cite these truths in reply to those who question the sincerity of Congress when we tried to rectify the mistakes that were made with the passage of the National Economy Act on March 20, 1933. I was opposed to the Economy Act from the very beginning. I still believe that it should have been repealed in its entirety. I am sorry that this was not accomplished when we passed the independent offices appropriation bill on March 28. We who opposed the Economy Act did so at a deliberate risk of losing our popularity. If we were merely looking for votes, all we had to do was to stick with the majority and we would still be able to save our faces with the veteran votes by "passing the buck" to the White House.

I want to say at this time to my comrades of the Veterans of Foreign Wars of the United States that you have every reason to be proud of our clean, fearless commander in chief, James Van Zandt, for his vigorous and determined leadership in the campaign that the V.F.W. sponsored during the past year for complete repeal of this legislation and the human misery for which

it was responsible. It was this organization that carried the truth to the people and exposed the injustices of the Economy Act in a way that forced the administration to see the light.

When the Economy Act was passed in March 1933, Government expenditures for veterans were reduced by approximately $440,000,000. During the months that followed, the President himself admitted that some serious mistakes had been made. He ordered changes and regulations which restored a portion of these reductions. On March 27, when the President signed his veto message, he himself had modified the original $440,000,000 reduction to the extent of $117,000,000.

Despite the general opinion that the Economy Act has been completely wrecked, the Government is still saving more than $250,000,000 under the veterans' provisions of the Economy Act. I ask you to remember that there are still 500,000 disabled veterans who are receiving no assistance whatsoever from the Federal Government. There is nothing sensational or nothing to become alarmed about in the benefits that were restored to our disabled veterans when Congress voted to override a Presidential veto. We have restored approximately 175,000 Spanish-American War veterans to the pension rolls. These men will again receive compensation for disabilities the Government itself never questioned until the Economy Act was passed. All these men have reached the average age of 60. Handicapped by age and physical disabilities—in the face of wide-spread unemployment—these veterans of the War with Spain were either forced into the streets, to live as they could, or into institutions of public charity. Moreover, we have given to the disabled veteran who is in need the right to free hospitalization, even though his disability may not be service-connected. But this service can be obtained by such veterans only when beds are available. This means we will only make full use of the facilities that are already available.

Although the bill passed by Congress over White House objections involved an appropriation of approximately $228,000,000, please understand that more than one half of this sum did not go to veterans. About $125,000,000 is to be used to restore pay cuts for Federal employees and for the maintenance of 18 different independent bureaus and commissions. Much less than one half the total sum of $228,000,000 is to be used for all veterans of all wars, their dependents and widows and orphans. Some have the false impression that the bulk of this money is going to World War veterans. You will probably be amazed to learn that less than $45,000,000 of this money will be spent for the care of World War veterans. Of this amount, we are going to spend approximately $10,000,000 during the coming fiscal year for the care of 29,000 World War veterans who are suffering from tuberculosis, those who are blind as a result of injuries or disease, and those who are mentally unfit and are today confined in hospitals or sanitariums with their minds completely blank. This is something I sincerely believe the American people would want to do for any group of unfortunate citizens so afflicted. This particular group of unfortunate men happens to be composed of veterans classified as presumptive cases. There is every reason to presume that their condition today is due to the experiences they underwent while in the service. But even if they were ordinary citizens, with no extraordinary patriotic service to their credit, their care and welfare is an obligation that human sympathy can hardly ignore.

When the Economy Act was passed we were told that no veteran suffering from a disability actually incurred in the service would suffer any curtailment in benefits. Despite these pledges, the regulations provided for a straight 10-percent cut in war-service-connected cases. In addition, a change in the method of rating cases was made, and our war-disabled veterans were cut from 25 to 30 percent on an average, and in some cases as high as 60 percent. Congress has restored these benefits, with the sincere belief that we—as a nation—can find our way out of our economic troubles without taking a few paltry dollars from the men who were crippled and maimed in defense of their country.

Today there are only approximately 32,000 veterans receiving any compensation whatsoever for disabilities they are unable to prove were incurred in actual war service. But these men are totally and permanently disabled. By order of the President himself these men have been allowed to remain on the roll to draw the munificent sum of $30 per month. We paid these men on an average of $1 a day when they were strong and healthy and able to kill and be killed. Today we are only asked to pay them $1 a day for lying flat on their backs in bed wondering how soon the end will come. This $30, I can assure you, is not being used to buy automobiles or luxuries. It is buying medicines to relieve pain and suffering; it is paying the rent for humble rooms and buying food and clothes—not only for the disabled veteran himself but in most cases for his wife and children. Anyone who would term this a wasteful expenditure on the part of the Federal Government must have a heart as hard as the gold he would like to save.

Carefully analyzed, the facts are very simple. Contrary to the propaganda that has been issued by antiveteran forces, Congress only voted to spend approximately $16,000,000 more than President Roosevelt thought should be spent in correcting the evils of the Economy Act. Obviously, the charge that Congress—in voting favorably for this $16,000,000 difference, voted to wreck our economic program—is palpably ridiculous.

The manner in which this action on the part of Congress has been exaggerated has even led many people to believe that Congress has voted to pay the so-called "bonus." Please understand that the bonus was not included in this bill and had nothing to do with its consideration. These are two different and distinct issues. The House voted on March 12 in favor of immediate cash payment of adjusted-service certificates. This bill is still pending in the Senate. I sincerely hope that the Senate will act in support of the House on this issue because I am convinced that payment of this confessed obligation to the veteran will be a distinct aid to the country as a whole. We who believe that the bonus should be paid without further delay are convinced that this is the only method by which we can increase the purchasing power of the masses in a way that will help every individual citizen.

The benefits of this bill are no longer confined to veterans alone. Payment of the so-called "bonus" will help every class or group of our citizens except one, and this group is composed of those who have amassed great wealth in the past through the buying and selling of Government bonds and the collection of interest from Uncle Sam. These are the people who object to the payment of the bonus through the issuance of currency notes, because they are afraid that it will be the beginning of the end for tax-exempt securities in the future. They are afraid that the issuance of Treasury notes for this purpose will show Uncle Sam how to raise the necessary funds in the future without paying exorbitant interest rates to bondholders. This is a far-fetched conclusion, because we know that when Uncle Sam has to raise money through the sale of bonds, there must be some inducement in the form of security and interest before the people will buy these bonds. We claim that currency notes can be issued for this particular purpose without adopting this method as a permanent economic policy.

If the National Economy League is afraid that Congress will continue to swap veteran benefits for votes, it can avoid this alleged danger by merely following the proposals of the Veterans of Foreign Wars. Immediate cash payment of the so-called "bonus" will settle this particular question once and for all and take it out of the hands of Congress. Adoption of a uniform pension system, as advocated by the Veterans of Foreign Wars of the United States, will permanently eliminate future bickerings and arguments over veteran benefits.

Let us decide now on equal veteran benefits for all veterans of all wars suffering from similar disabilities. The V.F.W. proposes the appointment of a nonpartisan commission that will formulate these principles. With the adoption of these principles, there will no longer be any need for discussions of veteran matters on the floor of Congress and Members of the House and Senate will be freed of the accusation that they are voting for veteran benefits in order to keep their jobs.

In conclusion may I say that I have great faith in the common sense and love of fair play of the American people.

I believe that when the people pierce the black smoke screen of antiveteran propaganda of the Economy League and the other dollar patriots that they will rise up and demand that full justice be done to disabled veterans whose only crime is that they gave part and if necessary would have given all their blood for the United States of America.

THE CONSENT CALENDAR

UNITED STATES BOTANIC GARDEN

The Clerk called the next resolution, House Joint Resolution 327, authorizing the appointment of a planning committee in connection with the United States Botanic Garden, and for other purposes.

Mr. BLANTON. Mr. Speaker, I promised the gentleman from Massachusetts [Mr. LUCE] to ask unanimous consent that this joint resolution be passed over without prejudice; and I submit this request at this time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

MEDITERRANEAN FRUIT FLY

The Clerk called the next bill, S. 1800, to provide for an investigation and report of losses resulting from the campaign for the eradication of the Mediterranean fruit fly by the Department of Agriculture.

Mr. JENKINS of Ohio. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

MUNICIPAL WATER SUPPLY OF SALT LAKE CITY, UTAH

Mr. DEROUEN. Mr. Speaker, I ask unanimous consent to return to Calendar No. 303, the bill (H.R. 5531) for the protection of the municipal water supply of the city of Salt Lake, State of Utah. This bill was objected to by the gentleman from California. It is a very important bill, as can be seen from its title. The bill has passed the Senate and is awaiting action in the House.

Mr. TRUAX. Mr. Speaker, I shall be forced to object to returning to any bill until I know how many bills we are to consider this afternoon.

The SPEAKER pro tempore. The Chair will state that the call of the calendar will proceed with as much speed as possible, but the Chair is unable to state how many bills will be considered today.

Mr. TRUAX. Mr. Speaker, I withdraw my objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The Clerk read the title of the bill.

Mr. DEROUEN. Mr. Speaker, I ask unanimous consent to substitute Senate bill no. 2442 for the House bill.

Mr. CARTER of California. Mr. Speaker, reserving the right to object, are these bills identical?

Mr. DEROUEN. These bills are identical. I have had them collated. There is not a change from the House bill by so much as a comma.

There being no objection, the Clerk read the Senate bill, as follows:

S. 2442

An act for the protection of the municipal water supply of the city of Salt Lake City, State of Utah

Be it enacted, etc., That hereafter mining locations made under the United States mining laws upon lands within the municipal watershed of the city of Salt Lake City, within the Wasatch National Forest in the State of Utah, specifically described as follows—

South half section 22; all of section 23; and sections 25 to 36, inclusive; township 1 south, range 2 east, Salt Lake meridian.

South half of section 30; and sections 31 to 33, inclusive; township 1 south, range 3 east, Salt Lake meridian.

Southeast quarter northeast quarter and east half southeast quarter section 11; south half and south half north half section 12; north half, southeast quarter, east half southwest quarter and northwest quarter southwest quarter section 13; east half northeast quarter and northeast quarter southeast quarter section 14; east half northwest quarter; and east half section 24; southeast quarter section 25; township 2 south, range 1 east, Salt Lake meridian.

All of township 2 south, range 2 east, Salt Lake meridian.

West half section 3; sections 4 to 9; west half and southeast quarter section 10, south half section 14; sections 15 to 23; west half section 24; west half section 25; sections 26 to 35; and west half section 36; township 2 south, range 3 east, Salt Lake meridian.

East half section 1, township 3 south, range 1 east, Salt Lake meridian.

Sections 1 to 18, inclusive; and sections 20 to 24, inclusive; township 3 south, range 2 east, Salt Lake meridian.

Sections 1 to 9, inclusive; north half section 10; and section 18; township 3 south, range 3 east, Salt Lake meridian.

shall confer on the locator the right to occupy and use so much of the surface of the land covered by the location as may be reasonably necessary to carry on prospecting and mining, including the taking of mineral deposits and timber required by or in the mining operations, and no permit shall be required or charge made for such use or occupancy: *Provided, however*, That the cutting and removal of timber, except where clearing is necessary in connection with mining operations or to provide space for buildings or structures used in connection with mining operations, shall be conducted in accordance with the rules for timber cutting on adjoining national-forest land, and no use of the surface of the claim or the resources therefrom not reasonably required for carrying on mining and prospecting shall be allowed except under the national-forest rules and regulations, nor shall the locator prevent or obstruct other occupancy of the surface or use of surface resources under authority of national-forest regulations, or permits issued thereunder, if such occupancy or use is not in conflict with mineral development.

SEC. 2. That hereafter all patents issued under the United States mining laws affecting the above-mentioned lands within the municipal watershed of the city of Salt Lake City, within the Wasatch National Forest, in the State of Utah, shall convey title to the mineral deposits within the claim, together with the right to cut and remove so much of the mature timber therefrom as may be needed in extracting and removing the mineral deposits, if the timber is cut under sound principles of forest management as defined by the national-forest rules and regulations, but each patent shall reserve to the United States all title in or to the surface of the lands and products thereof, and no use of the surface of the claim or the resources therefrom not reasonably required for carrying on mining or prospecting shall be allowed except under the rules and regulations of the Department of Agriculture.

SEC. 3. That the public lands within the several townships and subdivisions thereof hereinafter enumerated, situate in Big Cottonwood Canyon in the county of Salt Lake, State of Utah, are hereby reserved from all forms of location, entry, or appropriation, whether under the mineral or nonmineral land laws of the United States, and set aside as a municipal water supply reservoir site for the use and benefit of the city of Salt Lake City, a municipal corporation of the State of Utah, as follows, to wit: Lands in sections 13 and 14, township 2 south, range 2 east; and sections 7, 17, and 18, township 2 south, range 3 east, Salt Lake meridian, Utah, as shown on reservoir map approved on January 25, 1924, under section 4 of the act of February 1, 1905 (33 Stat. 628).

SEC. 4. That valid mining claims within the municipal watershed of the city of Salt Lake City, within the Wasatch National Forest in the State of Utah, existing on the date of the enactment of this act, and thereafter maintained in compliance with the law under which they were initiated and the laws of the State of Utah, may be perfected under this act, or under the laws under which they were initiated, as the claimant may desire.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

BRIDGES ACROSS THE RED RIVER AT MOORHEAD, MINN.

The Clerk called the next bill, H.R. 9502, authorizing the State Highway Departments of the States of Minnesota and North Dakota to construct, maintain, and operate certain free highway bridges across the Red River from Moorhead, Minn., to Fargo, N.Dak.

There being no objection the Clerk read the bill as follows:

Be it enacted, etc., That in order to facilitate interstate commerce, improve the postal service, and provide for military and other purposes, the State Highway Departments of the States of Minnesota and North Dakota are hereby authorized to construct, maintain, and operate two free highway bridges and approaches thereto across the Red River, at points suitable to the interests of navigation, between Fargo, N.Dak., and Moorhead, Minn., in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters"; approved March 23, 1906.

SEC. 2. There is hereby conferred upon the State Highway Departments of the States of Minnesota and North Dakota all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, operation, and maintenance of such bridges and their approaches as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge puposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

SEC. 3. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

BRIDGE ACROSS CHESAPEAKE BAY

The Clerk called the next bill, S. 3211, to extend the times for commencing and completing the construction of a bridge across the Chesapeake Bay between Baltimore and Kent Counties, Md.

Mr. CARTER of California. Mr. Speaker, reserving the right to object, is this a toll bridge?

Mr. HOLMES. Mr. Speaker, will the gentleman withhold his objection? I do not believe this is a toll-bridge bill, but I cannot state positively.

Mr. CARTER of California. Mr. Speaker, unless the gentleman can assure me that this is not a toll bridge, I object.

Mr. MILLARD. Mr. Speaker, I demand the regular order.

Mr. CARTER of California. Mr. Speaker, I object.

BRIDGES IN THE STATE OF OREGON

The Clerk called the next bill, S. 3114, to extend the times for commencing the construction of certain bridges in the State of Oregon.

Mr. CARTER of California. Mr. Speaker, reserving the right to object, are these toll bridges?

Mr. HOLMES. This is a bill providing for the construction of bridges by municipalities. The gentleman from Oregon [Mr. MOTT], will explain it, I am sure.

Mr. MOTT. These bridges are already under construction in the State of Oregon.

Mr. CARTER of California. Are they toll bridges?

Mr. MOTT. At least one of them is a toll bridge, but it is a State-owned bridge.

Mr. CARTER of California. Mr. Speaker, I withdraw my objection.

There being no objection the Clerk read the bill as follows:

Be it enacted, etc., That the times for commencing the construction of the following bridges, authorized to be built by the State of Oregon, are hereby extended to October 1, 1934: (1) Across the Umpqua River, at or near Reedsport, Oreg., authorized by act of Congress approved June 13, 1933; (2) across Yaquina Bay, at or near Newport, Oreg., authorized by act of Congress approved June 13, 1933; (3) across Coos Bay, at or near North Bend, Oreg., authorized by act of Congress approved June 13, 1933; (4) across the Siuslaw River, at or near Florence, Oreg., authorized by act of Congress approved June 13, 1933; and (5) across Alsea Bay, at or near Waldport, Oreg., authorized by act of Congress approved June 15, 1933.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

With the following committee amendments:

Page 1, line 3, after the word "commencing", insert the words "and completing."

Page 1, line 5, strike out the words "to October 1, 1934."

Page 1, line 6, insert "1 and 3 years, respectively, from the date of approval hereof."

The committee amendments were agreed to; and the bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title of the bill was amended.

QUINAIELT INDIAN RESERVATION, WASH.

The Clerk called the next bill, S. 1882, to authorize the Secretary of the Interior to issue patents for lots to Indians within the Indian village of Taholah, on the Quinaielt Indian Reservation, Wash.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized, upon application by any qualified Indian living within the Indian village of Taholah, on the Quinaielt Indian Reservation in the State of Washington, to issue to such Indian a patent for not to exceed two contiguous lots within said village, one of which lots must be occupied by said applicant: *Provided*, That where pursuant to section 10 of the act of June 25, 1910 (36 Stat.L. 858), one lot within said Indian village has heretofore been patented to any Indian living thereon said Secretary of the Interior is hereby authorized to patent to such Indian, or to his or her heirs in case of death, one additional contiguous lot wherever available. All patents issued hereunder shall be of the legal effect prescribed by said section 10 of the act of June 25, 1910, and all lots so patented to said Indians shall be disposed of as provided for in section 1 of that act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

YAKIMA CONFEDERATED TRIBES OF INDIANS

The Clerk called the next bill, H.R. 5864, to authorize the payment of expenses of delegates of the Yakima Confederated Tribes of Indians while on a mission to represent such tribes before Congress and the executive departments at the seat of government, and for other purposes.

Mr. JENKINS of Ohio. Mr. Speaker, reserving the right to object, I notice this bill carries with it an adverse report from the Secretary of the Interior.

Mr. KNUTE HILL. That was on April 2. Since that time the bill has been revised and has been rewritten by a member of the Indian Service. It was passed by the committee while he was there.

Mr. JENKINS of Ohio. I notice that the amendment which the gentleman refers to provides for an expenditure of money. Is that the Indians' money or the Government's money?

Mr. KNUTE HILL. That is their own money.

Mr. JENKINS of Ohio. I have no objection to the Indians spending their own money. I withdraw my reservation of objection.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated not to exceed $2,500 to be expended by the Secretary of the Interior in paying expenses of delegates of the tribal council of the Yakima Confederated Tribes of Indians while on a mission to the seat of government in the District of Columbia, to present the petitions and claims of such tribes to the Congress and its committees and to the executive departments of the Government with respect to encroachments on the reservation of such tribes, permanent allotments for members of such tribes, sale of timber on tribal lands, reservation schools, grazing returns, consultation with the leaders in affairs involving treaty rights, and such other matters as the tribal council may authorize the delegates to present. Such expenses shall include the cost of preparing and presenting such petitions and claims, travel and subsistence expenses for authorized delegates of such tribal council while in and en route to and from the District of Columbia on such mission, the cost of procuring the attendance of necessary witnesses, and the fees and expenses of necessary legal counsel, and any other expenses necessary in carrying out such mission. Such expenses shall be paid under such rules and regulations as the Secretary of the Interior shall prescribe pursuant to the provisions of this act.

With the following committee amendments:

Page 1, line 3, strike out "That there is hereby authorized to be appropriated not to exceed $2,500 to be expended by the Secretary of the Interior in" and insert "That the Secretary of the Interior be, and he is hereby, authorized to expend not to exceed $2,500."

Page 2, line 14, strike out "fees and."

The committee amendments were agreed to; and the bill was ordered to be engrossed, and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THE NORSEMEN

Mr. HOLMES. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein an address delivered by my colleague [Mr. KNUTSON] on May 17.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. HOLMES. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by Hon. HAROLD KNUTSON at Brooklyn, N.Y., Thursday, May 17, 1934, before the United Norwegian Societies of New York:

Mr. Chairman and friends, this day has a deep significance for those of us who can boast of Norse blood. It is our natal day and marks the anniversary of the adoption of the organic law of old Norway. This evening we have gathered, as have tens of thousands of Americans of Norse ancestry in other places in this country, to commemorate that great occasion. To me this event has especial significance because I received my first impressions of this wonderful land of freedom and opportunity in New York, the gateway to the promised land, nearly a half century ago, amidst the hustle and bustle of old Castle Garden. It may not be amiss to pause for a moment and contemplate what has befallen those of us who left "gamle Norge" to seek their fortunes in the new land of promise, whose radiant light has drawn to its shores millions and millions from other and less-favored lands.

The Norseman did not come here that he might have freedom, because he has never been slave or serf. He was drawn here because of the superior advantages to be found—land, homes, opportunity, equality—these were some of the magnets that drew our fathers to these far-away shores, whose banner of bright stars and stripes has been baptized in the best blood of American patriotism on many a bloody battlefield and which proudly floats over 125,000,000 free Americans of every race, creed, and color.

Some of those who came tarried at the port of entry, and I trust that those who remained here have enjoyed happiness and that measure of success that is the reward of right living, industry, and honesty. However, the vast majority of the newcomers resolutely set their faces toward the land of the wide and open spaces in the Middle West, where they quickly became a part and parcel of their adopted land. Minnesota, Wisconsin, Iowa, Illinois, the Dakotas, Montana, Washington, Oregon, California, and Utah. These are the States that became the cradle of Norwegian culture in America, and may I say with pardonable pride that none of the newer States have contributed more generously and effectively to the upbuilding of our great and common country. In every forward move Americans of Norwegian blood and ancestry have played a prominent and decisive part.

The early Norwegians were a sturdy and dependable race. Sprung from the groin of a race that has for thousands of years braved the hidden dangers of the deep, who, though numerically weak, conquered the greater part of the then known world by reason of their superior bravery and dauntless courage, it was to be expected that the majority of them would take the pathway that offered the greater hardships and adventures. By oxen and covered wagon they followed the star of destiny westward, ever westward, from one State to another State, until many of them had traversed the continent of North America and spread into bordering countries. With many it was the restless urge that had been bred into them by countless generations who had gained their livelihood upon the bosom of the restless deep. They had never been serfs or slaves, and the great spaces of the West appealed to them as the limitless heights appeal to the eagle.

They faced the hardships and dangers of frontier life with all the courage for which their great race has been famed for thousands of years. For them it was much work and little play. There were homes to build, often of sod or logs; there were

schools and churches to establish, for they were an enlightened race that believed in education as well as in the tenets that were laid down by the lowly Nazarene nearly 2,000 years before. Wherever they went they established law and order, for lawlessness and disorder are as foreign to the nature of the Norseman as they are repugnant. He soon became the pillar of his community and in time a great leader. The history of the West would be incomplete were honorable mention of his great contribution to its development omitted.

When the great Civil War broke out, back in the dark days of '61, the sons of Norway and their offspring flocked to the colors of their adopted land by the tens of thousands, and Father Abraham had no more loyal or stalwart support than that given by the hardy race to whom battle in the cause of freedom and righteousness is as the fire gong to the old fire horse.

They acquitted themselves with great credit and the Norwegian regiment commanded by Col. Hans Hegg won for itself a place in the American Hall of Fame; and when the great fratricidal struggle was over, they quietly returned to their homes and resumed their usual vocations.

May I say at this point that the American soldiers and sailors of Norse blood played an equally gallant part in the great World War where they served by the hundreds of thousands.

When I was a boy, the great Northwest was yet open to homestead entry, and I can well recall the thousands of covered wagons that trekked their weary course westward, where were to be found homes and opportunities. Hardship, yes; but to them it was home, as a poet of our own blood, then living in Wisconsin, has so aptly described:

"Aa so grov me et hol bort i bakka
Det var hus, det var heim, det var bu,
Men aat kvelden naar heimat det lakka
Var det heimet dog kjert, kan du tro."

The Lord has been good to us. Today the West is the bread-and-butter basket of the world. It is dotted with cities that are seats of learning, culture, and art and industry; farms with big red barns and comfortable homes. We can show our appreciation for these blessings by being good and loyal Americans.

Your true Norseman is adaptable and he easily and quickly adjusts himself to new environments, hence he readily became imbued with the principles upon which this Government was founded. Norsemen have occupied with credit many positions of public trust. First and foremost Knute Nelson, the first Norwegian born to become Governor of a sovereign American State and a member of the Senate of the United States. Then we have such outstanding characters as Haugen of Iowa, Helgesen of North Dakota, Steenerson, O. J. Kvale, all now deceased; Volstead, Sidney Anderson, Selvig, Andresen of Minnesota, Williamson of South Dakota, Burtness of North Dakota, and Nelson of Wisconsin. Former Senators Reed Smoot of Utah, Asle J. Gronna of North Dakota, and James J. Blaine of Wisconsin.

These are but a few of the illustrious Norsemen of a bygone day. Today HENRIK SHIPSTEAD, of Minnesota, and PETER NORBECK, of South Dakota, are in the Senate, and in the House are EINAR HOIDALE and myself, both born across the sea, and former Governor THEODORE CHRISTIANSON, also PAUL KVALE, of Minnesota, who is here this evening, and KNUTE HILL, of Washington State. Americans of Norwegian extraction have occupied and are occupying high judicial and professional positions, and they have attained conspicuous successes in the arts, the professions, in business, and in agriculture. In fact in all activities that require integrity, industry, intelligence, ability, and steadfastness have they acquitted themselves with credit to the land of their origin as well as to that of their adoption.

My countrymen, the past is a luminous figure on the eastern horizon that we love and revere, but it is to the present and future that I would address myself for a few brief moments, if you will kindly indulge me.

We are now passing through one of the most painful periods of readjustment of which we have record. Fortunes and savings have been wiped out, values have depreciated to a fraction of their former worth, and homes have been lost. But it is not my purpose to analyze here the cause but rather to make an appraisal of the future.

The old order has passed. It was ruthless and cruel. Under its regime property rights were held equal, if not superior, to human rights.

A new order has been inaugurated which marks another milestone in the progress of the American people. Naturally, the program being largely experimental, mistakes will be made, for we have embarked upon uncharted and strange waters. From time to time hidden and treacherous shoals will reveal themselves.

Under such circumstances, it is necessary that the navigation of the Ship of State shall be in the hands of experienced navigators upon whose knowledge and wisdom rests the very future of the Republic.

Great changes lie before us. Heretofore the distribution of wealth has been centered too much, there has been too much want and suffering in the midst of plenty; we have seen great fortunes grow ever larger, whilst the condition of the producer and toiler has not kept pace. For this unhappy and intolerable situation I blame no one in particular. Rather, it is the fruit of a system that we have happily outgrown. After all, life is an evolution, and we must go forward or be pressed backward. We cannot stand still. With our acknowledged capacity we must go forward.

A new day lies before us, and, with its added responsibilities, we are facing a battle between the new and the old that is as inexorable as the laws of the Persians and the Medes. In this struggle will be found in opposition those who would scuttle the ship rather than acknowledge defeat.

It is related that when the great Robert Bruce lay dying he called to his bedside his trusted friend and lieutenant, the Earl of Douglas, and charged him that at his death his heart should be removed from his breast, encased in a golden urn, and conveyed to the Holy Sepulcher for interment. When the great Bruce had breathed his last, the faithful Douglas followed his dead master's instructions, and surrounding himself with a small escort of Scottish chiefs, set out on his holy mission. One day, when the little band had nearly reached their destination, they were set upon by a body of Saracens who threatened to overcome them by reason of superior numbers. When all seemed lost Douglas stood up in his stirrups and taking the golden urn in his hand hurled it into the midst of the enemy, shouting, "Lead on, heart of Bruce, we follow thee, we follow thee." The Scots, never having known defeat when following that great chieftain, took new heart, turned upon the enemy with the fury of the wind and overcame them. So, my friends, when the enemies of the new order would retard or prevent, we will take the great heart of Lief Ericson, encase it in our love and affection and hurl it into the midst of the enemy and shout, "Lead on, great heart of Lief, we follow thee, we follow thee", and we shall take new courage and devotion and overcome those who would subvert and thwart our progress toward a new day and better things.

KING HILL IRRIGATION DISTRICT

The Clerk called the next bill, H.R. 9583, to convey to the King Hill irrigation district, State of Idaho, all the interest of the United States in the King Hill Federal reclamation project, and for other purposes.

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

Mr. COFFIN. Will the gentleman yield?

Mr. ZIONCHECK. I reserve my objection.

Mr. COFFIN. In view of the fact that that would practically defeat the bill at this session and that this bill merely grants authority to the Interior Department to do what they have wanted to do for years, may I ask the gentleman to withdraw his objection?

This is a project that has been completed for years. There is no possibility of the liens ever being paid by the settlers. This bill needs the action of the Senate, and is of extreme importance to the people of this district.

Mr. ZIONCHECK. As the report embodies certain language to the effect the district has paid no part of the construction costs, I am constrained to object. The Government has spent something over a million dollars upon this particular project.

Mr. COFFIN. That is a fact, but the Government in spending the money acted on a misconception of their engineers, and the ultimate effect of the spending of the money under the circumstances was to mislead the settlers and get them into an utterly impossible position.

Mr. ZIONCHECK. I do not want to be construed as objecting to any bill by asking that it go over without prejudice. May I ask why the bill was not brought up before if it is so important?

Mr. COFFIN. The Interior Department brought the matter to my attention so late in the session that this is the first opportunity I have had to get it on the Consent Calendar. It will be noted that the Interior Department recommends that the bill be passed, and the bill in its present form is as drawn by the Interior Department.

Mr. ZIONCHECK. It is very hard for me to reconcile the Government building a project which cost millions of dollars and then immediately donating it to a private water-and-power company.

Mr. COFFIN. They took over this project some years ago after private parties and the State had endeavored to put it over.

Mr. ZIONCHECK. And they want to turn it over to the power-and-water company now?

Mr. COFFIN. This bill authorizes turning the district over to the settlers. The King Hill irrigation district is composed of the settlers out there. There is no power company involved in the matter.

Mr. ZIONCHECK. I would like to have more opportunity to look into the question.

Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

Mr. COFFIN. Mr. Speaker, I object.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. ZIONCHECK. Mr. Speaker, I object to the bill.

SETTLEMENT OF CLAIMS BY THE POSTMASTER GENERAL

The Clerk called the next bill, H.R. 8460, to amend section 392 of title 5 of the United States Code.

Mr. TRUAX. Mr. Speaker, I object.

Mr. DOCKWEILER. Will the gentleman reserve his objection?

Mr. TRUAX. I reserve my objection.

Mr. DOCKWEILER. I wish the genttleman from Ohio would not object to this bill, which permits the Postmaster General to adjust and settle claims caused by the negligence of officers and employees of the Post Office Department; that is, where the claims do not exceed $500.

A bill was passed, as the report shows, some years ago, giving the Postmaster General this authority; but through a construction by the Comptroller General the Postmaster General is not able to settle claims where private parties are involved. Consequently we have to clarify the law and implement the law in order that the Comptroller General's present ruling and precedent will be overcome.

What happens now? At every session of Congress the Postmaster General has to send down to our committee anywhere from 100 to 500 small claims, from a few dollars to $500, in connection with cases where agents of the Post Office Department have through negligence caused injury to private property, such as is occasioned by automobile accidents, and so forth. We have to submit a private bill in every instance and in every case in order to get relief for the private party.

Mr. TRUAX. Will the gentleman yield?

Mr. DOCKWEILER. I yield to the gentleman from Ohio.

Mr. TRUAX. I may say that this Congress has paid dozens of such bills. Whenever anyone is hurt or killed by an employee of the Postal Department, it is assumed that the employee is responsible for the accident. I may say to the gentleman that the law in its present form is exactly the way it ought to be, in my judgment. These claims should be brought down here, and there is no one official that should be delegated authority by this Congress to settle any of the claims that may come under $500.

Mr. DOCKWEILER. This is under $500. The gentleman from Ohio has read the letter addressed by Mr. Douglas to the Postmaster General?

Mr. TRUAX. No; I did not read it.

Mr. DOCKWEILER. This is approved by Mr. Douglas and by the Postmaster General or Mr. Crowley.

Mr. TRUAX. If the gentleman will amend the bill and make it $50 instead of $500, I will withdraw my objection.

Mr. DOCKWEILER. Will the gentleman agree to making it $250?

Mr. TRUAX. No.

Mr. DOCKWEILER. I am speaking for the gentleman from New York [Mr. MEAD], the chairman of the committee, and I do not want to consent to a limit of $50 as against $500.

Mr. JENKINS of Ohio. Mr. Speaker, reserving the right to object, my opposition is not to the amount but to the principle. My notion is that if the Postmaster General should have the right to adjust up to $500, he ought to have the same right up to $1,000 or perhaps $5,000. The gentleman has stated that at the present time there is a law on the statute books which was intended to give the Postmaster General this power, but the Comptroller General has decided that it did not come within some other law.

Mr. DOCKWEILER. Yes.

Mr. JENKINS of Ohio. If that is the case and if the Comptroller has already ruled against it, how will this language correct the situation?

Mr. DOCKWEILER. If the gentleman will turn to page 2 of the report, he will find set out there the original statute of June 16, 1921, which gives the Postmaster General this authority, not to exceed $500, and then there appears in italic, which is the amendment we are considering today—

> And this authority shall hereafter be construed as extending to cases caused by the negligence of any officer or employee of the Post Office Department or Postal Service acting within the scope of his employment.

Mr. TRUAX. Mr. Speaker, further reserving the right to object, it is perfectly apparent to everyone here that if this bill were passed the Postmaster General himself would not have the time to sit in these hearings. The authority would have to be delegated to some underling, and it is always easier to obtain money or secure the payment of claims in that way. When they come down here and the claims have to be passed upon by a committee and then brought on the floor of the House and passed by unanimous consent, we are following a much safer plan than the one proposed by this bill, and therefore I object to the bill.

THE COWLITZ RIVER, WASH.

The Clerk called the next bill, H.R. 9430, to provide a preliminary examination of the Cowlitz River and its tributaries, in the State of Washington, with a view to the control of its floods.

Mr. GOSS. Mr. Speaker, reserving the right to object, I want to call attention to the language of the bill—

> That the Secretary of War be, and he is hereby, authorized and directed to cause a preliminary examination to be made—

And so forth. Might not this be construed as an appropriation?

Mr. WILSON. No.

Mr. GOSS. How could the Secretary carry out the purpose of the bill without an appropriation?

Mr. WILSON. The law authorizes an appropriation for War Department surveys of rivers and harbors.

Mr. CARTER of California. If the gentleman will permit, the bill provides that the cost shall be paid from the appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

Mr. GOSS. I have read that language, and I want to call attention to a point which I think the Comptroller General should watch out for in this connection. In 1902, in one of the appropriation bills, chapter 1351 of the Fifty-seventh Congress, there was this language:

> Hereafter no act of Congress shall be construed to make an appropriation out of the Treasury of the United States unless such act shall, in specific terms, declare an appropriation to be made for the purpose or purposes specified in the act.

Under this permanent law, which was a rider on this old appropriation bill back in 1902, I am wondering whether this could be construed to allow an appropriation or not.

Mr. BLANTON. That provision became permanent law because the word "hereafter" made it permanent.

Mr. GOSS. Of course, and that is what I am pointing out now.

Mr. BLANTON. And it certainly affects this bill.

Mr. GOSS. Yes; and if the Comptroller General will refer to this particular language, I do not see how he can let an appropriation go by in a matter of this kind and in this case you would not get any survey made.

Mr. SMITH of Washington. In addition to the explanation which has been made by the Chairman of the Committee on Flood Control [Mr. WILSON], I wish to say I am the author of this bill and the three which follow it on the calendar, and the language in each one is identical with the language in all similar flood-survey bills that have been passed.

Mr. GOSS. I realize that.

Mr. SMITH of Washington. It seems to me that the final phrase of the bill covers the point which the gentleman has in mind.

Mr. ZIONCHECK. An amendment striking out the words "and directed" would meet the gentleman's point.

Mr. SMITH of Washington. The language to which I refer is "the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors."

In other words, I construe this language to mean that the surveys could not be made or the cost defrayed except out of appropriations that have heretofore, or may hereafter, be made, and this is not a bill which appropriates any sum whatever; the War Department appropriation bill provides funds for the United States Army engineers to make such examinations and surveys as are contemplated by this legislation.

Mr. GOSS. I may say to the gentleman that it has been often construed in such a way that appropriations have been made when the words "and directed" were put in after the word "authorized."

As the gentleman from Washington has just said, if you did strike out "direct" and even dispense with the permanent law, it would not help it.

Mr. SMITH of Washington. I do not think that is necessary; if you strike out that language you take out the language that provides for the survey to be made. That is the only language whereby the Secretary of War and the United States Corps of Engineers would be empowered to make a survey, which are necessary on all these rivers and their tributaries, as shown by the disastrous floods which occurred in December 1933, causing millions of dollars' worth of damage to property and some loss of life. I trust that no objection will be made to their passage.

Mr. BLANTON. They could not do it without coming to Congress and the Appropriations Committee. [Cries of "Regular order."]

Mr. GOSS. If the regular order is to be demanded, I will object to the next four bills, for they are all alike.

Mr. SMITH of Washington. I think the gentleman from Connecticut should be permitted to discuss the bills, and I trust that no Member on this side will insist on the regular order.

Mr. BLANTON. Will the gentleman yield?

Mr. GOSS. I yield.

Mr. BLANTON. Under the statute the gentleman read, that is permanent law. All of these bills under the ruling of the Comptroller General require them to come to the Committee on Appropriations to get the money before they can do anything.

Mr. GOSS. Is the gentleman sure of that?

Mr. BLANTON. I am.

Mr. WALLGREN. I will say that at the present time the district engineer has all the information necessary. There is no other expense to the Government.

Mr. GOSS. I am not objecting to the authorization, but it is the method of doing it. I agree with the gentleman from Texas that the matter should go to the Appropriations Committee.

Mr. CULKIN. Does this apply to navigation in any sense?

Mr. SMITH of Washington. No; it relates to flood control alone, the same as the other bills of a similar character which have been passed in this and past sessions, and will enable the Corps of Army Engineers to conduct the examinations and surveys for flood control out of the moneys already appropriated to the War Department.

Mr. GOSS. Would not the language "authorized and directed" be construed as an appropriation?

Mr. BLANTON. No. An appropriation requires the language "there is hereby appropriated so much money out of the Treasury not otherwise appropriated."

Mr. SINCLAIR. If the gentleman will yield, I had a similar bill to this not long ago, and similar language was used.

Mr. GOSS. I will withdraw my objection.

Mr. SMITH of Washington. I appreciate the cooperation of the gentleman from Connecticut, as these bills are of considerable importance to the citizens of southwest Washington, who will be benefited by proper protective measures against future floods, which we hope will result from these surveys by the Corps of United States Army Engineers having jurisdiction of rivers and harbors.

There being no further objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to cause a preliminary examination to be made of the Cowlitz River and its tributaries in the State of Washington, with a view to the control of its floods, in accordance with the provisions of section 3 of an act entitled "An act to provide for control of floods of the Mississippi River, and of the Sacramento River, Calif., and for other purposes", approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

The bill was ordered to be engrossed, and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DIRECT LOANS TO INDUSTRY

Mr. BANKHEAD, from the Committee on Rules, presented the following resolution for printing under the rule:

House Resolution 388 (Rept. No. 1722)

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 3487, a bill relating to direct loans for industrial purposes by Federal Reserve banks and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order, the substitute amendment, and any other amendments recommended by the Committee on Banking and Currency, and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. At the conclusion of such consideration the committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. BANKHEAD. Mr. Speaker, this is a rule providing for the consideration of the bill reported this morning from the Committee on Banking and Currency, providing for loans to industry. Under the program it will be taken up tomorrow the first thing after the disposition of matters on the Speaker's desk.

Mr. BLANTON. That is the Senate bill already passed.

Mr. MARTIN of Massachusetts. And it is expected that the bill will be passed some time tomorrow?

Mr. BANKHEAD. It is hoped that it may be. Two hours of general debate are provided, and then an open rule under the 5-minute rule.

CONSENT CALENDAR

EXAMINATION OF CHEHALIS RIVER

The Clerk called the next bill, H.R. 9431, to provide a preliminary examination of Chehalis River and its tributaries in the State of Washington, with a view to the control of its floods.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to cause a preliminary examination to be made of the Chehalis River and its tributaries in the State of Washington, with a view to the control of its floods, in accordance with the provisions of section 3 of an act entitled "An act to provide for control of floods of the Mississippi River, and of the Sacramento River, Calif., and for other purposes", approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider laid on the table.

PROCEEDINGS AGAINST ELECTRO-METALLURGICAL CO., ETC.

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent to recur to Calendar No. 306, H.R. 9269, limiting the operation of sections 109 and 113 of the Criminal Code and

section 190 of the Revised Statutes of the United States with respect to counsel in certain proceedings against the Electro-Metallurgical Co., New-Kanawha Power Co., and the Carbon & Carbide Co., and substitute therefor a similar Senate bill (S. 3436).

The SPEAKER pro tempore. Is there objection?

Mr. ZIONCHECK. Mr. Speaker, has the gentleman seen the gentleman from Indiana?

Mr. SUMNERS of Texas. I have, and he told me he had no objection to it.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The SPEAKER pro tempore. Without objection the Clerk will report the Senate bill, S. 3436.

The Clerk read the Senate bill as follows:

Be it enacted, etc., That nothing in sections 109 and 113 of an act entitled "An act to codify, revise, and amend the penal laws of the United States", approved March 4, 1909, as amended (U.S.C., title 18, secs. 198 and 203), or in section 190 of the Revised Statutes of the United States (U.S.C., title 5, sec. 99), or in any other act of Congress forbidding officers or employees or former officers or employees of the United States from acting as counsel, attorney, or agent for another before any court, department, or branch of the Government or from receiving or agreeing to receive compensation therefor, shall be deemed to apply to attorneys or counselors to be specially employed, retained, or appointed by the Attorney General or under authority of the Department of Justice to assist in the prosecution of any case or cases, civil or criminal, to be brought by the United States against the Electro Metallurgical Co., New-Kanawha Power Co., or the Union Carbide and Carbon Corporation, or all or any of said companies and/or their officers or agents, and/or any litigation involving hydroelectric power, navigation, or water rights or claims upon the New and Kanawha Rivers, or either of them, under the Federal Water Power Act or the River and Harbor Appropriation Act of March 3, 1899, chapter 425, or any other act or acts.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

DISABILITY OF SENIOR CIRCUIT JUDGES

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H.R. 7356, to provide, in case of the disability of senior circuit judges, for the exercise of their powers and the performance of their duties by the other circuit judges, with a Senate amendment thereto, and concur in the Senate amendment.

The SPEAKER pro tempore. The Clerk will report the bill.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The Clerk will report the Senate amendment.

The Clerk read as follows:

Line 4, after "illness", insert "or other cause".

The SPEAKER pro tempore. Is there objection?

There was no objection.

The SPEAKER pro tempore. The question is on agreeing to the Senate amendment.

The Senate amendment was agreed to.

EXAMINATION OF LEWIS RIVER, WASH.

The Clerk called the next bill, H.R. 9432, to provide a preliminary examination of the Lewis River and its tributaries in the State of Washington, with a view to the control of its floods.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to cause a preliminary examination to be made of the Lewis River and its tributaries in the State of Washington, with a view to the control of its floods, in accordance with the provisions of section 3 of an act entitled "An act to provide for control of floods of the Mississippi River, and of the Sacramento River, Calif., and for other purposes", approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

The bill was ordered to be engrossed and read a third time, was read the third time, and a motion to reconsider laid on the table.

H.R. 5522—AMENDING THE STANDARD BASKET ACT OF AUGUST 31, 1916, TO PROVIDE FOR A 1-POUND CLIMAX BASKET FOR MUSHROOMS

Mr. KINZER. Mr. Speaker, I ask unanimous consent to extend my remarks on the bill H.R. 5522, passed today.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. KINZER. Mr. Speaker, I have introduced, actively supported, and urge the passage of this bill in the hope and belief that by its passage we will have made a valuable contribution to the development of the mushroom industry.

The Standard Container Act of August 31, 1916, established that standards for Climax baskets for grapes and other fruits and vegetables shall be the 2-quart basket, 4-quart basket, and 12-quart basket, respectively. This standardization was made to meet the requirements then confronting the shippers of grapes, tomatoes, cherries, and other fruits and vegetables; and although at that time mushrooms were grown in the United States, the industry was not then of sufficient commercial value and importance to attract the attention of the framers of the 1916 act.

The mushroom industry has grown and developed in this country to one of imposing and commercial importance. The 4-quart Climax basket in the beginning served as a suitable container for the shipment of mushrooms, and held about 3 pounds. But since mushrooms are sold and retailed in pounds, changes in marketing, economic, and general merchandising conditions, have all necessitated the adoption of a 1-pound consumer package. Therefore the Climax basket containing 1 pound of mushrooms—approximately 1⅓ quarts—was designed. This package was tried commercially and met with encouraging success; it at once facilitated and helped develop a greater mushroom market and brought back to the grower an appreciable price margin. However, the Department of Agriculture claiming this 1-pound package to be a violation of the Standard Container Act of 1916, directed the discontinuance of its use. Since that time mushrooms have sold at less than the cost of production, and their sale has diminished.

If the mushroom industry is to survive, the grower must expand his market and get a better price margin by the adoption and use of a suitable consumer package. Practically every commercial concern in the mushroom belt has tried every type of consumer package, and the 1-pound Climax basket, for which this bill provides, is the most practicable from a merchandising point of view for mushrooms and will greatly aid in widening and extending the market.

The mushroom industry in the United States is a growing and valuable one. It needs and must have encouragement. The mushroom belt, scattered throughout Chester, Lancaster, and Delaware Counties, Pennsylvania, and extending into Maryland and New Jersey, produces annually in excess of 15,000,000 pounds of mushrooms, and this does not include the large tonnage that is canned. This represents almost 65 percent of the entire United States mushroom production. This industry, furnishing as it does employment for hundreds of workers in the plants, in transportation by truck and rail, and in its allied industries.

The necessity for prompt action on this bill is apparent because the shipment of fresh mushrooms will begin in September and continue throughout the coming winter. If the bill is not passed at this session, it means that this 1-pound mushroom package cannot be used for next season.

EXAMINATION OF COLUMBIA RIVER, WASH.

The Clerk called the next bill, H.R. 9433, to provide a preliminary examination of Columbia River and its tributaries in the State of Washington with a view to the control of its flood waters.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to cause a preliminary examination to be made of the Columbia River and its tributaries in the State of Washington, with a view to the control of its floods, in accordance with the provisions of section 3 of an act entitled

"An act to provide for the control of the floods of the Mississippi River, and of the Sacramento River, Calif., and for other purposes", approved March 1, 1917, the cost thereof to be paid from appropriations heretofore and hereafter made for examinations, surveys, and contingencies of rivers and harbors.

Mr. MOTT. Mr. Speaker, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. MOTT: Page 1, line 5, after the word "the", strike out the word "State" and insert in lieu thereof the word "States"; in line 6, after word "Washington", insert the words "and Oregon."

The amendments were agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

WHITE SWAN SCHOOL DISTRICT, NO. 88, YAKIMA COUNTY, WASH.

The Clerk called the next bill, H.R. 7361, to provide funds for cooperation with White Swan School District, No. 88, Yakima County, Wash., for extension of public-school buildings to be available for Indian children of the Yakima Reservation.

Mr. TRUAX. I reserve the right to object.

Mr. JENKINS of Ohio. Reserving the right to object, Mr. Speaker, there are 10 bills, the next 10 bills on the calendar, which deal with the same subject, namely, improvement of the school situation among the Indians. I wonder if we cannot consider these and clear them up so that we can proceed more rapidly and save some time? I should like to ask a few questions. First, I should like to ask whether in each of these bills it is not true that the expense for the improvement is paid out of the Indian fund, and do those expenses come from the United States?

Mr. AYERS of Montana. These funds come from the United States Treasury, but these are not in a strict sense appropriation bills—they are authorization bills.

Mr. JENKINS of Ohio. That is the next question I wanted to ask.

Mr. AYERS of Montana. They are authorizations, and they will have to go through the general Appropriations Committee before they can be listed in the Budget and come out of the general fund.

Mr. JENKINS of Ohio. I have not had time to read all of the reports. How many of these are there?

Mr. AYERS of Montana. There are 13 of them.

Mr. JENKINS of Ohio. How are they as to similarity?

Mr. AYERS of Montana. Mr. Speaker, all of these bills are similar. If the House will bear with me I will explain the condition pertaining to all of these bills. They were referred to a subcommittee of which I was chairman, and we have gone into extensive hearings and investigations with reference to each bill. All of these measures are for extension of public-school buildings on and immediately adjacent to Indian reservations. The purpose is to accommodate Indian children where the Indian department has abandoned the Indian schools that heretofore cared for these Indian children.

Please understand that nothing in any of these bills has to do with the help or assistance of white children, except that they are overcrowded by Indian enrollment. All of these bills are important in the matter of providing proper educational facilities for Indian children since the Indian schools were suspended. In all of the instances which these bills are designed to reach, it has been the policy of the Indian Office to suspend their schools and provide for the education of the Indian children in the public schools of the State. This policy has been in progress for some time, and where practiced it has produced very satisfactory results and has been adopted as the general policy of the Indian Office where it can adopt such policy.

I am glad to say to the House that there is no race prejudice existing in the school districts of the public schools affected by these bills. The school boards in every instance have had full and complete cooperation with the white patrons of the schools and no protest is made by the white children or the parents of the white children with reference to Indian children attending the public State schools. That is a remarkable cooperation on the part of the trustees and the white patrons and is an advantage for the Indian children that the proponents of all of these bills are trying to perpetuate. In fact, the various State public schools have displayed a very commendable spirit of cooperation with the Indian Office in putting this policy into general operation.

The Indian Department pays tuition for the Indian children, which is designed to meet the expenses of teachers' salaries and other ministerial overhead expense, but according to facts gathered from some of the schools where the Indian children are permitted to attend, this tuition only pays about 85 percent of such ministerial overhead expense. The school districts are willing to waive that deficit if they can be helped by the Government in furnishing the additional quarters necessary for the increased enrollment caused by shifting the Indian children from the Indian schools to the public schools. That is the purpose of these bills.

Mr. Speaker, I am sure the House will understand that this increased enrollment caused by the Indian children being transferred to the public schools is not taken care of by State apportionments of school moneys and that the lands upon which these Indian children live is not subject to taxation—it, being reservation land, is not subject to State or other taxes. Because of this fact the districts are hard-pressed to provide additional buildings and facilities for the increased Indian attendance.

As a matter of fact, all of the schools involved in these bills are overcrowded to the extent that they are inadequate and unfit to handle the additional enrollment; however, every district in the cases involved have gone their absolute limit in providing and attempting to provide adequate quarters. Some of them have even gone so far that they have jeopardized their own outstanding bonds.

Because of the importance of these bills and the seriousness of the situation, a special subcommittee was appointed to consider them and to endeavor to expedite their approval. This subcommittee has consulted with the Indian Office, and the Commissioner of Indian Affairs has openly, before the entire Indian Affairs Committee of the House, approved of these bills and assured us that they were in accord with the educational policy of the Indian Office. The Secretary of the Interior has approved of the plan. As a matter of fact, it is by reason of the action of these officers in their educational program that these bills become necessary.

The position of the Secretary of the Interior is illustrated by a few excerpts from letters which he wrote to the House Committee on Indian Affairs in response to its request for his views upon these measures. I shall quote only briefly from some of his letters which are typical of others:

It is quite apparent that a good central school building is required for this district and that use of the old log building should be discontinued. As a majority of the pupils will be Indian children, a contribution by the Federal Government of one half the cost of construction appears clearly justified when the condition of the Federal Treasury will permit such an appropriation.

From the foregoing brief summary of the facts it is evident that this public-school district is confronted with a peculiarly Indian problem, inasmuch as about 90 percent of the acreage of the district consists of nontaxable Indian land, whether used by Indian allottees or by white or Japanese lessees, and more than half of the school enrollment and attendance is Indian.

Because of the lack of space at Marysville itself and crowded conditions there, it has been necessary to make over part of the old boarding-school plant and to transport public-school pupils, both white and Indian. This is a very necessary school. The district reports that its bonded indebtedness has reached the limit allowed by State law and that it is unable to finance the necessary construction. It is desired to build an addition to the present plant to provide perhaps six classrooms and thus enable the school better to conduct both its elementary and high-school work. The need of this additional space has been brought to the attention of the Indian Office in reports from field officials who have recommended that Government assistance be thus extended.

Mr. Speaker, the only stumbling block in any of the departments that the subcommittee or the whole committee have found is that the Secretary says that the Director of the Budget stated that the proposed expenditures were not in accord with the financial program of the President.

The subcommittee and the entire Indian Affairs Committee of the House were faced with the situation as illustrated, and both the Subcommittee and the Committee on Indian Affairs reported these unanimously for passage. They felt that the Secretary of the Interior and the Commissioner of Indian Affairs were fully aware of the actualities in the various school districts and more sympathetically alive to the human side of the case and to the educational problems facing the Indian children than was the Bureau of the Budget, and not a dissenting voice was raised against any of these measures.

The SPEAKER pro tempore. The only objection to considering all of these bills en bloc is that there are not similar Senate bills. They cannot therefore be considered en bloc.

Mr. SINCLAIR. They have not all been passed by the Senate, however.

The SPEAKER pro tempore. The Chair would have to be definitely informed as to the similarity of the bills.

Mr. JENKINS of Ohio. Then I understand the bills are not similar?

The SPEAKER pro tempore. The Chair understands that they are, but the Chair has no definite information.

Mr. JENKINS of Ohio. What is the information as to how many of them have passed the Senate?

The SPEAKER pro tempore. The Chair understands that seven bills similar to the ones on the calendar have passed the Senate.

Mr. AYERS of Montana. Eight of these bills have passed the Senate; that is, eight companion bills have passed the Senate, and therefore it would be impossible to omnibus this list of 13 bills and consider them as one. Each bill authorizes a different sum and for different school districts.

Mr. JENKINS of Ohio. It is apparent that we cannot save time at this juncture, and therefore I will withdraw my reservation of objection.

Mr. TRUAX. Mr. Speaker, reserving the right to object, there are 10 of these bills that appropriate the sum of $511,000—more than a half million dollars.

Mr. GOSS. Will the gentleman yield?

Mr. TRUAX. I yield.

Mr. GOSS. Is it not true that it is an authorization and not an appropriation?

Mr. TRUAX. Yes; but that means an appropriation, does it not?

Mr. GOSS. Oh, no.

Mr. TRUAX. Well the point I raise is: What are we going to do for our schools in the rest of the States, where they are in distress right now? In the State of Ohio we are faced with a deficit of some $70,000,000 and no means have been provided for raising the revenue. The legislature is not in session. Are we to authorize an appropriation today of more than a half million dollars for these Indian schools in the northwestern territory and do nothing for the schools back in our States that will soon have to close?

Mr. SINCLAIR. Will the gentleman yield?

Mr. TRUAX. I yield.

Mr. SINCLAIR. The schools in Ohio at least have the ability of taxing the lands and property adjacent to the schools.

Mr. TRUAX. No; they have not, because they are taxed to death now.

Mr. SINCLAIR. But they have the power of taxation just the same.

Mr. TRUAX. But that does not raise money.

Mr. SINCLAIR. The lands connected with these schools are held in reserve by the Government for the Indians and are not subject to taxation, yet all the expense of educating these children is borne by the local community.

Mr. TRUAX. We have the power to tax public utilities and wealth, but we do not do it, because the Governor will not do it and the legislature will not do it.

Mr. SINCLAIR. Why do you not do it? You have the right.

Mr. AYERS of Montana. Will the gentleman yield?

Mr. TRUAX. I yield.

Mr. AYERS of Montana. Permit me to say to the gentleman that the situation is as follows: The Department has abandoned and closed the Indian schools in these instances and that has forced the Indian pupil into the State schools. That action has made the condition which we are seeking to relieve by these measures.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. JENKINS of Ohio. Mr. Speaker, I object.

PUBLIC SCHOOL, BROCKTON, MONT.

The Clerk called the next bill, H.R. 7146, to provide funds for the cooperation with the school board at Brockton, Mont., in the extension of the public-school building at that place to be available to Indian children of the Fort Peck Indian Reservation.

Mr. JENKINS of Ohio. Mr. Speaker, I object.

Mr. AYERS of Montana. Mr. Speaker, will the gentleman withhold his objection?

Mr. CARTER of California. Mr. Speaker, I demand the regular order.

Mr. JENKINS of Ohio. Mr. Speaker, I object.

MARYSVILLE SCHOOL DISTRICT, SNOHOMISH COUNTY, WASH.

The Clerk called the next bill, H.R. 7412, to provide funds for cooperation with Marysville School District, No. 325, Snohomish County, Wash., for extension of public-school buildings to be available for Indian children.

Mr. JENKINS of Ohio. Mr. Speaker, reserving the right to object, and I expect to object if we cannot clarify this situation, I think we should adopt some sort of a policy on these bills. There are more than 10 of them, and they are all just alike. They call for an enormous expenditure of money. In passing these bills the Federal Government puts itself on record by spending nearly three quarters of a million dollars for public schools for the Indians without any occasion for it; it is not at all necessary.

I am perfectly willing that all these bills be passed over without prejudice to the next call of the Consent Calendar.

Mr. AYERS of Montana. Mr. Speaker, will the gentleman withhold his objection?

Mr. JENKINS of Ohio. Mr. Speaker, I object.

PUBLIC SCHOOL, WOLF POINT, MONT.

The Clerk called the next bill, H.R. 6469, for expenditure of funds or cooperation with the public-school board at Wolf Point, Mont., in the construction or improvement of a public building to be available to Indian children of the Fort Peck Indian Reservation, Mont.

Mr. JENKINS of Ohio. Mr. Speaker, I object.

PUBLIC SCHOOL, BIG HORN COUNTY, MONT.

The Clerk called the next bill, H.R. 8342, to provide funds for cooperation with school district no. 27, Big Horn County, Mont., for extension of public-school buildings, to be available to Indian children.

Mr. JENKINS of Ohio. Mr. Speaker, I object.

PUBLIC SCHOOL, POPLAR, MONT.

The Clerk called the next bill, H.R. 5946, for expenditure of funds for cooperation with the public-school board at Poplar, Mont., in the construction or improvement of a public building to be available to Indian children of the Fort Peck Indian Reservation, Mont.

Mr. BAKEWELL. Mr. Speaker, I object.

PUBLIC SCHOOL, QUEETS, WASH.

The Clerk called the next bill, H.R. 4864, to provide funds for cooperation with the school board at Queets, Wash., in the construction of a public-school building to be available to Indian children of the village of Queets, Jefferson County, Wash.

Mr. ZIONCHECK. Mr. Speaker, reserving the right to object, I should like to find out from the gentleman from Ohio just what it is he wants. It seems to me there is a general doubt and fog in the minds of everybody as to what the gentleman wants. If there is any clearing up to be done, it seems to be necessary on the other side.

Mr. JENKINS of Ohio. I understand that the Department is not in favor of these bills; these bills do not have the endorsement of the Department. In addition to that several gentlemen alongside of me have indicated they would object on account of the expenditures involved. I think if one of these bills is passed that all of them should be passed.

I have already stated that we are called upon in these bills to make an enormous expenditure of money for the Indian children when every State in the Union is confronted with the situation of not having adequate funds to educate the white children.

The Department objects to these bills on the ground that the plan is too expensive and costly.

Mr. AYERS of Montana. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes on the subject of these bills.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. AYERS of Montana. Mr. Speaker, I desire to say to the Members of the House that the Secretary of the Interior and the Commissioner of Indian Affairs have approved all of these bills. The only qualification is a clause at the end of their letters of approval, saying that this is not in accord with the program of the Bureau of the Budget; that is all.

The Committee on Indian Affairs appointed a special committee to consider these bills. Each one of them has been considered by this committee, and the history of the situation has been obtained in each one of these school districts. We found in each instance that the Secretary of the Interior has said the bill is meritorious. The officers in charge of Indian education in the Indian Bureau have made a report in some of these cases. I shall read you a sample of their recommendation in the case of the public school at Wolf Point. In their report on that school, made as far back as last November, they said:

> There is no question of the obligation of the Government—the attendance of Indian children has greatly increased at Wolf Point in the past 3 or 4 years—$50,000 is not too much with the future in view. I heartily recommend favorable action on the proposal of Superintendent Livingston if at all possible. Immediate action should be taken.

In other cases with which I am personally familiar will say that at Brockton on the Fort Peck Reservation 40 percent of the present enrollment are Indian children; at Poplar on the same reservation more than 60 percent of the present enrollment are Indian children; at Frazer on the same reservation 42 percent of the present enrollment are Indian children, and in this instance the school census, which is taken on children from 1 to 6 years of age and not yet enrolled, shows that next year this school will have a 52-percent Indian enrollment; at the agency on the Crow Reservation one third of the enrollment is Indian; and at Lodge Grass on the same reservation the Indian enrollment is over 36 percent.

In all of these instances the increased Indian enrollment has overcrowded these schools, and now is this Congress going to say to these State schools that they will have to provide educational buildings, without any help from the Government, to educate the wards of the Government, while at the same time each district is foregoing approximately 15 percent of the expense of teachers and other ministerial overhead?

In many instances the school districts absolutely cannot provide building facilities. They are already bonded to the limit, and someone will have to be excluded next year because of lack of housing facilities; and surely, under the circumstances, it will be the Indian children unless we can have the relief asked for by these measures.

Mr. JENKINS of Ohio. But the point is that the Department says it is contrary to the policy inaugurated by the Director of the Budget, and contrary to the financial plan of the President.

Now, if you gentlemen on that side of the aisle want to spend money when the President does not want you to, that is up to you; but as for me, I shall follow the President in this.

Mr. AYERS of Montana. If we cannot get it through the Appropriations Committee, well and good; however, we will take our chance there. These Indian children have to be educated, and we are doing the best we can. For instance, I know by personal observation that both the white and Indian children are being taught, as at Brockton, Mont., in improvised buildings. Now, if Congress does not help in such instances, many will be kept out of school next year, and I am afraid it will be the Indian children who are living upon property not upon the tax rolls; therefore, I hope you will understand that I am speaking for the Indian children in such instance, and I am speaking first-hand, and in such instance I believe I am qualified to speak. These Indian children must be taken care of, and it is they for whom I am pleading today. I feel that if these bills are passed we will be able to have the Bureau of the Budget look at the humane and just side of it and include these improvements in the Budget.

Mr. JENKINS of Ohio. Allow the bills to be passed over without prejudice until the next call of the Consent Calendar and we shall be pleased to make an investigation and go into the matter.

Mr. TRUAX. How many children are involved?

Mr. AYERS of Montana. I do not have it calculated as a total for all but I can give it in each instance, and then it is simply a matter of totaling.

Mr. JENKINS of Ohio. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. LEA] be allowed to proceed for 2 minutes to explain a further phase of this situation.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. LEA of California. Mr. Speaker, I do not care for 5 minutes, or even for 2 minutes. I simply desire to call the attention to the fact that what is proposed here is a substitute school plan to take care of the Indian children. At the present time they are educated largely in boarding schools which are maintained by the Government at great expense. Attendance of the Indian children at these schools necessitates taking them far from their homes.

Under the plan here proposed Indian children would be educated in cooperation with the white schools near their homes, and they would receive better education. This plan would save a great deal of money to the Government that it has been spending on the Indian boarding schools remote from the homes of the Indian children. If the Government's financial participation is properly protected, this plan should produce more for the money than the policy heretofore followed by the Federal Government. I believe it is a humane and intelligent plan for the Government to adopt in taking care of the Indian education problem.

Mr. JENKINS of Ohio. Does the gentleman see any hardship in passing it over until we have time to study the matter further? We will have another call of this calendar.

Mr. LEA of California. Delay for a short time will be no hardship unless it will defeat action at this session of the Congress.

Mr. JENKINS of Ohio. We will have another calendar call.

Mr. MOTT. Will the gentleman yield?

Mr. LEA of California. I yield to the gentleman from Oregon.

Mr. MOTT. Do these bills relate to nonreservation Indian boarding schools?

Mr. LEA of California. Not entirely. They are to take care of the resident Indians in connection with the public schools.

Mr. MOTT. Are they on reservations?

Mr. LEA of California. No; not necessarily. Some will serve reservation Indians.

Mr. MOTT. Are these bills introduced pursuant to the authorization in a bill passed here some time ago, of which the gentleman from Connecticut [Mr. MALONEY] was the author?

Mr. LEA of California. These bills are separate and they stand largely on the recommendation of the Department of the Interior and the Commissioner of Indian Affairs, who have proposed this plan as a better policy for taking care of the Federal Government's problem in connect with the schooling of Indian children.

[Here the gavel fell.]

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent that these bills be the first bills to be considered upon Monday, a week from now.

The SPEAKER pro tempore. Without objection, it is so ordered.

Mr. JENKINS of Ohio. Mr. Speaker, reserving the right to object, I rise to make the observation that the gentleman's request will probably conflict with a lot of things the leader might want to bring up, if this matter comes up next Monday week. We will have a call of the Consent Calendar before that time. I should like to have the gentleman modify his request so that it will come up at the next call of the Consent Calendar. We may have a calendar call before next Monday week.

The SPEAKER pro tempore. Consent has already been given for next Monday.

Mr. BLANTON. No. I object, Mr. Speaker; I thought it was a week from next Monday that the gentleman requested. His request was not understood; there was so much confusion.

The SPEAKER pro tempore. The gentleman's objection comes too late unless he asks unanimous consent to return to the prior action of the House.

Mr. BLANTON. Mr. Speaker, I move that we reconsider that action.

Mr. BYRNS. Mr. Speaker, the request of the gentleman from Washington is absolutely doing away with District day. The District legislation is entitled to some consideration and we have promised the District Committee that we will give consideration to District bills next Monday.

Mr. BLANTON. Mr. Speaker, I move to reconsider the request of the gentleman from Washington. This is a matter that ought not to have been concluded without consulting the majority leader. It may interfere with his plans.

The SPEAKER pro tempore. In view of the apparent confusion and misunderstanding as to the possible Monday that was meant, the Chair will return to the request of the gentleman from Washington.

Mr. BLANTON. Mr. Speaker, I object to the request, if it is for a week from today.

Mr. JENKINS of Ohio. Mr. Speaker, I rise to object to the arbitrary action of the Chair in returning, upon his own initiative, to the gentleman's request; and I may say that if the Speaker had been absolutely fair a while ago, we would not be in this dilemma.

Mr. BLANTON. He is one of the fairest young Speakers we have ever had.

The SPEAKER pro tempore. The Chair was merely trying to follow the wishes of the House in making such decision.

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent that the bills referred to be the first bills considered on the next Consent Calendar day.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

Mr. GLOVER. I object.

THE NATIONAL GUARD IN THE AMERICAN MILITARY DEFENSE SYSTEM

Mr. COLLINS of Mississippi. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. COLLINS of Mississippi. Mr. Speaker, under leave to extend my remarks in the RECORD I include the following speech, delivered by myself at national meeting of National Guard of the United States held in Chicago, Ill., September 1933:

It is, indeed, a very great pleasure and a rare privilege to address this body of citizen soldiers who play such an important role in our military defense. It has been an inspiration to me to observe the progress of the National Guard over the past few years, and it has always been a pleasure to help promote that progress. It has also been a pleasure to sit around the table with your representatives and discuss your requirements with General Leach, your most able chief of bureau.

Last year our committee recommended every dollar the representatives of your association asked for the fiscal year 1934 and allowed $2,200,000 additional for armory drills and for the full conduct of the June camps this year. Much of the money appropriated has been taken away from you because of Executive restrictions and limitations. The fact that you are meeting the situation so courageously is to the everlasting credit of the National Guard.

The reduction in the number of pay drills from 48 to 36 is unfortunate and should be corrected.

I was pleased to see the National Guard bill, in which I was deeply interested and to which I gave considerable study, enacted into law in June. It fixes your status more satisfactorily than you have heretofore enjoyed and preserves the identity of your organization. The guard should have the independence and initiative intended by the Constitution and should not be restricted and curbed by the Regular Army, as was done in the National Defense Act.

I am informed that this summer's camps were the best ever held in the history of the National Guard. Your association urged that these camps should be operated at full capacity and this advice was followed. Your excellent judgment has been borne out by the results, and I know that this is a source of satisfaction to you.

I do not like the idea of executive departments making appropriations for regular governmental activities, but since this is the order of the day I hope that the National Guard construction program, on the basis of the $5,000,000 on which you have estimated, will be allowed. You have a building program which will practically complete your camp installations. Now, that the War Department has received its allotment of funds, it may be that the National Guard will come in for its modest share.

Last year your chief of bureau came to our committee with a proposition to motorize the light field artillery of the National Guard. Today about half of the light field artillery of the Guard has been motorized. Motorization of the field artillery is the big step forward in the program of military defense since the World War. I always like to dwell on the topic of modernization of armies and its relation to military defense.

It is a truism that every war is different from the one for which the so-called "experts" prepare. The war the generals always get ready for is the previous war. In commenting on this statement a leading authority denies its correctness. The war, he states, that the General Staff prepares for is, unfortunately, not even the last war, but the one before the last.

The truth of this observation is borne out by the conditions previous to the World War. Then preparations based on previous wars were in progress. Certain developments could easily have been foreshadowed, but these were totally ignored. The paralyzing effect of gunfire, the hopelessness of frontal attacks, the consequent development of enormous trench systems, of grenades, and of high-explosive shells; all these developments were ignored in the pre-war preparations.

Obsolete and ill-advised methods of preparation for war, some of us hope to eliminate. We have been making progress at a snaillike pace. In the face of these facts must we be blamed for insisting on innovations? Must we be abused for demanding the discontinuance of useless weapons and meaningless methods? Is it not the sane and safe policy to insist that we profit by our war experience?

The same drill, the same system of marksmanship and musketry based on the rifle, the same divisional organization of the Infantry troops, and the same insistence on mere numbers are still with us. In fact, we are confronted by almost the whole pre-war system in our present-day Army system.

France has an enormous number of men under its conscript system. Germany, in comparison with France, has an army small in numbers. Yet France fears attack from Germany. France argues, and rightly so, that it is not numbers, but the potential power of a nation that counts; that Germany, a scientific nation is potentially stronger than the man-power army of France.

Yet, we in the United States generally use the French system as a basis of comparison. In developing our defensive military power we have neglected our potential strength. We have ignored the fact that we are the greatest scientific and industrial nation in the world. We are not planning for the use of armored fighting vehicles, but rather for the sending into battle of unprotected men fighting on foot or horseback. We have not, and are not now, making use of our scientific and industrial preeminence in equipping our Army.

It is with this idea in mind that I have urged the motorization and mechanization of our military forces. I have insisted that as we are the greatest scientific and industrial Nation our military defensive should feel the influence of this scientific and industrial leadership. Military conservatism has too long been allowed to retain masses of slow-moving, slow-shooting, expensively

massed troops. These antiques must yield to motorized and mechanized forces.

The substitution of motor-propelled vehicles for animal-drawn ones in the supply echelons of all branches of the Army; the substitution of automotive transport for foot movements; and the application of mechanics directly to the combat soldier on the battlefield must be our immediate objective.

It is obvious that motorization and mechanization have revolutionized warfare. The purpose of the mechanized force is to provide a powerful, fast-moving weapon, capable of wide maneuverability, which combines fire-power, speed, and shock to a much greater degree than now exists in the older arms. It is ideally organized for mobility and surprise. It is simply the substitution of the 2½-mile-per-hour infantry masses and the 6-mile-per-hour cavalry by a fast-moving armored force capable of striking suddenly and quickly, and by means of its extreme mobility repeating its blow from another direction.

Obviously, as mechanization develops, the whole Army reorganization will have to be considered, since the old-fashioned foot soldier is helpless against tanks working in cooperation with an air squadron. But, I regret to state that, in spite of these modern developments, the necessary changes are not being made. Our Army is limited, properly and necessarily, by the amount of money authorized for it by Congress. But, of the sum available, comparatively little goes for modern equipment. The military authorities determine how the sum available to them can best be spent to insure national safety. Yet, when we realize that the large percentage of the money appropriated is for personnel to almost the total neglect of mechanized equipment, and when we see money used on the transient training of high-school boys and drill-ground maneuvers and single-shot rifles, we are somewhat shaken in the belief in the good judgment of our General Staff.

In all this the National Guard has a valuable contribution to make to the national defense of this country. Obviously, the professional soldier has difficulty adjusting himself to the changing conditions and the new methods even within his own field. The mind is not easily adjusted. It seems to me that the citizen-soldier could make up for this defect of the professional soldier. It should be the task of the members of the National Guard to acquaint themselves with modern methods of defense and your organization act as a clearing house for information on all matters pertaining to defense and reorganization.

More than that, the National Guard itself should act as a group for experimentation. Experiments applied by the National Guard in the light of the latest available information on problems of warfare would obviate the necessity of making costly experiments on the field of battle.

Another factor should be taken into consideration in connection with this problem of modernization. The military policy of this Nation has as its basis the National Defense Act. This act was written at a time before the lessons of the World War could be learned. It is based on the idea of mere numbers and has not been influenced by the modern developments in warfare. The military policy of this country should be written into another defense act so that the policy of this Nation may be based, not on personnel, but on a proper balance between personnel and matériel. If the military leaders were alive to our lack of matériel as are those of the other highly scientific and industrial countries of the world, we would cast aside the National Defense Acts of 1916 and 1920 with their emphasis on personnel, and write a new defense act in keeping with recent developments in military science.

I am convinced that motorization and mechanization are essential to our national defense. Consequently, General Leach had little difficulty in convincing me that the National Guard should be motorized.

I cannot let this occasion pass without paying tribute to your chief. In this respect I desire to quote from a statement I made in Congress during the heat of debate when the Army appropriation bill was under consideration:

"General Leach is a Republican, appointed by a Republican President. I will say this to his everlasting credit: That he is a gentleman and a high-class soldier. He is trying to administer the National Guard in an economical manner, and is actually doing it. Notwithstanding the fact that he is a Republican, I should like to see the Democratic President-elect, Franklin D. Roosevelt, reappoint him to the position he now holds, because he is the best Chief of the Militia Bureau that I have ever known."

Gentlemen, I congratulate you on having in your organization so many forward-looking officers. It has been my privilege to know many of them. Such outstanding men as compose the membership of your legislative committee and many others I would name I constantly seek out for advice and help on military matters. It has been my pleasure to work with these men during the past years, and I have no hesitancy in stating that sincerity, straightforwardness, and open-mindedness of these and many other of your officers has made my work a real pleasure. I trust you realize how fortunate you are in having an organization officered by such able men.

I congratulate you on having a chief of bureau of the caliber of General Leach. And, finally, I congratulate you on your success in building this organization along correct lines and I wish you all the satisfaction that comes from the consciousness of successful achievement.

PUBLIC HIGH SCHOOL AT FRAZER, MONT.

The Clerk called the next bill, H.R. 5747, to authorize appropriations for the completion of the public high school at Frazer, Mont.

Mr. JENKINS of Ohio. Mr. Speaker, I object.

PUBLIC SCHOOL, BIG HORN, MONT.

The Clerk called the next bill, H.R. 8346, to provide funds for cooperation with school district no. 17-H, Big Horn County, Mont., for extension of public-school buildings to be available to Indian children.

Mr. CARTER of California. Mr. Speaker, I object.

PUBLIC SCHOOL, COVELO, CALIF.

The Clerk called the next bill, H.R. 8906, to provide funds for cooperation with the public-school board at Covelo, Calif., in the construction of public-school buildings to be available to Indian children of the Round Valley Reservation, Calif.

Mr. JENKINS of Ohio. Mr. Speaker, reserving the right to object, may I say that my objection to this bill will be the same as to the others. I hope that when we call the calendar again we may be able to work out something to the advantage of the Indian school children. Mr. Speaker, I object.

COMPENSATION OF LETTER CARRIERS

The Clerk called the next bill, H.R. 9595, to increase the compensation of letter carriers in the village delivery service.

Mr. TRUAX. Mr. Speaker, reserving the right to object, may I ask if this bill has been approved by the Postmaster General?

Mr. TERRELL of Texas. The original bill with higher salaries was not approved by the Department, but this bill reduces the salaries, and I have heard no objection to it.

Mr. TRUAX. Meets whose approval?

Mr. TERRELL of Texas. It meets with the approval of the Post Office Department, I presume, as no objections have been registered against it, since it was amended.

Mr. TRUAX. I asked the gentleman whether it had been approved by the Postmaster General.

Mr. TERRELL of Texas. It was not approved by the Post Office Department in its original form, but no objection has been raised since it was amended.

Mr. TRUAX. It has not been approved by the Postmaster General?

Mr. TERRELL of Texas. His employees were sent before the committee and the subcommittee unanimously agreed to this report, and no objection was urged against it at that time.

Mr. Speaker, this bill merely increases the salaries of the village mail carriers, adding $250 to each salary.

The salaries now are $1,150, $1,250, and $1,350. They are increased by adding $250 to each salary, making the salaries $1,400, $1,500, and $1,600. This is a very small salary for these men who are doing practicaly the same work as the city carriers. The city carriers receive salaries ranging from $1,700 to $2,100.

This is a fair bill and these men ought to have these salaries.

Mr. TRUAX. What is the gentleman's definition of a village—how much population?

Mr. TERRELL of Texas. I do not know whether the statutes mention the population or not, but I believe a village has a population under 2,500.

Mr. TRUAX. I am not objecting to the bill and withdraw my reservation of objection.

Mr. MARTIN of Massachusetts. Regular order, Mr. Speaker.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 10 of the act entitled "An act reclassifying the salaries of postmasters and employees of the Postal Service, readjusting their salaries and compensation on an equitable basis, increasing postal rates to provide for such readjustment, and for other purposes", approved February 28, 1925 (U.S.C., title 39, sec. 106), is amended to read as follows:

"SEC. 10. Carriers in the village delivery service shall be graded with salaries for each grade, as follows: First grade, $1,400; second grade, $1,500; third grade, $1,600. That in the readjustment of salaries of letter carriers in the village delivery service to conform to the grades herein provided, village carriers who have served as such for 2 years or more shall be placed in grade 3; village carriers who have served for 1 but less than 2 years shall be placed in grade 2; and village carriers when they receive their regular appointments shall be placed in grade 1. In determining the aggregate period of service upon which promotions are to be based, all time served as letter carrier in the village delivery service is to be included: *Provided*, That hereafter substitute carriers in the village delivery service when appointed regular carriers shall have credit for actual time served on a basis of 1 year for each 306 days of 8 hours served as substitute, and appointed to the grade to which such carrier would have progressed had his original appointment as substitute been to grade 1: *Provided further*, That letter carriers in the village delivery service shall be promoted successively after 1 year's satisfactory service in each grade to the next higher grade until they reach the third grade. All promotions shall be made at the beginning of the quarter following 1 year's satisfactory service in the grade. The pay of substitute letter carriers in the village delivery service shall be at the rate of 65 cents per hour."

SEC. 2. This act shall take effect on July 1, 1934.

With the following committee amendment:

Page 2, line 24, strike out "65" and insert in lieu thereof "55."

The amendment was agreed to; and the bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDMENT OF THE SAN CARLOS ACT

The Clerk called the next bill, H.R. 8938, to amend the act of Congress approved June 7, 1924, commonly called the "San Carlos Act" and acts supplementary thereto.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act of Congress approved June 7, 1924 (43 Stat.L. 475, 476), commonly called the "San Carlos Act", and acts supplementary thereto, including the act of Congress approved March 7, 1928 (45 Stat.L. 210–212), and acts supplementary thereto, be, and the same are hereby, amended so as to provide that the construction cost of the San Carlos project, including the cost of the power development at the Coolidge Dam and the transmission line or lines shall be repaid without interest, and that part thereof to be paid on account of the lands in public or private ownership shall be repaid in 40 equal annual installments beginning on December 1, 1935, the date fixed by the public notice heretofore issued by the Secretary of the Interior. The Secretary of the Interior, with the consent of the San Carlos irrigation and drainage district, is hereby authorized to modify the existing repayment contract in accordance herewith.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NAVAJO INDIAN RESERVATION

The Clerk called the next bill, H.R. 8927, to define the exterior boundaries of the Navajo Indian Reservation in Arizona, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the exterior boundaries of the Navajo Indian Reservation, in Arizona, be, and they are hereby, defined as follows: Beginning at a point common to the States of Arizona, New Mexico, Colorado, and Utah, thence west along the boundary line between the States of Arizona and Utah to a point where said boundary line intersects the Colorado River; thence down the south bank of that stream to its confluence with the Little Colorado River; thence following the north bank of the Little Colorado River to a point opposite the east boundary of the Grand Canyon National Park; thence south along said east boundary to the southeast corner of section 5, township 30 north, range 6 east, Gila and Salt River base and meridian, Arizona; thence east to the southeast corner of section 4; thence south to the southwest corner of section 10; thence east to the southeast corner of section 10; thence south to the southwest corner of section 14; thence east to the northwest corner of the northeast quarter section 23; thence south 2 miles to the southeast corner of the southwest quarter section 26; thence west one half mile to the southeast corner of section 27, township 30 north, range 6 east, Gila and Salt River base and meridian, Arizona; thence south 7 miles to the southwest corner of section 35, township 29 north, range 6 east; thence east 1 mile; thence south 1½ miles to the southwest corner of the northwest quarter section 12, township 28 north, range 6 east; thence east through the center of section 12 to the range line between ranges 6 and 7 east; thence south along said range line 5½ miles to the southeast corner of section 1, township 27 north, range 6 east; thence west 3 miles to the southwest corner of section 3, township 27 north, range 6 east; thence south 5 miles to the southeast corner of section 33, township 27 north, range 6 east; thence east along township line between townships 26 and 27, 6½ miles, to the northeast corner of the northwest quarter section 3, township 26 north, range 7 east; thence south 2 miles to the southeast corner of the southwest quarter section 10, township 26 north, range 7 east; thence east 4½ miles to the southeast corner of section 8, township 26 north, range 8 east; thence north 4 miles to the northwest corner of section 28, township 27, north, range 8 east, Gila and Salt River base and meridian; thence east 1 mile to the southeast corner of section 21; hence north 4 miles to the northeast corner of section 4, township 27 north, range 8 east, thence east along township line between townships 27 and 28 north to its intersection with the Little Colorado River; thence up the middle of that stream to the intersection of the present west boundary of the Leupp Extension Reservation created by Executive order of November 14, 1901; thence south along the present western boundary of said extension to where it intersects the fifth standard parallel north; thence east along said standard parallel to the southwest corner of township 21 north, range 26 east, Gila and Salt River base and meridian; thence north six miles to the northwest corner of township 21 north, range 26 east; thence east 12 miles to the northeast corner of township 21 north, range 27 east; thence south 2 miles; thence east 12 miles; thence south 4 miles; thence east along the township line between townships 20 and 21 north to the boundary line between the States of New Mexico and Arizona; thence north along said boundary line to the point of beginning. All vacant, unreserved, and unappropriated public lands, including all temporary withdrawals of public lands in Arizona heretofore made for Indian purposes by Executive order or otherwise within the boundaries defined by this act, are hereby permanently withdrawn from all forms of entry or disposal for the benefit of the Navajo and such other Indians as may already be located thereon; however, nothing herein contained shall affect the existing status of the Moqui (Hopi) Indian Reservation created by Executive order of December 16, 1882. There are hereby excluded from the reservation as above defined all lands heretofore designated by the Secretary of the Interior pursuant to section 28 of the Arizona Enabling Act of June 20, 1910 (36 Stat.L. 575), as being valuable for water-power purposes and all lands withdrawn or classified as power-site lands, saving to the Indians, nevertheless, the exclusive right to occupy and use such designated and classified lands until they shall be required for power purposes or other uses under the authority of the United States: *Provided*, That nothing in this act contained shall be construed as authorizing the payment of proceeds or royalties to the Navajo Indians from water power developed within or adjacent to the boundaries defined by this act; and the Federal Water Power Act of June 10, 1920 (41 Stat.L. 1063), and amendments thereto, shall operate for the benefit of the State of Arizona as if such lands were vacant, unreserved, and unappropriated public lands. All valid rights and claims initiated under the public land laws prior to approval hereof involving any lands within the areas so defined, shall not be affected by this act.

SEC. 2. The Secretary of the Interior is hereby authorized in his discretion, under rules and regulations to be prescribed by him, to accept relinquishments and reconveyances to the United States of such privately owned lands, as in his opinion are desirable for and should be reserved for the use and benefit of the Navajo Tribe of Indians, including patented and nonpatented Indian allotments and selections, within the counties of Apache, Navajo, and Coconino, Ariz.; and any Indian so relinquishing his or her right shall be entitled to make lieu selections within the areas consolidated for Indian purposes by this act. Upon conveyance to the United States of a good and sufficient title to any such privately owned land, except Indian allotments and selections, the owners thereof, or their assigns, are hereby authorized, under regulations of the Secretary of the Interior, to select from the unappropriated, unreserved, and nonmineral public lands of the United States within said counties in the State of Arizona lands approximately equal in value to the lands thus conveyed, and where surrendered lands contain springs or living waters, selection of other lands taken in lieu thereof may be of like character or quality, such values to be determined by the Secretary of the Interior, who is hereby authorized to issue patents for the lieu lands so selected. In all selections of lieu lands under section 2 of this act notice to any interested party shall be by publication. Any privately owned lands relinquished to the United States under section 2 of this act shall be held in trust for the Navajo Tribe of Indians; and relinquishments in Navajo County, Ariz., excluding Indian allotments and selections, shall not extend south of the township line between townships 20 and 21 north, Gila and Salt River base and meridian. The State of Arizona may relinquish such tracts of school land within the boundary of the Navajo Reservation, as defined by section 1 of this act, as it may see fit in favor of said Indians, and shall have the right to select other unreserved and nonmineral public lands contiguous or noncontiguous, located within the three counties involved equal in value to that relinquished, said lieu selections to be made in the same manner as is provided for in the Arizona Enabling Act of June 20, 1910 (36 Stat.L. 558), except as to the payment of fees or commissions which are hereby waived.

Pending the completion of exchanges and consolidations authorized by section 2 of this act, no further allotments of public lands to Navajo Indians shall be made in the counties of Apache, Navajo, and Coconino, Ariz., nor shall further Indian homesteads be initiated or allowed in said counties to Navajo Indians under the act of July 4, 1884 (23 Stat.L. 96); and thereafter should allotments to Navajo Indians be made within the above-named counties, they shall be confined to land within the boundaries defined by section 1 of this act.

SEC. 3. Upon the completion of exchanges and consolidations authorized by section 2 of this act, the State of Arizona may, under rules and regulations to be prescribed by the Secretary of the Interior, relinquish to the United States such of its remaining school lands in Coconino, Navajo, and Apache Counties as it may see fit; and shall have the right to select from the vacant, unreserved, and nonmineral public lands in said counties lieu lands equal in value to those relinquished without the payment of fees or commissions.

SEC. 4. For the purpose of purchasing privately owned lands, together with the improvements thereon, within the boundaries above defined, there is hereby authorized to be appropriated, from any funds in the Treasury not otherwise appropriated, the sum of $481,879.38, which sum shall remain available until expended: *Provided*, That title to the land so purchased may, in the discretion of the Secretary of the Interior, be taken for the surface only: *Provided further*, That said funds may be used in purchasing improvements on any land within said boundaries or on leased State school land within the boundaries above defined, provided the State of Arizona agrees to the assignment of said leases to the Navajo Tribe of Indians on a renewable and preferential basis, and provided the legislature of said State enacts such laws as may be necessary to avail itself of the exchange provisions contained in section 2 of this act, and disclaim any right, title, or interest in and to any improvements on said lands.

With the following committee amendments:

Page 3, line 11, strike out the word "hence" and insert in lieu thereof the word "thence."

Page 5, lines 1 and 2, strike out "or adjacent to the boundaries defined by this act" and insert in lieu thereof "the areas added to the Navajo Reservation pursuant to section 1 of this act."

Page 8, after the word "sum", in line 2, insert "shall be reimbursable from funds accruing to the Navajo tribal funds as and when such funds accrue and."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

BRIDGE ACROSS PUGET SOUND, WASH.

The Clerk called the next bill, H.R. 9530, granting the consent of Congress to the county of Pierce, a legal subdivision of the State of Washington, to construct, maintain, and operate a toll bridge across Puget Sound, State of Washington, at or near a point commonly known as "The Narrows."

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the county of Pierce, a legal subdivision of the State of Washington, to construct, maintain, and operate a bridge and approaches thereto across Puget Sound, State of Washington, at or near a point commonly known as "The Narrows", at a point suitable to the interests of navigation, in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. If tolls are charged for the use of such bridge, the rates of toll shall be so adjusted as to provide a fund sufficient to pay the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of the bridge and its approaches, including reasonable interest and financing cost, as soon as possible under reasonable charges, but within a period of not to exceed 20 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the costs of the bridge and its approaches, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected, shall be kept and shall be available for the information of all persons interested.

SEC. 3. The right to alter, amend, or repeal this act is hereby expressly reserved.

Mr. LEA of California. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LEA of California: Page 2, line 12, after the word "exceed", strike out "20" and insert in lieu thereof "30."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LIGHTHOUSE RESERVATION AND BUILDINGS, ERIE, PA.

The Clerk called the next bill, H.R. 5312, to provide for the conveyance of the abandoned lighthouse reservation and buildings, including detached tower, situate within the city limits of Erie, Pa., to the city for public-park purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of Commerce is hereby authorized to transfer and convey to the city of Erie, Pa., all that certain piece and parcel of land belonging to the United States of America situate in the city of Erie, in the county of Erie and State of Pennsylvania, known as the old lighthouse property and being the lands and premises described in a certain deed made by Myron Sanford and Susan M. Sanford, his wife, dated November 22, 1884, recorded in recorder's office for Erie County, Pa., in deed book no. 80, page 606, bounded and described as follows: Beginning 58 perches down Lake Erie from the corner post of John Kelso's survey, thence south 27° east, 20 perches to a post; thence north 63° east, 16 perches to a post; thence north 27° west, 20 perches to a post on the bank of the lake; and thence up the lake to the place of beginning, containing 2 acres of land, being the same piece of land conveyed to the United States for lighthouse purposes by John Kelso on April 1, 1812, purchased at public auction from the United States by said Myron Sanford March 1, 1881, and conveyed to said Myron Sanford by Charles J. Folger, Secretary of the Treasury, by deed dated May 8, 1883, which deed is recorded in the registry of deeds of Erie County, Pa., in deed book no. 76, page 525; the same to be held and made available permanently by said city for public-park purposes: *Provided*, That should the city of Erie fail to keep and hold the described parcel of land and buildings for public-park purposes or devote same to any use inconsistent with said purpose, then title to said land shall revert to and be reinvested in the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

INTERNATIONAL CELEBRATION AT FORT NIAGARA, N.Y.

The Clerk called the next bill on the Consent Calendar, H.J.Res. 341, authorizing an appropriation for the participation of the United States in the international celebration at Fort Niagara, N.Y.

The SPEAKER pro tempore. Is there objection?

Mr. TRUAX. I object.

TO HARMONIZE THE TREATIES AND STATUTES OF THE UNITED STATES WITH REFERENCE TO AMERICAN SAMOA

The Clerk called the next resolution on the Consent Calendar, House Joint Resolution 340, to harmonize the treaties and statutes of the United States with reference to American Samoa.

There being no objection, the Clerk read the resolution, as follows:

House Joint Resolution 340

Whereas the convention relating to the Samoan Islands, signed by the United States, Great Britain, and Germany on December 2, 1899, was proclaimed by the President of the United States on February 16, 1900, and continues to be in force; and

Whereas article 3 of the said convention is word for word as follows:

"It is understood and agreed that each of the three signatory powers shall continue to enjoy, in respect to their commerce and commercial vessels, in all the islands of the Samoan group privileges and conditions equal to those enjoyed by the sovereign power, in all ports which may be open to the commerce of either of them": Therefore be it

Resolved, etc., That the provisions of law of the United States restricting to vessels of the United States the transportation of passengers and merchandise directly or indirectly from any port of the United States to another port of the United States shall not be applicable to commerce between the islands of American Samoa or between those islands and other ports under the jurisdiction of the United States.

The resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OCMULGEE NATIONAL PARK, GA.

The Clerk called the next bill on the Consent Calendar, H.R. 7653, to establish the Ocmulgee National Park in Bibb County, Ga.

The SPEAKER pro tempore. Is there objection?

Mr. O'BRIEN. I object.

FEDERAL AID TO CERTAIN SCHOOL DISTRICTS, NORTH DAKOTA

The Clerk read the next bill on the Consent Calendar, H.R. 85, to extend Federal aid to certain school districts in the State of North Dakota upon condition that the public-school buildings benefited shall be available to Indian children of Fort Berthold Indian Reservation.

The SPEAKER pro tempore. Is there objection?

Mr. JENKINS of Ohio. Mr. Speaker, I ask that this bill go over without prejudice.

The SPEAKER pro tempore. Is there objection?

There was no objection.

WINNEBAGO INDIANS, STATE OF NEBRASKA

The Clerk read the next bill on the Consent Calendar, H.R. 7255, for the relief of the Winnebago Indians residing in school district no. 17, Thurston County, State of Nebraska.

Mr. TRUAX. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection?

There was no objection.

OMAHA INDIANS, THURSTON COUNTY, NEBR.

The Clerk read the next bill on the Consent Calendar, H.R. 7256, for the relief of the Omaha Indians residing in school district no. 16, Thurston County, State of Nebraska.

Mr. TRUAX. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection?

There was no objection.

BRIDGE ACROSS THE OHIO RIVER AT SISTERSVILLE, W.VA.

The Clerk called the next bill, H.R. 9618, authorizing the Sistersville Bridge Board of Trustees to finance, construct, maintain, and operate a toll bridge across the Ohio River at Sistersville, Tyler County, W.Va.

Mr. TRUAX. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The Clerk will suspend the calling of the Consent Calendar.

GEORGE W. HESS

Mr. BLANTON. Mr. Speaker, at the request of the gentleman from Illinois [Mr. KELLER], who is absent, Chairman of the Committee on the Library, I move to suspend the rules and pass Senate Joint Resolution 94, to retire George W. Hess as Director Emeritus of the Botanic Garden.

The SPEAKER. The Clerk will report the resolution.

The Clerk read the resolution, as follows:

Resolution, etc., That George W. Hess, Director of the United States Botanic Garden, is hereby retired from active service in such position, and shall hereafter be carried on the rolls of the legislative branch of the Government with the title of Director Emeritus and Consultant of the United States Botanic Garden, and shall receive a salary at the rate of $3,000 per annum, payable monthly out of funds appropriated for expenses of the Botanic Garden.

The SPEAKER. Is a second demanded?

Mr. TABER. Mr. Speaker, I demand a second.

Mr. BLANTON. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. The gentleman from Texas asks unanimous consent that a second be considered as ordered. Is there objection?

There was no objection.

The SPEAKER. The gentleman from Texas is entitled to 20 minutes and the gentleman from New York to 20 minutes.

Mr. BLANTON. Mr. Speaker, the gentleman from Illinois [Mr. KELLER], Chairman of the Committee on the Library, was called away, and he asked me, on behalf of himself and his committee, to call up this Senate resolution under suspension. The Speaker had already agreed to recognize him. This Senate resolution has been passed by the Senate, and I understand it has the unanimous report of the Committee on the Library.

Mr. MILLARD. Mr. Speaker, did I understand the gentleman to say that the gentleman from Massachusetts [Mr. LUCE] had asked him to do this?

Mr. BLANTON. No; Mr. KELLER, the chairman of the committee. Mr. LUCE is the ranking minority member and the former Chairman of the Library Committee, and the bill was reported out favorably by that committee.

Mr. JENKINS of Ohio. Is not this the bill that was on the Consent Calendar this afternoon?

Mr. BLANTON. No; that is a different bill. The bill that was on the Consent Calendar this afternoon was one that provided for a commission to investigate the advisability of transferring the Botanic Garden to the Agricultural Department. At the request of Mr. LUCE, I asked to have that bill passed over without prejudice.

This is a Senate resolution, passed unanimously by the Senate. I do not believe there has ever been any employee of the Government since I have been in Washington who has devoted more of his time and his attention and his very soul to the work that he had to perform than has this Director of the Botanic Garden, Mr. George W. Hess. It is the custom in all large cities having gardens of this kind to provide just such measures as this after a man has spent his lifetime in the service as Director.

While I am for strict economy and I believe in safeguarding every dollar in the people's Treasury, yet I believe in rewarding faithful service of this kind in the small way proposed in this Senate joint resolution. Director Hess is to be retired July 1. He has been in charge of this Botanic Garden for the past 28 years. If this Senate resolution is not passed, he will receive only $80 per month after July 1. I sincerely believe that with his years of knowledge and experience the value of keeping this expert on as a consultant after July 1 will be worth to the Government far more than the pay provided for in this Senate resolution.

Mr. DOWELL. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. Yes.

Mr. DOWELL. Mr. Speaker, this Mr. Hess will be retired the same as any other civil-service employee if this bill is not passed.

Mr. BLANTON. But on a pay so small that he could not possibly exist on it.

Mr. DOWELL. It is about $1,200 a year.

Mr. BLANTON. No; I am informed he will receive only $80 per month, with his house taken away, and he will have to live entirely on his small retired pay. If he could stay on 2 years longer he would receive $1,200 per year.

Mr. DOWELL. That is the amount paid every employee in the Government who retires. The gentleman is one of those who is always trying to save every penny for the Government that he can.

Mr. BLANTON. I am.

Mr. DOWELL. The gentleman has done great service in that respect.

Mr. BLANTON. The distinguished gentleman from Illinois [Mr. KELLER], chairman of the committee, assured me that this Senate resolution is a meritorious measure, that this man had given his life to the service and he is now in extremely poor health, and there is no extravagance whatever in the proposal, as all other directors of like public gardens of similar size are similarly retired and made expert consultants.

Mr. DOWELL. But we have not done this for anyone else.

Mr. BLANTON. This director is an employee in a particular class, all to himself. Every other big city in the United States does this for its public garden director. That is the answer that was given me by the chairman of the committee. When a bill of this kind passes the Senate unanimously, and is unanimously approved by a House committee that has upon it such friends of ours as the gentleman from Illinois [Mr. KELLER] and the gentleman

from Massachusetts [Mr. LUCE], and others, I feel there must be merit in it, and I am convinced there is no extravagance in it. As to the gentleman from Massachusetts [Mr. LUCE], former chairman of this committee, I want to say that he is a partisan Republican, and is a spokesman for the Republican Party in this House, but I believe he is one of the most honorable men, one of the most courageous and valuable men who has ever sat in this Congress. [Applause.] I have watched him many times. I have watched him make some partisan fights for you Republicans when I thought he was as mean as the devil, representing his party on this floor, but I have nevertheless admired him and am his friend.

He is an astute parliamentarian, and whenever you gentlemen across the aisle get into a tight box and start to milling around, you call upon him to help you out, and when such men as Mr. LUCE on the Republican side, who was chairman of this committee, and Mr. KELLER, the present chairman, and our other friends on the Library Committee report a bill of this kind out unanimously, I feel that it cannot be very unsound.

Mr. DOWELL. Will the gentleman yield for another question?

Mr. BLANTON. Certainly.

Mr. DOWELL. I noted the other day when we were trying to get a small pension for those who are unable to take care of themselves, the gentleman was the principal objector to that character of legislation.

Mr. BLANTON. Do you know why?

Mr. DOWELL. Now the gentleman is here asking for a pension of $3,000 a year for one man.

Mr. BLANTON. No; not a pension, but annual pay for an expert consultant, who will earn it all. The gentleman does not know what that pension bill he mentioned would have cost the 48 States, without any benefit to them. In the first place, it was a District of Columbia measure, applicable only to the people who live here in Washington. It was not for Iowa or Texas. The Commissioners of the District of Columbia were against it. They sent up a statement here that their financial budget would not stand it. They did not want it. Suppose the Congress had passed it and had placed on the people of the District, who are helpless and without a voice in this Congress, a financial burden of this kind which their Commissioners said their budget would not stand financially, then they would be coming here asking the Congress to furnish the money. And the people of Iowa and Texas would have been taxed for it, without receiving any benefit at all. Now, as far as an old-age pension is concerned, I am for it whenever the time comes that we can pass it nationally. Whenever the country is able to stand it, and the President and the Director of the Budget say we can stand it, I am ready to pass it; but to take care of the kind of beneficiaries who would be recipients under that bill in Washington, many of them already drawing retired pay, I do not think would have been right, and I wanted to hold it off until we had a proper survey of it, a bill properly framed before us, and the country ready for it.

Yet I saw in the paper the other day a criticism from a man who calls himself Dr. J. E. Pope—a man whose record in the penitentiary and in Federal courts answering prosecutions of this country ought to cause him to keep his mouth shut. He is a man who has no right to open his mouth publicly. Just the other day the Post Office Department stopped him from sending his stuff through the United States mails.

Mr. HASTINGS. Will the gentleman yield?

Mr. BLANTON. I yield to my friend.

Mr. HASTINGS. The gentleman has spoken beautifully and learnedly and intelligently for 10 or 15 minutes and has complimented the gentleman from Illinois and the gentleman from Massachusetts, and he has talked about everything else. It so happens that I do not have a copy of the bill before me, and I should like to have the gentleman tell me what is in the bill.

Mr. BLANTON. It provides that when Director George W. Hess retires on July 1 he will become an expert consultant and draw retirement pay that is accorded by every big city to its garden director, which is $3,000 a year. If ever a man earned that kind of pay it is Director George W. Hess, who has put his soul into this work for the last 28 years, and whose great knowledge and matchless experience as an expert consultant will be well worth such pay to the Government.

Mr. WEIDEMAN. Will the gentleman yield?

Mr. BLANTON. I yield.

Mr. WEIDEMAN. Is not any man who works for the Government supposed to put his soul into his work? We have had too many chiselers who do not put their soul into their work.

Mr. BLANTON. Yes; every employee should put his soul into his work. But nevertheless the Government is afflicted with thousands of disinterested clock watchers. The gentleman from Michigan puts his soul into his work and I put mine into it, and when I see another man like Director George W. Hess doing it I am willing to accord him some little recognition, when he has done it for 28 years, and his continued service will be worth the money we pay him.

Mr. WEIDEMAN. I do not want to saddle $3,000 a year onto the Government when I quit. I will provide for it myself.

Mr. BYRNS. Will the gentleman yield?

Mr. BLANTON. I yield.

Mr. BYRNS. Will the gentleman guarantee that nobody else who has been drawing a salary for 25 or 30 years from the Government will come here next session and make the same request to be excepted from our general retirement law? I have nothing against Mr. Hess, but I do believe that we will make a mistake if we undertake to make an exception in favor of one employee against hundreds of others who are possibly equally entitled to it. [Applause.] I know one man who has served for 35 years as faithfully as any employee this Government has ever had, and he told me last week that if this bill went through he felt he was entitled to consideration, just as you are undertaking to give to this gentleman, and that he was going to ask some of his friends to introduce a bill for that purpose.

If the Congress wants to set that sort of precedent, all right; but I do not think we can afford to set aside our retirement laws in favor of any one single individual. The gentleman from Texas is a real economist, and I am very fond of him personally, but I cannot go along with him in his support of this bill, much as I should like to do so, and much as I should like to favor my friend Mr. Hess. I regard it as a discrimination against others who are equally deserving.

Mr. BLANTON. Mr. Speaker, I endorse everything the gentleman from Tennessee has said regarding the wisdom of not establishing a bad precedent and of showing no discrimination. As I said in the beginning, this is not my bill. It is a Senate resolution that passed the Senate unanimously. It was favorably reported unanimously by the Committee on the Library. I am not a member of that committee. The gentleman from Illinois [Mr. KELLER] is chairman of that committee. He could not be here today, on account of some very important matters, and he asked me as his friend to call up the measure for him. This I have done. It is before you gentlemen. It has my approval simply because I believe his years of experience and the expert knowledge possessed by Director George W. Hess gained from having put his very soul into this Botanic Garden for 28 long years, will be worth several times to the Government the pay that this measure proposes to give him as an expert consultant. I do not believe there is another such expert in this Capital available to the Government. It will be a great loss to lose him as a consultant.

Every man on this floor who knows him is a friend of George W. Hess. The opposition to this Senate resolution developed here is not against Hess, but is against what is deemed a discrimination in his favor, against the other

80,000 Government employees in Washington. There is apprehension that they will be made dissatisfied; that they will ask like favors; that this will become a bad precedent. I can see the force of such argument and apprehension. But I do not believe that it sets a precedent for others, or that it constitutes discrimination, for Director George W. Hess is in a class to himself. There is but one Director of the Botanic Garden in the United States. And he has been one of the most faithful public servants I have ever seen.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. BLANTON. Mr. Speaker, I yield myself 1 additional minute.

I am with our majority leader on not setting bad precedents, and I will vote against extending the Retirement Act, but this is not an extension of it, and that is the reason I agreed with Chairman KELLER to call up his measure for him and to support the bill. I found that every other big city puts its garden director in a class by himself and accords this treatment and gives this pay as an expert consultant.

Mr. WEIDEMAN. We do not do it in our city, and we are the fourth largest city in the country. They do not do it any more than all the rest of the rank and file.

Mr. BLANTON. Has the gentleman investigated about his great city of Detroit?

Mr. WEIDEMAN. I know all about my great city. I am interested in it.

Mr. BLANTON. Does the gentleman know that they do not make their retiring director an expert consultant at a larger salary than the ordinary retired pay?

Mr. WEIDEMAN. Indeed they do not. We would not allow them to. They are all in one class. We would not let them for a minute distinguish between classes, because they are all citizens and all entitled to their pension, whatever it is.

Mr. BLANTON. The gentleman will find that the larger the salary drawn, the larger the retirement pay will be.

Mr. WEIDEMAN. It is probably like our schools, and our schools are worth more.

Mr. BLANTON. The committee tells me that this is no larger than the pay given by other large cities to their retiring director, retaining his services as an expert consultant.

Mr. TABER. Mr. Speaker, I yield 5 minutes to the gentleman from New Jersey [Mr. LEHLBACH].

Mr. LEHLBACH. Mr. Speaker, I have known Mr. Hess ever since I have been a Member of Congress, for 20 years, and I know his service and his value to the Government. But I know that in 1920 we passed a bill establishing a civil-service retirement system. It was amended in 1926 and again in 1930. We have now what I believe to be as good a retirement system as any governing body in the world. For these 10 years we and the Committee on the Civil Service have protected this retirement system by refusing to report one single bill to make an exception of anybody. If you start to do it now, not only will you rip down and destroy your retirement system but you will also be legislating as a matter of favoritism and not in accordance with the broad policies that have been worked out and established in matters of this kind.

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield?

Mr. LEHLBACH. I yield.

Mr. BANKHEAD. Is this gentleman, Mr. Hess, eligible for the benefits of the Civil Service Retirement Act?

Mr. LEHLBACH. He is if he has had the requisite service and has reached the requisite age. If he should be disabled, he would be eligible without reaching the age limit.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. LEHLBACH. I yield.

Mr. BLANTON. The gentleman from New Jersey knows, if he has kept up with Mr. Hess, that instead of giving 7 hours a day as other civil-service employees do, Mr. Hess has many and many a time given 14 and 16 hours a day of work to the Government.

Mr. LEHLBACH. Why, he has given 24 hours a day, because he lives there.

Mr. BLANTON. He has been devoted to it, and, as a result, we have one of the finest botanic gardens in the world.

Mr. LEHLBACH. Certainly; that is his job.

Mr. Speaker, I yield back the balance of my time.

Mr. TABER. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. WEIDEMAN].

Mr. WEIDEMAN. I presume most of the Members of the House have no more knowledge of this bill than I had a few minutes ago when I got a copy of Senate Joint Resolution 194. What it proposes to do is to retire George Hess from active service and put him on the Government rolls with the title of Director Emeritus and Consultant, United States Botanic Garden, and pay him a salary of $3,000 a year. Three thousand dollars a year is just three times as much as postal employees receive for working all the time; and it is proposed to pay him this amount as retirement pay.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. WEIDEMAN. I yield.

Mr. BLANTON. The gentleman notices that Mr. Hess is still to be a consultant; and not a dollar of his retirement pay comes out of the retirement fund; it comes out of the appropriations for the Botanic Garden, which is made every year. This money does not come out of the retirement fund.

Mr. WEIDEMAN. I cannot yield further; I am sorry.

Mr. LEHLBACH. Mr. Speaker, will the gentleman yield?

Mr. WEIDEMAN. Yes; I yield to the gentleman from New Jersey.

Mr. LEHLBACH. In the event this does not come out of the retirement fund and Mr. Hess is retired, he can draw down every cent he has contributed to the retirement fund.

Mr. WEIDEMAN. That is true. I am not in favor of this bill. I am not in favor of putting this man into a special class so he can chisel from the Government appropriations. He lives surrounded by flowers. He lives amongst the things he loves, and the Government has furnished him free living quarters. Who would not love to live in the Botanic Gardens and draw retirement pay of $3,000 a year?

It has been said that he works long hours. In some seasons of the year he may work 12 or 14 hours at one stretch, but who is there here who does not work 12 and 14 hours every day in the week? And there is not one of us who is going to be put on a Government pension roll.

I cannot see any reason on earth why we should put this man in a special class because he is the official flower and bouquet man. He has done a great deal to ingratiate himself into the hearts of many of the Members. He has sent flowers to their wives for parties. This is very beautiful, but it is a little practice in which I have not indulged at the expense of the taxpayers. It is probable that I have not been here long enough to learn how to chisel officially and I hope I never do, but still it is the little things that chisel into the Government that bring the costs up. They should be eliminated. Here is an opportunity to save the Government $3,000 a year.

I am not questioning the statements that Mr. Hess has done a wonderful work; but he has lived amongst his flowers and has not had a chance to spend his money. He ought to have enough now with which to take care of himself. When he accepted his position he entered into a contract with the Government of the United States to do his work at a stated salary. Having made that contract we should not now go beyond the scope of the contract and say to Mr. Hess: "We are going to give you $3,000 a year in addition because you have been a good fellow and sent us Government flowers free."

Mr. Speaker, I am against chiselers, whether they be big or little; I am for justice in these things.

Mr. ZIONCHECK. That is right.

[Here the gavel fell.]

Mr. TABER. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, we have a Director of the Botanic Garden who has been getting a good salary. On top of that we have given him a beautiful house in which to live.

I do not get any bouquets. I do not want any. I do not know whether he has been sending bouquets to the other fellow or not. When I want one I stop along the streets and buy one like this.

Mr. Speaker, I hate to take the floor against my friend on a bill like this.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. BLANTON. Mr. Speaker, if there is going to be opposition to the bill I would not want to see it voted upon in the absence of the gentleman from Illinois [Mr. KELLER], who is Chairman of the Committee on the Library, and reported this Senate bill.

I therefore ask unanimous consent to withdraw the bill from present consideration, and to withdraw my motion.

Mr. MILLARD. Mr. Speaker, we have spent 15 minutes in the consideration of this bill; I object.

Mr. TABER. Mr. Speaker, this is a special-privilege proposition, where we are trying to hand something out of the ordinary to somebody.

I do not believe we can without completely destroying our retirement system put one man in a different class from all the rest. If we are going to preserve this retirement system, we will have to maintain its integrity. We have provided an annuity, and Congress appropriates a lot of money every year for this purpose, so that our civilian employees may be properly retired and taken care of in their old age.

Why should we make an exception here? The minute we make an exception and hand a man $3,000 a year and all the contributions he has made to the retirement fund, with 4 percent, or whatever the rate is, immediately we get to the point where we will have to do it for everybody else. I do not think that this country and this Congress ought to get to that point. The thing that bothers me about taking this position is that the mover of the motion is the gentleman from Texas [Mr. BLANTON], who has performed great service in this House for many years in saving money for the people, and I hate to see him sponsor a bill of this character.

I think we should beat this bill so that it is beaten and stays beaten and is off the floor for good and all. I think we ought not to allow such bills as this to come in here. No committee should be so derelict in its duty to the House and to its responsibilities as to bring up such a bill on the floor of this House.

We ought to send it back to that committee by beating the suspension in such a way and by such a majority that we never will have brought to us again a bill of this character, one that would destroy one of the main cogs in our Federal employment system. I hope that when the House comes to vote on this proposition, it will not only beat this bill but that the majority of the Members of this House will show their interest in protecting the Federal Treasury to such an extent that it will not be necessary to argue this question again.

[Here the gavel fell.]

Mr. BLANTON. Mr. Speaker, I yield 4 minutes to the gentleman from Ohio [Mr. SECREST].

Mr. SECREST. Mr. Speaker, first of all I want to express on behalf of the Library Committee our sincere appreciation of the very fine tribute just paid to us by the gentleman from New York. I happen to be the youngest member of the committee, and I am the only member who happens to be present at this time. Whether that is intentional or not, I shall not say, but nevertheless it falls upon me to speak as nearly as I am able on behalf of the committee in reference to such things as may have motivated the committee in its action in reporting out this bill.

There has been, and there still is being heaped upon the Botanic Garden of the United States much criticism, not only by people within our own country, but by people interested in this work abroad. It was the hope of the Library Committee that a Botanic Garden might be developed that would be equal to the Library of Congress which has been developed through the years under the leadership and under the direction of the Library Committee.

We of that committee wondered in what manner we might be able to best proceed to this end. There was a resolution introduced taking the Botanic Garden from the Library Committee and placing it under the jurisdiction of the Department of Agriculture. A majority of the Congress, I believe, have alined themselves against this on previous occasions. In July the Botanic Garden will change hands and a new director will be appointed.

We have there at the present time a man who has given 25 or 30 years of his service toward the building up of a Botanic Garden on the one hand, while on the other the Congress of the United States has limited the appropriations until all that could be afforded were a few people who acted as common gardeners and the Botanic Garden here was no better than one that could be developed by a private individual with a small fortune at his command. A new Director of the Botanic Garden will be appointed. We gave considerable thought to the question of how we could retain the knowledge and the benefits of a man who had given all his time to such a garden as this, and the only alternative, it seemed to us, was to make him a consultant to the new Director of the Botanic Garden. He will not have authority to administer the Garden and will not be responsible for decisions which may be made, but he will be available at any time there is a need for his service by the new Director, and I know not at this time who the new Director may be.

Mr. McGUGIN. Will the gentleman yield?

Mr. SECREST. I yield to the gentleman from Kansas

Mr. McGUGIN. Why must a new Director be appointed?

Mr. SECREST. He has reached the age that makes it necessary to retire him.

Mr. O'CONNOR. The gentleman will retire and receive some retirement pay?

Mr. SECREST. The gentleman would retire at $80 a month, and I believe that any Member of Congress or anyone else is aware of the fact that no one can live on that income in Washington and still be a consultant.

Mr. LEHLBACH. Where did the gentleman get the information that his retirement would be $960 a year?

Mr. SECREST. Eighty dollars a month was the figure submitted to the committee.

Mr. LEHLBACH. I do not think the gentleman's source of information is correct. Even a letter carrier gets $1,200.

[Here the gavel fell.]

Mr. BLANTON. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. SECREST. The figure given to the Library Committee was $80 a month.

There is this difference between the Director of the Botanic Garden and other Government employees in the same salaried class. The others are heads of divisions and employees of the Government who go home in the evening and their work is completed. Their salary can be used for living expenses. This man, time and again, has entertained people from all over the United States who came to visit him, not as an individual, but as the Director of the Botanic Garden. This gentleman entertained people not only from this Nation but from abroad, and I daresay from my knowledge of public life, that of the salary paid to him little, if any, remains upon which he might retire.

By retiring this man as a consultant, the benefit of all he may have learned in the past years remains with the Government. When he dies his salary stops. He does not receive the pension that would otherwise be provided, and I am sure there is no similar case, perhaps, in any department of the Government.

There is one more thing I may mention in this connection. Every botanic garden in the United States of major importance and every botanic garden in the world, including that of Great Britain, as well as many other countries, insofar as our committee investigation led, follows this method of retiring their directors when they are of such an age that they are not permitted by law to continue as director of the garden.

Mr. LEHLBACH. Will the gentleman yield once more?

Mr. SECREST. I yield.

Mr. LEHLBACH. Lest there be any mistake about his retirement pay, the minimum that any employee can get after 30 years of service, no matter how small his wages were, is $1,200 a year.

Mr. SECREST. I simply quoted what was submitted to our committee.

I think I have given in brief outline the thought of the committee when this measure was reported out.

Insofar as breaking down the retirement act is concerned, this measure appoints him as a consultant, and the only way you could similarly break down the retirement act for the benefit of a Government clerk or a mail carrier or any other individual would be to retain him as a consultant, which would be ridiculous.

[Here the gavel fell.]

Mr. BLANTON. Mr. Speaker, I have kept faith with my friend the gentleman from Illinois [Mr. KELLER], chairman of the committee having this Senate resolution in charge. I have called it up and placed it before you. I knew that it would meet with opposition from the civil-service organizations. It is a case of the many against the one. Director George W. Hess is in a class of one all to himself. He is the only Director of Botanic Garden in the United States. The Government of the United States has no other such employee. But the Government does have about 80,000 other employees in Washington who are all in another class together. They are afraid that this measure is unjust to them. They are apprehensive that it discriminates against them. They believe that to pay Director Hess any pay as an expert consultant after his retirement that is larger than their regular retirement pay is unjust and discriminatory.

I do not fall out with my colleagues who from this floor have taken the position outlined above. I admire them for being watchful to keep back bad precedents. They have the right to their opinions. And I can see that such sentiment is going to defeat this measure at this time. And that is the reason I asked unanimous consent to withdraw it from your consideration.

I do hope that President Roosevelt will exercise his privilege of suspending retirement of Director Hess for another year. That can be done. I hope all of you who appreciate George Hess will ask the President to do it. We cannot afford to lose his service on July 1. And after July 1, after serving us 28 years, he cannot support his family on only $80 per month, which will be all that he will receive after that date, and he will have to move out of the house in the Botanic Gardens.

Mr. LEHLBACH. Why does the gentleman make that assertion when he knows better?

Mr. BLANTON. What assertion?

Mr. LEHLBACH. That he will only get $80 a month.

Mr. BLANTON. That is exactly what the committee told me, and I believe the committee. I believe Mr. LUCE, and I believe Mr. KELLER, and I believe Mr. SECREST, and they say he will receive $80 a month.

Mr. LEHLBACH. Not a one of them has made that statement on his own responsibility.

Mr. BLANTON. I will ask the gentleman from Ohio, a member of the committee, if that is not correct—that he will receive only $80 per month after July 1?

Mr. SECREST. That is what was presented to the committee.

Mr. LEHLBACH. What is his present salary?

Mr. BLANTON. I cannot yield further, Mr. Speaker.

This man will get $960 retirement pay, which, divided by 12, means $80 a month. He is now a poor man, enfeebled in health, and will have to move out of his present quarters and rent a house in Washington for his family and buy all the necessities of life with $80 a month. And he has put his very heart and soul into this plant for 28 years, until he has built up the finest botanic garden in the United States. The above is what appealed to my heart and conscience. As an economist, I felt this was as little as we could do if we expected to use this valuable expert as a consultant for the rest of his life. Other large cities are doing the same thing, and in this way we would get the benefit of his valuable services for the rest of his life.

I have before me now the authentic data from Director Hess himself. After July 1 he will receive only $81 per month, which is just $1 more than the $80 I mentioned when the gentleman from New Jersey [Mr. LEHLBACH] asserted he would get much more. He gets $81 because he served only 28 years. If he had served 30 years, he would have gotten the $1,200 per year, or $100 per month, as asserted by the gentleman from New Jersey.

The Bible says that "the laborer is worthy of his hire", and this one has been loyal, diligent, and faithful. The taxpayers at home are willing to do justice to this laborer. [Applause.]

The SPEAKER. The question is on the motion of the gentleman from Texas to suspend the rules and pass the bill.

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 13, noes 65.

So (two thirds not having voted in favor thereof) the motion to suspend the rules and pass the bill was rejected.

OCMULGEE NATIONAL PARK, GA.

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent to return to Calendar No. 342, H.R. 7653, to authorize the establishment of the Ocmulgee National Monument in Bibb County, Ga. The gentleman who objected has withdrawn his objection.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized and directed to acquire, on behalf of the United States, the area of land comprising approximately 2,000 acres situated in and around the city of Macon, in the county of Bibb, State of Georgia, and commonly known as "Old Ocmulgee Fields", upon which land certain Indian mounds of great historical importance are located; and such area of land shall be set apart as a public park for the benefit and enjoyment of the people of the United States and shall be known as the "Ocmulgee National Park." Such acquisition shall be by purchase at a cost of not to exceed $25 an acre, and there is hereby authorized to be appropriated such amount as may be necessary for the purpose of making such acquisition.

SEC. 2. The administration, protection, and development of the Ocmulgee National Park shall be under the supervision of the Secretary of the Interior subject to the provisions of the act entitled "An act to establish a National Park Service, and for other purposes", approved August 25, 1916, as amended.

With the following committee amendment:

Strike out all after the enacting clause and insert: "That when title to lands commonly known as the 'Old Ocmulgee Fields', upon which certain Indian mounds of great historical importance are located, comprising approximately 2,000 acres, in and around the city of Macon, county of Bibb, State of Georgia, as shall be designated by the Secretary of the Interior in the exercise of his judgment and discretion as necessary for national-monument purposes, shall have been vested in the United States, said area shall be set aside as a national monument by proclamation of the President, and shall be known as the 'Ocmulgee National Monument': *Provided*, That the United States shall not purchase by appropriation of public moneys any lands within the aforesaid area, but such lands shall be secured by the United States only by public or private donation.

"SEC. 2. The Secretary of the Interior is hereby authorized to accept donations of land, interests in land, buildings, structures, and other property within the boundaries of said national monument as determined and fixed hereunder, and donations of funds for the purchase and/or maintenance thereof, the title and evidence of title to lands acquired to be satisfactory to the Secretary of the Interior: *Provided*, That he may acquire on behalf of the United States under any donated funds by purchase when purchasable at prices deemed by him reasonable, otherwise by condemnation under the provisions of the act of August 1, 1888, such tracts of land within the said national monument as may be necessary for the completion thereof.

"SEC. 3. The administration, protection, and development of the Ocmulgee National Monument shall be under the supervision of the Secretary of the Interior subject to the provisions of the act entitled 'An act to establish a National Park Service, and for other purposes', approved August 25, 1916, as amended."

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

BRIDGE ACROSS THE RIO GRANDE AT LAREDO, TEX.

Mr. WEST of Texas. Mr. Speaker, I ask unanimous consent to return to Calendar No. 310, the bill 9185, authorizing the International Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Rio Grande, at Laredo, Tex.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. HOLMES. I object.

INTERNATIONAL CELEBRATION AT FORT NIAGARA, N.Y.

Mr. ANDREWS of New York. Mr. Speaker, I move to suspend the rules and pass H.J.Res. 341, authorizing an appropriation for the participation of the United States in the international celebration at Fort Niagara, N.Y.

The Clerk read the resolution as follows:

Whereas the Federal Government, through the War Department, desires to cooperate with the representatives of the Canadian, British, and French Governments, and the State of New York, in the International Celebration to commemorate the fourth centenary of Jacques Cartier, the ratification of the Rush-Bagot Treaty in 1818, and the completion of the restoration of Old Fort Niagara, Niagara County, N.Y., as a historic and patriotic shrine symbolizing the history of the common interest of these nations in the evolution of the early American struggle and strife to a lasting peace of vast international significance: Therefore be it

Resolved, etc., That there is hereby authorized to be appropriated the sum of $6,000, or so much thereof as may be necessary, to pay the expenses of the participation of certain units of the Army of the United States in the events and ceremonies incident to the International Celebration at Fort Niagara, N.Y., under such regulations as the Secretary of War may prescribe.

The SPEAKER. The question is on the motion of the gentleman from New York to suspend the rules and pass the resolution.

The question was taken; and on a division there were—59 ayes and 18 noes.

So, two thirds having voted in favor thereof, the rules were suspended, and the resolution was passed, and a motion to reconsider was laid on the table.

JOE G. M'INERNEY

The SPEAKER laid before the House the following message from the President of the United States, which was read:

To the House of Representatives:

I return herewith without my approval H.R. 5542, entitled "An act for the relief of Joe G. McInerney."

The bill authorizes that in the administration of any laws conferring rights, privileges, or benefits upon persons honorably discharged from the United States Coast Guard, their widows, children, and dependent relatives, Joe G. McInerney shall be held and considered to have been discharged under honorable conditions as a coal heaver from the cutter *Forward* on December 13, 1902, and provides that no back pay, pension, or allowance shall be held to have accrued prior to the date of the enactment of this act.

The records of the Treasury Department show that by order of the commanding officer of the revenue cutter *Forward*, Third Oiler Joseph G. McInerney was confined in the brig and disrated from third oiler to coal heaver as of December 10, 1902, for insolent and mutinous language to his superior officers and that in accordance with the approved findings and recommendations of a board of investigation convened by the commanding officer, he was released from confinement and discharged from the service December 13, 1902, by reason of insubordination and language tending toward the destruction of good order and military discipline.

The bill is objectionable as it would tend to break down the morale of the Service and be prejudicial to proper discipline to place the name of a man who had been dishonorably discharged for cause by proper authority, upon the list of honorably discharged members of the Coast Guard on the same plane with those who have rendered faithful service.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *May 21, 1934.*

Mr. BYRNS. Mr. Speaker, I move that the message be referred to the Committee on Naval Affairs and ordered printed.

The motion was agreed to.

A. W. HOLLAND

Mr. BLACK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill S. 551, and agree to the conference asked for by the Senate.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER appointed as conferees on the part of the House, Mr. BLACK, Mr. RAMSPECK, and Mr. GUYER.

Mr. AYERS of Montana. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, Mr. BULWINKLE was given leave of absence for an indefinite period, on account of important business.

SENATE BILLS REFERRED

Bills and a joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 3285. An act to provide for the regulation of interstate and foreign communications by wire or radio, and for other purposes; to the Committee on Interstate and Foreign Commerce.

S. 3586. An act for the relief of George A. Fox; to the Committee on Naval Affairs.

S.J.Res. 123. Joint resolution empowering certain agents authorized by the Secretary of Agriculture to administer oaths to applicants for tax-exemption certificates under the Cotton Act of 1934; to the Committee on Agriculture.

SENATE ENROLLED BILL SIGNED

The Speaker announced his signature to an enrolled bill of the Senate of the following title:

S. 2845. To extend the provisions of the National Motor Vehicle Theft Act to other stolen property.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on May 17, 1934, present to the President, for his approval, bills of the House of the following titles:

H.R. 211. An act for the relief of John A. Rapelye;

H.R. 276. An act to authorize the placing of a bronze tablet bearing a replica of the Congressional Medal of Honor upon the grave of the late Brigadier General Robert H. Dunlap, United States Marine Corps, in the Arlington National Cemetery, Va.;

H.R. 328. An act for the relief of E. W. Gillespie;

H.R. 473. An act for the relief of Irene Brand Alper;

H.R. 916. An act for the relief of C. A. Dickson;

H.R. 1197. An act for the relief of Glenna F. Kelley;

H.R. 1211. An act for the relief of R. Gilbertsen;

H.R. 1212. An act for the relief of Marie Toenberg;

H.R. 4516. An act for the relief of B. Edward Westwood;

H.R. 4533. An act for the relief of the widow of D. W. Tanner for expense of purchasing an artificial limb;

H.R. 4973. An act for the relief of G. C. Vandover;

H.R. 5284. An act for the relief of the Playa de Flor Land & Improvement Co.;

H.R. 5405. An act for the relief of Nicola Valerio; and

H.R. 5950. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto.

Mr. TRUAX. Mr. Speaker, I make the point that no quorum is present.

The SPEAKER. Evidently there is no quorum present.

ADJOURNMENT

Mr. BYRNS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock p.m.) the House adjourned until tomorrow, Tuesday, May 22, 1934, at 12 o'clock noon.

COMMITTEE HEARING

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(Tuesday, May 22, 10 a.m.)

Hearings on the amendments to the Railway Labor Act as contemplated in S. 3266.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

475. A communication from the President of the United States, transmitting supplemental estimate of appropriation for the legislative establishment, House of Representatives, for the fiscal year 1934 in the sum of $32,000 (H.Doc. No. 374); to the Committee on Appropriations and ordered to be printed.

476. A letter from the Secretary of War, transmitting draft of a joint resolution to authorize the acceptance on behalf of the United States of the bequest of the late Charlotte Taylor, of the city of St. Petersburg, State of Florida, for the benefit of Walter Reed General Hospital; to the Committee on Military Affairs.

477. A letter from the Secretary of Commerce, transmitting draft of a proposed bill to relieve A. Cyril Crilley, assistant trade commissioner, and a special disbursing officer of the Bureau of Foreign and Domestic Commerce, in the matter of a certain expenditure; to the Committee on Claims.

478. A letter from the Chairman of the Reconstruction Finance Corporation, transmitting report of its activities and expenditures for March 1934, together with a statement of loans authorized during that month, showing the name, amount, and rate of interest in each case (H.Doc. No. 375); to the Committee on Banking and Currency and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. COFFIN: Committee on Military Affairs. H.R. 7517. A bill providing for the establishment of the Gen. John J. Pershing National Military Park, near Laclede, in Linn County, Mo.; with amendment (Rept. No. 1709). Referred to the Committee of the Whole House on the state of the Union.

Mr. JONES: Committee on Agriculture. H.R. 9528. A bill to amend section 32 of the Emergency Farm Mortgage Act of 1933; without amendment (Rept. No. 1712). Referred to the Committee of the Whole House on the state of the Union.

Mr. HOLMES: Committee on Interstate and Foreign Commerce. H.R. 9571. A bill granting the consent of Congress to the county commissioners of Essex County, in the State of Massachusetts, to construct, maintain, and operate a free highway bridge across the Merrimack River, in the city of Lawrence, Mass.; without amendment (Rept. No. 1713). Referred to the House Calendar.

Mr. HOLMES: Committee on Interstate and Foreign Commerce. H.R. 9584. A bill to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Ogdensburg, N.Y.; without amendment (Rept. No. 1714). Referred to the House Calendar.

Mr. MALONEY of Connecticut: Committee on Interstate and Foreign Commerce. H.R. 9594. A bill granting the consent of Congress to the Tensas Basin Levee Board of the State of Louisiana to construct, maintain, and operate a free highway bridge across Bayou Bartholomew at or near its mouth in Morehouse Parish, La.; without amendment (Rept. No. 1715). Referred to the House Calendar.

Mr. MILLIGAN: Committee on Interstate and Foreign Commerce. H.R. 9645. A bill to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Washington, Mo.; without amendment (Rept. No. 1716). Referred to the House Calendar

Mr. McDUFFIE: Committee on Indian Affairs. House Joint Resolution 344. Joint resolution to amend the joint resolution entitled "Joint resolution for the relief of Porto Rico", approved December 21, 1928, to permit an adjudication with respect to liens of the United States arising by virtue of loans under such joint resolution; without amendment (Rept. No. 1717). Referred to the Committee of the Whole House on the state of the Union.

Mr. PRALL: Committee on Banking and Currency. S. 3487. An act relating to direct loans for industrial purposes by Federal Reserve banks, and for other purposes; with amendment (Rept. No. 1719). Referred to the Committee of the Whole House on the state of the Union.

Mr. VINSON of Kentucky: Committee on Ways and Means. H.R. 4798. A bill to amend section 24 of the Trading with the Enemy Act, as amended; with amendment (Rept. No. 1720). Referred to the Committee of the Whole House on the state of the Union.

Mr. AYERS of Montana: Committee on Indian Affairs. S. 2506. An act to provide funds for cooperation with White Swan School District, No. 88, Yakima County, Wash., for extension of public-school buildings to be available for Indian children of the Yakima Reservation; without amendment (Rept. No. 1721). Referred to the Committee of the Whole House on the state of the Union.

Mr. BANKHEAD: Committee on Rules. House Resolution 388. Resolution for the consideration of S. 3487, a bill relating to direct loans for industrial purposes by Federal Reserve banks, and for other purposes; without amendment (Rept. No. 1722). Referred to the House Calendar.

Mr. McDUFFIE: Committee on Insular Affairs. H.R. 9459. A bill relating to Philippine currency reserves on deposit in the United States; with amendment (Rept. No. 1723). Referred to the Committee of the Whole House on the state of the Union.

Mr. STEAGALL: Committee on Banking and Currency. S. 3025. An act to amend section 12B of the Federal Reserve Act so as to extend for 1 year the temporary plan for deposit insurance, and for other purposes; with amendment (Rept. No. 1724). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. THOM: Committee on Claims. S. 86. An act for the relief of A. L. Ostrander; with amendment (Rept. No. 1688). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 488. An act for the relief of Norman Beier; with amendment (Rept. No. 1689). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 740. An act for the relief of William G. Fulton; with amendment (Rept. No. 1690). Referred to the Committee of the Whole House.

Mrs. CLARKE of New York: Committee on Claims. S. 1527. An act for the relief of Charles A. Lewis; without amendment (Rept. No. 1691). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 1629. An act for the relief of the Southern Products Co.; with amendment (Rept. No. 1692). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 1666. An act to carry out the findings of the Court of Claims in the case of the Wales Island Packing Co.; with amendment (Rept. No. 1693). Referred to the Committee of the Whole House.

Mr. BLANCHARD: Committee on Claims. S. 1818. An act for the relief of W. P. Fuller & Co.; without amendment (Rept. No. 1694). Referred to the Committee of the Whole House.

Mr. BLANCHARD: Committee on Claims. S. 1822. An act for the relief of Harold Sorenson; without amendment

(Rept. No. 1695). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 1972. An act for the relief of James W. Walters; without amendment (Rept. No. 1696). Referred to the Committee of the Whole House.

Mr. BROWN of Kentucky: Committee on Claims. S. 2322. An act for the relief of A. J. Hanlon; without amendment (Rept. No. 1697). Referred to the Committee of the Whole House.

Mrs. CLARKE of New York: Committee on Claims. S. 2584. An act for the relief of Elmer Kettering; without amendment (Rept. No. 1698). Referred to the Committee of the Whole House.

Mr. BROWN of Kentucky: Committee on Claims. S. 2720. An act for the relief of George M. Wright; with amendment (Rept. No. 1699). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 2816. An act to extend the time for the refunding of certain taxes erroneously collected from certain building-and-loan associations; without amendment (Rept. No. 1700). Referred to the Committee of the Whole House.

Mr. OWEN: Committee on Claims. S. 2871. An act giving jurisdiction to the Court of Claims to hear and determine the claim of the Cherokee Fuel Co.; without amendment (Rept. 1701). Referred to the Committee of the Whole House.

Mr. ELLZEY of Mississippi: Committee on Claims. S. 2872. An act for the relief of Marie Louise Belanger; without amendment (Rept. No. 1702)). Referred to the Committee of the Whole House.

Mr. ELLZEY of Mississippi: Committee on Claims. S. 2373. An act for the relief of Stella D. Wickersham; without amendment (Rept. No. 1703). Referred to the Committee of the Whole House.

Mr. OWEN: Committee on Claims. S. 3047. An act to carry out the findings of the Court of Claims in the case of George Lawley & Son Corporation, of Boston, Mass.; with amendment (Rept. No. 1704). Referred to the Committee of the Whole House.

Mr. THOM: Committee on Claims. S. 3156. An act for the relief of Mary Angela Moert; with amendment (Rept. No. 1705). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 3192. An act for the relief of Arthur Hansel; without amendment (Rept. No. 1706). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 3264. An act for the relief of Muriel Crichton; without amendment (Rept. No. 1707). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 3322. An act to carry out the findings of the Court of Claims in the case of the Union Iron Works; with amendment (Rept. No. 1708). Referred to the Committee of the Whole House.

Mr. MONTET: Committee on Military Affairs. H.R. 7061. A bill for the relief of Clifford N. Raymond; without amendment (Rept. No. 1710). Referred to the Committee of the Whole House.

Mr. MONTET: Committee on Military Affairs. H.R. 8256. A bill restoring citizenship to Harry A. Prudome; without amendment (Rept. No. 1711). Referred to the Committee of the Whole House.

Mr. BURNHAM: Committee on Naval Affairs. H.R. 4142. A bill for the relief of John M. McNulty; without amendment (Rept. No. 1718). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H.R. 1945) for the relief of Thomas J. Bennett; Committee on Invalid Pensions discharged, and referred to the Committee on Claims.

A bill (H.R. 1947) for the relief of Thomas Berchel Burke; Committee on Invalid Pensions discharged, and referred to the Committee on Claims.

A bill (H.R. 1946) for the relief of William H. Hildebrand; Committee on Invalid Pensions discharged, and referred to the Committee on Claims.

A bill (H.R. 7562) for the relief of Waldo L. Robichaux; Committee on Invalid Pensions discharged, and referred to the Committee on Claims.

A bill (H.R. 2435) for the relief of Claribel Moore; Committee on Invalid Pensions discharged and referred to the Committee on War Claims.

A bill (H.R. 7681) for the relief of Thomas J. Moran; Committee on Invalid Pensions discharged and referred to the Committee on Claims.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. RAYBURN: A bill (H.R. 9689) to amend the Railway Labor Act approved May 20, 1926, and to provide for the prompt disposition of disputes between carriers and their employees; to the Committee on Interstate and Foreign Commerce.

By Mr. KERR: A bill (H.R. 9690) to place the tobacco-growing industry on a sound financial and economic basis, to prevent unfair competition and practices in the production and marketing of tobacco entering into the channels of interstate and foreign commerce, and for other purposes; to the Committee on Agriculture.

By Mr. SINCLAIR: A bill (H.R. 9691) referring the claims of the Turtle Mountain Band or Bands of Chippewa Indians of North Dakota to the Court of Claims for adjudication and settlement; to the Committee on Indian Affairs.

By Mr. IGLESIAS: A bill (H.R. 9692) to authorize and direct the United States Commissioner of Fisheries to undertake fish-cultural and related activities in Puerto Rico, making appropriations therefor, and for other purposes; to the Committee on Merchant Marine, Radio, and Fisheries.

By Mr. DIRKSEN: A bill (H.R. 9693) to provide for the reduction of certain taxes on distilled spirits, to encourage the exportation of American grain, and for other purposes; to the Committee on Ways and Means.

By Mr. RAYBURN: A bill (H.R. 9694) to amend the Emergency Railroad Transportation Act, 1933, approved June 16, 1933; to the Committee on Interstate and Foreign Commerce.

By Mr. SISSON: A bill (H.R. 9695) to provide for the establishment of a national monument on the site of Fort Stanwix, in the State of New York; to the Committee on the Public Lands.

By Mr. CROWE: A bill (H.R. 9696) to provide for additional appropriations for public works, to amend the National Industrial Recovery Act, and for other purposes; to the Committee on Ways and Means.

By Mr. BLACK: A bill (H.R. 9697) providing for the abolishment of interference practices in the United States Patent Office; to the Committee on Patents.

By Mr. BURKE of Nebraska: A bill (H.R. 9698) authorizing the Florence Bridge Board of Trustees to construct, maintain, and operate a toll bridge across the Missouri River at or near Florence, Douglas County, Nebr.; to the Committee on Interstate and Foreign Commerce.

By Mr. HILL of Alabama: A bill (H.R. 9699) to amend the Home Owners' Loan Act of 1933; to the Committee on Banking and Currency.

By Mr. CELLER: A bill (H.R. 9700) to provide for the naturalization of certain veterans of the World War; to the Committee on Immigration and Naturalization.

By Mr. McREYNOLDS: A bill (H.R. 9701) to provide additional funds for buildings for the use of the diplomatic and consular establishments of the United States; to the Committee on Foreign Affairs.

By Mr. BUCK: A bill (H.R. 9702) authorizing the adjustment of existing contracts for the sale of timber on the

national forests, and for other purposes; to the Committee on Agriculture.

By Mr. HARTLEY: A bill (H.R. 9703) to authorize the Secretary of War to lease the Port Newark Army Base, N.J., to the city of Newark, N.J.; to the Committee on Military Affairs.

By Mrs. KAHN: A bill (H.R. 9704) authorizing the coinage of a 3-cent nickel piece; to the Committee on Coinage, Weights, and Measures.

By Mr. GASQUE: A bill (H.R. 9705) to amend section 30, title III (veterans' provisions), of Public Law No. 141, Seventy-third Congress, to give the benefits thereof to veterans who enlisted in the United States forces after August 12, 1898, and wh oserved outside the continental limits of the United States; to the Committee on Pensions.

By Mr. MOTT: A bill (H.R. 9706) authorizing the Oregon-Washington Bridge Board of Trustees to construct, maintain, and operate a toll bridge across the Columbia River at Astoria, Clatsop County, Oreg.; to the Committee on Interstate and Foreign Commerce.

By Mr. BANKHEAD: Resolution (H.Res. 388) for the consideration of S. 3487, a bill relating to direct loans for industrial purposes by Federal Reserve banks, and for other purposes; to the Committee on Rules.

By Mr. LUNDEEN: Resolution (H.Res. 389) to provide for the expenses of the investigation by the Labor Committee or any subcommittee thereof, pursuant to House Resolution 385; to the Committee on Accounts.

By Mr. McREYNOLDS: Joint resolution (H.J.Res. 347) to prohibit the sale of arms or munitions of war in the United States under certain conditions; to the Committee on Foreign Affairs.

By Mr. MITCHELL: Joint resolution (H.J.Res. 348) to establish an investigating committee, define its duties, and for other purposes; to the Committee on Rules.

Also, a joint resolution (H.J.Res. 349) designating or naming a certain mountain in the State of Tennessee "Mount Roosevelt", and for other purposes; to the Committee on the Public Lands.

By Mr. CHAPMAN: Joint resolution (H.J.Res. 350) to provide for the erection of a tablet in the Arlington Memorial Amphitheater; to the Committee on Military Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ARENS: A bill (H.R. 9707) for the relief of E. F. Bandas; to the Committee on Claims.

By Mr. AYRES of Kansas: A bill (H.R. 9708) granting a pension to Mary E. Carroll; to the Committee on Invalid Pensions.

By Mr. BLOOM: A bill (H.R. 9709) for the relief of F. A. Brady, Inc.; to the Committee on War Claims.

By Mr. DOWELL: A bill (H.R. 9710) granting an increase of pension to Josephine Knight; to the Committee on Invalid Pensions.

By Mr. GAMBRILL: A bill (H.R. 9711) to extend the benefits of the United States Employees' Compensation Act of September 7, 1916, to Washington Parker, a former employee of the United States Naval Academy dairy farm, Gambrills, Md.; to the Committee on Claims.

By Mr. GLOVER: A bill (H.R. 9712) for the relief of Clarence Mitchell, C. T. Wilson, W. M. Garner, Jim Thereldkeld, R. R. Crain, J. B. Tolson, J. C. Rogers, S. K. Broach, W. T. Daniel, Ed West, J. L. Rogers, Albert Easterling, J. L. Rivers, L. R. Rogers, F. C. Wilson, J. E. Seymour, S. W. Lisenby, E. S. Word, H. L. Rivers, J. C. Russell, E. C. Finley, W. W. Mitchell, J. G. Carey, Carl Graves, Jerome Dupree, J. R. Mitchell, Henry Raney, Roxie Anderson, Bud Mitchell, and R. C. McCoy; to the Committee on Claims.

By Mr. JENKINS of Ohio: A bill (H.R. 9713) granting a pension to Paul Chick; to the Committee on Invalid Pensions.

Also, a bill (H.R. 9714) for the relief of the Mohawk Coal Co.; to the Committee on Claims.

By Mr. JOHNSON of West Virginia: A bill (H.R. 9715) for the relief of Herbert E. Guthrie; to the Committee on Military Affairs.

By Mr. MILLARD: A bill (H.R. 9716) to authorize the presentation of the Distinguished Service Cross to William A. Sullivan; to the Committee on Military Affairs.

By Mr. McCORMACK: A bill (H.R. 9717) conferring jurisdiction in the Court of Claims to hear and determine the claim of George B. Gates; to the Committee on Claims.

By Mr. RANKIN: A bill (H.R. 9718) for the relief of Robert N. Stockton; to the Committee on Claims.

By Mrs. ROGERS of Massachusetts: A bill (H.R. 9719) for the relief of Dean Scott; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1, of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

4684. By Mr. BEITER: Petition of the Greater East Side Democratic Association, Inc., Buffalo, N.Y., endorsing the Wagner labor disputes bill (S. 2926); to the Committee on Labor.

4685. By Mr. BRUNNER: Petition of the De Soto Council No. 327, Knights of Columbus, New York City, N.Y., supporting the amendment to section 301 of Senate bill 2910, providing for the insurance of equity of opportunity for educational, religious, agricultural, labor, cooperative, and similar non-profit-making associations seeking licenses for radio broadcastings by incorporating into the statute a provision for the allotment to said non-profit-making associations of at least 25 percent of all radio facilities not employed in public use; to the Committee on Merchant Marine, Radio, and Fisheries.

4686. By Mr. CONNERY: Petition of the City Council, City of Revere, Mass., endorsing the Connery old-age pension bill; to the Committee on Labor.

4687. By Mr. FITZPATRICK: Petition signed by Charles Vitale, of 168 Palisade Avenue, and 27 other residents of Yonkers, N.Y., urging the adoption of the McLeod banking bill; to the Committee on Banking and Currency.

4688. By Mr. JOHNSON of Texas: Memorial of James A. Dacus, president F.C.A. Credit Union, of Houston, Tex., favoring Senate bill 1639; to the Committee on Banking and Currency.

4689. By Mr. LINDSAY: Telegram from the American Steamship Owners Association, R. J. Baker, president, New York City, opposing House bill 7667; to the Committee on Interstate and Foreign Commerce.

4690. Also, petition of the National Retail Lumber Dealers Association, Washington, D.C., concerning proposed legislation to rehabilitate the home-building industry; to the Committee on Banking and Currency.

4691. Also, petition of Dr. Samuel N. Spring, dean New York State College of Forestry, Syracuse, N.Y., protesting against proposed transfer of the Forest Service of the Department of Agriculture to the Department of the Interior; to the Committee on the Public Lands.

4692. Also, petition of the Marine Engineers Beneficial Association, No. 2, Cleveland, Ohio, favoring the enactment of House bill 7979; to the Committee on Merchant Marine, Radio, and Fisheries.

4693. Also, petition of the New York State League of Savings and Loan Associations, favoring a program to modernize, rehabilitate, and repair American homes; to the Committee on Banking and Currency.

4694. By Mr. LUDLOW: Petition of citizens of Indianapolis, Ind., endorsing House bill 7598, the workers' unemployment and social insurance bill; to the Committee on Labor.

4695. By Mr. MILLARD: Petition signed by members of the Catholic Women's Club of Eastchester, Inc., urging the passage of Senate bill 2910, with the amendment to section 301; to the Committee on Interstate and Foreign Commerce.

4696. Also, petition signed by residents of Croton, Westchester County, N.Y., urging the passage of the Wheeler-Howard bill; to the Committee on Indian Affairs.

4697. By Mr. RUDD: Petition of the New York State League of Savings and Loan Associations, New York City,

favoring a comprehensive program to modernize, rehabilitate, and repair American homes at this time, thus contributing to the restoration of the building industry; to the Committee on Banking and Currency.

4698. Also, petition of the New York State College of Forestry at Syracuse University, Syracuse, N.Y., opposing the Ashurst amendment to the Taylor bill (H.R. 6462) transferring the Forest Service of the United States Department of Agriculture to the Department of the Interior; to the Committee on the Public Lands.

4699. Also, petition of the Woodhaven Republican Association, Woodhaven, Long Island, N.Y., favoring the Kenney bill, making it mandatory for teachers to take an oath pledging allegiance to the Constitution of the United States; to the Committee on Education.

4700. Also, petition of the National Retail Lumber Dealers Association, favoring proposed legislation to rehabilitate the home-building industry; to the Committee on Banking and Currency.

4701. By Mr. SADOWSKI: Petition of the Detroit section, American Society of Civil Engineers; to the Committee on Ways and Means.

4702. By Mr. STUDLEY: Petition of G. A. Bloodgood, legislative chairman, Albany Lodge, No. 861, and other residents of Albany, N.Y., petitioning the Congress of the United States to amend the Railway Labor Act; to the Committee on Labor.

4703. Also, petition of Arthur B. McLaughlin, of 215 East Burnside Avenue, Bronx County, N.Y., president of the Fur-Fin Feather Club, and other citizens, urging Congress to enact the Everglades National Park bill; to the Committee on the Public Lands.

4704. Also, petition of Lincoln Council, No. 312, Knights of Columbus, urging Senators and Representatives in Congress to support amendment to section 301 of Senate bill 2910 offered on behalf of Radio Station WLWL; to the Committee on Merchant Marine, Radio, and Fisheries.

4705. By Mr. WHITTINGTON: Petition of J. Spats and others, endorsing an amendment to section 301 of Senate bill 2910, for equity of opportunity for non-profit-making associations conducting radio stations; to the Committee on Merchant Marine, Radio, and Fisheries.

4706. Also, petition of Louise De Stefano and others, endorsing an amendment to section 301 of Senate bill 2910, for equity of opportunity for non-profit-making associations conducting radio stations; to the Committee on Merchant Marine, Radio, and Fisheries.

4707. Also, petition of Mrs. G. I. Lee and others, endorsing an amendment to section 301 of Senate bill 2910, for equity of opportunity for non-profit-working associations conducting radio stations; to the Committee on Merchant Marine, Radio, and Fisheries.

4708. By The SPEAKER: Petition of the Baltimore Rieger Club of St. Wenceslaus parish, urging adoption of the amendment to section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

4709. Also, petition of St. Catherine's rectory, Milwaukee, Wis., urging adoption of the amendment to section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

4710. Also, petition of the Boston College Club of Greater Lynn, urging adoption of the amendment to section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

4711. Also, petition of St. Lawrence Church, Paulist Fathers, Minneapolis, Minn., urging adoption of the amendment to section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

4712. Also, petition of Queen of the Most Holy Rosary Holy Name Society, Roosevelt, N.Y., urging adoption of the amendment to section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

4713. Also, petition of De Soto Council, No. 327, Knights of Columbus, urging adoption of the amendment to section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

4714. Also, petition of the Catholic Women's Club of Eastchester, Inc., New York, urging adoption of the amendment to section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

4715. Also, petition of the District Tuberculosis Association; to the Committee on the District of Columbia.

4716. Also, petition of the National Association for the Advancement of Colored People, supporting the Costigan antilynching bill; to the Committee on the Judiciary.

4717. Also, petition of H. E. Party, and others, supporting House bill 9596; to the Committee on Interstate and Foreign Commerce.

4718. Also, petition of depositors and stockholders of the Mount Airy National Bank, supporting the McLeod bank bill; to the Committee on Banking and Currency.

4719. Also, petition of the Citizens' Association of Takoma, D.C., opposing Senate bill 3289 and House bill 8986; to the Committee on the District of Columbia.

4720. Also, petition of T. L. Sheffer and others, supporting House bill 9596; to the Committee on Interstate and Foreign Commerce.

4721. Also, petition of the Transportation Brotherhood, supporting Senate bill 3231 and House bill 9596; to the Committee on Interstate and Foreign Commerce.

4722. Also, petition of Baguie, Mount Province, P.I.; to the Committee on Ways and Means.

4723. Also, petition of the Board of Supervisors of Lake, Wis., supporting House bill 7598; to the Committee on Labor.

4724. Also, petition of the Minneapolis & St. Louis Railroad Co., supporting House bills 9596 and 9597; to the Committee on Interstate and Foreign Commerce.

4725. Also, petition of the Continuation School, Boston, Mass.; to the Committee on Interstate and Foreign Commerce.

4726. Also, petition of members of the Aurora Postal Employees Credit Union, urging support of Senate bill 1639; to the Committee on Banking and Currency.

4727. Also, petition of the Board of Supervisors of the County of Maui, Territory of Hawaii; to the Committee on the Territories.

4728. Also, petition of the city of Toledo, Ohio, supporting the Wagner-Lewis Unemployment Insurance Act; to the Committee on Labor.

SENATE

TUESDAY, MAY 22, 1934

(Legislative day of Thursday, May 10, 1934)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On motion of Mr. ROBINSON of Arkansas, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day, Monday, May 21, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. ROBINSON of Arkansas. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Glass	McKellar
Ashurst	Coolidge	Goldsborough	McNary
Austin	Copeland	Gore	Metcalf
Bachman	Costigan	Hale	Neely
Bailey	Couzens	Harrison	Norbeck
Bankhead	Cutting	Hastings	Norris
Barbour	Davis	Hatch	Nye
Barkley	Dickinson	Hatfield	O'Mahoney
Black	Dieterich	Hayden	Overton
Bone	Dill	Johnson	Patterson
Borah	Duffy	Keyes	Pittman
Brown	Erickson	King	Pope
Bulkley	Fess	Logan	Reynolds
Bulow	Fletcher	Lonergan	Robinson, Ark.
Byrd	Frazier	Long	Robinson, Ind.
Byrnes	George	McCarran	Russell
Carey	Gibson	McGill	Schall

Sheppard	Thomas, Okla.	Tydings	Walcott
Shipstead	Thomas, Utah	Vandenberg	Walsh
Smith	Thompson	Van Nuys	Wheeler
Steiwer	Townsend	Wagner	White
Stephens			

Mr. ROBINSON of Arkansas. I desire to announce that the Senator from California [Mr. McADOO] is absent because of illness, and that the junior Senator from Arkansas [Mrs. CARAWAY], the Senator from Missouri [Mr. CLARK], the Senator from Illinois [Mr. LEWIS], the Senator from Iowa [Mr. MURPHY], and the Senator from Florida [Mr. TRAMMELL] are necessarily detained from the Senate. I ask that this announcement may stand for the day.

Mr. FESS. I wish to announce that the Senator from Rhode Island [Mr. HEBERT] is absent on account of illness, and that the Senator from New Jersey [Mr. KEAN], the Senator from Pennsylvania [Mr. REED], and the Senator from Wisconsin [Mr. LA FOLLETTE] are necessarily detained from the Senate.

The VICE PRESIDENT. Eighty-five Senators have answered to their names. A quorum is present.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Sundry messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who announced that the President had approved and signed the following acts:

On May 21, 1934:

S. 1541. An act for the relief of Mucia Alger;

S. 1982. An act to add certain lands to the Mount Hood National Forest in the State of Oregon;

S. 1997. An act to compensate Harriet C. Holaday;

S. 2379. An act to provide for the selection of certain lands in the State of Arizona for the use of the University of Arizona;

S. 2566. An act authorizing the conveyance of certain lands to the State of Nebraska;

S. 2568. An act granting a leave of absence to settlers of homestead lands during the years 1932, 1933, and 1934;

S. 2671. An act repealing certain sections of the Revised Code of Laws of the United States relating to the Indians; and

S. 3235. An act to amend an act entitled "An act providing for the participation of the United States in A Century of Progress (the Chicago World's Fair Centennial Celebration) to be held at Chicago, Ill., in 1933, authorizing an appropriation therefor, and for other purposes", approved February 8, 1932, to provide for participation in A Century of Progress in 1934, to authorize an appropriation therefor, and for other purposes.

TARIFF COMMISSION REPORT ON MATCHES

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the United States Tariff Commission, transmitting copy of a report (sent to the President and approved by him) by the Commission in an investigation, for the purposes of section 3 (e) of the National Industrial Recovery Act with respect to matches, which investigation was ordered at the request of the President in accordance with the provision of law above cited, which, with the accompanying report, was referred to the Committee on Finance.

ANALYSES OF IMPORT AND EXPORT TRADE

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the United States Tariff Commission, which, with the accompanying papers, was referred to the Committee on Finance, and the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES TARIFF COMMISSION,
Washington, May 19, 1934.

The honorable the PRESIDENT OF THE SENATE,
United States Senate.

SIR: On April 7, 1934, the Commission sent you such material as we had prepared up to that date in response to part I of Senate Resolution 334, Seventy-second Congress, second session. We take pleasure in transmitting herewith additional material, as follows:

1. A report on the balance of payments, showing the balance of the United States and each of the more important countries of the world for the most recent year available. In addition to the tables showing the totals for merchandise, gold and each of the invisible items, there is a general discussion applicable alike to all countries.

2. Trade analyses: Argentina, Belgium, Cuba, Germany, Mexico, Netherlands, Norway, United Kingdom, miscellaneous European countries, miscellaneous Central and South American countries, miscellaneous Asiatic and African countries.

3. Lists of tariff and trade restrictions imposed by foreign countries since 1922: Argentina, Belgium, Italy, Netherlands, Norway.

This completes the preparation of material in response to part I of the resolution, except for a few lists of tariff and trade restrictions, which will be sent at an early date.

Respectfully,

ROBERT L. O'BRIEN, *Chairman.*

MONETARY USE AND ACQUISITION OF SILVER (S.DOC. NO. 181)

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read, ordered to lie on the table, and to be printed, as follows:

To the Congress of the United States:

On January 11, 1934, I recommended to the Congress legislation which was promptly enacted under the title "The Gold Reserve Act of 1934." This act vested in the United States Government the custody and control of our stocks of gold as a reserve for our paper currency and as a medium of settling international balances. It set up a stabilization fund for the control of foreign exchange in the interests of our people, and certain amendments were added to facilitate the acquisition of silver.

As stated in my message to the Congress, this legislation was recommended as a step in improving our financial and monetary system. Its enactment has laid a foundation on which we are organizing a currency system that will be both sound and adequate. It is a long step forward, but only a step.

As a part of the larger objective, some things have been clear. One is that we should move forward as rapidly as conditions permit in broadening the metallic base of our monetary system and in stabilizing the purchasing and debt-paying power of our money on a more equitable level. Another is that we should not neglect the value of an increased use of silver in improving our monetary system. Since 1929 that has been obvious.

Some measures for making a greater use of silver in the public interest are appropriate for independent action by us. On others international cooperation should be sought.

Of the former class is that of increasing the proportion of silver in the abundant metallic reserves back of our paper currency. This policy was initiated by the proclamation of December 21, 1933, bringing our current domestic production of silver into the Treasury, as well as placing this Nation among the first to carry out the agreement on silver which we sought and secured at the London Conference. We have since acquired other silver in the interest of stabilization of foreign exchange and the development of a broader metallic base for our currency. We seek to remedy a maladjustment of our currency.

In further aid of this policy it would be helpful to have legislation broadening the authority for the further acquisition and monetary use of silver.

I, therefore, recommend legislation at the present session declaring it to be the policy of the United States to increase the amount of silver in our monetary stocks with the ultimate objective of having and maintaining one fourth of their monetary value in silver and three fourths in gold.

The executive authority should be authorized and directed to make the purchases of silver necessary to attain this ultimate objective.

The authority to purchase present accumulations of silver in this country should be limited to purchases at not in excess of 50 cents per ounce.

The executive authority should be enabled, should circumstances require, to take over present surpluses of silver in this country not required for industrial uses on payment of just compensation, and to regulate imports, exports, and other dealings in monetary silver.

There should be a tax of at least 50 percent on the profits accruing from dealing in silver.

We can proceed with this program of increasing our store of silver for use as a part of the metallic reserves for our paper currency without seriously disturbing adjustments in world trade. However, because of the great world supply of silver and its use in varying forms by the world's population, concerted action by all nations, or at least a large group of nations, is necessary if a permanent measure of value, including both gold and silver, is eventually to be made a world standard. To arrive at that point, we must seek every possibility for world agreement, although it may turn out that this Nation will ultimately have to take such independent action on this phase of the matter as its interests require.

The success of the London Conference in consummating an international agreement on silver, which has now been ratified by all the governments concerned, makes such further agreement worth seeking. The ebb and flow of values in almost all parts of the world have created many points of pressure for readjustments of internal and international standards. At no time since the efforts of this Nation to secure international agreement on silver began in 1878 have conditions been more favorable for making progress along this line.

Accordingly, I have begun to confer with some of our neighbors in regard to the use of both silver and gold, preferably on a coordinated basis, as a standard of monetary value. Such an agreement would constitute an important step forward toward a monetary unit of value more equitable and stable in its purchasing and debt-paying power.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *May 22, 1934.*

Mr. PITTMAN. Mr. President, the message just read to the Senate and the action which the President desires taken on it are the culmination of several years of consideration of the silver question.

After what we may term the "Bryan era" there was such a prejudice in the United States with regard to the use of silver as money that for many years it was impossible to consider the question from a sane monetary standpoint. However, that prejudice has largely been removed. We have had the Senate Committee on Banking and Currency, the Senate Committee on Agriculture and Forestry, the House Committee on Banking and Currency, the House Committee on Coinage, Weights, and Measures studying numerous bills which have been introduced on the subject during the past 2 years. Many facts with regard to monetary silver and also with regard to the production, consumption, and movement of silver were learned by Congress and by the general public.

There was a fear, for instance, that, under the Gresham Law, if silver moved into this country too rapidly, gold would move out. With the unlimited coinage of silver by governments where there has been a different ratio established, that has been the effect in the past and might be the effect in the future. That condition does not exist, however, in relation to the purchase of silver, because the history of the purchase of silver from time immemorial has demonstrated that there is a world price for silver when silver is permitted to flow freely. For instance, today the world price of silver is 44 to 45 cents an ounce. The price of silver in the United States, by reason of restrictions against foreign silver and because of special acts in behalf of our own silver, is 64½ cents an ounce, but everywhere else in the world there is a uniform market price for silver.

There was a fear at one time that there were unlimited quantities of silver which might flow into the United States Treasury if an effort were to be made to acquire silver without limit. Of course, the message of the President puts a definite limit on the amount to be purchased, but I am discussing that matter temporarily from the other standpoint.

We have been told only recently, in editorials and otherwise, by distinguished economists that there are no accurate statistics with regard to silver, but that there are accurate statistics with regard to gold. That is an unfortunate mistake. The statistics with regard to the production, consumption, and movement of silver are far more accurate than with regard to gold. Gold was produced more easily throughout the early ages in that it might be removed from gravel in the form of nuggets and dust, and by placer mining in various forms, even with a frying pan. The history of the geology of the metals discloses the fact that nearly all silver is found in hard rock, in 70 percent of the cases being found combined with lead, zinc, copper, or gold.

While it was easy to remove gold from the alluvial gravels in early times, it was not easy to remove silver from the rocks, because until the discovery of powder by the Chinese some 400 years ago, the process of breaking rock was a very slow one. Those who doubt the statistics in this matter need not take alone the report of our Director of the Mint, which is based upon the history of the production of the metals. They may go back to the old German works or the old French works or even to the old Roman works and learn how accurate the statistics are. But I am passing that question for the time being. I say there is a limit now to be applied in this act.

Today the statisticians and economists tell us that there is not to exceed 12,000,000,000 ounces of silver throughout the entire world. Some of them, in computing depreciation and loss, say there is only 9,000,000,000 ounces of silver in the world. We know there is probably 2,500,000,000 ounces of silver in China alone, and it is hidden away in the adobe walls and in the ground. It is their store of wealth. We know that in India there are probably five or six billion ounces, depending on estimates of depletion and loss, largely in the form of jewelry of the women, because the women cannot inherit in that country, and that is the way they keep their wealth. So this fear has been largely dissipated.

There were those in this body and in the other House of Congress who, believing that there was no danger from the free and unlimited coinage of silver, because they did not believe that silver would move to this country, have advocated it. They have not advocated it on the narrow ground that it would benefit the mines of their State, and yet they have been charged with doing so. If that were true, why should we find 230 or 240 Members of the House advocating the remonetization of silver in some form, inevitably raising its price, if it depended solely upon the selfish purpose of the mine owners? There are probably only 25 or 30 Representatives and probably 10 or 12 Senators from the section of the country which produces silver, and yet we find this tremendous support of the remonetization of silver in the Senate and in the House. Yet in the face of the fact that able economists will stick to their dictum that there are no accurate statistics with regard to silver, and there may be an unlimited quantity, in the face of their continued assertion that silver will come out of India and will come out of China in spite of the history of the past, it becomes necessary, of course, as it is necessary in every legislative matter, that there be a rapprochement, a meeting of minds. Every step is an advantage.

What do we find in this message? We find that the principle underlying the request in the message is the readjustment of our maladjusted currency in this country. It is true that the message calls attention to the fact that for a further advance in the remonetization of silver and its stabilization throughout the world at some fixed price, such as that of $1.29, as it is in our country, or at 16 to 1, the President believes international action would be required. I may say that I do not agree with that conclusion. Nevertheless, everyone is entitled to his own opinion on the subject.

Now, let us see. This is not new. I desire to give some figures to show that there is a maladjustment of our currency.

Mr. President, at the suggestion of the Senator from Arkansas [Mr. ROBINSON], our leader, I am now about to introduce a bill which is an administration bill. It is a bill which was prepared by the Treasury Department under the instructions and supervision of the President of the United States. It is intended to carry out the message he has just sent to the Senate.

Let me say that while this is the President's bill, I do not feel that the President would desire to claim the entire credit for it. The fact is well known to this body and to the

people of the country that conferences have been proceeding here among groups in the Senate, and between those groups and the President, in several meetings, on and off, for 5 or 6 weeks. I may say that the foundation for this message and for this proposed legislation might be called the Dies bill, which came over from the House, was referred to the Committee on Agriculture and Forestry, reported out to this body, and is now on the calendar. That bill provided that foreign importers of our agricultural products might pay for those products in foreign silver at a value from 10 to 25 percent above the world market price.

When that bill went to the Committee on Agriculture and Forestry, an amendment was offered to it, I think, by the Senator from Oklahoma [Mr. THOMAS], which carried provisions very similar to those which were in the Wheeler silver purchase bill which was introduced and acted upon in this body some time ago. In other words, it provided for the purchase of 50,000,000 ounces of silver a month until the price of silver should go above $1.29 an ounce, or until the 1926 index level should be reached. There was added to that bill in the Committee on Agriculture and Forestry a provision such as I have mentioned for the purchase of silver.

The first conference that we had was participated in by the Senator from Utah [Mr. KING], the Senator from Idaho [Mr. BORAH], the Senator from Montana [Mr. WHEELER], the Senator from South Carolina [Mr. SMITH], the Senator from Colorado [Mr. ADAMS], the Senator from Oklahoma [Mr. THOMAS], the Senator from Minnesota [Mr. SHIPSTEAD], the Senator from Nevada [Mr. MCCARRAN], and myself. The Senator from Utah [Mr. KING] called the group together for the purpose of discussing among themselves in the first place the Dies bill, and any proper changes that might be made in it on the floor of the Senate. The Senator from Utah arranged, 5 or 6 weeks ago, the conference with the President, at which the Senators whose names I have read were present. The discussion at that conference naturally revolved around the pending legislation—that is, the Dies bill as amended, which is now on the calendar.

I think I violate no confidence when I say that the President was instantly opposed to the Dies bill as it came from the House. He felt that it would not accomplish the purpose which the agriculturists of the country thought it would accomplish. He felt that there would be retaliation which would offset any benefit that might be hoped to be obtained from it. I think he was firm and fixed in that view.

As to the other provisions, with regard to the purchase of 50,000,000 ounces of silver a month, the Secretary of the Treasury and Mr. Oliphant, the general counsel to the Secretary, who was of splendid assistance in this matter, urged that if the Government were required to purchase 50,000,000 ounces of silver a month, it would be at the mercy of sellers of silver throughout the world; that the very knowledge that the Government had no discretion, but must bid and bid and bid for silver until it received 50,000,000 ounces every month, would undoubtedly crowd the price of silver up to the limit of $1.29 an ounce, which is the monetary value at which it circulates as specie and in the form of silver certificates in this country, and one of the chief purposes of readjusting our maladjusted currency would be defeated by that very provision.

In this connection, Mr. President, let me read some figures. I take these figures from a speech which I delivered on September 21, 1933, and the figures were actually compiled from the Treasury Department's records.

There has been a constant fear expressed by those who are opposed to the expansion of silver currency of the United States that our currency would be overbalanced with silver. The statistics with regard to our total stock of money in the United States and the percentage thereof in silver in 1900 and on July 31, 1933, respectively, are as follows:

Now, note the change:

In 1900 the total money was $2,336,220,000; silver money, $648,995,000; or 27 percent of our entire currency was silver currency.

On July 31, 1933, the total money was $10,014,268,674; silver money, $838,662,359, or 8 percent. At the present time the silver money is about 12 percent of the total.

Going on with that statement, the total stock of silver as of July 31, 1933, was $838,662,359. Thus there could be added to the silver stock of July 31, 1933, before its percentage of the total stock of money in the United States would equal the percentage of 1900, $1,935,290,000 worth of silver.

Those figures were given by me in a statement made on the 17th day of November 1933 to the Committee for the Nation, of which at that time the Senator from Oklahoma [Mr. THOMAS] was acting as chairman. I think the same figures were given there.

I may say that that is the percentage of total currency. If we go back to 1900 to find what the percentage of silver coin and silver certificates issued against the coins in the Treasury was in ratio to the gold of the United States, we find that the percentage of silver was nearer 50 percent.

As I have said, the object is to secure the readjustment of a maladjusted currency. The cause of the maladjustment of the currency is easy to explain. In 1873 the Government ceased to coin standard silver dollars, but coined only halves, quarters, and dimes. But it continued the accumulation of gold, however, and the issuance of additional forms of gold currency in this country, and the disparity between gold and silver grew.

This idea of a readjustment of our currency is not new. I call attention, for instance, to the informal conferences held in Washington among the various governments at the invitation of the President of the United States in preparation for silver agreements at London, which considered a resolution, which was submitted to every government represented here, before the delegates went to London, providing that all governments should carry in their treasuries or in their central banks at least 20 percent of their metallic reserves in silver and could carry 25 percent in silver. There were those of us here who urged that they should carry a larger proportion than 25 percent in silver. Yet the President had recommended to the foreign governments at London that they carry 25 percent in silver in their reserves. So he has placed that amount in the bill.

I now introduce the bill, and I ask to have it read.

The VICE PRESIDENT. Does the Senator desire to have the bill read?

Mr. PITTMAN. I believe it will be sufficient to have it published in the RECORD. That will serve the same purpose as having it read.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

The bill (S. 3658) to authorize the Secretary of the Treasury to purchase silver, issue silver certificates, and for other purposes, was read twice by its title, ordered to lie on the table, and to be printed in the RECORD, as follows:

Be it enacted, etc., That the short title of this act shall be the "Silver Purchase Act of 1934."

SEC. 2. It is hereby declared to be the policy of the United States that the proportion of silver to gold in the monetary stocks of the United States should be increased, with the ultimate objective of having and maintaining one fourth of the monetary value of such stocks in silver.

SEC. 3. The Secretary of the Treasury is authorized and directed to purchase silver, at home or abroad, for present or future delivery with any direct obligations, coin, or currency of the United States, authorized by law, or with any funds in the Treasury not otherwise appropriated, at such rates, at such times, and upon such terms and conditions as he may deem reasonable and most advantageous to the public interest: *Provided*, That no purchases of silver shall be made hereunder (a) at a price in excess of the monetary value thereof or (b) whenever and so long as the monetary value of the stocks of silver is equal to or greater than 25 percent of the monetary value of the stocks of gold and silver: *And provided further*, That no purchases of silver situated in the continental United States on May 1, 1934, shall be made hereunder at a price in excess of 50 cents a fine ounce.

SEC. 4. Whenever and so long as the market price of silver exceeds its monetary value or the monetary value of the stocks of silver is greater than 25 percent of the monetary value of the stocks of gold and silver, the Secretary of the Treasury may, with the approval of the President and subject to the provisions of section 5, sell any silver acquired under the authority of this act, at home or abroad, for present or future delivery, at such rates, at such times, and upon such terms and conditions as he may deem reasonable and most advantageous to the public interest.

SEC. 5. The Secretary of the Treasury is authorized and directed to issue silver certificates in such denominations as he may from time to time prescribe in a face amount not less than the cost of all silver purchased under the authority of section 3. There shall be maintained in the Treasury as security for all silver certificates heretofore or hereafter issued and at the time outstanding an

amount of silver in bullion and standard silver dollars of a monetary value equal to the face amount of such silver certificates. All silver certificates heretofore or hereafter issued shall be legal tender for all debts, public and private, public charges, taxes, duties, and dues, and shall be redeemable on demand at the Treasury of the United States in standard silver dollars; and the Secretary of the Treasury is authorized to coin standard silver dollars for such redemption.

SEC. 6. Whenever in his judgment such action is necessary to effectuate the policy of this act, the Secretary of the Treasury is authorized, with the approval of the President, to investigate, regulate, or prohibit, by means of licenses or otherwise, the acquisition, importation, exportation, or transportation of silver and of contracts and other arrangements made with respect thereto; and to require the filing of reports deemed by him reasonably necessary in connection therewith. Whoever willfully violates the provisions of any license, order, rule, or regulation issued pursuant to the authorization contained in this section, shall, upon conviction, be fined not more than $10,000, or, if a natural person, may be imprisoned for not more than 10 years, or both; and any officer, director, or agent of any corporation who knowingly participates in such violation may be punished by a like fine, imprisonment, or both.

SEC. 7. Whenever in the judgment of the President such action is necessary to regulate the value of the money of the United States, he may by Executive order require the delivery to the United States mints of any or all silver by whomever owned or possessed. The silver so delivered shall be coined into standard silver dollars or otherwise added to the monetary stocks of the United States as the President may determine; and there shall be returned therefor in standard silver dollars, or any other coin or currency of the United States, the monetary value of the silver so delivered less such deductions for seigniorage, brassage, coinage, and other mint charges as the Secretary of the Treasury with the approval of the President shall have determined: *Provided*, That, in no case, shall the value of the amount returned therefor be less than the fair value at the time of such order of the silver required to be delivered as such value is determined by the market price over a reasonable period terminating at the time of such order. The Secretary of the Treasury shall pay all necessary costs of the transportation of such silver and standard silver dollars, coin, or currency, including the cost of insurance, protection, and such other incidental costs as may be reasonably necessary. Any silver withheld in violation of any Executive order issued under this section or of any regulations issued pursuant thereto shall be forfeited to the United States, and may be seized and condemned by like proceedings as those provided by law for the forfeiture, seizure, and condemnation of property imported into the United States contrary to law; and in addition any person failing to comply with the provisions of any such Executive order or regulation shall be subject to a penalty equal to twice the monetary value of the silver in respect of which such failure occurred.

SEC. 8. Schedule A of title VIII of the Revenue Act of 1926, as amended (relating to stamp taxes), is amended by adding at the end thereof a new subdivision to read as follows:

"10. Silver, etc., sales and transfers: On all transfers of any interest in silver bullion, if the price for which such interest is or is to be transferred exceeds the total of the cost thereof and allowed expenses, 50 percent of the amount of such excess. On every such transfer there shall be made and delivered by the transferor to the transferee a memorandum to which there shall be affixed lawful stamps in value equal to the tax thereon. Every such memorandum shall show the date thereof, the names and addresses of the transferor and transferee, the interest in silver bullion to which it refers, the price for which such interest is or is to be transferred, and the cost thereof and the allowed expenses. Any person liable for payment of tax under this subdivision (or anyone who acts in the matter as agent or broker for any such person) who is a party to any such transfer, or who in pursuance of any such transfer delivers any silver bullion or interest therein, without a memorandum stating truly and completely the information herein required, or who delivers any such memorandum without having the proper stamps affixed thereto, with intent to evade the foregoing provisions, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall pay a fine of not exceeding $1,000 or be imprisoned not more than 6 months, or both. Stamps affixed under this subdivision shall be canceled (in lieu of the manner provided in sec. 804) by such officers and in such manner as regulations under this subdivision shall prescribe. Such officers shall cancel such stamps only if it appears that the proper tax is being paid, and when stamps with respect to any transfer are so canceled, the transferor and not the transferee shall be liable for any additional tax found due or penalty with respect to such transfer. The provisions of this subdivision shall extend to all transfers in the United States of any interest in silver bullion, and to all such transfers outside the United States if either party thereto is a resident of the United States or is a citizen of the United States who has been a resident thereof within 3 months before the date of the transfer or if such silver bullion or interest therein is situated in the United States; and shall extend to transfers to the United States Government (the tax in such cases to be payable by the transferor), but shall not extend to transfers of silver bullion by deposit or delivery at a United States mint under proclamation by the President or in compliance with any Executive order issued pursuant to section 7 of the Silver Purchase Act of 1934. The tax under this subdivision on transfers enumerated in subdivision 4 shall be in addition to the tax under such subdivision. This subdivision shall apply (1) with respect to all transfers of any interest in silver bullion after the enactment of the Silver Purchase Act of 1934, and (2) with respect to all transfers of any interest in silver bullion on or after May 15, 1934, and prior to the enactment of the Silver Purchase Act of 1934, except that in such cases it shall be paid by the transferor in such manner and at such time as the commissioner, with the approval of the Secretary of the Treasury, may by regulations prescribe, and the requirement of a memorandum of such transfer shall not apply.

"As used in this subdivision—

"The term 'cost' means the cost of the interest in silver bullion to the transferor, except that (a) in case of silver bullion produced from materials containing silver which has not previously entered into industrial, commercial, or monetary use, the cost to a transferor who is the producer shall be deemed to be the market price at the time of production determined in accordance with regulations issued hereunder; (b) in the case of an interest in silver bullion acquired by the transferor otherwise than for valuable consideration, the cost shall be deemed to be the cost thereof to the last previous transferor by whom it was acquired for a valuable consideration; and (c) in the case of any interest in silver bullion acquired by the transferor (after Apr. 15, 1934, and before the tax under this subdivision takes effect) in a wash sale, the cost shall be deemed to be the cost to him of the interest transferred by him in such wash sale, but with proper adjustment, in accordance with regulations under this subdivision, when such interests are in silver bullion for delivery at different times.

"The term 'transfer' means a sale, agreement of sale, agreement to sell, memorandum of sale or delivery of, or transfer, whether made by assignment in blank or by any delivery, or by any paper or agreement or memorandum or any other evidence of transfer or sale, or means to make a transfer as so defined.

"The term 'interest in silver bullion' means any title or claim to or interest in any silver bullion or contract therefor.

"The term 'allowed expenses' means usual and necessary expenses actually incurred in holding, refining, or transporting the interest in silver bullion as to which an interest is transferred (including storage, insurance, and transportation charges, but not including interest, taxes, or charges in the nature of overhead), determined in accordance with regulations issued hereunder.

"The term 'memorandum' means a bill, memorandum, agreement, or other evidence of a transfer.

"The term 'wash sale' means a transaction involving the transfer of an interest in silver bullion and, within 30 days before or after such transfer, the acquisition by the same person of an interest in silver bullion. Only so much of the interest so acquired as does not exceed the interest so transferred, and only so much of the interest so transferred as does not exceed the interest so acquired, shall be deemed to be included in the wash sale.

"The term 'silver bullion' means silver which has been melted, smelted, or refined and is in such state or condition that its value depends primarily upon the silver content and not upon its form."

SEC. 9. The Secretary of the Treasury is hereby authorized to issue, with the approval of the President, such rules and regulations as the Secretary of the Treasury may deem necessary or proper to carry out the purposes of this act or of any order issued hereunder.

SEC. 10. As used in this act:

The term "person" means an individual, partnership, association, or corporation;

The term "the continental United States" means the States of the United States, the District of Columbia, and the Territory of Alaska;

The term "monetary value" means a value calculated on the basis of $1 for an amount of silver or gold equal to the amount at the time contained in the standard silver dollar and the gold dollar, respectively;

The term "stocks of silver" means the total amount of silver at the time owned by the United States (whether or not held as security for outstanding currency of the United States) and of silver contained in coins of the United States at the time outstanding;

The term "stocks of gold" means the total amount of gold at the time owned by the United States, whether or not held as a reserve or as security for any outstanding currency of the United States; and

The term "silver bullion" means silver which has been melted, smelted, or refined and is in such state or condition that its value depends primarily upon the silver content and not upon its form.

SEC. 11. In addition to any sums appropriated by section 3, there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $500,000, which shall be available for expenditure, under the direction of the President and in his discretion, for any purpose in connection with the carrying out of this act; and there are hereby authorized to be appropriated annually such additional sums as may be necessary for such purposes.

SEC. 12. The right to alter, amend, or repeal this act is hereby expressly reserved. If any provision of this act or the application thereof to any person or circumstances is held invalid, the remainder of the act and the application of such provision to other persons or circumstances shall not be affected thereby.

SEC. 13. All acts and parts of acts inconsistent with any of the provisions of this act are hereby repealed, but the authority con-

ferred in this act upon the President and the Secretary of the Treasury is declared to be supplemental to the authority heretofore conferred.

Mr. PITTMAN. Mr. President, having in view the fundamental principle of the readjustment of our currency, finding that it was necessary, finding that we would bring the currency back nearly to normal, there could be no uneasiness with regard to those who fear inflation.

I think I should say in all frankness that the group of Senators who participated equally in all of these conferences with the President were successful, I may say, in convincing him that there were certain fundamental principles which must be embodied in the legislation or the legislation would not only be futile but would be damaging to the very cause of the remonetization of silver.

In the very nature of things, when the Secretary of the Treasury and his expert advisers and his attorneys started to draft a measure, they desired that there be no mandatory features whatever in the measure. I can understand their feeling. They know little about silver. They suspect much with regard to silver. They are misadvised by distinguished and learned professors who know less about silver.

Mr. LONG. Mr. President, will the Senator yield?

Mr. PITTMAN. I am sorry; I cannot yield.

In the nature of things, until they have 25 percent of the metallic reserves in silver, they desire that the provision in regard to the purchasing of silver be purely permissive, that it be provided that they might take the action if they saw fit.

They have that permissive power now, under existing law. There were none of this group favorable to that permissive principle. We insisted that if the principle were correct—that is, that we should maintain at least 25 percent of our metallic reserves in silver—and if the President favored that, and if he intended to carry it out in the spirit in which it was intended, then there was nothing improper, in using the ordinary terms we use in bills, in saying that we not only authorized but we authorized and directed, the Secretary of the Treasury to purchase silver until the desired end was accomplished.

There had to be limitations, of course. The first limitation was that when the monetary value of silver went over $1.29 an ounce, which is the measure at which the silver certificates are circulated, and all silver dollars are circulated, then it went above the parity price, and it would probably pay to melt up our coin and sell it as bullion.

There was a power already in the President of the United States to stop that. That power had been used before. There is a general parity act, which authorizes the President to sell even standard silver dollars in order to prevent the price from going above the parity price. The power was used in 1920 to beat the war price down from $1.38 an ounce to below a dollar. But in order that there might be no misunderstanding, so that it would be definite, two limitations were placed upon the purchases. One of them was that when the price, if it should do so, went above $1.29 an ounce, not only should the Treasury cease to purchase, but that it should have the right to sell silver in order to prevent it from going higher.

There was another limitation, that when the Secretary of the Treasury had acquired a sufficient amount of silver to amount to 25 percent of our metallic monetary reserves, then he should cease to purchase.

There was a permissive feature, and it was as to that that this group finally compromised with the President. The President yielded with regard to the mandatory provision about purchasing silver until he got 25 percent of the reserves, and we yielded on the point that he should not be required to purchase 50,000,000 ounces a month, or any other particular amount. We yielded and allowed him his discretion in good faith to buy silver at such times and upon such terms and conditions as he might consider in the interest of the Government of the United States, but that he should in good faith ultimately acquire sufficient silver to equal 25 percent of our reserves.

There was another difference between this group and the Treasury Department, and that difference was simply this: There was no provision in the Treasury bill for the utilization of the silver they bought. Of course, it is apparent that to buy in the course of time 1,700,000,000 ounces of silver, and store it in the vaults of the Treasury, and never use it, would not result in eliminating the maladjustment of our silver currency. It might raise the price and have its effect in that way on our export and import trade. The raising of the price would undoubtedly answer Japan, and it is the only answer we have to them. Raise the price of the exchange value of the silver of the world and Japanese costs rise that much. On the other hand, the purchasing power of those people in our own country will be greater. The raising of the price of silver, as far as foreign countries are concerned, has exactly the same relative effect as the depreciation of our currency or the depreciation of any other currency. Therefore, there must be a provision in the act that the silver, when acquired, shall be utilized for the purpose of bringing our currency up to a normal condition.

We of the group here, in preparing the act as we saw it, provided that the silver should be bought with silver certificates. But we were answered by the experts of the Treasury Department, "We may prefer to buy it with gold, or with Federal Reserve bank notes, or with credit, or with any other form of money." We said, "Very well; that is true. Then if you do not see fit to buy with silver certificates, issue silver certificates against the bullion you have in the Treasury to the amount of one dollar's worth of silver certificates for every dollar you spend in buying it, and let those silver certificates be based on the same kind of silver in their issue as all our silver certificates are. In other words, that there be a dollar issue of silver certificates or standard silver dollars against every 371¼ grains of silver, which is the present measure. Or if, under the amendment I offered to the gold act, the President sees fit to reduce the silver content of the silver dollar from 371 grains to one half that, then one silver dollar certificate against whatever the monetary unit of the standard silver dollar is.

When that matter was explained to the President of the United States he concurred absolutely with the members of this voluntary committee who presented the matter to him. So we have before us the bill I have presented, which would accomplish three or four things. The main thing it would result in would be requiring the Secretary of the Treasury to purchase silver until he had acquired a sufficient amount of silver to constitute 25 percent of our monetary reserve.

It requires him either to purchase that with silver certificates on the basis of the issue of our existing silver certificates, or he may change the content of the dollar upon that basis, and to circulate those silver certificates in the ordinary course of business. Those are the fundamental principles of this bill.

The bill right at the start makes this declaration:

> It is hereby declared to be the policy of the United States that the proportion of silver to gold in the monetary stocks of the United States should be increased, with the ultimate objective of having and maintaining one fourth of the monetary value of such stocks in silver.

That is the heart of the bill. That is the chief purpose of the bill. That is carried out by the methods I have indicated.

There are other permissive features of this bill. There is a provision in the bill which authorizes the President of the United States to nationalize silver. In other words, it permits him to do with regard to silver what he has done with regard to gold; that is, he may commandeer the silver in this country by paying for it its value. There is a detailed method of arriving at that. It is very carefully worked out, as was done with regard to gold, so as to come within the Constitution, and to make sure that no one is deprived of silver bullion without due process of law.

There is still another provision in this bill which has to do with a tax. That tax feature provides that any silver sold after this bill goes into force and effect shall carry stamps which measure one half of the profit between what the seller paid for it and what he got for it. That tax is effective on sales made after the bill passes and becomes law.

However, the framers of the bill desired to take care of sales that might be made while this bill was being discussed and enacted, so they said that from the 15th day of May of this year any sales which were made should not carry with them the use of stamps, because the sales would probably be made before this bill was passed, but those sales should be subject to an excess-profits tax of 50 percent on the profits made on the sales and accounted for.

The nationalization is permissive. Whether or not the President will see fit to put it into effect will have to be determined. I do not think he has his mind made up.

As to the tax, that is fixed. I wish to say that the tax does not apply to silver which is acquired in stocks for manufacture, because when a manufacturer buys silver to use for manufacturing purposes he does not sell that silver, but uses it, and there is no profit actually on the purchase of the silver unless it possibly can be reflected in the profits of his manufacturing industry, and such profits, of course, are taken care of by the income tax. It does not apply, and it is expressly provided in the bill that it shall not apply, to silver mined in the United States, under the proclamation of the President. So with the value of 64½ cents an ounce it is expressly provided the tax shall not apply to such silver. It has no tax to pay, because it is not a profit transaction. It is simply a transaction of surrendering to the Government one's silver and having it coined on the seigniorage basis, or giving to the Government half of the silver for the purpose of having the other half coined into silver dollars.

I am calling this to the attention of the Senate so that there may be no misunderstanding and no fear with regard to this entire proposition.

It is urged, of course, and has been urged time and again that nothing can be done with regard to silver except by international agreement. Is it possible that anyone would contend that each government does not have the authority to regulate its own currency? Is it possible that we may not decide the limit to which we will permit the issue of Federal Reserve bank notes, the limit of national bank notes, the limit of gold notes, the limit of silver certificates?

Since the very beginning of the Government it has been the function of Congress not only to coin and issue money but to regulate money, and we do regulate money. We have attempted to regulate, through the Federal Reserve Board, the flow of money, and the expansion of credit, through its power of raising the rediscount rate.

Now, when we find ourselves with a maladjusted currency, the different forms rapidly drifting farther and farther apart, to say that it requires international action seems to me almost absurd.

Of course if one is driving to the ultimate end of having all governments give exactly the same measure to their currency that we and other governments give, then there is just as much necessity for international agreement with regard to silver as there is with regard to gold. There is not any doubt whatever that ultimately there will be an agreement among the great powers as to how many grains of gold the pound sterling will buy, and how many grains of gold the dollar will buy, and when that is once adjusted, then the relative exchange value of the pound sterling and the dollar is adjusted. All know that. All are driving to that end.

At the London Conference I think every great economist there agreed that never again could we have the form of the gold standard that we have had in the past. They all agreed that gold would have to be utilized in a closed circuit between treasuries and central banks for the sole purpose of settling international balances; that there was no more than enough gold for that purpose, if there was enough for that; and that the transfer of gold should be handled as banks in great cities handle their settlements through the clearing house.

But when that is done, how about silver money? There is silver money in the world. We have $800,000,000 worth of silver money in this country. As I have said, at one time we had 50 percent of our metallic money in silver. Even today it represents 12 percent of all our currency. Great Britain has silver money. France has silver money. Italy has silver money. It is all a part of their monetary systems. Many think that perhaps China and India are the only countries which have silver money. Today in South America the only hard money that is ever seen is silver money. In Mexico the only hard money that is ever seen is silver money. Ninety percent of their transactions are carried on with silver money. Silver is still and always has been used as money throughout the world.

We are not creating anything new. It is true, sir, that for the first time since 1873 silver has a different status. It has been declared full legal tender and by that act was remonetized.

When H.R. 3835—Public, No. 10, Seventy-third Congress—an act to relieve the existing national economic emergency by increasing agricultural purchasing power, and so forth, was under consideration, I offered this amendment to it:

> Such notes and all other coins and currencies heretofore or hereafter coined or issued by or under authority of the United States shall be legal tender for all debts public and private.

That, sir, has been the law of the United States since May 12, 1933.

I contend, therefore, and have contended before the experts of the Treasury Department and our own group, that that very provision of law in itself makes silver primary money. When I say "primary money" I mean money that does not depend for its purchasing power upon any other money or any other thing. It has the same intrinsic value, if one wishes to go back to intrinsic value, that gold has—in different proportions. The standard silver dollar has a higher percentage in intrinsic value by measuring the value of the silver content than any of our currency except gold coins. The Federal Reserve bank note only had 40 percent behind it. When silver has reached the price of 64½ cents an ounce, we will have 50 percent intrinsic value behind every standard silver dollar. When it reaches $1.29, we will have 100 percent, because a silver certificate will be issued only against a 100-percent dollar in the Treasury. Therefore, we have reached a point where our Government has taken a broad step, whose soundness cannot be questioned by any financier or economist in this country. We are going back to the normal adjustment of our currency as of 1900; yes, slightly below what it was at that time, because in 1900 27 percent of our currency was silver, whereas this bill only provides that 25 percent shall be silver. In 1873 and prior thereto the percentage of silver in our currency was much greater, for, taking the metallic base as of 1900, as I say, it was practically 50 percent. Today, according to the metallic base, it is probably 12 percent. So, Mr. President, we are simply readjusting our currency back to normal, and there is no necessity whatever of calling on foreign countries to take action.

This matter with regard to silver was submitted to the monetary section of the London conference. Of that section I happened to be chairman. When the proposition of a silver reserve was submitted to them there was no contention against carrying this reserve. The contention, however, was made by the delegates of 13 governments that they already carried 30-percent reserve in silver, and they would not consent to lower that percentage. There was also a great dispute as to what should be the limit of the value of silver in measuring such reserves. We withdrew that resolution, not because all the governments probably, except one, did not favor carrying such silver reserves, but because they wanted to carry more in many instances than the resolution provided. So that resolution was withdrawn.

Now when we shall carry out this proposed act, we will be doing what our Government proposed to 66 other governments of the world; we will be doing that with regard to our own currency which we have a right to do, and which it is our duty to do; and we will be taking the initiative and setting an example to the other nations of the world in the manner in which we advised them to proceed.

Inflation. That is a condition which many in this country fear; but I think we have deflated our money and credits

until the debtor today has to pay twice as much in products and labor as he had to pay when he borrowed the money. I do not want to get into that argument, for it is an endless one; but I wish to say that the total amount of silver required to bring it up to the desired percentage will not be in excess of 1,700,000,000 ounces. Upon such an amount there might be based over $2,000,000,000 of silver certificates issued in currency. That, however, will not be a sudden transaction. Unfortunately, it might be impossible at this time to buy 300,000,000 ounces of silver without reaching the point in price, $1.29 an ounce, at which we could not buy any more. I think that is the consensus of opinion of statisticians and experts who have studied the question. The process of acquiring silver, of course, has to be a slow one.

The total world production of silver last year was only 160,000,000 ounces, and 20 percent of that was used in the arts. India and China from time immemorial have taken two thirds of the production of silver in the world. We cannot look to get 1,700,000,000 ounces of silver from the current annual production of the world. There is no hope of any sudden production of silver, no matter what the price may be, because throughout the entire world 70 percent of the silver produced is as a byproduct of lead, zinc, and copper; when there is no market for lead, zinc, and copper those commodities are not produced, and when they are not produced silver is not produced. In 1923 we produced 67,000,000 ounces of silver in this country, which was our greatest production of that metal, and that was on account of the enormous production of copper, lead, and zinc, principally lead. Last year our production of silver was less than 24,000,000 ounces, because of the low production of copper, lead, and zinc.

Mr. VANDENBERG. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER (Mr. POPE in the chair). Does the Senator from Nevada yield to the Senator from Michigan?

Mr. PITTMAN. Certainly.

Mr. VANDENBERG. As I understand the theory of the Senator's proposal, while the objective is mandatory, to wit, 75–25, the approach to that objective is entirely in the discretion of the President and the Secretary of the Treasury. Is that correct?

Mr. PITTMAN. That is absolutely correct.

Mr. VANDENBERG. What would the Senator's interpretation be respecting the duty of the President and the Secretary in the use of this discretionary power? In other words, would it be the Senator's interpretation that the President would be under obligation to buy all the silver that was offered and was available until such time as it reached a price of $1.29 an ounce, or would there be a discretion in him not to go into the silver market at all if he should not want to do so?

Mr. PITTMAN. The latter is absolutely correct, by reason of the fact that it is far more important to our Government to acquire the silver and utilize it than it is to run the price up to $1.29 an ounce; and, having the higher purpose in mind, the President would naturally realize that taking all the silver offered to him would have the effect of suddenly bringing the price of silver up to the limit at which he could not buy and destroy the chief purpose of the proposed act.

Mr. VANDENBERG. So that the matter of purchase and the speed of purchase is entirely and exclusively discretionary?

Mr. PITTMAN. Entirely so, and that discretion, of course, the President would not surrender, because there are other reasons, I may say, for it. It is almost as disastrous for a foreign country that uses silver, such as China and India, and even Mexico very suddenly to increase the exchange value of its money as it is suddenly to have it depressed, because frequently contracts are based in those countries on 6 months' time, and if there shall be a sudden change in the exchange value of their silver money—and a change is always with the price of silver either up or downward—someone is going to lose. There is no desire on the part of our Government to disrupt the monetary systems of other countries; in fact, we regret and deplore that other governments have taken advantage of their legal rights so suddenly to depreciate the value of their currencies as to disrupt our own commercial transactions in this country, and we are all aware that that has happened.

Mr. VANDENBERG. Then, would it be the Senator's idea, if the extension of this process should cause a sharp increase in silver values, that the purchase program probably would stop at that point?

Mr. PITTMAN. I have not any doubt that the President would refrain from buying while such conditions were threatened.

Mr. VANDENBERG. How long does the Senator think it would take over a term of years to reach the 75–25-percent objective which is set up in the bill?

Mr. PITTMAN. I should say that would depend very largely upon the policy and desire of our Government and the redistribution of gold among the various governments of the world. It is perfectly evident that France and the United States cannot continue to hold over half the gold of the world and still have gold as the standard of 66 countries in the world. There is the problem of gold redistribution, which, of course, is in the mind of everyone. Exactly when that will be worked out, so that it will be safe to part with the gold, and it will be known that there will be no danger of loss, the redistribution of gold must take place and in connection with that redistribution there must then be more or less a redistribution of silver. In that case the redistribution would be brought about in an orderly way, and very much sooner than it would if carried on simply by a process of sudden bidding. It is totally impossible for us now, at least, for me, to visualize ahead what may happen to both gold and silver in the next few years, but the purpose or intent of the President is clearly in mind, and I think no one whatever doubts it.

I think that this bill is an excellent one; I think it is a magnificent compromise; and I think that each Senator of the group has had as much to do with it as any other Senator has had. I think that the President of the United States has been in sympathy with us all the time, even if some of his experts were not in sympathy with us; and I feel that we have won a great victory in getting the President of the United States to concur with us so far as he has concurred with us, although I know he had the antagonism of nearly every one of the Treasury Department economists.

Mr. COSTIGAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nevada yield to the Senator from Colorado?

Mr. PITTMAN. I yield.

Mr. COSTIGAN. As I understand the able Senator from Nevada, he does not dissent from the constructive recommendations of the President, but is rather in strict agreement with the suggestion that the metallic base of our credit structure should be broadened by the much wider use of silver for monetary purposes, and that we should proceed by adopting an independent national policy in certain important respects and by seeking international agreements in other vital respects.

Mr. PITTMAN. That is exactly the thing for which we all look. In other words, there is no doubt that practically every member of the voluntary group which was called together is absolutely convinced that the monetary systems of the world which existed prior to 1800 were the soundest systems that ever existed—sounder than any which have existed since. Those systems worked through the ages when money was not used for the purpose of taking away the commerce of one government and another government. The members of this group, who have studied the question for years and years, are not exceptionally expert with regard to financial transactions, but the history of the use of silver as money from the earliest dawn of time down to the present, the history of its production, of its consumption, of its movement, of its present whereabouts, is fairly accurately known to all of them.

The question of whether or not we shall have two standards of measure, or whether we shall have one standard of measure, and whether all other standards of measure shall conform to the one standard of measure is not so material and is not so important as the fact that there is nothing so safe and nothing that so inspires confidence as the precious metals themselves. Governments may fail and disappear, printing presses may run off paper money by the ream which becomes valueless, but every man who has a chunk of silver or a chunk of gold knows it is a precious metal, not only in his own country but in every country throughout the world, and that with that chunk of precious metal he can buy food and clothing.

Therefore, those who clung to the gold standard clung to it for exactly the same reasons that apply to silver. It is because those articles are both precious metals. Since the very beginning of time there was never over a billion ounces of gold produced. Every effort of science and every effort of mechanics has been unable to stimulate much the production of gold or of silver. Having the knowledge that it is a precious metal, that it is good everywhere, people have confidence in it. Not only that, but its production throughout the ages has been uniform. It is found everywhere in the world, though in no great quantities. Not only is the production of each of these metals uniformly about 3 or 4 percent per annum but the relative production of each metal is approximately the same and bears to each other a remarkably uniform character.

So the gold-standard people said "this is money" for the reasons I have described. Not only is it money but if we limit the issue of paper money by the amount of gold we have and if we limit it within the multiple that history tells us is safe and do not go beyond it, then our paper money is safe. So it is with silver. If we limit the issue of paper within the reasonable rate that is indicated by the history of silver, then there is no danger from the paper money based upon silver. But there is danger from paper money in every form, as there was in the case of the mark, and as there has been in the case of the greenback and everything else in history, that is not limited by the amount of gold and silver as a base which has a real intrinsic value everywhere in the world.

Of course, as I said, we of this group think that the soundest money in the world was the gold and silver money of the ages down to 1800. We know that never has either one of those moneys been discredited except by law, artificial laws of the various countries, inaugurated for the purpose of giving one country advantage over another, inaugurated for the purpose of one country stealing the trade of another, inaugurated for the same purposes involved in the depreciation in the currencies of Europe in which they were engaged for the purpose of taking our trade and the trade of other countries.

Mr. President, so far as I am concerned, I think this is, I may say, the third great step forward. The first great forward step was taken when 66 governments at London unanimously—and it had to be unanimous under the rules of the League of Nations—adopted three principles: That they would not permit the melting up or debasement of their silver coins, that they would replace lower-valued currency with silver, and that they would refrain from enacting any legislation which could substantially depreciate the price of silver in the world market.

By those three solemn agreements they have ended forever all the acts which have been destructive of silver throughout the world and of the monetary systems of the various countries of the world. When they persuaded India and China and Spain to limit the sale of their silver and provided that each and every government of producing countries should take the same amount out of their mines for their treasuries for a period of 4 years, after which there should be nothing but mine production, they made silver safe. Then the President issued a proclamation opening the mints of this country to the coinage of silver, which was the second great move. It is the first free coinage of silver we have had since 1873. It is true the President took half of that silver bullion as seigniorage, out of which our Government will me a tremendous profit, but by that very act it gave 64½ cents to the producer, and raised the value of our silver 59 percent above the world price of silver.

Now, by this third step, in restoring our silver metallic reserve, the President is tending to absorb the surplus silver of the world already accumulated by the destruction of its monetary use by many governments, and is encouraging other governments to do the same thing.

Silver will slowly but steadily throughout the world seek its natural level based on supply and demand, and when it does then it will be a simple matter for great governments like Great Britain, the United States, Italy, France, Germany, Switzerland, Mexico, Canada, and the South American countries, to come together so they may safely open their mints to the coinage of silver from every place on earth.

Mr. PITTMAN subsequently said: Mr. President, I desire to amend the bill I introduced this morning relating to the silver question, and which is on the table.

The first amendment is to come on page 1 of the bill as submitted, line 6 in section 3, after the words "public interest" and before the comma, to insert the words "until the proportion of silver to gold in the monetary stocks of the United States shall equal one fourth of the monetary value of the stocks as set forth in section 2."

I will state the object of the amendment. Section 2 provides:

> It is hereby declared to be the policy of the United States that the proportion of silver to gold in the monetary stocks of the United States shall be increased, with the ultimate objective of having and maintaining one fourth of the monetary value of such stocks in silver.

There is no question that it was the intention of the President that the Treasury should be authorized to continue buying until there had been obtained one fourth of such stock. In fact, the President stated very frankly to the group that met with him that he would carry that intention out in the spirit in which it was suggested. However, it has been suggested that possibly that might be subject to misinterpretation. We do not desire any such possibility, and therefore I have suggested this amendment.

Another amendment is to strike out section 8 and section 11. Section 8 is the revenue provision; section 11 is the appropriation provision.

I realized at the time I introduced the bill that revenue measures must originate in the House of Representatives. It has sometimes been held, however, that where a revenue provision is purely incidental to other legislation, such a provision might originate in the Senate. To save any trouble in regard to that matter, however, I am now perfecting my bill by striking out section 8, which is the revenue provision, and also by striking out section 11, which is the appropriation provision.

I wish to say that this bill, with the exception of a date in the revenue provision, which I am striking out, is in the exact language in which it was read to the group of us by the President at the White House at the last meeting we had. The only doubt that has arisen that I know of is as to the construction of the language, which was suggested to me by the Senator from Montana [Mr. WHEELER], and by the Senator from Louisiana [Mr. LONG], and others, which is now corrected.

I am authorized, on behalf of the President, to whom I talked over the telephone, to make these changes, and also to state that, at the time the question was raised by the Senator from Oklahoma [Mr. THOMAS], that the bill did not make silver primary money; the President expressed his ignorance of what the words "primary money" meant, and that he is willing to give to silver the same position in our monetary reserve system as is given gold; and that is done in section 2. There is no provision for the redemption of silver by gold at the present time, and the other provision, making silver coins and silver certificates full legal tender for both private debts and public dues, in the act itself, in addition to other acts, seems to place silver on exactly the same footing with gold.

Mr. LONG. Mr. President, I wish to say to the Senator that the amendments which he has made seem to be very good amendments. By striking out section 8, the Senator makes possible an American market for silver, instead of having the price fixed in the London market. I think the two amendments the Senator has suggested, so far as I see now, effect a great difference in the bill.

Mr. PITTMAN. I may say that personally I have always been in favor of the American market, but we are all trying to get together, and it is not mandatory.

I wish to add that it is my purpose, whenever the so-called "Dies bill", which is on the calendar, shall be considered, to move to strike out all after the enacting clause and to substitute my bill as now perfected.

The bill introduced by Mr. PITTMAN, as modified, was ordered to be printed, to lie on the table, and to be printed in the RECORD, as follows:

S. 3658

A bill to authorize the Secretary of the Treasury to purchase silver, issue silver certificates, and for other purposes

Be it enacted, etc., That the short title of this act shall be the "Silver Purchase Act of 1934."

SEC. 2. It is hereby declared to be the policy of the United States that the proportion of silver to gold in the monetary stocks of the United States should be increased, with the ultimate objective of having and maintaining one fourth of the monetary value of such stocks in silver.

SEC. 3. The Secretary of the Treasury is authorized and directed to purchase silver, at home or abroad, for present or future delivery with any direct obligations, coin, or currency of the United States, authorized by law, or with any funds in the Treasury not otherwise appropriated, at such rates, at such times, and upon such terms and conditions as he may deem reasonable and most advantageous to the public interest until the proportion of silver to gold in the monetary stocks of the United States shall equal one fourth of the monetary value of such stocks as set forth in section 2: *Provided*, That no purchases of silver shall be made hereunder (a) at a price in excess of the monetary value thereof, or (b) whenever and so long as the monetary value of the stocks of silver is equal to or greater than 25 percent of the monetary value of the stocks of gold and silver: *And provided further*, That no purchases of silver situated in the continental United States on May 1, 1934, shall be made hereunder at a price in excess of 50 cents a fine ounce.

SEC. 4. Whenever and so long as the market price of silver exceeds its monetary value or the monetary value of the stocks of silver is greater than 25 percent of the monetary value of the stocks of gold and silver, the Secretary of the Treasury may, with the approval of the President and subject to the provisions of section 5, sell any silver acquired under the authority of this act, at home or abroad, for present or future delivery, at such rates, at such times, and upon such terms and conditions as he may deem reasonable and most advantageous to the public interest.

SEC. 5. The Secretary of the Treasury is authorized and directed to issue silver certificates in such denominations as he may from time to time prescribe in a face amount not less than the cost of all silver purchased under the authority of section 3. There shall be maintained in the Treasury as security for all silver certificates heretofore or hereafter issued and at the time outstanding an amount of silver in bullion and standard silver dollars of a monetary value equal to the face amount of such silver certificates. All silver certificates heretofore or hereafter issued shall be legal tender for all debts, public and private, public charges, taxes, duties, and dues, and shall be redeemable on demand at the Treasury of the United States in standard silver dollars; and the Secretary of the Treasury is authorized to coin standard silver dollars for such redemption.

SEC. 6. Whenever in his judgment such action is necessary to effectuate the policy of this act, the Secretary of the Treasury is authorized, with the approval of the President, to investigate, regulate, or prohibit, by means of licenses or otherwise, the acquisition, importation, exportation, or transportation of silver and of contracts and other arrangements made with respect thereto; and to require the filing of reports deemed by him reasonably necessary in connection therewith. Whoever wilfully violates the provisions of any license, order, rule, or regulation issued pursuant to the authorization contained in this section shall, upon conviction, be fined not more than $10,000, or, if a natural person, may be imprisoned for not more than 10 years, or both; and any officer, director, or agent of any corporation who knowingly participates in such violation may be punished by a like fine, imprisonment, or both.

SEC. 7. Whenever in the judgment of the President such action is necessary to regulate the value of the money of the United States, he may, by Executive order, require the delivery to the United States mints of any or all silver by whomever owned or possessed. The silver so delivered shall be coined into standard silver dollars or otherwise added to the monetary stocks of the United States as the President may determine; and there shall be returned therefor in standard silver dollars, or any other coin or currency of the United States, the monetary value of the silver so delivered less such deductions for seigniorage, brassage, coinage, and other mint charges as the Secretary of the Treasury with the approval of the President shall have determined: *Provided*, That, in no case, shall the value of the amount returned therefor be less than the fair value at the time of such order of the silver required to be delivered as such value is determined by the market price over a reasonable period terminating at the time of such order. The Secretary of the Treasury shall pay all necessary costs of the transportation of such silver and standard silver dollars, coin or currency, including the cost of insurance, protection, and such other incidental costs as may be reasonably necessary. Any silver withheld in violation of any Executive order issued under this section or of any regulations issued pursuant thereto shall be forfeited to the United States, and may be seized and condemned by like proceedings as those provided by law for the forfeiture, seizure, and condemnation of property imported into the United States contrary to law; and in addition any person failing to comply with the provisions of any such Executive order or regulation shall be subject to a penalty equal to twice the monetary value of the silver in respect of which such failure occurred.

SEC. 8. The Secretary of the Treasury is hereby authorized to issue, with the approval of the President, such rules and regulations as the Secretary of the Treasury may deem necessary or proper to carry out the purposes of this act, or of any order issued hereunder.

SEC. 9. As used in this act:

The term "person" means an individual, partnership, association, or corporation;

The term "the continental United States" means the States of the United States, the District of Columbia, and the Territory of Alaska;

The term "monetary value" means a value calculated on the basis of $1 for an amount of silver or gold equal to the amount at the time contained in the standard silver dollar and the gold dollar, respectively;

The term "stocks of silver" means the total amount of silver at the time owned by the United States (whether or not held as security for outstanding currency of the United States) and of silver contained in coins of the United States at the time outstanding;

The term "stocks of gold" means the total amount of gold at the time owned by the United States, whether or not held as a reserve or as security for any outstanding currency of the United States; and

The term "silver bullion" means silver which has been melted, smelted, or refined and is in such state or condition that its value depends primarily upon the silver content and not upon its form.

SEC. 10. The right to alter, amend, or repeal this act is hereby expressly reserved. If any provision of this act or the application thereof to any person or circumstances is held invalid, the remainder of the act and the application of such provision to other persons or circumstances shall not be affected thereby.

SEC. 11. All acts and parts of acts inconsistent with any of the provisions of this act are hereby repealed, but the authority conferred in this act upon the President and the Secretary of the Treasury is declared to be supplemental to the authority heretofore conferred.

Mr. THOMAS of Oklahoma obtained the floor.

Mr. LONG. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Cutting	Keyes	Russell
Ashurst	Davis	King	Schall
Austin	Dickinson	Logan	Sheppard
Bachman	Dieterich	Lonergan	Shipstead
Bailey	Dill	Long	Smith
Bankhead	Duffy	McCarran	Steiwer
Barbour	Erickson	McGill	Stephens
Barkley	Fess	McKellar	Thomas, Okla.
Black	Fletcher	McNary	Thomas, Utah
Bone	Frazier	Metcalf	Thompson
Borah	George	Neely	Townsend
Brown	Gibson	Norbeck	Tydings
Bulkley	Glass	Norris	Vandenberg
Bulow	Goldsborough	Nye	Van Nuys
Byrd	Gore	O'Mahoney	Wagner
Byrnes	Hale	Overton	Walcott
Carey	Harrison	Patterson	Walsh
Connally	Hastings	Pittman	Wheeler
Coolidge	Hatch	Pope	White
Copeland	Hatfield	Reynolds	
Costigan	Hayden	Robinson, Ark.	
Couzens	Johnson	Robinson, Ind.	

The PRESIDING OFFICER. Eighty-five Senators have answered to their names. A quorum is present.

Mr. THOMAS of Oklahoma. Mr. President, I desire to submit a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state the parliamentary inquiry.

Mr. THOMAS of Oklahoma. Has a bill been introduced recently on the subject of silver?

The PRESIDING OFFICER. The Chair understands that the Senator from Nevada [Mr. PITTMAN] this morning

introduced a bill on the subject of silver, which was ordered to lie on the table.

Mr. THOMAS of Oklahoma. Mr. President, I presume that bill was introduced in pursuance of the message which has just reached the Senate; and in order that the RECORD may state an interpretation of the message and the bill introduced pursuant to the message, I desire to take just a few moments of the time of the Senate.

The message on silver, interpreted in a word, simply provides for a wider use of silver in our monetary stocks.

At the present time we have gold in our monetary stocks; we have some silver in our monetary stocks; we have some nickel in our monetary stocks; and we have some copper in our monetary stocks. Also, we have eight different forms of paper money in our monetary stocks—gold certificates, silver certificates, Treasury notes of 1890, Treasury notes or so-called "greenbacks", Federal Reserve notes, Federal Reserve bank notes, national currency, and national-bank notes. The total of these various forms of money is more than $13,000,000,000.

The message says that silver should be added to our monetary stocks. In other words, under the terms of the message, and the bill which has been introduced in pursuance of the message, we are to make a wider use of silver.

The present status of silver is not to be changed in any particular. At the present time silver is token money only, and under the message and under the bill this status is not changed. We do propose, under the measure, to acquire some more silver, somewhere, at some time, somehow.

Mr. LONG. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Louisiana?

Mr. THOMAS of Oklahoma. I yield.

Mr. LONG. In common parlance, we have another baby rattle, have we not; another all-day sucker; something to play with? That is what we got last time.

Mr. THOMAS of Oklahoma. Mr. President, in interpreting this bill I refer to the first paragraph of the message upon which the bill is predicated. In the second and third lines of the message we have referred to the act passed by this Congress during the early days of this session, known as the "Gold Reserve Act of 1934." That was an act dealing with gold as the reserves back of the financial system. In the bill just introduced, in the first section, we have the measure correctly defined as the "Silver Purchase Act of 1934." The proposed bill does not improve silver as a monetary metal. It does not make silver the base for the issuance of additional currency. In no sense is silver to be used as standard primary money. Silver is to be added to our monetary stock. If the bill should be enacted, gold and silver will be as far apart, insofar as they are primary monetary metals, as the titles to the two bills indicate. One is the "Gold Reserve Act of 1934" and the other is the "Silver Purchase Act of 1934."

I make the statement that if this bill shall become a law, the status of silver in the United States will not be changed. We may acquire some more silver; I hope we shall; but that is the only change that will be made.

Mr. President, the silver question and the money question have been pending before the Congress for a long time, but this message and this bill simplify the activity of Congress regarding silver. The bill contains, in section 8, a taxing clause. The message says, on page 2:

> There should be a tax of at least 50 percent on the profits accruing from dealing in silver.

Then in section 8 of the bill which accompanied the message we have a formula for the imposition of this tax.

That being true, this bill cannot originate in the Senate. It can be introduced here, but it cannot be effectively considered. It cannot be passed by this body first. Taxing bills must originate in the House of Representatives. Therefore, this bill has no place in this body, and it can have no place in this body until that feature is removed, or until the House of Representatives passes upon the matter and sends it here in the regular order.

If this bill is introduced in the House of Representatives it must go to the Ways and Means Committee, because that committee has exclusive jurisdiction of taxation matters. It cannot be handled by the Committee on Agriculture in the House. It cannot even be handled by the Committee on Coinage, Weights, and Measures in the House. It must go to the Ways and Means Committee. Therefore, Mr. President, in the closing days of this session, a new bill, originating as it must in the House, must be considered by the Ways and Means Committee, and I think it is no secret that that committee is not friendly to silver. Silver legislation is a hopeless attainment during the closing days of this session.

Mr. President, before I close, let me refer to the bill in one or two particulars.

The first section defines the bill as being a "Silver Purchase Act for 1934."

The second section of the bill limits the amount of silver to be purchased; and that is an amount of silver in terms of money which is $1.29 for each ounce of silver until the total stock of silver, at such value, equals 25 percent of our total metallic stock of money.

Silver is not made money by this bill any more than greenbacks are made money. Silver is not made money under the terms of this bill any more than nickel is made money. Silver is not made money under the terms of this bill any more than copper is made money. Silver is not made money under the terms of this bill any more than greenbacks, national-bank notes, Federal Reserve notes, Federal Reserve bank notes, or Treasury notes of 1890, are made money.

We should not get the impression that we are to vote on a silver bill, making silver the basis for the issuance of currency, save the silver certificate issued against the particular silver in the Treasury. In no sense does this bill make silver a part of our metallic reserves on a par with gold in the reserves of the monetary systems of the United States.

Section 3 requires the purchase of some more silver. We have to depend upon the discretion of the Treasury Department, because section 3 provides that "the Secretary of the Treasury is authorized and directed to purchase silver, at home or abroad, for present or future delivery with any direct obligations, coin, or currency of the United States." That means that the Secretary of the Treasury can use gold which he now has and trade it for silver. It means that the Secretary of the Treasury can use any sort of paper money which he now has in the Treasury, and trade that for silver. It does not mean necessarily that the currency of the Nation shall be expanded a single copper. In the conferences where I have been present every agreement has provided that if we acquired any silver, we would issue against it silver certificates. Not so under this bill.

At a later date I shall take some time to explain more at length my viewpoint relative to the money question. I do not come from a silver-producing State. If any silver is produced in my State, it is very small in quantity. There is a large lead and zinc field in Oklahoma, and it may be that a small portion of silver is a by-product of the production of lead and zinc. So silver, as silver, has no interest whatever for me. Unless we can use silver in some way to expand the currency, and cheapen the dollar, and raise commodity prices, I am not interested in any sense in silver.

Mr. President, because I have a conviction upon the question, at an appropriate time I shall use some time in discussing the subject I have just mentioned.

Mr. LONG. Mr. President, I introduced a silver bill in the Senate, I believe, about 18 months ago, what was known as the "Cross bill" in the House of Representatives. The Senator from Montana [Mr. WHEELER] introduced the so-called "Wheeler bill" as a substitute, and I have supported the Wheeler bill. Later in the same year, or in the following year, I introduced the same silver bill again, and again the Senator from Montana offered his 16-to-1 substitute, which was defeated by a rather small vote.

Some few days ago, when the agitation again began for silver, I undertook to persuade the Senator from Oklahoma [Mr. THOMAS] to allow me to offer as an amendment to the Glass bill, the agricultural bill, which had been reported as a substitute for the Dies bill, which came to the Senate from the House, and the Senator from Oklahoma offered his bill as a substitute for my amendment.

While I was in Louisiana, upon receiving a telegram from the Senator from Oklahoma, I directed a telegram to the Senator from Idaho, as well as to the Senator from Oklahoma, so that both of them might take notice of the withdrawing of my amendment with the understanding that it would be more or less acceptable to the Democratic and Republican contentions, to those who were supporting silver legislation.

Mr. President, I am glad to hear the remarks of the Senator from Oklahoma, as plain as they are. I do not pretend to be a great scholar on the silver question, but I am very sorry the Senator from Nevada [Mr. PITTMAN] is not in the Chamber at this moment, because I can give him some information in regard to this bill which I do not think he has.

This bill does not, topside, face, or bottom, give us anything at all, not a thing on God's living earth, and if there is any man in this body or outside of this body who does not know any better than to think it does, I hope that he will not let me get off this floor without showing him, even with my very limited knowledge of the question, that this bill is not anything at all but a measure providing that if the President wants to do something which the Treasury Department is willing to have done, the President may do it. We know the Treasury Department does not want anything done for silver, and we know the President is not going to want it done, and we know it is not going to be done, and even if the President did try to do anything, I do not know how he could do it under this bill.

I want this thing understood. I do not know whether it is as hopeless as it appears. If the silver bloc, the men in the Senate who are in favor of silver, will stand as I intend to stand on this issue, we are not going to take this all-day sucker and go back in a corner and be pacified with it. They cannot hand me any baby rattle and have me go over here and play with it. We will put the bill which came out of the Committee on Agriculture on something which goes through the Senate, and we will make a law out of it.

I was afraid that the Senator from Oklahoma would fall for this bill after listening to the very eloquent address of the Senator from Nevada.

Not a dime's worth of silver is produced in my State. We do not mine any silver, and I do not own any silver stock. I was hoping the other day, when there was an effort to discredit the silver movement, that the officials would find that somebody had bought some silver for me, because I have introduced about as many silver bills as anyone else has. I would certainly have claimed the ownership of the silver if they had found anybody who had thought kindly enough of me to include my name in the pot; but it was not found there, and I am only sorry it was not.

No silver is mined in my State, and I do not own any silver; and if I have any friend who owns any silver I do not know who it is. We are trying to get silver made into money in order that we can do what some claim they are trying to do with iniquitous tariff bill we have before us. They are here with a bill seeking to empower the President of the United States to become the treaty-making power without referring treaties back to the Senate, and to give him authority to levy taxes; and they are trying to do that on the ground that they want to restore world commerce. Do they want to restore world commerce?

The population of the world, I believe, is 1,700,000,000 people, and 65 to 70 percent of those people use silver as the yardstick of their money; and we are trying to get silver remonetized, not in order to sell some private individual's little stock of silver which he may have somewhere, not for the purpose of playing the market, but in order to have a recourse to the trade of the entire world, which we have not now because of the fact that we must deal with them only on a basis of silver if we expect to enter the kind of markets they have.

At a later time I may have some extended remarks to make on this question myself—rather extended—before the Congress shall adjourn. It is almost impossible to suppress the desire I have, although I hope that the gentlemen in the Senate who are seriously advocating the remonetization of silver in this country, who are making a serious effort to secure silver legislation, will be open and frank with themselves and with their people and let it be known that they will not take one of the remedies prescribed here simply for the purpose of putting the thing out the window to an easy death, but that they will demand that a bill be passed such as that which came from the Committee on Agriculture; and there is no reason why we should be unsuccessful.

It is time the silver people stood on their hind feet and were men. It is time for the silver people to be Senators. It is time for these people who have been waiting away back in the interior of this country for legislation to have it or to know why they do not get it. It is up to Congress to act.

We do not have to run away from Washington in any such hurry. These do not have to be the closing days of the session, when there is a necessity for this kind of important legislation, which ought to have been considered a long time before now.

Instead of having this "hurally" we have here with the tariff bill, we ought to have discussed the money question long before we ever started with this kind of superficial legislation we are considering now. We are considering something that was denounced by the party, considering something the party said it would not do, considering something which the President of the United States said he would not do, considering something which the President of the United States said would be a monstrous outrage against civil government and against constitutional government—those were his very words—considering something which was condemned by the leaders of our party, considering something we promised the people of the United States we would not do.

After going out and telling the people of the United States we would not do it, swearing we would not do it, pledging ourselves that we would not do it, telling the Almighty above that we would not do it, and calling the stars in as witnesses that we would not do any such monstrous act as is proposed here by this iniquitous tariff, treaty-making, taxing-power measure, proposing to take the power away from the Congress, here we are trying to do something we promised the people we would not do, and talking about adjourning the Congress without settling this monetary question, a settlement of which is demanded by the people of the United States, a thing which would actually give a market for our products, if anything is to be done.

I hope that this does not mean the death knell of silver legislation at this session of the Congress. It does not need to be. If it is, let us place the responsibility where it should be. Let it be known where the responsibility should stand. Let us take the bill which came from the Committee on Agriculture and make that the basis of our fight, and let the people of the United States know who prevented silver legislation and how it is that silver legislation was prevented at this session of the Congress.

Let us put ourselves on record here in favor of sound, sane, silver remonetization legislation. Let us do it in an unequivocal, open manner. We have tried in every way that it possibly could be done to get some kind of compromise. The only kind of compromise we will ever get will be a compromise that does not provide for silver money. I have said in the Senate for the 2 years I have been in this body that the only kind of compromise we are ever going to get will be a compromise which does not make money out of silver, and if it is desired to make money out of silver, the only way we are ever going to be able to get it is to put the people's will—and such is the people's will of this country, Mr. Presi-

dent, if I know anything about public sentiment—into unequivocal legislation expressly designed to make silver money in the United States.

I do not want to be a party to breathing death into this silver move. I do not want to make anyone's bed easy in the fall election. If the purpose of this bill is to ride this thing out, with the band playing so the people cannot see what we are doing, if someone wants to disguise the fact that we have a hearse in our midst and are rolling it through the streets, I am not going to keep up any bonfire so the people will not know what we are doing.

Mr. President, this is a hearse. This is not a bill, this is a coffin, and silver legislation has been embalmed and encased here with all the disfiguring disguises that can be placed upon it. That is all this thing is. It is not a bill remonetizing silver; it is a bill destroying silver legislation. If any Senator here has no better knowledge of the silver question than not to know it, then he knows less about the subject than I do, and I know no one in the Senate who I think is a member of the silver bloc who has as little information upon the silver question as myself. [Laughter.] It is plain enough to me.

With respect to the message concerning an adequate and sound currency, I should like to ask what is meant by "adequate and sound currency." We started out here a year ago with about six and one half billion dollars of money, and we are going to expand the currency, with the purpose of having an adequate and sound currency, and today we have less than five and one half billion dollars of currency—money of all kinds. That is not what I call an adequate and sound currency. Nor am I interested in any kind of suggestion that some one might buy a little silver from some one else, or that we might make it a little bit easier for the foreign debtors to discharge the debts they owe by paying us off in silver.

Our only concern, Mr. President, is to expand the monetary metallic base. Our only effort is to give the people more money, money which has a wider use, and will give our agriculture and industrial products recourse through a monetary exchange that is used by 65 percent of the people of the world, and largely used by the remainder of the people of the world.

Mr. GORE. Mr. President, I ask unanimous consent to have inserted in the RECORD, in connection with the debate on the silver question, a resolution on the subject of silver signed by Dr. Arthur B. Adams, of the State University of Oklahoma, and a number of other economists.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Resolution opposing the silver measures before Congress, by the executive committee of the Economists' National Committee on Monetary Policy

The executive committee of the Economists' National Committee on Monetary Policy is gravely concerned about the various silver measures introduced and proposed in Congress and wishes to go on record as opposing all these proposals, whether they involve the introduction of bimetallism or symmetalism or the purchase of silver for the purpose of increasing our silver reserves or the circulation of silver or silver certificates.

This committee believes that the lessons of monetary history and the principles of money should have an important place in the consideration of monetary legislation in this country and, therefore, desires to express the following convictions:

1. That no additional silver should be purchased at any price.

2. That the purchase of silver bullion at artificial prices will not promote sound recovery, but on the contrary will add to the liabilities of the Government and reduce confidence in the Nation's currency.

3. That the restoration of bimetallism at the market ratio would cause national injury and retard recovery.

4. That the restoration of bimetallism at a ratio of 16 to 1 would be a national calamity.

5. That a rise in the price of silver benefits materially neither domestic industry nor the foreign trade of the United States.

Perhaps a brief survey of our experiences with bimetallism and of the past efforts to do something for silver will be of some service in enabling the public to see the present proposals before Congress in their proper perspective.

The double or bimetallic standard, as established in 1792 with a mint ratio between gold and silver of 15 to 1 (gold having a value 15 times that of silver at the mint), never functioned well. Our experience has been that of alternating between gold and silver because of the well-known fact that when the market ratio between gold and silver differs from the mint ratio, the metal undervalued by the mint will be driven out of the country or into hoarding by the cheaper metal. Since the market ratio between gold and silver varies from day to day and the mint ratio is a legal, artificial ratio rarely changed by a country, discrepancies between the mint and market ratios are the usual thing. The consequence is that when countries in the past tried to use bimetallism, they usually found that they had alternating standards—either silver or gold—rather than a bimetallic standard. It is for this reason that no country in the world has had actually functioning bimetallism since the early 1870's. It should be emphasized that a very small discrepancy between the mint and market ratios will cause the overvalued metal to expell the undervalued one. Yet there are in Congress today men who are advocating the reintroduction of bimetallism at the ratio of 16 to 1, although the market ratio is about 78 to 1.

The experience of our country illustrates this fundamental weakness in bimetallism. In general, it may be said that during the years 1806 to 1834 we were in a silver period, due to the fact that the market ratio between gold and silver was higher (as, for example, 1 to 15.5) than the mint ratio of 1 to 15. Most of our gold went to England and France. The coinage of the silver dollar was suspended from 1806 to 1836, and even our fractional silver coin was driven out by foreign silver coins and by the cheaper paper money. The result was that our attempt to maintain bimetallism during this period was very unsatisfactory.

In 1834 Congress changed the mint ratio to 16.002 to 1 and again in 1837 to 15.9884 to 1, the latter being commonly referred to as 16 to 1. This ratio reversed the relationship existing between the mint and market ratios, the mint ratio now undervaluing silver, since the market ratio remained below 16 to 1. Under this mint ratio relatively little silver, as compared with gold, was coined. Silver disappeared rapidly, and this included fractional silver coins, which were then of the same proportionate pure silver content as the dollar and were full legal tender. The resulting scarcity of "small change" caused great inconvenience in retail trade. In 1853 Congress discontinued the free coinage of all silver coins below the dollar and created the relatively lightweight fractional silver coinage, which, except for a minor change in the weight in 1873, we have today. The silver dollar was left a standard coin, but it was coined between 1836 and 1860 only in trivial quantities, principally for coin collections or for shipment to China. The piece was sold by the mint as a curiosity, at a price of $1.05 or more in gold. Thus, the silver dollar, from the birth of this Nation to 1873, was a little-used coin in a country that, though legally bimetallic, was in actual fact on a gold basis from 1834 to 1862, and on a paper basis from 1862 to 1879. The 16-to-1 ratio established in 1837 was never effective at any time in bringing the silver dollar into circulation.

In 1873 the coinage laws were revised and codified. The bill was before Congress for 3 years. In this revision the silver dollar was dropped. In 1874 there was a fall in the gold value of silver. It was then discovered that, if the law of 1837 had not been repealed by the law of 1873, the coinage of silver dollars at the ratio of 16 of silver to 1 of gold would have been profitable. The silver interests began in that year a propaganda to restore the free coinage of silver at the ratio of 16 to 1 which, under the new calculation, would have been very profitable to the silver owners, and they have carried on propaganda to this end up to the present day.

On four occasions the silver interests have managed to get through Congress legislative measures which gave them a Government subsidy. In 1878 the Bland-Allison Act, passed over Hayes' veto, commanded the Treasury to buy not less than $24,000,000 worth of silver bullion per year and to coin it into silver dollars. In 1890 the Sherman Silver Purchase Act was passed. This greatly increased the amount the Government had to buy. In fact, it was virtually an arrangement by which the Government was forced to buy the total output of the American mines. The people declined to use, to any considerable extent, the clumsy silver dollar pieces, except in the West, where propaganda and the expense of sending them in for redemption encouraged their use, and in the South, where the unfamiliarity of the Negroes with printed symbols made paper money unpopular. Elsewhere the silver dollar was very unpopular. In 1878 the Treasury had devised the silver certificates which enabled the clumsy silver dollar to circulate by proxy and which permitted the coin to lie buried in the vaults of the Treasury. By 1893 the bullion value of the silver dollar had fallen below 60 cents and over four hundred millions had been coined. In that year the strain on the gold supply resulting from adverse economic conditions and the dread of further silver coinage contributed to a financial panic which ushered in the grievous depression of the next 4 years. Subsequently, on the recommendation of President Cleveland, Congress repealed the silver-purchase clause of the Sherman Act which had been largely responsible for the panic.

Considering the similarity between the present efforts to "to do something for silver" and those of 1878 and 1890, it would seem that we might profit from a part of President Cleveland's message of December 2, 1895, in which he referred to the Bland-Allison Act of 1878, the Silver Purchase Act of 1890, and the agitation for free coinage of silver. He said:

"Twice in our recent history we have signally failed to raise by legislation the value of silver. Under an act of Congress passed in 1878 the Government was required for more than 12 years to expend annually at least $24,000,000 in the purchase of silver bullion for coinage. The act of July 14, 1890, in a still bolder effort, increased the amount of silver the Government was compelled to

purchase and forced it to become the buyer annually of 54,000,000 ounces, or practically the entire product of our mines. Under both laws silver rapidly and steadily declined in value. * * *

"Every dollar of fixed and stable value has, through the agency of confident credit, an astonishing capacity of multiplying itself in financial work. Every unstable and fluctuating dollar fails as a basis of credit and in its use begets gambling speculation and undermines the foundations of honest enterprise.

"* * * I cannot rid myself of the belief that there lurk in the proposition for the free coinage of silver, so strongly approved and so enthusiastically advocated by a multitude of my countrymen, a serious menace to our prosperity, and an insidious temptation of our people to wander from the allegiance they owe to public and private integrity. * * *"

President Cleveland made other penetrating comments in his message to Congress on August 8, 1893, when he asked it to repeal the silver-purchase provision of the Sherman Act of 1890. What he said is peculiarly applicable to Congress today.

"The people of the United States", said the President, "are entitled to a sound and stable currency and to money recognized as such on every exchange and in every market of the world. Their Government has no right to injure them by financial experiments opposed to the policy and practice of other civilized states, nor is it justified in permitting an exaggerated and unreasonable reliance on our material strength and ability to jeopardize the soundness of the people's money.

"* * * At times like the present, when the evils of unsound finance threaten us, the speculator may anticipate a harvest gathered from the misfortunes of others, the capitalist may protect himself by hoarding or may even find profit in the fluctuations of values; but the wage earner—the first to be injured by a depreciated currency and the last to receive the benefits of its correction—is practically defenseless. He relies for work upon the ventures of confident and contented capital. This failing him, his condition is without alleviation, for he can neither prey on the misfortune of others nor hoard his labor."

The next favor to the silver interests was extended to them by the Pittman Act of 1918. Under the terms of this act more than 270,000,000 silver dollars in our Treasury vaults were sold for the account of the United States and England to settle trade balances with the Orient. In order to replace this silver, the Pittman Act required the Treasury later to purchase silver bullion at a price much above that in the world markets. This measure cost the taxpayers of this country more than $70,000,000.

At the World Conference in London in 1933 Senator PITTMAN obtained an agreement by 5 nations to purchase a total of 35,000,000 ounces of silver every year for 4 years. Under this agreement the share of the United States was not stated. In December 1933 President Roosevelt announced that this Government would purchase annually 24,000,000 ounces at a price of 64½ cents an ounce. This price was 21 cents above the market price for silver. The dollars resulting from these purchases will doubtless join the other millions in our Treasury vaults.

This, briefly, is the history of the silver movement in the United States. Before the gold-devaluation measure and with silver in the dollar worth as bullion about 30 cents, the market ratio between gold and silver was 1 to 70. Today, with gold quoted at $35 per fine ounce and with silver quoted at 40 cents per ounce in the world market, the market ratio between gold and silver is about 78 to 1, and the silver bullion in the silver dollar is worth little more than 35 cents. The Government is liable for its dollar value, and every additional dollar going into the vaults is a national liability placing an additional burden upon the gold reserves. Furthermore, there was incorporated in the recent devaluation law—the so-called "Gold Reserve Act of January 30, 1934"—a provision authorizing the President to "devalue" the silver dollar in proportion to the devaluation of gold. This provision simply means that this coin, legally called a dollar, but in bullion value worth much less, may have its bullion content reduced still further.

There are now before Congress various silver bills. One is for the sale of $400,000,000 worth of American products for foreign silver at a valuation 25 percent above the actual value of the metal, the bullion to be coined into dollars. The second is for the purchase of one and one-half billion ounces of silver. The third is for the restoration of bimetallism at a ratio of 16 to 1, which the President already had the right to do under the Thomas amendment. Still other silver bills, and combinations and compromises of those just mentioned, are before Congress. The first of these measures calls for a subsidy to silver producers and additions to the heavy Treasury liability for debased coinage. The second calls for the purchase of an amount of silver sufficient to destroy what little there is left of our American gold standard. The bimetallic proposal, if adopted, would be devastating in its financial effects and would force us on to a silver standard.

Since the prosilver advocates, in searching for excuse for their measures, frequently refer to the Chinese "situation", the implication being—if, indeed, the direct assertion is not made—that the Chinese would be benefited by the measure designed to raise the value of silver, this committee wishes to quote from the recently published book, Kemmerer on Money, the following brief passage relating to this argument of the silver advocates. Kemmerer, who recently spent a year in China, as currency and bank expert of the Chinese Government, says (p. 131):

"* * * China's commodity price level has been much more stable since 1929 than the price level in any gold-standard country. Since January 1933, however, commodity prices in China have been declining. The wholesome-price index number for Shanghai, for example, fell every month but one from January 1933 to November 1933 and in November stood at about 8 percent below the level of January. It is hard to believe that the proponents of silver in the United States, who have shown such great solicitude for the poor people of China and wept so many crocodile tears in their behalf, should want to adopt a policy that, by raising the value of silver in China and depressing commodity prices, would increase the debt burdens of the Chinese people and, in short, impose upon China 'all the hardships of deflation' from which the silver group proposes to relieve the American people by the remonetization of silver."

Congress, under this administration, has already placed on our statute books a series of unsound and potentially dangerous monetary laws; and to add to their potential dangers, or to convert these potential dangers into actual mandatory law, is to invite monetary, economic, social, and, perhaps, political disasters.

Dean Arthur B. Adams, University of Oklahoma; Dr. James A. Angell, Columbia University; Dr. James W. Bell, Northwestern University; Dr. Neil Carothers, Lehigh University; Dr. George W. Dowrie, Leland Stanford University; Dr. J. Franklin Ebersole, Harvard University; Dean John Thom Holdsworth, University of Miami; Dr. Edwin W. Kemmerer, Princeton University; Dr. David Kinley, University of Illinois; Dr. Wesley C. Mitchell, Columbia University; Dr. Ernest Minor Patterson, University of Pennsylvania; Dr. Harold L. Reed, Cornell University; Dr. William A. Scott, University of Wisconsin; Dr. Walter E. Spahr, New York University; Dr. Oliver M. W. Sprague, Harvard University; Dr. Ray B. Westerfield, Yale University; Dr. John Parke Young, Occidental College.

NOTE.—Dr. H. Parker Willis is in Europe and, consequently, not able to sign.

PETITION

Mr. BARBOUR presented a resolution adopted by the Weehawken Home Owners' Association, of Weehawken, N.J., favoring the passage of the bill (H.R. 9201) to provide for the creation of a commission to examine into and report the clear height above the water of the bridge authorized to be constructed over the Hudson River from Fifty-seventh Street, New York, to New Jersey, which was referred to the Committee on Commerce.

REPORTS OF COMMITTEES

Mr. BANKHEAD, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 3521) to facilitate purchases of forest lands under the act approved March 1, 1911, reported it without amendment and submitted a report (No. 1077) thereon.

Mr. DICKINSON, from the Committee on Military Affairs, to which was referred the bill (S. 1792) for the relief of Claude C. Martin, reported it without amendment and submitted a report (No. 1078) thereon.

He also, from the same committee, to which was referred the bill (S. 1836) for the relief of John W. Schell, reported it with amendments and submitted a report (No. 1079) thereon.

Mr. WHEELER, from the Committee on Indian Affairs, to which was referred the bill (S. 3645) to conserve and develop Indian lands and resources; to establish a credit system for Indians; to provide for higher education for Indians; to extend toward Indians the right to form business and other organizations; and for other purposes, reported it without amendment and submitted a report (No. 1080) thereon.

Mr. SMITH, from the Committee on Agriculture and Forestry, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 3419. An act to exempt articles of machinery belting from the tax on floor stocks imposed by the Agricultural Adjustment Act (Rept. No. 1081); and

S. 3584. An act to amend the Agricultural Adjustment Act, and for other purposes (Rept. No. 1082).

Mr. BYRD, from the Committee on Naval Affairs, to which was referred the bill (H.R. 6847) providing for the acquisition of additional lands for the naval air station at Hampton Roads Naval Operating Base, Norfolk, Va., reported it without amendment and submitted a report (No. 1083) thereon.

Mr. WALSH, from the Committee on Naval Affairs, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 429. An act for the relief of Dominick Edward Maggio (Rept. No. 1084);

S. 430. An act for the relief of Leo James McCoy (Rept. No. 1085); and

S. 630. An act for the relief of Ray Funcannon (Rept. No. 1086).

Mr. SHEPPARD, from the Committee on Commerce, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H.R. 9064. An act granting the consent of Congress to the State of Indiana to construct, maintain, and operate a free highway bridge across the Grand Calumet River near Clark Street, in Gary, Ind. (Rept. No. 1087);

H.R. 9141. An act granting the consent of Congress to the State of Alabama, its agent or agencies, and to Colbert County and to Lauderdale County in the State of Alabama, and to the city of Sheffield, Colbert County, Ala., and to the city of Florence, Lauderdale County, Ala., or to any two of them, or to either of them, to construct, maintain, and operate a bridge, and approaches thereto, across the Tennessee River at a point between the city of Sheffield, Ala., and the city of Florence, Ala., suitable to the interests of navigation (Rept. No. 1088);

H.R. 9313. An act to extend the times for commencing and completing the construction of a bridge across the Savannah River at or near Burtons Ferry, near Sylvania, Ga. (Rept. No. 1089);

H.R. 9526. An act authorizing the city of Port Arthur, Tex., or any commission designated by it, and its successors and assigns, to construct, maintain, and operate a bridge over Lake Sabine at or near Port Arthur, Tex. (Rept. No. 1090); and

H.R. 9567. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Brownville, Nebr. (Rept. No. 1091).

ENROLLED BILL PRESENTED

Mr. LONERGAN, from the Committee on Enrolled Bills, reported that on the 21st instant that committee presented to the President of the United States the enrolled bill (S. 2845) to extend the provisions of the National Motor Vehicle Theft Act to other stolen property.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

(Mr. PITTMAN introduced Senate bill no. 3658, which appears under a separate heading.)

By Mr. McNARY:

A bill (S. 3659) authorizing the Oregon-Washington Bridge Board of Trustees to construct, maintain, and operate a toll bridge across the Columbia River at Astoria, Clatsop County, Oreg.; to the Committee on Commerce.

By Mr. JOHNSON:

A bill (S. 3660) to grant to the city of Monterey, Calif., an easement for street purposes over certain portions of the military reservation at Monterey, Calif.; to the Committee on Military Affairs.

By Mr. GEORGE:

A bill (S. 3661) to authorize the formation of a body corporate to insure the more effective diversification of prison industries, and for other purposes; to the Committee on the Judiciary.

By Mr. BLACK:

A bill (S. 3662) for the relief of Mrs. George F. Freeman; and

A bill (S. 3663) for the relief of Carrie K. Currie, doing business as Atmore Milling & Elevator Co.; to the Committee on Claims.

By Mr. BAILEY:

A bill (S. 3664) for the relief of A. Cyril Crilley; to the Committee on Claims.

By Mr. NORBECK:

A bill (S. 3665) to amend section 28 of the act of May 25, 1918 (relating to deposits of tribal or individual Indian funds); and

A bill (S. 3666) to amend section 61 (relating to deposits of bankrupt estates) of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898; to the Committee on Banking and Currency.

By Mr. COPELAND:

A bill (S. 3667) for the creation of a Claims Commission on Relief for the Six Nations Confederacy; to the Committee on Indian Affairs.

By Mr. BARBOUR:

A bill (S. 3668) granting a pension to Mary Merrill Scott; to the Committee on Pensions.

By Mr. McCARRAN:

A bill (S. 3669) for the relief of the Western Bands of the Shoshone Nation of Indians; to the Committee on Indian Affairs.

By Mr. CONNALLY:

A joint resolution (S.J.Res. 127) directing the Secretary of Agriculture to set up a Cotton Coordinating Fact Finding Commission; to the Committee on Agriculture and Forestry.

RECIPROCAL TARIFF AGREEMENTS—AMENDMENTS

Mr. OVERTON and Mr. WHITE each submitted an amendment intended to be proposed by them, respectively, to the bill (H.R. 8687) to amend the Tariff Act of 1930, which were ordered to lie on the table and to be printed.

MONETARY USE AND ACQUISITION OF SILVER—AMENDMENT

Mr. PITTMAN submitted an amendment in the nature of a substitute intended to be proposed by him to the bill (H.R. 7581) to authorize a board composed of the President, the Secretary of the Treasury, the Secretary of Commerce, and the Secretary of Agriculture to negotiate with foreign buyers with the view of selling American agricultural surplus products at the world market price and to accept in payment therefor silver coin or bullion at such value as may be agreed upon which shall not exceed 25 percent above the world market price of silver, and to authorize the Secretary of the Treasury to issue silver certificates based upon the agreed value of such silver bullion or coin in payment for the products sold, and for other purposes, which was ordered to lie on the table and to be printed.

DEVELOPMENT OF INDIAN RESOURCES, ETC.—AMENDMENT

Mr. BONE submitted an amendment intended to be proposed by him to the bill (S. 3645) to conserve and develop Indian lands and resources; to establish a credit system for Indians; to provide for higher education for Indians; to extend toward Indians the right to form business and other organizations; and for other purposes, which was ordered to lie on the table and to be printed.

RECIPROCAL TRADE AGREEMENT WITH COLOMBIA

Mr. HATFIELD. Mr. President, I ask unanimous consent to submit a resolution, and ask that it may be read and lie over.

There being no objection, the resolution (S.Res. 247) was read and ordered to lie over under the rule, as follows:

Resolved, That the Secretary of State is requested to transmit immediately to the Senate a copy of the reciprocal trade agreement between the Governments of the United States and Colombia, agreed upon and signed on December 15, 1933, relating to certain import duties, excise taxes, and prohibtions on importation affecting specified products of such countries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed without amendment the bill (S. 3436) limiting the operations of sections 109 and 113 of the Criminal Code and section 190 of the Revised Statutes of the United States with respect to counsel in certain proceedings against the Electro-Metallurgical Co., New-Kanawha Power Co., and the Union Carbide & Carbon Corporation.

The message also announced that the House had passed the bill (S. 3114) to extend the times for commencing the construction of certain bridges in the State of Oregon, with

amendments, in which it requested the concurrence of the Senate.

The message further announced that the House had agreed to the amendment of the Senate to the bill (H.R. 7356) to provide, in case of the disability of senior circuit judges, for the exercise of their powers and the performance of their duties by the other circuit judges.

The message also announced that the House insisted upon its amendment to the bill (S. 551) for the relief of A. W. Holland, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. BLACK, Mr. RAMSPECK, and Mr. GUYER were appointed managers on the part of the House at the conference.

The message further announced that the House had passed the following bills and joint resolutions, in which it requested the concurrence of the Senate:

H.R. 3357. An act to amend section 99 of the Judicial Code (U.S.C., title 28, sec. 180), as amended;

H.R. 5312. An act to provide for the conveyance of the abandoned lighthouse reservation and buildings, including detached tower, situate within the city limits of Erie, Pa., to the city for public-park purposes;

H.R. 5522. An act to amend the Standard Baskets Act of August 31, 1916, to provide for a 1-pound Climax basket for mushrooms;

H.R. 5665. An act authorizing the control of floods in the Salmon River, Alaska;

H.R. 5864. An act to authorize the payment of expenses of delegates of the Yakima Confederated Tribes of Indians while on a mission to represent such tribes before Congress and the executive departments at the seat of government, and for other purposes;

H.R. 7299. An act to authorize the Post Office Department to hold contractors responsible in damages for the loss, rifling, damage, wrong delivery, depredation upon, or other mistreatment of mail matter due to fault or negligence of the contractor or an agent or employee thereof;

H.R. 7653. An act to authorize the establishment of the Ocmulgee National Monument in Bibb County, Ga.;

H.R. 8513. An act to authorize the coinage of 50-cent pieces in commemoration of the boyhood home of Gen. Thomas J. (Stonewall) Jackson;

H.R. 8833. An act to authorize the coinage of 50-cent pieces in commemoration of the three hundredth anniversary of the founding of the Colony of Connecticut;

H.R. 8927. An act to define the exterior boundaries of the Navajo Indian Reservation in Arizona, and for other purposes;

H.R. 8938. An act to amend the act of Congress approved June 7, 1924, commonly called the "San Carlos Act", and acts supplementary thereto;

H.R. 9149. An act to accept the cession by the State of Arkansas of exclusive jurisdiction over all lands now or hereafter included within the Hot Springs National Park, Ark., and for other purposes;

H.R. 9234. An act to amend section 601 (c) (2) of the Revenue Act of 1932;

H.R. 9273. An act to extend the public-land laws of the United States to certain lands in the Red River in Oklahoma;

H.R. 9320. An act to further extend the times for commencement and completing the construction of a bridge across the Missouri River at or near Garrison, N.Dak.;

H.R. 9326. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near York Furnace, Pa.;

H.R. 9401. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near Middletown, Dauphin County, Pa.;

H.R. 9430. An act to provide a preliminary examination of the Cowlitz River and its tributaries in the State of Washington, with a view to the control of its floods;

H.R. 9431. An act to provide a preliminary examination of Chehalis River and its tributaries in the State of Washington, with a view to the control of its floods;

H.R. 9432. An act to provide a preliminary examination of the Lewis River and its tributaries in the State of Washington, with a view to the control of its floods;

H.R. 9433. An act to provide a preliminary examination of Columbia River and its tributaries in the State of Washington, with a view to the control of its flood waters;

H.R. 9434. An act granting the consent of Congress for the construction of a dike or dam across the head of Camas Slough (Washougal Slough) to Lady Island on the Columbia River in the State of Washington;

H.R. 9502. An act authorizing the State Highway Departments of the States of Minnesota and North Dakota to construct, maintain, and operate certain free highway bridges across the Red River from Moorhead, Minn., to Fargo, N.Dak.;

H.R. 9530. An act granting the consent of Congress to the county of Pierce, a legal subdivision of the State of Washington, to construct, maintain, and operate a toll bridge across Puget Sound, State of Washington, at or near a point commonly known as "The Narrows";

H.R. 9585. An act authorizing the city of Sault Ste. Marie, Mich., its successors and assigns, to construct, maintain, and operate a bridge across the St. Mary's River at or near Sault Ste. Marie, Mich.;

H.R. 9595. An act to increase the compensation of letter carriers in the village delivery service;

H.J.Res. 312. Joint resolution providing for a comprehensive observance of the one hundredth anniversary of the overland journey of Jason Lee to Oregon and establishment of first permanent American settlement in the year 1834;

H.J.Res. 340. Joint resolution to harmonize the treaties and statutes of the United States with reference to American Samoa; and

H.J.Res. 341. Joint resolution authorizing an appropriation for the participation of the United States in the International Celebration at Fort Niagara, N.Y.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H.R. 7306. An act to amend section 10 of the act entitled "An act extending the homestead laws and providing for right-of-way for railroads in the District of Alaska, and for other purposes", approved May 14, 1898, as amended;

H.R. 7356. An act to provide, in case of the disability of senior circuit judges, for the exercise of their powers and the performance of their duties by the other circuit judges;

H.R. 9092. An act to authorize the Secretary of War to lend to the housing committee of the United Confederate Veterans 250 pyramidal tents, complete; fifteen 16- by 80- by 40-foot assembly tents; thirty 11- by 50- by 15-foot hospital-ward tents; 10,000 blankets, olive drab, no. 4; 5,000 canvas cots; 20 field ranges, no. 1; 10 field bake ovens, to be used at the encampment of the United Confederate Veterans, to be held at Chattanooga, Tenn., in June 1934; and

H.R. 9394. An act to authorize the Federal Radio Commission to purchase and enclose additional land at the radio station near Grand Island, Nebr.

CERTAIN BRIDGES IN OREGON

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 3114) to extend the times for commencing the construction of certain bridges in the State of Oregon, which were, on page 1, line 3, after the word "commencing", to insert "and completing"; on the same page, line 5, to strike out "to October 1, 1934" and insert "1 and 3 years, respectively, from the date of approval hereof"; and to amend the title so as to read: "An act to extend the times for commencing and completing the construction of certain bridges in the State of Oregon."

Mr. McNARY. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

HOUSE BILLS AND JOINT RESOLUTIONS REFERRED

The following bills and joint resolutions were severally read twice by their titles and referred or ordered to be placed on the calendar, as indicated below:

H.R. 3357. An act to amend section 99 of the Judicial Code (U.S.C., title 28, sec. 180), as amended; to the Committee on the Judiciary.

H.R. 5312. An act to provide for the conveyance of the abandoned lighthouse reservation and buildings, including detached tower, situate within the city limits of Erie, Pa., to the city for public-park purposes;

H.R. 5665. An act authorizing the control of floods in the Salmon River, Alaska;

H.R. 9320. An act to further extend the times for commencement and completing the construction of a bridge across the Missouri River at or near Garrison, N.Dak.;

H.R. 9326. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near York Furnace, Pa.;

H.R. 9401. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near Middletown, Dauphin County, Pa.;

H.R. 9530. An act granting the consent of Congress to the county of Pierce, a legal subdivision of the State of Washington, to construct, maintain, and operate a toll bridge across Puget Sound, State of Washington, at or near a point commonly known as the "The Narrows";

H.R. 9585. An act authorizing the city of Sault Ste. Marie, Mich., its successors and assigns, to construct, maintain, and operate a bridge across the St. Marys River at or near Sault Ste. Marie, Mich.; and

H.J.Res. 340. Joint resolution to harmonize the treaties and statutes of the United States with reference to American Samoa; to the Committee on Commerce.

H.R. 5364. An act to authorize the payment of expenses of delegates of the Yakima Confederated Tribes of Indians while on a mission to represent such tribes before Congress and the executive departments at the seat of government, and for other purposes; to the Committee on Indian Affairs.

H.R. 7299. An act to authorize the Post Office Department to hold contractors responsible in damages for the loss, rifling, damage, wrong delivery, depredation upon, or other mistreatment of mail matter due to fault or negligence of the contractor or an agent or employee thereof; and

H.R. 9595. An act to increase the compensation of letter carriers in the village delivery service; to the Committee on Post Offices and Post Roads.

H.R. 5522. An act to amend the Standard Baskets Act of August 31, 1916, to provide for a 1-pound Climax basket for mushrooms;

H.R. 6927. An act to define the exterior boundaries of the Navajo Indian Reservation in Arizona, and for other purposes;

H.R. 8938. An act to amend the act of Congress approved June 7, 1924, commonly called the "San Carlos Act", and acts supplementary thereto;

H.R. 9430. An act to provide a preliminary examination of the Cowlitz River and its tributaries in the State of Washington, with a view to the control of its floods;

H.R. 9431. An act to provide a preliminary examination of Chehalis River and its tributaries in the State of Washington, with a view to the control of its floods;

H.R. 9432. An act to provide a preliminary examination of the Lewis River and its tributaries in the State of Washington, with a view to the control of its floods;

H.R. 9433. An act to provide a preliminary examination of Columbia River and its tributaries in the State of Washington, with a view to the control of its flood waters;

H.R. 9434. An act granting the consent of Congress for the construction of a dike or dam across the head of Camas Slough (Washougal Slough) to Lady Island on the Columbia River in the State of Washington; and

H.R. 9502. An act authorizing the State Highway Departments of the States of Minnesota and North Dakota to construct, maintain, and operate certain free highway bridges across the Red River from Moorehead, Minn., to Fargo, N.Dak.; to the calendar.

H.R. 7653. An act to authorize the establishment of the Ocmulgee National Monument in Bibb County, Ga.;

H.R. 9149. An act to accept the cession by the State of Arkansas of exclusive jurisdiction over all lands now or hereafter included within the Hot Springs National Park, Ark., and for other purposes; and

H.R. 9273. An act to extend the public-land laws of the United States to certain lands in the Red River in Oklahoma; to the Committee on Public Lands and Surveys.

H.R. 8513. An act to authorize the coinage of 50-cent pieces in commemoration of the boyhood home of Gen. Thomas J. (Stonewall) Jackson; and

H.R. 8833. An act to authorize the coinage of 50-cent pieces in commemoration of the three hundredth anniversary of the founding of the Colony of Connecticut; to the Committee on Banking and Currency.

H.R. 9234. An act to amend section 601 (c) (2) of the Revenue Act of 1932; to the Committee on Finance.

H.J.Res. 312. Joint resolution providing for a comprehensive observance of the one hundredth anniversary of the overland journey of Jason Lee to Oregon and establishment of first permanent American settlement in the year 1834; to the Committee on the Library.

H.J.Res. 341. Joint resolution authorizing an appropriation for the participation of the United States in the international celebration at Fort Niagara, N.Y.; to the Committee on Military Affairs.

OPTIMISM NOT ENOUGH!—ADDRESS BY SENATOR HASTINGS

Mr. TOWNSEND. Mr. President, I ask unanimous consent to have printed in the RECORD a radio address delivered by my colleague [Mr. HASTINGS] on the 18th of May, on the topic "Optimism Not Enough!"

There being no objection, the address was ordered to be printed in the RECORD, as follows:

OPTIMISM NOT ENOUGH!

I am glad to have an opportunity to express my own views with respect to political-party policies.

Under the pretext that the emergency made it necessary, the Federal Constitution has in effect been emasculated; the principles upon which the Government was founded have been violated; a great democracy has in many respects become an autocracy; the legislative branch of the Government is virtually in the control of the Executive; the business of the Nation, both big and little, is being controlled by Executive fiat, and being taxed by the same autocratic power; the farmers of the Nation have been regimented and are being controlled from the National Capital with power in one man to extend gratuities or to inflict severe punishment; the processing tax is destroying many business men and increasing the costs to the consumer; the national debt is increasing so rapidly that the credit of the Nation must necessarily be ultimately impaired; the half-baked ideas of the "brain trust" are pushed into the expensive experimental stage by a nod of the head plus a stroke of the pen; new agencies to control new activities are thus created overnight.

In the midst of all the confusion created by this new deal, a very skillful and highly Federal paid propaganda organization is trying to make the masses of the people of the Nation like it, and because of this propaganda many millions of people have honestly reached the conclusion that the "brain trust" program is simply "grand"!

It is of great importance for a people to maintain an optimistic view if they are to be happy. Optimism and American individualism go hand-in-hand, but mere optimism will not preserve and save the Federal Constitution if there be those in a controlling position in the Executive department who believe that essential parts of the Constitution are no longer suitable for the social order which they desire to bring about; neither will it save the principles upon which the Government was founded if those same influential persons believe that such principles must be abandoned.

The people can no longer be satisfied with the mere hope and expectation that the legislative branch of the Government will perform its constitutional functions when they realize that a majority of the Congress are setting aside their individual opinions and following the views and wishes of the man who has become a temporary idol.

Mere inclination to look on the best side of everything will bring no relief to the American business man who finds his business controlled by a military autocrat.

A mere faith in Government and a cheerful hope for the future will not bring relief to the farmer who has lost his freedom of action, who has lost the method of control of his crops, and who is threatened with fine or imprisonment if he violates the rules and regulations laid down by an idealist in the National Capital.

It will take more than optimism for the average housewife to meet her increased budget due to the increased cost of all the things she is compelled to buy.

It will take something more than a cheerful and happy disposition to pay the increased taxes that must necessarily be levied to meet the enormous debt created by this administration.

It will take more than a do-nothing policy on the part of the people in the next election to prevent the impractical theories of the "brain trust" from plunging us into deeper troubles and more drastic regimentation.

The present administration program is dangerous. There are many millions of people scattered all over the States of the Union who are disturbed and frightened about the ultimate outcome of such policies, and it is essential to get that public opinion organized in such a fashion that it can assert itself in the one way provided under our form of government. A great opportunity to do this effectively lies with the Republican Party. A great responsibility at the same time goes with that opportunity. The Republican Party accepts it. The greatest progress and the greatest prosperity enjoyed by this country has come during the years of the Republican Party control. It is the only party that is in a position so to arouse those in opposition to a point where we shall be able to curb and prevent this dangerous program from destroying the form of government which has made this a great Nation.

Time will not permit of anything more than a general discussion, but there are two or three things that I desire to emphasize.

It will be remembered that the Democratic Party promised to reduce governmental expenses by 25 percent by eliminating and consolidating bureaus, etc. The American people are quite familiar now with the alphabetical list of bureaus, the exact number of which I do not know, because new ones are being created nearly every week.

But there is a new kind of a bureau, about which very little has been said and with which the American people generally are not familiar. These bureaus are too numerous to be described by letters in the alphabet. I refer to the various organizations that have been set up in Washington and elsewhere to administer the 428 industrial codes that have been approved and adopted.

On May 12 last the National Recovery Administration sent out for immediate release some of the details of the annual budget for the trucking industrial code. The amount fixed is $1,714,158. A detailed examination shows that at the headquarters in Washington there are 55 employees, and some of the positions and their annual salaries are as follows: 1 executive at $10,000, 1 executive at $7,500, 1 executive at $2,500, 1 manager at $7,000, 2 managers at $6,000, 3 managers at $5,000, 1 manager at $4,800, 1 assistant manager at $3,600, 3 assistant managers at $3,000, 4 assistant managers at $2,400, 1 assistant manager at $2,200. This makes a total of executives, managers, and assistant managers of 20 persons at an annual cost of $86,100.

But that is by no means all; $346,118.50 is set up in the Budget for salaries and clerical help in the administration of the 50 State codes and $186,000 for the same purpose in administering the 12 regional code authorities. This, plus $134,400 for administrative and clerical employees at Washington makes a total of $666,518. This subtracted from the total set up by the code authorities, leaves a balance of $1,047,640. There is no explanation in the newspaper release referred to as to the necessity for this huge amount. Inquiry at General Johnson's office indicates that $141,000 is for registration plates and distribution, and $121,000 for printing and distribution. In other words, the $1,047,640 is for incidental expenses in the administration of this code.

I have called attention to the fact that there are 428 codes, and I assume there are that many new bureaus set up in Washington to administer them. In this particular trucking code, there are 50 bureaus set up in the various States, plus 12 regional bureaus. That makes for this one industry, one bureau in Washington, 50 bureaus in the States, and 12 regional bureaus or a total of 63 bureaus to administer this one code. I have no information as to how many of these 428 codes have similar State and regional bureaus. I merely give this as an illustration of the extent of the regimentation of the industries of the Nation that is going on under General Johnson, and with the approval of the President.

Time will not permit of any general criticism of this important part of the administration's program. The criticisms offered by Republicans of this or any other program with which they disagree are met by taunts from the Democrats calling upon Republicans to produce a solution of their own.

The distinguished Senator from Pennsylvania, Mr. REED, in a speech on the radio last week, suggested that one of the things that the Republicans would like to do would be to get rid of the many nostrums that at the present time menace the country. This brought a prompt reply from the headquarters of the Democratic National Committee in a statement by the distinguished leader of the Senate, Mr. ROBINSON of Arkansas, who suggested that Senator REED evidently would like to go back to the conditions that existed on March 4, 1933. This is the usual reply of the Democratic leaders, and they begin their description of the terrible conditions by calling attention to the fact that when President Roosevelt was inaugurated all of the banks of the Nation were closed. The real truth is that the serious banking condition which confronted the country at that time was due to the fact that Mr. Roosevelt had been elected President of the United States 4 months before, and during that 4 months had given the very distinct impression that his administration would not abide by his party platform when it declared that it was in favor of "a sound currency to be preserved at all hazards." The whole business world was struck with fear of inflation because of the attitude of the President-elect, who refused all invitations to cooperate with President Hoover, and escaped all responsibility with the light declaration, according to the press reports, that "it is not my baby." This attitude of the President-elect, at a time when the country was in great distress, brought on a condition the like of which the country had never experienced.

Of course, any President would have been compelled to do many things that were done in order to relieve that situation. People could not be permitted to go cold and hungry, and there was no contrary view expressed anywhere, and to try to create the impression that the Republicans would like to go back to this unprecedented condition is merely cheap, partisan claptrap.

I thoroughly agree that the most important job for the Republican Party is to undo many of the things that have been done by this administration, and do many things that are necessary to be done if the Constitution and the American principles of government are to be restored and facism, socialism, or communism are to be avoided. The American individual must once more be given some opportunity to initiate and carry on. The American investor must be encouraged to invest his money in those things that will create employment; the American business man must be given a greater freedom of action; the American farmer must not be bound by any rule of thumb.

This does not mean that Republicans are opposed to legislation designed to prevent frauds and improper practices by individuals and corporations everywhere, but it does mean that while such legislation must be made effective it shall not prevent the honest and ambitious individual from pursuing a proper course in a free country. When these rights and privileges are restored to our citizens, confidence in the future will immediately return and a normal and gradual prosperity will surely follow.

BANKING—ADDRESS BY SENATOR CUTTING

Mr. BORAH. Mr. President, on the night of May 18 the Senator from New Mexico [Mr. CUTTING] delivered an address over the radio on the subject of banking, which I think is of exceptional worth. I ask that it be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

For a year or more we have been engaged in currency manipulation. We have juggled with the currency, and we shall no doubt continue to do so. The results have been small. The depression is still with us, and it is doubtful if we can cope with it by any such methods.

The reason is that only a small part of our monetary system consists of currency. Much the greater part is made out of bank credit. Until the Government takes control of this most vital part of our financial system it is not going to break loose from the burden of debt which is weighing down the Government as well as the private citizens of the Nation.

Most people think of banking as a terribly complicated subject, a subject which they cannot even attempt to understand. Of course, it is complicated in its details, but it has been part of the bankers' conspiracy to confuse the public by a discussion of the details so that they may lose sight of the main outlines. Those outlines are very simple, and they vitally concern the life and happiness of every human being in the civilized world.

Since from 90 to 95 percent of our money is made up of bank deposits, it is important to understand just what these bank deposits are. Part of them, the smaller part, comes from the bank's customers, who deposit cash or checks for safekeeping with the bank. But by far the greater part of these deposits are not deposits at all, in the real sense of the word. They come from the right given to a bank to loan 10 times, or 20 times, as the case may be, the amount of its reserves.

When you borrow a thousand dollars from an individual, he parts with his money before you get it. When you go into a bank and borrow a thousand dollars, what happens? Of course, the bank may give you the thousand dollars over the counter. But that is seldom the case. Usually you are satisfied by having the bank place the thousand dollars to your account. In that case, the bank writes your name at the top of a column in its book as having made a deposit of a thousand dollars. The thousand dollars is not transferred from any other account. It is made out of thin air. To that extent it increases the total amount of money in existence. To that extent it raises the price level, and changes the value of the money in the country. Yet the Constitution of the United States provides that "The Congress shall have power to coin money, and regulate the value thereof." In practice the Congress regulates the value of only a small fraction of the total amount of money in the country. The rest is regulated by the bankers.

We are so used to this kind of transaction that we seldom stop even to question it. We allow the bankers to inflate our money

each time they make a loan, and to deflate it each time the loan is called.

And, then, there is another very important feature connected with this loan of a thousand dollars. When you get it you generally have to deposit with the bank collateral security of double the value of the loan. If you have a $2,000 house you will probably be obliged to mortgage it for the privilege of obtaining $1,000, and, mark you, of paying interest when the loan falls due. Yet the only piece of real value which has entered into the transaction is the value which you, yourself, have put into it, your house and lot, or your Liberty bonds, as the case may be. You are paying tribute to a private institution for the right to use your own credit. Your credit depends on your property, which really means your ability to deliver goods or service as required. The bank has contributed nothing but pen, ink, and paper, plus a risk of defrauding its bona fide depositors. Yet in order to use your credit you are forced to pay interest to a nonproductive agency. The bank has actually lent you your own credit and made you pay for getting it.

How can such a system be justified? It can be explained historically, but not defended on grounds of either ethics or public policy. The modern bankers are the successors of the medieval goldsmiths, who used to accept deposits of gold and jewels from their clients and issue credit which would be honored by goldsmiths elsewhere. As a matter of practice it was found that less than one tenth of the deposits would ever be claimed at one time, and so the goldsmiths fell into the habit of loaning credit to 10 times the amount of their deposits. It was essentially a dishonest proceeding. Yet people got used to it, and it had no very serious effects until modern times, when the issuance of loan credit of this sort has completely outshadowed the primary duty of the State to issue money, and control its value.

Sometimes it is easier to show up a fallacy of this sort by reducing it to its simplest terms. Let us suppose that three men are shipwrecked on a desert island. There are enough natural resources on the island to provide food, clothing, and shelter for all three, provided each one works at one of the three tasks. The three men might decide to go socialistic and own the island in common. We shall assume, however, that they find it more convenient to let one man own the timber, one the food crops, and one the sources of clothing.

Then, in order to exchange their goods, they will probably issue some form of scrip to enable them to barter. Let us suppose that the possessions of the three are approximately equal. Each one will then receive the same number of units of value, say a hundred tokens apiece. If they choose, they may call them a hundred dollars.

Now, this scrip really means something. It means the respective ability of each one to deliver a quantity of goods, produced and improved by his own labor. The wants of these men are simple. They manage to live. In course of time they improve their properties, and are able to live more luxuriously, with the expenditure of less individual labor. If it seems convenient to all of them they can issue as much more scrip as is needed to take care of the increased value of their production.

Now, let us suppose that after a few years of this, a stranger is shipwrecked on the shore of this island. He approaches the three men, and says, "Your economic system is preposterous. Your money is unsound. I come from a civilized country. I am a banker. Bankers know that a sound currency can be based only on a gold standard. I saved from my shipwreck three $10 gold pieces. Under the law of a civilized country I am allowed to lend $300 on that basis—or $600 if I belong to the Federal Reserve System. I shall be glad to lend you my credit if you will mortgage your holdings to double the amount."

Now, manifestly, if the three original settlers are sane they will reject this offer. But let us suppose that they have been touched by the tropical sun, and fall for the banker's proposal, which, you know, will not be couched in such simple language, but will contain a great deal of technical talk about discount rates, and the balancing of the budget. The settlers go in debt for the $300, and promise to pay interest on it. The banker does a little bookkeeping, and lends them their own credit. Of course he keeps the $30 in gold.

Now, suppose that the settler who owns the timber decides to install a sawmill. He will need help from his neighbors, and will have to pay them for it. The banker decides that he will consider himself a member of the Federal Reserve, and extends the settler an additional loan of $200. A hurricane comes along. The banker at once grows timid. He calls half of his loans, and renews the other half. The owner of the timber is completely ruined. The other two have to pay in produce twice the amount of their original loans on account of the deflation caused by the banker's call. At the end of another year they, too, find themselves unable to pay. The mortgages are foreclosed, and the banker retains the original $30 in gold, and in addition the entire tangible assets of the community.

Now, of course, this seems childish and silly when you are dealing with four people on a desert island. As a matter of fact, it is far less reasonable in dealing with a complicated civilization, and with 125,000,000 people. On the island, if only for purposes of self-protection, the banker will have a healthy regard for the feelings of his fellow citizens and will not press his advantage too far. Moreover, he will be in a position where he understands the exact needs of the particular community.

Neither of these considerations apply to the banking system of the United States.

In the main, the interest of the banker is opposed to that of the general community. He is lavish with credit in good times when it is not needed, and he withholds it in bad times when it is a necessity. Someone has said that the banks lend you an umbrella in fine weather and take it away from you when it rains. Furthermore, the bankers of the United States, even if we grant them the best intentions in the world, are not in a position to work in cooperation in support of any definite policy. They have the power to issue vastly more credit than is ever actually necessary. Sometimes they do this. At other times they issue so little that the economic system cannot be carried on. Then we get starvation in the midst of plenty, such as we are "enjoying" at the present day.

Our bankers may be compared to a number of theater agents, each of whom is authorized to sell an indefinite number of tickets in a theater. The total seating capacity of the theater, we will say, is 3,000. If 500 tickets are issued, or if 6,000 tickets are issued, in either case the results are disastrous. It is a hit-and-miss method.

In my judgment the only agency which should be authorized to issue tickets for the national theater is the Nation itself. Call these tickets tokens, or scrip, or dollars, as you will. The National Government must decide as to how many are needed.

For, mind you, it is not merely the private individual who is forced to pay tribute to this strange, unreasonable system. The great industries, the great producers of the country, who are creating their share of the national credit, have each one of them to pay tribute to a bank in order to make use of the credit which they are creating.

And what about the Government itself? Here we have a financial crisis, due in large measure to the stupidity of the bankers, and the futility of the system under which they are working. The purchasing power of the country has dwindled to a vanishing point. Millions upon millions are out of work, and have no means of support. The Government is fulfilling its primary duty when it comes to the rescue of these people. The amount that we are spending for public works and relief may seem large when figured in dollars and cents, but it is not a drop in the bucket compared to the credit of this country as measured in its natural resources, in its plant, and in its man power. Yet what does the Government do when it goes to the rescue of its needy and starving citizens? It floats loans through the banks. It pays interest to private organizations for the use of its own credit. The thing becomes still more preposterous when we realize that an enormous proportion of the relief expended by the Government has gone to the aid of the great banking institutions. So that actually the Government of the United States is getting itself into debt to the banks for the privilege of helping them to regain their stranglehold on the economic life of the country.

To my mind, this situation should have been stopped in March 1933. The bankers were then helpless and hopeless. They thought the end had come. They would, themselves, have welcomed a liquidation of their assets in favor of the Government. Now it will be more difficult. Yet the logical situation remains the same, and we are going to have to reestablish in the hands of the Federal Government the right which the Constitution placed there in the first place.

I am now preparing a bill which is intended to accomplish this result. I wish that we might have a chance to vote on it at the present session. If that is impossible, it will be largely due to the lack of public pressure, public interest, and public understanding on the subject. The creation of a national bank which will eventually have a monopoly of the issuance of credit is, to my mind, the most vital need of the country today. I do not mean that that alone will get us out of the depression, but it is the first step in that direction, the first step without which none of the others can be taken.

When I have argued this point in the past I have met with two general objections. The first is that it will put the banks into politics and substitute in making loans partisan considerations for sound principles of banking. Now, I have no doubt that, to some extent, this will be the case. Partisan politics have crept into most departments of our public life, and it would be rash to assume that banking could be exempted. But let me say, first, that no politician in high public office in the history of this country has ever made such a complete mess of his job as the private bankers made with theirs. Furthermore, your public servants are as good or as bad as you choose to make them. If you do not like them, or you do not approve of the way in which they handle their offices, you can replace them with others. As things stand, the people elect their Governors, their Representatives in Congress and in the Senate, and their President. But none of these men, nor all of them put together, has anything to say about what concerns most vitally the people of the United States, the distributive system, or the money system, if you prefer that term. Until the system is changed, the bankers are the real rulers of the people. You can vote for your President—you cannot vote as to who shall be head of the National City Bank of New York or of J. P. Morgan & Co. There is no reason why you should, so long as these men are functioning as private citizens. Yet at the present time it is these men who actually control the destinies of every human being not only in this country but in this hemisphere. I say this not in criticism of any individuals but of a system of bondage under which it is disgraceful for free men to live.

The second objection usually made to national banking is that it is a radical idea, and would be used for socialistic or com-

munistic purposes. This does not follow at all. A national bank might be used for radical purposes. It might also be used for extremely reactionary purposes. There is a very interesting article by Mr. Herbert Agar in the current issue of the American Review. It is entitled "The Task of Conservatism." Mr. Agar thinks we have gone too far toward socialism. He believes in going back a hundred years to the conditions which prevailed in the early nineteenth century. Let me read you a few words from his final conclusions: "The first prerequisite for a return to a system of private property is that the State should reassume its basic sovereign power—the power to issue and recall money and credit. At present that power has been given to private monopoly, chiefly on the plea that it is too important to trust to the politician. I feel no call to praise the typical modern politician, but it is fair to point out that his repute is no lower than that of the typical modern banker."

So you see that once you have control of the banking system, you may use it to carry out any policy which you choose. At present you have nothing to say about the policy which is to be carried out.

I have quoted from the Constitution of the United States, certainly not a radical document. Let me also quote from that classical exponent of sound finance, John Stuart Mill: "The idea of a rational democracy is not that the people govern themselves but that they have security for good government. This security they cannot have by any other means than by retaining in their own hands the ultimate control."

The ultimate control rests today neither with the people nor with the representatives of the people but with a body of private citizens who, no matter how high-minded they may be as individuals, are responsible to no one but themselves. Let us as free Americans resume that ultimate control of the distributive system which the fathers of our Republic intended us to have.

PUBLIC WORKS OF ART PROJECT—ADDRESS BY EDWARD BRUCE

Mr. WALCOTT. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by Mr. Edward Bruce last evening before the American Association for Adult Education. Mr. Bruce has been secretary and one of the chief promoters of the art project of the Public Works Administration, which has accomplished an astonishing piece of work in reviving hope in the hearts of several thousand artists through Federal patronage.

The exhibition held in this city a short time ago gave evidence of such merit as to encourage us to believe that no other nation in the world could have equaled in quality this exhibition involving over 3,000 artists, most of whom, because of the depression, are not now self-supporting. It gives us renewed hope that the new leisure, which inevitably must result from our inability to consume the increased output of our industrial plants, will be intelligently employed.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Last November it became apparent that the expected increase in employment under the Public Works program was not developing as rapidly as had been anticipated. To tide over the slack period the Public Works Administration transferred to Harry L. Hopkins, the head of the Federal Emergency Relief Administration, $400,000,000 to be used in putting people to work throughout the United States. To carry out this program, Mr. Hopkins organized what was known as the "Civil Works Administration" and proceeded with his usual energy and efficiency to put 4,000,000 men to work. A definite distinction was made between employment under the Civil Works and relief. The means test insisted on in relief cases was waived, and employment given to unemployed at approximately prevailing wages.

With, it seems to me, great vision and courage, Mr. Hopkins seized the opportunity offered by the organization of the Civil Works Administration to combine relief to the unemployed with a movement which is bound to have increasing significance in the social and cultural life of our country. In addition to the largely manual employment carried on through the various State agencies Mr. Hopkins set up nearly 100 Federal projects.

These were classified as—projects benefiting the public health; projects to control or eliminate pests; projects which improved public property; projects having to do with statistical research and surveys; projects to improve, preserve, or survey natural resources; projects for the improvement or the preservation of public records and documents; and a few miscellaneous projects.

These projects, in addition to the actual benefits accruing to the Government by the work done, were intended primarily to give employment to the professional and white-collar classes. It is, so far as I know, the first time in the history of our country that the well-being of this class, who have suffered as much as any other class through the depression, was accepted as a definite responsibility of the Government.

Among the Federal organizations set up was the so-called "Public Works of Art Project", about which I have been asked to speak to you this evening. This project was organized in the Treasury by a grant of funds to it from the Civil Works Administration.

Its objective was the employment of artists throughout the United States for the embellishment of public buildings and parks with the product of their arts and crafts. The artists were employed at craftsmen's wages, and the product of their work became the property of the Government and has been used and is being used to decorate public buildings and parks.

To carry out this plan, a central organization was set up in Washington, and the entire continental United States and Hawaii divided into 16 regions. Voluntary committees were appointed in each region, and these committees in turn appointed subregional committees, with the result that there were committees in every State of the Union. The duty of these committees was to canvass the artistic talent in their regions and to select those artists who in their opinion were most worthy of employment on the combined test of their artistic capacity and their need of employment.

The artists when employed were given the maximum freedom of expression. The general theme selected was the American scene in all its phases; but subject to this general limitation the artist was allowed to develop his ideas with the guidance and help of the various committees and execute his work in any medium suited to his particular craft.

The project was carried on for approximately 4½ months, being brought to a close on April 28 with the winding-up of the Civil Works Administration.

Some 3,500 artists were given employment for various periods, and some 500 large murals and several thousand pictures, sculptures, etchings, lithographs, ceramics, and other products of the arts and crafts produced.

At the outset there was a good deal of scepticism expressed; but as the movement developed and its effect became apparent and people had an opportunity to see the work done by the artists this scepticism disappeared.

A national exhibition of the work produced has been shown for the last month at the Corcoran Gallery of Art. Approximately 600 objects by 600 different artists were shown at the exhibition, representing what we all felt was a fair cross-section of the work produced throughout the United States. Every region was represented.

It should be borne in mind in evaluating the exhibition that all the work was executed during the last 4 months. This fact should be remembered, especially in connection with landscape work, as there was not the opportunity for such a varied representation of landscape as there would have been had work extended over a longer period.

The exhibition received almost universal approval.

It has been critically discussed by the leading art critics of this country and is generally regarded as having been the most comprehensive and representative exhibition of American art that has been shown. It is my hope and expectation that the exhibition may be sent on tour throughout the United States.

The exhibition, I think, proves that there is in this country a vigorous, well-distributed, and highly exciting art movement. It is to me a fine and a surprising thing that the artists of this country who were given the opportunity to work at craftsmen's wages for the Government because they needed the employment should produce art which has in it no defeat, which is full of vigor, and which comes out of the soil of this country.

I do not claim that it is all great art; perhaps very little of it is. But I do claim—and I am reasonably well acquainted with the art movements in various parts of the world—that there is not, in my judgment, any country in the world today that could have produced such an exhibition as was shown as a result of the work done under the Public Works of Art Project.

I want to read you extracts from a letter I received yesterday from a friend of mine whose opinion I regard highly, and who has expressed my feeling about this exhibition far better than I could do it. He writes:

"After seeing the exhibit on Sunday for the fourth time, I can't forbear an enthusiastic line to you. Each time I saw it, it struck me more deeply as one of the truly significant events of American history. * * * There is something so buoyant and unrestrained and fresh, both in treatment and subject matter, that I am reminded at once of Walt Whitman. What he has meant to American poetry, Veblen to our economic literature, and Turner to our history, this project seems to me to mean to our art. I kept thinking Sunday of Turner's Frontier in American History; here is the frontier spirit in art, the awakening to self-consciousness and power, the galloping, surging triumph over virgin terrain."

I believe that the public works of art project, and the work produced under it, is significant in various directions.

It is, so far as I know, the first genuinely democratic patronage of art. Study the history of the great art movements in the world, and in practically every case the motivating force has been patronage by the aristocrat or the oligarch.

Probably the greatest patron of art has been the church. It is interesting to note, however, that the decline in church patronage of art was coincident with the separation of church and State.

Where it was not the church, it was the secular aristocrat or oligarch. The motivating force behind it was the aggrandizement of the patron. Travel where you will in the older countries and study the art that has stood the test of time, and you can classify the source which prompted it by the result.

In architecture it is either churches or palaces, with a smattering of fortifications, useful in troublous times to both.

In sculpture and painting, it is either religious subjects or work obviously intended to aggrandize and perpetuate the fame of the great or near great.

Many of these patrons builded better than they knew, as the images left of them or dedicated to their fame in sculpture and painting remain their only claim to immortality.

Against all this we find a great Republic giving its patronage to art and doing it in an absolutely democratic way. No high official selected the painters and directed their work. This was done by volunteer committees throughout the country who had no other connection with the Government except through this project. They were selected because of their interest and knowledge of the fine arts and sympathy with the movement.

The artists selected were free to express their own vision of the world about them with the knowledge that what they did was desired by the Government and considered an asset to the State.

The movement has gone far to take the snobbery out of art and make it a part of the life of the average citizen.

The project has, I think, been significant from an economic point of view, in that it is a definite step in the direction of creating the idea of service employment and affords what seems to me one of the most effective methods of answering the challenge of the machine and its increased efficiency and lessening of human labor.

It is obvious to anyone who has studied the problem that science and invention are producing a world in which the physical requirements of the people can be provided with the expenditure of infinitely less human energy than was possible 50—yes, 20—years ago. This has—temporarily at least—created a condition of unemployment, with the fantastic paradox of people starving in a world of plenty.

It is certainly a defeatist attitude if the world must abandon the results of human ingenuity and invention because through them people are put out of work. It seems to me an infinitely sounder way of approaching this problem to recognize that through science and invention human energy has been released to undertake a finer and a higher service.

With the recognition that such service is an opportunity and also an economic necessity, the machine will be recognized as a release of human energy to a finer field of activity and the world a richer rather than a poorer place for its coming.

It seems to me that this Federal patronage of art is the entering wedge in this movement, and I hope and confidently expect that not only will it be continued but that the service that it has and may render to the people will be extended in various directions, such as music, the theater, and a variety of other social and cultural activities.

In the last analysis, this Public Works of Art Project, if it means anything, means that beauty in our lives and in our surroundings is an asset. If through it a movement can be developed which will take the ugliness and drabness out of the lives of the people of this country, which will destroy the slums, demand that when roads are built they at least do not destroy the country through which they run as an unhealed scar; if through it hospitals shall be considered incomplete, unless the cell-like quality of the walls are enlivened by pleasant decorations; and if through it, it shall be considered a part of the proper cost of public buildings that their interior be suitably decorated and their surroundings beautified by landscape gradening; if through it there can be developed the feeling that human beings should not be called upon to live in the squalor and dirt and hideous ugliness of the average residential sections of our cities, suburbs, and towns; in short, if through this movement we can create a demand that America should be rebuilt as an America Beautiful—we are going to create not only a greater content and well-being and "a more abundant life" among our people, but an economic demand which may be a very vital factor in lifting us out of the depression and bringing us back to prosperity.

To emphasize what I mean, I wish that all of you would take a trip in an automobile from here to Baltimore and realize what that road has done, with its open cuts, its ugly fills, its glaring advertisements, its brash hot-dog stands, its blatant filling stations, and its destruction of trees to a country that was beautiful prior to its destruction by this modern means of transportation.

Compare it with what has been and is being done in that beautiful boulevard in Long Island, which is being built under the C.W.A.

Again, take the trouble on your next trip from Washington to New York to look out of the window at the suburbs of the cities through which you pass, and the cities themselves, at the utter drabness of the houses, the utter lack of beautification of the surroundings, the garbage dumps, the lack of landscape gardening and of trees, and you begin to wonder how anything fine can come into the lives of people who live in such surroundings.

The movement has been enormously significant in the effect it has had on the point of view of the artists of this country and their feeling of their relationship to the State.

In the hundreds and hundreds of letters which we have received from the artists the refrain runs through them all that the project has broken down the walls of their isolation, has made them feel that they are a part—and a useful part—of the world around them; that they have been elevated from an artist to a craftsman, a laborer worthy of his hire; and that the product of their work is not merely the last luxury of the rich, but may become the daily food of the average citizen.

Every one of our regional committees report that the result of this Federal patronage of the arts among the artists has been that under it they have created the finest work which they have ever done.

The work of the organization was carried on throughout the United States by a group of some 600 volunteer workers, who formed our various regional and subregional committees.

These men and women were selected because of their special interest in the fine arts. Practically every director of every art museum in America served on the committees, as well as people of general culture and artistic interest.

The effect of this association on these men and women has, I think, been significant. It is perhaps the first time that any of them has come in direct contact with the Government and taken a share in its activities, and one cannot read the letters that come from these men and women without realizing that something very vital has happened in their lives in finding that they may share in the activities of the Government, and that its interest has spread beyond the material things of life to cultural and spiritual things which are their primary interest.

The enthusiasm with which the project has been received by the artists and the regional and subregional committees was perhaps to be expected.

The real surprise has been the reaction of the public to the movement throughout the United States.

As originally planned, it was expected that 25 percent of the money received under the project would be expended for its executive direction and for the purchase of supplies and other expenses in connection with it. As a matter of fact, up to date, the entire cost, outside of the artists' pay roll, has been approximately 5 percent of the artists' pay roll.

One of the primary factors of this lost cost of operation has been the fact that throughout the United States the local interests and institutions who are receiving the work produced have almost universally supplied the cost of the materials needed.

In many places, even in small communities, this has run as high as a thousand dollars and has been met by popular subscription.

Our letters are full of the new interest that has been created. In New England alone we have 350 applications for murals for the towns and villages in excess of those we were able to provide.

Artists write that instead of being an unknown and somewhat despised factor in their communities, they have suddenly, through this Federal patronage of the arts, become the center of interest in their towns or villages; and that their neighbors are taking such an interest in their work as to actually impede it.

In a number of college towns the art students of the college have been turned over to the artists working on murals, and the work done credited to their curriculum.

Doctors and nurses write us of the extraordinary effect it has had on patients in their hospitals to have their walls attractively decorated. This has been especially true in the children's wards of hospitals and in crippled children's homes; and if I had my way, there would never again be built a hospital, especially for children, where the walls were not decorated with attractive and interesting murals.

In spite of the fact that some 15,000 works of art were produced, we cannot begin to supply the demand that has come from all over the country. This demand not only comes from expected sources, such as art museums, but from rural schools, town halls in small towns, and universally from hospitals.

Several school boards have already passed resolutions providing that no more schools shall be built without mural decorations, to be considered as a part of the cost of the original construction of the building.

All of this has, I think, a special importance and significance to those interested in adult education.

We are in a world which requires the expenditure of less time to provide material necessities and leaves more time for so-called "leisure." The problem we must face is whether that leisure is to mean boredom or the opportunity for a fuller and a richer life, with all the implications which it carries, not only for more contentment and graciousness in our lives, but for increased service employment and economic demand.

I believe that when the history of this administration is written, not the least of its accomplishments will be its patronage of the fine arts. I believe that through this patronage a movement has been started in this country which is bound to grow and blossom. I believe that it has helped to create a new and a finer definition of the service a State should render to its people.

In the last analysis, the art of any country is the ultimate measure of its civilization. Great art is not an isolated phenomenon. Art is and must be the manifestation of a national movement and culture.

And so I hope that art will take its place in this country as a normal part of life; that through it a finer sense of rhythm and harmony will develop in our lives, and that out of it will come a worthy monument to a worthy civilization.

DOES INSURANCE INSURE?—ARTICLE BY DR. MAURICE TAYLOR

Mr. WALSH. Mr. President, recently there was published in the CONGRESSIONAL RECORD, at my request, an article by Governor Ely, of Massachusetts, dealing with the Massachusetts savings-bank system of life insurance.

This system was devised by Hon. Louis D. Brandeis, of the Supreme Court of the United States, when he was a practicing lawyer in Boston. It provides life insurance for those of small incomes at far less cost than the life insurance sold elsewhere in the United States to the same class of people, which is known as industrial insurance.

Dr. Maurice Taylor, who is prominently identified with welfare work in Boston, and is the author of an outstanding

work on life insurance, has written for a recent magazine an article entitled "Does Insurance Insure?" which, like that of Governor Ely, will be of interest to a very large number of persons. I ask leave to have it printed in the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Panorama of May 1934]

DOES INSURANCE INSURE?—AMAZING STATISTICS, WITH A SUGGESTION FOR THE NATIONAL INVESTIGATION OF SALES METHODS

(By Dr. Maurice Taylor, author of The Social Cost of Industrial Insurance)

When events deflate our pocketbooks we become students of their etiology; witness the banking and stock-market investigations. As laymen we know little about such things, and care less, until we are hit the kind of blow from which even now we are trying to recover. Post facto we become researchers into the facts; and have been getting them, in the form of an excellent correspondence course, through the press and magazines, in the principles of practical banking and brokerage as taught by our best financial minds. If we can absorb enough of this knowledge before the upturn comes, the heavy price we have paid will not have been in vain. But once the curve really begins to rise we shall cease to be students; we shall no longer seek for facts, and unless we have recreated ourselves into a new species, we shall probably forget to make use of the lesson so painfully received. While the course thus far has included brokerage and banking, we are promised that the next will be life insurance.

The last great course in the theory and practice of protecting widows and orphans dates back to 1905 and was given in New York under that eminent instructor, Charles Evans Hughes. This examination, however, applied mainly to the field of ordinary insurance, the kind that comes in contracts of a thousand dollars or more. While much has happened since then in this field and, therefore, a lot of new and searching questions need to be asked, it is to be hoped that more attention will be paid to the industrial branch of the business, the type of insurance that is sold to the lowest-income classes in amounts averaging less than $250.

Of the hundred-odd-million policies now outstanding in this country, three quarters of them are industrial. Despite this fact, the system is but little understood. It is a case of the one quarter not knowing how the other three quarters insures. The public needs to learn much more about how industrial insurance operates, how it is sold, what it really costs, and just how it affects the social and economic life of the working classes.

Latest reports show that life-insurance sales are beginning to pick up once more. They illustrate further the usual story: new sales of industrial insurance are increasing at a faster pace than ordinary policies, after having experienced a lesser rate of decline during the depression than did the latter. In other words, no matter how terrible were his economic circumstances during the past 3 years, the poor man who buys industrial or weekly premium insurance kept up his purchases at a more stable rate than did his more affluent brother who buys ordinary. And now that times have begun to look a little brighter, although less so for the workingman than for the person with more means, the poor man has begun to stock up on his insurance faster than the other.

It must be said further that although the industrial business has been practiced upon this country for nearly 60 years, not until these last 2 years has there been found much, if any, relation between the volume of its product and the economic condition of its purchasers. Whether times were good or bad, whether the pay envelop was full or empty, whether the poor man had bread to eat or not, there was but little, if any, hesitancy in the onward and upward rush of the industrial insurance sales-curve. The opposite is true of ordinary insurance. Its progress has been directly conditioned by the existence or nonexistence of good times. When business has been good, sales of ordinary insurance have mounted; when things were slack, they have gone down.

What is the reason for this economic paradox? Why do people who have largely lived off the miserable American dole of the past 3 years reduce their purchases of insurance at a lesser rate than those far better able to invest in such services? The explanation is found in the method of carrying on this business. Upward of 65,000 agents have been let loose upon the land to separate the poor and unwary from their hard-earned dollars, on the theory that the most important thing in a poor man's life is to protect himself and his family from a pauper's grave. In addition, it is urged as an instrument of savings particularly for the children, who constitute at least a third of all those insured. The fact of the matter is that but an insignificant number, in comparison to the millions who participate ever achieve either goal, and the main result is colossal economic and social waste.

The business represents the acme of high-pressure salesmanship practiced upon a group of people comprising more than half the total population of the land. These people are for the most part ignorant and unread. They have no conception of the details of the contract that is sold to them, and that is paternalistic in its conception, burdensome in many of its provisions, unfair in others, and from three to eight times as costly as ordinary insurance, depending on the length of time it is carried.

The industrial policyholder suffers from a plethora of service. He is not only sold the policy, but he is, as a rule, compelled to pay his premiums to the same agent, who acts both as seller and collector. This twofold function must be paid for. In the ordinary course of life the poor man shops around so that he may buy cheap. He carries his purchases home and saves the cost of delivery. The rich man indulges himself in the luxury of having his merchandise sent to his home, being able and willing to pay the extra charge therefor. In life insurance, matters are reversed. The poor man is saddled with the tremendously expensive system of premium collection at his home, while the more prosperous man takes or sends his payments to the company. Only one organization permits direct payment at a discount, and then under conditions which reduce the saving in toto to less than 2 percent of the total premium income. This, it is argued, is a demonstration of the fact that the policyholder is either not thrifty enough or unwilling to take advantage of the saving. The fact is, however, that premiums must be paid for a full year without default before the discount may be received. More important is the fact that every time a policyholder transfers his payment from the agent to the office, the agent is penalized financially. The insured is more often than not unaware that such a discount may be procured, and it is asking too much of the agent to inform his clientele of the fact when he stands to lose money. In spite of these difficulties, year by year there has been an increasing advantage taken of the privilege. As slight as it is, an oasis, as it were, upon this drab desert of insurance, no other company has seen fit to grant it.

Another source of pressure arises out of the method of payment of the agent and his superiors. The agent not only collects but he has to sell as well. The average family has nearly 10 policies. Large numbers have 20 and 30 or more policies due to a subtle process of overloading. Gradually, the mother, who does 80 percent of the purchasing of this insurance, is encouraged to acquire more and more policies. She is unable to resist the persuasive agent, and in the end has covered herself and her family with a mountain of debt in the form of weekly premiums. The breadwinner's wages, which as a rule are rarely sufficient to provide even for the necessaries of life, are thus depleted to a degree that leaves an insufficient amount, in many instances, for the purchase of food, to say nothing of rent, clothing, and the other essentials. The result is an enormous volume of lapsed insurance which, in 1932, exceeded the amount sold by more than 11 percent. Between 1928 and 1932 lapsed insurance alone cost the industrial policyholders of this country at least $200,000,000.

The demand upon the agent for production causes not only overloading, but misplaced insurance. That is, insurance is sold to families who under no circumstances are in position to purchase it. The families previously described might have been able to carry one or two policies without too much damage. Those we now refer to are either without any income whatsoever, except that which they receive from charity, public or private, or have an income so small that they are no better off than those on the relief lists. Clearly, this group should not be urged to undertake such an obligation. And yet, investigation discloses that in normal years families receiving relief spent on an average of 11 cents of every dollar received in this way for insurance premiums.

A recent study by the writer in Boston showed an average expenditure on the part of the clients of one social agency of 14 percent, and of another of 21 percent of their relief money for this purpose. It is no flight of the imagination to state that during these past 2 or 3 years, when one out of five families has had to depend for its very bread on the miserably inadequate relief allowances (and since probably three quarters of these families are possessors of industrial insurance) a large share of the premium income of these companies has come from the improper diversion of relief moneys by the dependent policyholders. The truth, if it could be known, would stagger the Nation, and could not help but bring about a thorough inquiry into the methods of the business and its effects on the American scene.

The American wage earner is sorely in need of economic security, but industrial life insurance is no solution to this problem. Even though he were to benefit to the limit from its possibilities, he and his family would still lack nearly all that is their economic due. Provision of burial is the least of their needs. The tragedy is this: Had the more than three quarters of a billion dollars that this form of insurance costs the working class each year been applied to the carrying on of a comprehensive scheme of contributory social insurance, with funeral benefits as an incidental feature of the plan, the wage earner and his family and the Nation as a whole need never have passed through the nightmare from which it is hoped we are emerging.

ENGLAND'S RETURNING PROSPERITY

Mr. FESS. Mr. President, on yesterday I discussed the return of prosperity in Great Britain. Mr. Kenneth Roberts, in a recent article in the Saturday Evening Post, commented upon the return of prosperity in Great Britain. I have taken a limited number of excerpts from his article, and I ask unanimous consent to have them printed in the RECORD.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

ENGLAND'S RETURNING PROSPERITY

Prosperity has begun to return to England; and with returning prosperity, British automobile factories are working night and day to satisfy the demands of British speed demons.

And above all else, they point proudly to the fact that England has won back her prosperity without having recourse to the economic panaceas and nostrums that have been adopted by less conservative nations.

One of England's largest banks is Lloyd's Bank, and its chairman is Mr. J. W. B. Pease. "No government or bureaucracy", he says, "is capable of shouldering the heavy responsibility of saying how the industries of a nation should be run, or that those industries can be active and prosperous when confined in a strait-jacket designed not by those who have to wear it, but by theorists who think they have a genius for planning other people's clothes."

Managing directors and government officials declare jubilantly that prosperity has turned the corner behind which she has been hiding for so many lean years. Leading economists insist that prosperity has come back to England.

The Bank of England says that whenever its officers put on their silk hats and go outdoors nowadays they find the tracks of returning prosperity leading directly to the door of the retail trades. It is axiomatic among English economists and bankers who wear silk hats that if the shops of a nation are prosperous everybody is prosperous. They explain sagely that the final stage in the transfer of goods from producer to consumer takes place in the retail stores; and if the retail stores are busy, it clearly shows not only that the consumer has the desire and the price to purchase but that the producer is at work turning out stocks for the consumer to buy.

So, in spite of the calamity howlers, there are the figures of the Bank of England to prove that prosperity is returning, and returning without any new deal. According to these figures, the volume of sales for 1933 was a little better than for 1932, and sales during the last months of 1933 in particular were far ahead of those during the same period a year before. People bought a little more food and perishable goods in 1933 than they did in 1932. They bought a lot more suits and shirts and underwear and shoes for men and boys than they did in 1932. Women bought a tenth again as many dresses and furbelows in the last month of 1933 as in December 1932.

There is no question that English department stores did better in 1933 than 1932, and that they confidently expect to do better still in 1934. Harrod's and Selfridge's, the two outstanding London department stores, both showed a profit for the year—profits so slender that their very slenderness caused company directors to shudder a little when they spoke of them.

THE TRADE TIDE TURNS

Sir Woodman Burbidge, head of Harrod's, in reporting for 1933 the first increase in profits during the past 4 years, said: "The first half of our year's trading showed a small decrease in sales. It was not until we reached the end of September, in the second half of 1933, that we experienced a definite turn in the tide. From that time trade continued to improve until the end of our financial year, with the result that we can report an increase in the number of customers' transactions, an increase in the average value of transactions, and an increase in the total sales for the year."

He added that "The need for strict economy resulting from decreased spending power and the feeling of nervousness as to the future, which was so wide-spread, have both been reduced, so that the public have now the ability and the will to spend more for personal requirements and replenishments of their household. * * * It is a matter for great gratification to be able to say with certainty that we have passed through the worst of the depression of the last few years. We can go much further than this and say that there is a definite evidence in all directions of a recovery which is well spread over the various trades and industries of the country."

Mr. Gordon Selfridge, commenting on the increased earnings of his company and on the fact that it had served 567,000 more customers than in 1932, said: "Things seem to be definitely better. Trade and commerce, through their own united efforts and without governmental or other aid, are proving that the so-called 'capitalistic system', as the world has known it for hundreds of years can and will rebuild the structure of business which the terrible war and great governmental faults and errors have nearly destroyed. And we can see no other system, actual or theoretical, which can permanently accomplish this result.

"The so-called 'capitalistic system' seems to have assumed a position in the public mind of a terrible monopolistic figure totally devoid of everything except self-interest and ready to crush any who attempt to oppose it or stand in its way. In reality, the system is one which assumes the duty of the employer and the employed—the former supplying the capital and controlling the business; the employed carrying out the instructions of the employer. In this system the fixing of the policy and the general conduct of the business are completely in the hands of the employer, who becomes responsible for the results of the entire undertaking; and his judgment and his decisions must determine the course of the business. The wise employer confers with members of his staff as often as need be, gaining knowledge of the business as viewed from their standpoint. He is fair and just in his management and, while expecting loyalty from those in his employ, is himself loyal to them.

"Faults with the capitalistic system are faults of the individual and not of the system, and, while it has become the fashion to decry the desirability of the system, we have seen none other described or proposed which can successfully take its place. Capitalism—perhaps an unfortunate word—encourages enterprise, and when properly exercised rewards individual effort. At all events the business men of Great Britain have proved themselves and their system quite capable of surviving the storm of depression and, as we believe, of steering their ship of commerce into smoother waters."

In spite of slums, depressed areas, rumors of wars, and other unpleasantnesses, the Englishmen high up in business and government insist that England today is fairly close to normal conditions, and that she is certainly in better condition than any other important country today. In all the world, they insist, there is no nation so well governed as England, and for the simple reason that England is the least governed. Individualism, they say, created English trade. If that individualism should be replaced by an industrial despotism, as in America and other countries, England's good government would be gone; and prosperity, to hear them tell it, would be scared out of 10 years' growth.

WORLD DEPRESSION AND INTERNATIONAL TRADE

Mr. FESS. Mr. President, there has recently come from the Bureau of Foreign and Domestic Commerce a publication indicating the return of prosperity throughout the world outside of the United States, dealing with most of the countries, for example, European, Asiatic, South American, and other countries.

I have made a brief abstract covering four or five typewritten pages illustrative of the increase of prosperity in the countries mentioned, and I ask unanimous consent to have it printed in the RECORD.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

WORLD DEPRESSION AND INTERNATIONAL TRADE

In a recent publication by the Bureau of Foreign and Domestic Commerce of the Department of Commerce entitled "Foreign Commerce Yearbook", some interesting observations based upon statistical studies of European, Asiatic, South American, and other countries are presented and are worthy of our attention.

The statistics presented for the various countries are carried only to the end of 1932 and therefore do not reflect the trend toward improved world conditions in 1933 and early in 1934. But they do indicate that the downward curve of the depression that had affected the entire world had begun to be leveled off in 1932.

In the economic summary in the early pages of the volume it is stated that:

"The low point of the world depression is placed by most authorities at about the middle of 1932.

EUROPE

"In Europe, as elsewhere, the severity of the prevailing economic depression tended to increase during 1932. It was a year of falling prices, declining production and trade, and heavy unemployment. The difficulties of international commercial relations were accentuated by depreciation of currencies, strict regulation of exchange transfers, and further restrictions on the import trade. Political developments contributed to the uncertainties of the economic situation.

"Industrial production continued the decline of the previous 2 years, with inactivity especially severe in the older lines, such as iron and steel, textiles, and machinery. Indexes of general production indicate a further recession during the year of 22 percent for France and of 18 percent for Germany. In Great Britain, where industrial activity in earlier years was at a relatively lower level, there was apparently little change in 1932; mining production dropped sharply, that of iron and steel continued very low, but chemicals and textiles showed some improvement.

"Prices, both wholesale and retail, continued to decline throughout the year. Wholesale prices were on the average about 10 percent lower than in 1931; the drop in retail prices was somewhat less. Prices in countries which had abandoned the gold standard remained stable or declined only very slightly. As compared with pre-war levels the discrepancy between retail and wholesale prices continued with wholesale prices usually well below and retail prices considerably above the pre-war figures.

"The tendency of wage rates was downward, though the decline was not very marked and was less in countries off the gold standard.

"Unemployment everywhere passed previous maxima in the early months of the year, and the seasonal improvement in the spring was much less than usual. The summer low was consequently well above the levels of previous years. During the winter of 1932-33 unemployment was generally slightly higher than in the previous year, but in the spring of 1933 there was a marked recovery which carried the figures well below those of 1932 by the beginning of the summer. The heaviest unemployment during the year was registered in Germany (6,100,000) and in the United Kingdom (2,800,000).

"European foreign trade fell off sharply in value as compared with that of 1931 but, on account of the decline in prices, the shrinkage in volume was less marked. Value declines of from 20 to 35 percent were usual, with exports somewhat weaker than imports, though in countries off the gold standard exports were relatively stronger. German exports declined by 40 percent and imports by 32 percent; French, by 33 and 17 percent, respectively; Italian trade was a third less in both directions. On a sterling basis, British imports declined by 10 percent and exports by 5

percent (on a gold basis the declines were 30 and 26 percent, respectively). The trade of Great Britain with the Dominions and of France with the French Colonies held up much better than their trade with foreign countries.

"Aside from the general effects of the economic depression, the exchange situation constituted the chief deterrent to international commercial and financial operations. Nongold currencies continued to depreciate throughout the year, averaging between 30 and 40 percent under par. In order to protect gold reserves and support their currencies, many countries nominally on gold continued to enforce strict regulation of exchange transactions, though toward the end of the year there was some tendency toward relaxation in this respect. To the same end, in order to establish a more favorable balance of trade, imports were restricted by quotas, exchange limitations, and other means, and exports encouraged. The prevalence of exchange control and import restriction led to the negotiation of various clearing and barter agreements.

LATIN AMERICA

"The depression which had already become extremely severe in Latin America during the previous year was intensified to some extent during 1932. The influence of readjustments and deflationary measures was in many instances minimized by political unrest, financial difficulties, and continued lack of export demand.

"The steady contraction in foreign trade which had been in progress since the beginning of 1930 became more pronounced in 1932. Foreign demand and market prices for most export products remained on a reduced level, and the consequent shrinkage in import-purchasing power deflected the source of supply in many instances to the output of domestic industries.

"This in turn caused a general advance in both scope and quality of items produced. As a result of this chain of events the expansion of manufacture, carrying with it a strong movement for protection in the more highly developed areas, became an outstanding feature of the year.

"Agricultural and pastoral conditions, with minor exceptions, were not unfavorable in their production, but disposal of the exportable surplus, notably of meat products from the River Plate countries, was made particularly difficult by quota and other restrictions on imports abroad.

"The difficulties surrounding the marketing of raw materials became the basis of a number of international trade conferences looking to a more favorable treatment of Latin America in the matter of foreign import restrictions, quotas, etc. These conferences, however, were productive of very little improvement in trade during the year.

"Political unrest was wide-spread and added to the unsettlement of trade in some areas by deflecting their buying resources from normal to military channels. A revolt of the State of Sao Paulo, Brazil, which was finally suppressed by the Federal forces, completely paralyzed shipping from that important region for 3 months. Established regimes in Chile were overthrown and replaced by revolutionary governments. International territorial disputes between Bolivia and Paraguay, and between Colombia and Peru, caused a heavy drain on national resources for the purchase of military supplies.

"Mexico presented one of the brighter spots, commercially, in the Latin American picture, for the depression cleared there somewhat toward the close of the year, with indications that business was tending to become more settled.

"The general decline in Government revenues, national, provincial and municipal, greatly handicapped administrative bodies and brought about a wide-spread curtailment of public expenditures, which in many instances forced a suspension of foreign bonded-debt payments. Currencies generally tended to weaken in terms of gold, and the shortage of foreign exchanges caused by dwindling export values, induced a wide-spread practice of exchange control which greatly handicapped the purchase of foreign goods.

FAR EAST

"Japan is set apart from other countries in this area by its more complex economic organization and its well-developed manufacturing industry. Developments in the first half year centered largely around the financial problems engendered by Japan's Manchurian adventure with the consequent inevitable increase in government expenditures. The first half year's developments were largely adverse, with purchasing power declining and with imports in excess of demand. Following new financial legislation at a special session of the diet in midyear, speculative activity was renewed, a decline in yen exchange stimulated the export trade, and general industrial activity revived; unemployment, however, was only slightly relieved, wages remained low, and agricultural conditions remained unsatisfactory.

"Chinese economic life was disrupted by administrative dislocations and by Sino-Japanese military activities. Foreign trade, both import and export, was seriously curtailed. The import decline was reflected in a heavy fall in customs revenues. Exports suffered even more seriously, not only because of sluggish world demand but also owing to the difficulty of getting products to the seaports across disrupted communication lines. In the face of these difficulties some progress was recorded in several directions. Construction work, especially road building, was carried out, and railways improved in operation with some new construction. The development of domestic industries was stimulated by a "buy native goods" slogan, the boycott on Japanese goods, an increased customs tariff, and the low silver exchange; foreign branch factories also increased, almost exclusively in Shanghai.

"Other far-eastern countries generally felt the influences affecting raw-material producers in other parts of the world. Of outstanding importance to India was the adoption of the Ottawa agreement giving United Kingdom products an average tariff preference of 10 percent. India's export trade was generally unsatisfactory, owing to slack demand and low prices.

THE BRITISH DOMINIONS

"The dependence of the British Dominions on primary production made them particularly susceptible to the prevailing low level of world commodity prices. The Canadian wheat crop greatly exceeded that of 1931, but poor prices reduced profits to a minimum, and the lowered purchasing power of the farm population was reflected in business throughout the Dominion.

"Low prices for wool, wheat, and other agricultural products prevented Australian growers from benefiting adequately from the heavy wool clip and the generally good crops. Business as a result was very dull. In foreign trade the export surplus was increased, as the value of imports declined more than that of exports. The financial position of the Commonwealth Government was greatly improved during the year.

"In spite of prevailing low prices, agricultural production in New Zealand exceeded that of 1931, while production of gold almost doubled. As a result the value of exports was greater than in the previous year and, with a decline in imports, accounted for an increase in the export surplus.

"The economic position of the Union of South Africa was dominated during the year by the exchange situation; the Union did not abandon the gold standard until December. Gold production reached record figures, but other industry was depressed. Exports were well maintained largely through the influence of gold shipments (diamond sales dropped sharply), but the value of imports declined by nearly 40 percent."

In the closing comment on "International Trade" (p. 342), there is a brief review of world trade in 1932, from which I quote as follows:

INTERNATIONAL TRADE

"International trade for the calendar year 1932, the third year of the economic crisis, showed a decline in both volume and value as compared with 1931. The aggregate turn-over was approximately $26,428,000,000 in 1932 as against $39,321,000,000 in 1931, a decline of nearly 33 percent. The decline was caused largely by a real reduction in volume and only partly by lower prices. The total for 1932 was more than 50 percent below the total for 1930 and more than 60 percent below the value of world trade in 1929. It was lower than the total for any preceding year since 1904.

"The movement of prices in 1932 was decidedly downward. In the foreign trade of the United States nearly all the important commodities declined in price in 1932. Some of the export commodities had declined steadily in price since 1928, many others since 1929, and a few since 1930. Between 1928 and 1932 lard declined from 13 to 5.8 cents a pound, patent upper leather from 37.5 to 15.1 cents a square foot, wheat from $1.25 to 59.6 cents and corn from $1.02 to 35.7 cents a bushel, refined sugar from 3.5 to 1.6 cents a pound, linseed-oil cake from $53.54 to $29.23 a ton, rosin from $15 to $4.79 a barrel, spirits of turpentine from 53.4 to 40.3 cents a gallon, leaf tobacco from 26.8 to 16.8 cents a pound, cotton from 20.1 to 7.2 cents a pound, gasoline from $4.48 to $2.34 a barrel. Between 1929 and 1932 refined copper went down from 18 to 6.1 cents a pound and lead from 4.9 to 2.2 cents, cottonseed oil from 9.2 to 3.2 cents, and lumber prices declined more than one third.

"Most of the import commodities had likewise declined steadily since 1928. Rubber went down from 25 to 3.5 cents a pound, tin from 49.8 to 21.1 cents, coffee from 21.3 to 9.1 cents, cacao beans from 12.4 to 4.1 cents, and tea from 30.3 to 13.1 cents a pound. All vegetable fibers declined greatly—jute from $147.43 to $62.27, manila from $200.74 to $62.91, and sisal from $145.10 to $50.10 a ton. Cuban sugar went down from 2.43 to 1.02 cents a pound, and the protected Philippine sugar from 4.08 to 2.70 cents, the margin between the two increasing from 67.9 to 164.7 percent. Cattle hides declined from 23 to 5.6 cents a pound, furs went down from one third to one half in price, bristles declined from $1.36 to 66.4 cents a pound, shellac from 42.4 to 13.3 cents a pound, linseed from $1.78 to 64.1 cents a bushel, wrapper leaf tobacco from $2.06 to $1.33 a pound, clothing and combing wools went down two thirds in price. Between 1929 and 1932 raw and combing wools went down two thirds in price. Between 1929 and 1932 raw silk declined from $4.91 to $1.54 a pound, or more than two thirds. The average of international trade prices in 1932 was nearly 50 percent below the prices of 1929.

"The economic crisis, due to the impossibility of marketing an excessive production profitably, first hit the nonindustrial countries producing primary materials. The low prices of grain, coffee, cacao, sugar, cotton, wool, silk, rubber, copra, the metals, etc., curtailed the purchasing power of the producing countries, and the shrinkage of trade reduced their public revenues, in some cases as much as 40 percent, thus increasing the burden of the foreign debts. Countries exporting largely industrial products found their markets reduced. The trade in manufactures, however, went on between industrial countries until 1932 when it slackened considerably, and the share of industrial Europe in world trade, which had been increasing since 1929 and reached 58.1 percent in 1931, declined to 56.7 percent in 1932. The share of the United States in world trade decreased likewise, though it was still somewhat higher in 1932 than before the war.

"Some signs of improvement appeared in the latter half of 1932. The prices of a few commodities stiffened temporarily in the summer. Industrial activity increased, and international trade improved somewhat toward the end of the year. Industrial and mining production, measured on the basis of 100 for the industrial activity in 1928 of 19 principal countries with 90 percent of world production, had risen to 110.3 in June 1929, and then declined to 69.1 in July 1932. It rose gradually to 75.1 in December. In the first 3 months of 1933 industrial activity declined to 71.6, and the value of international trade for the first 6 months of 1933 was one sixth below the total for the first half of 1932.

"With the exception of a few colonial countries, all the countries listed in the table showed declines in both imports and exports in 1932 as compared with 1931, the great industrial and trading nations suffering greater losses, both absolute and relative, than the smaller countries. In 1929, 16 countries had a total trade of more than a billion dollars each: United Kingdom, United States, Germany, France, Canada, British India, Japan, Italy, Netherlands, Belgium, Argentina, China, Australia, Czechoslovakia, British Malaya, and Netherland India, in the order named. The aggregate trade of these countries represented 73.4 percent of the total world trade. In 1932, only the first four were in the billion-dollar class, and the total for the 16 countries made up only 70.3 percent of world trade. With the exception of Belgium, France, and the Netherlands, all had suffered declines in excess of 60 percent between 1929 and 1932.

"In imports, losses exceeding 40 percent were shown in the trade of Denmark, Poland, and Sweden, and declines of more than 36 percent in the trade of Argentina, United Kingdom, Russia, United States, British Malaya, and Czechoslovakia. In exports, China, Czechoslovakia, Irish Free State, Switzerland, Poland, Austria, and Germany registered losses in excess of 40 percent; British Malaya, Sweden, British India, and Denmark, losses in excess of 36 percent. The exports of France, the Netherlands, and Belgium declined slightly more than 35 percent, while the decline in their imports was below the general average—29.3 percent for France, 31.3 for the Netherlands, and 31.5 for Belgium."

NATIONAL MARITIME DAY

Mr. FESS. Mr. President, today is the anniversary of the sailing of the first steamship across the Atlantic. All who are familiar with history will recall that it was on May 22, 1819, that that steamship started from the city of Savannah. Today is the anniversary of that event.

A very interesting editorial appeared in the Washington Herald this morning commenting upon the growth of our merchant marine from that day until this, and also on the importance of a continued development of the merchant marine.

I ask unanimous consent to have this editorial inserted in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Herald, May 22, 1934]

NATIONAL MARITIME DAY

This is National Maritime Day. It commemorates for the second time the sailing of the first steamship to cross the ocean—the historic voyage begun from the city of Savannah by the steamship *Savannah* on May 22, 1819, and completed 25 days later by the vessel's arrival at Liverpool.

A century and a quarter has elapsed since the cruise of the *Savannah*.

How far ocean transport has advanced in that span of time is told, in part, by the cartoon on this page, showing the pioneer of all steamships in contrast with the mighty *Leviathan*.

In proclaiming this year's celebration, President Roosevelt called for Nation-wide observances of the event, and accordingly public meetings and services are being held today in some 50 cities throughout the country.

Not only in Atlantic, Pacific, and Gulf ports, but on the Great Lakes and in the interior States the day is being celebrated. This is as it ought to be.

A merchant marine is one of the great assets of a modern nation. It is not something that serves and benefits the seaboard people only. Every industry and virtually every community owes some part of its commercial well-being, often a very large part, to our normal overseas trade.

Furthermore, as the World War taught us so expensively, an adequate merchant marine is hardly less important than the Navy itself in the national defense. Without auxiliaries and suitable ships of supply, the Navy cannot function properly in times of great emergency—and when an emergency suddenly arises a merchant marine cannot be improvised.

It was our costly World War experience that prompted Congress, only a few years ago, to pass the Jones-White Shipping Act, and to declare as a permanent national policy the sound principle of Federal aid and Federal protection for American shipping lines—American owned, American manned, and American operated.

Under that policy the American flag has been put back upon the high seas where once it was supreme. And never again must this country permit the flag to be withdrawn from the world's great traffic routes. We must not, indeed we dare not, repeat the tragic and ruinous blunders of the careless past.

We must not again allow American commerce to become helplessly dependent upon foreign shipping for its foreign markets and its foreign supplies, or our Navy, in the event of future wars, to be dependent upon foreign ships as its auxiliaries, or our Army to depend upon foreign countries for the transportation of our own expeditionary troops.

Preparedness, which includes an adequate merchant marine fostered by governmental policy, will do more than anything else to keep this country out of foreign wars. And if foreign war becomes unavoidable, preparedness alone will spare us the shocks of disaster and defeat.

NATIONAL PROBLEMS OF INDUSTRIAL CONTROL—ADDRESS BY DR. ARTHUR B. ADAMS

Mr. GORE. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered on March 30, 1934, before the Southwestern Social Science Association at Dallas, Tex., by Dr. Arthur B. Adams, of the State University of Oklahoma, on the subject of National Problems of Industrial Control.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

NATIONAL PROBLEMS OF INDUSTRIAL CONTROL

By Arthur B. Adams

The N.R.A. was designed by the Federal administration to put workless people back to work and to induce money and credit, locked away or denied millions through economic collapse, to resume their normal functions of stimulating demand for goods of all kinds. The N.R.A. meant to the average American just what the national administration planned it to mean—shorter working hours, more people at work, more people to buy. But the N.R.A. has meant to the industrialist another thing—just another means of making profits at the expense of the public. So, after the first 9 months of this part of the new deal we have the spectacle of the Government having to take the place of industry in creating national buying power, through the C.W.A. and the P.W.A., while the industrialists, satisfied with the codes of fair competition they wrote, quietly raised prices, took extra pennies from the public, and sat back, leaving to the Government the job of restoring real prosperity.

As I shall hope to demonstrate to you, we are facing today the following alternatives, each of them filled with grave import to the Nation: (1) Abandonment of the National Industrial Recovery Act and, consequently, a return to the conditions which brought the depression of 1929; or (2) enforcement of the N.R.A. or a similar program based on definite and positive decreases in the hours of labor (the reemployment of millions of unemployed) and the maintenance of living, rather than minimum wages. If we pursue the first alternative, the probability of a new and more disastrous depression than we have ever before experienced faces us. Let us now examine our N.R.A. problems and experiences more in detail.

According to the preamble of the industrial-control provisions of the National Industrial Recovery Act, the objectives to be accomplished by the enforcement of the act are: (1) The elimination of unemployment; (2) an increase in consumers' purchasing power; (3) a balance of production and consumption; and (4) an elimination of unfair competitive practices. Before the passage of the act it had been demonstrated fairly conclusively that private industry operating under the laissez faire policy of free play of economic forces could not accomplish these desirable objectives of bringing about a balance in our industrial system.

The act was based on the following assumption: The fundamental evils in our industrial system could be eliminated, or at least greatly reduced, by cooperation between the Federal Government and the leaders of the various private industries. This cooperation was to come about through the enforcement of codes of fair competition submitted by the various industries and accepted by the President.

After the passage of the National Industrial Recovery Act the President set up the National Recovery Administration (N.R.A., under Gen. Hugh Johnson) to administer the industrial control provisions of that act. For the first 2 months after the passage of the act only one industry (the textile) submitted a code of fair competition to operate under the law. During this time the leaders of all the other industries preferred to remain free of the provisions of the act so they might take full advantage of the higher prices brought about by the Nation going off the gold standard. At that time (June and July 1933) production was greatly increased, along with an increase in sales and in prices, but employment and wages were not correspondingly increased. To save the situation temporarily, the N.R.A. put forward the President's emergency employment agreement to be signed by all employers in all industries and businesses. This emergency movement resulted in some decrease in unemployment as a whole, but did not increase employment to the same degree that production and trade had been increased from May to August 1933.

During the autumn and winter of 1933 the great bulk of the industries of the Nation submitted codes of fair competition to operate under the National Industrial Recovery Act. The public as a whole knows little of the nature of those codes or of the methods by which they are administered. But the public

does know fairly well the sum total of the results of the adoption and application of the various codes. Prices have increased slightly since the codes were adopted; the volume of trade has increased considerably, but production has actually declined; neither total wage payments nor private employment have increased but on the contrary both have decreased slightly; however, profits have risen perceptibly. It is evident that very little has been done to accomplish the fundamentals of the objectives of the act. What little adjustment in the hours of labor have been made under the permanent codes have not resulted in a decrease in unemployment—but private employment has actually decreased. In other words, hours of labor have not been reduced sufficiently to make any material impression on the unemployment problem. Minimum wages have not been increased sufficiently to bring about an increase in total wages paid by private industry. But, production is being held down and prices and profits are being held up.

Practically all the improvements in prices, volume of sales, production, and in consumers' money income for the past year have been due to the artificial stimulation which the Federal Government has given private business by the deliberate inflation of prices and by the distribution of public funds through the A.A.A., C.W.A., P.W.A., and other Government agencies. Price-inflation policies brought about an artificial increase in the demand for goods last spring; this artificial demand resulted in a rise in prices and in production. The placing of some 6,000,000 of the unemployed on the public pay rolls has increased the total consumers' purchasing power in the Nation and has, therefore, stimulated the total volume of retail sales. It was claimed that this Government action of inflation and the expenditure of public funds was priming the pump for business. Priming the pump was supposed to bring about business recovery so that with the application of the National Industrial Recovery Act private industry then would absorb the unemployed and would pay out adequate consumers' money income to keep industry operating. But, instead, the adoption of the codes did not result in a large increase in private employment; neither did it result in an increase in real wages from private industry. However, business profits did increase. It, therefore, became evident that the money used to prime the pump was going largely into private profits rather than into an increase in industrial employment and wages to increase consumers' money income from private industry.

It is clear that under such conditions our industrial system will again lapse into business depression as soon as these public funds (derived from the increase in public debts) are exhausted. The workers now on the public pay rolls would again become unemployed, consumers' money income would again decrease, sales would decline, prices would fall, industry would curtail production, and private employment would further decline. In an attempt to avert this impending disaster, the Federal administration called a national conference on N.R.A. problems to meet in Washington on February 27 and to continue in session for 2 weeks. It was hoped by the administration that as a result of discussions with the various code authorities during the second week of this national meeting the Government would be able to secure a voluntary agreement from the industrial leaders to reduce the hours of labor at least 10 percent per week without any reduction in the weekly pay per laborer. As is well known now, our industrial leaders refused to accept any suggestions as to a flat reduction in the hours of labor, and in general they refused to agree to any immediate reduction in hours or increase in wages. In fact, so far, practically nothing has come from this momentous conference other than several threats of giant labor strikes. The question is: What should be done by the administration in regard to the industrial-control provisions of the National Industrial Recovery Act?

It should be evident to everyone that if we are to have permanent recovery of business in this country under the system of private ownership of property, private industry must pay out to consumers an income sufficient to enable them to buy back the goods which industry produces. It should be evident, also, that between 1922 and 1929 the savings and investments of the rich were too large and the incomes of consumers too small to permit our industrial system to continue to operate. It should be evident, also, that we cannot continue to operate our industrial system by the Government (through the creation of public debts) furnishing a substantial part of the income of consumers, as it is now doing. Therefore, the only way to make our industrial system workable and still retain the capitalist system is for private industry to increase the percentage of the national money income which goes to laborers and to decrease the percentage which goes to savings and investments and at the same time to reduce the hours of labor in private industry so that there will be jobs for all of the employable unemployed.

The administration has offered the business leaders a cooperative industrial control plan, through the National Industrial Recovery Act, whereby they could cooperate with the Government in bringing about the necessary adjustments in our industrial system. Instead of cooperating to accomplish these necessary adjustments the business leaders, on the one hand, have stood for control of output and prices in order to increase profits; and, on the other hand, in order to protect profits they have insisted upon unnecessarily long hours of labor as well as inadequate wage scales for laborers. On the whole, our industrial leaders have attempted to increase their profit margins as a result of the codes of fair competition rather than to bring about the necessary adjustments in industry. Their actions thus far in reference to the N.R.A. would lead one to conclude that they are not different from the Bourbons of France prior to the French Revolution, who opposed all necessary adjustments in the rotten social and economic system of their time. It was said of the Bourbon kings that they learned nothing and forgot nothing.

Apparently, our recent disastrous business depression and our experience under the N.R.A. have caused our industrial leaders to learn nothing in regard to the necessary adjustments in our economic system, neither has this experience caused them to forget how to get fat profits out of any situation. Should they persist, or be permitted to persist, in this reactionary attitude, the consequence may be disastrous for our present economic system, as the consequence of the attitude of the Bourbons was disastrous for the social and economic system they attempted to perpetuate.

The National Industrial Recovery Act gives the President of the United States the power to change the provisions of any and all codes of fair competition upon his own initiative and motion. He has the power under the law to order a decrease in hours of labor and an increase in wages in any and all industries that are operating under codes. Thus far, the President has hesitated to use this dictatorial power on the grounds that the enforcement of the National Industrial Recovery Act should be one of cooperation with private industry rather than one of dictation by the Government. It is thought by many that should the President decide to use the dictatorial powers which the act gives him to raise wages and shorten hours, the constitutionality of the act would be questioned immediately in the Supreme Court. Also, some believe that the leaders of industry would refuse to operate their industries, should the President attempt to use these dictatorial powers in bringing about the necessary adjustments in our industrial system.

It has been suggested that the President ask Congress to reduce the hours of labor in all industries by the passage of the 30-hour-a-week bill or some other bill along this line. It is my opinion that it would be inadvisable to attempt to set the specific hours of labor by legislative acts. Hours of labor should be regulated by an administrative body so they could be made to conform to economic conditions prevailing at the various periods of time. In spite of the objections to the contrary, it is my opinion that the President either should use the discretionary dictatorial powers the act delegates to him in shortening hours and in raising wages or ask Congress to revise the act so as to make those powers mandatory. If the Court should then declare the law unconstitutional, the blame for the failure of the act would not rest on the national administration.

Since the industrial leaders already have demonstrated that they do not intend actually to cooperate with the Government in putting into operation the objections of the act, should the national administration decide that it would be inadvisable politically or economically to use the sovereign powers of the National Government to enforce the act, the administration then should ask Congress to repeal the act.

The Government, if it does not wish to use the dictatorial powers to enforce the act, should place the responsibility for failure of the act upon the reactionary business leaders where the responsibility rightly belongs. It is evident to us that private industry, without the distribution of public funds to consumers, could not long operate in this country under conditions of the free play of economic forces. I believe that an industrial control system that actually will bring about shorter hours of labor and higher real wages is absolutely necessary in order to enable our industrial system to operate successfully and remain under private ownership.

I predict that should the national administration ask Congress to repeal the act, because the industrial leaders have refused to give effective cooperation in its application, in a short time there would be a wide-spread public demand that Congress pass an effective industrial control act which would make it mandatory upon the administration to lay down the definite rules and regulations regulating wages, hours of labor, production, and competition. Such a control plan could be administered in the interest of the Nation and not in the sole interest of immediate private profits.

The new Industrial Control Act, or the revision of the present one, should provide for the framework of a 100-percent-governmental administrative organization to administer the act. The idea of calling in business executives to act as Government officials, who at the same time retain their connections with the businesses from which they came, should have no place in the administrative organization of the revised act. The administrative organization should be made up of public officials who act entirely in the interest of the whole public and not in the interest of any economic class or group.

The new industrial control act should prohibit the setting of minimum or maximum prices, either by the Government or by agreements in the various industries. Agreements as to reduction of outputs should also be prohibited in all industries and should be ordered by the Government itself only in rare and extreme cases. The act should make it mandatory on the Administrator to lay down the principles under which private enterprises in each industry are to operate in reference to wages, hours of labor, competitive practices, and profits.

Hours of labor and wages should from time to time be set by the administration for each industry. Minimum wages in each industry should be adjusted from time to time as business conditions and profit margins change. All industrial enterprises should be permitted to compete freely so long as they comply with the rules of the game laid down by the administration.

There should be an excess-profits tax as a part of the Industrial Control Act which would provide that all excess profits made by any business enterprise be taken for public benefit to help retire the public debt and to be used for other public purposes.

The labor provisions of the new act should prohibit all company unions, as well as prohibit employers from using any force, intimidation, persuasion, or inducement in influencing employees in selecting their representatives. Strikes and lockouts should be made unlawful until or after the National Labor Board has had an opportunity to render a decision in regard to the labor dispute. The domination of industries by labor organizations should be avoided just as scrupulously as the domination by industrial leaders should be avoided. Industrial control by the Government should be in the interest of the whole public and should be fair to all special interests involved.

RETURN OF A BILL BY THE PRESIDENT—COMMEMORATION OF THE TWO HUNDREDTH ANNIVERSARY OF THE BIRTH OF DANIEL BOONE

The PRESIDING OFFICER (Mr. POPE in the chair) laid before the Senate a message from the President of the United States, which was read and ordered to lie on the table, as follows:

To the Senate:

In compliance with the request contained in the resolution of the Senate (the House of Representatives concurring therein), I return herewith Senate bill no. 3355, entitled "An act to authorize the coinage of 50-cent pieces in commemoration of the two hundredth anniversary of the birth of Daniel Boone."

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *May 21, 1934.*

Mr. BARKLEY. Mr. President, a few days ago a concurrent resolution was adopted by both Houses asking the President to return Senate bill 3355 in order that a correction might be made in it. I now ask for the present consideration of a concurrent resolution, which I submit, making the correction.

The PRESIDING OFFICER. The concurrent resolution will be read.

The legislative clerk read the concurrent resolution (S. Con.Res. 18), and it was considered by unanimous consent and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the action of the Speaker of the House of Representatives and of the President of the Senate in signing the enrolled bill (S. 3355) to authorize the coinage of 50-cent pieces in commemoration of the two hundredth anniversary of the birth of Daniel Boone, be rescinded, and that the Secretary of the Senate be authorized and directed to reenroll the bill with the following amendment:

"Before the period at the end of section 1 insert a semicolon and the following: 'but the United States shall not be subject to the expense of making the models or master dies or other preparations for this coinage.'"

THE NATIONAL INDUSTRIAL RECOVERY ACT

Mr. NYE. Mr. President, leading up to the year 1929 we were not lacking in prophesies that a continuation of the course which was then being pursued, and a continuation of the kind of prosperity of which many were then boasting, would lead to consequences which would leave upon the doorstep of every American man, woman, and child economic difficulties the like of which the country had never before faced. One could not, during those days of so-called "prosperity", secure very serious hearing for any contention that things were not as they ought to be, or that conditions were not going to continue to be rosy for those who were enjoying the prosperity of that day. But we were finally led, as prophecy had it, into what is now reckoned as being the most serious, the most lasting, the most devastating siege of depression that any civilization has ever known. We like to count ourselves on the way out of that depression, and yet if one will but be honest with himself, and face the facts which are to be had on every hand, he must of necessity be convinced that perhaps we have made little or no progress in our way out of this depression.

We were led into it, I think, quite alone because we closed our eyes to the fact that the concentration of wealth and the concentration of power which were taking place during those days of prosperity could not bring us anything other than the hopeless mess in which as a nation we find ourselves today.

In March 1933 we inaugurated a national recovery program which was conceived in an hour when the country was sold on the thought that we needed in America a complete reversal of policy, a new deal, so to speak, a deal that was going to turn its back upon the economic gods which had been worshipped in the past, and a deal now that was going to have at heart the welfare of the American people, their happiness, and the contentment of the masses. Many there were who argued and felt that the national recovery program—more commonly known as "N.A.R."—was going to curb the great inroads which monopoly was making in our economic structure; that it was going to curb concentration, to break up the resources of the country, and afford a liberal measure of redistribution of wealth and of opportunity. Under the recovery program we were led to believe that the voices that would be heard in the future would not be those that had been heard in the past, sitting in their comfortable chambers in great banking institutions in New York, but that, instead, the voices to be heard in the future were going to be the voices of the American people.

We had through the years leading up to 1929 become worshipers of bigness. We had quite convinced ourselves as a Nation that we had outlived our swaddling clothes; that we were no longer dependent upon agriculture; that we had become primarily a great industrial Nation, and that our future depended upon the continued success which might come to industry; and in the industrial world we came to worship bigness.

We saw the dividend checks mounting in a way that indicated clearly that the greatest prosperity lay in the direction of greatest possible income for the gigantic corporations of America, and when in those days there was talk about doing something for the smaller man there was scoffing and peering at the thought that anything at all could be done to improve upon the prosperity that was then ours.

There were words of caution to the effect that if we did not decentralize industry and wealth the time would come when the smaller business men of that day would become the servants and the mere agents of great and powerful corporations in America. That this would not be good for the country had been foreseen for generations. Justice Peckham, as long as 34 years ago, discussing the problem of trusts and monopolies, declared:

In this light it is not material that the price of an article may be lowered. It is the power of the combination to raise it, and the result in any event is unfortunate for the country, by depriving it of the services of a large number of small but independent dealers who are familiar with the business and who had spent their lives in it and who supported themselves and their families from the small profits realized therein. Whether they be able to find other avenues to earn their livelihood is not so material, because it is not for the real prosperity of any country that such changes should occur which result in transferring an independent business man, the head of his establishment, small though it might be, into a mere servant or agent of a corporation for selling the commodities which he once manufactured or dealt in, having no voice in shaping the business policy of the company, and bound to obey the orders issued by others. Nor is it for the substantial interests of the country that any one commodity should be within the sole will of one powerful combination of capital.

So much for Justice Peckham's warning, a warning, however, to which we were paying little heed in those great years of prosperity leading up to 1929.

Under N.R.A. we were hoping for larger help; for greater aid to the small industries of America. Some of us looked upon N.R.A. as an institution which was going to afford the small industries of America a better chance for fair play in that bitter feud of competition wherein the great corporations were leaving no stone unturned to accomplish the demoralization and destruction of small industry, or anything that remained in the way of competition in their path.

Just what has been done by the N.R.A. is, of course, debatable; but I say, with all sincerity, that under the N.R.A. monopolies and trusts have become more powerfully entrenched than ever they were entrenched before. Again,

too, I say, with all sincerity, that the small industrial operator in America has never been up against such odds as have been placed in his path by reason of the codes which have been adopted under the N.R.A.

Because these charges were generally being made, last fall there was appointed a Review Board, under instructions to study the operation of these codes, to determine whether small industry was being discriminated against, to determine whether monopoly was being more strongly entrenched, and to report its findings to the President of the United States. Today and yesterday, following the publication of that report, which is known as the "report of the Darrow Review Board", we must, of necessity, draw the conclusion that the attitude which has been shown by departments of the Government under the present administration indicates that there is little or no sympathy left for small business. The play, so far as N.R.A. is concerned, is plainly a play intended to lend larger aid to monopoly and would-be monopolists.

One wonders today at the real purpose which was behind N.R.A. and its formation. One wonders if it is at all true that people with a new thought, with an advanced thought, were really creating the national recovery program, or, instead, was N.R.A. the mere creature and creation of the same monopolists who were guiding the destinies of America's economic structure so successfully leading up to the days of the new deal.

Mr. HATFIELD. Mr. President, will the Senator yield?

Mr. NYE. I am glad to yield to the Senator from West Virginia.

Mr. HATFIELD. Is it not a fact that most of those who represented the larger industries of this country were enthusiastically in favor of the adoption of the Industrial Recovery Act during the time when it was being considered by the Senate?

Mr. NYE. At the time it was being considered I think the public was being led to believe that big business, so to speak, was rather unalterably opposed to the program, but was going to accept it for want of any better program being suggested. In any event, very recently we have been advised that N.R.A. was the creature of the United States Chamber of Commerce.

The "brain trust" has been charged with bringing N.R.A. into being, so freely charged that one of the chief so-called "brain trusters" of the land saw fit not many days ago to announce in an address he was delivering in New York City, as follows:

> With General Johnson I went over a number of plans, not one of which was prepared by a professor. Prof. Rexford G. Tugwell did not know a thing about it; but I learned the same day that there was a conference of industrialists going on regarding plans for industry, and that it was being held in the office of the Chamber of Commerce of the United States. That was where the N.R.A. started.

The author of that address was none other than Professor Moley, at one time, I presume, the chief "brain truster" of them all in this administration and one who yet speaks with considerable authority.

Mr. WALCOTT. Mr. President——

The PRESIDING OFFICER (Mr. FRAZIER in the chair). Does the Senator from North Dakota yield to the Senator from Connecticut?

Mr. NYE. I yield.

Mr. WALCOTT. I wonder if the Senator has given any thought to another element in the beginning of the N.R.A.? I remember being asked by a trustee of the Brookings Institute to a meeting in which they explained the proposal of the N.R.A. and took entire credit for the idea. That meeting was held under the auspices of Mr. Bernard Baruch.

Mr. LONG. Mr. President——

Mr. NYE. I yield to the Senator from Louisiana.

Mr. LONG. I think the Brookings Institute was under Mr. Baruch.

Mr. WALCOTT. No; but Mr. Baruch was interested in this program, and he was there as a sort of a sponsor for this meeting.

Mr. LONG. I understand that it has been claimed and admitted that Mr. Baruch was the bright mind behind the N.R.A. thought. I understood that had been stated on the floor of the Senate.

Mr. WALCOTT. I think it has been, and I think also that the Brookings Institute was very largely responsible for the whole program.

Mr. LONG. Mr. Baruch, as will be remembered, had a long magazine article at the close of Mr. Hoover's administration, complimenting that administration very considerably. In other words, Mr. Baruch, as will probably be remembered, in an article in the American Magazine, went on to state that the chain-store system and the things of that kind were the growth of science and development and were necessary to this country, and the codes are right down that alley; they are along that same line.

Mr. NYE. We are advised quite definitely, too, that Mr. Johnson, who is now head of the N.R.A., was one of Mr. Baruch's organization.

Mr. LONG. If the Senator will yield, I made that statement on the floor, and I was called out by Mr. Johnson and told that that was true.

Mr. NYE. That it was true?

Mr. LONG. Yes; that General Johnson was one of Mr. Baruch's men. I honor the gentleman for his frankness.

Mr. NYE. In any undertaking to show who is responsible for N.R.A., I think it ought to be noted that selfishness and greed, whenever a national emergency has existed, have gone forward and entrenched themselves more thoroughly than they were ever intrenched before. During the days of the World War, reverting now to the CONGRESSIONAL RECORD of July 2, 1917, we find Mr. Reed, then a very able Senator from Missouri, declaring concerning what was taking place in Washington at that time:

> I might say that, of course, it is indisputable that practically all the big trusts and monopolies have mobilized in the Munsey Building, and while the boys from the farms, the factories, and the banking houses in all parts of the country are being mobilized in military camps to be later sent to the trenches in foreign lands, these gentlemen, who control products which the Government must use, are making contracts here for their own use, enrichment, and benefit.

So, in the name of a great economic emergency, such as confronted us last year, starting with March, again we found those disciples of selfishness and greed here building for the future, building the machinery that was to wear the cloak of a new deal.

I repeat, Mr. President, under the National Recovery Administration, and its policy such as has been pursued, monopoly has been enthroned as it was never enthroned before in America. Weekly there come from the N.R.A. releases, bulletins, always bearing some interesting imprint upon the back. A very recent one now before me bears this very interesting heading:

> Truly the Blue Eagle has been a bluebird of happiness.

That is a beautiful thought; a beautiful phrase. The blue eagle has been a bird of happiness—happiness for a few Americans, as I shall clearly reveal here this afternoon, but a bird of prey as regards the masses of the American people, and particularly the small independent business man who might be engaged in this or that line of industry.

Mr. LONG. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Louisiana?

Mr. NYE. I yield.

Mr. LONG. I notice that there has been considerable criticism about the National Review Board. As I understood that Board was appointed by the President of the United States to pass on the N.R.A. I read the first charge in the report of the National Review Board, headed by Mr. Darrow, wherein it is stated that they had reinstituted the old Pittsburgh-plus system. I called in some of my traffic friends and I was surprised to find that what the traffic men—I was one of them at one time, engaged in traffic work—had fought for a number of years to do away with the

Pittsburgh-plus system, particularly in the Southern States, had been reinstated.

Senators probably know what the Pittsburgh-plus system is, but if there are any who do not know what it is, I will say it is a system by which steel is valued at so much, according to the price at Pittsburgh plus the freight. If I bought steel in New Orleans, it had to be valued on the price at Pittsburgh plus the freight from Pittsburgh to New Orleans, regardless of where it was produced. That fictitious freight charge had to be added. We fought for a number of years in the South to get rid of the Pittsburgh-plus system, and I thought it was over with; I thought they could never put it back; I thought that every man, woman, and child had been apprised of how we had been swindled by the trust organization by this supposed-to-be basic-rate theory, and that it never could come back. Mr. Darrow's report shows, however, backed up by the Federal Trade Commission, that they have actually brought back that old, old system, although in some instances Chicago may be used as the basing point for making this fictitious freight charge. That practically means that industry has not a chance; it cannot get its head above water ever to compete with the Steel Trust in the United States again.

Mr. NYE. Of course, that is precisely what it means, Mr. President, and yet in the face of the findings which have been made by the Federal Trade Commission and, I understand, by the Department of Justice, the Darrow report, and other agencies, we are confronted morning, noon, and night with a program of deception at the hands of those who are in control of the administration of the N.R.A. program—deception intended to blind the American people to the tremendous and terrible inroads monopoly is making from day to day under the N.R.A. program. There is endless evidence of how monopoly is being aided; there is no end of evidence as to how small business men are being stricken from the picture entirely, and yet Mr. Johnson and Mr. Richberg are ever "Johnnies on the spot" with the assurance that most emphatically N.R.A. is not aiding monopoly, that N.R.A. is the friend of the small business man and the small operator. If they do not realize that they are deceiving the public by their attitude, then I presume it is only fair for us to say here that they are deceiving themselves in no uncertain way.

The Darrow report, submitted to the President and made public yesterday morning, was presented in a way unfortunately which has permitted the public to be given a picture which is not truly reflective of the minds of the National Recovery Review Board. When the main report by the Board was submitted to the President, revealing the Board's findings respecting seven or eight codes, two of the six members of the Board submitted at one and the same time, without the knowledge of the other members of the Board, a so-called "supplemental report." It was not intended to be a Board report to the President, but Mr. Johnson and Mr. Richberg have seized upon that supplemental report and have made such use of it as would best enable them to keep the American public and American officialdom blind to the real merit of the so-called "Darrow report", which was concurred in by five of the Board's six members. Mr. Johnson and Mr. Richberg would have us see nothing more than that supplemental report. They would not for a moment permit us to dwell upon or give consideration to the merit or lack of merit in the report of the Board itself.

Mr. Richberg, counsel for the Board, countered the report by the Darrow Board with a response which I think time will record as having been a most shameful one. Mr. Richberg's attack upon Mr. Darrow was wholly uncalled for. Quite directly he calls the chairman of the Review Board "a philosophic anarchist." Mr. Darrow is well able to take care of himself in any controversy with Mr. Richberg, but, Mr. President, if Mr. Richberg is displeased with Mr. Darrow's presence upon that Board, if Mr. Richberg thinks that Mr. Darrow was there for the purpose of destroying N.R.A., I want the record to be just as clear as it can be made that the first man who suggested the availability of Clarence Darrow for a place on that Review Board was none other than the same Donald Richberg.

Mr. LONG. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Louisiana?

Mr. NYE. I yield.

Mr. LONG. As I understand, Mr. Richberg is the man who proposed Mr. Darrow's name, but who appointed all these men? Did not the President of the United States appoint them? They were appointed by the President of the United States, were they not?

Mr. NYE. If the record is not already clear in that respect let it now be made clear. When Mr. Johnson and the President were finally prevailed upon to create this Review Board I was asked to recommend possible appointees. I gladly did so. Four of the five whom I recommended were appointed and have served upon the Board. Another member of the Board was recommended by the Senator from North Carolina [Mr. BAILEY]. I am sure the Senator from North Carolina need make no defense of the splendid record of his nominee upon the Board. Certainly I am not going to apologize for the work done by those whom I had the favor of recommending for appointment upon the Board.

Each and every one of those men when he took his place upon the Board, took it with a heart full of sympathy for the administration, entertaining a keen desire to help salvage whatever in N.R.A. was worthy of salvage. But today that Board is made to stand up as being one conceived in an hour when men wanted to plant dynamite, sow the seeds of discord, destroy the program, embarrass the administration—and no one knows better than Mr. Richberg and Mr. Johnson that such was not the case at all.

Mr. LONG rose.

Mr. NYE. I yield to the Senator from Louisiana.

Mr. LONG. Mr. President, as I understand, the N.R.A. decided to be investigated and themselves named the chairman who was to investigate them. It was a pretty liberal thing for the men who were going to be investigated to name the man who was going to be in charge of the investigation. If they cannot come through clean with a good bill of health in a case like that, I do not know what else we can do for them.

Here is the gang the whole world is already against. When I say "the whole world", I mean about everybody I have seen who is not personally picking somebody's pocket through the N.R.A. Everybody is against them, with the exception of the pickpocket industry. The N.R.A. is a universally disliked organization.

I use the term "pickpocket" as a charitable expression. There are very few pickpockets who affect more than a few men at a time. I want to be charitable about this matter. I have nothing against the pickpocket that justifies them being compared to N.R.A. But here these pickpockets come in and say, "If you are going to investigate me, Mr. NYE, I want it understood that I would like to name the chairman of the investigating committee."

If I understood correctly the Senator from North Dakota, Mr. Richberg uttered the first word about naming Mr. Darrow as chairman of the investigating Board. Then Mr. Darrow comes out in his report and says, "This gang is twofold worse than the sons of hell, worse than the people thought it was," and he raises the point that these men never ought to have been picked in the beginning. That is the funniest thing I ever heard of. I understand that after the N.R.A. officials named the chairman of the Board which they wanted created to investigate them, and the President appointed all the balance of the members of the Board, then because the Board found they were doing what everybody knew they were doing anyway, they want to fire the Board. In other words, if we arrest a bank robber and the judge sentences him to 16 years in the penitentiary, the bank robber wants the judge removed from the bench because he is sent to the penitentiary. That is akin to the situation we have here.

Mr. NYE. The Senator has stated it very well. [Laughter.]

Let me cite just one more example of the intemperate military arrogance that has existed on the part of the

administrator of N.R.A. almost from the moment of his assuming his duties in N.R.A. That arrogance, that intemperate attitude, that militaristic attitude has so thoroughly demoralized the personnel in N.R.A. that the minute this session of Congress shall adjourn—I rather think they are going to be able to put it off until then—there will be such wholesale resignations from within N.R.A. that we will be made to wonder what sort of attitude or leadership could exist to create the great displeasure that exists there. There is not a Senator in this Chamber who is not able to reach out into N.R.A. and find one or more of the personnel who will privately reveal some of the terrible things, in their estimation, which have been taking place under N.R.A.

Yesterday General Johnson saw fit to make available to the press and the public copies of correspondence which had been exchanged between himself and myself during the months leading up to the formation of the new Board. Strangely there was some letters missing. Strangely some of the letters which were exchanged were not given to the press for publication. For the life of me I cannot discover what the letters which he published were intended to reveal. I cannot understand what General Johnson found in them to afford any solace at all. I wonder why he did not publish, for example, or make available for publication the letter he had written and the letter Mr. Richberg had written late in last November and early in December concerning one of the codes which was under question.

We are told repeatedly by these heads of N.R.A. that they invite criticism, that they appreciate criticism, that they know all the things they have done are not going to be right, and they want to right them when wrongs are found. I want to show how very sincere they have been in this regard.

Late in November I wrote General Johnson revealing the experience which had been that of the independents in the electrical manufacturing field. I revealed in that letter a conviction that the code which had been adopted for this industry, written and forced through by the General Electric Co., was written in the interest of monopoly, and that if what was true of this code was true of other codes, then it could fairly be said that the codes were being written under N.R.A. to the advantage and in the interest of monopoly.

On November 29 Mr. Richberg replied to that letter in this manner:

> Now, as to the particular question you raise concerning incandescent lamps and the N.E.M.A. code, this situation is one as to which I am very glad to have your criticism and frankly admit that criticism here is well justified. It is unfortunate that one of my assistants wrote the letter of November 21, stating that the independent group of lamp manufacturers could not present a supplemental code because they did not represent a sufficient volume of the manufacture.

On December 5, not quite a week later, Administrator Hugh S. Johnson wrote as follows:

> Replying to yours of November 24 to which Mr. Richberg has already replied in part, this is to inform you that I, too, am dissatisfied with the N.E.M.A. code and intend to open it up. Mr. Richberg has already suggested a method which is perhaps as good as any to start the process.

Mr. President, for the RECORD, let it be recorded that no change has been made in that code; but here was the administrator, here was the chief counsel for N.R.A., last November and December, admitting that it was wrong, admitting that the N.E.M.A. code was a rank injustice, so to speak; but not one thing has been done in all the months and weeks that have elapsed to correct the injustice which, by reason of that code, was fastened upon the backs of the independent manufacturers in the electrical manufacturing field.

The whole policy, the whole winter of experience with N.R.A., culminated by the N.R.A. attitude toward the Darrow report, is but conviction, and to me all the conviction that is needed, that while N.R.A. invites criticism, those who offer criticism should beware, because if their criticism is in any way adverse to N.R.A. or the interests of those who lead in administering the provisions of N.R.A., just as surely as they offer that adverse criticism they will be led out against a stone wall to be shot at sunrise. No one has offered criticism who has not felt, at some stage or other, the displeasure of those in charge of N.R.A.

Mr. HATFIELD. Mr. President, will the Senator tell us what has happened to these small industries?

Mr. NYE. The Senator means in the electrical manufacturing field?

Mr. HATFIELD. Yes.

Mr. NYE. I am told that two or three of them have discontinued or virtually discontinued operations in entirety. The others are struggling along, building hopes from day to day upon the repeated promises that something is going to be done—a something that never yet has been done.

The New York Times has been as good a friend of N.R.A. as there is in this country.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. NYE. I yield to the Senator from Texas.

Mr. CONNALLY. Did I understand the Senator to say awhile ago that four members of the committee of which Mr. Darrow was the head had been nominated by the Senator from North Dakota?

Mr. NYE. That is true.

Mr. CONNALLY. How many members had the Board?

Mr. NYE. Six members.

Mr. CONNALLY. It seems to me the Senator ought to be very well satisfied with his Board.

Mr. NYE. Has the Senator from Texas heard me offer any criticism of the Board, or express any displeasure over what the Board has done?

Mr. CONNALLY. No; and that is just what the Senator from Texas was reflecting on—how absolutely uniform the views of the Senator from North Dakota and his nominees are.

Mr. NYE. Mr. President, if the Senator from Texas is trying to lead me to say that I am concurring in the views expressed by two members of the Board in the so-called "supplemental report", he will be disappointed, because I am not agreeing in any material sense with those findings.

Mr. LONG. Mr. President, I understood that Mr. Richberg nominated Mr. Darrow. Will the Senator please tell us about that?

Mr. NYE. Mr. President, not one member of the Board who was suggested by myself was appointed with other than the favor of General Johnson, Mr. Richberg, and the President. There was no necessity upon them to name those whom I had recommended; and yet they seemed to be convinced at the time—last February and March—that these men were representative, were honest, were desirous of aiding the cause represented by N.R.A. When, however, their conclusions became critical of some of the things being done under N.R.A., immediately those administering N.R.A. came forth with their hatchets and their axes, with their accusations that those who have offered criticism are anarchists, Communists, and what not—the same old story that has come from reactionaries when confronted with every progressive, liberal, forward step that men have taken down through all the ages of history.

Mr. LONG. Mr. President, if the Senator will yield further, what I am trying to get at is that first Mr. Johnson and Mr. Richberg went over these names, before the Senator submitted them, as I understand. In other words, they were satisfied with the names which the Senator from North Dakota submitted before he handed them in, as I understand from the Senator's answer.

Mr. NYE. That was at least true in the case of Mr. Darrow, because Mr. Darrow's availability had not occurred to me until he was suggested by Mr. Richberg.

Mr. LONG. Mr. Richberg is Mr. Johnson's right-hand man, as I understand, in this matter.

Mr. NYE. That is correct.

Mr. LONG. Was Mr. Johnson aware of the fact that Mr. Richberg had suggested Mr. Darrow's name?

Mr. NYE. Mr. Johnson told Mr. Darrow, in his first conference with Mr. Darrow, that Mr. Darrow was his choice on that board.

Mr. LONG. I see.

Mr. NYE. Mr. President, the New York Times has been a very decided friend of the N.R.A. program. I think it fair to assume that perhaps the Times reflects what may be a very general attitude toward the position taken by Mr. Johnson, Mr. Richberg, and other administration leaders in receiving the Darrow review report. I am going to insist upon reading that editorial in its entirety. Its title is "Codes and Controversies", and it was published on the morning of Monday, May 21, yesterday morning:

CODES AND CONTROVERSIES

On May 4 the National Recovery Review Board, through its chairman, Mr. Clarence Darrow, laid before the President its first report. By an Executive order of March 7, the Review Board was directed by Mr. Roosevelt to ascertain whether any of the codes were, in practice, monopolistic and oppressive. It was also to recommend changes in any approved code or codes which in the opinion of the Board ought to be made. The President himself appointed the members of the Board, though it is understood that names were submitted to him by various Senators. In pursuance of its duty the Board held hearings and made investigations relating to nine different codes, the chief ones being iron and steel, motion pictures, bituminous coal, and the ice industry. The conclusions reached were, in general, that the codes, instead of restraining monopoly, fostered it, and instead of protecting small dealers and consumers, discriminated against and exploited them.

Why did the President keep back this report from publication for more than 2 weeks? It was evidently not what he wanted or expected. Reversing the precedent of Balaam, Mr. Darrow, summoned to bless the Recovery Act, remained to curse it. Naturally, the President felt that this report contained a good deal of poison and wished not to prescribe it for public reading until he could furnish along with it the antidote. The result is the enormous mass of material, amounting in the total to an estimated 150,000 words, given to the press this morning. It is to be feared, however, that instead of settling the controversy the course pursued will only inflame it. Senator BORAH, for example, who has publicly maintained that oppressive monopolies have been sheltered under the codes, and that the bribe of temporarily suspending the antitrust law should never have been held out to big business in order to persuade it to accept the codes, is certain to be heard from on the nature of the Darrow report and the means made use of to break its force with the public.

The President asked for comment on it by the Recovery Administrator and the Deputy Administrator involved, but he could hardly have looked for or desired the bitter language with which one set of his appointees characterized another. General Johnson describes the report as "superficial, intemperate, and inaccurate", and declares that "this Board is not in good faith." He closed his letter to the President by saying flatly: "I recommend that it be abolished forthwith." A more detailed, but not less vitrolic, analysis of the Darrow report was made by the General Counsel of N.R.A., Mr. Richberg. He made his attack directly personal when he asserted that the main trouble with the report was that it was written by "a noted Socialist who advocates complete Government control of business", and who was trying to please "philosophic anarchists who apparently opposed any Government control of anybody, including criminals."

It is needless to pursue these new and painful controversies. Nor is it possible to weigh the huge and confused body of evidence printed by both sides. But an impartial inference may be drawn by the innocent bystander observing this envenomed quarrel among public officials. It is that the whole business of framing and administering codes has been terribly overdone. When the administration departed from its original intention to establish only a few basic codes, it launched itself upon a sea of troubles. The work undertaken was too vast for any bureaucracy. The obligations assumed could not possibly be discharged. The administrators have necessarily appeared like men—no doubt doing their best, but, even at their best—in wandering mazes lost.

Things have been coming to a pass recalling the intense centralization of all government under the czarist regime, when a man could not build an addition to his house in Vladivostok without getting permission from some underling at St. Petersburg. What has been done, or at least attempted, at Washington in all this matter of the codes illustrates a remark once made by President Wilson, that extreme centralization of government is a "process of death." It makes work too big and complicated for any man or set of men. It produces too high blood pressure in the Federal Government, and constantly threatens it with a cerebral hemorrhage. These, and not merely the vehement disputes between General Johnson and Mr. Darrow, are the real evils to be averted. There is hope in the semiofficial prediction that with the end of the fiscal year the immense volume of unenforced and unenforceable codes will be heavily deflated.

Mr. President, from almost every quarter of this great country of ours today comes word of strikes or threatened strikes. Authorities and students tell us that this summer and fall will witness many demonstrations of protest against the existing order; and why in the world should there not be protest?

When the American people do actually awaken to what N.R.A. has done for a few while doing little or nothing for the many, most assuredly, unless there shall be quick change of policy in N.R.A., there will be trouble the like of which we have not experienced since 1929.

Mr. LONG. Mr. President, will the Senator yield?

Mr. NYE. I yield.

Mr. LONG. I have been requested by someone to ask the Senator whether it is a fact that there is no code for the anthracite industry, but there is one for the bituminous industry.

Mr. NYE. I understand that to be true.

Mr. LONG. Is there any reason the Senator knows of why a code should have been written for the bituminous industry and not one for the anthracite industry?

Mr. NYE. None other than that perhaps the anthracite industry did not want a code.

Mr. LONG. As I understand, the anthracite industry was pretty well owned by a monopoly anyway, and there was very little competition. Is that about correct?

Mr. NYE. That may have been their line of reasoning in not asking for a code.

Mr. LONG. And in the bituminous industry there were some unfortunates outside the breastworks, and a code was needed in order to get hold of them. That suggestion has been made to me as a reason why, when a monopoly owns the whole thing, they need no code in order to get hold of the balance, but when they do not already have it under themselves, they stretch their beneficent arm, with the Government putting them at the head of it, and take them in, just like tolling young ducks into a chicken house.

Mr. ROBINSON of Arkansas rose.

Mr. NYE. Let me complete my point, and then I shall be glad to yield to the Senator from Arkansas if he wishes to have me do so.

I have said that it should not be at all surprising if the people of this country should rise up in arms and protest against the existing order. N.R.A. has given great pleasure to a few, and some of the great corporation heads in the United States have rushed into the magazines and into the public print and publicly have declared their allegiance to and keen interest in what the N.R.A. is accomplishing. They should do so.

The New York Post of April 4 last published a very brief and yet a very pointed editorial, as follows:

PROFITS AND WAGES

General Motors report for 1933:
Sales in dollars rose 31 percent.
Net earnings rose 50,000 percent.

I am not misspeaking myself. It says net earnings rose 50,000 percent.

Average annual wage rose three quarters of 1 percent.

From Newark, N.J., under date of May 12, comes a dispatch published in the daily press which I think further reveals why the laboring people, the working people, are displeased with this new deal as personified by N.R.A. Let me read this dispatch. It is as follows:

NEW DEAL HIT BY EMPLOYEES OF N.R.A. HEAD—FACTORY OWNED BY ADMINISTRATOR CUTS PRODUCTION MORE THAN HALF—HOURS CUT, PAY INCREASED, BUT WEEKLY EARNINGS SHOW DECREASE

NEWARK, N.J., May 12.—The new deal does not evoke unanimous cheers among Gen. Hugh S. Johnson's employees in Lea Fabrics, Inc.

The carpet factory of which the N.R.A. (National Recovery Administration) Administrator is president and principal owner has just curtailed production by more than half.

In their enforced leisure the laid-off mechanics of Lea Fabrics, Inc., have been striking a balance sheet of the effects of the National Recovery Act in General Johnson's own factory.

Here are their findings:

Hours of work have been reduced; the hourly wage rate has been increased; the weekly wage has been reduced; unionism is not wanted; the open shop prevails; a union organizer has been discharged; employment continues spotty with speed-ups followed by months of idleness.

The figure showing a drop in weekly wages, as given out by the company's treasurer, were later amended by its general manager, however.

The spotlight has been directed at the labor practices in General Johnson's plant by an article in the current issue of the magazine New Masses. The article charges the company has violated the letter and spirit of the N.R.A.

The balance sheet of the employees is challenged by officials in charge of the company while General Johnson is away administering the N.R.A.

There is no conflict of the 40-hour week. The plant worked its employees 48 hours before the N.R.A. The employees feel, however, that the 40-hour week is a doubtful advantage. It has brought their earnings down during a period when living costs have arisen almost 10 percent.

When the company introduced the 40-hour week it raised the hourly wage rate somewhat, but not enough to pay the mechanics as much as they had been making under the old deal. The employees say weekly wages went down between $3 and $6. The company's figures indicated somewhat smaller cuts.

There is no question but that the company is paying the code wages and above. But the workers point to the $14 a week minimum fixed in the carpet code as "just another one of the N.R.A. jokers." They ask where are the higher wages Johnson has been urging others to pay?

Mr. WAGNER. Mr. President, what is the date of publication of the newspaper from which the Senator was reading an extract?

Mr. NYE. May 12.

Mr. WAGNER. May 12 of this year?

Mr. NYE. Yes; May 12, I understand, 1934.

Mr. President, the most striking thing about the reply to the Darrow report by General Johnson, Counsel Richberg, and the amen chorus of deputies is that the N.R.A. leaders are so unsure of themselves and their institution that they feel forced to reply to criticism with vituperation and vicious personal attacks.

If the facts in this controversy rest with N.R.A., there is no need for denials, accusations, and personalities. If the facts are against N.R.A., all the name-calling in the General's florid vocabulary cannot save it.

For months we have heard, both from General Johnson and his subordinates, that N.R.A. welcomes criticism. This, of course, is an absurd and ridiculous statement. Every critic who has dared to sound a note of warning or to make a suggestion for a change of method or policy has had a torrent of abuse as a reward.

The General has surrounded N.R.A. with an imaginary host of besieging enemies, at whom he sallies forth, assaulting the windmills of sabotage.

Johnson questions the motives and impugns the sincerity of purpose of all critics of N.R.A. In his lexicon all attempts to gain justice for small business become the treasonable activities of base political plotters.

In reply to the Darrow report, one of the chorus men among the deputies goes so far as to suggest an investigation into the mental standing of the Review Board. This classical example of a vitriolic reply to the evidence offered by the Darrow board shows the inspiration, if not the contagion, spread by the general among his subordinates and associates.

Chairman Darrow and his associates were asked to investigate approved codes for evidence of monopolistic tendency or oppression of small industry. These gentlemen investigated a number of codes and reported their findings with evidence of what they believed to be indications of monopolistic practice. As required by the President, they made certain recommendations for the elimination of this condition. General Johnson's answer would have been more dignified and far more convincing had he examined these charges and attempted to refute them by logic rather than rhetoric. The entire procedure awakens the grave suspicion that many of the indictments brought by Darrow are not to be refuted, and that Johnson is simply trying to bluff out a difficult situation by confusing the public with loud language and bitter denunciation.

If this is not the case, why was the Darrow report held up at Johnson's request and not made public until the N.R.A. bureaucracy could grind out a ream of answers?

Why was the Darrow board not accorded the usual courtesy of having its findings made public prior to the reply of the institute it was investigating?

Why was the language of the N.R.A. defenders so intemperate and abusive if the facts themselves denied the Darrow charges?

Why did Mr. Richberg seize upon the supplement to the Darrow report which was signed by only one member besides the chairman, with the astounding declaration that the Review Board was suggesting socialism or communism?

It is somewhat surprising to find Mr. Richberg in the role he plays at the present time.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. NYE. I yield.

Mr. ROBINSON of Arkansas. In view of the last statement of the Senator from North Dakota, I will ask him whether, in his opinion, there are not declarations in the supplemental report of the Review Board—the Darrow Board—to the effect that the hope of the American people lies in the socialization of all industry?

My NYE. I understand there are such declarations there.

Mr. ROBINSON of Arkansas. I respectfully submit to the Senator that that may be taken as the basis of the allusion by Administrator Johnson to communism and socialism. The Senator is familiar with this language in the Review Board's supplemental report to which I have referred——

Mr. NYE. If I might suggest to the Senator from Arkansas, there is where the error is made. The Senator called it a supplemental Review Board report when it is no anything of the kind. It is a supplemental report, so-called, concurred in by 2 members of the Board; and the other 4 members of the Board never saw it.

Mr. ROBINSON of Arkansas. It is entitled "Special and Supplemental Report to the President", by Clarence Darrow, chairman, and William O. Thompson, member of the National Recovery Review Board.

Mr. NYE. Yes.

Mr. ROBINSON of Arkansas. In that supplemental report there is this statement:

> The choice is between monopoly sustained by government, which is clearly the trend in the National Recovery Administration, and a planned economy, which demands socialized ownership and control, since only by collective ownership can the inevitable conflict of separately owned units for the market be eliminated in favor of planned production. There is no hope for the small business man or for complete recovery in America in enforced restriction upon production for the purpose of maintaining higher prices. The hope for the American people, including the small business man, not to be overwhelmed by their own abundance lies in the planned use of America's resources following socialization. To give the sanction of government to sustain profits is not a planned economy, but a regimented organization for exploitation. The N.R.A. is at present in the stage of conflict of interests; but in proportion as the authority of government sanctions regulation by industrial combinations, the inevitable tendency is toward monopoly, with elimination of the small business.

I respectfully suggest that this supplemental report—which, it is true, is signed only by Mr. Darrow and Mr. Thompson—makes the issue that there is no choice between government ownership or monopoly sustained by government and the complete socialization of all industry.

The complaints of selfish interests that they have not been granted all they have asked, evidence the value of the general policy of the N.R.A.

May I add that the task of the National Recovery Administration has seemed to me from the beginning so great and so difficult as to approach the impossible insofar as satisfying everyone is concerned. We have had complaints from what is commonly termed "big business" that the National Recovery Administration is dominated by organized labor. They criticize and protest the formula for collective bargaining. On the other hand, the American Federation of Labor and other organizations have protested the recognition of the company unions.

It was inevitable that a plan to raise wages, which also contemplated increased prices, would result in hardship to some small businesses, and I do not commit myself to the theory in fact that injustice may not have been done in instances.

Take the case of shaft bituminous coal mines, where wages were raised under the N.R.A. code so as to make it impossible for mines in certain areas to operate except at considerable loss: That has resulted in disadvantage not only to the mine owners but, I think, to those who actually operate the mines, the miners themselves. It is entirely

conceivable that similar results may have ensued in the case of other industries.

It is not an easy task to administer a law like the National Recovery Act, and nothing is accomplished by diverting attention from the practical affairs of the administration of the act to academic questions such as communism and socialism. I think the supplemental report referred to furnishes a basis for the retort that is attributed to the Administrator of the National Recovery Act. If as a result of all the criticisms that have been made the administration of the act shall be improved and the fundamental purpose of the measure, namely, the promotion of the general welfare of the people as a whole, shall be accomplished, the act will have vindicated itself.

I thank the Senator for yielding.

Mr. ROBINSON of Arkansas subsequently said: Mr. President, in connection with the remarks I made a few moments ago, I should like to have inserted in the RECORD, as a part thereof, an editorial appearing in the Washington Post of Monday, May 21, 1934, under the title "A Lost Opportunity."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

A LOST OPPORTUNITY

In transmitting the National Review Board's report to the President, General Johnson said: "In my judgment this Board has missed a great opportunity for a real public service." His opinion will be shared by all fair-minded men who take the trouble to scan the ex parte evidence, biased criticism, and misstatements that are embodied in the report. The indignation of the N.R.A. officials whose conduct and motives have been assailed is probably tempered by a realization that they have been afforded an excellent opportunity to set up defense by exposing the weakness of the attack. The result is a series of official replies containing much interesting information and more picturesque language. Unfortunately, in the verbal melee the chief purpose of the inquiry is lost to sight.

The National Review Board was established to serve as an impartial forum for determining whether the N.R.A. codes tend to oppress small businesses and encourage monopoly. As suggested by its dissenting member, the Board should have had expert assistance to enable it to digest the mass of existing testimony before proceeding with this immediate task. Instead, it secured a very limited amount of evidence, mostly from prejudiced sources and, without prior preparation, cavalierly announced its decisions upon questions of extraordinary complexity.

Without doubt there are evils connected with price fixing, limitation of output, and other restrictive code practices that call for correction. In some instances small business is penalized and in other cases the larger units suffer. A well-informed, judicially minded group of investigators could have performed a valuable public service by weighing the benefits of code price systems against the evils and indicating the long-time economic effects of present policies.

Instead of making constructive recommendations, however, the report of the Darrow Board shows a lack of coherence that would make its conclusions suspect, even if they were not patently based on inadequate understanding of the problems involved. For example, fair competition is said to be "merely a resounding and illusory phrase." "All competition", says the Board, "is savage, wolfish, and relentless." After reading this statement, it is rather startling to discover that the Board considers a return to the antitrust laws, for the purpose of restoring competition, to be "one of the great needs of the times." In urging this return to "wolfish competition", the Board appears to be singularly indifferent to the fate of the small business unit. Moreover, it is open to a charge of inconsistency for approving regulation of hours and wages under the N.R.A. and asserting that such control is quite compatible with the competitive system.

In the light of these contradictions it becomes difficult to take the report very seriously except on the assumption that it was designed to support Mr. Darrow's plea for a rejection of existing institutions in favor of State socialism. In a special report to the President he says: "The choice is between monopoly sustained by government, which is clearly the trend in the National Recovery Administration, and a planned economy, which demands socialized ownership and control." In short, socialism provides the only solution for the troubles of the small business man, in the opinion of Mr. Darrow. Consequently, he can, without being guilty of inconsistency, simultaneously damn competition and private monopoly, cry out against regulation of the N.R.A. type and call for still more Government regulation.

The only service that the Darrow Board has performed for the N.R.A. is to afford General Johnson good ground for demanding its abolition and to give him and his aides a chance to defend their records against misguided and ignorant assaults.

Mr. NORRIS. Mr. President——

The VICE PRESIDENT. Does the Senator from North Dakota yield to the Senator from Nebraska?

Mr. NYE. Mr. President, I shall yield to the Senator from Nebraska, because I know he is anxious to have taken up his joint resolution providing for a constitutional amendment, in order that he may have a reconsideration of the vote whereby it was rejected; but I wonder if he will permit me to complete a point I was in the midst of when interrupted? Upon the completion of that, I think I shall yield the floor, but will give notice of a desire and an intent to have the floor again tomorrow that I may complete the argument which I am sure ought to be made.

Mr. NORRIS. Very well.

Mr. NYE. Mr. President, in answer to the Senator from Arkansas [Mr. ROBINSON], I can but say that the supplemental report is not the report of the Darrow Review Board. I realize that two members of the Board by making that supplemental report have destroyed the effectiveness, in a measure, of the main report, but it is the Darrow report, the findings of monopoly and the encouragement of monopoly by the Review Board and its report to the President with which I am concerned, and with which I want the Congress and the American people to be concerned. Mr. Darrow and Mr. Thompson can answer for themselves as individual spokesmen, as they were, in presenting the so-called "supplemental report." I had said it was somewhat surprising to me to find Mr. Richberg in the role he takes at this time. He is the author of Tents of the Mighty, a book in which he declared:

> When the property rights of the few become destructive of the liberties of the many, these property rights must be modified. * * * Democratic government cannot endure, individual liberty cannot be maintained under laws whereby the political government, in order to protect property rights, must support an autocratic control over the lives of the people and over the development of the physical resources of the Nation by privately selected operators of vast properties.

It would clarify conditions to a great many people if Mr. Richberg, while he is on the subject, would define what type of government we are now living under, considering N.R.A. as typical of that government. Is N.R.A. a socialistic experiment or a Fascist experiment? And, if it is neither of those, what is it?

I hope Mr. Richberg will not tell us that it represents the American ideal as envisioned by those statesmen who drew up the American Constitution, or as envisioned by Franklin D. Roosevelt, who has repeatedly, time and again declared unflagging interest in the welfare of small industries, who has declared himself most emphatically as believing that small industry plays a part in our economic structure that invites encouragement.

The one item that is entirely overlooked in the Johnsonian blare of scorn and defiance is this so-called "little man", in whose behalf the Review Board was created.

Today, as always, the little man stands outside looking in. N.R.A. has refused him admittance and the Review Board's plea in his behalf has been rejected with such violence that the national forum rocks with the verbal thunder of the peevish general. With the support of the administration, small business had some chance—not much perhaps, but some—but with the force of Government supporting monopoly, its cause is lost and hopeless; and unless the President himself takes very drastic measures to prevent it, monopoly can continue to gobble its small competition, secure in the smile of the Government itself.

ELECTION OF PRESIDENT AND VICE PRESIDENT—CONSTITUTIONAL AMENDMENT

Mr. ROBINSON of Arkansas. I now ask, Mr. President, that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of the motion of the Senator from Nebraska [Mr. NORRIS] to reconsider the vote by which Senate Joint Resolution 29 was rejected.

The VICE PRESIDENT. Is there objection? The Chair hears none. The question is on the motion of the Senator from Nebraska [Mr. NORRIS] that the vote by which Senate Joint Resolution 29 was rejected be reconsidered.

The motion was agreed to.

The VICE PRESIDENT. The question is, Shall the joint resolution pass?

Mr. TYDINGS and Mr. STEIWER addressed the Chair.

The VICE PRESIDENT. The Senator from Maryland.

Mr. TYDINGS. As I understand the parliamentary situation, the joint resolution is not now open to debate.

The VICE PRESIDENT. The joint resolution is before the Senate.

Mr. TYDINGS. I should like to send an amendment to the desk.

Mr. NORRIS. Mr. President, I suggest that the parliamentary situation is not now such that amendments may be offered. The joint resolution has passed its third reading, and the question now is merely on reconsidering the vote by which the joint resolution was rejected.

The VICE PRESIDENT. The votes by which the joint resolution was ordered to be engrossed for a third reading and read the third time have not been reconsidered. That will have to be done before an amendment may be offered.

Mr. STEIWER. Mr. President——

The VICE PRESIDENT. The Senator from Oregon.

Mr. STEIWER. Mr. President, I regret that I feel it necessary to address the Senate with respect to the joint resolution, because I know how anxious Senators are to return to the consideration of the unfinished business.

Senate Joint Resolution 29 is, however, a measure of very great importance. Upon the passage of this resolution a number of Senators cast their votes in opposition to it. I was one of that number, and I feel that I am obliged, in fairness to myself and to others who voted as I did, to make some explanation which will point out the objections which we think inhere in this proposal.

The title of the joint resolution implies that it is to provide for the popular election of President and Vice President of the United States. This title, Mr. President, in some elections and in some years may truly portray the purpose and the results of the amendment if it shall be written into the Constitution of the United States. However, in other elections in other years this title, in my humble judgment, may become most erroneous. The conditions may be such that the amendment will not produce the popular election of President and Vice President, but will result in the overriding of the popular vote and that it will, in that event, result in something entirely other than the popular election of President and Vice President.

This is true for a number of reasons, but it is true chiefly by reason of the ever present threat that the election will be thrown into the House of Representatives for final determination.

The joint resolution proposes to abolish the electors as they are constituted under existing law; the names of the candidates are to be written upon the ballot, just as they are now under State law in many cases where the names of the candidates are written upon the ballots along with the names of the electors; but under this proposal the names of the candidates are to be written upon the ballots without the names of any electors because the electors are no longer to exist.

In the first instance, therefore, there would be a popular election just as there is a popular election at this time, but when the result has been determined, if it shall develop that no candidate has received a majority of the vote by States, the determination must then be made by the House of Representatives.

This, of course, is true under existing law, and the point that I make would seem to be of little validity, except for one insurmountable element or factor in this equation; that factor is the abolition of the electoral college and the abolishing of the electors themselves will greatly simplify the mode of election and will invite independent candidacies. I think this has not been denied and will not be denied by those who are sponsoring the joint resolution. In fact, one of the arguments made in behalf of the joint resolution has been that it would make it practicable for independent candidates to seek election. All who have examined the resolution have come to the conclusion and will maintain the view that this proposal will make the independent candidacy a very much easier affair.

Independent candidacies are now restrained by certain practical difficulties. They may always be had, but for want of time, and because of the great expense, the necessity of setting up expensive and elaborate machinery in order to provide the electors over a very wide area of a great nation, it becomes almost impossible, ordinarily, for the independent candidacy to be presented to the American people. But this proposal actually invites independent candidates by giving to those who would seek independently election to the Presidency all the facilities which are accorded by State laws and makes it as easy for an independent candidate for the Presidency to have his name presented to the people of the country as it is for an independent candidate for the office of chief executive of a State to have his name written on the State ballot so that he might be voted on by the electors of the State in the State election.

I have no objection to the independent candidacy as such. I am not so wedded to any political party that I object to any independent candidacy per se. In my own State independent candidacies are permitted. In the main they have worked no injury. I think the influence of an independent candidacy in the State election is sometimes helpful and that it tends to make the political parties more responsive to public will.

The peculiar and important feature of the independent candidacy as applied to a national election is that if the independent candidates accept the invitation which is implied in the proposed constitutional amendment, it would not be long until we would have more than one independent candidate in each Presidential election. The inevitable result, as I see it, would be that very soon in each Presidential election we would see upon the ballots the names of nominees of the political parties and in addition to that we would see upon the ballots certain other names of independent candidates who were aspiring to election in the same contest. The result would be that no candidate would receive a majority by which he would be elected under the provisions of the proposed amendment.

A majority election will, in a practical sense, be impossible. Of course, it is not impossible under the literal meaning of the proposed amendment, but in a practical sense it will be impossible. I am greatly disturbed by the fear that in every Presidential election the determination will be taken away from the people and taken to the House of Representatives. In view of the probability that this joint resolution, if put into operation, would result in many elections being thrown into the House of Representatives; careful consideration should be given to the method that would be followed by that body in selecting the President. Under existing constitutional provisions ballots for President would be cast by States, each State having but 1 vote. The pending resolution proposes to perpetuate this provision. This means that Representatives of 25 States, regardless of population or any other consideration, may often select the President and it is conceivable that the Representatives making the selection would represent very small proportions of the total population of the Nation. For illustration, the Representatives of 25 thinly populated States could select the candidate who stands third in the count, and this might be true even though the popular vote were distributed 45 percent for the first candidate, 40 percent for the second candidate, and 15 percent for the third candidate. The illustration is no doubt extreme but it proves that this proposal may defeat rather than effectuate the popular will.

Mr. President, I do not want to be too dogmatic about a matter of this kind. I realize that opinions may differ. Certainly they must differ because the practical operation of the proposal is purely speculative. It has not been tried. We probably know less as to what the ultimate consequence will be than the fathers knew when they created the first electoral college. Because we know so little and must speculate so completely in connection with it, it is hardly becoming for any of us to take a position that is too positive and dogmatic. But I do suggest earnestly to Senators that there

is inherent in the situation more than a mere speculative possibility; there is almost a certainly that before the lapse of many elections we will be presented with a situation whereby no candidate will receive a majority vote, and consequently the House of Representatives will elect a President of the United States.

The only restraint upon the House in the consideration of that election is that they shall make the selection from the three highest. If there is a Republican Party candidate and a Democratic Party candidate and, we will say, two independent candidates, the only restraint upon the House is that they shall make the selection from the three having the greatest number of votes. We do not know what the composition of the House may be. We never will know in advance what the condition may be.

Political complications may bring to the House a constituency that is not representative of the popular will in the country. We have no way of knowing and there is no assurance that the House of Representatives, in making its selection from the three highest, will select that candidate who received the greatest number of votes in the popular election. So I say, Mr. President, that the proposal does not contain a guaranty of the popular election of President and Vice President, but under many conceivable sets of conditions it may be translated into a guaranty against the popular selection of President and Vice President.

An extended argument might be made with respect to the matter I am now discussing. I am not disposed, however, for reasons which I have already indicated, to elaborate it further.

I think the very splendid object which is in the mind of the Senator from Nebraska [Mr. NORRIS] may be better attained in other ways. I heard his statement made upon the floor of the Senate that the possibility of an independent candidacy will itself be a force for good, that it will tend to compel the political conventions to be alert and careful. I am not attempting to state the matter in the language of the Senator from Nebraska, but I think I truly reflect the idea he was presenting. He said that the possibility of an independent candidate will compel the political conventions to observe with care their responsibility to the country.

In my judgment there is something in this idea, and if that were all there were to the proposal I should very cheerfully and enthusiastically accept the view of its sponsors. But, as I have already stated, I think that is not all there is to it. I think over and above that is the possibility that the public will may be entirely defeated and that political influences which we cannot foresee, which we can but little measure, may defeat completely the will of the people of the country if this constitutional amendment shall be adopted and written into the organic law.

Moreover, in my judgment, there is no assurance that the mere threat of an independent candidate will bring to a political convention that high degree of moral or political responsibility which will insure a result satisfactory to the American people. If we are to judge the future by the past and measure the political conventions of the years to come by the political conventions which have been held in this country within the memory of all of us, we must know that when political forces control a convention such forces become almost insensible to any high sense of political and civic responsibility. If the will of the convention and the politicians in the convention is to take a certain course, it is more than likely that course will be taken.

I feel, therefore, that there is no certainty that the threat of an independent candidacy will mean the purification of the convention system in this country. It might operate that way in some election years, and it might operate in an opposite way in other election years; but whatever the result may be in terms of purification of a convention which nominates candidates for President and Vice President, we do know that independent candidacies will in all likelihood so split the vote that there will be no majority vote and the election will thus be thrown into the House of Representatives.

Mr. President, it seems to me there are better ways of approaching the question of purification of national conventions than by merely holding over those conventions the threat of an independent candidacy. There are more effective ways, there are means which will operate more directly, and those means are within our power. They may be attained by legislative action or they may be attained by constitutional amendment and by identically the same process which is to be resorted to in connection with the pending joint resolution. Let me refer briefly to certain proposals now pending in Congress.

Some days ago I was very much pleased by the action of the Senate in passing Senate bill 1884. This is a bill to prevent the use of Federal official patronage in Presidential nominating conventions, and to prohibit Federal officeholders from misuse of positions of public trust for private and partisan ends. In the House the bill was referred to an appropriate committee, which has already considered the bill, and I believe a favorable report was made to the House this afternoon. The bill would absolutely prohibit, with a penalty, the participation of any Federal-appointed officeholder in a political convention which has for its aim the nomination of candidates for President and for Vice President.

We know the problem, Mr. President. We know the difficulty encountered in almost every Presidential year in obtaining, through the political methods in vogue the kind of action which the American people would approve in the selection of candidates for President and for Vice President.

Let me read some brief excerpts from statements made by a number of very well-informed people.

First, a statement made by Mr. Shouse over the radio June 18, 1932, in which he charged that the Republican convention at Chicago was crowded with Federal officeholders. I do not know the extent to which this charge is true, but we all know that there were very many Federal appointees in that convention. I read what he said merely because it expresses the view point of an able critic. These are his words:

> Considering that over 400 of the 1,154 delegates were Federal officeholders, neither the candidate nor the platform could very well have been expected to show much deviation from the President's ideas.

Mr. President, this criticism made with respect to the Republican convention in 1932 is not unusual. It is not exceptional. A similar criticism has been made against almost every Republican and Democratic convention in the last quarter of a century. There is variation in the number of Federal appointees present in the various conventions. There is, of course, variation in the influence which they exert in the selection of the candidates and the writing of the platform; but I submit that it is only a question of degree. It is only a question of the extent to which these patronage seekers and officeholders may go in their attempt to control the will and to dictate the action of the convention.

Back in 1912 we saw probably the greatest abuse of convention privilege that ever was committed in the history of this country. At that time in the Republican convention there were very many who were officeholders or office seekers, and who were controlled by patronage or by the hope of patronage. Let me read briefly two or three excerpts which deal with that situation. I read from page 9641 of the CONGRESSIONAL RECORD of July 1912, as follows:

> The activity of Federal officeholders on behalf of the renomination of President Taft has been no secret. They were active everywhere, and used their influence everywhere, but in some localities in the South they completely dominated and controlled the situation. The evil of political control by patronage is not confined alone to the officeholders themselves. Many of the political bosses do not occupy public positions. They get their pay not directly from the Federal Treasury but by the control of appointments; they receive their compensation in thousands of devious ways by the favor extended to them through public officials who hold official positions on account of their recommendation. Political machines could not live over night were it not for the wonderful power of patronage. The use of patronage to bring about the

renomination of President Taft was known to all men. Its evils smelled to heaven. I know, the gentleman from Wyoming knows, the Speaker knows, the House knows, the country knows, and God knows that without the power of political patronage the renomination of President Taft at Chicago would have been as impossible as the passing of a camel through a needle's eye.

Mr. President, those words were attributed to the distinguished Senator from Nebraska [Mr. NORRIS], who at that time was conducting a valiant fight against the abuses that had grown up in the national political conventions.

In connection with that convention, and the methods there used, and the personnel that made up the convention, let me add that it was said during the debates in the House of Representatives on the subject that with respect to some of the Southern States the control was almost entirely with officeholders. It was charged with respect to the State of Georgia and its delegation that every white man on the delegation, with the exception of one, was a Federal officeholder, and that the combined annual salaries of the delegates and alternates amounted to $52,000.

It was charged with respect to Alabama that out of the whole delegation of forty-odd delegates and alternates there were only five or six who were not officeholders, and that their combined annual salaries amount to something like $50,000. There was placed in the RECORD a list of the delegates from the State of Mississippi. I shall not read them now, but they sound like the roster of Federal officeholders. That list shows, among others, a United States commissioner, postmaster at Victoria, ex-collector of internal revenue, juror selector, postmaster at Holly Springs, postmaster at Greenville, professional juror, postmaster at Meridian, and various other Federal officeholders, all of whom came into that convention to help thwart the will of the people of the Republican Party, and to deliver the verdict of that convention in accordance with Presidential and other political influence.

Mark Sullivan, in volume IV of Our Times, which covers the period of the 1912 convention, refers to the Federal officeholders in only one place, and that was as follows:

> With Roosevelt's announcement of his candidacy, the comparatively few who had been temperately interested in direct primaries as a cause were now joined by the very many who were ardently interested in Roosevelt as a hero, who desired him to have the Republican nomination who knew that the conventions would be controlled by standpatters and officeholders, and who saw in the Presidential primary Roosevelt's only chance.

William Roscoe Thayer, in his Biography of Roosevelt, which is considered probably the most authentic of many such publications, has this to say (p. 356):

> During the weeks Roosevelt had been deliberating over "throwing his hat into the ring" his opponents had been busily gathering delegates. According to the unholy custom which gave to the Republicans in Southern States a quota of delegates proportioned to the population, and not to the number of Republican voters, a large southern contingent was pledged to Mr. Taft very early. Most of the few southern Republicans were either Federal officeholders or Negroes; the former naturally supported the administration on which their livelihood depended, the latter, whose votes were not counted, also supported the President, from whom alone they might expect favors. The former slave States elected 216 delegates, nearly all of whom went to President Taft.

Mr. President, if time permitted, and the patience of Senators on this subject were not so nearly exhausted, I should like to go down through the history of the conventions. At some subsequent time I may do so, but I shall refrain from doing so at this time. It is written into history over the years that the national political conventions have been attended by delegates and alternates who were Federal officeholders to an extent that varied all the way from 100 up to a figure near 400 out of a total of between eleven and twelve hundred delegates. It is an accepted fact, I take it, that those who control these Federal officeholders need but little other strength in order to control the convention and to nominate the candidate.

I speak on this subject now, Mr. President, because of my interest in the bill presently pending in the House, and because of my belief that this measure will exert an effective power to purify and cleanse the national conventions, to take out of those conventions the office seekers and the officeholders, and to see to it that our own Federal employees shall not go to those conventions to yield to the will of an incumbent administration. The enactment of this bill will permit the people of this country by free action in a free convention to nominate for President and Vice President the real choice of the different parties. After its enactment we will no longer be seriously concerned over the question of final election through an electoral college or by some other means. Party nominations, honestly and fairly made, will do much to make the people the rightful masters of the politicians and will insure a final choice satisfactory to the Nation.

The argument made here with some force that the pending constitutional amendment is necessary in order to bring to the convention a sense of political responsibility will largely disappear when Congress shall have taken appropriate action to keep its own officeholders out of the convention. To me it seems better to make the direct approach. It seems better to make the attempt to purify the conventions by minimizing patronage control than to risk the ever-present possibility of throwing the election of the President into the House of Representatives, where the results may be more harmful than anyone can foresee at this time.

I desire to refer briefly to one other matter and then I shall yield the floor.

Mr. FESS. Mr. President, will the Senator yield for a question?

Mr. STEIWER. I yield.

Mr. FESS. When this matter was being discussed the other day, I put into the RECORD figures showing the number of contests where the margin was so close that a small change of votes in a single State would have changed the result of the election. If the Senator will take all those cases, he will find that in every case the man who was chosen President was chosen by a plurality vote but failed of a majority vote. In every case, if this amendment had been part of the Constitution, the election would have gone into the House of Representatives.

Mr. STEIWER. That is true; but, Mr. President, the Senator is speaking of conditions in the past. When we abolish the electors and invite independent candidacies, we decrease the probability of a majority vote; we increase the probability of a plurality vote and bring about a condition that all of us may rue before very many years have passed.

Mr. FESS. What I wanted the Senator to note was that while under the present Constitution throwing the election of President into the House of Representatives is a rare thing, this amendment in a number of cases in the past would have thrown it into the House of Representatives.

Mr. STEIWER. I think so, Mr. President.

Mr. FESS. Has the Senator ever considered the desirability of an amendment which would limit the term of the President to, say, 6 years, and make him ineligible to reelection?

Mr. STEIWER. We all have; but I hope the Senator will not ask me to discuss that question at this time, because we desire to bring this matter to a conclusion.

Mr. FESS. I withdraw the question.

Mr. STEIWER. I will say, however, in further answer to what the Senator from Ohio has said, that I liked this amendment better at the time it was on a 35-percent basis than I do now, when it is on a majority basis. I think the committee acted wisely, and that the view of the Senator from Nebraska was sound in placing it on a 35-percent basis.

Mr. NORRIS. Mr. President, will the Senator yield there?

Mr. STEIWER. Yes.

Mr. NORRIS. That illustrates how impossible it is to get a constitutional amendment or any other measure through by unanimous consent. Why did not the Senator raise his strong voice in favor of that before we amended this bill? That provision went out because nobody defended it. Everybody was against it. It has gone out. Now the Senator opposes the amendment because it did not stay in.

Mr. STEIWER. Mr. President, I am not so conceited as to believe that what the Senator characterizes as my "strong voice" would have influenced any votes with respect to that question when the quiet omnipotence of the Senator from Nebraska failed to do so. I sincerely believe, however, that a 35-percent requirement is better than a 50-percent requirement, and that it would constitute a fairly good assurance that the selection would not go to the House, but that under almost every reasonable condition the election would result in the selection of a President of the United States by the people.

Now, Mr. President, I desire to discuss one other matter very briefly, and then I shall conclude.

As I suggested a while ago, there are other ways by which we may approach this very important subject. One of them, as suggested by the Senator from Missouri [Mr. CLARK] earlier in the debate, is by an amendment of the Constitution relating to the popular nomination by a direct primary system of candidates for President and Vice President; in other words, a constitutional amendment which would permit the Congress of the United States to provide such a system. To me that is the ultimate solution and the effective solution of this question.

I do not know why, in the face of the record of political conventions in the past in this country, there has not been a more acute and favorable reaction to the idea of the direct primary selection of the nominees for President and Vice President. The idea has been presented to Congress, but, I am afraid, in a half-hearted sort of way. I have talked about it with other Senators, and many others have considered it.

During this session of the Congress I introduced Senate Joint Resolution 79, proposing the appropriate amendment to the Constitution in order that direct primary elections might be held in the various States to nominate candidates for President and Vice President. Pressure of other matters has prevented me from giving the matter the attention it deserved. The Committee on the Judiciary, to which the joint resolution was referred, has not taken it up for consideration, and I assume that at this late day no action will be taken with respect to it. I cannot escape the conclusion, however, that some such amendment as this ought to be vigorously pressed, and that those of us who believe in popular government ought to insist upon action by Congress in submitting this proposal to the people of the United States.

I have felt for a long time that the legislatures would approve such an amendment; that we should set up a system of direct primary elections which would bring about a result satisfactory to the people of our country; that if we should set up such a system we could bring about a satisfactory result. There would be no repetition of the old boss-ridden conventions, and we would have no occasion to be dealing now with a question like the proposal to abolish the presidential electors.

Through this kind of amendment means can be found for bringing the elections closer to the people, and that great object may be achieved without running the risk of upsetting the system, in those cases in which the number of votes obtained by the leading candidate is not sufficient to result in an election, and the final determination goes to the House of Representatives.

Mr. President, this concludes all I care to say at this time. I ask that Senate Joint Resolution 79, to which I have referred, be printed in the RECORD at the conclusion of my remarks.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

Joint resolution proposing an amendment to the Constitution of the United States relating to popular nominations of candidates for President and Vice President

Resolved, etc., That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislature of three fourths of the several States:

"ARTICLE —

"SECTION 1. The Congress shall have power to provide a uniform system of primary elections to be held within the several States for the nomination by members of political parties of candidates for the offices of President and Vice President, and to prescribe the manner of holding such elections therein; but the legislatures of the several States shall have power to prescribe the times and places of holding such elections and to prevent fraud and corrupt practices in connection with such elections.

"SEC. 2. This article shall not deprive the several States of power to provide for the manner of making such nominations until the Congress shall have enacted legislation with respect thereto pursuant to this article."

The VICE PRESIDENT. The question is, shall the joint resolution pass?

Mr. NORRIS. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Couzens	Johnson	Robinson, Ind.
Ashurst	Cutting	Keyes	Russell
Austin	Davis	Logan	Schall
Bachman	Dickinson	Lonergan	Sheppard
Bailey	Dieterich	Long	Shipstead
Bankhead	Dill	McCarran	Smith
Barbour	Erickson	McGill	Steiwer
Barkley	Fess	McKellar	Thomas, Okla.
Black	Fletcher	McNary	Thomas, Utah
Bone	Frazier	Metcalf	Thompson
Borah	George	Neely	Townsend
Brown	Gibson	Norbeck	Tydings
Bulkley	Glass	Norris	Vandenberg
Bulow	Goldsborough	Nye	Van Nuys
Byrd	Gore	O'Mahoney	Wagner
Byrnes	Hale	Overton	Walcott
Capper	Harrison	Patterson	Walsh
Carey	Hastings	Pittman	Wheeler
Connally	Hatch	Pope	White
Copeland	Hatfield	Reynolds	
Costigan	Hayden	Robinson, Ark.	

Mr. DIETERICH. I wish to announce the absence of my colleague [Mr. LEWIS] on important business.

The VICE PRESIDENT. Eighty-two Senators having answered to their names, a quorum is present.

Mr. THOMAS of Oklahoma. Mr. President, when this question was before us yesterday, and my name was called, I voted "nay."

On yesterday morning three committees, two of which I am a member, and another committee before which I had a bill, held meetings. I could not, of course, attend all the committee meetings, but I did attend one.

I came into the Senate Chamber just as my name was being called during the vote on the joint resolution now pending, and I had to have my name passed until I could learn what the question was. I have tried to follow a rule that when I do not know a thing about a matter before the Senate, I vote "nay", and upon that theory, I voted "nay" yesterday.

When a motion is made to reconsider, if one shall be made, I expect to change my vote and to vote "yea", since I now think I know what the question is.

The VICE PRESIDENT. The question is on the passage of joint resolution introduced by the Senator from Nebraska [Mr. NORRIS] proposing an amendment to the Constitution of the United States with reference to the election of President and Vice President.

Mr. NORRIS. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. ROBINSON of Arkansas. I desire to announce that the junior Senator from Arkansas [Mrs. CARAWAY], the Senator from Missouri [Mr. CLARK], the Senator from Iowa [Mr. MURPHY], the Senator from Illinois [Mr. LEWIS], and the Senator from Florida [Mr. TRAMMELL] are necessarily detained from the Senate.

I also wish to announce that the junior Senator from California [Mr. MCADOO] is detained from the Senate by illness.

I also announce that the Senator from Massachusetts [Mr. COOLIDGE], the Senator from Wisconsin [Mr. DUFFY], the Senator from Utah [Mr. KING], and the Senator from Mississippi [Mr. STEPHENS] are absent in attendance on an important committee meeting.

Mr. FESS. I desire to announce that the Senator from Rhode Island [Mr. HEBERT] is absent on account of illness.

I also wish to announce that the Senator from Pennsylvania [Mr. REED] and the Senator from New Jersey [Mr. KEAN] are necessarily absent.

Mr. ROBINSON of Arkansas (after having voted in the affirmative). A pair has been arranged for the Senator from Missouri [Mr. CLARK] and myself with the Senator from Pennsylvania [Mr. REED]. I transfer my general pair with the Senator from Pennsylvania [Mr. REED] to the junior Senator from Massachusetts [Mr. COOLIDGE], and let my vote stand.

Mr. FESS. I desire to announce that the Senator from Rhode Island [Mr. HEBERT] is paired with the Senator from Arkansas [Mrs. CARAWAY] and the Senator from Iowa [Mr. MURPHY].

The Senator from New Jersey [Mr. KEAN] is paired with the Senator from Wisconsin [Mr. LA FOLLETTE] and the Senator from Florida [Mr. TRAMMELL].

I am advised that if the Senator from Rhode Island [Mr. HEBERT], the Senator from Pennsylvania [Mr. REED], and the Senator from New Jersey [Mr. KEAN] were present and voting they would vote "nay" on this question, and that if present and voting the Senator from Arkansas [Mrs. CARAWAY], the Senator from Iowa [Mr. MURPHY], the Senator from Missouri [Mr. CLARK], the Senator from Massachusetts [Mr. COOLIDGE], the Senator from Wisconsin [Mr. LA FOLLETTE], and the Senator from Florida [Mr. TRAMMELL] would vote "yea."

The roll call resulted—yeas 52, nays 29, as follows:

YEAS—52

Adams	Copeland	Long	Robinson, Ark.
Ashurst	Costigan	McCarran	Robinson, Ind.
Bachman	Couzens	McGill	Russell
Barkley	Cutting	McKellar	Schall
Black	Dill	Neely	Sheppard
Bone	Erickson	Norbeck	Shipstead
Borah	Fletcher	Norris	Thomas, Okla.
Brown	Frazier	Nye	Thomas, Utah
Bulkley	Harrison	O'Mahoney	Thompson
Bulow	Hatch	Overton	Van Nuys
Byrnes	Hayden	Pittman	Wagner
Capper	Johnson	Pope	Walsh
Connally	Logan	Reynolds	Wheeler

NAYS—29

Austin	Dieterich	Hatfield	Townsend
Bailey	Fess	Keyes	Tydings
Bankhead	George	Lonergan	Vandenberg
Barbour	Gibson	McNary	Walcott
Byrd	Goldsborough	Metcalf	White
Carey	Gore	Patterson	
Davis	Hale	Smith	
Dickinson	Hastings	Steiwer	

NOT VOTING—15

Caraway	Glass	La Follette	Reed
Clark	Hebert	Lewis	Stephens
Coolidge	Kean	McAdoo	Trammell
Duffy	King	Murphy	

The VICE PRESIDENT. On this question the yeas are 52, the nays are 29. Two thirds of the Senators present not having voted in the affirmative, the joint resolution is rejected.

CITIZENSHIP AND NATURALIZATION

Mr. COPELAND. Mr. President, I ask unanimous consent for the present consideration of a Senate concurrent resolution which I send to the desk and ask to have read.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution (S.Con.Res. 19), which was read and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the President of the United States be, and he is hereby, requested to return to the House of Representatives the enrolled bill (H.R. 3673) to amend the law relative to citizenship and naturalization, and for other purposes; that if and when the said bill is returned, the action of the Speaker of the House and of the President of the Senate in signing the said bill be deemed to be rescinded; and that the Clerk of the House of Representatives be, and he is hereby, authorized and directed to reenroll the said bill with the following amendments, viz:

On page 2, line 1, of the House engrossed bill, strike out the following: "and unless the child, in" and insert in lieu thereof a period and the word "In".

On page 2, line 2, of said engrossed bill, after the word "alien" and the comma, insert the following: "the right of citizenship shall not descend unless the child".

THE RIGHT TO PETITION

Mr. SCHALL. Mr. President, during these days of dust storms, emergency relief, and depression legislation, Members of Congress are besieged with all sorts of appeals for relief from their constituents based on the theory laid down in the first amendment to the Constitution that Congress has no right to make a law to abridge the freedom of petition, on which amendment the Supreme Court commented thus:

> That the right of the people to petition Congress "for a redress of grievances or for anything else connected with the powers or duties of the National Government is an attribute of national citizenship, and, as such, under the protection of and guaranteed by the United States."

This amendment prohibits Congress from legislating in such a way as to bar a constituent from appealing to it for redress or relief. But, due to the emergency, it has passed laws distinctly contrary to the spirit and intent of this amendment delegating its duties and powers to the White House. At first it was understood that this power was delegated only temporarily, but since obtaining so much power it seems the White House has changed its mind and wants to make it permanent.

Hence, the White House becomes the only place for our people to take their troubles, for surely Congress has little or nothing to do with them. It votes power and money to the President and he distributes and administers it. For instance, in the last few days Members in Congress from my State have been besieged with appeals for relief due to the recent dust storms and drought. People take their troubles to us on the theory that we have something to say about what they shall have or that we can do something for them. As a matter of fact we can only appeal to the departments and bureaus downtown as humble citizens of our State, asking them if they will not kindly do something for these people.

A month or so ago I took up the matter of drought relief with the Federal Emergency Relief Administration, and was told that the Governor of Minnesota had just been down and told them that by allotting $760,000 for my State the drought situation would be taken care of.

However, the Governor, as relief director for this Administration in Minnesota, had hardly left town when telegrams came in in abundance calling attention to the fact that this was not enough. I am sure the House Members and my colleague had the same trouble. Then we had to wait for further orders from the Governor and departmental chiefs before getting anywhere, all the while as duly elected representatives of the people helpless in the matter, for we had delegated power to handle money and relief to the President, and it is up to him to take care of the situation.

But people have not become educated to all this newfangled legislation, and still think they have a Constitution, duly carried out as our oaths require. They have not learned that they cannot have their cake and eat it too, that they cannot have this so-called "dictatorial, efficient" Government to cope with the emergency and a representative Government where those elected to office have anything to say at the same time.

But the White House appears to relish this situation, for very nonchalantly the President sends Congress a message asking that he be given authority to spend the modest sum of $940,905,000 for relief purposes at his discretion. He says that it is his thought that this sum should be appropriated to him under fairly broad powers because of the fact that no one can determine the exact needs under hard and fixed appropriations headings. In other words, where the Constitution gave the purse strings to the lower House on the theory that they were closer to the people and their needs, the White House now finds that that is an outworn theory and that it shall have the power to disburse money by the billions as it sees fit.

But Congress might consider how that may work out. Arkansas, for instance, with only 7 Members in Congress, has received $10,952,641.08 from the Agricultural Adjustment Administration, whereas Minnesota with 9 Members has received only $3,044,698.82. With such fairly broad powers lodged in the White House because of the fact that it does not think that anyone now can tell just what money is needed, contrary to the intent and spirit of the Constitution, it is fairly safe to assume that this money will be used to bolster up the cause of the Democratic Party for the coming fall elections and that Minnesota, with its lone Democratic Representative, has about as much chance to get its fair share of this money, in spite of the worst catastrophe in its history, as it had to get its share of money from the Farm Administration.

The test will be where can it help to elect good Democrats, rather than where are there the worst drought, dust storms or relief needs. And if the Governor cannot gage the needs any better the rest of this year than he has done so far, the President had better look for someone else to administer the money to Minnesota residents, for since he said Minnesota would be satisfied with $760,000 for drought needs, reports indicate thousands of head of livestock have either died or been forced on the market due to lack of feed. From the experience of Members of Congress from my State, we are quite convinced that this new theory of government that the White House should determine the need for money for relief, instead of leaving that matter to Congress, where the Constitution has put it, has not worked out successfully, and that Congress has done wrong by delegating this power to the President even to satisfy the need of an emergency. The emergency has not been lessened by this transfer, but the money has been apportioned by less competent hands than by Members of Congress and more injudiciously and politically, not so much to help the needy as to help the Democratic Party. One can almost feel certain that Thomas Jefferson had just such a situation in mind when he urged adoption of the amendment prohibiting Congress to abridge the right of petition to our citizens.

THE "DOCTORS" VERSUS THE ELEMENTS

Mr. President, Will Rogers calls the attention of the doctors of the new deal to the fact that the drought in the Middle West has done more for farm prices in 30 days than all the patent medicines of the alphabetical series in a year.

In July 1933, when the N.R.A. and the A.A.A. were applied to the country, the Chicago price of wheat was at the top price of $1.15. Nine months later—after the A.A.A., the N.R.A., the P.W.A., the C.W.A., the R.F.C., the F.E.R.A., gold premiums to Europe, wreckage of United States currency had sunk Uncle Sam to the tune of $10,000,000,000 in debt and deficit—the Chicago price of wheat had dropped to 75 cents. The price had fallen 40 cents a bushel, and the farmer was paid in 59-cent dollars at that. We had Dillingered the farmer and Caponed the taxpayer, jimmied the Treasury, and wooden-pistoled the public.

Then came the drought, until the dust clouds from the grain farms rose 10,000 feet and covered the whole eastern half of the United States, even shrouding in haze the Capitol which had squandered billions in useless patent medicines. In 30 days of drought the Chicago price of wheat rose 15 cents a bushel. Drought, wind, and grasshoppers were more effective than the A.A.A., the N.R.A., and all the monkeyshines in debasing the coinage. The wheat crop is cut down 300,000,000 bushels, and threatens to put the A.A.A. into the waste basket, where it belongs. Old Sol has beat Wallace to it.

The Senator from New York, Dr. COPELAND, and the Senator from West Virginia, Dr. HATFIELD, will tell you that many a man has no chance to rise from a sick bed until someone with common sense comes along, gathers up the medicine bottles, and throws them out the window.

Under the A.A.A. the Government slaughtered or gave to packers 6,000,000 hogs, and today the price of hogs and the price of lard are lower than when the A.A.A. started 10 months ago. A hog-cholera epidemic would have been more effective—the doctors will try again.

An amusing incident is told on Secretary Wallace by farmers reading the Wallace Farm Journal. He is engaged in a program to reduce corn acreage 19 percent so as to reduce corn production to domestic requirements. But in his advertising columns Wallace carried information of a wonderful new variety of corn he has brought out after years of scientific breeding. The new Wallace corn is guaranteed to increase the corn yield of an acre by exactly 19 percent. So by planting the Wallace corn the farmer can raise the same corn crop that he raised before, though his acreage has been reduced 19 percent by the A.A.A. If Wallace were logical, he would invent a variety of corn largely cob, that would cut down the yield 50 percent and accomplish double the price result, so producing a greater prosperity than by the A.A.A. Also, cob costs nothing in processing taxes and complies with the Constitution.

In fact, the whole purpose of Dr. Wallace's prescription for reducing production is based on the old bleeding theory of the Dark Ages, when doctors tapped the blood stream to cure all ills, whereby disaster brings prosperity. Drought, flood, famine, pestilence, accomplish the same results as the new deal and cost less in taxes. They carry out the doctrine of an ancient monarch, of whom it is said: "He produced a desert and called it peace." The new deal produces disaster which the doctors call "recovery." Did John Dillinger get the wooden-pistol idea from the "brain trust"? It sounds Tugwellian or "Crack-up" Johnsonian.

A like parody on economic sanity comes to light under the N.R.A. Legal powers of the Federal Government under the National Recovery Act are restricted, of course, to interstate and foreign commerce. That is as far as Congress under the Constitution can lawfully go. But under Brigadier "Crack-up" Johnson the Federal Government assumes to enter local and State commerce to the extent of fixing code prices for barbering, shoe shining, clothes pressing and cleaning. What these local industries have to do with interstate and foreign commerce God knows not—only Johnson knows.

Over in New Jersey, so the press informs us, an old man who pressed a suit for 35 cents, the price at which he commanded customers enough to earn him a fair living, was sentenced to jail because he had violated the Blue Eagle code. He lost his trade and was thrown into jail because of the unlawful interference of the Federal Government in a local business. That old man is entitled to a Federal claim for damages, and I hope the Senators from New Jersey introduce a bill to give him a well-deserved pension.

No wonder that Clarence Darrow and his committee pronounce the N.R.A. a flop and say that it helps make the big fellow bigger and to kill off little business.

The N.R.A. should be repealed and Clarence Darrow should be given a vote of confidence of the Senate. Clarence Darrow today for his brave denunciation is being called by the administration doctors about everything in the dictionary. It reminds me of the calumny heaped upon me when I opposed this "National Ruin Act" at its inception and was called "traitor", "buzzard", "obstructionist", and any other gentle name that they could think of concerning me. When I pointed out to the country that Barney Baruch and his crowd had established 1,800 factories in foreign countries, where cheap labor could be used in making the goods to sell back into this country, and that in order that the selling might be more profitable, Barney's partner, "Hooey" Johnson, was appointed, without the consent of the Senate or any direct representative of the people, unless the President should be so designated, to lift arbitrarily the prices through the so-called "National Racketeers Association" that Barney's goods could more easily come in over the tariff, I was designated, by no less a personage than the Governor of the State of Minnesota, as a guerrilla. I shall ask at the conclusion of my speech to print a letter of mine to the Governor, in which I quote his letter to me designating me, along with 13 courageous Democrats and 18 Republicans, as something outside of the pale of patriotic society.

The N.R.A. was certainly a great scheme to keep the 12,000,000 Americans out of employment, and still serves that end, making it plain that Dr. Wirt's accusations were not unfounded. If that was the purpose of the N.R.A., and no doubt it was, it has succeeded admirably.

The amount of $10,000 to meet the deserving claim for this New Jersey cleaner could well be raised by firing one doctor from the Federal pay roll. If we fire the whole 2,000 of Farley appointees from N.R.A. practice, we would save $4,000,000, which would take care of 40,000 such cases—a far more logical economy than reducing the pensions of disabled veterans.

The logical economic effect of the price-fixing code on cleaning and pressing clothes was well told in a special article in the Washington Times-Herald. Isador Paul is a New York cleaner who built up a large business by reducing the price of cleaning a suit to 39 cents, and thereby developed a patronage that employed many hundreds of people in various Manhattan sections. Then comes along the Blue Eagle code and jumps the price to 70 cents, destroys the business, and subjects the enterprising proprietor to arrest. He had followed the modern business tactics of Henry Ford, Alexander Stewart, and John Wanamaker—reduce the price to reach the thousands.

Says Isador:

> At 39 cents we make a fair profit on a suit or dress. At 49 cents we make a very excellent profit. At the code price, 70 cents, we lose money. At the code price we're finished. There is nothing for us but bankruptcy.

He and his brothers have built up a line of stores on the Ford principle—something of which the witch doctors and Dr. "Crack-down" Johnson have never yet learned. For a month this line of stores tried the Blue Eagle code. Their business dropped 30 percent in that month. Then what happened?

> Our customers during the month we were on the code price bought benzine and gasoline and cleaned their own clothes or just wore them three or four times as long without cleaning. We had to lay off employees by the wholesale, and it was only a matter of time before we would have had to close up altogether.

Think of such a condition in a free country, the Government carrying on its pay roll thousands of theorists and patronage hunters, brainless parasites supported by a bankrupt Treasury, and destroying business at the expense of taxpayers and the unemployed.

Years ago these enterprising shopmen found that the price of getting a suit cleaned was $1.50 to $2.50, and only a few of the well-to-do could afford the luxury. The cleaning business amounted to nothing. Then the price fell to $1, and hundreds of customers came. When the price was cut to 49 cents and even 39 cents, the cleaning business extended to almost everyone and it became a national business valued at $800,000,000, the big share of which went to pay rolls for tens of thousands. When the price code jumped the charge to 70 cents, a store that handled 400 garments a week was cut down to 100 garments a week, with the same overhead cost, and the hands were reduced two thirds and "our losses grew day by day." The business under the N.R.A. has "bankruptcy as the only alternative." The small shops in the poorer sections are being destroyed. Only the shops in the aristocratic sections can survive under the N.R.A., and the ranks of the unemployed are being swelled under the Blue Eagle of political recovery.

Happily, there is another picture. Ford motor works are not under a Blue Eagle or a price code. On Sunday, May 13, the following report was sent out from Dearborn, Mich.:

Ford domestic sales in the first 4 months of 1934 show an expansion of 176 percent.

Ford sales in Canada—for Canada escaped the collapse in purchase power of agriculture which occurred in the United States under new-deal panaceas—are five times as large in 1934 as in 1933.

Ford sales even in South America and the Far East are four times as large in 1934 as in 1933.

Ford sales in the British dominions, which recently showed a budget surplus, are nine times as great in 1934 as in 1933.

In short, the principal evils which now confront national recovery in the United States are those produced by political amateurs and quack doctors, under the wasteful and destructive policies of the alphabetical system by suspension of the laws of the land.

Mounting public debt, with an annual interest charge now approximately $1,000,000,000, which is more than the cost of all Federal Government disbursements during the administration of Theodore Roosevelt.

Mounting taxes checking the expansion of industrial enterprise.

The greatest bureaucracy of useless parasites in world history—and chiefly maintained as party patronage outside of the Civil Service.

Invasion of the rights of the 48 States by a centralized Federal power that has seized control of local industry—despite the guaranties of the Constitution.

A national system of doles now approximating $800,000,000 a month—enough to support the Government a year if economically administered under the terms of the Constitution—a national system which threatens to corrupt the body politic with the false doctrine that Government is a hog trough with equal rights for none and special privileges for all.

The road to real recovery will open when government by the people cleans the way by stump-pulling the dictators and giving the doctors their own patent medicines. Even at that, we have a national debt that will scarcely be lifted before the end of the century, and a Treasury deficit that will outlast the worst deficits of Europe, Asia, and Africa. It is the price we pay for bold experiment with the rules of common sense and common honesty. It is the price we pay for flirting with strange gods and play-boy doctors. It is the price we pay for departing from the Constitution—the way of Washington and Jefferson, the way of Lincoln and the first Roosevelt.

Mr. President, I request that the letter which I wrote to the Governor of Minnesota may be read by the clerk.

There being no objection, the legislative clerk read the letter, as follows:

OCTOBER 4, 1933.

GOVERNOR FLOYD B. OLSON,
St. Paul, Minn.

MY DEAR GOVERNOR: I am sorry to hear that I misinterpreted your resignation as code administrator of the N.R.A. in the State of Minnesota, for I had hoped you were a man, who, when he was convinced he was wrong or had misplaced his confidence, as any honest man is liable to do, would have the doublefold, real courage to assert it, regardless of where the chips fell.

You say you "believe the plan of the N.R.A. to be workable, but unfortunately the Department of Agriculture has not kept step with General Johnson's department, and its failure to increase the buying power of the farmer has endangered the entire program.

"There are many fine citizens in the United States who believe in the plan and want it to succeed. On the other hand there are a number of political guerillas in this country, some holding high offices, who are attacking the N.R.A. for sinister reasons. I note that you were absent at the time the vote was taken on the National Recovery Act. It is charged in Minnesota that your absence was deliberate so that you might afterward determine which position to take. Of course I would not be so unkind as to charge you with that. I presume that your absence was due to your onerous duties as a member of the Nicaragua Canal committee.

"I doubt that anyone will agree with you that increased tariffs will solve our difficulties. Certainly the Smoot-Hawley tariff, for which you voted and which was pushed through Congress through the efforts of Grundy and your old chum Vare, has been the greatest contributing factor to the present inequality between industry and agriculture.

"The American people are seeking a way out of their difficulties. I am sure that you could render a very valuable contribution to them by taking a definite stand with reference to some plan which would help them."

Governor, you have your facts all twisted. Charitably, I presume you have relied upon some literary confidant to furnish them to you, for I cannot believe you would deliberately misstate.

There is no Nicaragua Canal committee in the Senate. My "chum Vare", as you put it, for whom I fought with all the strength I had to retain in the Senate, was replaced by the Pennsylvania Governor's appointing Mr. Grundy.

You must be a protectionist yourself, because you supported Hoover in 1928 by advising your friends, in a series of speeches over the radio, not to vote for President.

If your literary adviser had looked back into the CONGRESSIONAL RECORD, he would have found that my attacks on the N.R.A. began in May and June and he would have found about 20 pages of my speeches in the CONGRESSIONAL RECORD to that end. He also would have found that on June 8, the day before the passage of the so-called "N.R.A.", upon which I was paired against with Senator KING, an administration Democrat, that Senator BENNETT CHAMP CLARK, of Missouri, who is the son of Champ Clark, four times Democratic Speaker of the House, offered the following motion to strike the trust chapter, which is the unconstitutional heart of the N.R.A., from the bill:

"Mr. President, I move to strike out title I.

"The PRESIDING OFFICER. The question is on the motion of the Senator from Missouri."

I here quote the record of Senator CLARK, a Democrat, which I wholly endorse, because his words may have more potency because you were a Democrat, and I am informed—though it may be as erroneous as your literary advice concerning my record—that you are contemplating becoming one again:

"Mr. CLARK. Mr. President, the bill in its present form again illustrates the new practice in legislation, against which I have heretofore protested, of loading down a meritorious measure with indefensible and totally unconnected matter. There is no logical or reasonable connection on the face of the earth between the meritorious and desirable provisions of title II, for improving the unemployment situation by a public-works program, and the provisions of title I, for the emasculation of the antitrust laws * * * the establishment of an industrial dictatorship, and the requirement that citizens of the United States may be required to obtain a license from some bureaucrat in order to conduct a legitimate business in a free country."

The son of Champ Clark then proceeded for an hour, through pages of the CONGRESSIONAL RECORD, to denounce the provisions of title I—now known as the "N.R.A."—as a violation of every Democratic principle and platform pledge from Thomas Jefferson down to the very platform of 1932 on which Roosevelt and Garner were elected.

He began with Jefferson, Madison, Monroe, and Jackson, and cited the fountain principles of democracy—the first 10 amendments of the Constitution—the so-called "bill of rights", for which Jefferson and Mason were responsible.

He came down to Bryan and Cleveland, to Champ Clark and Woodrow Wilson, and the antitrust platforms on which they ran. He reviewed the antitrust planks of every Democratic platform in 40 years, the platforms of Bryan, Parker, Wilson, COX, Davis, Gov. Al Smith, Roosevelt, and Garner—all cast into the wastebasket by title I. He proceeded to the stand of former President Theodore Roosevelt and the Progressive Senator La Follette, Sr., and cited the decisions of the United States Supreme Court.

Then the vote was taken on Senator BENNETT CHAMP CLARK'S motion to strike out title I—the pet provision of the White House—and 13 Democrats voted with 18 Republicans to strike it out, regardless of the party peril to patronage appointments by voting against the White House. The 13 Democrats voting against the "trust" title I were: BAILEY, of North Carolina; BLACK, of Alabama; BYRD, of Virginia; CLARK, of Missouri; CONNALLY, of Texas; DILL, of Washington; GORE, of Oklahoma; LONG, of Louisiana; MCGILL, of Kansas; OVERTON, of Louisiana; RUSSELL, of Georgia; TYDINGS, of Maryland; and SMITH, of South Carolina, Chairman of the Senate Agricultural Committee; and GLASS, of Virginia, was paired "yea".

Governor, are all the above Democrats guerrillas?

I was one of the 18 Republicans who voted with 13 Democrats to strike from the Recovery Act title I for the "trust 600"; and Senator BORAH, author of the antimonopoly proviso (now being violated), was paired for the Clark amendment.

The irony of the final vote that day lay in the fact that the vote of 9 Progressive Republicans, hating the "trust" feature of title I, then as today, felt that the only way to get their favorite measure—title II, the La Follette-Costigan public-works chapter—through a Congress controlled by the administration was to vote with the White House. Those 9 votes saved N.R.A. and the imitation Russian Blue Eagle, because our progressives, including Senator LA FOLLETTE himself, were led to believe that this administration would keep its word and put over the public-works program for which they had labored through two sessions.

That they are now disillusioned, but have the courage to say so, is shown by the fact that both Senator La Follette and his brother, Gov. Philip La Follette, though courted by the White House with the same offers of Federal appointments as you are, are vigorously denouncing the entire "brain trust" program, including N.R.A. and the rest.

We have heard from BOB LA FOLLETTE, BORAH, NORRIS, and we shall hear further from the rest of the Progressives, against the betrayal of the country to the trusts.

Was it too much for me to have hoped that you, by your resignation had joined these courageous men?

President Martin, of the American Bar Association, told the association in convention assembled at Grand Rapids, Mich., that the N.R.A. is an invasion of constitutional rights, and threatens the perpetuity of the great charter of American liberty and union.

United States Senator PATRICK A. MCCARRAN, of Nevada—formerly chief justice of the Nevada Supreme Court, and vice president of the American Bar Association, and a Democrat—warned the convention that the N.R.A., and other acts passed at the recent session by White House request, constituted "an avalanche that sweeps away the structures fought for and reared by the great Jefferson and his adherents."

Representative BECK, of Pennsylvania, Assistant Attorney General under President Theodore Roosevelt, and Solicitor General under President Coolidge, told the Maryland Bar Association, at their thirty-eighth annual convention in Atlantic City, that the emergency measures, such as the N.R.A., threatened the overthrow of the Constitution.

United States Senator WILLIAM H. DIETERICH, junior Democratic Senator from Illinois, says that the present N.R.A. regime violates the Constitution.

Fears that the departure from the Constitution may not be temporary were expressed even by the Committee on Administrative Law in the report delivered by its chairman, Louis G. Caldwell, of Washington, D.C.

Former Attorney General Wickersham, Senator Hatfield, Senator Dickinson, Senator Watson, and scores of other public men who are undoubtedly as patriotic as yourself, join the ever-swelling protest.

How about Al Smith, John W. Davis, Jim Reed, Randolph Hearst, Carter Glass? Shall these be classed as not worthy to lace the shoe of your so-termed "fine citizens"? Are they also guerrillas?

Governor, the issue of the hour is to save world democracy, which we failed to do in 1917–18, by bringing the country back to the Constitution.

Italy may prefer Mussolini to a king. Germany may prefer Hitler to an emperor. Russia may prefer Stalin to a czar. But the people of the United States do not prefer a bureaucratic dictator, neither elected by the people nor confirmed by the Senate, to representative government under the Constitution.

You refer to the Smoot-Hawley Tariff Act as being the greatest contributing factor to the present inequality between industry and agriculture. Recite to me one instance where the present administration has lowered those schedules. What have you to say about the fact that President Roosevelt recently ordered the tariff schedules investigated and raised where he thought necessary?

There are at least three reasons why increased tariffs are necessary. They are (1) that the present price-lifting program gives importers an advantage over our own producers; (2) it will help to balance our own economics which is practically self-sufficient, and within which is done about 94 percent of the commerce of our Nation, and which, when adjusted, will take care of all of our population; and (3) the present competition in foreign exchange will be directed to the end of gaining advantages in the field of foreign commerce, where we will have no recourse but to raise our tariffs and establish embargoes for the protection of our domestic commerce.

To lend weight to my argument I refer you to the Honorable Raymond Moley for corroboration.

The N.R.A. program has for its object the raising of prices, if possible, to the 1926 level. The A.A.A. program has for its object the raising of farm prices to the average level of 1909–14. On the basis of 100 for the farmer, industry will have about 160; hence, if the N.R.A. were ever to attain success for industry, it would perforce mean the absolute ruin of the farmer. For every dollar he took in he would have to pay about $1.60 for what he had to buy. There can be no parity for the farmer in the two programs, and the success of the N.R.A. would mean his positive extermination from our economic life.

You say that the failure of the farm program has endangered the N.R.A. program. Yes; and I had hoped that this inevitable conclusion was the cause of your resignation, although you have now assured me otherwise. I ask you, Governor, what other possible result can we expect than that the farm program must fail?

To bolster it up, the administration is now engaged in loaning 10 cents a pound on cotton, 75 cents a bushel on wheat, and 50 cents a bushel on corn. It can find no other way to keep farm prices in line with industrial prices. This burden will have to be borne in some form of tax. The Hoover administration bought wheat to help the farmer, which had the same effect. It pegged prices. Then came last year's elections and the promise of a new deal. I ask you, Governor, where is the new deal for the farmer in this remedy? The Democrats have appropriated the remedy of the Republicans for the farmer, and then you ask me to take a stand one way or the other for farm relief.

I can suggest one form of relief for the farmer, and that is lower taxes on real estate; but when I compare the increase in the State levies of Minnesota with the State levies of neighboring States, I am led to believe that you have not yet been converted to that form of farm relief.

In conclusion, I make bold to say that a tariff to protect America for Americans holds a much larger promise for our people, and has much more positive history in favor of this Nation, than has any doctrine of socialization of key industries, communism, or a dictatorship, no matter what its form may be.

I suggest, Governor, that you think over the suggestion of Farm Leader John A. Simpson, who supported Roosevelt as strenuously as yourself, in his recent speech at Chicago, where he dubbed the Frankenstein Roosevelt administration as the "D.B.D.—Drink, Borrow, and Destroy."

Cordially yours,

THOS. D. SCHALL.

Mr. SCHALL. Mr. President, I ask leave to insert in the RECORD the speech Governor Olson made to the Farmer-

Labor Convention, taken from the Minneapolis Journal for March 28, 1934, which speech laid the foundation for the Farmer-Labor platform, and in which speech the Governor said:

Now, I am frank to say that I am not a liberal. • • • I am what I want to be—I am a radical.

I also ask leave to print the Farmer-Labor platform, which is the purest form of communism this side of Russia.

The PRESIDING OFFICER (Mr. LONG in the chair). Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

[From the Minneapolis (Minn.) Journal, Mar. 28, 1934]

OLSON LABELS HIMSELF "RADICAL" IN SPEECH BEFORE FARMER-LABOR CONVENTION—SEES FASCISM, NOT COMMUNISM, REAL PERIL FOR AMERICA

(NOTE.—The address of Gov. Floyd B. Olson before the Farmer-Labor Convention in the St. Paul auditorium yesterday follows in full.)

There are a great many things about the office of Governor that are depressing and sometimes annoying, and so, coming before you today as I do, I not only have the inspiration of a great political movement but I have that decided uplifting feeling because of the change between some of the conditions with which we are confronted and the fine spirit which prevails here today. I am not only proud to be one of the leaders of the Farmer-Labor movement in Minnesota but I am honored in the fact that I am speaking under the auspices of a political association conceived in the spirit different from that which has prevailed with reference to political organizations in these United States.

Under the party form or organization, the party committees, to so speak, are appointed by the candidates when they successfully secure their nominations to office under the constitution and by-laws of the Farmer-Labor Association. Delegates and leaders come with a voice of the rank and file. The ordinary organization has its roots growing upward into the candidates. This organization, dedicated to the ideal of aiding people along progressive political principles, has its roots in the rank and file of the people, so that there is no opportunity with an organization of this kind for party bossism or party dictatorship.

Facing today as we do one of the greatest transitional periods of the history of the United States, it should be inspiring to anyone to know that in the State of Minnesota there exists a political movement divorced from the old theory of party politics—a political movement having as its ideal and design a more equitable distribution of the wealth produced by the people of the Nation into the hands of those who produce it, a party devoid of any of the ideas of reward because of political action and without speaking in any sense of harping criticism. I hope it is fortunate that we have such a political movement.

STRANGE POLITICAL ANOMALY OF TODAY

It is fortunate not only I believe for the citizens of this State but it is fortunate because it expresses as an example and something upon which the eyes of the Nation may focus itself. We have a very strange anomaly from a political standpoint in this Nation today. We started out as we were taught at least with the idea that there were two conflicting theories of government; one, the so-called "Hamiltonian", believed in the creation of a strong centralized government, and which incidentally believed the rich, wise, etc., should rule, and whatever benefits resulted from government could gradually get down to the masses.

On the other hand, there was a Jeffersonian theory that the benefits of government should be conferred on those at the bottom of the heap, and in time those benefits would move upward, and that the best kind of government was one decentralized, one in which State rights were predominant.

Today I would say, by way of anomaly, we find the Democratic Party of the United States endeavoring to give out the benefits of Jeffersonian philosophy through the medium of Hamiltonian theories. We find that the desire and the will is to confer benefits from a Jeffersonian standpoint, but we find the procedure, insofar as the centralization of power is concerned and the establishment of bureaucracies, is along Hamiltonian lines; and I am sure that the very distinguished President of the United States, who is himself a Jeffersonian, will fast realize the danger of such a move on the part of the party which he represents and that in course of time the centralization of power in the Federal Government, which is proceeding so rapidly, will be broken up and passed back to the State.

I need but cite one concrete example of that. The States are having difficulty in collecting sufficient taxes with which to meet necessary governmental expenses. Property is unable to continue to bear the burden. Special taxes and forms of taxation must be used, but the Federal Government is gradually encroaching upon the field of special taxation. For example, it is now in the field of taxing gasoline, a form of revenue heretofore left exclusively to the States, and if the Federal Government is to continue along those lines it must be purely in the role and character of a collection agency. It must collect through the medium of high income taxes, through the medium, if you please, of practical confiscatory inheritance taxes, through the medium of other special forms of taxation, and rebate the money back to the States so that the States may use the revenue so received from the Federal Government as a means of replacing taxes upon property.

GREATEST JOB NOW IS THAT OF RELIEF

The greatest job today on the part of government is the administration of relief and in that administration of relief lies the greatest hope under a so-called "capitalistic system" of bringing about cooperative effort. Of course, there are a great many inconsistencies about Congress' attitude with reference to relief.

It was impossible to secure from Congress further funds for the purpose of carrying on the C.W.A. program, but it was comparatively easy to secure a billion dollars from the Congress of the United States to build a new Navy in order to prevent us from going into war when no one, and the appropriation of that billion dollars and the principles involved bring us right back home to our own principles of government, the principle of government ownership, the principle of the cooperative commonwealth, because can anyone deny but what the agencies which are used for the purpose of carrying on war should be entirely within the control of Government; that if government must create vessels and vehicles of destruction, government should build those vessels and vehicles themselves and not leave their building to private-profit enterprise, not create the means which arouse greed and avarice in the hearts of men, and so that greed and avarice will lead those media on to foster and promote wars among mankind, because, can anyone doubt that there is a constantly going on effort on the part of munition factories to promote discord, to bring out dissatisfaction, to bring about dissension among the peoples of the world, and you and I know that if the peoples of the world were organized upon the same principle, upon which we who are here assembled today, are organized, there would be no more fighting among the nations of this world.

WAR IS CURSE OF CAPITALIST SYSTEM

One of the curses, if you please, of the capitalistic system is war, because greed and avarice constantly seeking increased profits, constantly seeking new lands and new peoples to exploit, must needs use the armed force of government for the purpose of carrying out their designs. I say that the Congress of the United States, if it is to be consistent with the principles of the party which is now dominant within those Halls of Congress, must appropriate at least $500,000,000 and preferably more for the purpose of continuing in some form or another the public-employment project which was known as the "C.W.A."

Operating under a so-called "relief plan" will in no sense solve the difficulty and coming back, as I say, to this question which is so closely interwoven with our aspirations and principles, if Government should own the factories and the shipyards and those instrumentalities which are used for the building of instruments of destruction why then, carrying it out further, should not Government own all those industries which have to do with the obtaining of the raw material and the transforming of it into necessary products such as the ownership of the coal mines, ownership of packing plants, such as the ownership of grain elevators, such as the ownership of oil fields, such as the ownership of iron mines.

The blackest pages in the history of the treatment of human beings may be found with reference to any coal field in the United States. We speak of the fuedalism which prevails in some States. Why it is a Y.M.C.A. performance in some other nations of the world compared to the feudal barons of the coal industry in any coal field in the United States owned and operated by private enterprise, and I ask you, speaking as a fellow citizen of a State which owns and yet leases fine iron-ore mines, why should not the State of Minnesota, if you please, operate its own iron mines? You say, "Well, where can they sell the iron ore?" I say the Government of the United States, if it desires to manufacture its own instruments of war, can have its own steel mills and the State of Minnesota can sell iron ore direct to the Government of the United States.

LOOKS FOR UNITED STATES TO OPERATE INDUSTRIES

I am speaking of these things as merely touching upon the ideals of this movement of an ultimate cooperative commonwealth. The Government of the United States in its relief program, I believe, will soon come to the point where it will set up industries to be operated by the unemployed for the purpose of manufacturing articles commonly used by people such as overcoats, shoes, and hand goods and things of that kind, and so we will have, and I predict it will come in the not distant future before the summer is over, if you please, and then we will have the very unusual situation of a capitalistic society being taxed for the purpose of creating cooperative enterprises and, of course, when that occurs it becomes a question of time and a question of the imagination of details and leadership of the American people, as to which system shall ultimately survive. Certainly no one in the light of what has happened in the last few years can defend the so-called "capitalistic system."

Certainly, in the light of what is happening now no one can defend it because the very people who control it and whom the Government of the United States are trying to encompass with regulation to make them more decent are the ones who complain most vigorously about Government regulation. Congress is endeavoring by legislation to tinker with and to patch up the so-called "system", and we agree with their statement that the old order is gone and a new order is here, but I have some doubts

about the reforming of the so-called "persons" sought to be reformed.

I am quite a believer in parole and probation, but one who has so conducted himself as to be classed as an habitual criminal cannot safely be trusted with common relationship with society and must consequently be impressed and upon the same principle, a group of financial and industrial overlords who have constantly, by their actions, shown an entire disregard for the welfare of those who helped them produce the wealth which gives them their power, those people who have shown that inclination have no right to be treated as a subject of possible reform.

Now, I am not endeavoring to deliver any philippics at the capitalistic system. Such comments as I make I address to your sense of fairness and logic, and I endeavor to make comparisons more forcefully to show to you just what attitude we, the American people, should take in this matter. The Farmer-Labor Party enters the coming political campaign with prospects for success the brightest in its history. We have withstood the test of fire born of the rank and file. Our party is representative of the rank and file. Our mission is not to make more secure the position of those who rule the economic world but to bring more security and comfort to the masses who create our wealth and receive little of what they create and no thanks for their toil as a reward.

The people know after years of sad experience and bitter disappointments that the servants of trusts, corporations, and big business interests cannot also be the servants of the people.

Never has the Republican Party, both national and local, been quite so low in morale and quite so bankrupt in ideas as it is today. It has stood by like a man dazed, watching the parade go by and not knowing what it is all about. It does not understand our changing world. It is still living in the jungle age that will never return. It is unable to comprehend the change taking place in governmental functions and governmental responsibilities. It does not comprehend the significance of all this because it cannot grasp the modern trend, the force and effect of social and economic forces now in action. What a spectacle it presents! The spirit has left the body and only a faint hope lingers. This hope does not pertain to the present but to the distant future.

The present Republican leaders, if such they may be called, admit it is lost. Even the old lust for battle is gone. In Minnesota we are battling virtually with a corpse, a political party that has not a thing to offer the people. It knows it, and the people know it, too. The faint hope that lies in its breast is tied up with the efficacies of prayer—of prayer that somehow the national R.F.C. (Reconstruction Finance Corporation) program will result in failure and that the Republican Party will ride into power on the miseries of the people.

G.O.P. STRATEGY ONE OF HARPING CRITICISM

One would assume, considering the unfortunate economic plight of the Nation and the Republican record of do nothing in an emergency, when the occasion cried to high heaven for action that they would at least have put their shoulder to the wheel and pushed plans for public welfare, but even this has not been forthcoming. Their strategy has not been to cooperate but to harass through harping criticism.

They believe they are lost unless the R.F.C. fails and acts accordingly. Service to the people is of secondary importance to their own political misfortune but like a drowning man they are grasping at a straw and are lost in any event. Their complete helplessness when an emergency arose will not be soon forgotten. In the campaign we are now entering we can look forward to success for both our State and congressional tickets and I am glad to observe in that great gathering the spirit of harmony and unity that prevail.

One of the worst things that could happen to us would be to fall into the same situation as the old party sometimes fell into. If personal ambition, if patronage desire, if a desire for a place in the sun is to take the place of the old crusading spirit then there is no more justification for our existence. We cannot, my friends, get into that position. This party was founded upon the basis of a crusade and a crusade it must remain. Just the moment that any political movement starts to fall into the fleshpots, so to speak, that marks the end. It will take the people some little time perhaps to find out and to discover that the party or the movement has so fallen but in the course of time the anger and judgment of the people will overtake it. Then we would bring sorrow not only to the fine members of this great crusading movement but we would bring sorrow to all the liberals and progressives and radicals of the United States.

Now, when I speak on the subject of patronage I speak in no sense by way of any left-hand criticism. I know the most severe unemployment situation in the history of the world has resulted in the necessary application of people for any kind of work and so I do not say directly or indirectly that the Farmer-Labor Party has lost any of its crusading spirit. The best evidence it still possesses is your inspired presence here today, but I do ask you to keep in mind that thing which has meant the downfall of party, yes, the downfall of nations, the sinking into a struggle for personal political aggrandizement and that is the sinking into struggle for patronage and preference and I know we are going into this campaign united. Today we are at the peak. Today we represent beyond any challenge and no challenge comes from even the most conservative newspaper organ of the old parties but that we are the dominant political party in the State of Minnesota. That carries with it not only pride but responsibility. We must present a united front both from the standpoint of candidates and standpoint of program. We must all work together.

I for one am committed to the program of having all the candidates of the Farmer-Labor Party running as such under the campaign control of a committee of the Farmer-Labor Association so selected by you but we must bear in mind that by no action of ours shall we rebuff anyone who wishes to assist us in this political movement. We shall not discourage anyone from joining with us in this crusade and this political struggle.

We shall not determine the liberality or progressiveness of any citizen of this State by reason of the fact that he belongs or she belongs or he does not belong or she does not belong to a political organization. In addition to success with reference to the State and congressional elections, we are going to achieve our greatest and most essential success—the control of the Legislature of the State of Minnesota. In order to make people understand and believe and have confidence in our program, we must of necessity enact it into law and we must place the administration of those laws in the hands of people who believe in those principles, who are committed to them, and who have high ideals of public service.

HONEST, EFFICIENT SERVICE IS NEEDED

Because I regard the two outstanding ideals of this political movement as the crusading spirit and as a desire for honest and efficient public service, it is not enough just to pass remedial legislation. It must be effective and efficient administration of the laws already on the statute books of this State. There must be an effective and efficient administration of various departments that have been created for the purpose of promoting the general welfare of the State and that means a high order of public service. Public service not in terms of the public service of the past, because we have been promising the people of this State something better than the public service they have had in the past, and so we cannot be content with merely giving that kind of service to which the people of the State have been used and accustomed in preceding administrations.

We must go beyond that, and so that we must have in mind—and I speak frankly and bluntly—we must have in mind that in the matter of giving positions or offices to members of our political movement that the first consideration must be ability—ability to serve. Because unless you have that you endanger the very program and principles for which you stand.

The Farmer-Labor Party of Minnesota already has achieved the position of leadership in the Nation for advanced legislation which we were able to accomplish in the face of a reactionary senate. We were compelled to call on public opinion to compel support of public measures from reactionaries. When we measure our progressive accomplishments in the light of a majority reactionary opposition, we have a right to say to the voters, We ask your support, if they are concerned with the welfare and happiness of the common man and common woman. Here is a brief résumé of legislative accomplishments:

A satisfactory redistricting measure—a substitute for the gerrymander bill I vetoed in 1931.

An equitable metropolitan sewage disposal law, also a substitute for the special privilege bill vetoed in 1931.

The mortgage moratorium law designed to relieve the distressed farmer and home owner.

The homestead tax law, a measure which lowers the tax levy on small farms and homes.

The oleomargarine tax law which prohibits under penalty of tax the use of foreign oils in the manufacture of all oleomargarine sold in the State.

The statutory income tax, a law that levies a tax on net incomes as a replacement for real-estate taxes.

The chain-store tax, and a bank reorganization act, the creation of a land-use committee, the creation of 13 new State forests, two gasoline tax evasion laws, a compulsory old-age pension law, an appropriation for the continuation of the investigation of the tax dodgers, a liquor-control bill, and the strengthening of the securities law with reference to the sale of stocks and bonds, relief bills passed at the regular session, as well as a $5,000,000 relief bill enacted at the special session.

The economic depression, if such it may be called, had a disastrous effect on the farm and home owner. The situation called for prompt and positive action on the part of government. We could no longer trust the Republican Party just-around-the-corner-prosperity philosophy.

REVIEWS DARK DAYS OF LAST YEAR

By February of last year the foreclosure of farm mortgages had reached alarming proportions. Unrest was brewing in the rural districts of the State. Violence and bloodshed were threatening a desperate people faced with the stark reality of losing their farms and homes. They turned their eyes to the Farmer-Labor administration for relief. The time had arrived for a practical application of the philosophy of human rights, of property rights, which we of the Farmer-Labor Party have advocated since our inception. On February 24 of that year, I issued an executive order restraining the sheriffs of the State of Minnesota from foreclosing farm and real-estate mortgages until May 1. * * *

This was later augmented by a request that the legislature enact a law embodying the principles of the executive order. A draft of the mortgage moratorium bill was submitted to the legislature, and through the fine assistance of the office of the attorney general a bill was finally drawn.

The house, controlled by the liberals, passed the measure with dispatch. The reactionary senate refused to act. Certain senators appeared more concerned with the constitutionality of the bill than with the welfare of Minnesota farmers and home owners. So much opposition was manifested in the senate against the bill I was obliged to bring the measure before the people. Members of the senate hear from the folks back home.

RECALLS VICTORY OF MORATORIUM

Crowds thronged the capitol displaying indignation, and the mortgage moratorium bill was enacted into law. I am, of course, happy to say that the minority of the senate, within whose numbers are included members of our own party and other liberal senators, were constantly endeavoring to bring about a passage of the mortgage-moratorium act.

This law has been declared constitutional by the Supreme Court of the United States. It has been cited throughout the country as an outstanding example of the new order of things. The law of the land now is that the common welfare is paramount, and in a state of economic emergency, supersedes property rights. The Supreme Court decision is significant in that it is a declaration that our laws and our courts must take cognizance of modern progress and the economic needs of the times.

The mortgage moratorium law offers some hope to distressed farmers, hope that by May 1, 1935, the rise of farm commodities will have been restored to a parity with industry and that the people of our farms will be able to pay off at least a part of their mortgages; and now on the subject of paying off, there has been organized in this State in every county a so-called "debt-reduction committee" acting voluntarily and endeavoring to bring about a readjustment between creditor and debtor for the purpose of scaling down the debts of the farmer by agreement with the creditors so that the farmers may be put in a position where his debt is so reduced that he can refinance the entire amount of it through the Federal Credit Administration. I am speaking from the standpoint of the farmers. I ask the people of this State to consider this proposition.

ATTACKS A.A.A. VIEW ON FARM PRICES

Everything the farmer buys is sold to him as the product of an industry that under the N.R.A. is absolutely forbidden to be sold below the cost of production. Everything the farmer buys is bought at a price which is fixed and protected by law and which cannot be below the cost of production. On the other hand, the farmer sells his commodities upon an open market over which he has no control, at prices in many cases below a cost of production.

And so I say to you as I said to the farm conferences at Des Moines, that if the farmers of the United States will concentrate upon one request—not talk about inflation, money control, and all those things—but talk upon one direct question, the fixing of prices and the market place and with reference to that the position of the triple A's is indefensible because agriculture is the basic industry of the United States. It is so admitted, but despite that it is the only industry whose prices of its basic commodities are not protected in the market place. And I said to them, as I say to you, let us not argue and haggle upon parity prices or cost of production or anything else. Let us see and insist that the Federal Government fix a fair price on the basic farm commodities. If it is necessary the Federal Government has already authority to cancel the licensing of processors and handlers of farm commodities and if those processors and handlers will not obey the dictates of the Federal Government, then the Federal Government has ample authority to engage in the processing business on its own accord and under its own direction. After a so-called "fair price" is fixed there may be hearings conducted for the purpose of determining a cost of production plus a reasonable profit price and those hearings may be carried on under the same procedure as the hearings before the Interstate Commerce Commission with reference to railroad rates or the hearings before any tribunal with reference to any public-utility rates.

I do not see how the Secretary of Agriculture or the President of the United States can refuse, in the light of that argument and that comparison, to do that for the basic industry of the United States which the administration has done for all other industries. Of course this is a Federal problem. This cannot be solved by an edict of a Governor. That is but futile.

To my mind it would but injure the people of our own State to embark—it would enable the speculator who now holds large quantities of stored food commodities to profit tremendously. It must be done with the sanction and under the mandate of the Federal Government. I speak of the legislation that has been passed from the standpoint of public service.

WILL ISSUE REPORT OF FARMER-LABOR ACHIEVEMENTS

I should like to speak to you, with your indulgence, about some of the accomplishments of the departments under the Farmer-Labor administration. I, of course, cannot cover all the departments because time does not permit. A full statement will be prepared and generally circulated with reference to the accomplishments of the various departments under Farmer-Labor administration, and an endeavor will be made in there to answer any pertinent questions that might be asked by anyone who wishes to inform himself or herself in order to vote and the answer to which will appear in this so-called "primer."

I think one of the outstanding accomplishments was the passage of the so-called "income tax law." Another important law was the homestead tax law to which I have referred. This measure reduces the taxes on small homes when the value is under $4,000. Taxes will be levied on 20 percent instead of the previous 33⅓ percent. That is to say, by way of explanation, that on a $4,000 home the tax ordinarily levied was on the basis of $1,366 valuation, one third. The basis will now be on a basis of $800 valuation. The difference between 20 percent and 33⅓ percent should reflect, with some readjustments in the tax structure, the difference between the tax on a $4,000 homestead before the passage of the law and the total tax afterward, excluding special assessments.

The chain store was fast replacing the local merchant. It has brought with it underpaid store managers and help, unfair competition, and has effected the removal of capital to the industrial centers of the East. We have continually advocated legislation which would place the independent merchant on the same level as his chain-store competitor. The last legislature enacted into a law a graduated chain-store tax. It is the most drastic law on the statute books of the United States with reference to chain stores.

NO TIME TO WASTE WORDS ON RELIEF

In view of the grave emergency that confronted the people of the State, it was no time to mince words on questions of relief. I believe the Government should assume responsibility to see that no man, woman, or child remains hungry and unclothed as long as there is a dollar left in the public coffers. The question of expenditures is of secondary importance when people are in distress. Despite the opposition and craft technique of the conservative members of the legislature, we were enabled to enact laws to alleviate distress and destitution. The laws passed were as follows: The State board of control was designated as the State welfare body. This is the first time any State department has been given responsibility to provide relief for citizens. Every political subdivision is now charged by State law to support its poor. A two-thirds vote is sufficient legal authority for issuance of relief bonds.

In the cities of Minneapolis, St. Paul, and Duluth a poor tax of 3 mills is assessed on real estate and personal property. The old relief law empowering the executive council to administer relief in case of emergency was included to apply to cases of destitution during a period of economic depression. In addition to that, as you know, there was enacted at the last session of the legislature a bill appropriating $5,000,000 for public relief. That bill will not result in the payment of a single penny of taxes from real estate or personal property in this State. The entire amount will be collected from the proceeds of taxes levied upon beer and whisky.

It seems unfortunate that one must resort to beer and whisky in order to get relief, but that was necessary, I believe, because of the very severe burden already existing upon property in the State of Minnesota. At the time the discussion was had with reference to the $5,000,000 of relief a good many people thought that was a tremendous sum and that the State was embarking upon a tremendous program. Later events have disclosed that it is entirely insufficient, entirely inadequate.

It is estimated, and conservatively so, that if we are to carry out a proper relief program in the State of Minnesota, and the biggest part of public administration today, I repeat, is relief, if we are to carry that on, it will cost between the 1st of April and the 1st of February 1935 about $36,000,000.

HOPES INDIGNATION WILL REACH CONGRESS

We cannot hope in this present day, with the present temper of Congress, to obtain from the Federal Government the difference between what we can raise through State giving and through the giving by local communities to make up the total of $36,000,000.

But I hope that the indignation of the American people over the refusal of Congress to add to the amount appropriated for relief and reemployment as compared to the amount appropriated for the purpose of, potentially at least, destroying people, that that indignation will be so manifest and be felt so strongly by Congress that Congress will be obliged to appropriate at least another billion dollars for the purpose of relief in the United States.

This is a great home-rule State, and yet while we are champions of the home-rule principle, we must recognize that just as in some instances where Federal control must supersede general State control, so in some other instances State control must supersede to some extent, at least, local control of certain functions of government. I speak particularly with reference to relief. When I say Federal superseding I mean, for example, the State is unable to cope in the struggle with large interstate utilities. Federal Government must assist there, and so the local communities, because of the tax-delinquency situation and because of all other considerations, is often unable to cope with relief situations, and I speak particularly of the old-age pension law and the mothers' pension law.

I think that the administration of those laws should be lodged in the State, and I further think that the State should contribute from State funds a part of the cost of the maintenance of old-age and mothers' pension systems. Now, I assure you that I have arrived at that conclusion with reference to a unified relief system after a great deal of study and reflection, having in mind my thorough conversion to the principles of home rule, and I have arrived at this conclusion because of the many discriminations that exist between people who are subject to pension in a so-called "poor county" and people who are subject to pension in a comparatively rich county, all people. All people in the State of Minnesota are entitled to the equal protection of the State, and the State can equally protect them only when the State has some control over the system under which they are to be protected. I further believe that the State itself should build up

slowly and gradually a system of health and accident insurance throughout the State of Minnesota so that we may protect the poor and needy from the consequences of privation or consequence of accidents.

PROGRAM EXPRESSES FINEST OF IDEALS

I think that is the most humane part of the program. And we must, you will bear in mind, we must continually go forward in this matter of protecting the citizens of the State. This is not a controversial program. This is a social-service program. This is a program carrying out the finest dictates and finest ideals and mandates of any race of people, and if anyone challenges you upon the subject of health-and-accident insurance for the people of this State you remind them of the fact that there is nothing new or novel about it.

Away back in 1878, the great Bismarck, yielding to the demands of the Socialists of Germany, installed a form of health-and-accident insurance in the great Empire of Germany, and in 1912, Lloyd George, of England, in his budget message to Parliament provided for health-and-accident insurance, and today in that great Nation of England the hardest shelled Tory would stand up and fight if you attempted to change the system of health-and-accident insurance in England; and so, while we talk about being progressive, we sometimes are wrong, because sometimes challenged as particularly radical by some proposal, it is one that the people of the Old World adopted a good many generations ago, and the next step in our social program should be the enactment of an unemployment insurance law.

We attempted that at the last session of the legislature, but met with no success whatever. The principal and only valid objection made was that the imposition of a substantial tax on employers of this State during this period of depression would be unfair, because it would put them at a disadvantage in their interstate business, in their competition with similar enterprises in other States not subjected to such a tax. That condition probably will be removed through the passage of the so-called "Wagner bill", under the terms of which Congress will provide for a tax, perhaps, up to 5 percent on the pay roll of the Nation on all enterprises employing more than 10 people, and it will remit tax, depending upon the kind of unemployment-insurance laws the States have; it will remit the several States the amounts gathered by it as the collecting agency of and for the State.

Certainly a progressive State like Minnesota should be one of the first in the Nation to pass such a law. This is the opportunity, my friends, for the passage of so-called "social legislation."

There is also almost an equal opportunity for the passage of legislation which I may differentiate from social legislation by referring to legislation pertaining to the field of economics, but there is a great opportunity along the lines of social legislation and we certainly should be the pioneers. Minnesota has much more than it had before the Farmer-Labor administration. It had a fine system for helping out in education, for child welfare, and other things, but it needs improvement and forward steps, and we have the opportunity, and we will be charged with the responsibility at the next session of the legislature of the first session, if you please, of the Farmer-Labor Legislature of the State of Minnesota.

SHOULD DO AWAY WITH SUBTERFUGE

And, I think—you will pardon me if I use the term "I" too much—but I think we should do away with all the subterfuge about nonpartisan candidates for the legislature. We all know it is merely a subterfuge. As a matter of fact, all the people in Minnesota know it except perhaps some of the members of the legislature, but they are broken up into groups, call them liberal and conservative, or call them what you will, they are broken up into groups or gangs or whatever term you wish to designate them. There they are, and so I think the first thing in the Farmer-Labor legislature should do is to pass a law providing that candidates for the legislature shall run upon partisan party tickets. Now, threatening you again with a recital of some of the things that have been done with reference to departmental action. Then, after talking about that some few words about some legislation along the economic line, I will take no further indulgences of you. I think the department of this State which is the least talked about but which contributes a great deal to the State is the conservation department.

The conservation department at the time when the Federal Government came in here with erosion camps and C.C.C. (Citizens' Conservation Corps) camps set up what has been described by the Federal Government as a very fine program, and they have worked hard and diligently in that department in cooperation with Federal officials to such an extent that if I may be pardoned perhaps in some boasting, Minnesota's department heads enjoy a very fine standing with the Federal bureau at Washington.

I presume to do that boasting in view of what our chairman told you in way of introduction of me, and I think that the reason—the reason that they are always willing to listen and help us—is because they believe that our programs are founded upon the ideal of giving social service and promoting welfare, and I must stop for a few minutes to tell you about a project which has to do with cooperation with the Federal Government, which is, so to speak, my pet project.

MUST FIND WAY TO SHORTER HOURS

If we are to shorten hours of labor, and we certainly shall, we must find means for recreation for our people. The old order is passed. The new order comes, and there must be recreation, there must be an opportunity for pleasure and joy. There must be opportunities for education, there must be opportunity for people, not only who are children, but adults, to better educate themselves. All those fields are open, and the only thing that bars us is the lack of imagination and the lack of a desire to conceive and build, and so around these great centers of population we must find great areas for recreational purposes. We want to find and create those all over the State.

Down in the valley of the Minnesota River between Mendota and Shakopee is a great, wide, beautiful valley. In that valley wild game abound. There are trout streams. There are spring-fed lakes, great areas upon which forestry reserves may be built, and so we have conceived a project, first, as game refuges, as forestry reserves, as a place for creating a barracks, so to speak, for homeless men, not transient men, homeless men of the State, and for the building up of those barracks of camps in the summer for the children of poor people to be there cared for. This is but the beginning of a large program, taking in the State, which we will carry on through the help of the Federal Government, and the Federal Government is seeking projects of that kind; and the Federal Government, through its representatives, has said to our agents, this is the finest plan of its kind that has come to us from the whole United States. That is what I mean when I talk about the opportunities for social service.

Well, so much for the department of conservation.

I will just pass by in discussing the fact that the highway department of the State—the highway department in the road program also put out by the Federal Bureau of Roads to assist the State—was at various times in the course of the carrying out of that program, first or second in the rapidity with which it set up the projects and got the people to work and at one time—despite the amount we received as compared with the amount received by other States of the Union—one time stood in the second place in the number of people employed upon the public roads of the State. That, indeed, I consider an achievement.

MUCH CONCERNED WITH DROUGHT AREAS

Mind you, second of all the States of the Union, despite the fact that some States had received appropriations four and five times the amount we received. At one time it was second in the whole United States from a standpoint of the number of people actually employed upon the roads.

Well, I would like to go on and tell you about these departments, but I don't want to take all the time on the radio, and I might say, in view of the crusade, so to speak, that many fine people are making with reference to crime, some perhaps with an eye to the political winds, but nevertheless being made, that the bureau of criminal apprehension of Minnesota, which is not a State police because it has no general authority and can only go into a county upon the request of the sheriff of the county—the bureau of criminal apprehension, during the time it has been functioning, has disposed of more than twice as many cases as the bureau has disposed of prior to the Farmer-Labor administration, and, of course, the period during which our predecessors had it was considerably longer than the period during which we have had it.

Now, speaking along the lines of relief again, and I speak of that because of the fact that it takes up the larger part of our administration duties, we are very much concerned about the drought situation out in the western part of the State, and there are some 43 counties in Minnesota claimed as so-called "drought counties", and to the best of our ability and within the limitations of our funds, we are moving livestock feed in as rapidly as possible.

Our main concern now is in the problem of seed; seed, because unless those farmers out there are given seed and given it very rapidly, they will all be upon the relief lists next fall, and they are the kind of people that do not want to be on relief lists. They want to work to raise the food upon which the Nation must live. The conditions over which they have no control, climatic and economic, have conspired together to reduce them to a state of dire distress.

BLAMES SYSTEM FOR CONDITION OF PEOPLE

The Federal Credit Administration has certain rules and regulations, I presume, of necessity under which they make seed loans, but many of them are refused, and so we are confronted with a great problem of seed, and I hope you will pardon me for not being present at your meeting tomorrow because of the fact I am obliged to go to Washington tonight to discuss seed and other relief measures.

Now, all this destitution that confronts us in this Nation certainly must suggest to every thinking man and woman that the system under which we have operated is a poor system; that it is a bad system; that a nation cannot endure, as has been fittingly said, part rich and almost entirely poor. What causes it? Why, the system itself causes the conditions which exist under it, and so every thinking man and woman must know that the system must be changed, and that this very distress and destitution and poverty and suffering is in itself a sufficient indictment of the system in order to convict it, and that we see who represents the radical political movements of the United States.

Now, I am frank to say that I am not a liberal. I enjoy working on a common basis with liberals for their platforms, etc., but I am not a liberal. I am what I want to be—I am a radical. I am a radical in the sense that I want a definite change in the system. I am not satisfied with tinkering; I am not satisfied with patching; I am not satisfied with hanging a laurel wreath upon burglars and thieves and pirates and calling them code authorities or something else. I am not satisfied with that.

I want, however, an orderly, a sane, and a constructive change. I don't want any visionary things any more than the hardest Tory or conservative wants it, but I know the transition can take place and that, of course, it must be gradual. It cannot come overnight, but I want to do all I can, and I am sure you want to do all you can to set it in motion and keep it going steadily, not in jerks or jumps or in spurts, but going steadily ahead; and what is the ultimate we are seeking? Why, I can best express it: the ultimate is a cooperative commonwealth. Now, I do not want to alarm a lot of fine, liberal people, and so I will just to a slight extent at least define that. A cooperative commonwealth may be a commonwealth in which all the industry is carried on by cooperatives. That may be a cooperative commonwealth. A cooperative commonwealth may be a commonwealth in which part of the industries are carried on by cooperative effort and part by the direct control and ownership of the Government. I think Government should operate the means of communication, the means of transportation, the control of power, control of electricity and current and gas and those things, but that Government, of course, cannot go into the grocery business or meat business or anything of that kind.

REAL DANGER IN TORIES, NOT RADICALS

That must be through consumers' cooperatives, but whether you do it through government or you do it through the people; it is the same thing so long as you have a people's government. Now, the danger in this Nation lies not from radicals; the danger to this Nation lies, my friends, in the hearts and minds of the tories.

There is a greater danger of fascism in the United States than there is of communism, and those interests and those people who most strenuously oppose this changing order and this setting up of Government regulation are the people who are the most eager and willing to accept fascism. They want it because just as the history of all dictators and all kings and all monarchs, a powerful group behind always controls the dictator and monarch, and they believe that under a species of facism they can again—I say again—they can again control the Government and control it much easier than they have in the past, because they only have to control a few, while under a suit of democracy they have to control a majority of the parliamentary body in order to have their wishes observed.

When the final clash comes between Americanism and fascism we will find a so-called "red" as the defender of democracy and the superpatriot and captain of industry on the side of mass slavery. Our party has been making steady progress. The eyes of liberals throughout the Nation, yes, throughout the world, are focused upon us. We are the answer to those that contend that a Government cannot truly be representative of common men and common women. If we fail them, we fail humanity, but we cannot fail, not so long as we are worthy of the ideals we profess, and my friends, in this hour of our impending greatest triumph, let us observe ourselves and our accomplishments with humility, not too much cocksureness, not too much pride, but with humility, remembering that we have dedicated ourselves to a crusade that we have made ourselves the agents and servants of people, that we have promised to do or ultimately to lift them up from below, out of the morass of distress, privation, and suffering and that we have consecrated ourselves to a task akin to that of a crusader, and if we do that we will be true not only to our ideals, but to the people who are going to put us in power in the State of Minnesota. Thank you very much.

FARMER-LABOR PLATFORM FOR CAMPAIGN

(NOTE.—Following is the text of the platform of the Minnesota Farmer-Labor Association on which candidates of the party will run this year:)

The Farmer-Labor Party of Minnesota recognizes that the United States has the most wonderful resources, great factories, machinery of production, steam power and electric power, and millions of capable workers and farmers ready and able to produce food, clothing, and shelter in great abundance for all. At this time when all of us could live in prosperity and happiness we find that there are millions of working men and women in poverty, want, and degradation, and that there are also hundreds of thousands of farmers, business, and professional people who have become poverty-stricken and bankrupt, and millions of people in all walks of life are compelled to eat the bread of charity. Palliative measures will continue to fail. Only a complete reorganization of our social structure into a cooperative commonwealth will bring economic security and prevent a prolonged period of further suffering among the people.

We therefore declare that capitalism has failed, and immediate steps must be taken by the people to abolish capitalism in a peaceful and lawful manner and that a new, sane, and just society must be established; a system where all the natural resources, machinery of production, transportation, and communication shall be owned by the Government and operated democratically for the benefit of all the people and not for the benefit of the few.

In order to bring about this cooperative commonwealth and also for the purpose of adopting legislation for the immediate relief of the people, the Farmer-Labor Party adopts as its platform the following proposals:

AGRICULTURE

Adequate legislation to insure security of tenure on the land for those who farm it. To this end we further demand that Congress pass the Frazier bill for refinancing agricultural loans, and the Swank-Thomas bill or other legislation to give agriculture a price based upon the cost of production.

Exemption from taxation of homesteads in the city and on the farms to the value of $4,000.

Legislation extending the present moratorium 2 years from the date of expiration and that no action may be brought within the 2 years on any obligation secured by a mortgage.

MARKETING

The greatest problem of the farmer being to find markets for their products, we advocate building and maintaining adequate cooperative marketing and purchasing agencies in all the large industrial centers of the State, to be correlated by some State-supervised central head.

INDUSTRIAL PROGRAM

To protect our citizens from exploitation through industrial profits, we demand public ownership of all mines, water power, transportation, and communication, banks, packing plants, factories, and all public utilities. Provided, that this shall not apply to bona fide cooperatively owned and operated enterprises.

Until we attain nationalization of banking, we advocate the establishment of a central State bank of deposit to be wholly owned by the State of Minnesota.

That the bank act as the fiscal agent for the State in all matters.

That it be the only legal depository in Minnesota for State funds or the funds of any subdivision of the State.

That it be permitted to purchase the securities of the United States Government, the State of Minnesota, and other securities designated by law.

That it be permitted to loan money to correspondent State banks and deposit money with correspondent State banks, and that it not be permitted to loan money to private enterprises.

That the deposits or loans to the Minnesota State banks be a preferred claim.

And that the deposits in the bank of Minnesota be guaranteed by the State.

The issue of money is a governmental function, and all money should be issued directly by the Government and made a legal tender in payment of all debts.

All money permitted by law to be issued against the gold now in the United States Treasury should be put in circulation by the payment of all Government bonds due, or soon to become due, and for all public works constructed.

We declare our opposition to issuance of interest-bearing bonds by the Government.

MUNITIONS

We demand passage of the resolution now before the United States Senate calling for investigation of the munitions industry, and we demand that the Government take over such plants and operate them.

We pledge the people to submit an amendment to the constitution to permit establishment of the Ontario system of power development in the State. We also pledge our farm population and electric consumers that we will permit municipally owned power plants to sell power freely outside their limits.

The immediate passage of a Minnesota reconstruction act with full power to regulate hours and wages and carry on useful public projects.

EMPLOYMENT

The State to take over sufficient idle industrial plants to furnish employment for idle citizens and to distribute the products to the needy.

SOCIAL INSURANCE

That all insurance including workmen's compensation, unemployment, accident, sickness, maternity, old-age pension, fire, cyclone, hail, and life insurance be taken over by the State and operated without profit.

CONSERVATION

An intelligent and comprehensive plan for the conservation of the natural moisture of the State with arrangements made to retain the greatest possible benefits of the snow and rainfall of the State and restoration as far as practicable of the lake and river levels, and the encouragement of similar projects in the adjacent States. Also that State lands containing peat be withdrawn from sale.

REFORESTATION

Reforestation to restore and protect the timber wealth and to prevent and retard erosion.

ST. LAWRENCE WATERWAY

Ratification of the treaty with Canada affecting the construction of the St. Lawrence-Great Lakes Waterway.

EDUCATION

Fullest educational opportunities for all, with security of tenure and freedom of expression to teachers. Textbooks to be published by the State and free to all the students. Military training at all educational institutions supported wholly or in part by State funds to be optional.

TAXATION

Restoration of unearned wealth to the community and State by graduated taxes effectively administered on large incomes, gifts, and inheritances.

SOLDIERS' BONUS

Immediate payment of the soldiers' bonus by Treasury notes, and repeal of the National Economy Act.

TAX-EXEMPT SECURITIES

We oppose the issuance of tax-exempt securities.

ELECTIONS

All candidates for the State legislature to be elected with party designation.

CONSUMERS' COOPERATIVES

The powers of Government to allow consumers to freely organize on a cooperative basis, unrestricted by discriminatory laws.

MONEY AND BANKING

Nationalization of banking with Government monopoly of money and credit operated without profit.

RECIPROCAL TARIFF AGREEMENTS

The Senate resumed the consideration of the bill (H.R. 8687) to amend the Tariff Act of 1930.

Mr. METCALF. Mr. President, the purpose of this bill is to enable the President to reduce tariffs. The reduction of tariffs will in many cases cause the virtual closing down of important industries and will throw thousands of American citizens out of their jobs. The task of arriving at a rate of duty on foreign products which may be considered fair and yet offer a reasonable degree of protection is an important one. Before reducing tariffs we should take into consideration a number of complex factors which enter into the production of commodities which must compete with foreign countries. These include wage scales, productive power of the individual, cost of raw material, taxes, and general overhead costs. The wage scales of workers in the United States have long been several hundred percent in excess of those pursuing the same trades in foreign countries. When we consider living conditions in this country, it is impossible to understand the logic by which our Washington professors expect to revive trade by lowering tariffs. The British, Japanese, and French are not more efficient than Americans. The reason they can pour their products into this country is that their raw materials cost less by virtue of cheap labor, and the actual processing of these materials costs less by virtue of unconscionable working conditions and low living standards.

One point which I have discussed in connection with levying rates of duties on foreign products is the cost of taxes and general overhead resulting from internal conditions which must be directly reflected in the prices of commodities which compete with goods from foreign countries. In discussing a tariff bill we cannot lose sight of these conditions and the resulting burden which our farmers and manufacturers must bear in the form of taxes.

On March 31 of this year 20,616,000 adults were receiving monthly pay from Federal, State, or local governments. Strangely enough, this number is almost as great as the number of persons who are gainfully employed in productive agriculture and industry in the United States. Thus we would have for every person in the United States gainfully employed in productive pursuits another person supported from the public pay roll. The following table lists the number of persons supported wholly or in part from the public coffers on March 31 of this year:

Federal emergency relief pay roll	11,115,120
Local relief pay rolls	1,500,000
Civilian Conservation Corps	300,000
Federal employees	892,126
Insane institutions	290,000
Prisoners	224,000
Federal hospital population	33,000
State, city, and county employees	3,962,500
Directly and indirectly on public construction	1,300,000

This list does not include pensioners of States, cities, and local governments; persons receiving retired pay; privately contributed charities; or schools or institutions in which part or all of the population are minors. These exceed 1,000,000.

By far the greater proportion of money paid to these 20,000,000 people is furnished by the manufacturing regions of the United States, and it is the worker in these regions who must produce commodities for competition with foreign countries. We cannot place heavy tax burdens on particular sections of the country and at the same time expect these sections to bear the brunt of foreign competition.

During this administration billions of dollars have been doled out to the States by bureaus of the Federal Government, and must be returned to the creditors of the Federal Treasury by money derived from taxation. It is a significant fact that many States of the Union are actually receiving in cash from the Federal Government many times the amount of money which those States pay in the form of taxes.

The State of Wyoming, for example, is getting from the Federal Government, in cash, more than 20 times as much as all the people in that State pay in the form of Federal taxes. This State gets about 500 times as much money per capita from the Treasury out of every dollar paid in taxes, as does the State of New York. The rapid centralization of power in the Federal Government and the policy of Federal initiative in public and semipublic projects is rapidly taking away from the local government the responsibility for the expenditure of public funds. The net result has been to place upon industrial States most of the burden of taxation.

The shift of tax responsibility from the local to the National Government is building up the power of centralized bureaus and commissions dominated by a virtual dictatorship. The right of local self-government is being whittled away, and those communities which are dependent upon industrial pursuits for the support of the body politic are finding themselves unable to formulate balanced fiscal programs. The load they are forced to carry as the result of the whole national program is so great that it must be reflected in the ability of the products of these communities to compete with those of foreign countries.

While the number of persons directly or indirectly supported from the Public Treasury is in excess of 20,000,000 for the whole United States, the proportionate number in a State like Rhode Island is considerably smaller. On March 31 of this year 60,451 adults were supported wholly or in part by taxation in the State of Rhode Island. This figure is not complete, but it is sufficiently accurate to demonstrate the relative proportion of the cost of the whole national program which this State, and others of like nature, must bear. The figure of 60,451 does not take into consideration persons directly or indirectly employed on public construction projects, nor does it take into consideration pensioners or retired persons on either city or State pay rolls. If these were taken into consideration, we would undoubtedly find the number considerably enlarged. This would mean that out of a population of 687,000, in excess of 240,000 are supported by the Public Treasury, a figure which is significant enough, but which is relatively small in proportion to the United States as a whole.

With an average family of 4 persons, we find not less than 240,000 persons dependent upon the public coffers for all or part of their livelihood. People in the State of Rhode Island receiving aid from the public pay roll are, numerically, as follows:

United States pay roll	16,884
Local public employees	17,999
State employees	2,700
Veterans	5,365
Adults in tax-supported institutions	9,722
Local relief	7,781

Thus we find the industrial State of Rhode Island bearing a tax responsibility for the whole or partial support of not only 60,000 adults within its own borders, but as well for an unjust portion of the cost of maintaining the public pay rolls in States where the proportion of public-supported people is much larger. In an industrial State it is quite obvious that much of the cost of exorbitant taxes must be absorbed by the commodities produced in the area paying these taxes.

Since this tariff bill is but a part of the top-heavy bureaucracy thrown together by the new powers in Washington, I presume it is useless to discuss it on merit alone. There probably will be a new commission added to the hundreds

of others created by the administration. The extent to which these commissions have been established is appalling. In the face of President Roosevelt's declaration of a policy of economy and the subsequent dismissal of thousands of officeholders, the Democratic patronage machine has increased the number of employees of the Federal Government by 60,000 in the past 12 months. A few of the bureaus and commissions in Washington designated by alphabetical symbols are: A.A.A., C.C.C., F.E.R.A., N.E.C., P.W.A., T.V.A., H.O.L.C., F.A.C.A., E.H.C., R.F.C., F.C.A., C.W.A., F.S.A.C., N.L.B., C.S.B., N.R.A.B., F.B.O.H., F.O.I.C., S.H.A., F.P.A., N.C.B., E.H.F.A., S.A.B., F.C.O.T., F.H.L.B. I have not the slightest idea what the duties of all these Commissions and Bureaus are. They are working independently of each other, and in many cases have policies in contradiction to those of other divisions of the Government. There is no reasonable coordination, and no evidence of any regard for constitutional guidance.

It will be useless to oppose this tariff bill on the ground of unconstitutionality, because there is no such thing as a regard for the Constitution in the new deal. Section 8 of article I of the first draft of the Constitution of the United States said:

> The Congress shall have Power to Lay and collect Taxes, Duties, Imposts, and Excises, to pay the Debts and provide for the common Defense of the United States.

It was the intent of the authors of this document to place a strict safeguard around the expenditure of public funds, but during a thoughtless moment the authors unwittingly added the words " and general Welfare of the United States." The addition of this language in the final draft of the Constitution was for the evident purpose of limiting the manner in which public funds could be expended rather than enlarging upon the methods. During the past 2 years all constitutional regard for the manner in which public expenditures shall be made has been discarded.

Article I, section 9, clause 7, states:

> No Money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law; and a regular Statement and Account of the Receipts and Expenditures of all public Money shall be published from time to time.

This clause is not specific enough to limit the superior evasive craftsmanship of the " brain trusters." They are setting up corporations to which the Congress appropriates huge sums of money to be expended on the sole authority of the officers of these corporations. The establishment of the corporations is presumed to be in the interest of the public welfare, and at this point constitutional safeguards cease. We find the Government entering into all sorts of business and using the public funds for that purpose.

The framers of the Constitution would certainly turn over in their graves if they could witness the spectacle of our Government establishing and operating the only pure communism on the face of the earth, with the full sanction of the document which they framed as a sacred safeguard of a democracy. I am referring to the unprecedented creation of the Virgin Islands Corporation, which, in my opinion, merits discussion as a shining example of the program of which this tariff bill is a part.

President Wilson purchased the Virgin Islands from Denmark for $25,000,000 in cash, after negotiations to sell them to the United States for only $1,000,000 had failed several years before. Since the purchase of these islands, we have invested nearly $10,000,000 additional. As the Virgin Islands are some distance away from the continental United States, some officials have seized upon them as an opportunity to establish an experimental communism; and when they have completed their task the United States will have financed and will be operating the only pure communism on the face of the earth today. It is being brought about in the following manner:

The Congress appropriated several billion dollars to the Public Works Administration. The P.W.A. is lending to a corporation known as the " Virigin Islands Corporation " approximately $1,400,000 to be used, first, for the purchase of all available sugar lands in the Virgin Islands, the ownership to be wholly in the name of the corporation; second, to buy up all sugar refineries on the islands and to maintain a monopoly in the refinement of sugar; third, to build rum distilleries, engage in the manufacture of rum, and maintain a complete monopoly therein.

Officers of the corporation will be officers of the new deal, and they will have a complete ownership of all industry and all land as well as a monopoly on industry and agriculture. The profits earned by the Corporation will be used for the welfare of the people of the islands.

Thus, the United States Government will not only engage in the business of growing cane, refining sugar, manufacturing rum, constructing and operating a hotel, but it will at the same time be administering a communistic government for and in behalf of its own citizens. I wonder if this is to be a model of what the " brain trusters " expect to make out of the United States when they have completed the work of " evolutionizing " the Government.

I recall that when Roger Q. Mills, a Senator from the State of Texas, was visiting in the State of Rhode Island, he stood before a mill building some 200 feet long. He turned to my father and said, " That building contains a lot of machinery which may be rendered worthless by a whim of Congress."

We should not adopt legislation without full knowledge of its import. I believe that when people are hungry and cannot find work we must find a way to provide food and jobs for them. I feel that we are right in enacting legislation to correct the evils of economic distress. Many of the principles upon which the National Recovery Administration is founded are desirable, but in many cases the administration of that act is working a hardship on business.

Let us undertake everything necessary to help the needy and to guarantee to the workingman a fair portion of the fruits of his labor, but in doing so we should not enact legislation so drastic that it imperils the whole structure of our economic system. In these days we must adopt new methods for correcting old evils; but let us stand on solid ground, and move with reasonable caution in doing so.

I realize that this bill will probably be logrolled into law. These are strange days and strange things are happening. Practicality is replaced by theories; industrialists are bowing to professors; farmers are learning to skip their rows and collect from the rest of the people for that which they fail to plant; many are finding that it is easier to receive a Government check than it is to work and produce the necessities of life. Just where this will lead us I hesitate to predict, but I do maintain that we should temper our whole program with reasonable conservatism. Just how many Members of the Senate are voting for this type of legislation with full belief that it is undesirable? I do not see how any Democrat, after voting for this bill, can with a clear conscience attend another Jeffersonian dinner.

EXECUTIVE SESSION

Mr. ROBINSON of Arkansas. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. BARBOUR in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations and several treaties and conventions, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. WALSH, from the Committee on Naval Affairs, reported favorably the nominations of sundry officers in the Navy.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. DILL, from the Committee on the Judiciary, reported favorably the nomination of R. Kenneth Kerr, of Ohio, to be

United States marshal, southern district of Ohio, to succeed Paul H. Creswell, resigned.

Mr. HARRISON, from the Committee on Finance, reported favorably the nomination of Robert H. Jackson, of Jamestown, N.Y., to be Assistant General Counsel for the Bureau of Internal Revenue.

The PRESIDING OFFICER. The reports will be placed on the calendar.

If there are no further reports from committees, the calendar is in order.

TREATIES

Mr. ROBINSON of Arkansas. Mr. President, the Chairman of the Committee on Foreign Relations is not present. I ask that the treaties go over for the present.

The PRESIDING OFFICER. Without objection, the treaties will be passed over.

COLLECTOR OF INTERNAL REVENUE

The legislative clerk proceeded to read the nomination of Daniel D. Moore to be collector of internal revenue, District of Louisiana.

Mr. ROBINSON of Arkansas. Let that go over.

The PRESIDING OFFICER. The nomination will be passed over.

DIPLOMATIC AND FOREIGN SERVICE

The legislative clerk read the nomination of Raleigh A. Gibson to be secretary in the Diplomatic Service of the United States of America.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

THE JUDICIARY

The legislative clerk read the nomination of William Ryan to be United States marshal for the eastern district of Illinois.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read the nominations of sundry postmasters.

Mr. McNARY. Mr. President, the junior Senator from Michigan [Mr. VANDENBERG] spoke to me a few days ago about a postmaster in his State. Does the Senator from Arkansas have that nomination in mind?

Mr. ROBINSON of Arkansas. My information is that that nomination was recommitted to the Committee on Post Offices and Post Roads and that it is not now on the calendar.

Mr. President, I ask unanimous consent that the nominations of postmasters on the calendar be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

COAST GUARD

The legislative clerk proceeded to read sundry nominations of officers promoted in the Coast Guard.

Mr. ROBINSON of Arkansas. I ask that the nominations for promotions in the Coast Guard be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations for promotions in the Coast Guard are confirmed en bloc.

IN THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. SHEPPARD. I ask unanimous consent that the nominations in the Army be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations in the Army are confirmed en bloc.

That completes the calendar.

RECESS

The Senate resumed legislative session.

Mr. ROBINSON of Arkansas. Mr. President, I move that the Senate take a recess until 11 o'clock tomorrow morning.

The motion was agreed to; and (at 4 o'clock and 58 minutes p.m.) the Senate took a recess until tomorrow, Wednesday, May 23, 1934, at 11 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate May 22 (legislative day of May 10), 1934

COMMISSIONER OF EDUCATION

John Ward Studebaker, of Iowa, to be Commissioner of Education, vice George F. Zook.

DISTRICT ATTORNEY, UNITED STATES COURT FOR CHINA

Felthan Watson, of Missouri, to be district attorney, United States Court for China, to succeed George Sellett.

APPOINTMENTS IN THE NATIONAL GUARD OF THE UNITED STATES

GENERAL OFFICERS

To be major generals, National Guard of the United States

Maj. Gen. David Prescott Barrows, California National Guard.

Maj. Gen. Albert Hazen Blanding, Florida National Guard.

Maj. Gen. Erland Frederick Fish, Massachusetts National Guard.

Maj. Gen. William Nafew Haskell, New York National Guard.

Maj. Gen. Benson Walker Hough, Ohio National Guard.

Maj. Gen. John Augustus Hulen, Texas National Guard.

Maj. Gen. Roy Dee Keehn, Illinois National Guard.

Maj. Gen. Charles Irving Martin, Kansas National Guard.

Maj. Gen. Morris Benham Payne, Connecticut National Guard.

Maj. Gen. Milton Atchison Reckord, Maryland National Guard.

Maj. Gen. Henry Dozier Russell, Georgia National Guard.

Maj. Gen. Edward Caswell Shannon, Pennsylvania National Guard.

Maj. Gen. Mathew Adrian Tinley, Iowa National Guard.

Maj. Gen. Alexander MacKenzie Tuthill, Arizona National Guard.

Maj. Gen. Robert Henry Tyndall, Indiana National Guard.

Maj. Gen. George Ared White, Oregon National Guard.

Maj. Gen. Guy Merrill Wilson, Michigan National Guard.

To be brigadier generals, National Guard of the United States

Brig. Gen. Samuel Garrison Barnard, New Jersey National Guard.

Brig. Gen. Claude Vivian Birkhead, Texas National Guard.

Brig. Gen. Robert Morris Brookfield, Pennsylvania National Guard.

Brig. Gen. Harold Montfort Bush, Ohio National Guard.

Brig. Gen. John James Byrne, New York National Guard.

Brig. Gen. Edgar Hugh Campbell, Michigan National Guard.

Brig. Gen. Ellerbe Winn Carter, Kentucky National Guard.

Brig. Gen. Paul Bernard Clemens, Wisconsin National Guard.

Brig. Gen. Ludwig Shaner Conelly, Ohio National Guard.

Brig. Gen. Herbert Reynolds Dean, Rhode Island National Guard.

Brig. Gen. Henry Herman Denhardt, Kentucky National Guard.

Brig. Gen. Daniel Wray DePrez, Indiana National Guard.

Brig. Gen. Arthur William Desmond, Massachusetts National Guard.

Brig. Gen. Nathaniel Hillyer Egleston, New York National Guard.

Brig. Gen. Park Alfonso Findley, Iowa National Guard.

Brig. Gen. Irving Andrews Fish, Wisconsin National Guard.

Brig. Gen. Albert Greenlaw, Maine National Guard.

Brig. Gen. Louis Francis Guerre, Louisiana National Guard.

Brig. Gen. William Ernest Guthner, Colorado National Guard.

Brig. Gen. James Ambrose Haggerty, Connecticut National Guard.
Brig. Gen. Thomas Stevens Hammond, Illinois National Guard.
Brig. Gen. Alvin Horace Hankins, Washington National Guard.
Brig. Gen. Dudley Jackson Hard, Ohio National Guard.
Brig. Gen. Frank David Henderson, Ohio National Guard.
Brig. Gen. William Shaffer Key, Oklahoma National Guard.
Brig. Gen. James Craig McLanahan, Maryland National Guard.
Brig. Gen. William Swan McLean, Jr., Pennsylvania National Guard.
Brig. Gen. Charles E. McPherren, Oklahoma National Guard.
Brig. Gen. Trelawney Eston Marchant, South Carolina National Guard.
Brig. Gen. Edward Martin, Pennsylvania National Guard.
Brig. Gen. Wallace Ashton Mason, California National Guard.
Brig. Gen. John van Bokkelen Metts, North Carolina National Guard.
Brig. Gen. Daniel Needham, Massachusetts National Guard.
Brig. Gen. John Cecil Persons, Alabama National Guard.
Brig. Gen. John James Phelan, New York National Guard.
Brig. Gen. William Richard Pooley, New York National Guard.
Brig. Gen. Winfield Scott Price, New Jersey National Guard.
Brig. Gen. George Perry Rains, Texas National Guard.
Brig. Gen. Frank Elisha Reed, Minnesota National Guard.
Brig. Gen. Thomas Edward Rilea, Oregon National Guard.
Brig. Gen. David St. Clair Ritchie, North Dakota National Guard.
Brig. Gen. Oscar Edwin Roberts, Texas National Guard.
Brig. Gen. Lloyd Denison Ross, Iowa National Guard.
Brig. Gen. William Frederick Schohl, New York National Guard.
Brig. Gen. Frank Rudolph Schwengel, Illinois National Guard.
Brig. Gen. Edmund Justin Slate, Massachusetts National Guard.
Brig. Gen. Edward James Stackpole, Jr., Pennsylvania National Guard.
Brig. Gen. Edward Moses Stayton, Missouri National Guard.
Brig. Gen. Walter Perry Story, California National Guard.
Brig. Gen. Amos Thomas, Nebraska National Guard.
Brig. Gen. John Sylvester Thompson, New York National Guard.
Brig. Gen. Robert Jesse Travis, Georgia National Guard.
Brig. Gen. Samuel Gardner Waller, Virginia National Guard.
Brig. Gen. George Henderson Wark, Kansas National Guard.
Brig. Gen. William Gray Williams, Utah National Guard.
Brig. Gen. Jacob Franklin Wolters, Texas National Guard.

ADJUTANT GENERAL'S DEPARTMENT

To be brigadier generals, Adjutant General's Department, National Guard of the United States

Brig. Gen. John Henry Agnew, Adjutant General's Department, Massachusetts National Guard.
Brig. Gen. Joseph Homer Ballew, Adjutant General's Department, Tennessee National Guard.
Brig. Gen. Carlos Emerson Black, Adjutant General's Department, Illinois National Guard.
Brig. Gen. Lindley Wayland Camp, Adjutant General's Department, Georgia National Guard.
Brig. Gen. Vivian Bramble Collins, Adjutant General's Department, Florida National Guard.
Brig. Gen. Ebenezer L. Compere, Adjutant General's Department, Arkansas National Guard.
Brig. Gen. Raymond Hartwell Fleming, Adjutant General's Department, Louisiana National Guard.
Brig. Gen. Charles Harry Grahl, Adjutant General's Department, Iowa National Guard.
Brig. Gen. James Walter Hanson, Adjutant General's Department, Maine National Guard.
Brig. Gen. William Aloysius Higgins, Adjutant General's Department, New Jersey National Guard.
Brig. Gen. Seth Edwin Howard, Adjutant General's Department, California National Guard.
Brig. Gen. Ralph Maxwell Immell, Adjutant General's Department, Wisconsin National Guard.
Brig. Gen. William Ferson Ladd, Adjutant General's Department, Connecticut National Guard.
Brig. Gen. Milton Robbins McLean, Adjutant General's Department, Kansas National Guard.
Brig. Gen. Maurice Thompson, Adjutant General's Department, Washington National Guard.
Brig. Gen. Franklin Wilmer Ward, Adjutant General's Department, New York National Guard.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 22 (legislative day of May 10), 1934

SECRETARY IN THE DIPLOMATIC SERVICE

Raleigh A. Gibson to be secretary in the Diplomatic Service.

UNITED STATES MARSHAL

William Ryan to be United States marshal for the eastern district of Illinois.

PROMOTIONS IN THE COAST GUARD

Harold A. T. Bernson to be lieutenant (junior grade).
George W. Dick to be lieutenant (junior grade).
Russell J. Roberts to be lieutenant (junior grade).

APPOINTMENT BY TRANSFER IN THE REGULAR ARMY

Second Lt. Charles Edward Wheatley, Jr., to Cavalry.
First Lt. Howard Waite Brimmer to Field Artillery.

PROMOTIONS IN THE REGULAR ARMY

Wallace Gordon Smith to be captain, Air Corps.
Charles Adam Horn to be captain, Air Corps.
Leroy Cullom Davis to be first lieutenant, Field Artillery.
Alford Van Patten Anderson, Jr., to be first lieutenant, Air Corps.
Charles Lewis Gandy to be lieutenant colonel, Medical Corps.
William Washington Vaughan to be lieutenant colonel, Medical Corps.
Francis Patrick Kintz to be captain, Medical Corps.

POSTMASTERS

COLORADO

Myrtle Hufty, Paonia.

GEORGIA

Burgess Y. Dickey, Calhoun.
Ralph W. Baker, Chickamauga.
Robert R. Lee, Dallas.
William M. Denton, Dalton.
Nathaniel M. Hawley, Douglasville.
Joseph T. Bohannon, Grantville.
William E. Wimberly, Rome.
James S. Alsobrook, Rossville.
Charles D. Bruce, Sea Island Beach.

ILLINOIS

Rose H. Jennings, Beecher City.
Juanita H. Greene, Coffeen.
Earl Grimm, Fairview.
Richard L. Lauwerens, Kincaid.
Mary Reardon, La Salle.
Walter D. Wacaser, Mount Pulaski.
John R. Sheehan, Ohio.
Helen G. McCarthy, St. Charles.
Leon J. Walsh, South Beloit.
Joseph D. Cotter, Stockton.
John W. Foster, Toluca.
George L. Hausmann, Vandalia.

MARYLAND

Charles T. Kreigh, Clear Spring.
Henry J. Paul, Linthicum Heights.
Howard Griffith, Silver Spring.

MASSACHUSETTS

James F. McClusky, Middleboro.
Lawrence D. Quinlan, Northfield.
John F. Malone, Southwick.
Arthur J. Fairgrieve, Tewksbury.

MICHIGAN

Roy P. Hallock, Almont.
Josephine Salsbury, Alto.
Clare E. Richardson, Augusta.
Arthur E. Dann, Beaverton.
Walter J. Grace, Carson City.
Herbert D. Witherell, Chelsea.
Harry J. Lynch, Gaylord.
Ruth G. Templeton, Harbor Beach.
Bernice E. Knopp, Hartford.
Peter J. Nora, Iron River.
William M. Hankerd, Munith.
Edwin E. Thompson, Oscoda.
Morton Rann, Perry.
Byron O. Gillies, Prescott.
Daniel S. Kelly, Reading.
Martha M. Kern, Reese.
John D. Mershon, Saginaw.
Asa E. Streeter, Vassar.
Arthur Cavender, Wakefield.
Clayton H. Norton, Walkerville.
Ernest F. Taylor, Walled Lake.
Flossie A. Brown, Williamston.

MISSOURI

Mary E. Chambers, Appleton City.
Pearl Herndon, Blackburn.
Robert E. Chaffin, Breckenridge.
Lee Dickson, Carrollton.
Gideon W. Miller, Edgerton.
Parker G. Wingo, Ellsinore.
Sadocia B. Herndon, Fulton.
Opal C. Ray, Gilman City.
Robert E. McCue, Jamesport.
Leslie L. Travis, Joplin.
Thomas C. Vaughan, Linn.
Harold F. Hopkins, Polo.
Almon A. Gracey, Reeds Spring.
Charles F. Halligan, Union.
James E. Ferguson, Williamsville.

MONTANA

Oscar L. Henry, Belfry.
Eugene T. Kirchner, Circle.
J. Charles Johnson, Fairview.
Roy W. Dorwin, Flaxville.
Francis P. Bartley, Fort Benton.
Frederick L. Coughlin, Geyser.
Edward F. O'Neil, Glendive.
Joseph M. Astle, Hardin.
Myrtle C. DeMers, Hot Springs.
Jessie G. Rolph, Joplin.
Sterling C. West, Jordan.
Cletus J. Walsh, Polytechnic.
Halsey E. Brickley, Rapelje.
Lucile D. Knight, Twin Bridges.

NEBRASKA

Edith E. Fahrlander, Brule.
Kenneth R. Newcomb, Cambridge.
James B. Gordon, Cedar Rapids.
Gladys J. Broun, Crookston.
Charles E. Furman, Danbury.
Edmund A. Hall, Fairmont.
Thomas A. Siefken, Harvard.
Philo J. Hewitt, Lexington.
Juna M. Daly, Lisco.
LaVern A. Breeden, Minatare.
George C. Thurman, Peru.
William M. Goding, Potter.
Beth Clary, Senaca.
George A. Hallock, Springview.
Frederika W. Weber, Wahoo.
Orley E. McCallum, Wauneta.

NEW JERSEY

Rose B. Sokolowski, Alpha.
William A. Lambert, Bivalve.
Harry J. Mack, Jr., Bloomsbury.
Frank F. Burd, Califon.
Edward W. Walker, Cranbury.
Thomas R. Boyle, Florence.
Arthur B. Williams, Grenloch.
Charles Orth, Hackensack.
Frank Mastrangelo, Iselin.
Edith B. Brooks, Kingston.
Harry F. Reder, Lincoln Park.
Harry N. Savage, Livingston.
James D. McErlane, Morris Plains.
James Entwistle, Sr., New Milford.
Katherine A. Cooney, Pedricktown.
Frederick G. Brochu, Pompton Plains.
William N. Schwab, Ridgefield Park.
Allen J. Thomas, Scotch Plains.
Anna A. Mullen, Sewaren.
Michael A. Carroll, South Bound Brook.
Harry E. Carter, White House Station.

NEW YORK

Katherine C. Newton, Homer.
Helen M. Freese, Massapequa.
Arthur F. Hawkins, Patchogue.

NORTH CAROLINA

James J. Parker, Murfreesboro.

NORTH DAKOTA

Benno G. J. Schimansky, Jr., Solen.
Charles K. Otto, Valley City.

OHIO

Claude S. Coyle, Batavia.
Roy H. Kerns, Bellefontaine.
Gilbert C. Wilson, Hiram.
Milton L. Dickason, Richwood.

OKLAHOMA

Martin O. Kizer, Apache.
Pearle F. Yates, Avant.
Hallie C. Forde, Cherokee.
Jesse W. Keith, Haileyville.
Clay B. Burnham, Hanna.
Dyke M. Wiley, Muskogee.
Josh S. Cole, Porter.
Beulah Brown, Red Oak.
Vesta Denham, Three Sands.
Harry James Barclay, Tonkawa.
Charles F. Rogers, Wagoner.
Thomas O. Stewart, Wapanucka.
Bryan Nicks, Wetumka.

OREGON

J. Dayton McLucas, Hood River.
Elton A. Schroeder, Myrtle Point.
George A. Hartman, Pendleton.

SOUTH DAKOTA

Stephen E. Halva, Belvidere.
Anna Donohue, Bonesteel.
Ira H. Pinnell, Eagle Butte.
Ray W. Pitsor, Faith.
John D. Cannon, Fort Pierre.
Gustave I. Honsey, Hecla.
David K. Batchelor, Hot Springs.
Michael J. Matthews, Isabel.
William J. Walsh, Lesterville.
Ella M. Ottum, Mellette.

Clyde M. McDonell, Murdo.
Matt McCormick, Tyndall.
Arthur R. Siegmund, White River.

TEXAS

Martin N. Guest, Aspermont.
Alva Spencer, Crowell.
John M. Diggs, Haskell.
Oscar J. Halm, Kingsbury.
George T. Elliott, Kress.
William D. T. Storey, Littlefield.
Mamie Milam, Prairie View.
Thomas A. Bynum, Texas City.

VERMONT

Albert S. Juneau, St. Johnsbury.

WASHINGTON

Herbert O. Thompson, Colfax.
Thomas H. Van Noy, Kelso.
LeRoy C. Eastman, Longview.
Jehu O. Patterson, Pullman.

WISCONSIN

George A. Harding, Cornell.
Walter J. Hyland, Madison.
Raymond A. Whitehead, Phelps.
Solon A. McCollow, River Falls.

HOUSE OF REPRESENTATIVES

TUESDAY, MAY 22, 1934

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D.D., offered the following prayer:

O Thou, who hast lighted life and death, earth and heaven, and art the lamp of all, we breathe again Thy holy name in prayer. We thank Thee that Thy arms are as encircling walls amid the problems and perplexities of life. May we trust Thy Fatherhood, in whom there is all the freshness and richness of wisdom and mercy. O bathe the very depths of our souls and make radiant any dark passageways of experience. This day sustain and support us with the abundance of Thy evergrowing power, leading and teaching us and shedding Thy presence upon our pathway. In the name of Jesus. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on May 21, 1934, the President approved and signed bills and a joint resolution of the House of the following titles:

H.R. 207. An act for the relief of Homer C. Chapin;

H.R. 371. An act for the relief of Peter Guilday;

H.R. 889. An act for the relief of Frank Ferst;

H.R. 3868. An act for the relief of Arabella E. Bodkin;

H.R. 5284. An act for the relief of the Playa de Flor Land & Improvement Co.;

H.R. 8235. An act to authorize the Secretary of War to convey by appropriate deed of conveyance certain lands in the District of Ewa, Island of Oahu, Territory of Hawaii; and

H.J.Res. 311. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at A Century of Progress Exposition, Chicago, Ill., to be admitted without payment of tariff, and for other purposes;

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 3032. An act to require financial responsibility of owners and operators of vehicles for hire in the District of Columbia, and for other purposes; and

S. 3151. An act to convey to the King Hill Irrigation District, State of Idaho, all the interest of the United States in the King Hill Federal reclamation project, and for other purposes.

The message also announced that the Senate had passed the following concurrent resolutions, in which the concurrence of the House is requested:

Senate Concurrent Resolution 18

Resolved by the Senate (the House of Representatives concurring), That the action of the Speaker of the House of Representatives and of the President of the Senate in signing the enrolled bill, S. 3355, to authorize the coining of 50-cent pieces in commemoration of the two hundredth anniversary of the birth of Daniel Boone be rescinded, and that the Secretary of the Senate be authorized and directed to reenroll the bill with the following amendment:

Before the period at the end of section 1, insert a semicolon and the following: "but the United States shall not be subject to the expense of making the models or master dies or other preparations for this coinage."

Senate Concurrent Resolution 19

Resolved by the Senate (the House of Representatives concurring), That the President of the United States be and he is hereby, requested to return to the House of Representatives the enrolled bill, H.R. 3673, to amend the law relative to citizenship and naturalization, and for other purposes; that if and when the said bill is returned, the action of the Speaker of the House and of the President of the Senate in signing the said bill be deemed to be rescinded; and that the Clerk of the House of Representatives be, and he is hereby, authorized and directed to reenroll the said bill with the following amendments, viz:

On page 2, line 1, of the House engrossed bill strike out the following: "and unless the child, in" and insert in lieu thereof a period and the word "In."

On page 2, line 2, of said engrossed bill, after the word "alien" and the comma, insert the following: "the right of citizenship shall not descend unless the child."

LEAVE OF ABSENCE

Mr. MONAGHAN of Montana. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania, Mr. DUNN, be excused for the remainder of the week, inasmuch as he has a matter in the Federal court in Pennsylvania, in which he must appear.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

HOUR OF MEETING TOMORROW

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock a.m. tomorrow. I have spoken to the chairman and ranking minority member having in charge the bill coming up today and the succeeding bill, and they are very anxious that this be done.

The SPEAKER. The gentleman from Tennessee asks unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock a.m. tomorrow. Is there objection?

There was no objection.

CONTESTED-ELECTION CASE—BREWSTER v. UTTERBACK

Mr. THOMPSON of Texas, from the Committee on Elections No. 3, reported a resolution in respect to the contested-election case of *Ralph O. Brewster* v. *John G. Utterback*, for a seat in Congress, which was referred to the House Calendar and ordered printed.

FINANCIAL LIBERTY—DEPRESSION'S CURE

Mr. HOEPPEL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a radio address delivered by the Honorable BRONSON CUTTING, a Senator from the State of New Mexico, Saturday last, before the People's Lobby in the city of Washington.

The SPEAKER. Is there objection?

There was no objection.

Mr. HOEPPEL. Mr. Speaker and Members of the House, on Saturday, May 19, I had the pleasure of listening to an admirable radio address delivered by Senator BRONSON CUTTING, of New Mexico, before the People's Lobby here in Washington. In my opinion, Senator CUTTING has presented a plan for financial freedom which would cure the depression in very short order and as I believe every American citizen should know the truth about conditions in order to act intelligently, I take great pleasure in incorporating in my

remarks the address of Senator CUTTING, discussing the existing financial system and presenting a plan which, I believe, if adopted, would be the Magna Carta of our economic liberty.

It is my opinion that if the Government, under the Cutting plan, divorced itself from the uses and practices of the bankers today and extended Government credit at cost to the borrower, the increased profits to the American public would stimulate business and restore confidence, the unemployment problem would soon pass into history, and an era of prosperity as yet undreamed would unfold itself to the American people.

The address is as follows:

For a year or more we have been engaged in currency manipulation. We have juggled with the currency, and we shall no doubt continue to do so. The results have been small. The depression is still with us, and it is doubtful if we can cope with it by any such methods.

The reason is that only a small part of our monetary system consists of currency. Much the greater part is made out of bank credit. Until the Government takes control of this most vital part of our financial system it is not going to break loose from the burden of debt which is weighing down the Government, as well as the private citizen, of the Nation.

Most people think of banking as a terribly complicated subject, a subject which they cannot even attempt to understand. Of course it is complicated in its details, but it has been part of the bankers' conspiracy to confuse the public by a discussion of the details so that they may lose sight of the main outlines. Those outlines are very simple, and they vitally concern the life and happiness of every human being in the civilized world.

Since from 90 to 95 percent of our money is made up of bank deposits, it is important to understand just what these bank deposits are. Of course part of them, the smaller part, comes from the bank's customers, who deposit cash or checks for safe-keeping with the bank. But by far the greater part of these deposits are not deposits at all, in the real sense of the word. They come from the right given to a bank to loan 10 times, or 20 times, as the case may be, the amount of its reserves.

When you borrow a thousand dollars from an individual, he parts with his money before you get it. When you go into a bank and borrow a thousand dollars, what happens? Of course the bank may give you the $1,000 over the counter. But that seldom is the case. Usually you are satisfied by having the bank place the $1,000 to your account. In that case, the bank writes your name at the top of a column in its book as having made a deposit of a thousand dollars. The $1,000 is not transferred from any other account. It is made out of thin air. To that extent it increases the total amount of money in existence. To that extent it raises the price level, and changes the value of the money in the country. Yet the Constitution of the United States provides that "The Congress shall have power to coin money, and regulate the value thereof." In practice the Congress regulates the value of only a small fraction of the total amount of money in the country. The rest is regulated by the bankers. We are so used to this kind of transaction that we seldom stop even to question it. We allow the bankers to inflate our money each time they make a loan, and to deflate it each time the loan is called.

And then there is another very important feature connected with this loan of a thousand dollars. When you get it you generally have to deposit with the bank collateral security of double the value of the loan. If you have a $2,000 house you will probably be obliged to mortgage it for the privilege of obtaining $1,000, and, mark, you, of paying interest when the loan falls due. Yet the only piece of real value which has entered into the transaction is the value which you, yourself, have put into it, your house and lot, or your Liberty bonds, as the case may be. You are paying tribute to a private institution for the right to use your own credit. Your credit depends on your property, which really means your ability to deliver goods of service as required. The bank has contributed nothing but pen, ink, and paper, plus a risk of defrauding its bona fide depositors. Yet, in order to use your own credit, you are forced to pay interest to a nonproductive agency. The bank has actually lent you your own credit, and made you pay for getting it.

How can such a system be justified? It can be explained historically, but not defended on grounds of either ethics or public policy. The modern bankers are the successors of the medieval goldsmiths, who used to accept deposits of gold and jewels from their clients, and issue credit which would be honored by goldsmiths elsewhere. As a matter of practice it was found that less than one tenth of the deposits would ever be claimed at one time, and so the goldsmiths fell into the habit of loaning credit to 10 times the amount of their deposits. It was essentially a dishonest proceeding. Yet people got used to it, and it had no very serious effects until modern times, when the issuance of loan credit of this sort has completely outshadowed the primary duty of the State to issue money, and control its value.

Sometimes it is easier to show up a fallacy of this sort by reducing it to its simplest terms. Let us suppose that three men are shipwrecked on a desert island. There are enough natural resources on the island to provide food, clothing, and shelter for all three, provided each one works at one of the three tasks. The three men might decide to go socialistic, and own the island in common. We shall assume, however, that they find it more convenient to let one man own the timber, one the food crops, and one the sources of clothing.

Then, in order to exchange their goods, they will probably issue some form of scrip to enable them to barter. Let us suppose that the possessions of the three are approximately equal. Each one will then receive the same number of units of value, say a hundred tokens apiece. If they choose, they may call them a hundred dollars.

Now, this scrip really means something. It means the respective ability of each one to deliver a quantity of goods, produced and improved by his own labor. The wants of these men are simple. They manage to live. In course of time they improve their properties, and are able to live more luxuriously, with the expenditure of less individual labor. If it seems convenient to all of them they can issue as much more scrip as is needed to take care of the increased value of their production.

Now, let us suppose that after a few years of this, a stranger is shipwrecked on the shore of this island. He approaches the three men, and says, "Your economic system is preposterous. Your money is unsound. I come from a civilized country. I am a banker. Bankers know that a sound currency can be based only on a gold standard. I saved from my shipwreck three $10 gold pieces. Under the law of a civilized country I am allowed to lend $300 on that basis—or $600 if I belong to the Federal Reserve System. I shall be glad to lend you my credit if you will mortgage your holdings to double the amount.

Now, manifestly, if the three original settlers are sane, they will reject this offer. But let us suppose that they have been touched by the tropical sun and fall for the banker's proposal, which you know will not be couched in such simple language but will contain a great deal of technical talk about discount rates and the balancing of the budget. The settlers go in debt for the $300 and promise to pay interest on it. The banker does a little bookkeeping and lends them their own credit. Of course, he keeps the $30 in gold.

Now, suppose that the settler who owns the timber decides to install a sawmill. He will need help from his neighbors and will have to pay them for it. The banker decides that he will consider himself a member of the Federal Reserve, and extends the settler an additional loan of $200. A hurricane comes along. The banker at once grows timid. He calls half of his loans and renews the other half. The owner of the timber is completely ruined. The other two have to pay in produce twice the amount of their original loans on account of the deflation caused by the banker's call. At the end of another year they, too, find themselves unable to pay. The mortgages are foreclosed and the banker retains the original $30 in gold, and, in addition, the entire tangible assets of the community.

Now, of course, this seems childish and silly when you are dealing with four people on a desert island. As a matter of fact, it is far less reasonable in dealing with a complicated civilization, and with 125,000,000 people. On the island, if only for purposes of self-protection, the banker will have a healthy regard for the feelings of his fellow-citizens, and will not press his advantage too far. Moreover, he will be in a position where he understands the exact needs of the particular community.

Neither of these considerations apply to the banking system of the United States.

In the main, the interest of the banker is opposed to that of the general community. He is lavish with credit in good times, when it is not needed, and he withholds it in bad times, when it is a necessity. Someone has said that the banks lend you an umbrella in fine weather, and take it away from you when it rains. Furthermore, the bankers of the United States, even if we grant them the best intentions in the world, are not in a position to work in cooperation in support of any definite policy. They have the power to issue vastly more credit than is ever actually necessary. Sometimes they do this. At other times they issue so little that the economic system cannot be carried on. Then we get starvation in the midst of plenty, such as we are enjoying at the present day.

Our bankers may be compared to a number of theater agents, each of whom is authorized to sell an indefinite number of tickets in a theater. The total seating capacity of the theater, we will say, is 3,000. If 500 tickets are issued, or if 6,000 tickets are issued, in either case the results are disastrous. It is a hit-and-miss method.

In my judgment, the only agency which should be authorized to issue tickets for the national theater is the Nation itself. Call these tickets tokens, or scrip, or dollars, as you will. The National Government must decide as to how many are needed.

For, mind you, it is not merely the private individual who is forced to pay tribute to this strange, unreasonable system. The great industries, the great producers of the country, who are creating their share of the national credit, have each one of them to pay tribute to a bank in order to make use of the credit which they are creating.

And what about the Government itself? Here we have a financial crisis, due in large measure to the stupidity of the bankers, and the futility of the system under which they are working. The purchasing power of the country has dwindled to a vanishing point. Millions upon millions are out of work and have no means

of support. The Government is fulfilling its primary duty when it comes to the rescue of these people.

The amount that we are spending for public works and relief may seem large when figured in dollars and cents, but it is not a drop in the bucket compared to the credit of this country as measured in its natural resources, in its plant, and in its man power. Yet what does the Government do when it goes to the rescue of its needy and starving citizens? It floats loans through the banks. It pays interest to private organizations for the use of its own credit. The thing becomes still more preposterous when we realize that an enormous proportion of the relief expended by the Government has gone to the aid of the great banking institutions. So that actually the Government of the United States is getting itself into debt to the banks for the privilege of helping them to regain their strangle hold on the economic life of the country.

To my mind, this situation should have been stopped in March 1933. The bankers were then helpless and hopeless. They thought the end had come. They would, themselves, have welcomed a liquidation of their assets in favor of the Government. Now, it will be more difficult. Yet the logical situation remains the same, and we are going to have to reestablish in the hands of the Federal Government the right which the Constitution placed there in the first place.

I am now preparing a bill which is intended to accomplish this result. I wish that we might have a chance to vote on it at the present session. If that is impossible, it will be largely due to the lack of public pressure, public interest, and public understanding on the subject. The creation of a national bank which will eventually have a monopoly of the issuance of credit is, to my mind, the most vital need of the country today. I do not mean that that alone will get us out of the depression, but it is the first step in that direction, the first step without which none of the others can be taken.

When I have argued this point in the past I have met with two general objections. The first is that it will put the banks into politics, and substitute in making loans partisan considerations for sound principles of banking. Now, I have no doubt that, to some extent, this will be the case. Partisan politics have crept into most departments of our public life, and it would be rash to assume that banking could be exempted. But let me say, first, that no politician in high public office in the history of this country has ever made such a complete mess of his job as the private bankers have made with theirs. Furthermore, your public servants are as good or as bad as you choose to make them. If you do not like them, or you do not approve of the way in which they handle their offices, you can replace them with others. As things stand, the people elect their Governors, their representatives in Congress and in the Senate, and their President. But none of these men, nor all of them put together, has anything to say about what concerns most vitally the people of the United States, the distributive system, or the money system, if you prefer that term. Until the system is changed, the bankers are the real rulers of the people. You can vote for your President—you cannot vote as to who shall be head of the National City Bank of New York, or of J. P. Morgan & Co. There is no reason why you should, so long as these men are functioning as private citizens. Yet at the present time it is these men who actually control the destinies of every human being, not only in this country, but in this hemisphere. I say this not in criticism of any individuals, but of a system of bondage under which it is disgraceful for free men to live.

The second objection usually made to national banking is that it is a radical idea, and would be used for socialistic or communistic purposes. This does not follow at all. A national bank might be used for radical purposes. It might also be used for extremely reactionary purposes. There is a very interesting article by Mr. Herbert Agar in the current issue of the American Review. It is entitled "The Task of Conservatism." Mr. Agar thinks we have gone too far toward socialism. He believes in going back a hundred years to the conditions which prevailed in the early nineteenth century. Let me read you a few words from his final conclusions: "The first prerequisite for a return to a system of private property is that the state should reassume its basic sovereign power—the power to issue and recall money and credit. At present that power has been given to a private monopoly, chiefly on the plea that it is too important to trust to the politician. I feel no call to praise the typical modern politician, but it is fair to point out that his repute is no lower than that of the typical modern banker."

So you see that once you have control of the banking system you may use it to carry out any policy which you choose. At present you have nothing to say about the policy which is to be carried out.

I have quoted from the Constitution of the United States, certainly not a radical document. Let me also quote from that classical exponent of sound finance, John Stuart Mill: "The idea of a rational democracy is not that the people govern themselves, but that they have security for good government. This security they cannot have by any other means than by retaining in their own hands the ultimate control."

The ultimate control rests today neither with the people nor with the representatives of the people, but with a body of private citizens who, no matter how high-minded they may be as individuals, are responsible to no one but themselves. Let us as free Americans resume that ultimate control of the distributive system which the Fathers of our Republic intended us to have.

MONEY CONTROL

Mr. JOHNSON of Minnesota. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a radio address delivered by Senator NYE, of North Dakota, last Saturday.

The SPEAKER. Is there objection?

Mr. BLANTON. Mr. Speaker, reserving the right to object, has it come to pass that Senators cannot get their speeches inserted in the RECORD in the other body? That is a remarkable situation.

Mr. JOHNSON of Minnesota. I suppose the speech could be gotten in the RECORD over there, but Senator NYE is a personal friend of mine, and I believe in many of his ideas, though not 100 percent. In any event, this is a good speech.

Mr. BLANTON. This is the second occasion this morning where, in order to get into the RECORD an address delivered by a Senator, the request is made here in the House.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. JOHNSON of Minnesota. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address by Senator GERALD P. NYE, of North Dakota, over the National Broadcasting chain luncheon at Cosmos Club, Saturday, May 19, 1934:

Few there are to doubt what has been declared in the past to the effect that whoever controls the money of a nation controls that nation. It does seem to me, however, that we might more accurately say that control of the nation goes to those who, by manipulation, can make existing money and banking credit create fictitious values upon which a return must be paid by the American consumer such as creates profit on value that does not exist.

During the dozen boom years leading up to 1929 capital structure in America took on a growth so great as to challenge comparison with any 50-year period in American history. But the growth, for the most part, was of a kind that could not do other than destroy the health of our entire economic structure from top to bottom as it was virtually destroyed, starting in 1929. This growth was the result of manipulation by those who controlled the money of the Nation. While it was affording, through larger concentration, a greater control over the money of the Nation by the few, it was at the same time distressing to and making public charges of more of the masses of American people. Poverty and distress came to those masses not alone because of their play as sheep waiting to be sheared in the booming stock market, but more particularly because of the burden which was placed upon the consumer by reason of the will to make the public pay such prices as would afford a return upon the swollen capital investment and structure of business and industry.

An example revealing how burdensome this manipulation and unhealthy capital structure growth has been is to be found in the case of the Bethlehem Steel Corporation. Prices were charged and are being charged for steel, which plays so large a part in construction and effort to accomplish recovery, such as would enable the Bethlehem Steel Corporation to pay a return not alone upon its true capital, but upon that part of its capitalization which was nothing more than wind and water. In addition to this, consumer prices on steel had to be large enough to pay bonuses to Bethlehem executives, bonuses so sizeable that in 1 year a lone executive was enjoying a bonus of more than a million dollars in addition to his excessively large salary. This is alleged to have constituted robbery of Bethlehem Steel stockholders, but it was something more than that. It was robbery of the American public as well. This kind of program created costs in construction which, when entered into the capitalization of that industry which was constructing with steel, added to the prices which consumers had to pay not alone today, but for all time to come in order that there could be a so-called "reasonable return upon capital investment."

The cement industry affords another glaring example of what was done to the consumer of today and the consumer of tomorrow who may be interested in the prices of this great building commodity. The boom days found investment bankers purchasing small manufacturing units, merging them, and selling stock in the merged company to the public for two and three times as much as they had actually paid for the properties. Upon the basis of these fictitious valuations the industry appealed to the Congress and received tariff protection such as would enable them to maintain prices for cement which would offer opportunity to pay a return upon the investment which had been made in such outrageous manipulation on the stock market. As long as capital structure thus created is permitted to stand, that long are the American people going to be compelled to pay prices which are burdensome and destructive, and kept from honest opportunity for accomplishment of real industrial recovery.

Our attention has very recently been called to the fact that we may contemplate ultimate ownership of American railroads by the Government. Millions upon millions of dollars have been poured

by the Government into the railroad structure in an endeavor to keep it alive. Close students insist that the time is only a few years off when the railroad owners themselves will be urging the Government to run and operate them. Commissioner Eastman, of the Interstate Commerce Commission, within the last few days warned the public to plan as though public ownership were to be ultimately dealt with.

I leave to others at this luncheon discussion relative to the merit of public ownership of railroads, with which I have very great sympathy. I wish to discuss thus briefly alone the question of capitalization which will assuredly be involved when it comes to really deal with the problem of our Government's possession of the railroads.

In the first place, it may well be pointed out that the Government has already granted concessions and loaned money to railroads to an extent that may well be accepted as representing about all the railroads are worth. In any event, the real battle ultimately will not be one to determine whether or not the Government shall take over the railroads, but at what price the deal shall be made. Naturally, the banking interests which are so largely involved in our present railroad structure are going to be insistent upon prices based upon the water that has been pumped into the capital structure of railroads down through all these generations—prices that will meet every cent of bonding and stocks which the railroads have issued. In other words, if left to the bankers, the Government would take over the railroads at a price such as would forever prevent a reasonable return being made upon the investment through a rate structure that was in any degree reasonable, and without terrific burden upon the back of the American consumer. When Government ownership comes, it should come in a way that would enable the Government to start from scratch with an honest opportunity to make Government ownership of railroads pay. The wastes and manipulation by railroad builders in other days must be wiped out, and not one penny more should be paid for the railroads by the Government than represents the actual cost of the property to be taken over.

Capitalization in industry has found, especially during the recent boom years, a complete abandonment of true values.

A study of capital structure in American industry all too clearly reveals the need for vast reform if we are ever to enjoy a measurable degree of prosperity for the people. In 1931, for example, corporations with capital assets of $50,000,000 or more numbered 632. These 632 corporations possessed over half of the total assets of all corporations. These 632 paid over three fifths of the total of corporation cash dividends paid during the year, and included all the large financial, industrial, railroad, power, and natural resource enterprises.

The power and influence exercised by these few giants is all too evident. It can fairly be said that the destiny of the economic structure of America is in the hands of these few. Into their capital structure there has been poured much water. Upon this water and the true values involved selling costs and prices are based. These prices enter very largely into the lives of all Americans and in a great measure determine their prosperity. It was a terrific overload of this sort that the people found upon their backs in 1929, and which caused the crash from which we have not even yet recovered. And we are not going to recover until we can sluff off that part of capital structure which is representative of anything other than true wealth invested in actual and productive values.

In these manipulated markets of 1925 to 1929, we never asked questions about the real values in a share of stock. We did not stop long enough to learn what were the earnings of the concern in which we bought an interest. We but wanted to know how much the price of a share of stock had jumped the day before, and the manipulators saw to it that a healthy gain was shown.

This mad race for easy money while the manipulators at the pumps were busy pumping water into capitalization and creating, through mergers and otherwise, false and fictitious valuations for industrial enterprises, found capital withdrawn from worthy fields, and saw interest and solicitation lost for fundamental and honest industry.

It is quite proper to say that factors within our economic structure for those years leading up to 1929 were bent upon destroying it from within, and succeeded in no uncertain measure. Yet we speak of our economic structure as having suffered a break-down in 1929 as though some force from outside had moved upon the structure with malice and intent to crush it.

Likewise, we refer to those years between 1925 and 1929 as the years of our greatest prosperity, while as a matter of fact, they were years in which the few were reaping great harvests while the interests of the masses of the people were ruthlessly ignored, and while our economic structure was actually in the throes of death and destruction.

Ignoring of these truths and refusing to face these facts would afford some amusement were it not for the fact that we are today devoting our national energy in a great drive to win new and renewed life for our economic structure with the fiction rather than the truth of 1915 to 1929 as our blueprint. It follows that we waste these energies. Economic recovery will never be accomplished by construction upon the drifting and uncertain sands washed up by the boom days, those days of our so-called "greatest prosperity." It grows increasingly evident that extensive programs of public ownership are about the only answer in this hour to the continued greed of the possessors of America's money.

WHAT CHANCE HAS THE FARMER?

Mr. McGUGIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD of Wednesday, tomorrow.

The SPEAKER. Is there objection?

There was no objection.

Mr. McGUGIN. Mr. Speaker, the American farmer is confronted with almost insurmountable obstacles growing out of a world-wide increased production and decreased consumption of his products. The American farmer is unquestionably the most resourceful, thrifty, patient, and dependable American citizen. Give him any sort of a fair and equal opportunity and he will come out on top. There is one thing which he cannot overcome, and that is an intolerable, uneconomic, and discriminatory conduct on the part of his own Government.

There must be some radical changes in the personnel and in the program of the Department of Agriculture if there is to be any hope for the farmer. This Department is supposed to operate for the farmer's benefit. It was established for that purpose. In actual practice we now find that this Department is loaded down with officials who are primarily interested in socializing this country and establishing a society according to their fancies and ideas rather than bringing profit to the farmer.

The wheat program in the Department of Agriculture is a fair example. It is trying to reduce the production of wheat. At the same time the Department of Agriculture has another program in which it is doing everything within its power to reduce the consumption of wheat in the United States. This second program destroys any good which might possibly be obtained by the first program of reducing the production of wheat. In fact, if the Department can accomplish both of these purposes, it would, in the end, make present matters immeasurably worse.

It seems incredible that the Department of Agriculture would be carrying on an aggressive and deliberate effort to reduce the American wheat farmer's market at home, yet, none the less, this is actually what the Department of Agriculture is doing.

In November 1933 the Department of Agriculture issued circular no. 296, which advocates an annual human consumption of 130 pounds of wheat per person. This circular or bulletin no. 296 sets forth what the Department of Agriculture advocates to be an adequate and balanced diet. This bulletin is being circularized throughout the country for the purpose of prevailing upon the people to adopt the diet prescribed by this circular. The diet which is advocated in this circular recommends an annual consumption of 130 pounds of wheat per capita. The Department of Agriculture, not content with one publication, issued Miscellaneous Publication No. 183, published in December 1933. This publication likewise advocates an annual consumption of 130 pounds of wheat per person.

The present actual annual consumption of wheat is 170 pounds per capita. Thus, by these two bulletins, the Department of Agriculture appeals to the people of the United States to reduce their consumption of wheat 40 pounds per capita annually. This is a reduction of 23 percent in the American human consumption of wheat. This amounts to reducing the consumption 112 million bushels per year. This 112 million bushels of wheat represent 8 million acres of wheat.

These two bulletins presenting what the Department of Agriculture claims is the proper diet are being given wide circulation throughout the United States. In many instances they are used in the schools.

This criticism of these bulletins is equally as much a criticism of bureaucracy as it is criticism of those who have political control of the Department of Agriculture. Those in the Bureau of Home Economics who prepared these bulletins are not political appointees. They are civil-service appointees. They are, therefore, a part of the permanent bureaucracy of the Department of Agriculture. While Sec-

retary Wallace and the political appointees who are in charge of the Department are not responsible for the preparation of these bulletins, yet they are responsible for permitting these bureaucratic subordinates to give these bulletins circulation.

In the beginning I said that the Department of Agriculture is loaded with officials and a personnel who are primarily interested in socializing the country rather than in obtaining a fair profit for existing American agriculture. As to the truth of this statement I offer this quotation from the foregoing mentioned bulletin no. 183 which was published by the Department of Agriculture in December 1933:

> The general use of either of the two diets at the higher levels of nutritive content would not only improve the health and efficiency of the population but at the same time would foster the type of agriculture which represents wise utilization of land for the country as a whole.

By this statement, we see that these busybodies and experimenters in the Department of Agriculture are taking upon themselves the responsibility of endeavoring to chart out a health course for all of the American people and to dictate what they think is the type of agriculture which represents wise utilization of the land for the country as a whole. They have no interest whatever in what the farmer, who owns and tills the land, thinks is the wise utilization of the land. They are determined to dictate what is the wise utilization of the land.

In the first place, the diet which is set up by these dreamers and experimenters is by most respectable authority condemned as a silly and unwise diet. Among such respectable authority who disagree with the diet prescribed by the Bureau of Home Economics of the Department of Agriculture is Dr. Lafayette Mendal, dean of the department of physiological chemistry of Yale University. As a proper diet Dr. Mendal supports a diet consisting of 30 percent white flour. For the average person, the diet prescribed by Dr. Mendal provides for the consumption of 195 pounds of wheat per person per year. Thus Dr. Mendal recommends a diet which would provide for an increase in the consumption of wheat of 25 pounds per year above present consumption while this Bureau in the Department of Agriculture is appealing to the people of the United States to reduce the consumption 40 pounds a year.

Another most eminent authority who disagrees with these experimenting bureaucrats in the Department of Agriculture is Dr. E. V. McCollum of Johns Hopkins University at Baltimore, Md. Dr. McCollum in a recently published article stated:

> In my opinion, the American diet should consist of about 40 percent wheat flour.

Under this diet recommended by Dr. McCollum, the people would consume well over 200 pounds of wheat per person per year.

Further discussing the subject, Dr. McCollum said:

> Bread, in my opinion, should form the principal source of energy in the American diet. I say this because any system of diet must be sound from the agriculture standpoint as well as sound physiologically. The United States has a large territory which is preeminently suited to the growing of wheat and the well-being of many farmers can best be achieved through wheat culture. Wheat should, therefore, remain our principal bread grain.

Thus Dr. Mendal, of Yale University, in recommending a diet whereby the American people would consume 195 pounds of wheat per person per year, and Dr. McCollum, of Johns Hopkins University, in recommending a diet whereby the people would consume more than 200 pounds of wheat per year per person, are infinitely better friends of the American wheat producer than the women in the Bureau of Home Economics of the Department of Agriculture. These two eminent doctors of these two outstanding universities owe no specific allegiance to the wheat farmer, while in the Department of Agriculture we find these mere experimenters in the Bureau of Home Economics who owe their allegiance to the American farmer advocating a reduced consumption of wheat.

If these dreamers and experimenters in the Department of Agriculture are right, then it is most remarkable that the American people have been able to build up a civilization upon their former diet, which civilization has never lost a war, has increased the span of life, and throughout the years has been the most prosperous civilization that the world has ever known.

Not only by their deeds, but by their words, we know that these officials are socializers and experimenters who are determined to wreck agriculture as we have known it, and the governmental and economic structures as we have known them, in order to accomplish their purpose of planning and remaking American people according to their fancy.

Let us call the roll of some of those who are in charge of the Agriculture Department. Secretary Wallace is far more a dreamer and philosopher than a practical business man or agriculturist. By many of his published articles, he discloses himself to be one who is completely out of sympathy with what the American people have accomplished and have been. In a series of recently published religious articles, he referred to all of us Americans as being "sons of David, licentious and contentious." In another of these articles, after commenting upon the tremendous earnestness of the reformers of the sixteenth century, he followed with this statement. I quote from Secretary Wallace:

> The only people of this century who have a comparable earnestness are such men as Lenin, Mussolini, and Hitler.

Prof. Rexford Tugwell, Assistant Secretary of Agriculture, and obviously the dominant personality of the Department of Agriculture, is determined to break down the American governmental and economic structures and supplant both of them with some form of new plan of society modeled after his personal fancies. In a speech before the American Economic Association, he stated that three changes were required in order to have a limited acceptance of the planning idea. These changes were: First, uprooting and changing constitutions and statutes; second, destroying private business as we have known it; and, third, destroying the sovereignty of the States.

After setting forth these requirements, he makes this bold statement:

> All three of these wholesale changes are required by even a limited acceptance of the planning idea.

Obviously the A.A.A. is at least a limited acceptance of a planned agriculture. As proof that the Agriculture Department regards the allotment plan as planned agriculture, I quote from the April issue of the Consumers' Guide which is published by the Department of Agriculture:

> To earn a share in the money, the farmer must become a partner in the Government's new experiment in "planned agriculture."

Notwithstanding the fact that Professor Tugwell made clear in his speech before the American Economic Association that the price of a limited acceptance of the planning idea meant the uprooting of constitutions and statutes, destroying business as we have known it, and destroying the sovereignty of the States, he expressed in this speech his undying love for planned economy. He expressed his love for a planned economy in this speech with the following words:

> This is one of the basic reasons why the prospect of a planned economy is so congenial to every other hope and belief which I have.

Jerome Frank, attorney for the Agricultural Adjustment Administration is another dominating personality in the Department of Agriculture. The Cooperative Dairy Defense Committee recently issued a statement in defense of the dairy farmers of the United States. In this statement it severely criticized the A.A.A. and the views of Mr. Frank pertaining to profits. In this statement the Dairy Defense Committee stated:

> The A.A.A. has refused to accept the counsel or heed the plans suggested by practical leaders in the dairy industry. Had such a plan been followed, the dairy industry would now be well on its way to stabilization.

Of course, this stabilization implies that a profit motive may be considered by both producers and distributors.

Mr. Frank, however, states that such profit motive is only one of our "current folkways."

Now, what hope is there for a farmer to obtain a profit from an agricultural program when one of the principal administrators speaks so disparagingly of profit as to refer to the profit motive as only one of our "current folkways"?

Another dominating personality in the Agriculture Department is Frederick Howe, consumers' counsel of the Agricultural Adjustment Administration. During the war Mr. Howe was commisssioner of immigration of Ellis Island. As commissioner it was his duty to deport anarchists. On June 21, 1919, Representative LaGuardia, of New York, made the charge on the floor of the House of Representatives that while it was the duty of Commissioner Howe to deport alien anarchists, yet, instead of deporting them, he acted as their counsel.

At the same time Representative Siegel, from the State of New York, in speaking of Mr. Howe, said:

It is useless to have a Commissioner of Immigration at New York away from his post of duty. He presided as chairman over what proved to be the largest Russian meeting held in Madison Square Garden a few weeks ago.

Shortly after these two speeches in the House of Representatives Mr. Howe resigned as Commissioner of Immigration of Ellis Island. Can anyone believe that a man with the record of Mr. Howe can possibly be interested in any program which will bring profit to the American farmer?

Another important personality in the Department of Agriculture is Miss Kneeland, who holds a most responsible position in the Bureau of Home Economics. It is this Bureau which put out these two circulars advocating a reduced consumption of wheat. In a recent congressional hearing she made clear that she had no sympathy with an economic program, the goal of which was to restore the price levels to 1926. She made it clear that her goal was what she termed as "a more abundant life." It was impossible to obtain any clear understanding from her as to just what she regards as "a more abundant life." Whatever may be said when she opposes the restoration of the 1926 price level she is not reflecting the views of the American farmers. This is true, notwithstanding the fact that she receives a handsome salary for working in the Department of Agriculture, which Department should be working for the interest of the farmers. Unquestionably the farmer would like to trade the present conditions for the 1926 conditions. Wheat in 1926 was worth $1.45 a bushel. It is worth about 76 cents at this time.

In a speech at Philadelphia, Professor Tugwell made a clear-cut statement as to what is the present governmental farm program. I quote from the concluding words of his speech:

Private control has failed to use wisely its control of land. * * * For the first time, the Government is thinking of the land as a whole. For the first time, we are preparing to build a land program which will control the use of that greatest of all natural resources, not merely for the benefit of those who happen to hold title to it, but for the greater welfare of all the citizens of the country.

This program is not in keeping with the free, independent American farm program which we have known. It is more in keeping with the philosophy of Stalin and Marx. Communistic Russia has prepared a land program not for the welfare of those who happen to hold title to the land, but what the Soviet thinks is for the welfare of all the citizens of Russia.

Thus in accordance with the statements of Mr. Tugwell, the Government is now engaged in a land program which is not merely for the benefit of the American farmer who happens to hold title to it, but for what Tugwell and the Agriculture Department thinks is for the greater welfare of all of the citizens of the country.

The net result of what the Department of Agriculture is doing, together with what Mr. Tugwell said was the Government's present land program, makes a statement made by Professor Tugwell before the American Economic Association in December 1931 strikingly significant. That statement of Professor Tugwell is as follows:

Many observers are observing the contemporary Russian practice and are recording carefully the experience there, which later may be of assistance to us, for instance, my (Tugwell's) Experimental Control in Russian Industry, also Heinrichs and Brown, The Planned Economy of Soviet Russia.

Professor Tugwell's statement in his Philadelphia speech is similar to the foregoing quoted statement from bulletin no. 183 in which it was said by the use of the diets which are advocated, there would be "fostered the type of agriculture which represents wise utilization of the land for the country as a whole."

If the Government is carrying out a land program as Mr. Tugwell said, then it is being done by this socialistic Department of Agriculture's perverting the Agriculture Adjustment Act. No legislation has ever been enacted authorizing the Government to engage in a land program to control the land. The only land which the Government has any legal control over is the public domain, but Mr. Tugwell was not talking about the public domain. He was talking about all the land. He made clear the statement that their program was to control all the land not merely for the benefit of those who happen to hold title to it.

The Department of Agriculture by forcing a reduction in the agricultural production through the A.A.A. and then advocating a further reduction in the consumption of wheat, the principal food product, is dominating and controlling the land. One thing is certain, Mr. Tugwell was correct when he said that the program was not for the benefit of the man who happened to hold title to it.

THE STOCK EXCHANGE BILL

Mr. SNYDER. Mr. Speaker, I ask unanimous consent to extend my own radio address in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. SNYDER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address delivered by me over the N.B.C. network, 9:45 eastern standard time, May 14, 1934:

My friends, that we should have our stock markets and security markets operate within certain specified limitations has been proven by the fact that at least 99 percent of the legitimate operators of the stock markets of the Nation agree with Congress that the Government should cooperate in regulating the stock exchanges of the country.

I favor such a measure because the stock-exchange people and big business generally realize that they must have some set-up by which they can regulate their business so as to assure stability and restore confidence in the markets of the Nation and the markets of the world.

The stock-exchange markets and big business enterprises of the Nation announced to the world in 1929 that they were no longer able to control the business enterprises which they themselves had built up. In other words, their business enterprises went to smash, which was the most effective way they could announce their failure to run their business.

I think the whole bunch of them are more to be pitied than censured—pitied because they did not know, and did not know that they did not know, until it was too late and the crash of 1929 was on them.

Those who controlled and managed the stock exchanges and security exchanges of the Nation either had no vision or did not know that the stock-market structure or security structure that they had built was unsound socially and economically. Thus the 1929 crash came and carried down with it millions of people who had invested their money with these institutions.

Those who were on the inside saw the markets tottering under the great boulder of mismanagement, and, realizing that the millions—yes, billions—of worthless securities and watered stock would drive to ruin not only millions of individuals but thousands of mills and factories and mines and farms, set out to save from the wreckage all that they could.

We recall how they marshaled their forces in November 1929 and then gathered under their wings as much of the safe and sound securities as they could, and then stood at attention until the crash came.

I well recall how the people in the Midwest gathered around the path where the cyclone had swept the day before. We all well recall the scenes and the conversations in the homes, the streets, the market places, the business places, the drug stores, the barber shops, the day and days following the financial cyclone of 1929, the greatest cyclone of its kind that ever hit the American people.

Most of us remember vividly how this cyclone destroyed not only thousands of banks but tens of thousands of homes, and scores of mills and factories and mines. We saw thousands and tens of thousands of honest, hard-working, God-fearing men and women who had saved a few thousand dollars for a rainy day lose their all. They had put their trust in these institutions and their savings; their ideals were not only shattered, but they were sent to almshouses, poorhouses, or thrust upon the charity of their friends or relatives, all because of the lack of proper management of big banking institutions, stock markets, and security institutions.

I am not ready to say what percent of these multiplied millions of worthless securities that were floated in our markets in 1929 were worthless because of loopholes in our law, or what percent were worthless because of bad management on the part of these institutions; but in either case, everyone realizes that the structure was weak or the crash would not have materialized.

In an industrial Nation like ours, where there are big units of business, we must ever keep before us the fact that these big units have a tendency to grow soulless in their operations. Of course, 99 percent or more of the officials of these corporations are honest and upright gentlemen, but the individuals employed in any corporation are usually pushed to the place where the books must show in the black; hence the very nature of the set-up of such a procedure is destructive in itself. Individuality is removed through such a set-up. Cold figures and margins of profit slowly place such institutions in an atmosphere wholly material and altogether soulless. Therefore, such institutions, like dangerous individuals, must be managed and regulated by an authority that is always operating in the best interests of all the people.

Some people live on the theory, "Don't do anything lest you do the wrong thing"; others operate on the basis of "Go ahead and do something, and if you do the wrong thing, adjust it as often as necessary until you are doing the right thing."

This administration is operating on the last-mentioned theory. I am glad that it is. We never get any place if we stand still. The last administration either ran around in a circle or else stood still and thus brought about the stagnation of every industry, mine, and mill. This Congress, this administration, is doing constructive things, sometimes wrong, of course, but, thank God, if the set-up does not work we are willing to adjust it to another level until it does work. It is hard to see how anyone would raise his voice against the regulation of the stock markets and security markets after realizing what happened in the last 6 or 7 years.

One thing every individual knows—one thing Congress knows—one thing the opponents of this bill realize—and that is that a government that permits institutions like a stock market to spring up within its own borders that can no longer be controlled is a government that needs adjustments, and needs them at once, if it is to protect its business interests and the interests of its citizens.

Can the Members of Congress of a great Nation say to the people that institutions which are eating out the very vitals of a nation have grown to such proportions that we can no longer manage them? I, for one, say "no." We can control, if we will, any and all of the institutions of our land. We can control the security markets of the Nation. We can control the stock exchanges of the Nation. We can control the banking institutions of the Nation. The deplorable collapse of the Nation's banking system in March 1933 is evidence that the Government must cooperate in guiding and directing the banking system of this Nation. By way of parentheses, I wish to say that right now an administration measure is under consideration to give aid to those who have their money tied up in closed banks.

In this matter of control I do not wish to be misunderstood. I do not want to see a set-up in our banks and stock markets that would make it possible for some group of know-nothing investigators or so-called "government experts" to step in and upset the workings or management of a mill, a factory, a mine, or a bank. That is not the intent and the purpose of this stock-market measure. The intent and the purpose of this measure is to throw out this group of know-nothings and bad managers and to keep them out.

A few of the specific provisions of the stock exchange bill are as follows:

First. (a) The control of credit; (b) the power to control markets. The main purpose is to give a Government credit agency an effective method of reducing the aggregate amount of the Nation's credit resources.

Second. Control of manipulative practices. The bill forbids absolutely those pools operating and other devices by which professional speculators bring up fictitious prices. The bill seeks to give investors prices where markets may be established by the free and honest balancing of investment demand and investment supply.

Third. A provision for adequate and honest reports. It is fundamental that no one can safely buy or sell securities without an intelligent basis for judgment; no one can obtain such a basis without full and true reports. This has been recognized by the officials of the leading exchanges and they welcome this feature.

Fourth. Control of unfair practices by corporate insiders. In order to curb speculation by officers in the stocks of their own companies, the bill provides for disclosures by officers and directors and the large inside stockholders. Moreover, the Commission is given power to regulate proxies so the stockholders will no longer blindly approve acts of management in violation of the corporation's rights.

Fifth. The exchanges themselves are regulated on the theory that the exchanges are public institutions which the public is invited to use for the purchase and sale of securities listed thereon, and are not simply private clubs to be conducted only in accordance with their members' interests.

The bill is not a moral pose or a vengeful strikeback at brokers for the losses which nearly the entire Nation has suffered in the last 5 years. It is simply an earnest attempt to make belated intelligent adjustments long required by changing conditions.

The way to restore the confidence of business is to restore in the market places of the Nation those standards of honesty and fair dealing which alone can serve as a basis of confidence. This is precisely what the present bill will accomplish.

This bill, along with some 20 other citizenship-building and Nation-building measures enacted by the Seventy-third Congress, further completes the bridge which leads to permanent and social economic recovery. It is just another granite pillar in the Roosevelt administrative program—a program designed to equally help the farmer, the laborer, and the business man.

INDIAN LEGISLATION

The SPEAKER. Under a special order of the House the gentleman from Oklahoma [Mr. HASTINGS] is recognized for 10 minutes at this time. The gentleman from Oklahoma requests that he be not interrupted during those 10 minutes.

Mr. HASTINGS. Mr. Speaker, in connection with that I ask in advance unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. HASTINGS. Mr. Speaker, I want to analyze and discuss the bill prepared under the direction of the Bureau of Indian Affairs, commonly known as the Wheeler-Howard bill (H.R. 7902).

The Commissioner of Indian Affairs has toured the West in advocacy of the provisions of this bill. Releases have been extensively carried in the press of the country commending the provisions of the bill. Radio addresses have been made to create public sentiment in its favor. Employees in the Indian Service have been intimidated into support of the bill, with the threat of dismissal from the service. They have been active throughout every Indian community in assembling Indians and having them endorse prepared resolutions in an effort to show that Indian sentiment favors the bill. The actual truth is that the bill is so complicated that but few, if any, Indians, understand its provisions. Extensive hearings have been held, both before the House and Senate Committees on Indian Affairs. The bill has been revised a number of times.

The original bill covers 48 printed pages and has four separate titles:

Title I—Indian self-government—covers 22 pages and in general provides for chartering Indian communities, granting them local self-government similar to that exercised by all of the Indian tribes throughout the United States a century ago.

Section 1 is a declaration of policy sought to be accomplished through the granting of local self-government.

Section 2 authorizes the Secretary of the Interior to issue a charter to Indians on any reservation or subdivision thereof, granting them certain enumerated powers subject to ratification by three-fifths vote of the residents of the area covered. In the event land is acquired by the Secretary of the Interior he shall prescribe conditions under which one may become a member if of one-fourth Indian blood, and acceptance of membership is a vote for the acceptance of the charter. Under this section any number of charters could be granted to groups or subdivisions of one tribe. And if the tribe should by vote reject the charter, those occupying an area of a purchased tract could accept and be granted powers of self-government within the discretion of the Secretary of the Interior.

Section 3 provides that each charter shall define the territorial limits of the community, prescribe a form of government for the community, its management, the bonding of community officials and Federal employees, and for continuing supervision by the Office of Indian Affairs as the Secretary may find necessary.

Section 4 authorizes the Secretary of the Interior to grant to chartered communities certain enumerated powers: (a) To organize and act as a Federal municipal corporation, to establish a form of government, to adopt and amend their

constitution, and to promulgate and enforce ordinances; (b) to elect officers, agents, or employees, fix their salaries, prescribe qualifications of voters, and for adoption of new members; (c) to regulate the use and disposition of property by members of the community and to protect the health and to provide for the general welfare of the community; (d) to establish courts for the enforcement of ordinances of the communities with exclusive jurisdiction over its members, and jurisdiction, exclusive or nonexclusive, over all other cases arising under the ordinances of the community, both civil and criminal, with authority to punish by fine up to $500 and by imprisonment up to 6 months; (e) to accept the surrender of tribal or community interests of individual members, to act as guardians, or provide for the appointment of guardians for minors, and to administer tribal and individual funds transferred or intrusted to the communities by the Federal Government; (f) to operate, maintain, and equip any public improvement, and as a Federal agency, to condemn and take title to lands or properties, to levy assessments, or require performance of labor in lieu of assessments; (g) to acquire, manage, and dispose of property, to declare and pay out dividends, to adopt and use a corporate seal, to sue and be sued, and to employ counsel; (h) to compel the transfer of any Federal employee for inefficiency; (i) to exercise any other powers delegated by the Office of Indian Affairs and to act as a Federal agency; (j) and to exercise any other powers necessary or incidental to the exercise of the enumerated powers.

The Indian community so chartered shall be recognized as the successor to any existing political power and successor to all right, interest, and title to all funds, property, choses in action, and to claims against the United States heretofore held by the tribes or other native political organization.

Section 5 requires regular reports from the chartered authorities to the community. It may compel the transfer of any person employed from the community other than persons appointed by the community. Then follows a saving proviso giving broad powers to the Commissioner of Indian Affairs to prescribe such conditions for the exercise of this power as will assure to employees reasonable security of tenure in office.

Section 6 directs the Secretary to prepare annual estimates for expenditures for functions and services administered by each community, transmit them to the Indian community and transmit the recommendation of the Indian community to the Bureau of the Budget. If not a direct, this is an implied, promise to finance the expenditures of each community from the Federal Treasury.

He shall transmit a copy of any bill for the expenditure of funds in any community and transmit the recommendations of the community to Congress.

He shall transmit the description of any project for expenditure of funds in any community.

No expenditure on any project is to be reimbursable unless approved by the community, and any funds of the community shall be expended only by the bonded disbursing agent of the community. This section clearly indicates that these expenses are to be borne by the Federal Government.

Section 7. The Secretary may delegate to any Indian community any function of government now exercised by the United States.

Section 8. The Commissioner is authorized to classify and transfer functions and services administered for Indians and make all necessary rules and regulations.

The community may appoint officers, but only with the approval of the Commissioner, and the community upon a three-fourths vote may request the transfer of any function.

Section 8 is a long-involved section but requires (a) that the community must comply with all the rules and regulations of the Secretary of the Interior; (b) directs the Secretary of the Treasury to pay out funds to bonded disbursing officers of any community; (c) requires the Commissioner to turn over lands and buildings previously used for Indians, to the community; (d) when the Secretary determines that the community has failed to comply with the conditions imposed he may reassume the administration of any functions of service; (e) requires reports from the community on or before September 1 of each year as of date June 30; (f) requires the Secretary to make an annual report to Congress on the administration of functions and services transferred to the community. This bill would permit legislation for Indians through the charter route rather than by Congress.

Section 9 authorizes the Secretary and Commissioner to continue to exercise all the existing powers not transferred, and shall have power to enforce by administrative order or veto any provisions that limit, qualify, or restrict the powers granted to the community.

Section 10 authorizes the Secretary of the Interior to convey as an agency of the Federal Government any right, interest, or title in property which may be held by the United States in trust for members of the community in any land, buildings, or equipment previously used by the United States in the administration of Indian affairs within the community.

Section 11 exempts Indian community property and land from taxation. How are the expenses of any community to be paid except through appropriations by Congress?

Section 12 authorizes an appropriation of $500,000 each fiscal year to pay expenses in organizing and developing Indian chartered communities, including building and furnishing community buildings, clerical supplies and the improvement of community land. Does anyone entertain the hope that Congress will appropriate and turn over to these Indian communities this sum annually to be expended by them?

There are many other details provided in title I, but to sum them all up it would permit segregating one or more or any number of areas as chartered communities within any State and granting to the members of the respective chartered communities, to all intents and purposes, the authority and powers exercised by Indian tribes a century ago. And Congress would be asked to make all necessary appropriations to pay the necessary expenses of these separate governments.

Mr. MARTIN of Colorado. Mr. Speaker, I ask unanimous consent that the gentleman from Oklahoma may continue for 10 additional minutes, for he is discussing a very important matter in a very instructive way.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. HASTINGS. In the first place, let me qualify as one deeply interested in the general welfare of all Indian tribes and each individual Indian in the United States. I am an enrolled member of the Cherokee Tribe. I attended the Cherokee tribal public schools and was graduated from its boarding school, taught in the tribal public schools, practiced law in the tribal courts and represented the Cherokee Tribe in practically every capacity from superintendent of public schools, attorney general, delegate to represent the tribe at Washington, D.C., in securing the enactment of legislation, represented the tribe before the commission appointed by the Government to make its final roll and to allot its lands, and, finally, as national attorney for the tribe for a number of years, I appeared before the various commissions, the departments of Government, committees of Congress, and represented the tribe before the various courts of the country, including the Supreme Court of the United States.

Since my election to Congress in 1914 I challenge the examination of my record to show that there was a vote that I have cast which does not clearly show that I am in sympathy with the protection of the rights of Indians.

I prepared and assisted in the enactment of jurisdictional bills in 1924 authorizing each of the Five Civilized Tribes to bring suit against the Government for any and all claims which they have, and as a result these suits have been instituted and are now pending before the Court of Claims.

I assisted in securing the enactment of the act of May 10, 1928, which extended the restrictive period on the lands of the Five Civilized Tribes until April 26, 1956, and made 160 acres nontaxable, and the enactment of the act approved January 27, 1933, which continued the authority of the Sec-

retary of the Interior over restricted Indian property, including the funds of unenrolled restricted Indians.

As a member of the Subcommittee on Appropriations I have made every effort to secure increased appropriations for education and health work among the several Indian tribes.

I mention this record for the purpose of showing that I approach the discussion of this bill from the standpoint of one who is himself an Indian and is in deep sympathy with all legislation and administration for the welfare of Indians.

I yield to no man in or out of Congress in my earnest desire to be helpful to all Indian tribes.

In the beginning, the government of Indians was placed under the immediate supervision of a Commissioner of Indian Affairs, who was under the general control of the War Department. The Indians then had vast areas of land, both east and west of the Mississippi River. Their control was transferred to the Interior Department when it was created under the act of March 3, 1849, and since that time a definite policy has been advocated toward the education, civilization, and gradual emancipation of the Indian. Prior to March 3, 1871, treaties were entered into by and between the Government of the United States and the several Indian tribes. This policy was discontinued through an act of Congress approved on that date, and thereafter for about 25 years agreements were entered into with Indian tribes for a number of years. The courts have held in many cases that a treaty had no more binding force than an agreement or act of Congress, and since the decision of the courts to that effect and for the past 30 years Congress has been exercising control over the Indians and their property by direct legislation, and this has been held to be constitutional by the courts.

In 1887 a general policy of allotting lands among the western Indian tribes was adopted, and the first lands were allotted with a trust patent preventing their alienation until a fee patent was granted 25 years thereafter.

The first agreements were made for the allotment of lands with the Choctaws and Chickasaws, the Creeks and Seminoles in 1897, and the Chickasaw and Choctaw and Creek agreements were ratified as amendments to the Curtis bill approved June 28, 1898. The Seminole agreement was subsequently ratified July 1, 1898. The Cherokees, not having entered into an agreement, Congress by an act of July 1, 1902, submitted an agreement to the Cherokee Tribe for ratification, which was done by a vote of the Cherokee people August 7, 1902. All of the agreements with the Five Civilized Tribes are similar. They provide for the enrollment of the members of each tribe, for allotment of their lands in severalty and the disbursement of their money.

The members of the Five Civilized Tribes were made citizens of the United States by act of March 3, 1901, and all other Indians were from time to time made citizens of the United States by various acts of Congress and, finally, by general law approved June 2, 1924, Congress declared all Indians citizens of the United States.

In the discussion of the Howard-Wheeler bill before the committees and on many public occasions, the Commissioner of Indian Affairs has enlarged upon the vast amount of lands formerly held by Indian tribes, has sharply criticized the legislation by Congress, including the General Allotment Act of 1887, and in fact all acts of Congress and agreements looking to the individualization of the lands among the Indians of the several tribes. He charges that there has been mismanagement of Indian property and that the Indians of the United States have been despoiled of hundreds of millions of dollars. I heartily agree that there has been a great deal of mismanagement of Indian property. I agree that many treaties have been improvidently made. I assert that many others have been secured through coercive measures.

I think that this may be said of practically every treaty made with the Cherokees, of which tribe I am a member. The treaty of 1835, which resulted in the removal of the Cherokees west of the Mississippi River, reflects this clearly and was made with only a handful of Cherokees who did not properly represent the sentiment of the great mass of Cherokees at the time. The terms of the treaty of 1866 were forced upon the impoverished wards of the Nation and, in my judgment, without going into detail, there is not a treaty agreement made that was not secured by coercion. The act of Congress approved July 1, 1902, ratified by the Cherokees, was an acceptance of a choice between evils—the Curtis bill, approved June 28, 1898, which destroyed the Cherokee form of government and the so-called "Cherokee agreement." I think no one disputes but that the Indians, generally speaking, have been unfairly dealt with.

However, let me say that that is history. It serves no useful purpose for us to discuss the coercion by the Government or the maladministration of Indian affairs. That I fear is resorted to to lead us into a sympathetic atmosphere and away from a discussion of the details of the bill before us.

Our answer to this argument is that the Commissioner of Indian Affairs should give earnest consideration to a review of all treaties violated and to all moneys which the Government of the United States, in equity and good conscience, owes the Indians and make proper recommendations to the Congress either to make appropriations adequate to repay the Indians or recommend jurisdictional bills referring all of these claims to the Court of Claims with the right of appeal to the Supreme Court of the United States.

The Five Civilized Tribes have 41 suits pending in the Court of Claims, and the attorneys with whom contracts have been made complain that the Indian Bureau, because of the want of clerical help, is delaying reports, and therefore postponing the trial of these suits. It is suggested that if the making of the necessary reports were expedited it would greatly aid in bringing these and other suits filed on behalf of the Indian tribes to speedy trial.

I have not heard any argument to justify title I of the proposed Howard-Wheeler bill. It, in effect, turns the hands of Indian civilization back for a century.

During all of this time the Government has been engaged in an effort to have the Indians of the Nation accept citizenship, to study the Constitution and laws of the United States and of the several State governments, and to become a part of and participate in all governments—local, State, and National. You cannot otherwise develop the Indians into patriotic citizens and instill into them the purposes of the Government. The Indian was reluctant to give up his form of government, but our Government determined that it was best for the Indian. Most Indian governments, including the Five Civilized Tribes, have been abandoned for the past 30 years. It was with great difficulty that the Indians were induced to accept and to exercise the rights of citizenship. He is beginning to do this now. Untold thousands of Indians joined in the World War, and those who were fortunate enough to return did so as patriotic citizens of their State and Nation.

Twenty-two pages of the Wheeler-Howard bill looks to chartering Indian communities, to regrant to them certain powers of local self-government abolished almost a half century ago. What good would this accomplish? How would it advance the Indians? By the enactment of title 1 it prejudices the Indians against the Federal and State laws and encourages them to set up anew a different government and to make new laws. What we are trying to do is to have the Indians study our local laws, to become familiar with them, and to participate in local self-government.

In the State of Oklahoma, and this is measurably true in other States, all Indians are doing this. There is absolutely no discrimination against the Indian in Oklahoma. He is placed on an equality with every other citizen. He accepts the responsibility of citizenship, votes at all elections, and takes a part in local affairs the same as any other citizen. In my home county the sheriff, treasurer, court clerk, county clerk, county attorney, and perhaps other officers, including the mayor of my home city, are of Indian blood. There is no prejudice against them and they are elected on their merits.

We are trying to encourage every Indian to participate in local affairs. This bill will have the effect of segregating the

Indians off into chartered communities and will result in their nonparticipation further in their local and State governments. The best way to teach anyone the philosophy of their State and Federal Governments is to have them participate in them and become a part of them. You cannot stand aloof and separate yourself and not participate in local government and at the same time be familiar with it. When you set up a separate form of government you say by the very act that the local government, State government, and Federal Government is not adequate, and you prejudice the Indian against the Government which he should patriotically and wholeheartedly support.

Mr. PEAVEY. Mr. Speaker, will the gentleman yield?

Mr. HASTINGS. I hesitate to yield, having asked not to be interrupted, but I do not want to be discourteous to my friend from Wisconsin.

Mr. PEAVEY. I thank the gentleman. I would like to have the gentleman make clear to the membership that all the objectionable features of the original bill, H.R. 7902, have been stricken from the bill.

Mr. HASTINGS. I am coming to that; and in my detailed analysis I have shown what they have taken out of the bill. I shall show also, before I get through, that there are some provisions in the revised bill that ought not to be enacted into law.

Mr. PEAVEY. It was so drastically amended that they took out everything but the title.

Mr. HASTINGS. The committee materially helped it by changing every provision except the title and writing a new bill.

Mr. DISNEY. Mr. Speaker, will the gentleman yield?

Mr. HASTINGS. I yield.

Mr. DISNEY. A moment ago the gentleman referred to the fact that the bill changed the law of descent and distribution. Is that change carried forward into the substitute bill?

Mr. HASTINGS. Section 4 of the revised bill provides against the sale, devise, gift, exchange, or transfer by operation of law or otherwise of restricted lands, except with the approval of the Secretary of the Interior, and this language may repeal our partition laws and the method of determining heirs.

Why is title 1 necessary? What good will it do? What benefit will it be to the Indian? Are we not taught that our Federal Constitution and laws are the best ever devised by man? It is true we may not agree with each provision of the Constitution or all the laws enacted pursuant thereto, but each patriotic citizen who loves his Government believes in its Constitution and laws. The same is true of our local government. While we may not agree with all the provisions of each State constitution or the legislation enacted, still it is the fundamental law of each State and the laws enacted by the people of the State for the government of its entire citizenship.

Now, the legislation that is good for one is good for the entire citizenship; and when you segregate a small minority into groups, styled "chartered communities", you poison them against their State constitution and laws by arousing anew their prejudices which we are striving to overcome.

This does not mean that jurisdiction is not retained in the Federal Government to properly protect the rights and property of restricted Indians. That power is retained in the Federal Constitution and in all enabling acts admitting to statehood the several States. Congress throughout the 145 years of our existence has exercised the right to legislate for the benefit of the Indian wards of the Nation. This has been done throughout the entire continuance of our Government. Congress continues to protect the rights and property of restricted Indians, and should do so. It is not necessary, however, to protect the rights and property of Indians to have special ordinances enacted for the benefit of chartered groups, so as to place them under different laws from the other citizens of that community. I have no sympathy with title 1 of the Wheeler-Howard bill and cannot vote for it. It creates suspicion and poisons the Indians against their local governments, of which they are a part.

Title 2 is entitled "Special Education for Indians." By reference to the Interior Department appropriation bill it will be found that Congress has appropriated $16,350,185 for Indians, and of this amount $7,990,560 is appropriated for Indian education and $3,239,595 for health work. The money for Indian education is expended in two classes of boarding schools, known as "reservation" and "nonreservation", of which there are 54 boarding schools, and through the payment of tuition in public schools throughout the country and the maintenance of separate Indian day schools, and there may be need for an increase in this appropriation. I have, as a member of the subcommittee having the responsibility of assisting in preparing and reporting the Interior Department appropriation bill, urged the use of the full capacity of all boarding schools for at least another 10 years, so that the Indians may be encouraged to attend them and submit to and respect their discipline, so that they may be prepared to return to their several communities and assume their full responsibility of citizenship.

The Commissioner of Indian Affairs has insisted on a larger number attending the public schools. To my mind this action cannot be reconciled. If you segregate the Indians into chartered communities, encourage them to make and enforce their own laws, and live separate and apart from the white population, they become prejudiced against the white public schools, and, of course, cannot be induced to attend.

Permit me to say that I have always taken the position that the Government of the United States should be generous toward its Indian wards, both in preparing them through boarding schools and, when economic conditions permit, through public schools, to accept full responsibility of citizenship. If the appropriations are not adequate, they should be increased by Congress, and not have the Indians segregated into separate communities and taught to have suspicion against and despise their local governments, of which they must in the end become a part. The Congress has appropriated this year every dollar estimated for and recommended by the Bureau of the Budget. For health work the amount was increased.

Mr. MAPES. Mr. Speaker, will the gentleman yield?

Mr. HASTINGS. I yield to the gentleman from Michigan.

Mr. MAPES. I merely wished to state that personally I have received a great many protests against the bill which the gentleman is discussing, protests from my constituents, particularly from members of the Christian Reformed Church, an institution which has done a great deal of work among the Indians, and is greatly interested in them. I am very glad, indeed, to have the gentleman analyze the bill, for I realize he is an authority on the question.

Mr. HASTINGS. I thank the gentleman very much; and if the gentleman will do me the kindness to read this speech in the RECORD, he will find I have carefully analyzed the bill. I have spent considerable time and study on the provisions of this bill. I believe I can claim that I am fairly familiar with it.

Mr. MAPES. I may say to the gentleman that I intend to do as he suggests; and I also intend to send a copy of today's RECORD containing the gentleman's speech to a good many of my constituents.

Mr. HASTINGS. I thank the gentleman.

Mrs. GREENWAY. Mr. Speaker, will the gentleman yield?

Mr. HASTINGS. Certainly.

Mrs. GREENWAY. As a member of the committee, I agree with every word the gentleman from Oklahoma has said, and I hope the gentleman finishes his analysis. Last night many of us redrafted the bill, leaving nothing in it but the title; but I hope the gentleman continues his analysis of the original bill.

Mr. HASTINGS. I thank the gentlewoman from Arizona. I know she has given a great deal of time, thought, and study to the provisions of this bill.

Title III is entitled "Indian lands", and, without analyzing it in detail, it authorizes an appropriation of $2,000,000 annually with which to buy additional lands for the use and

benefit of members of the respective chartered communities. I have indicated, and I repeat now, that I am in sympathy with the purchase of additional lands for indigent, landless, and homeless Indians. Congress has appropriated money on a number of occasions to purchase lands for the landless Indians in California. There is no reason why this policy should not be enlarged and extended to other Indian tribes. I therefore favor the authorization of a sufficient amount of money to be appropriated by Congress which would be adequate to buy lands for those Indians who could be induced to go upon and beneficially use them in the form of Indian subsistence homesteads, with the title to remain in the United States and the land to be used for the benefit of the Indians subject to the rules and regulations of the Secretary of the Interior. This is along the line of subsistence-homestead legislation enacted by Congress for the benefit of those who live in industrial centers and who are unable to find sufficient work at all times to maintain themselves and the members of their families. Under that legislation it is contemplated that the land and the improvements thereon will ultimately be paid for by the occupant. However, with the Indians it may be necessary to change or have a different policy as to terms of payment. The title to the land should be held in the United States. It should be made nontaxable, of course, while held by the Government, but it may and should be necessary to contribute to the expense of the local State government because of the nontaxability of these lands. It should be held for the beneficial use of the Indians under well-thought-out legislation as to details. Funds would have to be made available to aid in the improvement of the land, including houses and other improvements, the purchase of livestock, the reduction of the land to a state of cultivation, and to otherwise temporarily assist the Indians in making a living. This would not require a separate form of government for any Indian community. He should be taught to love and respect and have confidence in his local self-government. The Federal Government should provide, as it does, Indian farmers and social workers, and perhaps the number should be increased, to live among the Indians on the Indian subsistence homesteads and to aid them in every possible way; but this would not require the setting up of a new government, the adoption of a constitution and laws by a chartered community, and encourage the members of that community to have a distrust and an aversion for their State government.

It is urged that the employees of an Indian community should be largely Indian. I am in sympathy with that suggestion. This could be done by amending the civil-service laws. I have always insisted that more Indians who could speak the language of the respective tribes should be employed, men and women, who are in sympathy with the members of the tribes, and who live their lives, instead of employing those from the eligible list of graduates from eastern colleges, but who have no practical knowledge of Indian affairs and who of necessity are not in as deep and continued sympathy with the Indians whom they serve. This would not require the chartering of a community.

Let me repeat that I favor any adequate appropriation to buy lands for the support of landless and homeless Indians, whether they were improvidently dispossessed of their lands or whether they were born since the lands were alloted, and therefore not enrolled. However, I think that the use of these lands should be confined to restricted Indians of one half or more Indian blood. If they are of less than that degree of blood they should be classed as other citizens and made to take advantage of the general laws with reference to subsistence homesteads. The great and continuing obligation of this Government, legal and moral, is to supervise and take care of the restricted Indian of one half or more Indian blood, and protect him and his property rights until he is able to stand alone and to accept the full responsibility of citizenship. However, I would not take from him the hope that he would become competent, that he would not always be an inferior. The Indians are a proud race of people. They recognize no inferiority. They point with pride to some of the leading men and women whom they have produced. It is, therefore, humiliating to enact legislation that would not ultimately look forward to and indulge the hope of release of the Indian from all governmental supervision and guardianship. You cannot fully develop any men or women, Indian or white, by constantly reminding them of their incapacity to accept the full responsibility of citizenship and their inability to take part in their local self-government.

I heartily agree that additional appropriations should be made for health work among the Indians. Only a few years ago the Indians were greatly prejudiced against being treated by white doctors. They resorted to Indian remedies. They could not be induced to go to hospitals. They would not accept the services of white physicians. This has greatly changed in the past 10 years. Practically every member of every tribe is now glad to enter hospitals provided by the Government and practically all the hospitals throughout the entire country are attended by Indians. Their prejudices against treatment in hospitals has been overcome. It has been quite a struggle but it is another step in the advancement of the Indian race. I favor making adequate appropriations for more health work among the Indians. Now that their lands are allotted and they are not able to live in the open, and many are undernourished and more subject to attack by various diseases, particularly tuberculosis, they need more medical treatment and health supervision. I think the duty is clear that Congress should make larger appropriations for this purpose.

Title IV provides for a court of Indian affairs composed of a chief justice and six associate justices. Indian courts are to be presided over by one of these justices. Jurisdiction of this court is defined in section 3 of title IV of the bill and provides for prosecution of crimes against the United States committed in the Indian area in any Indian community, whether or not committed by an Indian; of all cases at law and equity arising out of commerce of any Indian tribe; of all cases arising under the laws or ordinances of an Indian community; of all actions involving the rights of any person in whole or part of Indian blood or descent; of all cases involving heirs and settlement of estates of such Indians, including partition of Indian lands, guardianships of minors and incompetent Indians. To my mind, this is unthinkable.

We have State courts in each county throughout the United States and we have Federal courts in every State. Under all of the laws and treaties, any case involving the rights of a restricted Indian or his property may be transferred from a State to a Federal court. I have never heard of any criticism to the effect that a Federal court has not always been sympathetic toward a restricted Indian. It is inconceivable to my mind that Congress could be induced to enact such legislation. There is no necessity for it; it is not beneficial to the restricted Indian in protecting him and his property rights. It only serves to prejudice him further not only against the State courts but also against the Federal courts.

This would be a great additional expense to the United States and would necessitate the appointment of judges with a salary of $7,500 per annum, additional attorneys, court employees, and the assembling of juries, and the holding of special terms of court—where these same cases could be tried either in the State courts or in the Federal courts. The law in Oklahoma requires that where property of restricted Indians is in litigation, in order that the final decision may be binding on the Indian and the Government, notice must be served on the Superintendent for the Five Civilized Tribes, and if it is thought that for any reason it is desirable, upon the filing of a motion, the case is automatically transferred to the Federal court. I have not heard of a decision of a Federal court in Oklahoma where it was contended that the rights of the Indians were not fully protected. I grant you that in some cases they may not have been properly prepared, or the pleadings may not in all cases have properly presented the issues, and courts may have been compelled to decide questions on side issues, but I have never heard it

charged in Oklahoma that the interests of the Indians have not been protected when those interests have been properly presented to the Federal courts.

For years I was Cherokee tribal attorney. I tried many suits for them. I never had occasion to transfer any suit from a State to a Federal court. I know of no case, of the many that I have tried for them, where I believe that the Indian was not dealt as fairly with as if the case were being tried in the Federal courts. However, if it is felt that there are any communities where there may be local prejudice against the Indians, those cases can and should be transferred to the Federal courts. Congress appropriates money for probate attorneys, and they are charged with the responsibility of appearing for and defending the property rights of all restricted Indians. They are assisted in the Federal courts also by the United States district attorneys. I assert, therefore, that it is unthinkable that the Congress should favorably consider such a provision as this bill contains to create separate Indian courts.

Let me recapitulate in order to emphasize that I do not think the self-government features contained in title I of this bill are necessary. I favor adequate appropriations for the purchase of land for old, indigent, landless, and homeless Indians for Indian subsistence homesteads, the title to remain in the Government of the United States and be administered under general rules and regulations of the Secretary of the Interior for the beneficial use of such Indians.

I favor adequate appropriations for boarding and Indian day schools and for the payment of tuition, by the Government, of Indian children in attendance upon public schools.

I earnestly favor additional and adequate appropriations for health work in the Indian Service and regard this as most urgent.

I favor enlarged appropriations that will be adequate to increase the number of employees in the Indian Service who are assisting restricted Indians in finding gainful employment. The Government has a duty toward its Indian wards to assist them in finding employment and to teach the Indian to conserve his property and to abide by and comply with the State and Federal laws.

I have always favored the employment of Indians who are competent and honest in the Indian Service, regardless of civil-service rules and regulations. In the event lands are purchased for Indians and administered as subsistence homesteads, those employed to assist the Indians in the cultivation of their lands, the harvesting of their crops, and the caring for their livestock should be Indians who live among them and speak the language and who are in sympathy with them.

We should assist the Indian in every way to earn a living and to qualify him to assume the full responsibility of citizenship and encourage him to take part in his local and State governments. We should inspire confidence in every Indian in his Government, because in the end he is destined to take his place along the side of his white neighbor and to become a part of the Government and to rely upon the protection of its laws. Most, if not all, restricted Indians have unrestricted relatives against whom this legislation would create a prejudice.

The bill since it was originally introduced has been modified and amended by both committees of the House and the Senate, and while many of the features which I have discussed have been eliminated, the bill in its present form contains objectionable features which should prevent its favorable consideration by Congress. I want to discuss the amended bill.

Section 2 of the amended bill would take away from the Secretary of the Interior authority to remove the restrictions on lands allotted to individual Indians, although the Indian may thereafter become a college graduate and move off the land to a distant State. Are we through legislation to close the door of hope against every Indian's becoming competent to manage his affairs? Under these circumstances no disposition could be made of the land.

Section 4 of the revised bill provides—

No sale, devise, gift, exchange, or transfer by operation of law or otherwise of restricted Indian lands shall be made or approved.

And then follows a proviso that such lands may be sold, devised, or otherwise transferred to an Indian tribe or member thereof with the approval of the Secretary of the Interior, which, in my judgment, is intended to repeal the partition jurisdiction of the courts of the several States, including that of Oklahoma, and vest this authority to partition exclusively in the Secretary of the Interior. Interest in land is of no value unless there is a definite procedure through the courts whereby the interest in the land may be ascertained and disposed of as a matter of right, and not subject to the arbitrary power vested in the Secretary of the Interior and, in fact, exercised by a subordinate official.

Section 7 authorizes the Secretary of the Interior to proclaim new Indian reservations on lands acquired under the act or add such lands to existing reservations. Under this section authority is granted the Secretary to acquire any number of separate tracts of land and create Indian reservations, and these Indian reservations would be given the power, conferred by sections 9 and 10, to adopt constitutions and to perform other functions of government enumerated under these sections. This provision is unnecessary.

Section 9 provides for the adoption of a constitution and bylaws by three fifths of those voting at an election, which may confer the following rights and powers: To employ legal counsel, subject, as in all other cases, to the approval of the Secretary of the Interior; to prevent the sale, disposition, lease, or encumbrance of tribal lands, interest in lands, or other tribal assets. These are broad powers and may amend or repeal existing law. The language is ambiguous and its interpretation is doubtful. How this language may affect the coal or asphalt lands in Oklahoma, which may be included in a reservation, is doubtful and there should be definite and specific language used, so that it may be incapable of misinterpretation. This section is dangerous and should not be incorporated in the law.

In connection with section 9, section 10 should be considered, which authorizes the Secretary of the Interior to issue a charter of incorporation; and this charter is to be ratified by three-fifths vote of all adult Indians "resident within the territory specified in the charter." The powers and functions of this corporation shall be "to take hold, manage, operate, and dispose of all the collective and other corporate assets and property of every description, both real and personal, and to do such other things as are needed for the conduct of its business, except that no authority is granted to sell any of the land included within the limits of the reservation. Such charter shall not be revoked or surrendered except by act of Congress."

In the event the coal and asphalt lands in the Chickasaw and Choctaw Nations, or any part of them, were included within a reservation and a charter granted, it is extremely doubtful whether or not this provision may not authorize the management and operation of these coal and asphalt mines.

Section 11 of the amended bill authorizes that an appropriation of $250,000 in any fiscal year be expended under the direction of the Secretary of the Interior in defraying the expenses of tribal organizations created under the act.

Section 12 authorizes an appropriation out of the Treasury of the sum of $10,000,000 and establishes a revolving fund from which the Secretary of the Interior may make loans to Indian chartered corporations or their members.

Section 13 authorizes the Commissioner of Indian Affairs to provide technical education for qualified Indians. As a member of the subcommittee charged with the responsibility of making appropriations, I made every effort to have the capacity of Indian boarding schools maintained for all Indians—not a few—where they may have the advantages of higher technical training.

Section 14 authorizes the Secretary to establish standards for employees, which, of course, means doing away with civil-service requirements. I do not object to this provision, as I believe that practical knowledge of Indians and sympathy with them will enable Indian employees to give more beneficial service.

Section 19 defines an Indian to be of one half Indian blood, but it has doubtful language because it includes not

only Indians on a reservation and descendants of Indians but includes "all other persons of one half or more Indian blood." This may enable claimants from Maine to California to assert rights under this proposed bill.

Again permit me to call attention to the definition of the word "tribe" which is defined in section 19 as follows: "The term 'tribe' wherever used in this act shall be construed to refer to any Indian tribe, band, nation, pueblo, or other native political group or organization."

Note the word "organization", which is included in the definition of "tribe" and connect it up with sections 7, 9, and 10 and no interpretation can be placed upon it other than that a chartered community would be recognized as a tribe and may exercise all the powers given to a tribe under sections 9 and 10. This is dangerous legislation, even in its revised form, and should not be enacted into law.

Distrust of local self-government is evidenced by H.R. 8174 prepared and introduced at the request of the Indian Bureau.

This bill, which is a companion bill, would continue the restrictions and nontaxability of restricted Indian lands of the Five Civilized Tribes, including those hereafter purchased with restricted funds, or from appropriations by Congress, indefinitely and "until otherwise provided by Congress", and gives the Secretary of the Interior complete supervision over them, with a proviso against leasing such lands for any period, except with the approval of the Secretary.

It provides for designating the Secretary as trustee in a declaration of trust, and makes the same irrevocable, except with the approval of the Secretary, and gives the Secretary complete supervision over such funds.

It repeals the provisions of the act of May 27, 1908, authorizing the appointment of guardians, and provides that hereafter no appointment of a guardian of a restricted Indian of the Five Civilized Tribes, enrolled or unenrolled, shall be made by the State court, except in the determination of any pending case where a guardian is necessary, which may be made only upon the recommendation of the superintendent for the Five Civilized Tribes.

It repeals the act of June 14, 1918, and places the determination of heirs, probate of wills, and partition of restricted lands, under the jurisdiction of the Secretary, and his decision is final and conclusive.

No will of any restricted Indian devising any restricted property is valid unless approved by the Secretary of the Interior.

In short, this bill would take from the State courts practically all jurisdiction over the restricted Indians and their property, including the approval and probation of wills, the determination of heirs, and partition of lands, and transfers it to the Secretary of the Interior. There breathes through every line of this bill a suspicion and a distrust for the local courts and local government in Oklahoma and encourages the belief in the Indians that they cannot look for protection under them.

One bill (H.R. 7902) would, through the provisions of a charter granted by the Secretary of the Interior, encourage local self-government to, for the most part, non-English-speaking groups of Indians, result in the complete domination of all Indian tribes by the Indian Office, and the second bill—H.R. 8174—would take away from the local State courts and government of Oklahoma, all jurisdiction and authority over them and substitute long-distance government.

I am determined, so far as my action goes, that the Indians of this Nation shall not, through segregation into separate groups, be ultimately destroyed by prejudices created against their white neighbors with whom they should live in harmony and on terms of absolute equality.

The Government owes a duty to its Indian wards to protect them in their property rights, to see that their land is beneficially used and not improvidently encumbered or disposed of, to provide a forum for the speedy adjustment of their claims, to assist in their education so as to enable them to compete with their white neighbors, to supervise health work among them, to extend aid to the aged, indigent, and helpless, and to assist in finding employment for the able-bodied men and women.

In these distressing times men and women of every nationality in every county in the Nation could be assembled and induced to endorse resolutions for their support out of the Federal Treasury if they were led to believe by an official holding a responsible Government position that such legislation would receive the favorable consideration of Congress.

Is it any wonder that non-English-speaking Indians, under the leadership and direction of Government employees, should accept such assurances and pass resolutions endorsing a bill which neither they understand nor any subordinate Government employee is capable of explaining?

I appreciate that the views I have expressed may be misrepresented through the means of wide publicity which the sponsors of the legislation have through press releases, wide newspaper publicity, radio addresses, and by personal contact through intimidated Government employees.

In the years that have come and gone I have spent many wakeful hours studying the Indian problem in an effort to be of real constructive service to the Indians, not only of my own tribe but all Indians of my State and throughout the Nation. Believing that this legislation, for the reasons I have indicated, will not be beneficial to nor result in the advancement of the Indians, I must have the courage to speak the truth. [Applause.]

PERMISSION TO ADDRESS THE HOUSE

Mr. CROWE. Mr. Speaker, I ask unanimous consent to address the House for 7 minutes.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, did I understand that we were going on with this bill today? Of course, the responsibility rests with the majority.

Mr. BANKHEAD. Mr. Speaker, the majority leader is not on the floor at this minute; but, of course, it was the expectation to go forward at once with the consideration of this rule.

Mr. MARTIN of Massachusetts. May I inquire what the gentleman is going to talk about?

Mr. CROWE. I am going to speak on the matter of a bill which I introduced yesterday, being H.R. 9696.

Mr. MARTIN of Massachusetts. I think we ought to go ahead with the pending business, and therefore I am obliged to object.

VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—HARVEY O. WILLIS (H.DOC. NO. 377)

The SPEAKER laid before the House the following message from the President of the United States:

To the House of Representatives:

I return herewith, without my approval, H.R. No. 3553, "An act for the relief of Harvey O. Willis."

This bill provides that in the administration of laws conferring rights, priveleges, and benefits upon honorably discharged soldiers Harvey O. Willis, who was an enlisted man in the Army of the United States, shall hereafter be held and considered to have been honorably discharged from the military service on July 19, 1898, provided that no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of the act. The effect of the bill is to make Willis eligible to receive such pension and other benefits as he may be entitled to from the date of its approval.

The official records of the War Department show that Willis enlisted in the United States Army August 18, 1897, and was discharged without honor on July 22, 1898, by order of the Secretary of War, for the reason that "he had been twice tried by summary court for excessive use of intoxicants, that he became intoxicated at every opportunity; that he was the victim of chronic alcoholism; that any further attempt to reform him appeared to be hopeless, and that his presence in the company was detrimental to the discipline of the organization."

I do not think that this discreditable record should be negatived alone on the ground of Willis' sworn statement that it does not represent the true reasons for his discharge without honor. I am constrained, therefore, to withhold

my approval of this bill as I do not feel that the beneficiary thereof is entitled to be accorded the same rights and privileges given to other members of our military forces as a reward for honest and faithful service.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *May 21, 1934.*

Mr. CULLEN. Mr. Speaker, I move that the message of the President and the bill be referred to the Committee on Military Affairs and ordered printed.

The motion was agreed to.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—SILVER (S.DOC. NO. 181)

The SPEAKER laid before the House the following message from the President of the United States, which was read and referred to the Ways and Means Committee and ordered printed:

To the Congress of the United States:

On January 11, 1934, I recommended to the Congress legislation which was promptly enacted under the title "The Gold Reserve Act of 1934." This act vested in the United States Government the custody and control of our stocks of gold as a reserve for our paper currency and as a medium of settling international balances. It set up a stabilization fund for the control of foreign exchange in the interests of our people, and certain amendments were added to facilitate the acquisition of silver.

As stated in my message to the Congress, this legislation was recommended as a step in improving our financial and monetary system. Its enactment has laid a foundation on which we are organizing a currency system that will be both sound and adequate. It is a long step forward, but only a step.

As a part of the larger objective, some things have been clear. One is that we should move forward as rapidly as conditions permit in broadening the metallic base of our monetary system and in stabilizing the purchasing and debt-paying power of our money on a more equitable level. Another is that we should not neglect the value of an increased use of silver in improving our monetary system. Since 1929 that has been obvious.

Some measures for making a greater use of silver in the public interest are appropriate for independent action by us. On others, international cooperation should be sought.

Of the former class is that of increasing the proportion of silver in the abundant metallic reserves back of our paper currency. This policy was initiated by the proclamation of December 21, 1933, bringing our current domestic production of silver into the Treasury, as well as placing this Nation among the first to carry out the agreement on silver which we sought and secured at the London Conference. We have since acquired other silver in the interest of stabilization of foreign exchange and the development of a broader metallic base for our currency. We seek to remedy a maladjustment of our currency.

In further aid of this policy, it would be helpful to have legislation broadening the authority for the further acquisition and monetary use of silver.

I, therefore, recommend legislation at the present session declaring it to be the policy of the United States to increase the amount of silver in our monetary stocks, with the ultimate objective of having and maintaining one fourth of their monetary value in silver and three fourths in gold.

The Executive authority should be authorized and directed to make the purchases of silver necessary to attain this ultimate objective.

The authority to purchase present accumulations of silver in this country should be limited to purchases at not in excess of 50 cents per ounce.

The Executive authority should be enabled, should circumstances require, to take over present surpluses of silver in this country not required for industrial uses on payment of just compensation, and to regulate imports, exports, and other dealings in monetary silver.

There should be a tax of at least 50 percent on the profits accruing from dealing in silver.

We can proceed with this program of increasing our store of silver for use as a part of the metallic reserves for our paper currency without seriously disturbing adjustments in world trade. However, because of the great world supply of silver and its use in varying forms by the world's population, concerted action by all nations, or at least a large group of nations, is necessary if a permanent measure of value, including both gold and silver, is eventually to be made a world standard. To arrive at that point, we must seek every possibility for world agreement, although it may turn out that this Nation will ultimately have to take such independent action on this phase of the matter as its interests require.

The success of the London conference in consummating an international agreement on silver, which has now been ratified by all the governments concerned, makes such further agreement worth seeking. The ebb and flow of values in almost all parts of the world have created many points of pressure for readjustments of internal and international standards. At no time since the efforts of this Nation to secure international agreement on silver began in 1878 have conditions been more favorable for making progress along this line.

Accordingly, I have begun to confer with some of our neighbors in regard to the use of both silver and gold, preferably on a coordinated basis, as a standard of monetary value. Such an agreement would constitute an important step forward toward a monetary unit of value more equitable and stable in its purchasing and debt-paying power.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *May 22, 1934.*

LOANS FOR INDUSTRIAL PURPOSES

Mr. BANKHEAD. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 388 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

House Resolution 388

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 3487, a bill relating to direct loans for industrial purposes by Federal Reserve banks, and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the Chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the substitute amendment and any other amendments recommended by the Committee on Banking and Currency, and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. BANKHEAD. Mr. Speaker, I desire to make a very brief statement in presenting this resolution. Other members of the Committee on Rules have requested some little time in the consideration of the resolution, and in that connection I shall yield the usual 30 minutes to the gentleman from Pennsylvania [Mr. RANSLEY] on the minority side.

It will not be my purpose to undertake to go into a discussion of the merits of this bill or the provisions of the bill. In a general way, I imagine all Members of the House are familiar with its purposes. It is, of course, universally regarded as a measure of very great importance because of the fact that it contains provisions as incorporated in the bill for the extension of loans to the smaller industries of the country and affords to them an avenue of credit for their rehabilitation and the employment of those who are not now employed through agencies that are not now open to them under existing law.

I regard this bill as one that will contribute essentially to the economic rehabilitation of the country. That is at least

the hope of the sponsors of this bill and of the administration, which has recommended in principle the enactment of the bill.

The rule is an open one and provides that the substitute of the House committee may be considered as the original bill for amendment when it is read in lieu of the Senate bill. You will note that the Committee on Banking and Currency in the consideration of this matter struck out all the provisions of the Senate bill after the enacting clause and has proposed for your consideration a committee amendment from the Banking and Currency Committee. There will be 2 hours of general debate on the bill and then full consideration under the 5-minute rule.

Unless there are some questions, I yield 5 minutes to the gentleman from New York [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Speaker, this bill providing for loans to industry I consider one of the most important measures which we have taken up in this session of Congress. When we passed the original Reconstruction Finance Corporation Act, I opposed amendments which were offered and adopted permitting that Corporation to lend to private industry. That bill, as we all know, was vetoed by President Hoover for the reason of the inclusion of such a provision. I felt at that time that if the Government lent its money to the principal lending agencies of the Nation, such as banks, insurance companies, mortgage companies, and similar institutions, that the money would filter down to industry and the small borrower. I could not then endorse the proposal that Uncle Sam conduct a "pawnshop", as someone said, or that the Government become the only lending agency in the Nation. But that theory of mine and others have not worked out satisfactorily. So this legislation now becomes necessary.

I do not pretend to know all the details of the administration of the R.F.C., but probably a billion and a half dollars has been loaned to the great "lending" institutions of our country, the banks, the insurance companies, and the mortgage companies. The sad fact is, however, and this is one of the most cruel experiences that we have gone through for 2 years, that these great "lending" agencies have not done their part to take our people out of this depression. They have taken the Government money and have placed it in their vaults, thus making themselves liquid, in some instances almost 100 percent, without passing on the money to the needy business man. I know from my own experience in the city of New York, of many an industry which could not get a vehicle or carrier, such as a bank or mortgage company, through which to borrow the money which they needed in order to put men to work, or to provide working capital, or to extend their business during the depression. They could not get any bank, mortgage company, or insurance company to lend them money, although they offered the very best security.

I know industries that could not finance their pay rolls on orders from the soundest companies in America, such as the Standard Oil, which was the best collateral and the best guaranty. The banks, however, preferred to keep the cash in their vaults.

Mr. CULKIN. Will the gentleman yield?

Mr. O'CONNOR. Yes.

Mr. CULKIN. What the gentleman states is exactly true, according to my knowledge and experience of the situation, but is it not a fact that the banks have a definite alibi in the matter in that the Treasury, through the itinerant bank examiner, has refused to O.K. any loans to industry? At least, this is my information.

Mr. O'CONNOR. I do not know that to be the fact.

We do know that the insurance companies and the mortgage companies have not done their part, the best proof of which is the fact that we have had to pass the Farm Owners' Loan Corporation Act and the Home Owners' Loan Corporation Act, so that our home owners and our farmers could obtain mortgages from the Government when the great organizations like the insurance companies and the mortgage companies took the cash from the R.F.C. and placed it in their vaults, in direct violation of the principal of the original Reconstruction Finance Corporation Act.

For years we have been struggling with this problem of obtaining loans for industry. For instance, Mr. Speaker, if the United States Steel Corporation, which employs countless thousands of men, needed money for its pay roll and no bank or insurance company or similar institution would finance it, it could not get a direct loan from the Government, although the employment and the livelihood of so many people were at stake, and companies of responsibility not as big as United States Steel have found themselves in the same position. Companies with a background of 100 or 150 years have not been able to get any bank or insurance company or any mortgage company to finance them on the very best security. The fundamental purpose of this bill is to provide employment. Private lenders have failed to do their patriotic duty, so the Government must now step in.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. PATMAN. I notice the House committee has stricken out the Senate bill and has improved upon it, I think, and reported a much better bill. Will the Members of the House have an opportunity to express their preference for the House bill by any kind of vote, in order that we may let the other body know just exactly how we stand on these two bills? How will this come up under the rule? I should like for the other body to know that we are opposed to giving the Federal Reserve banks a bonus of $140,000,000 under the guise of helping industry.

Mr. O'CONNOR. The committee, as I understand, will offer their substitute as an amendment.

Mr. PATMAN. And then we can have a division vote?

Mr. O'CONNOR. If the committee substitute was voted down, that action would restore the Senate bill, of course.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. COX. Has the gentleman given any consideration to the thought of offering an amendment to the rule which has been reported and is now under consideration making in order any amendment offered by any Member of the House rather than leaving it entirely within the control of the Committee on Banking and Currency.

Mr. O'CONNOR. The gentleman is mistaken about the purport of the rule.

Mr. COX. No; as I understand the rule, no amendment is in order unless it be accepted by the Committee on Banking and Currency.

Mr. O'CONNOR. That is not the fact. The provision to which the gentleman refers makes amendments offered by the committee in order even though they may not be germane, but any Member of the House or of the Committee of the Whole may offer an amendment at any time provided, of course, it is germane under the rule.

Mr. MARTIN of Massachusetts. If the gentleman will yield there, I may say that that is in perfect harmony with the general procedure of the House.

Mr. O'CONNOR. Yes; this bill is brought in under the general rules of the House, but any committee amendment, particularly the substitute bill, is made in order to avoid any possible question of germaneness.

May I say now that I hope the committee, before it completes its consideration of this bill, will increase the aggregate amount of the loan that may be made to any one person of $100,000 to some higher figure.

I appreciate the general and praiseworthy desire to spread this money throughout the country, and I also know that three or four hundred million dollars will not go very far, but $100,000 will not go very far to a concern, for instance, with net assets of a million dollars. I should like to see the maximum placed at $500,000 or at least $250,000. The House surely understands that this bill does not appropriate new money. This money is already down there in the R.F.C. and has not been used to date. I understand the Senate bill made $1,000,000 as the limit of any one loan. This may be too high, but I should like to see the limit made $500,000.

Mr. COX. Mr. Speaker, will the gentleman yield there?

Mr. O'CONNOR. I yield.

Mr. COX. The gentleman introduced his statement with the remark that this legislation is for small industries.

Mr. O'CONNOR. I do not know that I said "small."

Mr. COX. Well, for the smaller industries; if the amount available for any one loan should be increased to $500,000, then only 600 lenders could borrow if they secured the maximum amount; and if the measure is for the smaller industries, does not the gentleman think that the sum so available should be reduced from $100,000 to $50,000 or $20,000, in order that the spread may be greater?

Mr. O'CONNOR. The $300,000,000 is more or less of a revolving fund; and while a loan may be made for 5 years, there will be money coming in from time to time.

I understand the committee is including fishing as an industry, as proposed in the bill introduced by the distinguished gentleman from Massachusetts [Mr. MCCORMACK]; and I presume to compliment them for this, because one of our neglected industries has been the fishing industry which could not get a loan and which has not even been classed as an "industry." It is difficult to understand what the R.F.C. thought it was. The fishing industry now may obtain loans under this bill, like any other industry.

Mr. HAINES. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. HAINES. Does the bill refer to any particular industry, or is it general in its scope?

Mr. O'CONNOR. It is general, as I understand it.

There is one other matter to which I wish to refer, and I am through.

The gentleman from Illinois [Mr. SABATH] and many other Members of the House have been very active in trying to induce the committee to offer an amendment permitting the R.F.C. to lend up to $75,000,000 to school districts in the United States for the purpose of paying teachers' salaries, some of whom have not been paid for 11 or 12 months, I understand.

The Illinois delegation has had conferences with many people in high positions in Washington with reference to that amendment. I believe it is unfortunate that the committee did not bring in that amendment as part of the bill or as a committee amendment. The reason the rule contains the language as to points of order is to provide for just such an amendment offered by the committee. The R.F.C. will not and cannot loan to any school district unless there is good security for the loan. The R.F.C. will determine in each instance whether or not the school district has good and adequate security for the money loaned.

I do hope that after due consideration the committee will offer such an amendment; and if the committee does not, I hope that the gentleman from Illinois will offer the amendment, and I also hope that the Chair will hold as I believe that the amendment is germane. [Applause.]

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN of Massachusetts. Mr. Speaker and Members, I am for this rule and the legislation which it makes in order.

I am in favor of this legislation which has for its object the worthy purpose of revitalizing some of the sick industries of the country. Everybody realizes that the ten millions of unemployed people must eventually have their problem solved through work obtained in private industry. The Federal Treasury has been generous, but it cannot indefinitely continue to carry the burden.

Therefore, it appears to me it is good, sound business sense to direct our efforts to breathe life into some of the industries which have found it difficult to operate because of lack of capital. Their surplus has been exhausted through the struggle in these years of depression. Banks are frequently unable or unwilling to extend industrial loans, with the result that the concern lacks the money necessary to purchase the raw materials and take care of the pay rolls when the goods are being processed and prepared for market. This lack of capital deprives many workmen of the opportunity of securing employment in their normal vocation, and consequently the relief rolls of the municipality where the concern is located obtain many recruits.

The Government has been obliged to pour vast sums into the relief funds, money which can never be returned. This was necessary. I believe we can well afford to attempt the experiment of trying to put people to work through their natural channel. It is on this front that the victory must eventually be won, and, personally, I believe we can bring about genuine and much permanent relief in this way.

Mr. CULKIN. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. CULKIN. The gentleman is correct; but is it not a fact that the past administration, through the bank examiners, has been the cause of not making these loans to industry. Is not that the main reason why the banks have not loaned to industry?

Mr. MARTIN of Massachusetts. The gentleman has made a statement that I cannot confirm. I understand quite frequently the bank examiner has come to the bank and said, "You must not make this class of loans, because your bank must be kept liquid." The bank examiner has required them to maintain a degree of liquidity which has prevented the granting of many industrial and real-estate loans.

Mr. CULKIN. Assuming that was the policy of the past and present administration——

Mr. MARTIN of Massachusetts. I do not admit that it was the policy of the past or of the present administration; I believe it was the rules of the bank examiners.

Mr. CULKIN. Assuming that is true, is it not time to change it?

Mr. MARTIN of Massachusetts. I do not know how you are going to change the policy of the bank examiners. Certainly we cannot do it here now.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. DONDERO. Does the bill provide any loans for new industry or simply for industries now established?

Mr. MARTIN of Massachusetts. It is my opinion it does not provide for loans to a new industry. As I understand it, the purpose, as defined, is to keep old industries functioning.

Recent efforts toward helping industry have been practically of no value. The machinery has been too cumbersome, and the journey toward the goal of achievement has been too long. Most applicants have given up in despair before the final decision was reached, and in many instances the delay has caused the concern to miss the opportunity.

I am pleased to see this liberalizing of the opportunity for industry to secure the necessary capital for their needs, and that in the future the loans may be placed direct and without passing through mortgage-loan companies.

Personally, I believe, with the gentleman from New York [Mr. O'CONNOR], the $100,000 limitation is too low and should be substantially increased. This would be too small a loan to help many industries which are in a position to put thousands to work if they get the required capital. I hope the amount will be increased before the bill is finally passed, or, at least, increased in conference.

This legislation, I believe, is an intelligent effort to put people back to work and I am glad to endorse it. I believe it will, if wisely administered, cost the Treasury very little and will help the taxpayers by reducing the money needed for relief purposes.

Mr. RANSLEY. Mr. Speaker, I yield 10 minutes to the gentleman from Maine [Mr. BEEDY].

Mr. BEEDY. Mr. Speaker, in the few minutes at my disposal I do not propose to discuss the rule. I wish to say just a few words preliminary to general debate upon the bill. I think there has been something of a misunderstanding as to the actual situation which led up to the presenting of this bill to the Congress. In our banking system we have the commercial banks and the savings banks and trust companies. In none of those banks is there any power to extend long-term loans to industry. The commercial banks from the very necessities of their situation must confine their accommodations to industries to short-term credits in general not exceeding 90-day loans. There is such a pressing

necessity upon these commercial banks at all times for liquidity that they cannot with safety either to themselves or to the industrial structure which they serve tie up their loans to industry in long-term obligations. This gap in our banking system has existed for a long time. This bill seeks to fill it.

The gentleman from New York [Mr. CULKIN] complained of the rules which the bank examiners have laid down. It is true that bank examiners have insisted that these commercial banks could not tie their loans up in long-term credits. They have pressed them on all sides to keep liquid. That has been particularly true since the fall of 1929. These banks are very liquid today; in fact, they are not able to make enough short-term loans at 6 percent return, I think I am safe in saying in the majority of instances, to pay their overhead. Hence they have had to resort to the purchase of short-term Treasury obligations, in the purchase of bills of exchange, and bankers' acceptances, yielding a very small return. The banks are struggling under this difficult situation to pay their own way today. At the same time industry suffers for lack of working capital which it desires on long-term loans. This bill would extend the lending powers of the Reconstruction Finance Corporation and the Federal Reserve banks so that they can make 5-year loans to industry.

The R.F.C. may lend not in excess of $300,000,000 in this manner, and the Federal Reserve banks may lend a sum not in excess of their surplus, or $148,000,000.

Under the terms of the bill these loans may not be made to any industry which was not in existence on January 1, 1934, and they may not be made in any one instance in excess of $100,000. I am aware there will be some difference of opinion as to the advisability of such a limitation, but let me say that the aim of the committee was to write this bill in terms to accommodate the smaller industries. If you gentlemen amend this bill and increase that limit, you will cut down the possibilities as to the number of loans which may be made to small industries. We thought it was best for the little fellow who has been hit particularly hard of late, to hold loans down to $100,000, so that no big fellow could come in and take up an undue amount of this money available for long-term loans.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. BEEDY. I yield.

Mr. COX. Will not the interest of small business be improved by a reduction of the amount rather than by increasing it?

Mr. BEEDY. Well, I think that is true. If you are going to change this limit, if you want to help the little fellow I think you had better cut it rather than increase it.

The Reconstruction Finance Corporation has proved to be one of our best recovery facilities. It has stood the test of time; and although there have been complaints as to the way in which the loans have been made, those complaints arose, for the most part, upon the unwillingness of this corporation to be more liberal with its loans. On the whole, I think the R.F.C. has done a highly commendable piece of work.

I regret exceedingly that in this bill we have been forced, for one reason or another, to bring the Federal Reserve banks into this picture. The Reconstruction Finance Corporation has a set-up which enables it to make these contemplated loans. If we would liberalize the restrictions which we originally imposed upon the loaning power of the Reconstruction Finance Corporation, that institution would be able to bring effective aid to industry. But, in my opinion, there ought not to be two competitive Government agencies in the same field. I apprehend that one result of setting up the proposed dual lending agency will be that one industry will run to one agency and get its best terms and take up its time and then run to the other agency and say, "Now, we have been offered this and that, but we want so-and-so from you." Thus more time will be consumed and there will be dickering back and forth between those two institutions. I regret it. It seems to me it will subject the Government to additional unnecessary expense in a double set-up for the same purposes. I repeat that I wish we might write liberal provisions into the Reconstruction Finance Corporation Act so that it might make its loans not on "full and adequate consideration" based on present values, but that it might be empowered to make loans on a more liberal basis and thus accommodate industry. The Federal Reserve banks, 12 in number, which were never designed to do business with any individual or any person, but were banks of issue or rediscount to deal with other banks, ought never, in my opinion, to be put into the lending business. It is a perversion of the original purpose for which those banks were established. I regret it very deeply. However, the bill provides that both the Reconstruction Finance Corporation and the Federal Reserve banks may make loans to industry on a liberal basis.

Mr. CULKIN. Will the gentleman yield?

Mr. BEEDY. I yield.

Mr. CULKIN. Is it not true that in the present legislative situation it is necessary that the House and Senate should accept both propositions?

Mr. BEEDY. I am afraid that is so. However, I do not like to subscribe to the principle that it is necessary for a deliberative body, the representatives of a free people, to be driven into accepting any unsound principle of legislation. [Applause.]

The SPEAKER. The time of the gentleman from Maine [Mr. BEEDY] has expired.

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. MAPES].

Mr. MAPES. Mr. Speaker, I dislike the situation which seems to require the passage of legislation such as is involved in this bill, but the credit condition of the country is such that it seems desirable to do so. The bill which this rule seeks to make in order authorizes loans to industry under certain conditions and is reported unanimously by the Committee on Banking and Currency. I am supporting the rule and expect to support the legislation.

I rise particularly to say a word in behalf of an amendment, which I understand the gentleman from Illinois [Mr. SABATH] intends to offer during the consideration of the legislation involving the provisions of H.R. 9465, which authorizes the Reconstruction Finance Corporation, out of the funds of the corporation, upon full and adequate security, to loan money to school districts organized pursuant to State law for the purpose of payment of teachers' salaries.

It has seemed to me that our schools and the teaching profession have been required to share an undue part of the depression through which we have been passing, and that they have been obliged to bear an undue burden during the depression. While we are making loans to industry we may well authorize the Reconstruction Finance Corporation to make loans to school districts upon adequate security in order to keep their schools open in some cases, and in other cases to pay somewhere near adequate salaries to their teachers. Our schools and our children of school age ought not to be made to suffer any more than is absolutely necessary, and when the Federal Government is helping people in so many different ways it should give some attention to helping our schools where they really need help.

I expect to be engaged in the conference committee on the stock-exchange legislation during the debate this afternoon, but I wanted to anticipate the amendment to be offered by the gentleman from Illinois [Mr. SABATH] to express my approval of it and to express the hope that it may be incorporated as a part of this legislation.

Mr. RANSLEY. Mr. Speaker, I yield the remainder of my time to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Speaker, it is rather interesting to compare the provisions of the House bill with the bill that was originally introduced in the Senate. One provision in the Senate bill, of course, was that the limitation on loans should be $1,000,000. The limitation in the House bill has been set at $100,000. Now come some and say it is discriminatory because it does not properly take care of a certain type or character of industry which might need a million

dollars, yet I have been led to believe by all the discussion and all the publicity that has been extant upon this bill that it was a very essential bill to aid the small industries. If that is the case, I do not understand how anyone can justify an industry as a small industry which seeks to borrow up to and including $1,000,000. I am very much interested in this bill, because many queries have come to me from industries in my district with respect to the availability of money for industries that are not invested with a public interest. For instance, there are coal mines seeking to extend their shafts or to build a new tipple or to get sufficient funds with which to meet the pay roll. I have several such queries, some asking for about $60,000 and some asking for $15,000. I have an inquiry from a pottery plant which, in addition to the regular working capital, wishes also to build a new kiln, in accord with modern design and structure, so that they can reduce the overhead that now obtains in the more modern pottery plants. They do not need a million dollars; they do not need $500,000; all they need is about $65,000 or $75,000 to carry on with 125 or 150 people on the pay roll; and, as has been well pointed out, $300,000,000 that goes in chunks of $1,000,000 and $500,000 will not last very long. So if this money is to be diffused into all the localities and into all the States of the Nation, then this limitation of $100,000 must stand.

Mr. DIRKSEN. I yield.

Mr. COX. What is the gentleman's reaction to the suggestion that the amount be reduced to $50,000, in the interest of increasing the spread?

Mr. DIRKSEN. I would say as an alternative proposal that I would rather reduce it below $100,000 than to raise it above $100,000.

Mr. CULKIN. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. CULKIN. Is it not true that the larger industries can go to the Federal Reserve Board for relief?

Mr. DIRKSEN. Exactly.

Mr. CULKIN. And they could probably make a loan readily in that quarter where the smaller industry cannot get relief at all from the Federal Reserve Board.

Mr. DIRKSEN. I may say to the gentleman from New York that large industry, as a matter of fact, in view of the tremendous excess reserves that have been piled up in the banks and the Federal Reserves, have not the difficulty in obtaining loans that has been the case with small industries.

Mr. CULKIN. In addition the small industries do not have the surpluses that the large industries have.

Mr. DIRKSEN. I cannot yield further, for there is a provision in this bill to which I desire to call attention and I can do this best by illustration. After the banking legislation passed at the special session, several banks in my district were adversely affected. I went into one of them one day. There sat the conservator with his face in a book. I said: "What are you doing?"

He said: "I am studying the regulations that were gotten out by the Treasury Department."

I said: "What for?"

"Oh, well, we must have a meticulous and careful regard for the interpretation of these regulations."

Because the regulations had been so interwoven with adjectives as to what they could and could not do, there were not only one conservator, but hundreds, and perhaps thousands, who were giving a scrupulous regard to the language Congress had written in the bill, to ascertain the intention of the Congress.

The same thing is true in connection with the Home Owners' Loan Corporation. Great delay was experienced, particularly in my State, as a result of some of the academic and abstruse provisions that were written into the bill. Branch managers and State division managers were so carefully construing the language that too often they lost sight of the functions and the principles of the bill.

Now, it occurs to me that the best thing we can do in a bill of this kind is to strip it of all those so-called "qualifying and conditioning words and phrases" that may place some kind of limitation upon the Reconstruction Finance Corporation or the Federal Reserve System. In this respect I invite attention to section 13b of the pending bill. It starts out by stating that a requirement for a loan is that it must be an exceptional circumstance. Well, what is an exceptional circumstance when you want to borrow money with which to carry on your business? You do not know and I do not know. So it becomes a matter of interpretation for the Federal Reserve Board or Federal Reserve bank.

Again:

It must appear to the satisfaction of the Federal Reserve bank.

Well, precisely how are you going to satisfy them? What are you going to have to lay on the line by way of collateral, by way of conditions that are involved in your business that is going to satisfy the Federal Reserve Board?

Again:

It must be an established business.

What is an established business? Is it one that makes money now under depressed conditions, or is it a business that has been actually in operation for a number of years, irrespective of whether it is established in the sense that successful men so often use the word "established"?

It must be unable to get requisite financial assistance.

Well, how are you going to determine whether they can get requisite financial assistance "from the usual sources"? What are the usual sources? How many of them have been destroyed in the general bankruptcy that took place in all corners of the country?

In this section of the bill there may by interpretation be imposed a lot of conditions that give those who must approve these loans a beautiful opportunity to refuse such loans and point to the language of the bill to justify such refusal. When you apply for a loan he can say, "I am sorry but we cannot loan you this $60,000 with which to carry on your business, because it is not an exceptional circumstance; you can get the money from the usual sources; yours is not an established business; it does not appear to the satisfaction of the bank that you need this money."

Why not strip all this verbiage from the bill, confer some discretionary power, and let these loans be resolved clearly upon the basis of merit?

Another thing I wish to point out, if time is available, is the advisory committee set up in connection with the Federal Reserve bank to be composed of not less than three nor more than five members. Now, I should like to see a commission provided for in this section on which each State shall have at least one member. Some of the Federal Reserve districts embrace more than one State. Why should not each State have a member on this advisory board? Not only that, the set-up of such a committee should be even more specific. What is to prevent the Federal Reserve bank in Chicago, for instance, from selecting all three or all five of the members of the advisory committee from the city of Chicago and ignoring all the other cities in our State? It seems to me there should be a qualifying provision making it necessary to select the personnel of this advisory committee from the three or the five largest cities in the State of Illinois, or in the Federal Reserve district, so that every city or every section of the Federal Reserve district shall be represented. The practical application of it is this: I live 180 miles from Chicago, and also 180 miles from St. Louis. Must the people in my district, in order to consult some member of the committee, run constantly to St. Louis or Chicago when the Federal Reserve bank could probably find a competent man within 25 or 30 miles of where I live, or in my immediate district? As a matter of fact, I think it would subject little business to an undue amount of hardship and restriction unless this personnel was so diffused as to make it representative not only of the States but of the various sections of the States, so that all industry will be close to the fountainhead of this financial reservoir and get help if they need it and can qualify for it without undue difficulty.

The thing I point out more than anything else is the necessity for getting away from general terminology in bills

of a relief nature, getting away from language that will keep these administrators in a quandary as to what Congress had in mind, and then ultimately turn down the relief with the statement that it was not an exceptional circumstance; that there was money available at prevailing rates, and so forth.

Mr. PRALL. The words "under exceptional circumstances" appeared in an earlier bill and do not appear in the present bill.

Mr. DIRKSEN. I compared this section with the same section in the original bill and I thought it had been drafted in toto.

Mr. PRALL. Those words were taken out.

Mr. DIRKSEN. Nearly everything else has been left in the provision. I still believe it is loosely constructed and is open to objection because, after all, these needs must be interpreted in the light of human experience. You have to deal with personalities. Why give them the instrumentalities whereby they may too often evade the obligation which Congress seeks to impose?

Mr. TAYLOR of South Carolina. Will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from South Carolina.

Mr. TAYLOR of South Carolina. Will the gentleman discuss the proposition of a man borrowing $100,000 and having a time limitation of 5 years in which to pay that money back. This requires him to produce each year clear of all costs and expense 20 percent of the loan plus interest. The time limit should be extended.

Mr. DIRKSEN. I am not so sure that the time should be extended unless we are going to raise the ante from $100,000 to a million dollars.

[Here the gavel fell.]

Mr. BANKHEAD. Mr. Speaker, I yield the remainder of my time to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, in 1929, when nearly all the available cash had been withdrawn from legitimate businesses and enterprises and utilized for gambling purposes, bringing about the greatest crash in the history of our Nation, I endeavored, realizing the conditions which existed, to interest the Federal Reserve Board in rediscounting commercial paper, such as finance corporation paper, municipal and other good securities. Unfortunately, the Director of the Federal Reserve Board and the membership of the Federal Reserve Board refused to listen to my appeals and refused to consider any such loans. Had the Federal Reserve Board at that time accepted for rediscount finance corporation paper, municipal securities, and a few other securities I had in mind, we would have at least minimized the crash and this pending legislation would not have been necessary. It is for that reason that I regret, as does the gentleman from Maine, that such greater powers are given to the Federal Reserve Board. I had hoped that this power would be vested in the reliable and experienced Reconstruction Finance Corporation.

I think the experience we had with the Federal Reserve Board, the members of which sat by in 1928 and up to July 1929, permitting, sanctioning, and encouraging the use of billions and billions of dollars for gambling purposes, should be taken into consideration. If the Board had taken a positive stand at that time, it could have safeguarded the legitimate business of the Nation. But it failed, and for this reason I would much rather have seen the power that has been granted to the Federal Reserve Board vested in the Reconstruction Finance Corporation.

The Federal Reserve Board, having refused to relieve the situation and having refused to stop the tremendous and injurious flow of money to Wall Street in 1930, knowing the wonderful effect the Finance Corporation had upon the Nation as a whole and how it had saved legitimate business, I introduced a bill creating a Finance Corporation, which was later designated as the Reconstruction Finance Corporation. Had my bill been accepted and adopted at that time, we would not be here considering these amendments, because at that time the necessary provisions were embodied in my bill, providing that industries might obtain relief and aid the same as insurance companies, railroad corporations, and banking institutions; but, unfortunately, the committee thought that it should accept the so-called "administration bill." After this bill was reported to the House and certain amendments added—and I believe in the right direction—President Hoover, as the gentleman from New York stated, vetoed the bill and made impossible the lending of money to private industry, depriving the bill of that broader scope contemplated by the House. I am not a banker or an economist, but I greatly regret that my advice was not accepted. If it had been, I know that millions of American people would have been saved from desolation and despair. Hundreds of thousands of persons would have been saved from losing their homes and their farms through foreclosure and consequent untold and unwarranted misery.

But that day has passed. We have before us a bill which would try to remedy these evils. I think the bill is a move in the right direction, with the exception that I would have preferred, as I have stated, that the Reconstruction Finance Corporation be given the power.

Mr. KOPPLEMANN. Will the gentleman yield?

Mr. SABATH. I regret that I cannot yield to the gentleman from Connecticut at this time; but I want to say that I am fully cognizant and appreciate that he has worked on this bill, and, in fact, as early as in February, he submitted a draft of a bill which, I felt, was legislation in the right direction, and its principles and some of its provisions are now embodied in the bill before us.

What does this bill do? It provides for the lending of additional money to drainage and levee districts. It authorizes additional loans for approved projects. It allows the making of loans to insurance companies. It provides for making loans to certain export corporations, and also gives the Federal Reserve the power to rediscount. There are several other important provisions in the bill which I have not the time to explain, but I know that the gentleman from Alabama [Mr. STEAGALL], chairman of the committee, will understandingly do so at length, as will the gentleman from New York [Mr. PRALL] also, who is thoroughly familiar with the bill. The rule itself was intelligently explained by the gentleman from Alabama [Mr. BANKHEAD], Chairman of the Rules Committee and, therefore, needs no further comment. It is an open rule. The gentleman from New York [Mr. O'CONNOR] has splendidly, in his usual able manner, pointed out the beneficial effects of some of the provisions of the bill, therefore I will devote myself to the provision to which not only I, but a majority of the Members are interested, namely, the amendment which I hope will be offered by the committee to bring about the much-delayed and deserved relief to the worthy school teachers.

Repeating, I have not the time to go into some of the provisions of the bill which I would like to, but may I say in justice to the Committee on Banking and Currency that it has had a great task before it and I am very much pleased to be here today supporting this bill that it has recommended, knowing the trials and tribulations of that splendid committee. I hope that we can pass this bill in a short time. I had hoped I would not be compelled to take even a few minutes of the time of the House to explain my position and the bill; but in view of my great interest in the matter since 1929, I could not resist the temptation once more to call attention to the fact that had the bill been enacted that I pleaded for in 1929 and 1930 we would not be here today in such an unfortunate situation enacting this absolutely necessary and mandatory legislation.

Mr. MAY. Will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Kentucky.

Mr. MAY. Since 1929 it has been argued on both sides of the House in connection with matters touching the banking situation that it was the activities of the Federal Reserve System and the private bankers in granting liberal loans to brokers and for the expansion of most everything that brought on the catastrophe of 1929.

Mr. SABATH. That is correct.

Mr. MAY. If we leave the authority with the Federal Reserve System instead of the Reconstruction Finance Corporation, what assurances have we that they will loosen up now?

Mr. SABATH. I may say we have a different membership on the Federal Reserve Board and I have more confidence in the present members of the Federal Reserve Board than I had in it in 1928 and 1929.

Before concluding I want to thank my colleague, the gentleman from New York [Mr. O'CONNOR], as well as the gentleman from Michigan [Mr. MAPES], for calling attention to my proposed amendment.

All I desire and all I have been seeking since I first introduced my bill in 1930, is to make it possible for school boards that have good and sufficient collateral security may have the privilege, for educational purposes, of appearing before the Reconstruction Finance Corporation and asking for consideration, with promise of favorable action, if they can show that the funds are needed for this purpose and that they are in a position to give sufficient collateral security. I have the utmost confidence in the Committee on Banking and Currency and I hope that the chairman of the committee or some member thereof to whom I have appealed so often will offer the amendment so that the appreciation of the thousands of school teachers and fathers and mothers of school children concerned will be theirs. I do not seek the honor or the special privilege which naturally would be mine. I am interested in our public schools; I am interested in our school children and I am interested in the thousands of penniless and needy school teachers of America, many of whom have not been paid for the last 8 or 9 months. They should be paid at least a portion of the amount due them, if not all of it.

Therefore I appeal to you who feel as kindly as you have signified to me when I have approached you from time to time to aid the committee and me in adopting this amendment, because, after all, it is limited to $75,000,000, and I am sure it will not require even $60,000,000, and every dollar of it will be repaid to the Government with interest. This will be the safest and the best loan that the Reconstruction Finance Corporation has ever made or can possibly make. Therefore, desirous of effecting prompt consideration of the bill as well as my amendment, I shall yield in the fervent hope that you will cooperate with the splendid committee that reported this bill and pass it in as short a time as practicable. [Applause.]

Mr. BANKHEAD. Mr. Speaker, I move the previous question on the adoption of the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. STEAGALL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 3487) relating to direct loans for industrial purposes by Federal Reserve banks, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 3487, with Mr. MCREYNOLDS in the chair.

The Clerk read the title of the bill.

Mr. STEAGALL. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. STEAGALL. Mr. Chairman, this bill is presented in answer to a Nation-wide demand for loans of a type that are not being made by the commercial banks of the country and which the commercial banks cannot adequately supply within the rules that bankers regard as prudent and wise.

The bill embodies two methods for affording relief.

The first provision enlarges the authority of the Reconstruction Finance Corporation by permitting loans to be made to industrial or commercial institutions where necessary credit cannot be obtained through usual channels; and the permission is extended until the 31st of January, 1935.

The amount which the Reconstruction Finance Corporation is authorized to employ in loans of this type is $300,000,000. Loans are to be repaid within a period of 5 years.

The officials of the Reconstruction Finance Corporation testified before the Committee on Banking and Currency; they appeared also before a subcommittee, of which Mr. PRALL was chairman, that gave most painstaking and industrious consideration to this whole problem and conducted extended hearings. Mr. PRALL and his subcommittee did a most creditable piece of work in this connection. The testimony was that the sum provided here would more than amply cover the loans which it is contemplated the Reconstruction Finance Corporation will make within the period fixed by the law.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I am going to ask gentlemen not to request me to yield until I have concluded.

There are other provisions amendatory of the Reconstruction Finance Corporation Act, most of them of a regulatory and minor character. The gentleman from New York, Mr. PRALL, will submit a complete analysis of these provisions.

The other provision of the bill which is intended to take care of loans of the type mentioned by me, authorizes the Federal Reserve banks to employ their surplus for such loans, and the provision as to the Federal Reserve banks is made permanent law. This provision authorizes the Federal Reserve banks to make direct loans to or purchase obligations of any established industrial or commercial business that is unable to obtain assistance through customary credit channels for the purpose of supplying such business with capital; such obligations shall not be acquired with maturity exceeding 5 years.

The Federal Reserve banks have on hand a surplus of between $140,000,000 and $150,000,000. The exact figures at this time cannot be had. The bill fixes the amount of the loan upon the basis of the surplus that will be disclosed on the 1st of July, which will undoubtedly show an amount of $140,000,000 or more.

This amount should not be taken as indicating the limit of the service that may be rendered by the Federal Reserve banks. The Federal Reserve banks may make commitments to financial institutions extending loans, and in this way render a large measure of service requiring no cash.

The bill contemplates that the Federal Reserve banks will cooperate with other lending institutions. It authorizes the Federal Reserve banks to share in loans with other loaning institutions to the amount of 80 percent—the loaning institution to take 20 percent and the Federal Reserve banks the balance, and to share in the losses in the same proportion.

It was pointed out by the officials of the Federal Reserve banks that the banks, by being enabled to make commitments of loans in cooperation with lending institutions, may render a service which, expressed in dollars and cents, would be much greater than would be indicated by the amount of the surplus of the Federal Reserve banks.

A survey was made by the Federal Reserve banks in order that proper information might be had to enable the framers of this act to understand the requirements of the situation. They received replies from 4,958 banks and 1,066 chambers of commerce.

These replies, of course, were estimates. It was estimated that the amount of working capital required was between $622,000,000 and $716,000,000. It was also estimated that the number of men to be continued in employment by furnishing additional working capital to small industries was about 350,000, and the number of men to be given employment by furnishing capital to small industries was about 380,000.

Now, there is no conflict or contradiction in the two methods that are undertaken to be established by this bill. Federal Reserve banks will be the primary institutions to which will be directed requests for loans. A board of five members,

chosen from industrial pursuits will be established and will consider the applications for loans. Applications will be considered along with recommendations of the board.

The temporary plan embodying authority for loans by the Reconstruction Finance Corporation would be in the nature of an appellate court during the present emergency to which applicants could take their cases in the event they were unable to obtain accommodations through banking channels or through the extraordinary facilities which the Federal Reserve banks employ in loans of this kind.

Mr. Chairman, I ask unanimous consent to revise and extent my remarks by publishing a letter from Mr. Jones, Chairman of the Board of the Reconstruction Finance Corporation.

The CHAIRMAN. Without objection, it is so ordered.

The letter is as follows:

RECONSTRUCTION FINANCE CORPORATION,
Washington, May 22, 1934.

DEAR CHAIRMAN: Replying to your inquiry as to the operations of the Reconstruction Finance Corporation:

Since February 2, 1932, the date of its organization, the Corporation has authorized disbursements for loans, purchases of preferred stock, capital notes, and debentures, aggregating over $5,500,000,000. In addition, the Corporation has disbursed practically $800,000,000 for relief.

The $5,500,000,000 includes $788,000,000 loans to or for the account of closed banks for distribution to depositors, and approximately $1,100,000,000 for the purchase of preferred stock and capital notes and debentures in 6,994 banks.

Probably our most important and far-reaching function has been the rehabilitation of the capital structure of the Nation's banks, both State and National, through authorizing the purchase of preferred stock and capital notes and debentures. The investment of these funds has the twofold purpose of preventing further bank failures, thereby insuring bank deposits and enabling the banks to function in a normal way in the extension of credit. By helping the banks in this manner we have helped the depositors and borrowers. In my view, a strong banking system, with every bank a sound bank, is essential to a sustained recovery.

Out of loans to 5,137 banks, authorized in the amount of $1,318,227,512.91, with actual disbursement of $1,113,478,667.93, all has been repaid except $310,606,571.36.

Our loans actually disbursed for all purposes aggregate $3,189,198,230.87, upon which we have had repayments of $1,427,807,838.10, or approximately 45 percent.

It may be of interest to note that 34.9 percent of our loans went to banks; 16 percent for disbursement to depositors in closed banks; 3.6 percent to building-and-loan associations; 2.7 percent to insurance companies; 6.1 percent to Federal land banks; 0.3 percent to Federal intermediate-credit banks; 0.5 percent to joint-stock land banks; 0.4 percent to livestock credit corporations; 6.4 percent to mortgage loan companies, other than those made in the reorganization of banks; 5.3 percent to regional agricultural credit corporations; 12.5 percent to railroads; 2.5 percent to self-liquidating projects; 0.4 percent for the sale of agricultural surpluses in foreign markets; 6.2 percent for loans on agricultural commodities, including corn, cotton, wheat, etc.; and 2.2 percent for other loans.

You will be interested to know that of loans aggregating $434,000,000 to 1,362 banks that closed after receiving loans, $250,000,000 has been repaid.

The Corporation is required to furnish the Secretary of the Treasury with funds aggregating $325,000,000 to enable him to purchase the capital stock of home loan banks and the capital stock of the Home Owners' Loan Corporation. Of this amount, practically $200,000,000 has been paid to him.

The Corporation is required to furnish $200,000,000 to the Land Bank Commissioner to enable him to make direct loans to farmers and $100,000,000 to make loans to joint-stock land banks. All of the $200,000,000 has been disbursed and $2,600,000 of the $100,000,000.

The Corporation was also required to allocate $200,000,000 to the Secretary of Agriculture to enable him to make crop loans. Of this amount, $115,000,000 net was paid to him. The sum of $44,500,000 was used to provide capital for Regional Agricultural Credit Corporations and $40,500,000 was reallocated to the Governor of the Farm Credit Administration. All of these amounts have been disbursed.

Our loans of 10 cents a pound on cotton and 45 cents a bushel on corn, insured the people in the cotton States and in the great Corn Belt, a living price for these products. These and other loans for marketing agricultural products, have aggregated $210,000,000 to date. Our loans to regional and other Agricultural Credit Corporations, aggregating $189,000,000, were also in the interest of agriculture and the livestock industry.

Of $220,000,000 authorized for self-liquidating projects, $80,000,000 has been expended to date. The work is well under way, and disbursement should be practically completed within the next 18 months.

With few exceptions, our loans to railroads are well secured and our loss from these loans will be very small. Our gold operations were without profit or loss, the Treasury taking over the gold we had accumulated at cost and interest.

We have authorized about $18,500,000 in loans to industry through community mortgage companies, but the procedure is cumbersome and unsatisfactory, for which reason we have asked the power to lend direct to industry, but the amount that we be permitted to lend to a single industry should not, in our opinion, be limited to less than $1,000,000.

Very truly yours,

JESSE H. JONES, *Chairman.*

HON. HENRY B. STEAGALL,
Chairman House Committee on Banking and Currency,
Washington, D.C.

Mr. STEAGALL. Now, in view of the fact that the gentleman from New York [Mr. PRALL] has devoted so much time and study to this legislation, and in order that he may have sufficient opportunity to discuss the measure, I yield the remainder of my time to Mr. PRALL. [Applause.]

Mr. PRALL. Mr. Chairman, while this bill provides for direct loans to industry, and while that is the most important thing, I believe, confronting us today in order to bring back recovery, yet there are other amendments to this bill that I should like to explain briefly and, owing to the fact that the time is so short and that so many members wish to be heard upon the subject, I shall make it as brief as possible.

SECTION 1

This section of the bill proposes amendments to Revised Statutes, section 882, which now reads as follows:

Copies of any books, records, papers, or documents in any of the executive departments authenticated under the seals of such departments, respectively, shall be admitted in evidence equally with the originals thereof.

The Corporation, with hundreds of millions of dollars of its funds tied up in loans to banks and other borrowers in every part of the country, has a tremendous investment to protect. The Corporation necessarily is now, and will be, involved in a multitude of suits in connection with the liquidation of the collateral that it holds and hence should not be hampered in its efforts to protect its investment by not having the same procedural rights and remedies as now given by statute to the United States itself. The first four sections of the drafted bill propose to a limited extent to put the Reconstruction Finance Corporation and other corporations wholly owned by the United States on a procedural parity with the United States itself.

Litigation involving the Reconstruction Finance Corporation and similar corporations wholly owned by the United States often requires the introduction in evidence of the books, records, papers, or other documents of such corporations. Paragraph (a) of section 882, as amended, would modify to a limited extent the so-called "best evidence" rule of law, which is to the effect that copies of papers or documents may be introduced in evidence only upon a showing to the court that the originals thereof are destroyed or unobtainable. The making of such a showing necessarily entails delay and expense. The proposed amendment is designed, therefore, to give corporations wholly owned by the United States the right already given to the executive departments of the United States by Revised Statutes, section 882, to introduce in evidence authenticated copies of their official documents in lieu of the originals thereof.

Paragraph (b) of the Revised Statutes, section 882, as amended, is an entirely new paragraph for this section and will affect all executive departments and corporations wholly owned by the United States. The amendment will eliminate much of the expense and inconvenience now imposed by the hearsay rule of evidence in connection with proving certain facts set forth in and transactions taking place in connection with official books and records. Under the so-called "business entry" exceptions to the hearsay rule, books, records, minutes, and other papers kept in the regular course of business are admissible in evidence to prove the truth of certain statements contained therein upon a preliminary showing to the satisfaction of the court that the entries or notations in question were made in the regular course of business by the proper person or persons. Most of the books and records of the Government departments and corporations are thus at present admissible in evidence under the aforesaid exception to the hearsay rule to prove the truth of

statements contained therein; but not, however, without a preliminary showing as to the manner in which such books or records are kept and as to how the particular entries or notations were made. In most instances this requires sending a representative of the Government department or corporation to the scene of trial to testify as to such facts. The proposed amendment would eliminate this expense and inconvenience by making the seal of the department or corporation a substitute for such preliminary showing.

It is to be noted that the books, records, or minutes in question are not to be admissible as evidence of the truth of any statement contained therein but only of any "act, transaction, occurrence, or event as a memorandum of which such books, records, minutes, or entries therein were kept or made."

Paragraph (c), also an entirely new paragraph for Revised Statutes, section 882, provides for judicial notice of the seal of any executive department or corporation wholly owned by the United States. It is designed to make the papers or documents referred to in the preceding paragraphs admissible in evidence without the unreasonable burden of proving the seal of such department or corporation.

Paragraph (b) of section 1 of the bill provides for judicial notice of the seal of the Reconstruction Finance Corporation, and would serve the same purpose, within its limited field, as paragraph (c) of the Revised Statutes, section 882, as amended above.

SECTION 2

This section of the bill would amend Revised Statutes, section 1001, as amended, which, as it stands at present, exempts the United States from the requirement of filing appeal bonds. The proposed amendment would give corporations wholly owned by the United States the same exemption now given the United States.

The purpose of requiring the filing of an appeal bond as a condition of entering an appeal by a party to a suit defeated in a lower court is the indemnification of the party who has been successful in the lower court from the possibility that the appealing party may become judgment proof during the appeal interval. This requirement has no reasonable application, however, to the Federal or State Governments or departments.

SECTION 3

This section of the bill proposes the addition of a new section to the Reconstruction Finance Corporation Act, as amended, to be known as "section 5 (b)." This section would permit the Corporation to make loans for sufficiently long periods to enable borrowers to repay the Corporation without the depression in business activity which might result from too rapid utilization of capital for such repayments.

Paragraph (1) authorizes the Corporation to make loans for periods up to 5 years from February 1, 1935, in lieu of the 3 years now permitted by the Reconstruction Finance Corporation Act, as amended. Paragraph (2) permits the Corporation to extend the time of payment of any loan already made by it up to 5 years from February 1, 1935, in lieu of the present limitation on such extension of 5 years from the date of initial disbursement.

Paragraph (1) contains a provisio that as a condition of making loans to railroads for a period longer than 3 years, the Corporation may require:

> That such arrangements be made for the reduction of amortization of the indebtedness of the railroad or railway, either in whole or in part, as may be approved by the Corporation after the prior approval of the Interstate Commerce Commission.

This provision is considered necessary to adequately protect the Corporation's interests in connection with these longer-term loans, and is in accordance with the plan for scaling down of debt structures, suggested by the President in a recent public statement.

The proviso of paragraph (2) requires, as a condition of the extension of the time of payment of any loan made by the Corporation to a railroad, (a) the approval of the Interstate Commerce Commission, and (b) the certification of the Interstate Commerce Commission "that the railroad or railway is not in need of financial reorganization in the public interest." This condition is in accordance with the recommendation contained in the report of the Federal Coordinator of Transportation dated January 20, 1934. Such approval by the Interstate Commerce Commission is now required in the case of new loans by section 15 of the Emergency Railroad Transportation Act, 1933, and, as pointed out in detail in the Coordinator's report, the fact that similar approval is not required in connection with the extension of existing loans is merely a defect in the present law. The proviso of paragraph (2) is an attempt to remedy this defect.

Paragraph (3) of section 3 of the bill authorizes the Corporation to accept new securities in adjustment or compromise of existing claims in connection with railroads in bankruptcy receivership proceedings. This amendment is necessary if the railroads of the country are to be reorganized on an economically and financially sound basis. Without such power, the ability of the Corporation to agree to any plan of reorganization which may involve reduction of the topheavy capital structure of some of the railroads of the country is so restricted that the reorganizations which can be effected during the present depression must be extremely limited. The most successful railroad reorganizations of the past, such as that of the Union Pacific and of the Atchison during the 1890's were effected during a depression period. The proposed amendment adequately safeguards the exercise of the power by requiring the prior approval of the Interstate Commerce Commission, and by providing that any such adjustment or compromise shall not be made on less favorable terms than those provided in the reorganization for holders of claims of the same class and rank as the claims of the Corporation.

SECTION 4

This section would authorize the Corporation to make loans to complete any self-liquidating project for the construction of which it has already advanced funds, and also for such improvements, additions, extensions, or equipment as are necessary or desirable for the proper functioning of any such project or as will materially improve the Corporation's investment position.

It has been the experience of the Corporation in connection with certain loans it has made for part of the construction cost of self-liquidating projects that the borrowers have been unable to obtain from other sources the funds necessary for the completion of the projects. The result is that the Corporation's original investment—often represented by revenue bonds—is jeopardized, because a partially completed project cannot earn the revenues necessary to meet interest and principal charges on the Corporation's bonds. The proposed amendment would empower the Corporation to make loans for such completion.

It has also been the experience of the Corporation that due to conditions arising after the making of loans for self-liquidating construction projects, improvements, additions, or extensions to such projects or the purchase of equipment are necessary or desirable for the proper functioning of such projects or for the protection or improvement of the Corporation's original investment position. In such cases the lien on the project and its revenues which the Corporation usually has makes it very difficult for the borrowers from the Corporation to obtain outside funds for such improvements, additions, extensions, or equipment. The proposed amendment is designed, therefore, to authorize the Corporation to make loans for such purposes.

SECTION 5

This section of the bill authorizes the Corporation, upon request, to adjust the maturities of the obligations of borrowers who have obtained loans from the Corporation for self-liquidating construction projects. This section was not contained in the original draft bill submitted by this Corporation but has been inserted by the committee. A similar provision is contained in the Senate bill, S. 3085.

SECTION 6

Paragraph (1) proposes the increase from $50,000,000 to $125,000,000 of the amount which the Corporation is author-

ized to lend to drainage, levee, and irrigation districts, and so forth, pursuant to section 36 of the Emergency Farm Mortgage Act of 1933, as amended. In the draft bill submitted by the Corporation to the House Banking and Currency Committee, provision was made for an increase in this amount only to $100,000,000. The committee, however, has seen fit to increase this amount to $125,000,000.

As of February 17, 1934, the Corporation had received applications under section 36 aggregating $116,737,754, which represented total indebtedness of $224,794,014. Additional applications are being received by the Corporation daily. Unless the $50,000,000 limit now imposed on the Corporation by said section 36 is raised, therefore, as contemplated in the bill, many eligible applicants will not be able to receive the benefits of the section.

This paragraph also proposes the inclusion of two new classes of borrowers, mutual nonprofit companies and incorporated water users' associations, within the categories of borrowers eligible to receive the benefits of section 36. This change was not contemplated by the draft bill submitted by the Corporation, but was inserted by the House committee. The same change has been incorporated in the bill passed by the Senate—S. 3085.

Paragraph (3). Clause (4) of section 36 of the Emergency Farm Mortgage Act of 1933, as it now reads, requires every borrower, as a condition of its loan, to agree to pay to the Corporation, so long as any part of the loan is outstanding, an "amount equal to the amount by which the assessments, taxes, and other charges collected by the borrower exceed the cost of operation and maintenance of the project and maturities of interest and principal on its outstanding obligations."

The framers of the act must have intended that the Corporation would apply any moneys so received toward repayment of the respective loans. The act, as it now stands, however, fails to impose such a requirement, and the proposed amendment is designed to correct this defect.

The language of the present act would seem, moreover, to prohibit borrowers from setting up reserves. The setting up of such reserves is generally good business practice, hence the proposed amendment expressly permits borrowers to make allowance for such reserves before applying surplus funds to the retirement of this Corporation's indebtedness.

Paragraph (4). The first sentence would authorize the Corporation to make loans to any borrower to which the Corporation had already made a refinancing loan pursuant to section 36 of the Emergency Farm Mortgage Act of 1933, as amended, for repairs or improvements which are necessary or desirable for the proper functioning of the project, or which will serve to protect the Corporation's entire investment in the project. In the draft bill submitted by this Corporation the scope of this provision was limited to districts and political subdivisions, but the committee has seen fit to extend its scope to include mutual nonprofit companies and incorporated water users' associations. As will be seen from the explanation below, there is much less reason for applying the benefits of this provision to companies and associations than there is to districts and political subdivisions.

The Corporation has found that the irrigation or drainage works of some of the districts to which it has made refinancing loans have been damaged and that the districts, because of their strained financial conditions, have been unable to make necessary repairs. Such damages have cut off or tended to reduce the ability of many of the landowners of the district to pay their taxes or assessments.

The Public Works Administration now has authority to make loans for the physical rehabilitation of such districts. Both that Administration and this Corporation, however, are empowered to make loans only upon adequate security, and in most cases of this kind neither the refinancing loan nor the loan for repairs can be considered properly secured unless the other loan is made. At present a district is compelled to file an application for the refunding loan with the Reconstruction Finance Corporation and a separate application for the rehabilitation loan with the Public Works Administration. Such procedure is unnecessarily cumbersome and expensive.

The proposed amendment, as worded in the original Reconstruction Finance Corporation draft, is designed to remedy this situation by affording a simple and direct method of rehabilitating the entire physical and financial structure of these districts through application to a single Federal agency.

The second sentence of paragraph (4) is designed to permit the Corporation to make the loans authorized under section 36 of the Emergency Farm Mortgage Act, either directly to the borrower or to the holders of its outstanding indebtedness, and either upon promissory notes or through the purchase of the securities of the borrower.

In all cases where the Corporation has made loans under said section 36 it has required that at least 90 percent of the outstanding indebtedness of the borrower be refunded, but almost always some of the bondholders do not turn in their outstanding securities.

In order to benefit the nondeposited bonds as little as possible and to permit the Corporation to keep control of the nonassenters, it would in many cases be advantageous for the Corporation to actually purchase the bonds of the holders approving the refunding plan.

In some cases the borrowers have no authority to issue new bonds to refund outstanding obligations. In such situations the proposed amendment would authorize the Corporation to purchase part of the bonds deposited pursuant to the refunding plan and to cancel the remainder.

SECTION 7

Paragraph (a) proposes amendments to sections 2 and 3 of Public, No. 35, Seventy-third Congress. The amendments to section 2 are designed to improve and clarify the position, under the act, of mutual insurance companies.

Such companies cannot, of course, issue preferred stock, and there is grave doubt as to their power to issue capital notes. In practically every instance, however, the State statutes dealing with mutual insurance companies authorize such companies to sell guaranty-fund certificates, the proceeds of the sale of which may be used in the same manner as capital, but no statute has been found containing any reference to capital notes. The proposed amendments are designed, therefore, to clarify the situation and permit mutual companies to offer such forms of indebtedness to the corporation as may be permitted by the laws of the State in which the applicant company is incorporated, and thus remove the uncertainty as to what constitutes capital notes.

The principal amendment to section 3 of Public, No. 35, Seventy-third Congress, involves a complete rewriting of clause (3). This clause, as written at present, prevents companies in which the Corporation has purchased preferred stock or capital notes, or on the preferred stock or capital notes of which it has made loans, from increasing the compensation of any of its employees, so long as any of such stock or notes are held by the Corporation. It has been found that this requirement which prevents a company from raising the pay of any clerk or stenographer makes operation unreasonably burdensome. The proposed amendment would therefore permit salary raises, but only with the consent of the Corporation, and never to a level in excess of $17,500.

The amendment also proposes certain changes in the existing language, which are designed to clear up present ambiguity.

Paragraph (b) proposes an amendment to section 11 of Public, No. 35, Seventy-third Congress, which section, as it reads at present, limits the application of the act to companies operating under the supervision of a State superintendent or department of insurance in any of the States of the United States. It could not have been intended that insurance companies operating under the laws of the District of Columbia or of a possession or Territory of the United States should not receive the benefits of the act, and the proposed amendment is designed to remedy this defect.

SECTION 8

This section of the bill was not in the original draft bill submitted by the Corporation but has been inserted by the Committee. The same provision was inserted in the Senate bill (S. 3085) by the Senate Committee on Banking and Currency, at the suggestion of Senator GORE.

SECTION 9

This is also a new section inserted in the bill by the committee. No similar provision is contained in the Senate bill—S. 3085.

SECTION 10

Section 5 (c) is designed to permit the Corporation to aid in financing and to facilitate exports and imports between this and other nations by the establishment and financing of necessary trading agencies or banking corporations wholly owned by the United States. The section would, in substance, simplify the present method of creating export-import banks by giving the Corporation, with the approval of the President, the right to purchase and hold the common as well as the preferred stock in such institutions. Funds for common stock are at present obtained from the Public Works appropriation under the authority of the National Industrial Recovery Act. The enactment of this section will eliminate this drain upon Public Works funds and will greatly simplify disbursement procedure.

SECTION 11

The purpose of this section is not to provide an alternative to the plan for Federal Reserve loans to industry contained in section 12 of this bill nor to place the Corporation in direct competition with the private banks of the country in which the Corporation now owns a large financial interest. The section is intended rather as a supplement to both or either of these agencies. There are many crippled industries of the smaller and medium-sized type that will need aid for some time to come, and while some of these involve risks which, though ultimately good, commercial banks should not take and the Federal Reserve banks might decline, many of them deserve a chance to reestablish themselves.

The additional authority to make direct loans to industry contemplated by this section will be administered by the Corporation in cooperation with the other Government credit agencies, including the Federal Reserve banks, as well as with the banks of the country. So used, the power granted by the proposed amendment should effectively complete and round out the efforts of private and governmental agencies to meet all of the credit demands of small and medium-sized businesses in every field.

The proposed section authorizes the Corporation to make direct loans or to advance credit to industrial and commercial concerns only when adequate credit on reasonable terms is not otherwise available. Such loans and advances are to mature in not to exceed 5 years and are limited, inasmuch as the program is a recovery measure, by the requirement of a showing of continued or increased resulting employment of labor.

It should be noted that the aggregate of loans to any one borrower under this bill is limited to $100,000, whereas such limit under the Senate bill (S. 3085) is $1,000,000.

SECTIONS 12, 13, AND 14

These sections embody in substance the so-called "Glass bill" providing for loans by the Federal Reserve banks for industrial and commercial purposes. Inasmuch as these sections do not directly concern this Corporation it seems inappropriate to discuss or attempt to explain them in this explanation.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. PRALL. Yes.

Mr. PATMAN. The estimate of $300,000,000 that would be extended in the form of loans until January 1 was based on the assumption that the maximum loan would be $1,000,000.

Mr. PRALL. No; I will not say that. I do not know what the assumption was with respect to the million dollars. The original Senate bill carried, I think, $250,000,000, as the aggregate amount of loans. It provided for the aggregate amount to any one borrower of $1,000,000. Our committee increased from $250,000,000 to $300,000,000 the total amount the R.F.C. would be authorized to loan, but we felt at the time that inasmuch as this money had to be loaned on or before January 31, 1935, just a matter of some months, it would not be physically possible for any agency under the circumstances to loan more than that amount.

Mr. PATMAN. I agree with what the gentleman has said, but does he not think that is a good reason why we should consider putting the amount back at $1,000,000 so as to get as much money out as possible? If necessary we can increase the total amount, $300,000,000, allowed in this bill.

Mr. PRALL. I believe that $100,000 is too low. I think $500,000 would be a better figure.

Mr. PATMAN. In other words, we have plenty of money in this bill. Three hundred million dollars will be sufficient, even if the amount is $1,000,000 maximum, instead of $100,000?

Mr. PRALL. Yes.

Mr. PATMAN. And there is no reason why we should not permit the maximum to be greater than $100,000, and provide that preference shall be given to small loans?

Mr. PRALL. The question was raised at one of the committee meetings as to the number of loans that had already been made at $1,000,000 by the R.F.C. One member made the point that it would be possible for the R.F.C. to make only 250 loans of $1,000,000 each. Mr. Jones advised the committee that the Reconstruction Finance Corporation had made but a few loans of a million dollars each. In each case it assured continued employment of more than 3,500 people. He was of the opinion that all small loans could be taken care of and that there would be no danger, in placing a limit of $1,000,000, of running short of funds.

Mr. FORD. Will the gentleman yield?

Mr. PRALL. I yield.

Mr. FORD. Did he not limit the number to possibly 20 of those million-dollar loans?

Mr. PRALL. He said it might be possible to make not more than 20.

Mrs. JENCKES of Indiana. Will the gentleman yield?

Mr. PRALL. I yield.

Mrs. JENCKES of Indiana. The gentleman spoke of the necessity of an applicant for a loan first going to the Federal Reserve bank. Many firms have gone through that step and, for a mere technicality, have had their loans turned down. Will those applicants now be in good standing?

Mr. PRALL. Well, that is hard to tell. The Federal Reserve Board has not had the authority heretofore which we have given them in this bill, nor has the Reconstruction Finance Corporation, but under this bill we are using the Reconstruction Finance Corporation as a haven to which borrowers may go when all banking facilities fail them.

Mrs. JENCKES of Indiana. That is just what I mean. The fact that a firm has been turned down on the judgment of a court, with a perfectly good balance sheet, and then gone through probably 6 months getting themselves up to that point, now, if they have to go back over that 6 months, will they survive until they can get this new loan?

Mr. PRALL. I should say this new law would enable the two agencies to accept those statements.

Mrs. JENCKES of Indiana. That answers my question.

Mr. PATMAN. Will the gentleman yield?

Mr. PRALL. I yield.

Mr. PATMAN. Is it not a fact that they will not be required to make any showing, other than to state, "We have gone to the Federal Reserve bank, we have gone to the local banks, and we cannot get accommodations there. We want you to assist us." Will that not be sufficient under this law?

Mr. PRALL. I think so.

Mr. ARENS. Will the gentleman yield?

Mr. PRALL. I yield.

Mr. ARENS. There is no provision in this bill to regulate the interest rate. Is there any way to find what the rate will be?

Mr. PRALL. The interest rate now, as I understand it, in all matters connected with the Reconstruction Finance Corporation, is 4 percent. It has been reduced twice during the past 12 months, and I think it is now uniform at 4 percent.

Mr. BOILEAU. Will the gentleman yield?

Mr. PRALL. I yield.

Mr. BOILEAU. In section 11 I notice loans are authorized to industrial or commercial business. Would the gentleman construe that to include apartment-house buildings, in which there are several apartments; buildings that are too large and which house more families than is permitted under the Home Owners' Corporation law?

Mr. PRALL. That might, by some stretch of the imagination, be considered commercial. I do not know.

Mr. BOILEAU. I have had some inquiries with reference to that matter. It occurs to me that unless we include apartment buildings as commercial enterprises, that is about the only class of business we have not provided for in some bill or other. I am wondering, if this bill does not cover commercial apartment buildings, if we could not amend it so as to include them.

Mr. PRALL. I think the gentleman will find that under the new housing bill, provision will be made for matters of that kind. I think it will cover everything not now covered by the Home Owners' Loan Corporation Act.

Mr. BOILEAU. The gentleman means not only as far as new construction is concerned, but also the financing of buildings already built?

Mr. PRALL. I think so; yes, sir.

Mr. BOILEAU. With the gentleman's assurance in that regard, I shall not ask that the amendment be adopted.

Mr. PRALL. I cannot assure the gentleman, because the matter is in its infancy now. The bill has just been introduced, but that is my view of it.

Mr. BOILEAU. It occurs to me that apartment buildings are about the only kind of business or property that has not been provided for in one bill or another, and if there is any question about it being included in the bill to which the gentleman refers, it should be taken care of in this bill.

Mr. PRALL. I think the gentleman will find that the housing bill will take care of that situation.

Mr. BOILEAU. Is that before the gentleman's committee also?

Mr. PRALL. Yes.

Mr. COLMER. Will the gentleman yield?

Mr. PRALL. I yield.

Mr. COLMER. Is provision made in this bill for refinancing outstanding obligations of industry?

Mr. PRALL. There is a part of this bill that takes care of that. There is provision for that. The present provision for loans to industry is not contemplated to continue or to renew these loans. The Federal Reserve portion of the act is permanent and they can do that, but the primary object of the Reconstruction Finance loans, limited to 5 years, is to take care of unemployment, and to revive industry and permit them to get new machinery and modern appliances and equipment, and all that sort of thing.

Mr. COLMER. Quite so, but if provision is not made for an industry that is struggling under enormous outstanding obligations, then it will be of no benefit to them.

Mr. PRALL. I believe there is provision for that. It seems on page 13, section 5 (b), paragraph 2——

Mr. COLMER. There is no question in the gentleman's mind about that?

Mr. PRALL. The paragraph I have referred to reads:

> The Corporation may at any time or from time to time extend or consent to the extension of the time of beginning of any loan.

Mr. DONDERO. Will the gentleman yield for a question?

Mr. PRALL. I yield.

Mr. DONDERO. Who will determine whether or not an application received comes within the purview of this act to be an industry?

Mr. PRALL. Either the Federal Reserve Board or the Reconstruction Finance Corporation.

Mr. DONDERO. One of the two.

Mr. PRALL. Either or both of them.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. PRALL. I yield.

Mr. CULKIN. I am greatly interested in paragraph 1, section 6, on page 16 of the bill, with reference to the loan of $125,000,000 to drainage districts. Was this provision in the Senate bill?

Mr. PRALL. Yes. The Senate bill provided for loans to drainage districts to the extent of $100,000,000, but the R.F.C. explained to our committee that it already had applications for more than $100,000,000 of such loans and recommended that the amount be increased to $125,000,000.

Mr. CULKIN. Do I understand that this is for initial reclamation, for the initiation of new projects?

Mr. PRALL. I think it is for renovation, refinancing, rebuilding, and preservation, really.

Mr. CULKIN. May I say to the gentleman it seems to me that is foreign to this bill; it is exotic; and it is grafted onto the bill improperly. It simply adds to the existing overproduction in America. I do not believe it has anything to do with this type of loan.

Mr. SISSON. If the gentleman from New York will yield, this money to be advanced to drainage districts will not make available any new area at all.

Mr. DEROUEN. Mr. Chairman, will the gentleman yield for one question?

Mr. PRALL. I yield.

Mr. DEROUEN. I am interested in section 23-b, which states that when it appears to the satisfaction of the Federal Reserve bank that an "established industrial or commercial business", and so forth—what is meant by a commercial business? Is the Government going to provide personal loans to merchants and tailors?

Mr. PRALL. No; I would not say that. The whole idea of the bill, if the gentleman will permit, is to aid in the recovery of our country, is to bring back into employment those now idle. We do not expect the R.F.C. or Federal Reserve bank to grant a loan of any of these funds unless the applicant can show that it means either the continued employment of those who otherwise would become unemployed, or that it means the hiring of additional employees by the use of this money.

Mr. DEROUEN. I understand that, but I do not think the gentleman quite understood my question. I wish to know how far we are going?

Mr. PRALL. We must and shall depend upon the judgment of the Federal Reserve banks and the R.F.C.

Mr. LUCE. Mr. Chairman, I yield 10 minutes to the gentleman from Kansas [Mr. McGUGIN].

Mr. McGUGIN. Mr. Chairman, as I read the House bill, and as I read the Senate bill, it seems to me the difference between the two is the difference between traditional American private banking on the one hand and outright socialized nationalized banking on the other hand. This day should be a great day, and accepted as such by those who believe in socialized nationalized banking. A few days ago the gentleman from Washington stood upon this floor and said that he believed in nationalized banking. I commend him for his frankness. To so believe is most assuredly his right and his privilege. Time may prove him correct. For my part I do not believe in nationalized banking or in socialized banking, but the gentleman from Washington was infinitely more frank than is the House substitute for the Senate bill.

In the first place, this bill is very much like a great deal of our emergency legislation; it is a fraud and a deception practiced upon the people. The title states one purpose for the bill and then adds, "and for other purposes." The title of this act states that it is for direct loans for industrial purposes by the Federal Reserve bank, and for other purposes. Obviously the "other purposes" should be the minor part of a bill; but as in much of this emergency legislation it is just the other way about, the "other pur-

poses" are the tail wagging the dog. This bill has been heralded to the country as being legislation providing for loans to industries. If loans to industries were the sole purpose of this bill, we would accept the Senate bill with such minor amendments as we might choose to make.

As I read this bill, that portion from page 11 to page 23 comprises the "other purposes." Let us see what some of these "other purposes" are. I am frank to say that it is exceedingly difficult for me to understand the meaning of sections 1, 2, and 3. So we come to section 4. It seems to me that section 4 destroys the protecting provisions of the Emergency Relief and Reconstruction Act of 1932.

Let us go to section 6. This section provides for increasing the amount of loans for irrigation projects from $50,000,000 to $125,000,000—an increase of $75,000,000. Do you suppose that many of the people of the country know this is in the bill? They have been led to believe that this is a bill providing for loans to small industries. None the less, this is added to the bill. If this provision has any place in this particular bill, then anyone who wants public credit for any given class should be here today with his amendment to include his class.

Now, I want to go on further to section 7. Again we are not talking about industries; we are authorizing the R.F.C. to buy preferred stock in insurance companies, and in the case of the mutual insurance companies which under the laws of their States cannot issue stock, the R.F.C. is authorized, in its discretion, to take as its collateral whatever the mutual companies have to offer which will be accepted by the R.F.C.

Going a little bit further, let us see what section 8 provides. Section 8 authorizes the making of loans by the R.F.C. to established, incorporated managing agencies of farmers' cooperative mineral-rights pools. Remember, the phrase "farmers' cooperative" does not have anything to do with agriculture or the making of any agriculture loans to farmers; it provides for the making of a loan to any kind of a farmers' cooperative interested in some kind of mineral business.

Then section 9 authorizes the Reconstruction Finance Corporation to make loans based on mineral acreage to recognized and established incorporated agencies engaged in the business of mining, milling, or smelting of ores. Most assuredly, socialized banking! Authorizing the Reconstruction Finance Corporation to begin lending money to mining projects! Discrimination, though, of the worst type, because the loans are limited to two classes—farmer-organized cooperatives which are engaged in the mining business and to corporations engaged in the mining business—denying to an ordinary citizen of this country, or to a partnership, the same opportunities to avail themselves of Government credit.

Let us go a little further.

Section 10 authorizes without limit the R.F.C. to set up a corporation for the purpose of exporting and importing goods. When this bill is enacted into law, we shall set up our Government corporation to engage in the business of exporting and importing goods. We shall not name that corporation the Amtorg, but nevertheless it will be the same kind of corporation. It will mean that the Government of the United States has again looked across the Atlantic to Soviet Russia and borrowed from her the idea that our Government should be in the export and import business. Again socialized and nationalized banking and socialized and nationalized exporting and importing. When this bill is fully complied with, the R.F.C. stands as the great nationalized and socialized bank of this country. How far it will go, no one man knows. What will be the end of the obligation, no one knows.

Why is all this coming about? Some say we cannot get bank credit. Yes. But who is responsible? No one is quite so much responsible for the denial of banking credit in this country as is the Government of the United States. Through its national banking department it has sent petty bureaucrats into the banks of this country telling the bankers to mark off Bill Jones' note and Bill Smith's note. They have sent out petty bureaucrats to pass upon the value of the paper of the citizens of this country rather than to allow the man who runs the bank and who lives in the community to pass upon the matter. Of course, private credit is destroyed, but the reason is socialism on the part of the Government of the United States in undertaking to set up an inspection agency ruled over by petty bureaucrats, entitled "bank examiners", who go about the country passing upon the value of paper, instead of leaving this responsibility with the bankers of the respective communities.

[Here the gavel fell.]

Mr. LUCE. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Chairman, I cannot quite understand why the gentleman from Kansas is so unduly excited. He seems to be under the impression that the unanimous report of the Committee on Banking and Currency is pure, unadulterated socialism. He ought to know from his experience in this House since the beginning of this Congress that compared to some legislation which has gone through the House that this is conservatism. This is one of the most conservative measures that we have had so far to deal with. It might have been called socialism 5 years ago, but today it ought to be considered safe and sound, as adequate collateral is required on all loans instead of shoveling the money out of the Treasury by way of doles.

Before I go further, may I call the attention of my good friends on the Democratic side, who have always claimed that the last Republican administration did nothing to solve the big problems that arose out of the depression, and who are continually challenging us and asking what we have done, to the fact that in this bill you are using the Republican machinery as recommended by Herbert Hoover, the Reconstruction Finance Corporation, to help get us out of the depression. Perhaps all the Democrats will not agree with me, but at least I believe in free speech and I am entitled to my own opinion. I believe that the Reconstruction Finance Corporation, recommended by Herbert Hoover and adopted by a Democratic Congress, has done more to get us out of the depression than all the socialistic experiments and panaceas of the Democrats and "brain trust" combined.

Furthermore, I believe that if we had not put into effect the Reconstruction Finance Corporation during the Hoover administration, just before the Democratic administration came into power, credit in this country would have been completely paralyzed, and not only the banks but the railroads and the insurance companies and business generally would have been crippled and paralyzed, and there would have been a total collapse of credit. Through the machinery of the R.F.C. and the lending of $5,000,000,000 in the way of capital to industry to keep the wheels of industry turning and to provide employment, and I say again, using the Republican machinery, you have done more than the "brain trust" experiments have been able to do in the last year and a half. I predict that you, using good common sense, will continue to utilize this Republican vehicle, the R.F.C., to solve the great difficulties facing this country at the present time and which will face this country for some time to come. And may I say that we have not come to the end of our rope in appropriating money to lend through the R.F.C. on adequate collateral, not doles nor gifts out of the Treasury, such as most of the "brain trusters" have urged upon Congress, and which are loading us with debts and taxes and leading to huge deficits. I am not speaking for my party, although I believe the Republicans on the committee were unanimous; I am in favor of this legislation because what is needed more now than at any other time is to provide some means for the flow of capital into the smaller industries.

This should have been done a year ago. The thing that hampers it more than anything else is the Securities Act that we passed hoping to remedy abuses and evils that existed, but going too far, at the request of the visionary "brain trusters", defeated the very purpose of the bill, so that there is now no flow of capital into small or large industries. As Al Smith said, all we have been doing is giving

business a shot in the arm. We have been giving them shots in the arm every once in a while, but these were only temporary measures. Now the Congress proposes to use this Republican vehicle, the R.F.C., to provide capital for smaller industries in order to keep the factories open and keep men employed.

The only objection I have heard to this bill, outside of the objection of the gentleman from Kansas, is the statement by someone that we had reduced the limit on the loans to too low an amount, $100,000. There is a good deal of reason and sound common sense why this amount should be reduced from a million dollars as contained in the Senate bill to $100,000 as appears in this bill. The original R.F.C. took care of the big fellows, such as the railroads and the banks, in amounts of a million dollars and upward.

It is time that the small business man, who probably makes up the larger part of our business in America should receive some attention. Where is he going to get his money? With your Securities Act and the depression, he cannot borrow it from the banks because of a lack of confidence and because at the present time the country is filled with uncertainties. We do not know what the dollar is going to be worth. It is 59 cents now, and it may be 50 cents next month.

Mr. SIROVICH. Will the gentleman yield just for a simple question?

Mr. FISH. I cannot debate with the gentleman in 15 minutes.

Mr. SIROVICH. I just want to correct a statement of my friend.

Mr. FISH. No; I refuse to yield.

Industry cannot get any money because of the uncertainties. We do not know whether the silver bill is going through and whether that is going to mean a certain amount of inflation. We do not know whether these other bills that are pending will create further inflation, and for this, and many other reasons, the bankers will not lend money and you cannot blame them, because you would not lend it either if you had the responsibility.

So American business men have got to come to the Federal Government for loans to help turn the wheels of industry and provide employment. In its essence, of course, it is socialism—the Government lending money, but it is lending on collateral, which is different from giving money away as doles or outright contributions. In these days of radicalism and socialism it is really a conservative measure.

In the remaining time I have I wish to refer to the fact that there seems to be some misunderstanding between General Johnson and Clarence Darrow and Charles Edward Russell and Mr. Richberg, which raises a very interesting point, as you read these redhot charges and countercharges hurled by one socialistic member of the administration at another, each denouncing the other as being more socialistic than himself. The newspapers are filled today with vitriolic attacks by Mr. Richberg on Clarence Darrow. I know you Democrats have no more love for these Socialists and socialistic Democrats than I have; but I realize that you cannot get up here and say so, while I am at perfect liberty to do so. I really think I have as much sympathy on your side as I have, perhaps, on my own. The facts are—and this bitter contest ought to bring it before the country—there are scores of Socialists, not Democrats, but members of the Socialist Party and near-Socialists who have been appointed to high positions in the Roosevelt administration. And now for the first time we have a couple of Socialists, Mr. Richberg on one side and Mr. Clarence Darrow on the other, denouncing each other as Socialists and claiming that the other is a little more radical, and I hope the people back home will begin to understand that there are in this administration numerous Socialists appointed to important positions and drawing money out of the Treasury, who are actually not in sympathy with our economic and political systems.

As I have repeatedly said, socialism was not elected to power. Norman Thomas got less than 1,000,000 votes, but both Mr. Darrow and Mr. Richberg, to whom I have referred, belong to the League for Industrial Democracy. What does the League for Industrial Democracy stand for? It is the old Socialist Intercollegiate League, but having the word "Socialist" in it, it did not go so well, so they changed it to "League for Industrial Democracy." It has one slogan and one alone, and that is to do away with the profit system.

As I understand our economic system, call it what you will, capitalism or our own industrial system, it is based upon profit; and if you take the profit out of it, you either have communism or socialism, and, as a matter of fact, communism and socialism are identical so far as the economic aspect is concerned. They both stand for complete Government ownership and operation. These gentlemen both belong to this League for Industrial Democracy, a socialistic league, with every official in it a member of the Socialist Party, advocating the destruction of the profit system, and yet they hold these important positions in the Government service under a Democratic administration.

I believe in freedom of speech. They have a right to be Socialists; they have a right to oppose the profit system; they have a right to say anything they want. But is it quite fair to hold important positions and receive pay from the present administration while opposing the profit system? Mr. Richberg and Mr. Darrow are issuing statement after statement in the press attacking each other and denouncing each other as Socialists. This is the first truth that has come out in regard to these "brain trusters" and the N.R.A., for when Socialists fall out, the truth will prevail. They are not Democrats at all and never have been Democrats. They are no more Jeffersonian Democrats than any member of the Socialist Party. They do not believe in the profit system, and this is why you can draw a little satisfaction out of the present situation. It is nothing more than the pot calling the kettle black. It is nothing more than two Socialists in the Democratic Party repudiating each other and both of them against the profit system. I say to my friends of the Democratic Party that they are doing more to hinder recovery in America by undermining our institutions and the faith of the American people in our industrial system. If you would stand on Democratic principles and on your party platform with the many hundreds of Democrats competent to hold key positions, you could go out and restore confidence in the country by repudiating these Socialists and these socialistic doctrines. Confidence would soon be reestablished, and we would not have to lend this $300,000,000 to industries in order to get them back on their feet. But as long as radicals and Socialists dominate Democratic policies, there will be no restoration of business confidence.

Mr. BROWN of Kentucky. Will the gentleman yield?

Mr. FISH. I yield.

Mr. BROWN of Kentucky. The gentleman states that these socialistic "brain trusters" are the ones who are hindering recovery under our administration. You did not have these men or men of socialistic tendencies under your administration, and I wish the gentlemen would tell us what it was that prevented him, under his own administration, from starting us back on the road to recovery. [Applause].

Mr. FISH. That is very easy to answer.

[Here the gavel fell.]

Mr. LUCE. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. FISH. I do not believe the distinguished and able Member of the House was in the Congress in 1930. The Republican President at that time, Herbert Hoover, made certain constructive and sound recommendations to a Democratic Congress, and the Democrats simply threw them out of the window.

The only thing they upheld was the Reconstruction Finance Corporation program, and they enacted that into law. We are operating under that today and providing $300,000,000 more to continue the use of that constructive vehicle. The other recommendations made, such as balanc-

ing the Budget, cutting down expenses, and the sales tax, were thrown out of the window.

Mr. SIROVICH. Will the gentleman yield?

Mr. FISH. No. I have only 3 minutes more, and I do not yield. There has been a good deal of talk recently about Rexford Guy Tugwell, Assistant Secretary of Agriculture, a charming and intelligent man, and one whom anyone would like to meet. But he belongs to the same Socialist organization; he belongs to the League for Industrial Democracy, which has for its main object a new social order based on production for use and not for profit.

Of course, now that he wants to be appointed to a higher position, Under Secretary of Agriculture, he has changed his color somewhat like the chameleon and talks about democracy and its virtues, forgetting for the time being his socialistic views and written statements.

> The Devil was sick, the Devil a monk would be;
> The Devil was well, The Devil a monk was he.

He has this to say in his last book, Our Economic Society and Its Problems:

> Just as it was impossible for our Union to exist half slave and half free, so it may become impossible for the world to exist half socialistic and half capitalistic. And there are many who believe that capitalism in its nineteenth century and present form would prove a weaker system than the system being developed by the Soviet Union.
>
> Socialism involves the public ownership of the means of production and the control of economic activity by society. Communism today has the same goal as socialism but differs in that it seeks to attain socialization by means of a dictatorship of the proletariat. In Russia we may observe both, as well as the most complete examples of economic planning.

The trouble with Mr. Tugwell and many other public officeholders is that they do not believe in the profit system and do believe in regimentation and collectivism as practiced and exemplified in Soviet Russia. [Applause.]

[Here the gavel fell.]

Mr. PRALL. Mr. Chairman, I yield 5 minutes to the gentleman from Connecticut [Mr. KOPPLEMANN].

Mr. KOPPLEMANN. Mr. Chairman, ladies and gentlemen of the Committee, this is a happy day for this Congress in that the House is about to adopt the measure which is the final link necessary in the general program to put America back on its feet.

The main purpose of this bill is the rehabilitation of small businesses and small industries. The small industries are the backbone of America. We can name 40 or 50 large industries in America and think that we have covered the entire field of industry in this country. As a matter of fact, in every town, in every village of this great Nation there are small industries upon which these towns and villages depend for their security and for their economic well-being. These industries and small businesses have been weathering a storm, and it ill behooves anyone discussing the subject to inject partisan politics.

This Congress is passing legislation without interest in the political fealty of those who will reap the benefits. It has for its one purpose insuring them an opportunity for continued existence.

In the enactment of this measure there are features which are particularly for the benefit of the little fellow. This is unlike the former Congresses, only caring for the big fellow. In this bill it is the little fellow who is recognized, so that he may have a chance to keep his 5 or 15 or 25 employees on the job.

In my own State I know that there are from 50 to 60 small industrialists who need approximately $2,000,000 so that they can continue the employment of from 12,000 to 15,000 people whose future is hanging by a thin thread. This money allocated to them will within 90 days add from 10 to 15 percent to Connecticut employment rolls. This bill should have been passed in the early days of this session. Back in the early part of February I introduced a measure similar to the one we have before us.

Today, in very much the original form of my bill, we have this much-needed legislation. During the last several months I have received personal calls, telegrams, and letters from hundreds of small business men the country over urging that I continue to give my untiring energy to this legislation. In the beginning I found powerful opposition both in and out of Congress. As the need became more imperative and the cries of sinking business from everywhere rolled into a thunderous demand the opposition gradually was worn down. Our great President took a hand. His was one of the first letters of assurance I received. He called conference after conference at the White House. The Secretary of the Treasury, the Chairman of the Reconstruction Finance Corporation, the Governor of the Federal Reserve bank, and many others bent their energies and lent themselves to the work in behalf of legislation to extend the credit of the Government to the aid of industry and business.

The historic moment has arrived. From every community in the United States large and small business men and industrialists are turning hopefully to Washington. In a few hours the vote will be taken. That the bill will be passed I have no doubt. Again the Seventy-third Congress will record itself as having adopted another bill which concerns itself with the saving of millions of our people who need the Government's protecting arm in this critical hour.

These loans under the provisions of this bill will only be made to such concerns as can demonstrate their ability to pay back dollar for dollar what the Government lends. This is a fact which has never been questioned at any time in the consideration of this matter in the Congress. I feel certain that these loans will be proven to be the safest of any made by any department of the Government.

I particularly call your attention to the fact that up to the present time loans to business have not reached those who should have our first concern. The best way to restore prosperity is to see to it that the little fellow is taken care of. The way must be made easy for him or else he cannot do his part toward keeping his employees in jobs.

When public relief comes to an end, as it must some day, where will the worker turn for a job? Naturally, he must turn to private industry. But if private industry has been choked and cannot continue because of lack of funds, then what is going to happen?

As I see it, private industry alone must be the agency to provide permanent employment just as it did before the depression came upon us. But private industry must have stimulation and encouragement to go on. We must not fail to give it the help for which it is crying.

Thousands are watching our action today. Thousands would have been foreclosed and wiped out long before this but for the fact that they have been hopefully waiting for Congress to release Government aid to them.

A few weeks ago I had a letter from a man, who is conducting a printing plant in a small town, telling me that unless this legislation were speedily enacted, his business would be wiped out. There was a balance due in the amount of $1,600 on a mortgage which was held on his plant and equipment. Unless he was able to pay the entire balance by May 4, the plant was to be taken over and his business destroyed.

I wrote the concern which held the mortgage on his plant urging leniency, at least until Congress acted, in the hope that this body might pass this legislation, thus enabling this printer to obtain the small sum of $1,600 which he needs to carry on. I received a letter from the concern telling me that they would hold off to see what action Congress would take. This morning I received the following letter from the printer:

MAY 21, 1934.

Hon. HERMAN P. KOPPLEMAN,
Representative First District of Connecticut,
Washington, D.C.

DEAR MR. KOPPLEMAN: Words cannot express to you my gratitude of your personal interest and successful endeavor which you so magnificently have instituted in my behalf, but permit me respectfully to thank you most sincerely for what you have done for me to help me save my printing establishment, my only salvation by which to support my family and maintain my established record as a citizen.

Naturally after being laid up for so long and nothing done for an income it will take me some time to recover, but being on

the road to recovery both physically as well as with prospect of new business, it means a lot and with God's help it will be done.

Yes, I am indeed glad of the news received from you and in the papers regarding the industrial loan prospect. I trust it will soon become law and be of help to many who are striving hard under pressure similar to mine or for the lack of capital to proceed in business.

It is indeed gratifying to follow the progress made for the reestablishment of the American people during the past year of Congress activities. My prayers are for you all and I trust in God's mercy that America may remain the leading nation of the world, with freedom to work and live a respectable life for all, maintain respectable homes and that contentment, love, and joy may soon fill the hearts of our people.

Again thanking you, honorable sir, for your help, and please demand me in your service should opportunity permit, I shall never forget this help; and if at any time I can do something for you, please say the word.

When this bill has become law, gentlemen, each one of you will be receiving many letters of this nature from constituents who have long despaired of carrying on the businesses they have labored for years to build up.

This bill recognized a grave emergency and seeks to go direct to the root of the difficulty. Our problem is not that alone of putting more men to work, but also the problem of keeping the men now employed at work.

I have before me a letter of one manufacturer, who writes:

Indications from increasingly heavy mails, with good volume of orders coming in and intensive activity of our sales force, give us encouragement in the belief that if we can only finance the beginning of this heavier production we shall be well on our way in increasing employment and activity.

Many long-established firms that have conducted an ethical and honorable business, earning small but consistent profits, have returned these profits to plant expansion to perpetuate their business. After 4 years of depression they are feeling the pinch of lack of working capital. In better days they have been accustomed to turn to the regular sources of credit, the local banks, but now, in spite of the adequacy of their security, they are unable to obtain a dollar of credit. They have valuable plants, orders on hand, but not the wherewithal to execute these orders. They face ruin while just within the reach of prosperity.

I am told by Connecticut manufacturers that many of them have had to refuse orders, thereby keeping men from employment, because they cannot get bank assistance to fill orders.

I take but two towns in my district where the chambers of commerce have written me urging the enactment of this legislation.

One letter advises me that loans have been requested by small business interests, including commercial houses and small factories aggregating $500,000. I am further informed that if these credit loans are made available, 519 persons would be continued in employment and additional people employed, earning a weekly wage of $10,657.

In the second town, 4 out of 6 factories need immediate help. They have requested a total of $50,000 to keep at work 500 now employed and to reemploy 250 more.

These amounts are insignificant when compared to the millions that have been loaned by the Government to larger industrial concerns, but these amounts, if given, will enable whole towns to keep going. In my district there are many towns whose entire existence is dependent upon the operation of two or three factories or mills.

In a third town in my district there was a paper company which had been in operation continuously for 35 years. Even during the past 4 years when this concern was especially hard pressed by the depression, it managed to keep working from 150 to 200 people. The entire town was dependent upon the operations of this factory.

Early in this year the local bank became insistent upon the payment of the company's loan, amounting entirely to $36,000. A similar amount was owing to merchandise creditors. Every effort was made to obtain leniency on the part of the bank, to no avail. Finally, the bank ordered liquidation of this concern, thus throwing out of employment 150 people and destroying a business which had built up an enviable reputation in its 35 years of existence. When these 150 people were thrown out of work it meant that 150 families dependent upon their earnings were forced to the relief rolls, because other employment in that community could not be found.

If this concern could have obtained the money it needed, there was every certainty that it could have met its obligations, and by the fall of this year begin to show a profit from its operations. The tragic part of this situation is that when liquidation has been completed and all the obligations cleaned up, the company will still be in a perfectly solvent condition. Could this concern receive some sort of direct loan as provided for in this legislation, it will be able to resume its operations. In the meantime, its machines are idle, its door closed, and 150 families in a small community are destitute.

Let me close with a few excerpts from letters I have received on this subject.

If at the present time I had at my disposal $2,000, I could put 10 more men to work and take them off the welfare list. I could keep them going for 6 months or more, but by the time this bill passes (if it does) it will be too late to be of any help to me. Nevertheless, I certainly hope that it passes, as it will do others good. I am living up to the N.R.A. to a letter.

Here is another:

Your H.R. 7666, is very appealing to me, as I met with dismal failure when I applied for a loan of but $12,000, and was turned down. That is why we did not take on some 70 skilled electricians. The factory is still closed.

Record: Always paid dividends. Land, building, machinery, all free and clear—value, $35,000. Wanted but $12,000 to start production, on many orders, some of which were for United States Government. Application turned down.

Here is another:

Ours is not the problem alone of putting more men to work but the problem of keeping the men now employed at work. We stressed this point very strongly in our application, that individually our problem is insignificant, but collectively there are thousands of manufacturers throughout the country similar to us, which add up to a tremendous figure. To permit a great many of these manufacturers to discontinue operations on account of lack of financial assistance would go a long way toward nullifying the benefits of the N.R.A.

My opinion, after the treatment I have received from the local banks, simmers down to just this: For some years past banks loaned to concerns who were poor risks. In order to protect their own poor investment, they were forced to put more money into these concerns to keep them going. Competitive concerns were given no loans and the banks were putting out of business the deserving manufacturer who was not forced to ask for loans until the depression came upon it. Until the Government can allow small deserving concerns to get loans through them, industry will remain at a standstill. Take a survey of the United States; you will find it is the small industry which makes up the greater part of it, yet large industry can get millions to continue on. Farms have been saved, homes, etc., yet the most deserving of them all—small industry—has been allowed to sink for the want of a small amount in loans with which to carry them through and keep their men employed.

The writer feels that one of the surest ways to help eliminate the necessity of appropriating enormous amounts of public funds for relief purposes is to provide working capital for industries in a position—and many can so demonstrate—to use these funds advantageously, transferring people from relief to industry pay rolls.

Mr. LUCE. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. DIRKSEN]

Mr. DIRKSEN. Mr. Chairman, a little earlier in the afternoon a question was raised in connection with one provision of the bill dealing with loans to drainage and levee and irrigation districts. I am drawing entirely on memory, but if I remember the text of the provision in the Agricultural Adjustment Act whereby we first made available $50,000,000 for drainage districts, we also wrote into that act a provision that none of the money was to be used for expansion purposes and for bringing under tillage additional acreage. When the Interior appropriation bills were before this Congress, I believe the members of the committee and the subcommittee will bear me out, we wrote into those bills specifically that money should not be used in tilling additional acreage over and above that now existing in the country. The $50,000,000 that has been increased to $125,000,000 in this bill, is going to be used to refinance existing drainage districts. My good friend and contemporary from Kansas made the point that that was not essen-

tially a business. When 50 or 60 farmers get together and take commitments of 2 or 3 or 4 or 5 thousand or even 10,000 acres of land, go through the procedure of the county court, erect earthen levees to keep out the water, dig ditches, build pumping stations to keep down the water table in the land, tile it, have commissioners appointed who are under the jurisdiction of the county court, does it not seem that that is a business in the strict sense of the word? Then why should not the hundreds, even thousands of drainage districts that have been so organized, that are suffering from depressed agriculture prices, not be given the benefit of a bill of this kind.

Mr. TERRELL of Texas. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. Yes.

Mr. TERRELL of Texas. Does the gentleman think this character of loan is safe to the Government under the present condition of those districts over the country?

Mr. DIRKSEN. The gentleman means so far as the drainage districts are concerned?

Mr. TERRELL of Texas. Yes.

Mr. DIRKSEN. In view of the fact that in almost every instance mortgages have been scaled down and bondholders have been willing to deal with the owners of the land in order to make it possible for them to continue to till the land, I am reasonably sure that on the reduced valuation it is an entirely safe loan.

Mr. TERRELL of Texas. Everywhere I know anything about it they are insolvent.

Mr. DIRKSEN. How could they be otherwise than insolvent? How can districts in my State, for instance, where they had mortgages and assessments of as much as $100 to $125 per acre that accrued in addition to the general taxes and the original cost of the land, be otherwise than insolvent when corn was bringing 16 cents per bushel? It is simply not in the cards that they should be otherwise. But things have been placed on a more reasonable and moderate basis, and there has been a scaling down in the indebtedness, and they come up to approximately more nearly the value of the land, and I believe these are entirely safe. After all, let me ask the gentleman from Texas, is there any better security in the country than a piece of the real estate of that country?

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. Yes.

Mr. CULKIN. These irrigation districts had the benefit of a moratorium recently, did they not?

Mr. DIRKSEN. I do not believe so.

Mr. CULKIN. Did we not pass a bill in the House that extended the payment of interest over the whole field of reclamation and irrigation?

Mr. DIRKSEN. You could not do that so far as private drainage districts are concerned. Doubtless you are referring to water districts in the Western States.

Mr. CULKIN. Assuming that is so, it is a confession of insolvency.

Mr. DIRKSEN. Nobody makes any question about that.

Mr. CULKIN. So you are going to loan money to insolvent irrigation districts?

Mr. DIRKSEN. They are insolvent only insofar as inflated values are concerned.

Mr. CULKIN. What I am interested in is this proposition. I realize the difficulty in which these people find themselves who got onto these projects mistakingly under the impetus of propaganda from the Interior Department. Does this include any new projects?

Mr. DIRKSEN. I do not believe it does. In fact, I am sure it does not. It is nothing more than an amendment to the original act.

Mr. CULKIN. Is the gentleman on the committee?

Mr. DIRKSEN. No; but I gave special attention to it at the time the original bill was under consideration.

Mr. DRIVER. The original bill provided that it was only existing districts at that time that were affected. The gentleman talks about a moratorium. That was only on the water rights; it was not on the bonds, the outstanding securities of the district in existence, but only on the charges to the existing districts for the water furnished to the users.

Mr. PIERCE. Will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. PIERCE. That pertains to districts which the Government built.

Mr. DIRKSEN. That is right.

Mr. PIERCE. It was not privately owned districts.

Mr. DRIVER. That is correct also.

Mr. MARTIN of Colorado. Will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. MARTIN of Colorado. When the court is arguing with you, a lawyer ought to keep still. We gentlemen from the West certainly appreciate the attitude of the gentleman from Illinois [Mr. DIRKSEN], but I want to say to some of the other gentlemen that to deny these drainage and irrigation districts the relief afforded by this amendment is tantamount to pronouncing the death sentence on them economically.

Mr. DIRKSEN. Precisely.

Now, in the few moments that remain I want to bring one matter to the attention of the members of the committee. There is not a Member of this House who probably has not been supplicated by some of his constituents who have made application for a farm loan, who in many instances have had to wait 5, 6, 7, or 8 months for action, and sometimes a foreclosure was obtained and the man's estate lost. It occurs to me that when a recommendation is made by the advisory committee and the same action is had by the Federal Reserve bank in connection with the loan provision of this bill it would not be amiss to write in there that summary action and disposition of an application must obtain not later than 60 days after the application has been filed. What good does it do when a man is in difficulty and needs working and operating capital in his business to have to carry on, waiting for all the procedure and the red tape that too often is involved in an application of that kind, and then find that the money comes too late for him to make a prudent or timely expansion of his business or to augment his pay roll or do all these other things that are so necessary for recovery? It seems to me that any Federal Reserve bank, any advisory committee could inform itself of the facts and make summary disposition of every case within 60 days after the application is filed. I should like to see that kind of an amendment to this bill.

Mr. REILLY. Will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. REILLY. Suppose they get a thousand applications immediately, how could they handle them all in 60 days?

Mr. DIRKSEN. They should have sufficient machinery to do it, I will say. Moreover, applications could not be filed until the administrative machinery has been set up. Sixty days should therefore be ample time.

Mr. REILLY. But we must leave something to the discretion of the Board.

Mr. DIRKSEN. But we left so much to the Farm Credit Administration——

Mr. REILLY. Does the gentleman know that hundreds of thousands of mortgages have already been handled by the Home Owners' Loan Corporation?

Mr. DIRKSEN. I will say that I do, but, however, the gentleman has probably had the same experience I have had, in having a great many of these things jockeyed around month after month, all because of some fancied appraisal that they would not make. There is not a Member of this House who does not have farmers in despair and difficulty because the appraisers of the Farm Credit Administration and the mortgagee cannot get together on the value.

Mr. REILLY. That is not the case in Wisconsin.

Mr. DIRKSEN. If we are going to have these differences appear with respect to the valuation of property and soundness of the security offered by some person who makes application for a loan under this bill, what assurance is there that these small business institutions will not be jockeyed around in precisely the same fashion? I am heartily in favor of this bill. I have got a dozen out there who are

ready to put in their applications the day the President affixes his signature, but I want to see that it is not hamstrung, covered up with red tape, covered up with procedural difficulties that will chase them all over the country, and after 6 months of heart-breaking effort, find it was nothing except a rainbow and that it did not mean anything.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. DIRKSEN], has expired.

Mr. PRALL. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. PATMAN].

DIRECT LOANS TO INDUSTRY

Mr. PATMAN. Mr. Chairman, this bill as it came from the other body could not be considered a bill providing for direct loans to industry. It provided that the Federal Reserve banks may extend loans to industry under certain exceptional circumstances. They have that power now, and they have had that power in the past. Practically, the only difference is that the paper may extend as long as 5 years under the new proposal. It makes no difference whether it is 1 year or 5 years, the Federal Reserve banks will not make those loans. We know that.

BONUS OF $140,000,000 TO FEDERAL RESERVE BANKS

In addition to that provision in the bill coming from the other body, there was another provision which gave to the Federal Reserve banks of this country a bonus, a pure bonus, a gift, a subsidy of approximately $140,000,000. In addition to that, there was a provision which permitted the Federal Reserve Board to build a separate institution from the Government of the United States, get out of the Treasury entirely, build their own building in Washington, D.C., over which they will have exclusive control, at an expense of a million dollars. That is the kind of bill that came to this House from the Senate. I want to commend this committee, of which the gentleman from New York [Mr. PRALL] is chairman, for making a real bill out of the Senate bill that was sent to this House.

REFUSAL OF LOANS BY BANKS

There is a provision in the bill, as amended by the House committee, permitting Federal Reserve banks to extend loans if they want to, but no gift of $140,000,000. Under the terms of this bill, if it is enacted into law, your constituent will not be required to show the R.F.C. that he went to his member bank and presented certain evidence of solvency and adequacy of security; he will not be required to show that he went to the Federal Reserve bank and tried to get accommodations there other than to make the statement to the representative of the R.F.C., "I have been to these different institutions, and I cannot get the kind of loan I need for a reasonable price, and I am coming to you." Such a statement will be sufficient for the R.F.C. representative to deal with that person and extend to him a direct loan.

GOOD BILL

This is a good bill. I would extend it from a limit of $100,000 to a limit of $1,000,000, because I know that the R.F.C. cannot safely lend more than $300,000,000 between now and January 31; and since $300,000,000 is enough, even with $1,000,000 loans—there will be a few of them—let us put the money out and let these $1,000,000 loans be extended if needed and adequate security is offered. Of course, preference should be given to small loans.

REAL FIGHT LATER ON

The real fight on this bill will come when it goes to conference, and I want to warn the Members of the House right now that ever since the Federal Reserve Banking Act was enacted at practically every session one chiseling amendment after another has been enacted by Congress until the Federal Reserve has ceased to be the institution it was supposed to be and has become a profit-making institution for private banks owned by private corporations, using the Nation's credit free of charge, without even paying taxes on their transactions, and without paying the Government of the United States a penny on earth. There is another chiseling amendment which will be proposed in the conference. As I say, the real fight is not here; but when this bill goes to conference I have every reason to believe that the other body is going to insist that you give these Federal Reserve banks a bonus of $140,000,000, that you let the Federal Reserve get away from the Treasury of the United States and construct its own building, at an expense of $1,000,000 to start on, and get out from under the same roof with the Government's representatives. They will insist on these provisions or not agree to direct loans to industry. As for myself I will have no bill before I will have the Federal Reserve bonus bill that was passed by the other body. [Applause.]

[Here the gavel fell.]

Mr. PRALL. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. FORD].

Mr. FORD. Mr. Chairman, I expect to support this bill because I believe that under its provisions the R.F.C. will be changed from an institution set up to loan money in the main to the bigger interests of the country into one designed to loan money to the small industries of the United States. I am convinced that this new policy will serve to diffuse in a broad way the great blocks of capital that the Congress has been giving that institution.

Mr. JOHNSON of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield.

Mr. JOHNSON of Minnesota. The gentleman uses the term "small business." Will the gentleman explain what he means by a small business? Will the garage man, the summer-resort man, the person who owns a small sawmill or planing mill, be in a position to borrow from the Government?

Mr. FORD. As I read the provisions of this bill any individual, partnership, or corporation can go to the Reconstruction Finance Corporation and upon the presentation of proper and adequate security get a loan with which to conduct his, their, or its business if by so doing an increase of employment can be shown.

The Reconstruction Finance Corporation was praised highly by a distinguished Member [Mr. FISH] on the other side of the aisle. I can agree with the gentleman that it has been one of the factors that have contributed a great deal to help in this emergency. It saved the great insurance companies, whose failure would have been a calamity to the entire country. It saved great banks, whose failure would have been a calamity in their particular sections of the country, but it did not save all of them. It saved the railroads, which were on the verge of stopping operations. For these reasons it did a great service to the Nation; it kept the wheels of transportation turning to a great extent; it kept the great banking institutions operating; and it kept the great insurance companies solvent so that the beneficiaries of the policies felt reasonably certain that in the event of the death of the assured the policy would be paid. Even though it accomplished all this, there was still one field not open for it to enter under the provisions of the act, and that is the field of making loans to small industries, loans to help the average, the common man.

In this connection I shall support an amendment that will be offered to enable the Reconstruction Finance Corporation to loan to cities or governmental subdivisions desiring to purchase existing utility facilities in order that they may provide power to their people at a lower rate, providing those cities are taking power from one of the great power-producing units in which the Government has invested its money. By incorporating such a provision in the bill we will work a double self-liquidating plan, for we will enable the city which is to sell power to its people to liquidate its indebtedness and we will be assisting the United States Government to liquidate the investment it now has in these vast power enterprises by giving them additional customers for the power, thus enabling these investments to be liquidated and assuring a return to the United States Treasury of the taxpayers' money.

Mr. Chairman, I yield back the balance of my time.

Mr. PRALL. Mr. Chairman, I yield 3 minutes to the gentleman from Indiana [Mr. LUDLOW].

Mr. LUDLOW. Mr. Chairman, this is one of the happiest days of my life, legislatively speaking. I have long been an

advocate of this sort of legislation. I think the Committee on Banking and Currency is entitled to the highest praise for bringing in a splendid work of constructive statesmanship.

I believe this bill will do more than any other that has been passed at this session of Congress to restore normalcy and to relieve unemployment in the United States.

I was brought into this picture as the result of numerous applications to me, in my representative capacity, by business concerns of Indianapolis, Ind., which, in part, I have the honor to represent, who found themselves entirely unable to proceed with employment and operations because of their inability to secure funds from the banks for working capital. I presume I have as many as 50 such applications.

The district I represent perhaps includes as many as a thousand factories which are prostrate, because they are literally starving for working capital.

I believe, gentlemen, that there is one road, and only one road, that leads to industrial normalcy and unemployment relief on a large scale. There is only one way to revive stagnant business, start the wheels whirling, and give self-respecting men jobs that will enable them to earn a living for themselves and their families.

The way to do that is for the Federal Government to make loans to good, solvent concerns that have ample security, but no working capital with which to start operations. Half a billion dollars loaned direct to industry would create at least a billion-dollar pay roll in the year 1934.

We have already spent, or committed ourselves to spend, more than six times that sum on uneconomic public works that have not made a dent on the unemployment situation. Think how many men could be taken off the relief pay rolls and placed in steady jobs with a pay roll of a billion dollars.

"Start the factories" is the best slogan I can think of at this time. It would fit our economic situation like a glove, and would round out the President's program, opening the way for absorption into normal employment of millions now engaged in civil works. It would give business men and manufacturers a chance to operate, and it would afford millions the welcome opportunity they are seeking to earn a living in normal employment and not at the expense of the taxpayers.

I sincerely believe, gentlemen, that unless some bill embodying this principle is passed by this Congress, there will be an indefinite continuation of the industrial paralysis that grips the country, and that the situation will become increasingly serious, because no way will be provided to absorb into normal employment the multitudes that have been engaged in civil works.

I believe the time has come in the development of our national program when we should cease spending, except for immediate and necessary relief, and should devote our thought to the advancement of recovery through natural processes.

Let us make it possible for natural laws to operate in putting the country on its feet.

I have asked for an allotment of time in this debate to call the attention of the House and the country to what I believe to be the importance of this proposition now before this Congress as an aid—I may say an indispensable aid—to the restoration of normal business activities and the resumption of employment, and that is a wisely safeguarded provision whereby direct loans may be made through the Reconstruction Finance Corporation to reliable firms and corporations for working capital to start the wheels of industry. On the opening day of the present session of Congress I introduced a bill which follows:

To aid in the resumption and carrying on of normal business and industrial activities, the Reconstruction Finance Corporation is authorized to make direct loans to approved firms and corporations, such loans in all cases to be made under proper safeguards and to be based on securities that are adequate to guarantee repayment of principal and interest in full: *Provided*, That such loans shall be limited to providing funds for working capital.

That bill embodies the principle embodied in the legislation we are now considering.

I think it is quite clear that here is the way toward industrial normalcy. Here is the program that will erect the bridge between civil works and regular employment. Industry stands ready to do its part, but industry cannot do its part because, speaking broadly, it has no working capital. I am referring now not to the enormous businesses that may be better fortified financially, but of the thousands upon thousands of smaller concerns that make up the bone and sinew of the American business fabric. They have valuable assets, but no money to buy raw materials and to pay work hands, and if they take their securities to a bank to pledge them for working capital they cannot borrow a dime.

And be it said to the credit of these thousands upon thousands of business and manufacturing concerns that they are 100 percent patriotic and want to do their full duty toward lifting their country out of its distress. There is no doubt about that. Given an opportunity to borrow working capital, they will call the multitudes now on relief into the factories and workshops. Smoke will start in the factory chimneys, the wheels will whirl once more, and business will begin to hum.

So I say, without criticizing the recovery program up to date, because it has been more or less a process of doing the best one knew how to do and trusting to luck, the time unmistakably has come when we should cease spending and begin lending; when the dollars of Uncle Sam should be loaned for working capital to reliable concerns on unimpeachable security with a warranty that ultimately every dollar will come back with interest to the Federal Treasury. This is a way to lend the credit of the Government to business and industry on a gigantic scale with assurance in advance of benefit to millions of people. This is a form of Government assistance that is sound and logical.

Mr. PRALL. Mr. Chairman, I yield 3 minutes to the gentleman from Indiana [Mr. FARLEY].

Mr. FARLEY. Mr. Chairman, most of the time in general debate has been spent in talking about loans to small industries. I want to call attention to one part of the bill of which slight mention has so far been made, and that is the section which broadens the powers of the R.F.C. to facilitate exports and imports.

We must have an outlet for the things which we manufacture and produce in America. It is a known fact that the facilities for export need this assistance at the present time and have needed it for many years. It has been to our discredit for some time that the Government of the United States and our financing institutions were so poorly built up to finance exports and imports from and to other countries. It is a very necessary thing, and is a commendable part of this measure and should stand as is.

Something has been said about the limit of $100,000 to be loaned to any one industry and that this amount should be increased. We all know that there are human frailties, and in the administrative forces it is much easier to have one customer with whom to correspond, keep books for, and be in touch with than it is to have 10. When the $100,000 limit was put in this bill it was for the sole purpose of reaching out and helping the smaller industries of the country. This provision should prevail.

I have had a great deal of pleasure in working on this bill and in working with the committee who gave so much time to the consideration of it, and, to my mind, it is the keystone in the arch of the reconstruction program. I am very happy to be a party to its enactment. [Applause.]

And likewise all the constructive legislation enacted since Franklin D. Roosevelt was inaugurated President of the United States, and what a busy administration it has been. There is probably no parallel in the history of American Government which equals it. The first administration of Woodrow Wilson was looked upon as one of outstanding accomplishments and of many fundamental changes in our governmental questions, but it pales into insignificance when compared with the year that is just closing. This past year will undoubtedly go down in history as an administration that properly and successfully consummated more

fundamental changes in our governmental policies than any in the past. From the time Mr. Roosevelt made his inaugural address at the east door of the Capitol and said, "What the country demands, and demands now, is action", even his friends and admirers were not aware that he was a man of such action as he displayed the moment he repeated from memory the oath of office administered to him by Chief Justice Hughes at exactly 1:08 on the afternoon of March 4; and from that time every hour of the day has been crowded with chapters of vivid action. No one could have been present on that memorable occasion without having been fully charged with the idea that here is a man who knows what it is all about, who has a heart that beats in sympathy with all classes of American people, and has courage enough to execute the thoughts of his mind and feelings of his heart.

Within a few hours on that same day, a new Cabinet, composed mostly of men and women unknown to the Nation, were sworn into their respective positions. On the following morning, before we were aware of it, he called into extraordinary special session the Congress of the United States and at the same time proclaimed the national bank holiday. The financial institutions of the country were crumbling. There was a wide-spread feeling of impending disaster.

Various influences good and bad were at work in the country, and even the most optimistic persons could see very little ahead but gloom and shadows. He and his advisers set about at once to restore equilibrium in the banking structure, and from that bank holiday there came an opportunity for the refinancing and reorganizing of the banking structure throughout the length and breadth of the land, so broad and workable that on January 1, 1934, only 5 percent of all banks in existence that desired it were denied admission into the banking-insurance provisions. In my own district much has been accomplished in that direction. It is not necessary that I at this time uncover any of the unfortunate remembrances of what was going on in northeast Indiana. I have confidence in business men and always have had. I am not one who presumes that because a man is a banker he is necessarily a rogue and dishonest. Some of the finest men in character and mentality have been identified with these progressive institutions. They were just reaping the reward, not entirely of their own choosing, which mania had been provided on the part of stockholders and investors, and many things were done which they thought were wise at the time that proved in the end to be disastrous.

It has been my pleasure to serve on the Banking and Currency Committee of the House, in which capacity I have had opportunity to see 85 percent of the constructive financial bills go over our table. This has given me an opportunity for a wider study of the situation than normal, and if I have done nothing more for my district in my short term in Congress than to assist the banks of this district back to a better and safer basis, I shall be very happy in its remembrance for years to come.

When the deposit guarantee bill was being considered in committee there was some demand for it, but it was an unorganized demand, and there was likewise very strong organized opposition to it. When the bill was first introduced it was intended that it should not become operative until July 1, 1934, but a provision was placed in the law making it possible for Executive order to make it become effective earlier, and the President set the figure of $2,500 as a maximum on which the Corporation would insure these deposits.

We were told that a number of State banks in the West had tried the guaranty banking plan and that it had failed. Careful investigation into the cause of that failure was that it was not properly organized and adequately financed. In this new set-up, sufficient money direct from the Reconstruction Finance Corporation and from the Federal Reserve banks has been allocated to the Corporation, together with the assessments on the stocks of the banks themselves, that makes this look like a success. Up to the present time in the session of Congress now being held there has not yet appeared before our committee any group protesting the continuance of this guaranty deposit, but there have been many corporations demanding that it will continue and that the provisions be made stronger, and I have a feeling that for many years to come this will be one of the safeguards to American bankers which both the bankers and the people want. Deposits have increased $2,000,000,000 since the first of the year, and the Deposit Insurance Corporation is making a million dollars per month and have not yet had a bank failure.

There has been much complaint of funds going out of banks to Postal Savings. Postal Savings accounts were increased by over $106,000,000 over a period of 30 days, beginning March 1, 1933, and now, with this law effective, there is very little or no use for Postal Savings. There are approximately 700 counties in the United States that have no banking facilities, and if it were not for these 700 counties, I am inclined to think that the interest rate would be reduced to a point where no one would care to have their investment in that direction.

On March 9, Congress convened in special session and put their stamp of approval by legislation on the emergency-banking program.

On March 11 the economy measure was passed by the House, and 4 days later by the Senate.

There has been wide condemnation of the Economy Act. To be sure this act did do some things that we later have found were too drastic, but to you who have taken time for investigation and know the wide-spread abuse that had grown around the various agencies receiving money from the Federal Government, you know this had to be done. We were told in the beginning that many of these measures were of an emergency nature, and most of the legislation passed terminates of its own accord on specified dates.

We have men now who are asking for the repeal of the entire Economy Act simply because they have a feeling it is too effective in one direction; but when you take the program as a whole, I still think that the President was wise in asking for this authority, and, with his sympathetic nature, the various injuries that seem to have been done are being corrected.

On March 13 national banks were reopened. The following day stock exchanges reopened, with stocks advancing in price; hoarded gold began pouring back to banks, along with streams of hoarded currency.

In the meantime, the beer bill had passed the House and later the Senate, which made it become effective 1 minute after midnight on April 6. One of the outstanding issues of the last campaign was fought out on the question of the repeal of the eighteenth amendment and the modification of the Volstead Act. We are not so far away from the result of the action in Congress on that subject that we cannot carefully weigh what was done. I have said, and repeat it, that the people who are interested in genuine, true temperance have a tremendous task before them to regain the ground which was lost in the years of Volsteadism. Unusual action is always followed by reaction. One always chills more readily after a period of vigorous exercise, and I am hopeful that this liberty restored to the American people will not be abused, and that we shall have growing into maturity young men and women who are temperate and courageous.

I was severely criticized by various interests for my statement in opposition to the Federal Farm Board. I could not see where it had been of any advantage to the American farmer, and was very happy when on the 27th day of March the President abolished the Board and united all farm agencies into one administration. We are making progress toward the relief of the American farmer; and while there is justified complaint that the machinery is not active, namely, the Federal farm banks are not acting liberally enough to relieve the distress of the American farmer, we are making progress in that direction, and many millions of dollars are being loaned each day to refinance farm mortgages, and you will see this agency speeded up from this time forward.

On March 31 Mr. Roosevelt set up the Civilian Conservation Corps to employ 300,000 idle men. That seemed like a gigantic undertaking, but I think we have all lived to realize what one of my Republican colleagues said in the House recently, "that one of the finest pieces of Executive order was the establishment of these camps" that took these thousands of idle young men from cities and towns and put them out into God's open country to useful work. On December 21, Robert Fechner, Director of Emergency Conservation work, issued a statement, which in part follows:

I have today forwarded to President Roosevelt a complete statistical report outlining the major forestry projects completed by the men of the Civilian Conservation Corps and the Indian conservation camps during the first 6 months' enrollment period ending September 30, 1933. The report, covering a tremendous volume of construction and improvement work, carried the first complete figures showing forestry army accomplishments for the whole Nation. In making public the work achievements of the 300,000 men sent to forestry camps as a part of the President's general relief and national recovery program, Director Fechner asserted that the work record made by the young foresters was one in which the whole country can take pride. He asserted that all past records for forest protection and forest improvement work completed in any one year in the United States by Federal and State forces had been greatly surpassed by the forest army of 1933.

The report, compiled from official work records prepared at the 1,522 camps where the men of the Civilian Conservation Corps and the 8,000 Indians of the Indian conservation camps labored during the summer and fall discloses that the work done will benefit large sections of the 600,000,000 acres of forest and park lands in this country. The benefits of forest improvement, forest protection, soil erosion, and park improvement are not confined to the immediate acres where the men worked, but are spread over millions of acres of adjoining lands. The figures show that 12,671 miles of trails were built, that the men constructed 68,000 soil-erosion dams, spent 400,000 days fighting forest fires, built 4,229 bridges, planted trees on more than 25,000 acres, and began planting operations on an additional 50,000 acres.

Disease-control work was completed on 1,675,000 acres, rodent-control work on 3,566,918 acres, and insect-pest-control work on 800,153 acres, and poisonous-plant-control work on 47,459 acres.

The great bulk of the work done was accomplished during the months of July, August and September, as the strength of the forestry army did not reach its peak of around 300,000 until the middle of July. The report does not include the large amount of forest work that has been done in October, November, and thus far this month, as accurate figures on this period are not yet available. The work was done under the supervision of the forestry experts of the Department of the Interior, the Department of Agriculture, and the 47 States where the men were located. Twenty-eight camps containing 5,600 veterans did flood-control work under the supervision of the Chief of Engineers of the War Department. Of the 1,522 camps in the continental United States, 1,250 were under the supervision of the Forest Service, 175 under the Office of National Parks, Buildings, and Reservations, 71 under the Bureau of Indian Affairs, 28 under the Chief of Engineers, 3 under the Bureau of Biological Survey of the Department of Agriculture, and 1 under the General Land Office.

Improvements done by the C.C.C. men and the Indians will prove of permanent value to the forests. The forest resources of the Nation have been given new and valuable protection from fire, pests, and disease which in the past have taken an annual toll estimated in the hundreds of millions of dollars. Stands of timber have been improved, erosion of land checked, ranges for the great livestock industry improved and recreational facilities for the public multiplied. The value of our national and State forests and our national parks has been greatly enhanced.

I am happy that the program contemplates the continuation of this work for the present summer, and it now looks favorable that the Fourth Congressional District is to have two, and I hope three camps located within its border. On the 28th of April, the Senate passed the farm bill which added the Thomas inflation amendment, granting unusual powers to the President, and likewise, the privilege if he desired, to issue $3,000,000,000 in currency to retire interest-bearing bonds. Up to the present time he has not used that authority and I doubt now whether he contemplates doing it. It was at this time when the question came to the floor of the House to relieve the Government and all others of contracts that were payable in gold. I was one of nine Democrats who voted in opposition to that resolution. Subsequent events show that those in authority themselves were just building up a program that would lead to the final revaluation of the gold dollar.

I sat in the White House conference when that question was discussed and the program outlining the result is known to all of you today. The gold content of the dollar has been reduced and it now looks as if even the strongest opponents, men like Vanderlip of New York, are admitting that the move was not only courageous but that it was wise.

I receive from time to time, many letters out of this district, asking me to work for a parity between gold and silver. I repeat what was said in substance at that White House conference:

Until we have found the wisdom in our act with reference to the devaluation of the gold dollar, there is nothing further that can be done for silver at this time.

I do not pose as a monetary expert, but I do know this, that there must be sufficient currency to take care of business needs and that the dollar must have purchasing power. I think the American dollar is one of the best dollars in the world today and it does buy food and clothing, pays taxes, takes care of interest on investments, and future generations will undoubtedly present their stamp of approval upon this action of our great President at a time when the country was sorely depressed.

On May 12 the bill was signed by the President, creating the Agricultural Adjustment Administration, which contained a provision for $500,000,000 for employment relief, and what a God-send to the Nation that provision has been. That, together with the $400,000,000 allocated from the Public Works funds, has been the nucleus of the Civil Works Administration. The C.W.A. program has been very widely acclaimed and popular. It is hardly possible to conceive what might have happened to this country at large during these winter months if it had not been for that direct relief to the people. Many men who had never known want found relief in this administration. The Fourth Congressional District has been particularly fortunate in that no scandal has attached itself to the administration of these funds. This expenditure of money has given direct relief to every faltering business concern in this city and in the adjoining towns. Just within the last few days we have voted an additional $950,000,000 to be used in this direction and with the Public Works Administration. The P.W.A. program has not yet begun to function in its full strength. The $3,300,000,000 that was appropriated has not yet been spent. Some of it has been, but a large percentage of it is yet to be used and you will find with the coming of spring that many of these projects which have been approved will start on their road to completion.

What you want, what we all want, is that labor shall have its just reward and an opportunity to earn its daily bread, and I am confident that this program will be continued until such time as men are restored to their former working positions.

I trust that I do not weary you with reciting these events that have happened day by day, but I am anxious to give you a complete picture of just what has happened in this year with Roosevelt.

May 18 the Tennessee Valley Authority bill was signed, ending the 13 years of dispute over the question of the giant costly power, munitions, and fertilizing plants at Muscle Shoals.

On May 26 the National Recovery Administration Act passed the House, carrying with it the appropriation I have already mentioned.

May 27 the securities bill, very much misunderstood, and at present a storm center, was signed. Following in quick succession was the Wagner employment service bill, vetoed by Mr. Hoover.

When we completed our session on the 16th day of June the National Recovery Act, deposit insurance, independent offices bill, dealing with cuts in veterans' benefits, and the deficiency act, had become a reality in law.

I do not have sufficient time to discuss here the N.R.A. and its various workings. There are conferences now being held in the city of Washington at which 7,000 representative men in business and industrial labor have been invited to participate and work out and correct the various codes. This whole scheme so revolutionary of necessity has had some errors and faults, but undoubtedly it will work out to the good of all.

Under this act the Sherman antitrust law becomes almost inoperative, but I have confidence in business integrity in America and do not feel that business men will take advantage of that situation, and while capital profited by the abrogation of a law that had lost its usefulness, labor at the same time won its greatest victory. Each laboring man and every laboring organization in this land has reason to think of, and to praise the day, when the N.R.A. became a law. I likewise have confidence in labor and its leaders, and do not expect and hope that you will not take advantage of this situation, build your organizations not to destroy but to cooperate, because our interests are all identical.

I want to compliment the Home Owners' Loan Corporation in the State of Indiana. At Washington they speak of it as one of the most successful in all the States, and when I do this, I want to justly compliment Mr. Stephen B. Fleming for the way he is administering that act in the district to which he has been assigned. There is nothing more disastrous, nothing that will destroy initiative more than for a man to be facing the loss of his home, in many cases the result of a lifetime toil and saving. I am happy that this Home Owners' Loan Corporation is being so successfully operated and that thousands of homes are being saved with a good long time to pay the indebtedness. These loans cannot be made indiscriminately. They must be handled on a safe business basis, because back of it are the bonds that the people must take in return for mortgages, and while there are some who are not getting this relief, in the main every distressed mortgagor will be helped. Just now there are modifications of the law which is permitting them to improve their homes and keep the properties in repair. This is a wise business proposition, as these homes are all owned by one corporation and the bonds that are outstanding are not the bonds on an individual property but the bonds on all of the properties which they hold. I anticipate before this session of Congress is closed that these bonds will be guaranteed as to principle as well as interest.

Agriculture has not yet had its part in this recovery, but it is going to come—it just takes time to work out some of these problems, and if the farmers will cooperate with the various measures that are being worked out you will find that before this year has passed, the prices of the products which you raise will be coming back to normal.

Just now the question of the veterans' compensation is being widely discussed. The four-point program of the Legion is being represented in Washington by a very capable group, but one by one the Executive orders are taking care of these various items.

The Executive order of January 19, which was liberalized practically every phase of this contested question, is beginning to be felt. There is some question even in the Legion about the fourth point of their program. You know, there are widows, who are still drawing pensions, the wives of soldiers who fought in the War of 1812. I am confident that when this legislation which the veterans themselves want is worked out that these various points will have been covered.

I assume you want to know how I feel on the question of the soldiers' bonus, better called "adjusted compensation." I told you in my campaign last year that I favored the settlement of that question whenever it could be done without embarrassment to the Treasury of the United States. I now feel that it can be done. I am confident that some set program is going to be worked out on that subject. As I look upon it, these claims mature in 1945. There is not a business house in this city that does not anticipate its accounts. To many, it is just anticipating our debts we owe to the boys that hold our obligations, and when that bill comes to the floor of the House I expect to vote for its passage.

I have only touched a few of the high spots in the program. Already the confidence of the people in the program has been reflected satisfactorily everywhere.

What seemed to all of us a short year ago as the evening twilight has turned out to be just the dawn of the morning and a new day.

Mr. LUCE. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota [Mr. CHRISTIANSON].

Mr. CHRISTIANSON. Mr. Chairman, I am heartily in favor of this measure, for it promises relief to the smaller industries of the country, whose pay rolls must be restored if there shall be a return to normal employment. My own home city of Minneapolis, its neighbor St. Paul, Duluth on Lake Superior, and any number of smaller communities throughout Minnesota, including St. Cloud, Stillwater, Mankato, Faribault, Red Wing, and Winona, have literally hundreds of factories that are handicapped by reason of the fact that their working capital has been depleted by 4 years of grinding depression. Many small manufacturers came to me before I left home to attend the present session of Congress, telling me their difficulties. Some of them said they had profitable orders on hand which they could not execute because they lacked, and could not secure through the regular channels, funds for raw material and labor. They had no more security to put up, their line of credit at the banks was exhausted; and so machinery was standing idle, men were unemployed, and interest, taxes, and unavoidable overhead expenses were increasing the red figures on their ledgers.

I can think of nothing the Government could do that would do more to revive business than to furnish assistance to the small manufacturer. The Reconstruction Finance Corporation has helped depositors by extending loans to banks; it has saved the people's life insurance by backing the insurance companies, it has insured jobs to thousands of railroad workers and continued transportation service for the whole Nation by coming to the rescue of the carriers. These forms of relief were commendable, they were necessary. But they were no more commendable and necessary than the recovery effort embodied in the present bill.

The committee, in my opinion, acted with prudence and good judgment when it decided to limit the amount to be made available for this purpose to $300,000,000. We must soon stop thinking in terms of billions, and get back to the modest million. Since I became a Member a little over a year ago I have voted "no" on $6,000,000,000 of expenditures authorized by this body. We are perilously approaching the end of national credit and we must soon, as I have warned times without number, husband our credit and taxing power.

Inasmuch as it is necessary to stay within the $300,000,000 limit the committee has imposed, I hope that we shall adhere to its wise decision that no one borrower shall have more than $100,000. That sum will take care of the needs of most small industries. Big corporations can usually get all the credit they need at the banks. Many of the larger companies still have reserves. Obviously if we raise the limit to $1,000,000, as some propose, we shall reduce the number we can help. What this country needs is not so many billion-dollar concerns but more small independent industries, scattered throughout the country. We should therefore reserve the funds provided in this bill for the little fellows.

The provision putting a limit on the salaries of officials receiving Government help is also commendable. Corporations which divert income which should go into reserves or be paid out in wages, or which should be reduced to insure lower prices to the consumer, are not entitle to help from the Government.

The amendment which I understand is to be offered to make a part of this money available for the acquisition of power plants in the Tennessee Valley and on the Pacific coast should not prevail. It is not my purpose to discuss the question of public as against private ownership of utilities. That issue should not enter into this debate. The question here is whether we should make it possible to take a large part of the $300,000,000 intended for the rehabilitation of small industries and use it instead to finance municipalities in two or three comparatively small areas which have already benefited from the National Treasury to the extent of hundreds of millions. I do not believe that power plants, whether publicly or privately owned, should share in this fund, for this fund is intended to help restore employment. A power plant will operate with the same crew whether the State or a corporation owns it. This measure

is one for unemployment relief, and every dollar used to finance the power industry in Tennessee, California, or Washington will mean one dollar less for stimulating small industry in Minneapolis, St. Paul, St. Louis, Indianapolis, and Buffalo.

While I am heartily in favor of this bill and will vote for its passage, I want to throw out a few words of caution. I do not believe that the enactment of this legislation should induce too much optimism on the part of those who operate small industries. Under existing laws, many of them could have received assistance through community mortgage associations if those charged with the responsibility of loaning R.F.C. funds had not seen fit in passing on applications to be even more conservative than the officers of commercial banks. It will do no good to pass this bill, or enact any other legislation to extend to business men credit they cannot get through the usual channels, if those charged with the administration of the law conceive it their duty to scrutinize the eligibility of borrowers even more closely than the bankers themselves. I have in mind one case in my own State. Three manufacturers formed a local association and made application for a loan. They were turned down because men here in Washington decided that one of the member corporations was not a good risk, despite the fact that the loan was recommended by an advisory board consisting of three hard-boiled Minneapolis bankers. It is conceded that every effort must be made to avoid losses, and that loans must not be recklessly granted. Nevertheless, it must not be overlooked that the purpose in enacting this and other similar legislation is to make available credit that could not otherwise be obtained and that would not be justified by strict banking practice, and that if this were not so we should not be even considering this bill.

This $300,000,000 is a sum that Uncle Sam is betting on the ability of the small business man to come back, and if it is loaned not only honestly but courageously, I am sure that Uncle Sam will win his bet.

Mr. PRALL. Mr. Chairman, I yield the balance of my time to the gentleman from North Carolina [Mr. HANCOCK].

Mr. HANCOCK of North Carolina. Mr. Chairman, ladies and gentlemen of the Committee, in view of the splendid explanation of the bill, S. 3487, as amended, which has been presented by the distinguished Chairman of the Banking and Currency Committee, and by the distinguished gentleman from New York [Mr. PRALL] who served as chairman of the subcommittee appointed to consider various amendments proposed to the Reconstruction Finance Act, it seems almost futile to make any further statement designed to aid the House in forming a conclusion as to the merits of this bill. It has, as you have been advised, the unanimous support of the Committee on Banking and Currency. It does not, however, go as far in its effort to afford relief to deserving business establishments as some of us would like for it to go. It is a compromise in many respects. But if properly and sympathetically administered, it should afford substantial relief to many distressed industrial and commercial enterprises which have been languishing for lack of capital requirements.

The main purpose of the measure is contained in section XI, authorizing the Corporation to make direct loans to any industrial or commercial business established prior to January 31, 1934, when credit at prevailing rates for loans of such type is not available at banks or the Federal Reserve bank in the district of the applicant.

This language may be somewhat confusing, but those of us who know the sincere purpose of the present management of the Corporation entertain no doubt that the relief provided in this amendment will be extended without requiring the usual red tape and an outlay of heavy legal and traveling expense. To qualify, an applicant must show that extension of financial assistance in the way of capital by the Corporation will insure continuing or increased employment. This, to my mind, is the heart of the main feature of the bill. All of us know that there are hundreds of crippled industries and business establishments of the small and medium-sized type which are in dire need of capital with which to carry on and to reestablish themselves in the business and social life of their respective communities. It is hoped that banks ultimately will meet most credit requirements for business and industry, but the hearings before our committee show conclusively that there is urgent need of supplementary and emergency credit for such business and industry. The amount appropriated for these loans is $300,000,000, and under the measure before us the amount of loans to any one borrower shall not exceed $100,000. I am inclined to believe that this amount should be increased. The authority to make these loans will end January 31, 1935, at which time the life of the Corporation expires. It is the hope of our committee that this $300,000,000 fund, which may be used as a revolving sum, together with the capital loans authorized in the bill to be made by the Federal Reserve banks from their combined surpluses, will be sufficient to care for the need for credits for capital funds supplementary to the usual or normal bank credits. Under the amendment to the Reconstruction Finance Act the loaning powers are temporary, whereas under the section amending the Federal Reserve Act the loaning powers are permanent.

Small industry has never had a permanent and dependable source of capital credit. It is not my opinion, however, that either or both of these provisions will be effective unless those in charge are willing to manifest faith in the recovery of this great Nation. To put this money where it will really do good and serve its primary purpose, appraisals of collateral and assets presented as security for loans must and should be reasonably liberal and be predicated upon normal and an orderly liquidation value. I do not understand, however, that the Reconstruction Finance Corporation or the Federal Reserve banks should or will be required to go beyond a reasonable business risk, and for that reason there will be many disappointed applicants. All of us realize that there are many industrial and commercial businesses which are beyond rehabilitation. In many instances their present plight is by no means due to mismanagement or poor business judgment. Their case is one for extreme sympathy but not for assistance based on sound business judgment. Personally, without intending to reflect whatever upon the present management of the Federal Reserve banks, it will be an agreeable surprise to me if they really use the powers which they are given under this bill in a spirit of affording relief and thereby hastening recovery. I am confident, however, that under the present management of the Reconstruction Finance Corporation the funds set apart for this purpose will be put to work in conformity with the purposes of this legislation.

There are a number of other important features of this bill designed to facilitate and safeguard obligations which the corporation has already undertaken. Section III is of considerable importance, in that it permits the Reconstruction Finance Corporation to extend the maturity of loans for a period of 5 years beyond January 1, 1935. Section X also provides for an important amendment to the Reconstruction Finance Act designed to aid in financing and facilitating exports and imports and the exchange of commodities between this and other nations. A full explanation of this section is included in the elaborate statement of the bill prepared by the officials of the corporation. I am incorporating herewith as a part of my remarks the latest detailed statement as to the operations of the corporation, which I feel will be of great interest to every Member of the House and to the country at large.

Since February 2, 1932, the date of its organization, the corporation has authorized disbursements for loans, purchases of preferred stock, capital notes, and debentures, aggregating over $5,500,000,000. In addition, the Corporation has disbursed practically $800,000,000 for relief.

The $5,500,000,000 includes $788,000,000 loans to or for the account of closed banks for distribution to depositors, and approximately $1,100,000,000 for the purchase of preferred stock and capital notes and debentures in 6,994 banks.

Probably the most important and far-reaching function has been the rehabilitation of the capital structure of the Nation's banks, both State and National, through authorizing the purchase of preferred stock and capital notes and

debentures. The investment of these funds has the twofold purpose of preventing further bank failures, thereby insuring bank deposits and enabling the banks to function in a normal way in the extension of credit. By helping the banks in this manner it has helped the depositors and borrowers. In its view a strong banking system, with every bank a sound bank, is essential to a sustained recovery.

Out of loans to 5,137 banks authorized, in the amount of $1,318,227,512.91, with actual disbursements of $1,113,478,667.93, all has been repaid except $310,606,571.36.

Loans actually disbursed for all purposes aggregate $3,189,193,230.87, upon which we have had repayments of $1,427,807,838.10, or approximately 45 percent.

It may be of interest to note that 34.9 percent of its loans went to banks; 16 percent for disbursement to depositors in closed banks; 3.6 percent to building-and-loan associations; 2.7 percent to insurance companies; 6.1 percent to Federal land banks; 0.3 percent to Federal intermediate credit banks; 0.5 percent to joint-stock land banks; 0.4 percent to livestock credit corporations; 6.4 percent to mortgage-loan companies other than those made in the reorganization of banks; 5.3 percent to regional agricultural credit corporations; 12.5 percent to railroads; 2.5 percent to self-liquidating projects; 0.4 percent for the sale of agricultural surpluses in foreign markets; 6.25 percent for loans on agricultural commodities, including corn, cotton, wheat, and so forth; and 2.2 percent for other loans.

You will be interested to know that of loans aggregating $434,000,000 to 1,362 banks that closed after receiving loans, $250,000,000 has been repaid.

The Corporation is required to furnish the Secretary of the Treasury with funds aggregating $325,000,000 to enable him to purchase the capital stock of home loan banks and the capital stock of the Home Owners' Loan Corporation. Of this amount, practically $200,000,000 has been paid to him.

The Corporation is required to furnish $200,000,000 to the Land Bank Commissioner to enable him to make direct loans to farmers and $100,000,000 to make loans to joint-stock land banks. All of the $[illegible].00,000,000 has been disbursed and $2,600,000 of the $100,000,000.

The Corporation was required also to allocate $200,000,000 to the Secretary of Agriculture to enable him to make crop loans. Of this amount $115,000,000 net was paid to him. The sum of $44,500,000 was used to provide capital for regional agricultural credit corporations and $40,500,000 was reallocated to the governor of the Farm Credit Administration. All of these amounts have been disbursed.

The Corporation's loans of 10 cents a pound on cotton and 45 cents a bushel on corn, insured the people in the cotton States and in the great Corn Belt a living price for these products. These and other loans for marketing agricultural products, have aggregated $210,000,000 to date. Loans to regional and other agricultural credit corporations, aggregating $189,000,000 were also in the interest of agriculture and the livestock industry.

Of the $220,000,000 authorized for self-liquidating projects, $80,000,000 has been expended to date. The work is well under way, and disbursement should be practically completed within the next 18 months.

With few exceptions, the Corporation's loans to railroads are well secured and its loss from these loans should be very small. Its gold operations were without profit or loss, the Treasury taking over the gold it had accumulated at cost and interest.

The corporation has authorized $18,500,000 in loans to industry through community-mortgage companies, but the procedure is cumbersome and unsatisfactory, for which reason it has asked the power to lend directly to industry.

These figures reveal the magnitude of the great work done by this agency of the Government which in effectiveness has no parallel in the history of our Nation. I doubt whether any other governmental agency in the world during the same length of time has ever rendered a more prodigious service to its people. It has, of course, made mistakes, some of which none of us would ever condone; but, all in all, it is my judgment that it has rendered a high, noble, and wise character of service without which the wreckage and ruin that was prevalent among our key financial institutions could not have been halted short of utter destruction. Throughout the dark days of 1932 and up until the present hour a genius in finance has aided in guiding its destinies. He is today the chairman of the Board. Mr. Jesse Jones has perhaps rendered as great a public service as any other American during this crisis. He has demonstrated a courage rare in times like these. His judgment has been almost uncanny. Though fair always, he is ever firm. But for his strong physique and powerful mental acumen, his arduous duties would have long ago put him out of active service. Men of every walk of life have sought his counsel during this depression, and so far as I know he has always shown a sympathy and a desire to help. Under his guidance and direction, assisted by an able corps of aides who are performing their duties diligently and conscientiously, the Congress should have no cause for worry as to the disposition of the funds entrusted to the Reconstruction Finance Corporation. Because life speeds along so indifferently and the roster of public servants changes so rapidly, I could not resist the temptation which this opportunity gave me of placing in the RECORD this deserving tribute to a great public servant. His unselfish devotion to and faithful execution of public responsibility have set a new high record of financial probity. Regardless of his power, his head stays on his broad shoulders and his big feet on the ground.

Mr. PRALL. Mr. Chairman, I yield 2 minutes to the gentleman from Indiana [Mr. CROWE].

Mr. CROWE. Mr. Chairman, I am heartily in favor of S. 3487, having for its intent and purpose making of direct loans for industrial purposes by Federal Reserve banks. This, in my opinion, will be one of the greatest sources to be had in aiding national recovery. In almost every town of some several hundred inhabitants up, there are more or less factories and manufacturers of various kinds. They tend toward the decentralization of the people, and they give employment to people of the smaller communities who otherwise would have no source of a livelihood, and they increase the general wealth of the Nation.

These smaller factories and industries have in the past been able to go to their banks for working capital. Being of the smaller units, they have not been able to offer their stocks on the market and in the stock exchanges as large corporations can do, but have confined themselves for finances to their own local communities. Accordingly, they have not overexpanded, neither has their stock been sold beyond the physical value of their assets. They are substantial and sound, generally speaking, but their trouble has been that instead of their being permitted to keep and use money which they had secured legally, the resources of local banks have become so depleted that it was necessary for them to withdraw their loans. Accordingly, the local factory, which supplied work to the community and which maintained the wealth and prosperity of all of our smaller cities, has become paralyzed. Many are forced to close their doors, lay off their labor, which in turn causes still greater distress.

In my opinion, this act will be one of the greatest laws enacted toward relief for the country. These smaller industrialists are as a rule sound and conservative, they are operated by good business men, who have succeeded through hard work, close application to duty, and general good business methods. All they need is a reasonable amount of credit, which the Government is able to supply, and the security which the Government will receive in turn for the money loaned will be of the best, safest and soundest to be found anywhere. I am heartily in favor to the enactment of this bill into law.

Mr. PRALL. Mr. Chairman, I yield 1 minute to the gentleman from Michigan [Mr. SADOWSKI.]

Mr. SADOWSKI. Mr. Chairman, in the 1 minute allotted to me, I want to emphasize the principle of direct credit involved in S. 3487, a bill relating to direct loans for industrial purposes. Opposition has been registered to this bill by the gentleman from Kansas [Mr. MCGUGIN] on the

ground that it is supporting the principle whereby direct credit may be extended by the Government to industry. The people are entitled to direct credit from their Government and will demand it in no unmistakable language ere long. That is the greatest argument in favor of this bill. It is the argument that we are going to have to face in a few years. It will be a case of not only extending credit to industry, but to every individual in the whole Nation.

The credit of this Nation belongs to the people as a whole and should be given to everyone. Up to this time, the privilege of extending credit has been reserved in a few, who have been giving out credit and charging interest on the privilege. It is high time that that privilege be taken over by the Government. It is high time that the Government should give this credit to all the people and charge only a service fee for the credit and not an interest rate or a tribute. [Applause.]

[Here the gavel fell.]

Mr. LUCE. Mr. Chairman, I yield myself 20 minutes.

Mr. MILLARD. Mr. Chairman, I suggest the absence of a quorum. The gentleman from Massachusetts [Mr. LUCE] is about to speak. He always contributes greatly to legislation, and I therefore suggest the absence of a quorum.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and twenty Members are present, a quorum.

Mr. LUCE. Mr. Chairman, when we gathered for this session, it became quickly apparent that there was no demand for help of more magnitude and more importance than that which we are confronting today.

A subcommittee of the Committee on Banking and Currency was charged with considering about 70 bills for loans from the Reconstruction Finance Corporation. It was clear that the granting of all these requests would so strain the credit of the Government as to expose the country to the possibility of another great crisis. At every cost the credit of the Government must be maintained. There is a point, as I have said before in connection with these topics, when the last straw will break the camel's back. There is a point where the people once more will lose faith in the capacity of their Government to meet its obligations. Surely it behooves us always to bear that in mind and to face every request with the thought in the back of our heads that the granting of this request may be the last straw.

Under these circumstances, your committee, first through the vote of its subcommittee and then through the vote of its committee, with absolutely no element of partisanship, with no thought of any political or personal bearing, reached the conclusion that the measure now before you goes as far as a prudent man will dare to venture. I am saying this not because there appears the slightest doubt that you will not approve the report of your committee. The bill is sure to pass, perhaps unanimously; at any rate, with only one or two votes in opposition, I imagine.

The danger point is approaching. The danger point lies in the amendments that will be offered which will carry the strain on the Government beyond the point where 25 Members of this House are agreed we ought not to go. An open rule has been submitted which makes amendments possible. Each amendment offered will appeal to some Member of this House from local and personal consideration, and each amendment approved will be so much added to the loans. Therefore, I believe the greater part of our committee, if not every member of it, will hope that no amendment will receive the support of a majority of the House unless it has been approved by the committee.

Some of these amendments will raise a question that ought to be deeply dwelt upon by every Member, for they still further invade the duty and the responsibility of the States of the Union. One, in particular, relating to school districts, will in its benefits concern part of the States of the Union and not the rest. You will be asked to contribute the credit of the United States to the help of one of its largest States, in point of numbers and of wealth, one of the States that shares most largely in the income tax of the country, and one that ought to be able to pay its own way. Why should you gentlemen from smaller States, without the great wealth of Chicago and without the huge mass of successful agricultural population within the borders of that State, be asked to lend your money because the Legislature of Illinois will not face its responsibilities?

So with some of the other requests that will be made. I would dwell particularly on one which will be made of you by one of our Members from California, who comes to you with the request that the credit of New York, Pennsylvania, South Carolina, Illinois, Minnesota shall be lent to that State of all the Union which boasts the most about its properity and its wealth, the State of California. Why should Arkansas or Mississippi or Florida or any other of the States with fewer millionaires come to the aid of the banner State of the Golden West, the State that boasts justly of its leadership in prosperity, of the size of its resources, the amount of its capital, the number of its wealthy people, yet comes here to ask these smaller States to lend their credit to help the city of Los Angeles buy out a private power company?

Ah, there, Mr. Chairman, you would embark upon a program that far transcends anything suggested by the words of the amendment. Men came before our subcommittee and told us that there were hundreds, aye, thousands, of municipalities that wanted to borrow money from the United States Government to buy out the private power companies. Suppose it to be a laudable end, granting, for the sake of argument, that it is a wise thing for these communities to add to their debts and add to their taxes and add to their burdens by buying out private companies. Grant you that for the minute, but why should I, a citizen of Massachusetts, be asked to help Los Angeles, 3,000 miles away, to buy out a private power company?

These are types of the amendments that will be laid before you. Men, ambitious, properly so, to represent the wishes and desires of their own constituencies, will urge you to join in giving to each one of them some share of what they seem to think is a boundless volume of credit.

So much for the appeal I would make in behalf of a committee that has tried to weigh the merits of all these questions, that has studied all aspects of them, that has taken into account not only individual benefit, but common burden. I ask you for that committee to support its views and accept its recommendations without other change than the committee itself may endorse.

Turning now to one feature of the bill which has not received much attention, I would have you act with your eyes open in this matter by pointing out that in this bill we make a start toward a new financial set-up in this country, a start that I for one am glad to see made. I should have preferred it to have taken some other form, but accepting this as the only practicable thing at the moment, I would have you appreciate what it is. Up to our own day banking in this country was largely confined to the commercial field. The prime purpose of a bank was to take the money entrusted to its care by depositors and put it at the service of commerce in the shape of short-time loans, 30, 60, or 90 days, rarely longer.

But within our time there has been added to the original conception of banking another conception to the effect that a bank should take the money of depositors and lend it for long-time use in the shape of continuing capital. Unregulated, unrestrained, this addition to the banking and financing of the country brought us to a position where we were confronted by the fears of the people, resulting in withdrawal of deposits, and the closing of thousands of banks that could not meet the demand. We found ourselves in a crash that hardly has been exceeded in any other great depression in the business history of the world.

Familiarly, we spoke of the cause as frozen assets. Frozen assets are long-time loans that cannot be quickly collected. Our banking troubles in the last few years have been due to a banking system with a large part of the money of the depositors tied up in long-time loans.

Seven years ago, I think it was, this Congress enacted a bill known as the "McFadden bill", which doubled the

amount of money that banks could loan on real estate. I was in the minority as a member of the committee in that matter and spoke in vain protest against it on the floor of the House.

I do not want to use that most unpleasant phrase in the English language, "I told you so", but I cannot resist the temptation to say some of us fought that bill because we feared precisely the thing it produced. It contributed to the freezing of the bank resources of this country.

In addition to the loans on real estate, thus largely financed by the deposits of the people in humble walks of society, there came another addition to the banking system in the shape of definitely and openly joining investment banking to commercial banking by way of the affiliates that brought about another part of our trouble.

A year ago in the banking act, known as the Glass Act, we finally got rid of the affiliates. We finally drew the line between commercial banking and selling investment securities.

I want to take this opportunity to warn the House that unless in the legislation about to come before us in connection with another bill on top of the one we are now considering, we separate in that direction also investment and commercial banking, we will but prepare the way for another monetary crisis.

There is before your Committee on Banking and Currency a huge bill, a momentous bill—I almost said monstrous, but caught myself just in time—a bill relating to housing, which contemplates Federal sanction to putting the banking facilities of the country, the money of millions of depositors, at the command of those who seek funds for investment in building. I caution you that you may realize the path you are traveling. It may be we cannot now create a separate system to furnish long-time construction capital. It may be we have to tie it to our banking structure; but, if so, let it be under laws so clearly demarking the two fields of activity that we shall not invite the risks into which we plunged when 7 years ago we doubled the amount that the banks might lend upon real estate.

You may say that in this particular measure I am committing myself to a program which involves much of this. I do it because I hope this will be but a temporary step, and that through further study of the problem the Congress of the United States may secure those further changes which will result in the widest use of the capital of the country and at the same time the security of all its depositors.

I would point out to you that in the pending bill one half of the activities contemplated are to be only temporary. They are to be conducted by the Reconstruction Finance Corporation, which we all hope will have a life of limited duration. In all probability in the next session we shall somewhat extend that life, but it was originally conceived and created to meet a temporary exigency. It was conceived and created by a Republican President. It has been continued and extended, and I believe wisely, by a Democratic President. I have no wish at this moment to claim party credit for such measures as the Republicans enacted when in the majority. Rather I would take the time to extend my felicitations to the Democratic majority in the House for having backed up the Reconstruction Finance Corporation, and for its present purpose to broaden the activities thereof.

The branch of progress contemplated here is found in making the Federal Reserve System a permanent agency for the supply of capital. Attention has been called, I think, to the fact that as the bill came from the Senate it was restricted to working capital. We have taken the responsibility of knocking out the word "working."

The CHAIRMAN. The time of the gentleman from Massachusetts has expired. The gentleman from New York [Mr. PRALL] has 2½ minutes remaining.

Mr. PRALL. Mr. Chairman, I yield the remainder of my time to the gentleman from New York [Mr. SISSON].

Mr. SISSON. Mr. Chairman, my very able colleague from New York [Mr. O'CONNOR], in explaining the rule this morning, indicated that he intended—and I understand he does so intend—to offer an amendment to section 5 (d), page 22 of this bill, to increase the aggregate amount of loans that may be made to any one borrower under such section to $300,000 or to $500,000. I urge the support of the committee and of the Members of the House for such an amendment. Three hundred million dollars is made available by this bill. That does not mean that the whole $300,000,000 will be loaned at any one time. If the Reconstruction Finance Corporation is going to get out $200,000,000 or $300,000,000 between now and the 1st of January 1935, it will have to get it out much more speedily than it has been doing heretofore, provided, of course, it does not loan any more money to banks in Chicago.

This is for the purpose of continuing or increasing employment. The aggregate amount of $100,000 which hamstrings the Board of the Reconstruction Finance Corporation may include, I think, by fair construction, the existing obligations and the refinancing of the borrower. I submit that it is within their discretion. This is merely permissive. It is for the purpose of continuing or increasing employment. I know personally of industries not only in my district, but in my State and in neighboring States, which are perfectly solvent and which can comply with all of the requirements and to which a loan of $100,000 would be far from sufficient to enable them to continue or to increase employment.

In fact, the limitation of $100,000 placed upon the Board of the Reconstruction Finance Corporation is absurdly small. I was a member of the subcommittee which, under the leadership of another very able colleague of mine from the State of New York [Mr. PRALL], held extensive hearings on many proposed amendments to the Reconstruction Finance Corporation Act.

We had before us as witnesses in support of these proposed amendments men from many different callings and walks of life. The hardy fishermen from New England's rockbound shores appeared before us in support of a proposition to authorize the Reconstruction Finance Corporation to make loans to the fishing industry. The able and witty chairman of our subcommittee [Mr. PRALL] aptly commented upon their rugged and weatherbeaten countenances and complimented these men upon their ability as fishermen and admiringly commented upon the fact that, despite the many hours of arduous labor and hardship and danger which the pursuit of their calling entailed, most of them were fathers of large families.

We also had before us many teachers and representatives of school systems who were asking for aid through the Reconstruction Finance Corporation to the schools.

Our subcommittee decided in favor of the fishermen but against furnishing aid to the schools.

I may confess to you that, as a member of the committee, I voted against the proposition to authorize the Reconstruction Finance Corporation to furnish aid to the schools.

Knowing the desperate condition of some of the States in the South and Southwest and realizing the fact that in many instances the school year was shortened and thousands of teachers left unpaid, I have been somewhat troubled in my conscience since I voted with the majority of the committee against placing this authorization in this bill. The scales of my judgment at that time were almost evenly balanced. On the one hand was my desire to help the school teachers and to see to it that the boys and girls in these sections should not be denied the benefits of a public-school education; on the other hand was the consideration that education is primarily a function of the State and of the local district rather than of the Federal Government, and that I did not wish to do anything to blunt the keen edge of the spirit of our people in each of our communities and our States or lessen their sense of responsibility for the maintenance of a free public-school system.

While my judgment was thus in suspense I fell under the influence of the very able and eloquent gentleman from Massachusetts [Mr. LUCE], and by his arguments was persuaded to vote against the authorization of aid to the schools. It is not at all strange, therefore, that in the welter of all the propositions which we, as members of this subcommittee, had before us, this little hundred-thousand-dollar restriction escaped our attention. I have felt guilty

about the matter of the schools, but I lay it to the gentleman from Massachusetts [Mr. LUCE]. I do not know whether that—the matter of schools—can now be corrected, but I do hope to see this bill finally framed so that it will effectually carry out the main purpose for which it was intended—the continuance of employment and the increase of employment; and for that reason I earnestly urge upon the committee the amendment which will shortly be offered by the gentleman from New York [Mr. O'CONNOR] to increase the aggregate amount of the loans to any one borrower from $100,000 to $500,000. [Applause.]

The CHAIRMAN. The time of the gentleman from New York has expired. All time has expired. The Clerk will read the substitute under the rule.

The Clerk read as follows:

That (a) section 882 of the Revised Statutes (U.S.C., title 28, sec. 661) is amended to read as follows:

"SEC. 882. (a) Copies of any books, records, papers, or other documents in any of the executive departments, or of any corporation all of the stock of which is beneficially owned by the United States, either directly or indirectly, shall be admitted in evidence equally with the originals thereof, when duly authenticated under the seal of such department or corporation, respectively.

"(b) Books or records of account in whatever form, and minutes (or portions thereof) of proceedings, of any such executive department or corporation, or copies of such books, records, or minutes authenticated under the seal of such department or corporation, shall be admissible as evidence of any act, transaction, occurrence, or event as a memorandum of which such books, records, or minutes were kept or made.

"(c) The seal of any such executive department or corporation shall be judicially noticed."

(b) Section 4 of the Reconstruction Finance Corporation Act, as amended (N.S.C., supp. VII, title 15, sec. 604), is amended by inserting immediately before the semicolon following the words "corporate seal" a comma and the words "which shall be judicially noticed."

Mr. BROWN of Michigan. Mr. Chairman, I ask unanimous consent that the first subsection on page 12 be amended to insert the letter "d" within the parentheses instead of the letter "b." Obviously that is a misprint.

The CHAIRMAN. Without objection, it will be so ordered.

There was no objection.

The Clerk read as follows:

SEC. 6. Section 36 of the Emergency Farm Mortgage Act of 1933, as amended (U.S.C., supp. VII, title 43, sec. 403), is amended as follows:

(1) By striking from the first sentence thereof "$50,000,000 to or for the benefit of drainage districts, levee districts, levee and drainage districts, irrigation districts, and similar districts", and inserting in lieu thereof "$125,000,000 to or for the benefit of drainage districts, levee districts, levee and drainage districts, irrigation districts, and similar districts, mutual nonprofit companies and incorporated water users' associations."

(2) By striking from the second sentence thereof "district or political subdivision" and inserting in lieu thereof "district, political subdivision, company, or association."

(3) By amending clause (4) thereof to read as follows:

"(4) the borrower shall agree, insofar as it may lawfully do so, that so long as any part of such loan shall remain unpaid the borrower will in each year apply to the repayment of such loan or to the purchase or redemption of the obligations issued to evidence such loan, an amount equal to the amount by which the assessments, taxes, and other charges collected by it exceed (a) the cost of operation and maintenance of the project, (b) the debt charges on its outstanding obligations, and (c) provision for such reasonable reserves as may be approved by the Corporation; and".

(4) By adding at the end thereof the following new paragraph:

"When any loan is authorized pursuant to the provisions of this section and it shall then or thereafter appear that repairs and necessary extensions or improvements to the project of such district, political subdivision, company, or association are necessary or desirable for the proper functioning of its project or for the further assurance of its ability to repay such loan, and if it shall also appear that such repairs and necessary extensions or improvements are not designed to bring new lands into production, the Corporation, within the limitation as to total amount provided in this section, may make an additional loan or loans to such district, political subdivision, company, or association for such purpose or purposes. When application therefor shall have been made by any such district, political subdivision, company, or association any loan authorized by this section may be made either to such district, political subdivision, company, or association or to the holders or representatives of the holders of their existing indebtedness, and such loans may be made upon promissory notes collateraled by the obligations of such district, political subdivision, company, or association or through the purchase of securities issued or to be issued by such district, political subdivision, company, or association."

Mr. DISNEY. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. DISNEY: Page 18, line 7, after the word "association", insert a new paragraph (6), as follows:

"SEC. 6. That the Reconstruction Finance Corporation is authorized to make loans, for periods not exceeding 20 years, to finance the acquisition of any system, plant, or works for the production, transmission, or distribution of electric energy by such public corporations, bodies, or instrumentalities as are referred to in section 201 (a) (1) of the Emergency Relief and Construction Act of 1932, which enter into contracts with the United States or any department, agency, or instrumentality thereof for the purchase of electric energy or for the use of any property, rights, or facilities employed in the production, transmission, or distribution of electric energy. No loan shall be made except with the approval of the department, agency, or instrumentality of the United States with which such contract is entered into. The provisions of title II of the Emergency Relief and Construction Act of 1932, as amended, and of acts supplementary thereto, applicable to loans to such public corporations, bodies, or instrumentalities, so far as consistent with the terms hereof, shall apply to loans made under the terms of this section."

Mr. WHITTINGTON. Mr. Chairman, I make a point of order against the amendment. It strikes me that it is not germane to this section and has no place in this section. This is a proposition for refinancing existing drainage and irrigation districts. The amendment is foreign matter to the purpose of the section, which amends section 36 of the Emergency Farm Mortgage Act of 1933. It would be germane as a new section, but not as a new paragraph of section 6.

Mr. RANKIN. Mr. Chairman, I submit that it is germane, and I think the Parliamentarian will agree with me. It is not only germane to the bill but it is germane to this section, and right and proper, and should be adopted.

Mr. WHITTINGTON. I am not going to discuss the policy on the merits of the amendment. I confine my point of order to the question of taking this money which is supposed to be used to finance drainage and irrigation districts and using it for other purposes. The amendment is not germane to the pending section 6.

Mr. RANKIN. Mr. Chairman, it does not take one dime from these projects.

The CHAIRMAN (Mr. MCREYNOLDS). The Chair is ready to rule.

The Chair is of the opinion that the amendment is in order, and therefore overrules the point of order.

Mr. DISNEY. Mr. Chairman, this amendment is what was known in the Senate last week as the "Johnson amendment", which was defeated by a tie vote on first consideration and later lost by a very narrow margin. It simply provides that the Reconstruction Finance Corporation may make loans to municipalities for the purchase of existing plants or transmission lines, involving the use and transmission of electric energy, where, and only where, the Government or instrumentality of the Government is furnishing the electric power. It provides further that no such loan shall be made unless the instrumentality of the Government shall approve the loan, and it has other safeguards around it involved in the original act. For instance, with the Boulder Dam in the West and the Tennessee Valley Authority in Tennessee, before such a loan could be made, the T.V.A., the instrumentality of the Government, would have to approve the loan. That is all that is involved in the amendment. It is simply the making of loans by the Reconstruction Finance Corporation for the purpose of the acquisition of power plants or transmission lines in order to supply electrical energy to the people that is now being produced or furnished by instrumentalities of the Government, described as the Tennessee Valley Authority and the Boulder Dam authority.

Mr. PRALL. Mr. Chairman, I rise in opposition to the amendment. I hope the Members of the House will not open this bill to amendments that may bring a veto or that may defeat the purposes of this bill. In the first place, this is the first day and the first occasion we have had an opportunity to make a contribution, a substantial contribution, to the recovery of this country. I ask you now not to allow this bill to become emasculated by amending in this or in any other fashion.

This question came up before our subcommittee. We heard the gentleman from Los Angeles, and, after all, this is especially for that one project.

Mr. RANKIN. Will the gentleman yield?

Mr. PRALL. Not just at present.

Mr. RANKIN. The gentleman ought not make that statement, then.

Mr. PRALL. Well, the testimony shows that the gentleman from Los Angeles appeared before our committe. The city had purchased a plant covering a certain portion of the city and wanted to purchase another plant to cover the balance of the city in order that municipal power and light might be furnished. We have no objection to that, but it seems to me that some other method might be pursued in order to get the money for purposes of that kind. There is nothing to show that in buying existing electrical power plants there will be any added employment given. The proponents said the plant would have to be rebuilt, and that would bring about the employment of unemployed men; but we do not know that that is so. I ask the Membership to permit this bill to go through and to become a law as it is now.

Mr. RANKIN. Mr. Chairman, I rise in favor of the amendment.

First, I want to reply to the gentleman from New York [Mr. PRALL] and say to him that this is not in the interest of Los Angeles, Calif., any more than it is in the interest of every other town, city, and municipality within the distribution radius of one of these public projects.

The gentleman from New York [Mr. PRALL] says he does not want amendments, because it might provoke a veto. I want to say to the gentleman from New York that I have talked with the President about this matter, and he is not opposed to this amendment in its present form. [Applause.] If the gentleman has any doubt about it, the distinguished gentleman from Tennessee, the majority leader, was with me at the time I talked with the President, and will verify what I have said.

The gentleman from New York would lead the House to believe that the only ones who came before the committee in favor of this amendment were from California. I appeared before the committee and argued in favor of this amendment, not because of my home town, because the people in my town had the wisdom years ago to hold title to their power plant and distribution system. This is not in the interest of my home town, but it is in the interest of other towns, cities, and municipalities. We appeared before the committee and argued this, not from a selfish standpoint, but from the broad standpoint of a national policy that we are now establishing in order to bring justice to the users of electric energy in this country.

Now, let us see what it means. The gentleman from New York [Mr. PRALL] has no objection to loaning money to industry, but whenever it comes to loaning money to a struggling municipality in order to enable it to acquire its own distribution system the gentleman says he is opposed to it and does not want any amendments at all to the bill.

Now, let us see what this does. We people who are fighting to bring justice to the users of electric lights and power in this country are not trying to destroy the property of anyone else. The gentleman from New York outlined, in the instance he gave from Los Angeles, Calif., a typical example. If those people are unable to buy that private plant, but should build in competition with it, the private plant will be destroyed and those owning interests in it will lose their investment. In the area covered by the Tennessee Valley Authority are many towns and cities which are trying to acquire their utility plants in order that they may purchase power from Muscle Shoals and relay it to their citizens at the yardstick rate laid down by the Tennessee Valley Authority; but in a great many cases where private interests own the power plant and distribution system, if the community builds in competition with the private interests, the private interests ultimately will be destroyed, after a long, drawn-out fight of competition, and those who own interests in the private plant will get nothing. As a result they are in a deadlock in many places in Tennessee, Alabama, Mississippi, and in Kentucky. The same thing will occur throughout the rest of the country.

Now, if you permit municipalities to borrow money with which to buy local plants and distribution systems, they can pay what the plants and the distribution systems are worth; and, at the same time, those who invested their money will get what the property is worth. It is the one loan that will be made under this bill that I would be willing to underwrite as being 100 percent self-liquidating. Every one of these plants will pay out.

Oh, the gentleman says, it will not help industry. Let us see whether it will or not. In my home town of Tupelo, Miss., there is a small cotton mill. I gave you these figures the other day. In January, when this cotton mill had to buy its power from a private concern, it paid $3,181 for the power used that month. In March, under the T.V.A. yardstick rates as laid down in the Tupelo contract, they paid $1,896, and used 26 percent more power than they did in January. The power used in March at the January rate would have cost them $2,112 more. In other words, this cotton mill saved $2,112 in 1 month on its power bill alone.

[Here the gavel fell.]

Mr. RANKIN. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. FITZPATRICK. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. FITZPATRICK. What contribution would this make to the employment situation of the country, assuming this money was spent by municipalities in buying power plants?

Mr. RANKIN. It is to be used in buying plants and distribution systems.

Mr. FITZPATRICK. What will that contribute toward the relief of unemployment?

Mr. RANKIN. I am trying to show the gentleman that the amount of money saved by the decreased power rate will be employed by manufacturers in putting men back to work and paying them wages. As a result, instead of tramping the streets, those people will be at work. That is what has happened in the case of this cotton mill at Tupelo of which I have spoken; and the same thing will happen in similar cases all over the country. In the areas of these public plants there are factories today closed down or running half time—some have not run for months—because they cannot make buckle and tongue meet on account of the enormous charges that they have been paying for power.

Now, we shall not oppose this bill if you will give these municipalities this right to borrow money with which to buy these public plants and distribution systems. You say that it will not relieve conditions. Let me repeat to the gentleman from New York what I said on the floor not long ago when I gave figures showing that one man in Tupelo had his light bill reduced from $6.98 in January to $1.72 in March; another man had his light bill reduced from $2.30 in January to 75 cents in March; another one from $10.77 to $3.25. Does not this help people? Does not this help the man who is working for a living? It is more help to the laboring man than it is to the man who is able to buy luxuries. For this reason we people in the Tennessee Valley area, the people in the Boulder Dam area, the people in the Columbia River area, if you please, where these great projects are being constructed, are asking you to give us this opportunity to borrow under this bill, to secure loans with which to buy these distribution systems in order that we may go forward in this great movement to bring down light and power rates and at the same time not destroy the property of private individuals.

Mr. REILLY. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. REILLY. Why not give all the people of the country the right to borrow money from the United States?

Mr. RANKIN. It was thought that would be too far-reaching at the present time.

Mr. CHRISTIANSON. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. CHRISTIANSON. The gentleman wants this $300,000,000 diverted to the direct use of these particular communities and taken away from industry scattered all over the United States.

Mr. RANKIN. No; and if there is a man on earth who ought to vote for this amendment it is a man who comes from the State of Minnesota where they pay about the highest power rates in the country. We are not asking that you provide all this money for this purpose; we are simply asking that a very small portion of it may be used for this purpose.

Mr. CHRISTIANSON. Mr. Chairman, will the gentleman yield for me to reply to the gentleman's statement?

Mr. RANKIN. Yes.

Mr. CHRISTIANSON. This would not reduce our power rates in Minnesota one cent, and the gentleman knows it.

Mr. RANKIN. Oh, the gentleman from Minnesota does not seem to realize that in the fight we have waged for the last 5 years we have reduced utility rates in this country by $118,000,000; he does not realize that every time power rates in the Tennessee Valley area are reduced, or that every time power rates are reduced in the Boulder Dam area it redounds to the benefit of the people in every section of the country. No; that is the old Power Trust argument I have heard ever since I have been a Member of the House: That you merely help a few people in a little area around Muscle Shoals. That was the argument they used against the Muscle Shoals project, the argument they used against the Columbia River project and against the Quaddy project in Maine; it is the argument they used against all these public projects. I will admit that to help a manufacturer in Minnesota will not help the people of Mississippi, but I do not object because the bill contains provisions which will grant relief to the manufacturers of Minnesota; nor do I object to the bill because it will help the manufacturers in New York, provided we are given the same treatment and enabled to secure loans with which to buy our local distribution systems, in order that we may get cheap power and pass the benefits on to the people, thus giving them the benefit the Government has provided in the construction of these great public projects.

I sincerely hope that the amendment of the gentleman from Oklahoma will be adopted. [Applause.]

[Here the gavel fell.]

Mr. WHITTINGTON. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I have no disposition to consume the 5 minutes or to speak on the merits of the amendment, but I call the attention of the gentleman from Oklahoma, the author of the amendment, to this situation. We are considering now section 6. There are four paragraphs under section 6 of this bill. All of these paragraphs have to do with amendments to section 36 of the Farm Mortgage Act of 1933 providing for refinancing existing irrigation and drainage districts. The pending amendment is to insert paragraph 5 dealing with an entirely different matter at the conclusion of paragraph 4. These four paragraphs deal with the question of refinancing irrigation and drainage districts. I suggest to the gentleman it would be better to offer his amendment as a new section; and if he does not object, I should like to amend his amendment by striking out of his amendment the words "paragraph 5" and inserting in lieu thereof the words "section 6."

Mr. RANKIN. We will accept the amendment.

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent to strike out the words "paragraph 5" and insert in lieu thereof "section 6", where they occur in the amendment of the gentleman from Oklahoma.

Mr. MARTIN of Colorado. There is a section 6 already.

Mr. WHITTINGTON. That can be changed later on by amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. STEAGALL. Mr. Chairman, I rise in oppositon to the amendment.

Mr. Chairman, I regret exceedingly that I cannot find myself in accord with my colleague on the committee and my friend the distinguished gentleman from Mississippi, who has presented this amendment so ably.

It seems to me if we admit that only a small amount of the funds provided in this measure are to be diverted to the purposes contemplated by the amendment, that we are involved in the admission that the amendment would benefit only a very limited number of municipalities of the country, giving them an advantage over sister municipalities throughout the land. If that be true, it seems to me the amendment can hardly be justified.

Mr. RANKIN. Will the gentleman yield?

Mr. STEAGALL. I will yield to the gentleman in a moment.

It seems to me that if we are to embark upon this field of relief, if we are to depart from the theory of this bill and enter upon a policy of relief for all distressed municipalities throughout the United States, a measure of such vast importance should be taken up in its own right and receive the consideration which its importance demands and be passed upon with full recognition of what is involved. If we enter upon the policy of affording relief for all municipalities in the Nation, we should do so with some degree of deliberation, and with full knowledge of what is involved and of the burdens that will be entailed upon the Treasury of the United States.

Mr. Chairman, if we adopt such a course, we shall be in position where we shall be required to substitute for the judgment of Congress the judgment of municipal governing authorities throughout the United States, subordinating whatever of judgment and of courage in this body that stand for protection of the National Treasury. Under such a program the National Treasury would be remanded to the tender mercies of those in control of the various municipalities throughout the land, who, by mismanagement and lack of prudence and foresight, have brought about conditions that have resulted in recent legislation practically authorizing municipalities to go into the bankruptcy courts to escape the burdens and obligations which taxpayers are no longer able to discharge.

I yield now to the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. May I say to the gentleman from Alabama that none of these loans may be made without being approved by a governmental agency.

Mr. STEAGALL. Yes. I understand.

Mr. HOIDALE. What agency?

Mr. RANKIN. In this case it would be the T.V.A.

Mr. STEAGALL. That is all quite true. No loan under the bill can be made except with the approval of a governmental agency, but when we authorize it by implication we call upon the agencies of the Government to make these loans.

Where will it end if we are to continue to listen to appeals to open the doors of the Treasury to every institution and every distressed condition in the United States? I insist that there is no proper place in this bill for the pending amendment unless we desire to embark upon this policy as a national program. If we are going to do that, we should immediately strike out the $300,000,000 provided in this bill and substitute the figures $1,000,000,000 that will be required to accomplish such a purpose.

Mr. CHRISTIANSON. Will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Minnesota.

Mr. CHRISTIANSON. It is true that every dollar diverted for this purpose will be taken out of the amount of money available for industry in other districts?

Mr. STEAGALL. Unquestionably so.

[Here the gavel fell.]

Mr. PRALL, Mr. LEE of Missouri, and Mr. BROWN of Kentucky rose.

Mr. PRALL. Mr. Chairman, I move that all debate on this section and all amendments thereto close in 5 minutes.

Mr. RANKIN. Mr. Chairman, the gentleman from Kentucky [Mr. BROWN] was on his feet before the gentleman from New York attempted to shut off debate, and so was the gentleman from Missouri.

Mr. PRALL. I shall amend the motion and make it 10 minutes.

Mr. RANKIN. Mr. Chairman, there are a great many Members interested in this amendment and the gentleman should not try to shut off debate now. This is the most important amendment that will be offered to this bill.

Mr. PRALL. Mr. Chairman, I withdraw the motion.

Mr. LEE of Missouri. Mr. Chairman, I want to speak for the State of Alabama. [Laughter.] I was conceived in that State. My father and my grandfathers on both sides are buried in that great State, and I want to speak especially for the people of Alabama and Mississippi.

Every county in the State of Alabama is bonded up to its full constitutional limits and so is every city in that State, and they have no money. They have no way of getting any money to get this power from Muscle Shoals unless you adopt this amendment. The same thing is true in Mississippi. They are already bonded up.

These loans for municipalities for this purpose would be the safest loans in the world, because they do not have to buy commercial politicians, they do not have to subsidize the press, they do not have to commit any fraud in order to furnish cheap light to the people of the country.

There is no light plant in my State that does not make money. Our labor was out of employment the winter before last, and in the city of Columbia, where our State university is located, they took $100,000 out of the light fund and put people to work building a sewer, and yet they have cheaper light bills where they have this municipal light plant than in any other city in Missouri that is served by a private corporation.

This amendment ought to be adopted. There is no reason why it should not be adopted, and all of you here who claim to be progressive, when you do go home, do not go around and tell your people, "Oh, I voted against it because I thought we could pass an additional bill." None of you believe we can pass an additional bill, and do not be using that as a subterfuge and as a fake on the people. Either be for this amendment or be against it; and then when you get home, if you have an opponent in the primary, let him tell the people how you voted, and I hope every one who votes against this amendment has an opponent because you ought not to be sent back here. [Laughter and applause.]

Mr. LUCE. Mr. Chairman, the pending bill is a measure for the relief of distressed industries. It is a bill which it is hoped will immediately put food in the mouths of men who are not now at work, which will put clothes on their backs, which will let them mend the holes in their roofs—a relief measure.

It is now proposed to amend this bill by the equivalent of a subsidy that will allow a few municipalities to add to their tax rate, to add to the interest they must pay on securities, to add to the community burdens by buying out privately owned plants now running. The adoption of this amendment, in spite of what has been suggested, will, in my judgment, not meet the temporary needs of any community, not start a wheel turning, not keep a man on the pay roll, not feed a hungry person, not add to the confidence of any leader of our business or industrial life—and God knows that is what is most needed now, confidence—it will do nothing beyond benefiting a few regions of our country remote from each other; that is to say, in the Tennessee Valley, in southern California, and in Oregon or Washington, I forgot which. Just so much of the funds thus made available for purchases will be taken from the pay rolls of industrial workers the bill is designed to benefit. For that reason I am opposed to the amendment.

Mr. BROWN of Kentucky. Mr. Chairman, may I say in the beginning that if this amendment has no place in this bill it has no place in any bill. You cannot write a bill that this amendment would be satisfactory to those who are opposing this amendment.

If you want to do something for the people to whom the gentleman from Massachusetts referred, there has not been a bill proposed in this session that will do so much for them as this amendment. He says that it will only benefit the remote sections. If you do not live in New York or in Boston, you are in a remote section. When you benefit the people of the Tennessee Valley or the Columbia Valley or the great West, you are helping every other section of the country.

I am not speaking for my State; I am not speaking for Kentucky. It is our own fault, because in our State we are under the control of the Power Trust, and we will not get any relief; but I want some other parts of the country to get that relief.

If you will look over the history of the Tennessee Valley, you will see that all through the South they have lowered their rates because of the development in that valley. When you give these people a chance to buy their plants, you will put an element into the bill that will give the power companies a still further spur in reducing the rates.

This amendment was offered in the Senate and was defeated by a tie vote. If we put it in now, it will become a law. The chairman says that this will deduct from the amount of $300,000,000. That is to last only to January 31, 1935, and you will not much more than get the machinery set in motion before the time would expire. It will force them to get this money out quickly. Congress will be back in session next January; and if $300,000,000 is not enough money, you will be here, at least some of you will, to vote some more; and you ought to do it, if you want to take care of the people who need relief.

There is no leak in this country as big as the power leak. The gentleman from Massachusetts [Mr. LUCE], will cut down the leak that every man has to stand, if this amendment goes through, and in that way the consumer will be able to save some money, and he may use that money to mend his roof.

Mr. RANKIN. The gentleman from Massachusetts referred to this as a subsidy. This is no subsidy. It will be a loan, every dollar of which will be paid back.

Mr. BROWN of Kentucky. Yes; and it will have the best security back of it of any loan.

Mr. JOHNSON of Minnesota. In my county seat of Litchfield, for nearly 50 years we have had a municipal light, heat, and power company, and it has saved thousands and thousands of dollars to the consumers in that neighborhood, and I hope that all over this country we will have plants, larger or smaller, of that same kind. I am with the gentleman from Mississippi [Mr. RANKIN], on this amendment, and I am glad to be so. He is really the "Senator NORRIS" of this body, and I have fought together with NORRIS and I have fought alongside of LA FOLLETTE, and I am proud to fight now with him, and I am proud to fight with the gentleman from Kentucky [Mr. BROWN], and I hope that you gentlemen will not let the power trust dominate your vote. For God's sake, vote for the common people of this country.

Municipalities in Minnesota that have had the courage to break away from the privately owned companies and operate their own plants have been the cause of savings of millions of dollars in power rates to the patrons of these plants. Every municipally owned plant is a record of achievement of public ownership, and I know that the time will soon be here when the people will insist that the operation and use of power be placed directly in their hands.

Selfishness and greed, highjacking of our natural resources by the Power Trust, and a loss, if you please, of many millions of dollars out of the pockets of the users of electricity have been the result of private ownership. Investigations have proved that the Power Trusts have been nothing but a series of holding companies, investment corporations, trust companies, and the like, each draining a profit from the lowly consumer. It has been a long, hard fight to place liberal legislation into force, and the passage of this amend-

ment means the advancement of municipal ownership of power throughout the Nation.

The people of this great country have suffered long enough from the domination of the Insulls, the Mellons, the Grundys, and the Vares. Let us throw off this yoke of special privilege. Let us place human interest above private capital. It is time for the people to assert their rights under the Constitution, and let us have measures that will return to them the great natural resources that are rightfully theirs.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Kentucky. Yes.

Mr. BOILEAU. As I understand this amendment, it provides that loans shall be made to municipal plants that get their electrical energy from federally subsidized sources.

Mr. BROWN of Kentucky. That is correct.

Mr. BOILEAU. That applies primarily to the Tennessee Valley?

Mr. BROWN of Kentucky. Yes; and to the west coast.

Mr. BOILEAU. How can the gentleman justify this amendment rather than an amendment that is broad enough to make such loans throughout the entire country?

Mr. BROWN of Kentucky. This is just one step in that same program, and you have to take this thing step by step. Every time you start doing anything for the common man in this country, they bring up the argument that this is not the place and this is not the way to write the amendment.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. PRALL. Mr. Chairman, I move that all debate upon this section and all amendments thereto do now close.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma.

The question was taken; and on a division (demanded by Mr. RANKIN) there were—ayes 59, noes 97.

So the amendment was rejected.

The Clerk read as follows:

SEC. 7. (a) Sections 2 and 3 of the act entitled "An act to authorize the Reconstruction Finance Corporation to subscribe for preferred stock and purchase the capital notes of insurance companies, and for other purposes", approved June 10, 1933, as amended (U.S.C., supp. VII, title 15, secs. 605f and 605g), are amended to read as follows:

"SEC. 2. In the event that any such insurance company shall be incorporated under the laws of any State which does not permit it to issue preferred stock, exempt from assessment or additional liability, or if such laws permit such issue of preferred stock only by unanimous consent of stockholders, or upon notice of more than 20 days, or if the insurance company is a mutual organization without capital stock, the Reconstruction Finance Corporation is authorized for the purposes of this act to purchase the legally issued capital notes of such insurance company, or, if the company is a mutual organization without capital stock, such other form or forms of indebtedness as the laws of the State under which such company is organized permit, or to make loans secured by such notes or such other form or forms of indebtedness as collateral, which may be subordinated in whole or in part to any degree to claims of other creditors.

"SEC. 3. The Reconstruction Finance Corporation shall not subscribe for or purchase any preferred stock or capital notes of any applicant insurance company, (1) until the applicant shows to the satisfaction of the Corporation that it has unimpaired capital, or that it will furnish new capital which will be subordinate to the preferred stock or capital notes to be subscribed for or purchased by the Corporation, equal to the amount of said preferred stock or capital notes so subscribed for or purchased by the Corporation: *Provided*, That the Corporation may make loans upon said preferred stock or capital notes, or other form or forms of indebtedness permitted by the laws of the State under which said applicant is organized, if, in its opinion, such loans will be adequately secured by said stock or capital notes or other form or forms of indebtedness and/or such other forms of security as the Corporation may require, (2) if at the time of such subscription, purchase, or loan any officer, director, or employee of the applicant is receiving total compensation in a sum in excess of $17,500 per annum from the applicant and/or any of its affiliates, and (3) unless at such time the insurance company agrees to the satisfaction of the Corporation that while any part of the preferred stock, notes, bonds, or debentures (or, in the case of a mutual insurance company, other form or forms of indebtedness permitted by the laws of the State under which the company is organized) of such insurance company is held by the Corporation, the insurance company, except with the consent of the Corporation, will not (a) increase the compensation received by any of its officers, directors, or employees from the insurance company and/or any of its affiliates, and in no event increase any such compensation to an amount exceeding $17,500 per annum, or (b) retire any of its stock, notes, bonds, debentures, or other forms of indebtedness issued for capital purposes. For the purposes of this section, the term "compensation" includes any salary, fee, bonus, commission, or other payment, direct or indirect, in money or otherwise for personal services."

(b) Section 11 of such act of June 10, 1933, as amended (U.S.C., supp. VII, title 15, sec. 605i), is amended by adding at the end thereof the following new sentence: "As used in this section and in sections 1, 2, and 3 of this act, the term 'State' means any State, Territory, or possession of the United States, the Canal Zone, and the District of Columbia."

RESTRICTING LARGE SALARIES

Mr. PATMAN. Mr. Chairman, I move to strike out the last word. This section carries forward the policy of restricting the salaries of people who work for concerns obtaining loans from the R.F.C., that is, insurance-company officials, to $17,500 annually. In another section of this bill the policy is carried forward that has been adopted by the R.F.C. restricting salaries of executives of railroads to certain amounts. They are good policies and I hope they continue. I think it is time to call attention to the fact that something should be done about restricting the salaries of the Federal Reserve officials in the same way.

CONGRESS SHOULD PASS ON EXPENSES OF FEDERAL RESERVE BANKS

The Congress of the United States should make an appropriation for the Federal Reserve banks. All profits of these institutions should be paid into the Treasury and all expenses allowed by Congress. As it is now, they have the use, the unlimited use, of the Nation's credit, free of charge. They take in the money and use it any way they want to. You do not know how they use it, you do not even know how much they pay in salaries, you do not know how much any one official receives, and I do not know if you could get the information if you requested it. An institution of that kind should be required to get an appropriation from Congress each year for operating expenses.

Mr. DISNEY. Mr. Chairman, will he gentleman yield?

Mr. PATMAN. Yes.

NO INDEPENDENT TREASURY

Mr. DISNEY. This would be an opportune time to call attention of the House to the fact that we have no independent Treasury of the United States. Every dime that comes in in taxes goes to the Federal Reserve System and not to the Treasury.

RESTRICT SALARIES TO $17,500

Mr. PATMAN. I thank the gentleman for his contribution; he is exactly right. No one should object to an amendment to be written into this bill to restrict the salaries of the Federal Reserve officials to $17,500; some of them are now receiving $25,000, $40,000, and up to $50,000 a year.

FOUR TONS PAPER MONEY DAILY

Four tons of paper money leave the Bureau of Engraving and Printing every day, 500 bills to the pound. Most of that money goes to the Federal Reserve banks. They do not pay anything for the use of that money. They can issue two kinds of money, Federal Reserve bank notes and Federal Reserve notes. It did have outstanding about $200,000,000 in Federal Reserve bank notes, but on those notes they had to pay the insignificant sum of one half of 1 percent tax annually. They have to pay a tax of $5 a year on $1,000. On the Federal Reserve notes they do not have to pay a penny. They only pay 27 cents, the cost of printing $1,000 in paper money. Therefore, they complained about paying that one half of 1 percent tax, and they are actually taking out of circulation, retiring, those Federal Reserve bank notes and issuing in their place Federal Reserve notes, because it is too expensive—one half of 1 percent. They prefer to use the money that cost them 27 cents a thousand dollars.

BLANKET MORTGAGES

Any institution which has the right to give a blanket mortgage on your property and my property and the incomes of all the people of this Nation, certainly enjoys a great privilege. That is exactly what the Federal Reserve banks

of this country do today. They have the exclusive right and privilege of issuing these blanket mortgages.

Section 16 of the Federal Reserve Bank Act provides that they shall pay an interest charge for the use of that money. When 4 tons of money leave here every day to go to the Federal Reserve banks, the law provides that they shall pay an interest charge for the use of the Government's credit, but the Federal Reserve Board set a rate of zero as the interest charge, and they do not pay one penny on earth. If they had paid what the law requires, we would not have a Treasury deficit. The amount would shock you.

POWER SHOULD BE TAKEN AWAY

Now, my friends, I think that great power should be taken away from them. They are in the Government's business. The issuance and distribution of money is a governmental function. I do not think that any corporation on earth that is owned exclusively by private corporations should have farmed out to them the great privilege of issuing money upon the credit of this Nation and getting the benefit of it themselves. The people should get the benefit of the use of their own credit.

I certainly hope no one will object later on when I make an effort to restrict the salaries to $17,500.

The CHAIRMAN. The time of the gentleman from Texas [Mr. PATMAN] has expired.

The Clerk read down to and including line 5 on page 21.

Mr. PRALL. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. MCREYNOLDS, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill S. 3487 and had come to no resolution thereon.

DEPOSIT-INSURANCE LEGISLATION

Mr. BANKHEAD, from the Committee on Rules, presented the following privileged report (H.Res. 393, Rept. No. 1744) providing for consideration of the bill (S. 3025) to amend section 12B of the Federal Reserve Act so as to extend for 1 year the temporary plan for deposit insurance, and for other purposes:

House Resolution 393

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 3025, a bill to amend section 12B of the Federal Reserve Act so as to extend for 1 year the temporary plan for deposit insurance, and for other purposes; and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 3 hours, to be equally divided and controlled by the Chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider, without the intervention of any point of order, the substitute amendment recommended by the Committee on Banking and Currency, and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion, except one motion to recommit.

MOTHERS AND THE HOMES OF OUR REPUBLIC

Mr. FULLER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by including an address delivered by the gentleman from New York [Mr. SIROVICH] on Mothers and the Homes of the Republic.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. FULLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by the gentleman from New York [Mr. SIROVICH], from Station WOL in Washington over a national hook-up, on May 8, 1934.

When I listened to this eloquent and able address, I naturally thought of the charms and life of my mother and felt the speaker must have had in mind, as I did, the mothers of the Third Congressional District of Arkansas, and I concluded I would ask permission to have his remarks extended in the RECORD with a view of reaching the wonderful mothers of my district.

The address is as follows:

Ladies and gentlemen of the invisible radio audience, back of our Government, back of our religion and custom, is the home. The home is the foundation of all society. Upon it the superstructure of all civilization rests. The home is the institution where the father is the king, mother the queen, and the children are the subjects. In every home, whether it be in the large cities or upon the plains, valleys, farms, or mountain sides, there is a little sentiment upon the walls which inspires every man, woman, and child, which says: "God bless our home." What sweet, tender memories this sentiment always evokes in our heart and mind. Faith and hope should never depart from these humble firesides. The home is the cradle that nurtures our offspring. The home is the institution that shapes the destiny of our brood. As go the parents, so go the children; as go the children, so goes the home; as goes the home, so goes the nation and the world. Destroy the home, and you destroy society, civilization, and everything that goes with it.

Everyone is praying for happiness, for comfort, and prosperity to return to all who struggle for their daily bread, in order that their home may be maintained. We are hoping for a new day to break in upon all of us. Today the mortgages upon the homes of millions of our people are being foreclosed. Hunger, penury, want, and destitution stare these millions in the face. Today the homes of these unfortunate people are being threatened as never before. Economic conditions threaten to achieve what fire, flood, wind, and invasion have never done before. Property is gone, fortunes have been swept away, men and women beyond the middle age are back where they started, helpless and hopeless, not knowing where to turn for tomorrow's bread and shelter. And what is the cause of it all? It is the lack of money which is the lifeblood of our Nation.

Money symbolizes the crystalized efforts of labor and capital. Money represents the frozen labor of the past; the liquid flow of the present, and the solid reward of the future. Money preserves the home. It is transformed into the workers' daily bread. It puts food into our stomachs, coal in boilers, oil in motors, electricity in wires, and helps bring happiness and contentment in the home.

The angel of the home is the mother. She is the queen of our hearts, the inspiration of our souls, the ideal of our minds. Since God could not be everywhere, He created mothers to take His place. The old saying, "Be it ever so humble, there's no place like home", finds expression only when the home is presided over by the mother whom we adore and should always love, honor, and respect.

In my humble opinion, the greatest love in the world is mother love. A love that is dedicated and consecrated on the altar of hope and faith and baptized with tears. A love that shines sublime through pain, anguish, and suffering. A love that is not only willing to make the supreme sacrifice for the happiness and welfare of her brood but make the daily multiple, cumulative, little sacrifices, year after year, that in their aggregate make up a tremendous total. With the thought of sacrificial love there always comes the twin thought of the one who hallows our home, "mother." The Apostle John tells us that Jesus once said, "Greater love hath no man than this, that a man lay down his life for his friend." How many millions of mothers throughout the ages have laid down their lives on the altar of childbirth? How many mothers have ennobled humanity and the world in making the supreme sacrifice of their own lives that new lives might come into the world and carry the torch of civilization and justice into the homes, hearths, and firesides of suffering humanity the world over.

In all languages and in all climes the first intelligible sound uttered by an infant is the syllable or word that stands for "mother."

The care of the mother for her children does not end with infancy. It continues on through childhood, adolescence, young adult age, and maturity to the very day of her passing. The last thoughts of a good mother are always for her beloved children. During her life her children never grow up. The son who achieves a place of great distinction and power is never to her the distinguished leader of man; he is always her boy.

The daughter who marries well and attains a leading position in society or in the affairs of women, or who, best of all, herself becomes a mother, is still her darling girl.

Until the children become parents in due time, they are apt to chafe at some of the attentions of the mother; but when girls have gone through the same maternal experiences, they understand. Thus the attributes and virtues of motherhood are passed on from generation to generation.

Mothers, nowadays, are able to give better care to their children owing to the progress in health conservation. In the past 1 child out of every 3 succumbed to infantile disease. Today the ratio is 1 out of 7, due to the fact that modern mothers are enabled to apply and do apply scientific methods of child care, feeding, and rearing, of which their mothers knew little and their grandmothers still less. A soldier on the battlefields stands a greater chance of escaping death through shot and shell than a child does of surviving the perils to health that still menace infancy and childhood.

When the angel of death knocks upon the door and the celestial music summons and beckons us to the great beyond, the last thought in the mind of most of us is—mother.

Human beings learn by contrast. We cannot appreciate what is beautiful until we behold what is ugly. We do not appreciate the dawn and daylight until we have lived in darkness. We seldom realize our joys in life until they have passed away. Those who have living mothers cannot realize the utter lonesomeness of those who have lost their best friend, their mother. The death of a mother causes a great void, a great gap that never, never can be refilled. How often have I heard the anguished heart cries of children, of grown men, and women as they cry aloud for their departed mother, who has made the final pilgrimage to the great beyond, never to return.

I once wrote a poem which concluded by saying:

"When death does mother call away,
Oh, how we cry to have her stay.
Our wealth, indeed, we'd gladly spend,
If but to her we could attend.
Your duty do while she's alive,
To her alone justice must survive.
Success and honor will always be thine,
When to your mother while she's alive you'll be kind."

How many of my auditors in the great invisible radio audience realize the thousands of loving, sweet, tender acts that mother performs in her life, that her children and the father of her children may find peace, happiness, and contentment in their home? Loving acts about which she says nothing. Sacrifices, great and small, things that she goes without and denies to herself that her husband and her children may be well fed, well clothed, well groomed, and well cared for.

Every father provides the physical and material things that make a house; but it is the tender love, the sweet affection, the romance and sentiment of the mother that out of the things of the house she creates and makes a home.

Without homes we would be a nation of nomads, wanderers on the face of the earth, with no settled habitation nor permanent abode. Every act passed by Congress, no matter how apparently remote, in its final results affects the home. The act may deal with economics, finance, industry, agriculture, or commerce; but it becomes a good law or bad law according as it helps or harms.

The home must and shall be preserved; on its preservation depends the perpetuation of the Republic itself. We, Members of Congress of the United States, will do our duty to our Nation and its pople only when our first and last thought is, How will our work in Congress affect the home, and how will it affect and maintain the welfare, the happiness, and the contentment of the father, the mother, and the children of the home? God bless the homes of America. Be it ever so humble, God, help us to preserve the American home.

Next Sunday, May the 13th, is Mother's Day;
Remember your mother who has passed away,
Give to every living mother, every day,
The best you have in every way.

THE PRESIDENT'S MESSAGE ON SILVER

Mr. WHITE. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. WHITE. Mr. Speaker, the President's recommendation for silver legislation, coming as the result of numerous conferences with the advocates of silver in both branches of Congress, is a forward step in his plans announced last July, in which he said:

The United States seeks the kind of dollar which a generation hence will have the same purchasing power and debt-paying power as the dollar value we hope to attain in the near future.

In the words of his message, the proposed legislation is "a long step forward, but only a step." Congress has very definitely declared the policy of the Government upon this paramount of all issues in section 311 of the United States Code, "never repealed and still a law":

SEC. 311. Policy of United States as to bimetallism. It is hereby declared to be the policy of the United States to continue the use of both gold and silver as standard money, and to coin both gold and silver into money of equal intrinsic and exchangeable value, such equality to be secured through international agreement, or by such safeguards of legislation as will insure the maintenance of the parity in value of the coins of the two metals, and the equal power of every dollar at all times in the markets and in the payment of debts. And it is hereby further declared that the efforts of the Government should be steadily directed to the establishment of such a safe system of bimetallism as will maintain at all times the equal power of every dollar coined or issued by the United States in the markets and in the payment of debts.

When we consider that price level is the controlling factor in business and national prosperity and that history and statistics disclose the relation and control exercised by silver in price level, the importance of silver to industrial recovery and prosperity cannot be overestimated.

CONSTITUTIONAL GOVERNMENT OR DICTATORSHIP?

Mr. CULKIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. CULKIN. Mr. Speaker, the principal issue before the country in the approaching congressional campaigns will be whether the Nation is to continue the constitutional government of our fathers or adopt the principles of fascism now dominant in Italy and Germany. In other words, is Congress by legislative action to continue to increase its delegation of powers to the Executive?

Anyone who runs may read that since the present administration began there has been a definite and partly successful drive to alter the American system. In the Agricultural Adjustment Act Congress delegated to the Secretary of Agriculture sweeping and unprecedented powers over the domain of agricultural production. In the "Recovery Act" Congress authorized the Executive to supervise and regulate the affairs of industry. I was present on the floor of the House when these measures were passed, and the leaders of the majority were vigorous in their assertions that the measures were simply to bridge over the existing emergency. It was stated by the sincere and able legislative leaders of the majority party that within a year we would be out of the wilderness and that these measures would then be discontinued. In fact, each bill recited in its preamble that the measure was for the emergency only. On the theory of the sailor that any port in a storm is a good one, these various relief measures were speedily passed. They were stop-gap in character and were intended only to bridge over the existing economic emergency. By these enactments Congress, at the request of the President, gave him powers as great as those enjoyed by Mussolini or Lenin. Representative government in fact abdicated on the theory that the measures in question would improve our condition and lead us out of the economic wilderness in which we were floundering. These measures were the genesis of the new deal, so called. They were prepared by the so-called "brain trust" whom the President called in to advise on the situation.

More than a year has passed since the enactment of these measures. The President and at least a portion of his party leadership in the House now say that the new deal must become permanent; that it is and shall be the function of the Federal Government to continue to regulate and regiment agriculture and perform similar functions in the field of industry. Whether or not that program should become the permanent American policy will be the issue in the approaching congressional campaign. It is my judgment this delegation of power over industry and agriculture which we have given to the Executive has failed of its destined purpose or at best has made all the headway possible. The welfare of America now demands that we return to the "roof trees" of our fathers.

In passing let me state that it is my judgment that the economic skies were brightening and improving at the close of the Hoover administration. Lacking, of course, in the personal magnetism possessed by the present occupant of the White House, it cannot be denied that no man in the history of America was abler or more accomplished than President Hoover in the field of national economics. He knew the mechanics of the depression, and it was his theory to ride out the storm by putting the Ship of State under reduced canvas and applying orthodox remedies to the situation.

I am one of those that believe that if he had been reelected, the situation would have been solved ere this. I believe that at the time of the Presidential election in 1932 he was bringing the Ship of State safely to port with no sacrifice of basic American principles. It is my belief that the continuation of the policy of the present administration means the aggravation and continuance of our present con-

dition. In other words the experimentation, as President Roosevelt calls it, has failed. The business of ploughing under crops and slaughtering swine in the name of plenty for the farmer aids neither the man in the street or him who tills the soil.

The business of endeavoring to conduct industry by means of a sappy socialism and regimenting by rules prescribed by the "test tube" statesmen cannot be longer continued without permanent disaster to our economic life. The placing of the butcher and baker and candlestickmaker of the entire country under regimentation is impossible of orderly achievement in the interests of the whole people. Under the N.R.A. a man who charged 35 cents for pressing a suit of clothes was sent to jail for 30 days. This procedure, besides being typical of the whole performance, outdoes Hitler and Mussolini.

GOVERNMENT SHOULD GET OUT OF BUSINESS

It is my honest belief that the continued interference of Government with business, whether it be manufacturing or otherwise, can only result in prolonging the depression. Industry has had its opportunity for self-analysis and now understands the necessity of paying proper wages in order to keep up the national buying power. But it cannot do this if its status remains in the hands of the "brain trusters" and in the application of their pipe-dreams to industry. Continuance of this procedure, in my honest judgment, will be fatal to recovery. It is my belief that the loaning of money to solvent industry will do more good to cure unemployment in the country than any other method of relief. These loans should be thoroughly safeguarded, and every cent so advanced should be fully repaid within 5 years. If the Government will do that and then leave business to its own devices, the genius and pluck of the industrialists will do the rest. However, if business is hectored, lectured, and handicapped by the vaporings of the "brain trust" and the various "men on horseback", the situation will continue to be one of uncertainty and of nonprogress.

Assuming that experience and training in practical affairs are a necessary preliminary to doing business, the average "brain truster" could not operate a "hot-dog stand" successfully. Yet these modest gentlemen now say that all industry which employs less than 400 hands is inefficient. If the President and the majority in Congress go along with them on this theory, which they have done so far, it means that 50 percent of the community life in America will be wiped out. According to the Darrow report just made public, it would seem as if the destruction of small industry was already in part accomplished through the operation of the N.R.A.

REPUBLICAN CONGRESS NECESSARY

The only thing that can save America from a continuance of this outrageous infliction is the election of a Republican Congress. This will give business and industry the assurance that in the future they will be free from the callow interference of the "brain trusters." Although giving lip service to the Constitution, they are for the most part asserting the profit motive should have no place in our scheme of things.

The election of a Republican Congress would result in the return to sanity, a balanced Budget, and would take the present shackles off industry. Then the country would go full steam ahead.

THE A.A.A.

Its present policy of food destruction, which is without parallel in the history of the world, is typical of the handling of the farm situation by the present agricultural administration. Inconceivable as it may seem, the various sections of the A.A.A. are under control of or at least dominated by Tugwellian, Bean, and Mordeci types of "brain trusters", who have no knowledge of the business of agriculture and seek to apply book theory to its stricken condition. The Farm Board was rated as a dismal failure, but it was in fact much more effective in operation and shows more results than the A.A.A.'s performances. Top hogs are now selling for $3, despite the fact that 6,000,000 pigs and 600,000 sows have been destroyed at the cost of millions of dollars. Across the line in Canada, without any such artificial regulations, top hogs are selling for $8, despite the limited market which the smaller population of Canada presents. Twenty percent of the corn land has been reduced to idleness, and much of the last year's corn crop is still under Government seal. The corn farmers are therefore without relief. Cotton alone has fared better, for the sole reason that every phase of manufacturing that is even remotely a substitute for cotton is paying a processing tax into the Treasury for its benefit. Incidentally the eastern farmer and in some instances the western farmer are themselves paying the processing tax.

The experimentation of the A.A.A. with wheat has not been more successful.

DAIRYING

Perhaps the blackest chapter of the A.A.A.'s performances is in the dairying field. Over a year has passed since the enactment of this law, and the condition of the dairymen under the Agricultural Adjustment Act has been, in fact, further aggravated and depressed. The distinguished Secretary of Agriculture started out with the theory that the dairymen were in better condition than the wheat, corn, and cotton farmer. He and his cohorts in the dairying field, in obedience to the Secretary's complex that farm relief has no place except in the midwestern country where the agricultural group is and has been for a long time most vocal, actually attempted to depress the price of fluid milk in the various eastern and southern milksheds. The basis of this was the theory that by depressing the price of fluid milk, which the "brain trust" considered too high, they could bring up the price of butter. This depression of the price of fluid milk was done regardless of transportation costs, the feeding problem, and labor conditions in the various milk sheds. The A.A.A.'s whole administration of this problem has been characterized by fumbling and uncertainty. The effect of their policies has been to play into the hands of the distributors and the chain stores, whose profits during this period of depression have continued to increase.

It is my definite conclusion that if the dairymen of the country, and more particularly my own district and State, wish to avoid disaster, they keep away from the A.A.A. and all its works and pomps. It is my judgment that their economic salvation will be conserved by a return of the Republican Party to power and the re-creation of the buying power of the Nation through the usual and normal channels.

DEMOCRATS ARE DIVIDED

And we find notable dissenters from the policies of the A.A.A. and the N.R.A. who are members of the President's own party. Senator CARTER GLASS, one of the most distinguished and outstanding Members of the Senate, who was offered the portfolio of Secretary of the Treasury by the President, refused to put his two newspapers under the N.R.A., and I am advised characterized the Blue Eagle as the red eagle. I have the greatest respect for Senator GLASS. No man in my day has shown greater courage. He is an expert diagnostician of ballyhoo and "blah" from whatever source it comes. He is typical of the best that is in American life, and his protest is notable and worthy of careful consideration.

The happy warrior, former Gov. Alfred E. Smith, makes a no less vigorous criticism of the procedure that is being followed. He criticizes in unmeasured terms the unjustified and obvious permanent invasion of business by governmental spies and investigators. He regards with distrust the impractical and extraordinary invasion of private affairs by the "brain trust", so called. He has no confidence in the procedure or in the results. It is his view that this procedure means the passing of free government. It is his belief that it means the breaking-down of the rugged individualism, which is the finest thing in our American heritage.

BILLIONS FOR THEORIES

As I view it, our present situation is one of acknowledged experimentation. The administration's policies are coming not from the intelligence or experience of statesmen but

from the test tubes of the college professors who constitute the "brain trust." The Budget is balanced solely by keeping two sets of books and billions have been contracted for in indebtedness to be paid for by future generations. Cotton is being plowed under while Government loans are being made to produce more crops so it can be plowed under in the future. A specific appropriation of $25,000,000 is made to finance a back-to-the-farm movement, which will make more agricultural overproduction. Eighty-six million dollars in new expenditures on new irrigation projects has been authorized, which will add 1,600,000 acres to that already under cultivation. Millions of pounds of fresh meat and canned meat are brought in from South America while 6,000,000 pigs are being slaughtered to reduce the meat supply. The "test tube" statesmen tell industry that they must manufacture at a largely increased cost but must sell and continue to sell the finished product at a loss.

The report is that National Chairman Farley has instructed the Secretary of the Federal Radio Commission to see to it that all radio stations in the country are available for use to put out the Democratic Party propaganda. Hitler or Mussolini have nothing on us in this year of our Lord.

It is my definite belief that this whole procedure and this continuation of delegated authority will be ruinous, not only to the farmer but to the industrialist.

The people of the country must take a hand. The return of the Republican Party to power in 1936 is the only remedy available. The relief of the people of all classes from the oppressive procedure of the present administration, its interference with private rights, its destruction of personal initiative, will be the issue in the congressional campaign of 1934.

WANTS MORE POWER

Although loaded with power, the "brain trusters" are reaching out for more. They wrote into the Stock Exchange Act a provision that gives them a blood clutch on small industry. The President himself is now seeking, and the Democratic House has voted, the power for him to make tariff treaties without Senate ratification. Secretary Wallace in his pamphlet, America Must Choose, urges the elimination of the tax on edible oils, sugar, flax, and wool. The House should remember that none of these items are in the surplus-production group, but the Secretary of Agriculture has declared them all uneconomic and has signed their prospective death warrant when his Chief obtains the right to negotiate tariffs without Congress' having any voice in the matter. I stand with Senator BORAH on this proposition when he says:

> I have no patience with those who are timid and apologetic about the Constitution. It is a living document formed in an atmosphere of emergency to deal with national emergencies. • • • Personal liberty is the keystone of our heart. There is a niche in history beside Washington and Lincoln for the brave man of today who has the courage to defend constitutional government against those who would destroy it.

The administration is greedy for power. Its attempt to control the tariff-making power, which under the Constitution belongs to Congress, is typical of the "brain trusters'" insurgency against the existing order.

The cancelation of the air-mail contracts and the resulting death of 10 Army aviators who were thrown into the breach to save the day are typical of the arbitrary performances which characterize the present administration. The American people should not be fooled. Hand in hand with the magnetism of the present occupant of the White House, Postmaster General and National Chairman Farley is utilizing the emergency to build up a vast army of Democratic officeholders. This new group includes an army of grain inspectors, cotton-crop inspectors, peanut-crop inspectors, and hog inspectors. They have no qualifications for the posts they occupy except that they march under the banner of Farley. Billions of dollars are being poured out of the Treasury for their sustenance. How this money will continue to be paid God alone knows.

In this situation I insist and repeat that the salvation of the country is dependent upon the return of the Republican Party to power. Thinking citizens of all parties are now turning to the Republican Party as the natural source for public action.

PARTY MUST BE PROGRESSIVE

In this day and generation the Republican Party must not hark back to the traditional Republican conservatism and standpattism. Nor should it don the scarlet coat of the ultraliberals. There is a safe middle ground between the two extremes, and there should be no political juggling for the purpose of getting into power. What is needed is a forward-looking leadership which has for its principles those of Abraham Lincoln and Theodore Roosevelt. The party should not be permitted to go back into the hands of the Tories, but it should be responsive to the trend of the times, which course is thoroughly consistent with adherence to constitutional government.

THE PEOPLE MUST CHOOSE

I have endeavored to outline the definite issues that confront the people in the congressional campaign of this year. The Republican Party will take its stand in that campaign for constitutional government and for the real advancement of labor and agriculture. I believe that the congressional elections of this year will definitely end the burden of experimentation which has been spendthrift and destructive of popular government. I believe that in the elections of this year we will return a Republican Congress which will represent the true American tradition and give us a leadership free from isms and Russian theory. By that course, and that course alone, the American people will insure national recovery and the continuance of American institutions.

THE LATE HON. HARCOURT J. PRATT

Mr. GOODWIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GOODWIN. Mr. Speaker, it is with sorrow and regret that I announce to this Congress the death of Hon. Harcourt J. Pratt, of Highland, Ulster County, N.Y., a Member of Congress from the Twenty-seventh District of New York from 1924 to 1932. He died as the result of an automobile accident which occurred yesterday.

Mr. Pratt was one of the outstanding men in his district—quiet, unassuming, and genial, and with every qualification of a real gentleman; a business man of the highest type. These qualities were recognized by his associates in that they chose him to act as supervisor of the town of Lloyd, N.Y., for three terms, then sent him to the State Assembly in Albany, N.Y., and finally to Congress, where he remained for four consecutive terms. To protect his health in 1932 he decided not to stand for reelection and I have had the honor to succeed him.

While in Congress he was a member of the Committee on Agriculture and a great favorite among his colleagues. Not only has his district suffered a great loss but the Government of the United States has lost a great legislator.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. RANKIN. Mr. Speaker, we of the majority join in the expressions just uttered by the gentleman from New York [Mr. GOODWIN] with reference to our deceased former colleague, Hon. Harcourt J. Pratt, of New York. I have never met a man in public life who enjoyed to a higher degree the esteem and confidence of his fellow men than did Harcourt J. Pratt.

The news of his tragic death was a great shock to the Members on this side of the aisle who served with him, and we all join in expressing our profound sorrow at his untimely passing away.

PRINTING OF HOUSE RULES AND MANUAL

Mr. LAMBETH. Mr. Speaker, by direction of the Committee on Printing, I send to the desk a privileged resolution (H.Res. 371; H.Rept. 1746) and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 371

Resolved, That the Rules and Manual of the House of Representatives for the Seventy-fourth Congress be printed as a House document, and that 2,500 additional copies shall be printed and bound for the use of the House of Representatives, of which 700 copies shall be bound in leather with thumb index and delivered as may be directed by the Parliamentarian of the House for distribution to officers and Members of Congress.

With the following committee amendment:

On line 3, strike out the words "two thousand five hundred" and insert in lieu thereof "sixteen hundred."

The committee amendment was agreed to.

The resolution was agreed to.

PERMISSION TO ADDRESS THE HOUSE

Mr. CROWE. Mr. Speaker, I ask unanimous consent that on tomorrow immediately after the reading of the Journal and disposition of matters on the Speaker's desk I be allowed to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

Mr. BYRNS. Mr. Speaker, reserving the right to object, and I am not going to object to this request, it is important that we get through with the bank bills tomorrow, absolutely imperative; and I shall have to object to other requests along this line.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

THE TREND OF ECONOMIC AND POLITICAL EVENTS

Mr. LAMBERTSON. Mr. Speaker, under privilege to extend my remarks in the RECORD, I wish to include a dissertation by Cliff Stratton, of the Washington bureau of the Topeka Capital.

Mr. LAMBETH. Mr. Speaker, for the present I shall have to object.

Mr. LAMBERTSON. Mr. Speaker, will not the gentleman withdraw his objection? I have not inserted a single thing in the RECORD this session.

Mr. LAMBETH. Mr. Speaker, I object.

Mr. LAMBERTSON. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes tomorrow immediately following the gentleman from Indiana; and I hope the majority leader will not object to this request, for I have not used 10 minutes of the time of the House this entire session. Had my request to insert this matter in the RECORD not been objected to, I would not ask for even this 10 minutes.

Mr. BYRNS. It is with the utmost reluctance and the greatest regret that I am forced to object to these requests, but it is absolutely imperative, if the House is to do what the people want it to do, finish the important business and go home, that these bills be passed.

Mr. Speaker, let me say to my friend that after these bills are passed there will be ample time for my friend and any other Member to talk, but let us pass these bills and get them into conference. While the conferees are conferring there will be ample time for Members to address the House.

Mr. LAMBERTSON. That is all very nice, but it does not meet my needs. I ask the majority leader not to object to my using 10 minutes.

Mr. BYRNS. The difficulty with the situation is that if the gentleman takes 10 minutes there will be 20 minutes of the day gone. The gentleman must realize that if these important bills are to be passed we must devote our entire time to them.

Mr. LAMBERTSON. I would remind the majority leader that I have saved the House many times 10 minutes this session.

Mr. BYRNS. I am aware of that fact.

Mr. MARTIN of Massachusetts. Mr. Speaker, I would remind the majority leader that the gentleman from Kansas is the first Republican Member who has asked to address the House in several days.

Mr. BYRNS. I am not going to object to the request of the gentleman from Kansas; but most certainly I shall be forced to object to any other requests made from either side to address the House tomorrow.

Mr. LAMBERTSON. Mr. Speaker, I shall not ask for even these 10 minutes if the gentleman from North Carolina will withdraw his objection to my request to insert this matter in the RECORD.

Mr. BYRNS. Mr. Speaker, further reserving the right to object, I do not think it is fair to the House for Members in the closing days of the session, when we have important legislation pending, to submit requests to address the House upon subjects not involved in the legislation.

Mr. LAMBERTSON. Mr. Speaker, I do not want the 10 minutes. I shall put the matter in the RECORD. The gentleman from North Carolina has withdrawn his objection.

Mr. BYRNS. I have stated to the gentleman, in view of the fact that the gentleman from Indiana has been given 10 minutes, that I shall not object to his having the time; but I am going to object to any further requests from either side of the House to address the House tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Kansas to insert in the RECORD the matter to which he referred?

There was no objection.

Mr. LAMBERTSON. Mr. Speaker, under leave to extend my remarks in the RECORD I include the following copy of a learned and courageous dissertation on the trend of economic and political events by Clif Stratton, of the Topeka Daily Capital's Washington Bureau:

WASHINGTON, D.C., May 19.—While the victory of Senator Dave Reed over Gov. Gifford Pinchot in Tuesday's primary in Pennsylvania may not be as much of a victory for standpat Republicanism as was promptly claimed by Senator DANIEL M. HASTINGS, of Delaware, it is significant of the growing revolt against the new deal over the country.

In the first place, Senator DAVE REED is perhaps the outstanding, certainly the ablest, exponent of conservatism on the Republican side of the aisle in the United States Senate. Just as Senator CARTER GLASS probably is the ablest, and almost certainly the outstanding exponent of conservatism in the Democratic side of the aisle.

REED, of Pennsylvania, stands for high protection for industry against income taxes, for the sales tax, against Government regulation in almost any form, has opposed every piece of farm legislation, every piece of so-called "labor legislation", since he has been in Congress. And he always has had the courage of his convictions. There has been no yielding on the part of DAVE REED. So a REED victory in Pennsylvania is not merely a conservative victory, it is a standpat victory.

On the other hand, Gifford Pinchot, from the time of the Pinchot-Ballinger controversy under President Taft, has been nationally known, so to speak, as a liberal, to the point of being a radical.

So when REED defeated Pinchot decisively—even in rockribbed Pennsylvania—it was taken in political circles as decisive victory for conservatism in government.

And it got the "goat" of the Roosevelt Democrats, even though it was purely a Republican primary fight.

In fact, the Pennsylvania primary got the "goat" of Senator JOE ROBINSON and other Democratic leaders in the Senate so completely that they forgot to analyze the election returns and simply put up the defense that, of course, Pennsylvania is a natural old-line Republican State anyway.

It remained for G. Gould Lincoln, veteran political writer for the Washington Star, himself a conservative on a conservative newspaper—but also one of the fairest writers on one of the fairest newspapers in the United States—to point out that statistically the Roosevelt forces could have made a much better case for themselves if they had analyzed the figures instead of taking the Pinchot defeat as equivalent to a Roosevelt-new-deal defeat.

Lincoln points out—with quiet humor—that there was a Democratic primary held in Pennsylvania the same day, and—but let Lincoln himself explain it:

"Just how far the victory of Senator REED can be held a sure test of sentiment for and against the Roosevelt policies in Pennsylvania is another matter. From the claims of the Republican leaders it might be assumed that all the supporters of REED were opposed to Roosevelt policies and all the supporters of Pinchot were for those policies.

"If that were an exact statement of the case, then it would be necessary to add to the Pinchot vote the vote cast for Mr. Guffey, (Joseph F. Guffey, the Democratic nominee, and an ardent Roosevelt supporter) who certainly was more of an out-and-out Roosevelt new dealer in the campaign than was Governor Pinchot. Mr. Morris (defeated by Guffey for the Democratic nomination) also claimed to be a Roosevelt man and for the Roosevelt policies.

The combined vote of Pinchot and Guffey, from the available returns, was 737,268 votes. If the REED vote was added to the vote cast for Mr. Morris—and this may not be entirely fair, since

Mr. Morris claimed also to be a Roosevelt man—the total is 607,074. The difference between the Roosevelt vote and the anti-Roosevelt vote—using the argument of the Republican leaders themselves—is about 120,000 in favor of Roosevelt's new deal.

"It seems surprising that the Democratic leaders, instead of seeking to show that a Roosevelt victory was not to be expected in rockribbed Republican Pennsylvania, did not instantly claim a victory for the Roosevelt new deal.

It seems to this particular amateur political observer, however, that the important thing in national politics to the agricultural Mississippi-Missouri Valley, to the Southwest, and to the agricultural sections of the Far West, is not Roosevelt at all.

Unless there is some sort of a miracle, Franklin D. Roosevelt will not be reelected President in 1936. It is not in the cards. No matter how far out of the depression the country has emerged by 1936, it will not have come far enough to be satisfactory. The voters will demand a different deal, whether another new deal or a square deal or just a change. Odds are that political control will shift from one side to another for the next three or four national elections. That has been history under somewhat similar circumstances.

So it seems here that the important thing to the agricultural States is not Roosevelt, the Democrat, and whether his policies—and they will prove to be many and varied between now and 1936—stands with the country.

Instead the important thing for Kansas and sister States is what group will dominate and what policies will prevail in the Republican ranks by 1936.

Factually it is a far cry from the republicanism of William McKinley, of Theodore Roosevelt, Jr., and even of William Howard Taft, to the republicanism of the era of Warren G. Harding, Calvin Coolidge, and Herbert Hoover. The word "era" of Harding, Coolidge, and Hoover is used advisedly, or at least intentionally. For it was the New York Stock Exchange, financial interests, and high-tariff industrialists who dominated financial, business, and governmental policies during the Harding, Coolidge, and Hoover administrations.

Two of the things accomplished during the present administration probably will last, though in modified form, through several administrations to come, no matter what happens in the national-election years. Those two things are the change in control of the monetary system, including the banking system, and regulation of the stock exchange and issuance of securities. Neither was a politically partisan measure. Monetary change was forced and will continue to be forced by international trade conditions and by the break-down of the credit structure through misunderstanding of the functions of money and credit by financiers. And the stock exchanges have become too important to every business and every individual to be allowed to operate as they please, without regulation, again.

Roughly, that leaves planned economy—the N.R.A. and the A.A.A.—and the tariff, for political issues in the 1936 and to a large measure in the 1934 campaigns.

On the tariff issue the Republicans themselves very likely will have to make a choice between the policy of McKinley, as enunciated more recently, in part at least, by Ogden Mills in his Topeka speech last January, on the one hand, and the policy of such present-day spokesmen as Senator DAVE REED, of Pennsylvania, Senator DANIEL O. HASTINGS, of Delaware, Representative BERT SNELL, of New York, and what might be termed the New England-Pennsylvania industrialist group on the other hand.

Now the general industrial view is that the most desirable condition in industry consists of cheap manufacturing costs—low wages, machine efficiency, and cheap foodstuffs—plus high prices for manufactured products. That objective, from the short-range viewpoint at least, would be best attained by high protective industrial tariffs, low priced farm prices, and the price-fixing possibilities of the N.R.A.

In other words, if the Reed-Hastings-Snell, New England-Pennsylvania, combination has its way, the Republican Party in 1936 will stand for high protective tariffs on manufactured products, cheap foodstuffs, and price fixing for manufactured products.

The objective of the Agricultural Adjustment Act—its machinery may be effective or ineffective, experiment will determine that—but the objective is prices for farm products at least as high, relatively, as prevailed in 1910–14.

The objective of the N.R.A. is high wages and maintenance of prices.

In other words, the purely industrial group, if given control, would do away with the objective of the A.A.A. entirely, and would eliminate the high-wage objects of the N.R.A., but would retain that part of the N.R.A. which makes possible the maintenance of prices for finished products.

Hence, the importance to Kansas and the other agricultural States, in what groups and interests control the policies and candidates of the Republican Party in 1936. If the purely industrial group from northeast United States controls the Republican Party, that will be one thing. If the Republican Party is dominated—or even has a balanced power—that realizes the importance of balancing the national economy by having both high wages and farm prices high enough to give purchasing power to the agricultural sections, that is another thing.

It begins to look as if the Mississippi-Missouri Valley will be the real battle ground in the political battle which will determine the control and policies of the Republican Party.

If the great valley between the Appalachians and the Rocky Mountains can be weaned away from the efforts to raise farm incomes, the objectives of the Agricultural Adjustment Act, and the fight to bring down tariff restrictions sufficiently to give this territory a fighting chance in the world markets, will go into the discard.

If the farmers do not want the A.A.A., the industrial section certainly will not try to retain the program. The industrial section wants cheap foodstuffs, no matter what the final price in lack of purchasing power might be. Also if the industrial group wins, the price fixing and monopolistic possibilities of the N.R.A. will be retained; the wage provisions will go into the discard.

Briefly stated, the foregoing are the reasons why it seems to one observer—and, of course, all this is largely a matter of opinion—that it is far more important to Kansas what groups and what interests are going to control the policies of the outs—the Republicans—in 1936, than how much we like President Roosevelt and the rather elusive new deal.

The political pendulum seems to have started its swing away from President Franklin D. Roosevelt. But it will be a sad day for Kansas if it swings as far as Senator DAVE REED, of Pennsylvania.

Just a personal word about Senator DAVE REED. This observer has a great admiration for his undoubted ability, for his courage, for his sense of loyalty to ideals—but his vision, and the vision of those who train with him, can never see beyond the western limits of the State of Pennsylvania.

COINAGE OF 50-CENT PIECES COMMEMORATING TWO HUNDREDTH ANNIVERSARY OF THE BIRTH OF DANIEL BOONE

The SPEAKER. The Chair lays before the House the following Senate concurrent resolution.

The Clerk read as follows:

Senate Concurrent Resolution 18

Resolved by the Senate (the House of Representatives concurring), That the action of the Speaker of the House of Representatives and of the President of the Senate in signing the enrolled bill (S. 3355) to authorize the coining of 50-cent pieces in commemoration of the two-hundredth anniversary of the birth of Daniel Boone, be rescinded, and that the Secretary of the Senate be authorized and directed to reenroll the bill with the following amendment:

Before the period at the end of section 1 insert a semicolon and the following: "but the United States shall not be subject to the expense of making the models or master dies or other preparations for this coinage."

The Senate concurrent resolution was agreed to.

AMENDMENT OF THE LAW RELATIVE TO CITIZENSHIP AND NATURALIZATION

The SPEAKER. The Chair lays before the House the following Senate concurrent resolution.

The Clerk read as follows:

Senate Concurrent Resolution 19

Resolved by the Senate (the House of Representatives concurring), That the President of the United States be, and he is hereby, requested to return to the House of Representatives the enrolled bill (H.R. 3673) to amend the law relative to citizenship and naturalization, and for other purposes; that if and when the said bill is returned, the action of the Speaker of the House and of the President of the Senate in signing the said bill be deemed to be rescinded; and that the Clerk of the House of Representatives be, and he is hereby, authorized and directed to reenroll the said bill with the following amendments, viz:

On page 2, line 1, of the House engrossed bill, strike out the following: "and unless the child, in" and insert in lieu thereof a period and the word "In".

On page 2, line 2, of said engrossed bill, after the word "alien" and the comma, insert the following: "the right of citizenship shall not descend unless the child".

Mr. O'CONNOR. Mr. Speaker, reserving the right to object, it seems that almost every bill that is passed by the House has to be called back for correction; I do not know how many there have been, but it seems like a waste of time. Every day we have one or two bills which, having passed both Houses of Congress and having been enrolled by the enrolling clerks, have to be called back and the work done over again. I believe it is a situation that deserves the attention of the leadership of the House.

The SPEAKER. In defense of the enrolling clerks, the Chair will state that this is but the third bill that has come back this session; and they have had more bills to enroll than they have ever before had at one session.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I should like to ask the gentleman from New York if this is anything but a clarifying amendment, if it involves any substantial change in the way the bill was passed.

Mr. DICKSTEIN. None at all.

Mr. McFADDEN. Mr. Speaker, reserving the right to object, will the gentleman from New York explain the effect of this amendment?

Mr. DICKSTEIN. The bill is the so-called "woman's equality bill" that was passed by the House and unanimously passed by the Senate. It is now at the White House. The Attorney General has found certain clarifying amendments necessary. We discussed the clarifying amendments at the White House. The bill has got to go back tomorrow. It is most urgent that this bill be returned so that it may be enacted into law as passed by the House and the Senate 8 days ago, and I hope the gentleman will not object.

The SPEAKER. Without objection the Senate concurrent resolution will be agreed to.

There was no objection.

Mrs. JENCKES of Indiana. Mr. Speaker, in connection with the Senate concurrent resolution just agreed to by the House I wish to state that I have been very active in connection with women's organizations interested in this particular piece of legislation, and I assure my colleagues that the changes are perfectly agreeable to them.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 7306. An act to amend section 10 of the act entitled "An act extending the homestead laws and providing for right-of-way for railroads in the District of Alaska, and for other purposes", approved May 14, 1898, as amended;

H.R. 7356. An act to provide, in case of the disability of senior circuit judges, for the exercise of their powers and the performance of their duties by the other circuit judges;

H.R. 9092. An act to authorize the Secretary of War to lend to the housing committee of the United Confederate Veterans 250 pyramidal tents, complete; fifteen 16- by 80- by 40-foot assembly tents; thirty 11- by 50- by 15-foot hospital-ward tents; 10,000 blankets, olive drab, no. 4; 5,000 canvas cots; 20 field ranges, no. 1; 10 field bake ovens; to be used at the encampment of the United Confederate Veterans, to be held at Chattanooga, Tenn., in June 1934; and

H.R. 9394. An act to authorize the Federal Radio Commission to purchase and enclose additional land at the radio station near Grand Island, Nebr.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1328. An act to provide for the donation of certain Army equipment to posts of the American Legion;

S. 1882. An act to authorize the Secretary of the Interior to issue patents for lots to Indians within the Indian village of Taholah, on Quinaielt Indian Reservation, Wash.;

S. 2042. An act to establish a department of physics at the United States Military Academy, at West Point, N.Y.;

S. 2794. An act to amend the Longshoremen's and Harbor Workers' Compensation Act with respect to rates of compensation, and for other purposes;

S. 3397. An act to amend the laws relating to the length of tours of duty in the Tropics and certain foreign stations in the case of officers and enlisted men of the Army, Navy, and Marine Corps, and for other purposes; and

S. 3436. An act limiting the operation of sections 109 and 113 of the Criminal Code and section 190 of the Revised Statutes of the United States with respect to counsel in certain proceedings against the Electro-Metallurgical Co., New-Kanawha Power Co., and the Union Carbide & Carbon Corporation.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H.R. 7306. An act to amend section 10 of the act entitled "An act extending the homestead laws and providing for right-of-way for railroads in the District of Alaska, and for other purposes", approved May 14, 1898, as amended;

H.R. 7356. An act to provide, in case of the disability of senior circuit judges, for the exercise of their powers and the performance of their duties by the other circuit judges;

H.R. 9092. An act to authorize the Secretary of War to lend to the housing committee of the United Confederate Veterans 250 pyramidal tents, complete; fifteen 16- by 80- by 40-foot assembly tents; thirty 11- by 50- by 15-foot hospital-ward tents; 10,000 blankets, olive drab, no. 4; 5,000 canvas cots; 20 field ranges, no. 1; 10 field bake ovens, to be used at the encampment of the United Confederate Veterans, to be held at Chattanooga, Tenn., in June 1934; and

H.R. 9394. An act to authorize the Federal Radio Commission to purchase and enclose additional land at the radio station near Grand Island, Nebr.

ADJOURNMENT

Mr. BYRNS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 14 minutes p.m.) the House, pursuant to its previous order, adjourned until tomorrow, Wednesday, May 23, 1934, at 11 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

479. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Treasury Department amounting to $25,000 (H.Doc. No. 378); to the Committee on Appropriations and ordered to be printed.

480. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year ending June 30, 1935, for the Forest Service, Department of Agriculture, for forest-fire cooperation, amounting to $225,000 (H.Doc. No. 379); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. HEALEY: Committee on the Judiciary. H.R. 9547. A bill to amend section 766 of the Revised Statutes, as amended; without amendment (Rept. No. 1726). Referred to the House Calendar.

Mr. McREYNOLDS: Committee on Foreign Affairs. House Joint Resolution 347. Joint resolution to prohibit the sale of arms or munitions of war in the United States under certain conditions; without amendment (Rept. No. 1727). Referred to the House Calendar.

Mr. KENNEDY of Maryland: Report No. 1728 on disposition of useless papers in the Department of Commerce. Ordered to be printed.

Mr. PATMAN: Committee on the District of Columbia. S. 3257. An act to change the designation of Four-and-a-half Street SW. to Fourth Street; without amendment (Rept. No. 1729). Referred to the House Calendar.

Mr. SMITH of West Virginia: Committee on Mines and Mining. H.R. 7984. A bill to amend section 5 of the act of March 2, 1919, generally known as the "War Minerals Relief Statutes"; without amendment (Rept. No. 1740). Referred to the Committee of the Whole House on the state of the Union.

Mr. VINSON of Georgia: Committee on Naval Affairs. H.R. 4554. A bill to amend section 4808 of the Revised Statutes (U.S.C., title 24, sec. 3) to prevent discriminatory reductions in pay of the retired personnel of the Navy and Marine Corps; without amendment (Rept. No. 1741). Referred to the Committee of the Whole House on the state of the Union.

Mr. PALMISANO: Committee on the District of Columbia. H.R. 9622. A bill to amend subsection (a) of section 23 of the District Alcoholic Beverage Control Act; without amendment (Rept. No. 1742). Referred to the Committee of the Whole House on the state of the Union.

Mr. PALMISANO: Committee on the District of Columbia. H.R. 9180. A bill relating to the incorporation of Columbus University of Washington, D.C., organized under and by virtue of a certificate of incorporation pursuant to the incorporation laws of the District of Columbia as provided in subchapter 1 of chapter 18 of the Code of Laws of the District of Columbia; without amendment (Rept. No. 1743). Referred to the House Calendar.

Mr. BANKHEAD: Committee on Rules. House Resolution 393. Resolution for the consideration of S. 3025, a bill to amend section 12B of the Federal Reserve Act so as to extend for 1 year the temporary plan for deposit insurance, and for other purposes; without amendment (Rept. No. 1744). Referred to the House Calendar.

Mr. FULMER: Committee on Agriculture. H.R. 9690. A bill to place the tobacco-growing industry on a sound financial and economic basis, to prevent unfair competition and practices in the production and marketing of tobacco entering into the channels of interstate and foreign commerce, and for other purposes; without amendment (Rept. No. 1745). Referred to the Committee of the Whole House on the state of the Union.

Mr. WILSON: Committee on Flood Control. S. 3408. An act to provide for a preliminary examination of Cromline Creek, in the State of New York, with a view to the control of its floods; without amendment (Rept. No. 1747). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. MAY: Committee on Military Affairs. H.R. 292. A bill to correct the military record of John S. Cannell, deceased; without amendment (Rept. No. 1730). Referred to the Committee of the Whole House.

Mr. FITZPATRICK: Committee on Military Affairs. H.R. 6121. A bill for the relief of Archie J. McKee; without amendment (Rept. No. 1731). Referred to the Committee of the Whole House.

Mr. MAY: Committee on Military Affairs. S. 1557. An act for the relief of Harry Lee Shaw; without amendment (Rept. No. 1732). Referred to the Committee of the Whole House.

Mr. VINSON of Georgia: Committee on Naval Affairs. H.R.7633. A bill for the relief of George Brackett Cargill, deceased; without amendment (Rept. No. 1733). Referred to the Committee of the Whole House.

Mr. VINSON of Georgia: Committee on Naval Affairs. H.R. 9639. A bill for the relief of George A. Fox; without amendment (Rept. No. 1734). Referred to the Committee of the Whole House.

Mr. RAMSPECK: Committee on Claims. H.R. 4648. A bill for the relief of H. B. Arnold; with amendment (Rept. No. 1735). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on Claims. H.R. 7568. A bill for the relief of John L. Alcock; without amendment (Rept. No. 1736). Referred to the Committee of the Whole House.

Mr. RAMSPECK: Committee on Claims. H.R. 7896. A bill for the relief of Lillian R. Maugans; with amendment (Rept. No. 1737). Referred to the Committee of the Whole House.

Mrs. CLARKE of New York: Committee on Claims. H.R. 8879. A bill for the relief of the widow and next of kin of James J. Curran; with amendment (Rept. No. 1738). Referred to the Committee of the Whole House.

Mr. SEGER: Committee on Claims. H.R. 9259. A bill for the relief of Walter C. Holmes; with amendment (Rept. No. 1739). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Military Affairs was discharged from the consideration of the bill (H.R. 9499) to authorize the award of the Congressional Medal of Honor to Allan Joseph Chamblin, and the same was referred to the Committee on Naval Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. STEAGALL: A bill (H.R. 9720) to amend the national banking laws and for other purposes; to the Committee on Banking and Currency.

By Mr. BOEHNE: A bill (H.R. 9721) authorizing the Spencer County Bridge Commission, of Spencer County, Ind., to construct, maintain, and operate a toll bridge across the Ohio River between Rockport, Ind., and Owensboro, Ky.; to the Committee on Interstate and Foreign Commerce.

By Mr. ELLENBOGEN: A bill (H.R. 9722) to amend the Revenue Act of 1934 by exempting fish oil from the tax of 3 cents per pound when used in the manufacture of paint, linoleum, oilcloth, and other protective coatings; to the Committee on Ways and Means.

By Mr. ZIONCHECK: A bill (H.R. 9723) to revive and reenact the act entitled "An act authorizing the Bainbridge Island Chamber of Commerce, a corporation, its successors and assigns, to construct, maintain, and operate a bridge across Agate Pass connecting Bainbridge Island with the mainland in Kitsap County, State of Washington; to the Committee on Interstate and Foreign Commerce.

By Mr. TRUAX: A bill (H.R. 9724) providing for the purchase of certain inventions, designs, and methods of aircraft parts, aeronautical and aviation technique of Edwin Fairfax Naulty and Leslie Fairfax Naulty, of New York; to the Committee on Patents.

By Mr. DICKSTEIN: A bill (H.R. 9725) to authorize the deportation of the habitual criminal, to guard against the separation from their families of aliens of the noncriminal classes, and for other purposes; to the Committee on Immigration and Naturalization.

By Mr. IGLESIAS: A bill (H.R. 9726) to amend section 38 of the act of March 2, 1917, entitled "An act to provide a civil government for Puerto Rico, and for other purposes"; to the Committee on Insular Affairs.

By Mr. COLLINS of Mississippi: A bill (H.R. 9727) to pay compensation to persons disabled by the use of improperly made jamaica ginger; to the Committee on Interstate and Foreign Commerce.

By Mr. BRITTEN: Resolution (H.Res. 391) to provide for a select committee to investigate the report of the Roosevelt-Darrow Board of Review in the National Recovery Administration; to the Committee on Rules.

By Mr. LOZIER: Resolution (H.Res. 392) providing for the consideration of H.R. 9391; to the Committee on Rules.

By Mr. BANKHEAD: Resolution (H.Res. 393) for the consideration of S. 3025, a bill to amend section 12B of the Federal Reserve Act so as to extend for 1 year the temporary plan for deposit insurance, and for other purposes; to the Committee on Rules.

By Mrs. KAHN: Joint Resolution 351 (H.J.Res. 351) to obtain information with respect to the establishment of a naval supply base within the San Francisco Bay area; to the Committee on Naval Affairs.

By Mr. CANNON of Missouri: Joint resolution (H.J.Res. 352) to provide funds to enable the Secretary of Agriculture to cooperate with States in control of chinch bugs; to the Committee on Appropriations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN: A bill (H.R. 9728) granting a pension to Emma Wood; to the Committee on Invalid Pensions.

By Mr. ANDREWS of New York: A bill (H.R. 9729) to authorize the presentation to Robert O'Leary of a Distinguished Service Cross; to the Committee on Military Affairs.

Also, a bill (H.R. 9730) to authorize the presentation to Garnet C. Williams of a Distinguished Service Cross; to the Committee on Military Affairs.

Also, a bill (H.R. 9731) for the relief of Sarah L. Smith; to the Committee on Claims.

Also, a bill (H.R. 9732) granting a pension to Barney Lucas; to the Committee on Pensions.

By Mr. BOEHNE: A bill (H.R. 9733) granting a pension to Ethel K. Massie; to the Committee on Pensions.

By Mr. KURTZ: A bill (H.R. 9734) granting a pension to Anna E. Woods; to the Committee on Invalid Pensions.

Also, a bill (H.R. 9735) granting a pension to Catherine E. Dunn; to the Committee on Invalid Pensions.

Also, a bill (H.R. 9736) granting a pension to Charles Shollar; to the Committee on Invalid Pensions.

By Mr. LEMKE: A bill (H.R. 9737) for the relief of certain landowners in McKenzie County, N.Dak.; to the Committee on Claims.

By Mr. PETERSON: A bill (H.R. 9738) for the relief of Thomas S. Devane; to the Committee on Claims.

By Mr. WHITE: A bill (H.R. 9739) for the relief of Theodore Bedard, Jr.; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

4729. By Mr. ANDREWS of New York: Resolution adopted by the executive committee of the New York State League of Savings and Loan Associations held in Buffalo on May 11, 1934, favoring program for modernizing and rehabilitating American homes; to the Committee on Banking and Currency.

4730. By Mr. DONDERO: Petition of citizens of Detroit, Mich., protesting against the passage of House bill 9066, known as the "Antifirearms bill"; to the Committee on Ways and Means.

4731. By Mr. FORD: Resolution of California Independent Producers and Refiners, protesting against proposed Federal petroleum act; to the Committee on Interstate and Foreign Commerce.

4732. By Mr. GOODWIN: Petition of the Court of Santa Maria, No. 164, Catholic Daughters of America, Kingston, N.Y., urging support of amendment to Senate bill 2910, relating to section 301, relative to broadcasting time of radio station WLWL; to the Committee on Merchant Marine, Radio, and Fisheries.

4733. By Mr. JAMES: Resolution of the Rotary Club of Ontonagon, Mich., through Laurence E. Chabot, secretary, favoring the present State trunk line through Wisconsin and Michigan changed and designated as a Federal highway known as "US 45"; to the Committee on Roads.

4734. Also, petition of John Wargelin, president of Suomi College, of Hancock, Mich., favoring the passage of House bill 8956; to the Committee on Banking and Currency.

4735. By Mr. LINDSAY: Petition of Freda A. Reichart and others, of Brooklyn, N.Y., favoring the Wagner-Hatfield amendment, Senate bill 3285; to the Committee on Merchant Marine, Radio, and Fisheries.

4736. Also, petition of the Brotherhood of Railroad Trainmen, Cleveland, Ohio, urging support of House bill 7430; to the Committee on Interstate and Foreign Commerce.

4737. Also, petition of the Plunkett-Webster Lumber Co., Inc., New Rochelle, N.Y., urging support of House bill 9620; to the Committee on Banking and Currency.

4738. Also, petition of Elizabeth Leonard and others, of Tuckahoe, N.Y., urging support of the amendment to section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

4739. Also, petition of conference of officers, State Leagues of Building and Loan Associations and Cooperative Banks of the Northeastern States, Newark, N.J., concerning Senate bill 3603 and House bill 9620; to the Committee on Banking and Currency.

4740. Also, petition of Workers' Unemployment Insurance Club, New York City, urging support of House bill 7598; to the Committee on Labor.

4741. Also, petition of Ben Singer, of Brooklyn, N.Y., urging defeat of proposed tax on coconut oil; to the Committee on Ways and Means.

4742. Also, petition of Carl Jacobsen, of Brooklyn, N.Y., concerning proposed tax on coconut oil; to the Committee on Ways and Means.

4743. By Mr. MALONEY of Connecticut: Petition of the Children of Mary Sodality of the Church of the Assumption of the city of Ansonia, Conn., supporting amendment to section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

4744. By Mr. RUDD: Petition of the Brotherhood of Railroad Trainmen, Cleveland, Ohio, urging support of House bill 7430; to the Committee on Interstate and Foreign Commerce.

4745. Also, petition of conference of officers, State Leagues of Building and Loan Associations and Cooperative Banks of the Northeastern States, Newark, N.J., concerning Senate bill 3603 and House bill 9620; to the Committee on Banking and Currency.

4746. By Mr. TABER: Petition of 1,682 signers, urging Congress to pass a bill providing for loans to industries; to the Committee on Banking and Currency.

4747. By the SPEAKER: Petition of Charles Forney, opposing House bill 8301; to the Committee on Interstate and Foreign Commerce.

SENATE

WEDNESDAY, MAY 23, 1934

(Legislative day of Thursday, May 10, 1934)

The Senate met at 11 o'clock a.m., on the expiration of the recess.

THE JOURNAL

On motion of Mr. HARRISON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day, Tuesday, May 22, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had concurred in the following concurrent resolutions of the Senate:

S.Con.Res. 18. Concurrent resolution authorizing the reenrollment of S. 3355 with an amendment; and

S.Con.Res. 19. Concurrent resolution requesting the President of the United States to return to the House of Representatives the enrolled bill (H.R. 3673) and authorizing its reenrollment with amendments.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 1328. An act to provide for the donation of certain Army equipment to posts of the American Legion;

S. 1882. An act to authorize the Secretary of the Interior to issue patents for lots to Indians within the Indian village of Taholah, on the Quinaielt Indian Reservation, Wash.;

S. 2042. An act to establish a department of physics at the United States Military Academy at West Point, N.Y.;

S. 2794. An act to amend the Longshoremen's and Harbor Workers' Compensation Act with respect to rates of compensation, and for other purposes;

S. 3397. An act to amend the laws relating to the length of tours of duty in the Tropics and certain foreign stations in the case of officers and enlisted men of the Army, Navy, and Marine Corps, and for other purposes; and

S. 3436. An act limiting the operation of sections 109 and 113 of the Criminal Code and section 190 of the Revised Statutes of the United States with respect to counsel in certain proceedings against the Electro-Metallurgical Co., New-Kanawha Power Co., and the Union Carbide & Carbon Corporation.

PETITIONS AND MEMORIALS

Mr. TYDINGS presented a resolution adopted by the Maryland Branch of the Women's International League for Peace and Freedom, Baltimore, Md., favoring the passage of the so-called "Costigan-Wagner antilynching bill", which was ordered to lie on the table.

Mr. ROBINSON of Arkansas presented a telegram in the nature of a memorial from the Fayetteville (Ark.) Building and Loan Association, remonstrating against the adoption of certain sections of the bill (S. 3603) to improve Nation-wide housing standards, provide employment, and stimulate industry; to improve conditions with respect to home-mortgage financing, to prevent speculative excesses in new mortgage investment, and to eliminate the necessity for costly second mortgage financing, by creating a system of mutual mortgage insurance and by making provision for the organization of additional institutions to handle home financing; to promote thrift and protect savings; to amend the Federal Home Loan Bank Act; to amend the Federal Reserve Act; and for other purposes, which was referred to the Committee on Banking and Currency.

Mr. STEPHENS. Mr. President, there have been many petitions presented with reference to relief for persons suffering from "jake" paralysis. These petitions were signed by several thousand citizens. I have been requested to present the petitions for publication in the RECORD. I request that one petition be published and appropriately referred. All the other petitions are in the same language.

There being no objection, the petition was referred to the Committee on Claims and ordered to be printed in the RECORD, as follows:

To His Excellency the Honorable FRANKLIN DELANO ROOSEVELT,
President of the United States.
To the Honorable PAT HARRISON and H. D. STEPHENS,
Senators from the State of Mississippi.
To the Honorable JOHN E. RANKIN, WALL DOXEY, W. M. WHITTINGTON, JEFF BUSBY, ROSS A. COLLINS, W. M. COLMER, AND RUSSELL ELLZEY,
Congressmen from the State of Mississippi:

We, the undersigned citizens of Lauderdale County, Miss., being victims of peripheral neuritis, or "jake" paralysis, and the friends of said victims, hereby respectfully petition, request, and demand, as citizens of the United States, that you—

First. Cause an investigation to be made fixing and determining the responsibility of whatever governmental agency who, through failure, neglect of duty, or willfulness, permitted or caused the substance which caused said paralysis to be placed upon the market;

Second. Feeling that a governmental agency has fallen down, failed, neglected, and refused to function, and that as a result of such dereliction of duty numerous citizens of the United States have become invalids, cripples, and charges upon the State, counties, and municipalities, or upon their families, we respectfully request that you deal with us fairly, justly, and impartially; that you accord to the victims of this dreadful malady the same treatment that you yourselves would ask for, if you were the victims of neglect, the willfulness, or the wantonness that caused a large number of our citizens to become invalids as a result of said failure, neglect, or willfulness on the part of whatever governmental agency was responsible for said unfortunate occurrence;

Third. We respectfully ask, petition, and request that you use your influence to the end that Congress and the Government of the United States may, insofar as possible, right the wrong done to these unfortunates and place them again, as nearly as possible, in the position that they were before they became and are the victims of this neglect or willfulness;

Fourth. We feel, in asking that you do this, that we are only asking that which is right, which is fair, which is just, and, above all, which is equitable. We feel that these unfortunate victims have been denied the equal protection of the law, deprived of their constitutional rights, and are either the victims of a willful bunch of fanatics or of a grafting lot of exploiters who were willing to build their fortunes by rendering helpless a large percentage of the citizens of the United States, who have been deprived of their right to health and pursuit of happiness, and who have been rendered charges on either the State, counties, and municipalities, or their relatives; and

In conclusion, let us again adjure you that we do not seek alms or charity but that we simply ask justice and fair treatment at the hands of the Government, which each and every signer of this petition, if called upon, will gladly maintain, at the sacrifice of his own life.

REGULATION OF TRAFFIC IN FOOD AND DRUGS

Mr. GOLDSBOROUGH. Mr. President, I hold in my hand copy of a resolution recently adopted by the Inland Daily Press Association, asking that Senate bill No. 2800, now pending before this body, be recommitted to the Committee on Commerce for further consideration.

I ask unanimous consent that this resolution may lie on the table and be printed in the RECORD.

There being no objection, the resolution was ordered to lie on the table and to be printed in the RECORD, as follows:

Resolved, That the Inland Daily Press Association, with membership of 246 leading daily newspapers of the Middle West, and having been in operation for over 49 years, in regular session at the Stevens Hotel, Chicago, this week, requests that Senate File No. 2800, known as "food and drug bill", be returned to committee for further consideration of amendments proposed by the industries affected, concerning, first, the definition of advertising; second, the definition of false advertising; and third, proposing the appointment by the President of an Administration Board of Review to which an advertiser may appeal from any decision that he has violated the act. The Inland Daily Press Association very earnestly supports the amendments endorsed by the American Newspaper Publishers Association.

REPORTS OF COMMITTEES

Mr. WALSH, from the Committee on Naval Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 829. An act for the relief of Denis Healy (Rept. No. 1092); and

S. 2787. An act for the relief of Michael F. Calnan (Rept. No. 1093).

Mr. DIETERICH, from the Committee on Naval Affairs, to which was referred the bill (H.R. 6246) granting 6 months' pay to Annie Bruce, reported it without amendment and submitted a report (No. 1094) thereon.

Mr. STEPHENS, from the Committee on Commerce, to which was referred the bill (S. 3415) authorizing the State of Michigan by and through the Mackinac Straits Bridge Authority, its successors and assigns, to construct, maintain, and operate a bridge or series of bridges across the Straits of Mackinac at or near a point between St. Ignace, Mich., and the Lower Peninsula of Michigan, reported it without amendment and submitted a report (No. 1103) thereon.

Mr. SHEPPARD, from the Committee on Commerce, to which was referred the bill (S. 3604) to authorize the Bainbridge Island Chamber of Commerce, a corporation, its successors and assigns, to construct, maintain, and operate a bridge across Agate Pass connecting Bainbridge Island with the mainland in Kitsap County, State of Washington, reported it with amendments and submitted a report (No. 1095) thereon.

He also, from the same committee, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 3553. An act to provide for the creation of a commission to examine into and report the clear height above the water of the bridge authorized to be constructed over the Hudson River from Fifty-seventh Street, New York, to New Jersey (Rept. No. 1096);

S. 3615. An act authorizing the county of Wahkiakum, a legal political subdivision of the State of Washington, to construct, maintain, and operate a bridge and approaches thereto across the Columbia River between Puget Island and the mainland, Cathlamet, State of Washington (Rept. No. 1097);

H.R. 9320. An act to further extend the times for commencement and completing the construction of a bridge across the Missouri River at or near Garrison, N.Dak. (Rept. No. 1098);

H.R. 9326. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near York Furnace, Pa. (Rept. No. 1099);

H.R. 9401. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near Middletown, Dauphin County, Pa. (Rept. No. 1100);

H.R. 9530. An act granting the consent of Congress to the county of Pierce, a legal subdivision of the State of Washington, to construct, maintain, and operate a toll bridge across Puget Sound, State of Washington, at or near a point commonly known as "The Narrows" (Rept. No. 1101); and

H.R. 9585. An act authorizing the city of Sault Ste. Marie, Mich., its successors and assigns, to construct, maintain, and operate a bridge across the St. Marys River at or near Sault Ste. Marie, Mich. (Rept. No. 1102).

Mr. WHITE, from the Committee on Claims, to which was referred the bill (H.R. 4541) for the relief of George Dacas, reported it without amendment and submitted a report (No. 1104) thereon.

He also, from the same committee, to which was referred the bill (H.R. 7437) for the relief of E. C. West, reported it with an amendment and submitted a report (No. 1105) thereon.

He also, from the same committee, to which were referred the following bills, reported them each with amendments and submitted reports thereon:

S. 171. An act for the relief of certain purchasers of lands in the borough of Brooklawn, State of New Jersey (Rept. No. 1106); and

S. 3394. An act for the relief of the Grier-Lowrence Construction Co. (Rept. No. 1107).

Mr. TOWNSEND, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H.R. 2748. An act for the relief of A. C. Francis (Rept. No. 1108);

H.R. 2749. An act for the relief of E. B. Rose (Rept. No. No. 1109);

H.R. 4932. An act for the relief of Judd W. Hulbert (Rept. No. 1110);

H.R. 5935. An act for the relief of Oscar P. Cox (Rept. No. 1111);

H.R. 6890. An act for the relief of Mrs. Pleasant Lawrence Parr (Rept. No. 1112); and

H.R. 7028. An act for the relief of Mrs. Joseph Roncoli (Rept. No. 1113).

Mr. LOGAN, from the Committee on Claims, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

H.R. 4272. An act for the relief of Annie Moran (Rept. No. 1114); and

H.R. 5780. An act for the relief of Lt. H. W. Taylor, United States Navy (Rept. No. 1115).

Mr. LOGAN also, from the Committee on Claims, to which were referred the following bills, reported them severally with an amendment and submitted reports thereon:

S. 3516. An act for the relief of the Morgan Decorating Co. (Rept. No. 1116);

H.R. 194. An act to refund to Caroline M. Eagan income tax erroneously and illegally collected (Rept. No. 1117); and

H.R. 5736. An act for the relief of Shelby J. Beene, Mrs. Shelby J. Beene, Leroy T. Waller, and Mrs. Leroy T. Waller (Rept. No. 1118).

Mr. BAILEY (for Mr. CAPPER), from the Committee on Claims, to which was referred the bill (S. 527) for the relief of Lillian Morden, reported it without amendment and submitted a report (No. 1119) thereon.

Mr. SMITH, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 3326) to amend the Agricultural Adjustment Act, and for other purposes, reported it with an amendment and submitted a report (No. 1120) thereon.

Mr. BACHMAN, from the Committee on Military Affairs, to which was referred the bill (S. 1137) for the relief of Ruth J. Barnes, reported it without amendment and submitted a report (No. 1121) thereon.

Mr. BLACK, from the Committee on Military Affairs, to which was referred the bill (S. 771) for the relief of James Darcy, reported it with amendments and submitted a report (No. 1122) thereon.

Mr. BYRNES, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which were referred the following resolutions, reported them each without amendment:

S.Res. 173. Resolution creating a special committee to investigate contributions and expenditures in senatorial contests in 1934; and

S.Res. 223. Resolution granting a gratuity to Mary Allen Young.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SMITH:

A bill (S. 3670) to place the tobacco-growing industry on a sound financial and economic basis, to prevent unfair competition and practices in the production and marketing of tobacco entering into the channels of interstate and foreign commerce, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. TYDINGS:

A bill (S. 3671) to extend the benefits of the United States Employees' Compensation Act of September 7, 1916, to Ethel Smith McDaniel, widow of Travis McDaniel; to the Committee on Claims.

By Mr. JOHNSON:

A bill (S. 3672) to provide funds for cooperation with the public-school board at Covello, Calif., in the construction of public-school buildings to be available to Indian children of the Round Valley Reservation, Calif.; to the Committee on Indian Affairs.

By Mr. WHEELER:

A bill (S. 3673) to provide funds for cooperation with school district no. 23, Polson, Mont., in the improvement and extension of school buildings to be available to both Indian and white children; to the Committee on Indian Affairs.

By Mr. COPELAND:

A bill (S. 3674) for the relief of Dino Carbonell; to the Committee on Claims.

RECIPROCAL TARIFF AGREEMENTS—AMENDMENT

Mr. BARBOUR submitted an amendment intended to be proposed by him to the bill (H.R. 8687) to amend the Tariff Act of 1930, which was ordered to lie on the table and to be printed.

AMENDMENT TO FIRST DEFICIENCY BILL

Mr. TYDINGS submitted an amendment intended to be proposed by him to the first deficiency appropriation bill, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed, as follows:

At the proper place in the bill to insert the following new section:

"SEC. —. In the case of widows and dependents of officers and enlisted men of the Army, Navy, or Marine Corps who served on the airships *Akron* and *J–3* and who died in the accidents resulting in the destruction of such airships in April 1933 the amount of pension allowed shall be double that authorized by law or regulation of the President to be paid in cases where death results from an injury received or disease contracted in line of duty not the result of an aviation accident."

THE AIR MAIL—CONFERENCE REPORT (S.DOC. NO. 182)

Mr. McKELLAR submitted a conference report, which was ordered to lie on the table and to be printed, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3170) to revise air-mail laws having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

"That the act of April 29, 1930 (46 Stat. 259, 260; U.S.C., Supp. VII, title 39, secs. 464, 465c, 465d, and 465f), and the sections amended thereby are hereby repealed.

"SEC. 2. (a) Effective July 1, 1934, the rate of postage on air mail shall be 6 cents for each ounce or fraction thereof.

"(b) When used in this act—

"(1) The term 'air mail' means mail of any class prepaid at the rate of postage prescribed in subsection (a) of this section.

"(2) The term 'person' includes an individual, partnership, association, or corporation.

"(3) The term 'pilot' includes copilot.

"SEC. 3. (a) The Postmaster General is authorized to award contracts for the transportation of air mail by airplane between such points as he may designate, and for initial periods of not exceeding one year, to the lowest responsible bidders tendering sufficient guaranty for faithful performance in accordance with the terms of the advertisement at fixed rates per airplane-mile: *Provided*, That where the Postmaster General holds that a low bidder is not respon-

sible or qualified under this act, such bidder shall have the right to appeal to the Comptroller General, who shall speedily determine the issue, and his decision shall be final: *Provided further,* That the base rate of pay which may be bid and accepted in awarding such contracts shall in no case exceed 33⅓ cents per airplane-mile for transporting a mail load not exceeding 300 pounds. Payment for transportation shall be at the base rate fixed in the contract for the first 300 pounds of mail or fraction thereof plus one tenth of such base rate for each additional 100 pounds of mail or fraction thereof, computed at the end of each calendar month on the basis of the average mail load carried per mile over the route during such month, except that in no case shall payment exceed 40 cents per airplane-mile.

"(b) No contract or interest therein shall be sold, assigned, or transferred by the person to whom such contract is awarded, to any other person without the approval of the Postmaster General; and upon any such transfer without such approval, the original contract, as well as such transfer, shall at the option of the Postmaster General become null and void.

"(c) If, in the opinion of the Postmaster General, the public interest requires it, he may grant an extension of any route, for a distance not in excess of 100 miles, and only one such extension shall be granted to any one person, and the rate of pay for such extension shall not be in excess of the contract rate on that route.

"(d) The Postmaster General may designate certain routes as primary and secondary routes and shall include at least four transcontinental routes and the eastern and western coastal routes among primary routes. The character of the designation of such routes shall be published in the advertisements for bids, which bids may be asked for in whole or in part of such routes.

"(e) If on any route only one bid is received, or if the bids received appear to the Postmaster General to be excessive, he shall either reject them or submit the same to the Interstate Commerce Commission for its direction in the premises before awarding the contract.

"(f) The Postmaster General shall not award contracts for air-mail routes or extend such routes in excess of an aggregate of 29,000 miles, and shall not establish schedules for air-mail transportation on such routes and extensions in excess of an annual aggregate of 40,000,000 airplane-miles.

"(g) Authority is hereby conferred upon the Postmaster General to provide and pay for the carriage of mail by air in conformity with the terms of any contract let by him prior to the passage of this act, or which may be let pursuant to a call for competitive bids therefor issued prior to the passage of this act, and to extend any such contract for an additional period or periods not exceeding 9 months in the aggregate, at a rate of compensation not exceeding that established by this act nor that provided for in the original contract: *Provided,* That no such contract may be so extended unless the contractor shall agree in writing to comply with all the provisions of this act during the extended period of the contract.

"SEC. 4. The Postmaster General shall cause advertisements of air-mail routes to be conspicuously posted at each such post office that is a terminus of the route named in such advertisement, for at least 20 days, and a notice thereof shall be published at least once a week for 2 consecutive weeks in some daily newspaper of general circulation published in the cities that are the termini for the route before the time of the opening of bids.

"SEC. 5. After the bids are opened, the Postmaster General may grant to a successful bidder a period of not more than 30 days from the date of award of the contract to take the steps necessary to qualify for mail services under the terms of this act: *Provided,* That, at the time of the award, the successful bidder executes an adequate bond with sufficient surety guaranteeing and assuring that, within such period, said bidder will fully qualify under the act faithfully to execute and to carry out the terms of the contract: *Provided further,* That, if there is a failure so to qualify, the amount designated in the bond will be forfeited and paid to the United States of America.

"SEC. 6. (a) The Interstate Commerce Commission is hereby empowered and directed, after notice and hearing, to fix and determine by order, as soon as practicable and from time to time, the fair and reasonable rates of compensation for the transportation of air mail by airplane and the service connected therewith over each air-mail route, but not in excess of the rates provided for in this act, prescribing the method or methods by weight or space, or both, or otherwise, for ascertaining such rates of compensation, and to publish the same, which shall continue in force until changed by the said Commission after due notice and hearing.

"(b) The Interstate Commerce Commission is hereby directed, at least once in every calendar year from the date of letting of any contract, to review the rates of compensation being paid to the holder of such contract, in order to be assured that no unreasonable profit is resulting or accruing therefrom. In determining what may constitute an unreasonable profit, the said Commission shall take into consideration all forms of gross income derived from the operation of airplanes over the route affected.

"(c) Any contract which may hereafter be let or extended pursuant to the provisions of this act, and which has been satisfactorily performed by the contractor during its initial or extended period, shall thereafter be continued in effect for an indefinite period, subject to any reduction in the rate of payment therefor, and such additional conditions and terms, as the said Commission may prescribe, which shall be consistent with the requirements of this act; but any contract so continued in effect may be terminated by the said Commission upon 60 days' notice, upon such hearing and notice thereof to interested parties as the Commission may determine to be reasonable; and may also be terminated by the contractor at its option upon 60 days' notice. On the termination of any air-mail contract, in accordance with any of the provisions of this act, the Postmaster General may let a new contract for air-mail service over the route affected, as authorized in this act.

"(d) All provisions of section 5 of the act of July 28, 1916 (39 Stat. 412; U.S.C., title 39, secs. 523 to 568, inclusive), relating to the administrative methods and procedure for the adjustment of rates for carriage of mail by railroads shall be applicable to the ascertainment of rates for the transportation of air mail by airplane under this act so far as consistent with the provisions of this act. For the purposes of this section the said Commission shall also have the same powers as the Postmaster General is authorized to exercise under section 10 of this act with respect to the keeping, examination, and auditing of books, records, and accounts of air-mail contractors, and it is authorized to employ special agents or examiners to conduct such examination or audit, who shall have power to administer oaths, examine witnesses, and receive evidence.

"(e) In fixing and determining the fair and reasonable rates of compensation for air-mail transportation, the Commission shall give consideration to the amount of air mail so carried, the facilities supplied by the carrier, and its revenue and profits from all sources, and from a consideration of these and other material elements, shall fix and establish rates for each route which, in connection with the rates fixed by it for all other routes, shall be designed to keep the aggregate cost of the transportation of air mail on and after July 1, 1938, within the limits of the anticipated postal revenue therefrom.

"SEC. 7. (a) After December 31, 1934, it shall be unlawful for any person holding an air-mail contract to buy, acquire, hold, own, or control, directly or indirectly, any shares of stock or other interest in any other partnership, association, or corporation engaged directly or indirectly in any phase of the aviation industry, whether so engaged through air transportation of passengers, express, or mail, through the holding of an air-mail contract, or through the manufacture or sale of airplanes, airplane parts, or other materials or accessories generally used in air transportation, and regardless of whether such buying, acquisition, holding, ownership, or control is done directly, or is accomplished indirectly, through an agent, subsidiary, associate, affiliate, or by any other device whatsoever: *Provided,* That the prohibitions herein

contained shall not extend to interests in landing fields, hangars, or other ground facilities necessarily incidental to the performance of the transportation service of such air-mail contractor, nor to shares of stock in corporations whose principal business is the maintenance or operation of such landing fields, hangars, or other ground facilities.

"(b) After December 31, 1934, it shall be unlawful (1) for any partnership, association, or corporation, the principal business of which, in purpose or in fact, is the holding of stock in other corporations, or (2) for any partnership, association, or corporation engaged directly or indirectly in any phase of the aviation industry, as specified in subsection (a) of this section, to buy, acquire, hold, own, or control, directly or indirectly, either as specified in such subsection (a) or otherwise, any shares of stock or other interests in any other partnership, association, or corporation which holds an air-mail contract.

"(c) No person shall be qualified to enter upon the performance of an air-mail contract, or thereafter to hold an air-mail contract, if at or after the time specified for the commencement of mail transportation under such contract, such person is (or, if a partnership, association, or corporation, has and retains a member, officer, or director that is) a member, officer, director, or stockholder in any other partnership, association, or corporation, whose principal business, in purpose or in fact, is the holding of stock in other corporations, or which is engaged in any phase of the aviation industry, as specified in subsection (a) of this section.

"(d) No person shall be qualified to enter upon the performance of, or thereafter to hold an air-mail contract, (1) if at or after the time specified for the commencement of mail transportation under such contract, such person is (or, if a partnership, association, or corporation, has a member, officer, or director, or an employee performing general managerial duties, that is) an individual who has theretofore entered into any unlawful combination to prevent the making of any bids for carrying the mails: *Provided*, That whenever required by the Postmaster General the bidder shall submit an affidavit executed by the bidder, or by such of its officers, directors, or general managerial employees as the Postmaster General may designate, sworn to before an officer authorized and empowered to administer oaths, stating in such affidavit that the affiant has not entered nor proposed to enter into any combination to prevent the making of any bid for carrying the mails, nor made any agreement, or given or performed, or promised to give or perform, any consideration whatever to induce any other person to bid or not to bid for any mail contract, or (2) if it pays any officer, director, or regular employee compensation in any form, whether as salary, bonus, commission, or otherwise, at a rate exceeding $17,500 per year for full time.

"SEC. 8. Any company alleging to hold a claim against the Government on account of any air-mail contract that may have heretofore been annulled, may prosecute such claim as it may have against the United States for the cancelation of such contract in the Court of Claims of the United States, provided that such suit be brought within 1 year from the date of the passage of this act; and any person not ineligible under the terms of this act who qualifies under the other requirements of this act, shall be eligible to contract for carrying air mail, notwithstanding the provisions of section 3950 of the Revised Statutes (act of June 8, 1872).

"SEC. 9. Each person desiring to bid on an air-mail contract shall be required to furnish in its bid a list of all the stockholders holding more than 5 percent of its entire capital stock, and of its directors, and a statement covering the financial set-up, including a list of assets and liabilities; and in the case of a corporation, the original amount paid to such corporation for its stock, and whether paid in cash, and if not paid in cash, a statement for what such stock was issued. Such information and the financial responsibility of such bidder, as well as the bond offered, may be taken into consideration by the Postmaster General in determining the qualifications of the bidder.

"SEC. 10. All persons holding air-mail contracts shall be required to keep their books, records, and accounts under such regulations as may be promulgated by the Postmaster General, and he is hereby authorized to examine and audit the books, records, and accounts of such contractors and to require a full financial report under such regulations as he may prescribe.

"SEC. 11. Before the establishment and maintenance of an air-mail route the Postmaster General shall notify the Secretary of Commerce, who thereupon shall certify to the Postmaster General the character of equipment to be employed and maintained on each air-mail route. In making this determination the Secretary of Commerce, in his specifications furnished to the Postmaster General, shall determine only the speed, load capacity, and safety features and safety devices on airplanes to be used on the route, which said specifications shall be included in the advertisement for bids.

"SEC. 12. The Secretary of Commerce is authorized and directed to prescribe the maximum flying hours of pilots on air-mail lines, and safe operation methods on such lines, and is further authorized to approve agreements between air-mail operating companies and their pilots and mechanics for retirement benefits to such pilots and mechanics. The Secretary of Commerce is authorized to prescribe all necessary regulations to carry out the provisions of this section and section 11 of this act.

"SEC. 13. It shall be a condition upon the awarding or extending and the holding of any air-mail contract that the rate of compensation and the working conditions and relations for all pilots, mechanics, and laborers employed by the holder of such contract shall conform to decisions of the National Labor Board. This section shall not be construed as restricting the right of collective bargaining on the part of any such employees.

"SEC. 14. The Federal Radio Commission shall give equal facilities in the allocation of radio frequencies in the aeronautical band to those airplanes carrying mail and/or passengers during the time the contract is in effect.

"SEC. 15. After October 1, 1934, no air-mail contractor shall hold more than three contracts for carrying air mail, and in case of the contractor of any primary route, no contract for any other primary route shall be awarded to or extended for such contractor. It shall be unlawful for air-mail contractors, competing in parallel routes, to merge or to enter into any agreement, express or implied, which may result in common control or ownership.

"SEC. 16. The Postmaster General may provide service to Canada within 150 miles of the international boundary line, over domestic routes which are now or may hereafter be established and may authorize the carrying of either foreign or domestic mail, or both, to and from any points on such routes and make payment for services over such routes out of the appropriation for the domestic Air Mail Service: *Provided*, That this section shall not be construed as repealing the authority given by the act of March 2, 1929 (U.S.C., supp. VII, title 39, sec. 465a).

"SEC. 17. The Postmaster General may cause any contract to be canceled for willful disregard of or willful failure by the contractor to comply with the terms of its contract or the provisions of law herein contained and for any conspiracy or acts designed to defraud the United States with respect to such contracts. This provision is cumulative to other remedies now provided by law.

"SEC. 18. Whoever shall enter into any combination, understanding, agreement, or arrangement to prevent the making of any bid for any contract under this act, to induce any other person not to bid for any such contract, or to deprive the United States Government in any way of the benefit of full and free competition in the awarding of any such contract, shall upon conviction thereof be fined not more than $10,000 or imprisoned for not more than 5 years, or both.

"SEC. 19. If any person shall willfully or knowingly violate any provision of this act, his contract, if one shall have been awarded to him, shall be forfeited, and such person

shall upon conviction be punished by a fine of not more than $10,000 or be imprisoned for not more than 5 years.

"SEC. 20. The President is hereby authorized to appoint a commission composed of five members to be appointed by him, not more than three members to be appointed from any one political party, for the purpose of making an immediate study and survey, and to report to Congress not later than February 1, 1935, its recommendations of a broad policy covering all phases of aviation and the relation of the United States thereto. Members appointed who are not already in the service of the United States shall receive compensation of not exceeding the rate of compensation of a Senator or Representative in Congress.

"SEC. 21. Such commission shall organize by electing one of its members as chairman, and it shall appoint a secretary whose salary shall not exceed the rate of $5,000 per annum. Said commission shall have the power to pay actual expenses of members of the commission in the performance of their duties, to employ counsel, experts, and clerks, to subpena witnesses, to require the production by witnesses of papers and documents pertaining to such matters as are within the jurisdiction of the commission, to administer oaths, and to take testimony, and for such purpose there is hereby authorized to be appropriated the sum of $75,000."

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title, and agree to the same with an amendment as follows: In lieu of the title proposed to be inserted by the House amendment insert the following: "An act to revise air-mail laws, and to establish a commission to make a report to the Congress recommending an aviation policy."

And the House agree to the same.

KENNETH MCKELLAR,
HUGO L. BLACK,
CARL HAYDEN,
Managers on the part of the Senate.

JAS. M. MEAD,
M. A. ROMJUE,
D. C. DOBBINS,
Managers on the part of the House.

BISHOP JAMES E. FREEMAN—SERMON BY BISHOP GAILOR

Mr. MCKELLAR. Mr. President, I ask unanimous consent to have printed in the RECORD, as a part of my remarks, a sermon by Bishop Thomas F. Gailor, of Memphis, Tenn., commemorating the fortieth anniversary of the ordination of the Right Reverend James E. Freeman, D.D., Bishop of Washington, Sunday afternoon, May 20, 1934.

Bishop Gailor is one of the greatest men in any church anywhere. He is one of the most eloquent men to whom I ever listened. He is beloved by all in Tennessee—loved for his outspoken stand on all subjects, for his good deeds, for his splendid character, and for all of those qualities which make a man truly great.

His tribute to Bishop Freeman, of Washington, is a high tribute, richly deserved.

I am asking on my own initiative and without the suggestion of anyone else and with the hope that every Senator at least will read every word of it, Mr. President, that this short address be printed in the RECORD. I guarantee that each one will be benefited by doing so.

There being no objection, the sermon was ordered to be printed in the RECORD, as follows:

"If a man seeketh the office of a bishop, he desireth a good work." (I Timothy iii: 1 (revised).)

The seven Greek words used in this sentence have a deeper meaning than that which appears in the literal statement of the text.

The free rendering and the true significance of this great saying of St. Paul is: "The man, who makes an offering of his life to the ministry of the church, sets his heart upon a noble and honorable occupation."

It is worth our while then today, at this anniversary service, to consider for a few moments: (1) What is the significance and value of the Christian ministry? and (2) What appeal does it make to the young men of our country in our time?

The characteristic obligation and privilege of this ministry, as it is described in the New Testament, may be summed up under three heads, viz: It is a witness; it is a stewardship; and it is a priesthood of service.

(1) It is a witness to the grace and truth that came into the world by our Lord Jesus Christ. By the example of the personal life and power of the spoken word, it is to bear testimony to the fact and blessing of the incarnation and to proclaim the message of God's redeeming love to the children of men.

It has no power to invent new truth, but only to bear witness to what was the truth which the church received from Christ.

It is, however, an authoritative witness and speaks for the church and has therefore authority to reprove, rebuke, exhort; to plead as an ambassador for Christ, possessing the word of reconciliation—to impose discipline and to absolve—to bind and to loose.

Brethren, this continuous and unbroken succession of official and authorized witnesses to Christ goes back to the 40 days after the Resurrection, when the great commission was given, "Ye shall be witnesses unto Me." It is the sure guarantee throughout the 18 centuries of Christian history of the unchangeable truth of the gospel—the spiritual and eternal sanctions of right conduct—"the faith once for all delivered to the saints." It is the rock foundation upon which we approach the study of the evidences of Christianity. Its appeal today is as clear and strong and as certain as it was when Paul spoke to the Athenians from Mars Hill, or when Polycarp bore his testimony at Smyrna, or when Chrysostom preached in Constantinople, or Ridley and Latimer stood at the stake at Oxford, or Hannington won his martyr's crown in the midst of darkest Africa.

Through the Christian ages the Christian ministry has borne its witness to the redemptive purpose of God—revealed in His Son, Jesus Christ; through many persecutions and unceasing trial and privation and self-denial, through discouragement and criticism, in the courts of kings and in the homes of the poor—at sick and dying beds and in the far-off wilderness, by precept, by faith and love and long-suffering—never free from human imperfection and the liability to human error, but all the same a witness which has not been equaled for its enthusiasm and consecration, for its simplicity and its beneficence, in the history of the world.

(2) This ministry is a stewardship. As the Apostle says in the First Epistle to the Corinthians, "We are stewards of the mysteries of God", or, again, in the same epistle, "Woe is me if I preach not the gospel, for I have a stewardship intrusted to me."

Although our advancing knowledge and the changing order of the world may by the light of the Holy Spirit open our minds to new aspects of the truth and enrich the content of words and phrases that have come down to us from the past, yet there are exceeding great and precious promises intrusted to the Church, for the pure and faithful transmission of which the ministry is specially responsible. The ministerial succession, in due order and regularity, is itself a trust, with which is involved the preservation of the simplicity and purity of the revealed truth of the gospel, according to that injunction to Timothy, "Oh Timothy, guard that which is committed to thy trust", and "the things which thou hast heard of Me among many witnesses, the same commit thou to faithful men, who shall be able to teach others also" (I Timothy vi : 20 and II Timothy ii : 2). This idea of stewardship is one of the deep and pregnant characterizations of the ministry in the New Testament. Our Lord, speaking to His chosen Apostles, says, "Who is that faithful and wise steward, whom his lord shall set over his household, to give them their portion of food in due season?" "Blessed is that servant, whom his lord, when he cometh, shall find so doing." And St. Paul's declaration seems to be an echo of this, when he says (I Corinthians iv : 1), "Let a man so account of us as of the ministers of Christ and stewards of the mysteries of God. Moreover, it is required in stewards that a man be found faithful."

Here, then, my brethren, the ministry is spoken of as a trusteeship, and the church for 1,800 years has believed it to be a trusteeship of truth and order. This means that there is such a thing as definite truth revealed by God, which must be protected and handed on, and there is such a thing as an authorized and authoritative ministry to whom the care of it has been specially committed.

History tells us how the ministry of the church has discharged this trust. There have been times, no doubt, when ignorance and superstition seemed to get the upper hand, as when the tide of barbarism swept down on southern Europe and when for 7 centuries it seemed almost as if the truth would be entirely smothered by the invasion; but, as Guizot says, the ministry saved it. There were whole generations when the representatives of the ministry seemed to be steeped in bigotry, but the church was never entirely lacking in faithful stewards. And you and I would never be here today enjoying the privileges of liberty in a free church for free men were it not for that sense of stewardship which in the darkest hours of the Middle Ages inspired the hearts and minds of faithful bishops and faithful priests, who handed on through criticism and discouragement and self-sacrificing toil the everlasting truth of the everlasting gospel.

What a fine and noble and inspiring quality of manhood and womanhood that is, the quality of faithfulness to trust, of entire trustworthiness? There can be no higher tribute to a man than that you can trust him through and through and out and out.

There is a story of the Civil War which has thrilled our people in this money-making age and touched their deepest chords of

sympathy. It is the story of a boy, not yet 20 years of age, who was captured within the Federal lines at Pulaski, Tenn., in possession of valuable information as to the fortifications and plans of the Union troops, which he had evidently been intrusted with by someone in the service of that army. He was offered the alternative of declaring the name of his informant or of dying an ignominous death. A free pardon was offered him if only he would disclose the secret. * * * On the scaffold he died, saying, "I would rather die a thousand deaths than betray my trust." And today, upon the hill of the capitol at Nashville, the noble statue of Sam Davis looks out over the busy city, with a look that seems to plead with our young men for the higher interpretation of life, "I have a trust, my manhood, my opportunities, my honor; I have a trust committed to me."

What clearer, higher message has the church for men than that?

To men of wealth she says, "God permits the differences in human life. Some have poverty, some have riches. Some are successful and some are unsuccessful. Let not the prosperous be proud nor the failures be despondent. With every gift of life there is a corresponding responsibility. Sooner or later the Lord of the vineyard will say to you, "Give an account of thy stewardship, for thou mayest be no longer steward." Wealth and intellect, power, influence, and success, these are but trusts that are imposed upon us for which every man shall give account to God; and the solemn and heartfelt recognition of this law of the Almighty Judge would solve most of the social problems of our time.

Brethren, it is the glory and the burden of the Christian ministry that for 18 centuries it has represented to the slow-believing world this ideal of stewardship.

Times may change and we change with them, but today the stewardship of the ministry is as real and the trust as great as when Athanasius disregarded the flattery and the threats of emperors, and stood faithful, contra-mundum, against his world. And the command of the Master is as clear and ringing as it was to St. Paul, "It is required of stewards that a man be found faithful"—not brilliant nor popular nor successful, but faithful to his trust.

(3) For, thirdly, this ministry is priesthood. It carries on and represents to the world that great and sacred truth of the priesthood of Jesus Christ.

Let us think for a moment what this means. All human religion in all ages has expressed itself in priesthood. Man was created with the innate and instinctive desire for approach to God and union with God. Therefore, we find him always making offerings to God through appointed agents. The offerings we call sacrifice and the agents we call priests. Then our Lord came, perfect in His humanity, perfect in His divinity, and made the perfect sacrifice of obedience to God's will.

Even if man had never sinned there would have had to be some such perfect approach to God by perfect obedience, and it was the fact of sin that dyed the Christ's life with the purple tinge of pain.

Therefore, in the last day of His earthly life He instituted a ceremonial rite which should for all time declare and set forth the perfect union between man and God which He had accomplished by His complete obedience, and this rite he enjoined upon His disciples, saying, "This do in remembrance of Me."

The holy eucharist is the restoration of the primative idea of sacrifice. In it there is no element of that shuddering fear and shrinking dread, with which the heathen world brought its slain victims to propitiate the offended majesty of the All-Holy; but it is the sign and symbol of the confidence of man redeemed and restored in Christ, conscious of His sonship, and believing in the eternal love, which sooner or later shall seek and save all them that are lost.

No wonder that the holy communion, through more than 60 generations, has been and continues to be the central movement in the church's worship. No wonder that, in connection with this unique, tremendous, ceremonial action has grown up and developed the choicest creations of man's genius in music and architecture; the loftiest aspirations, the most passionate devotion—aspiration and devotion which have touched the tenderest chords of our hearts, even when accompanied by the most ignorant and unworthy superstition.

For this eucharist is essentially and intrinsically the declaration of God's love for man and of man's capacity for perfect love to God through Christ, the daily challenge to our indifference and the condemnation of our lack of love. It interprets the meaning and justifies the organization of the church. It summons every individual believer to a surrender of himself, soul and body, to cooperation in Christ's work for the redemption and salvation of mankind. It is the bond of union, the sacrament of brotherhood, the symbol and pledge of the ultimate victory of the kingdom of God.

And this priesthood of worship and love and service, which is the characteristic note of the whole church, as Saint Peter says, is emphatically the obligation and privilege of the church's authorized ministry. So St. Paul, in that sixteenth verse of the fifteenth chapter in his Letter to the Romans, uses words which put a twofold emphasis upon this fact. "I put you in mind", he says, "by the grace of God which was given me to make me a liturgical minister of Christ to the Gentiles, ministering as a priest the gospel of God in order that the sacrificial offering of the Gentiles might be acceptable to him."

Thus the Christian ministry is a priesthood of service to God and of service to man—representing the church in pleading before God the Christ-given memorial of that supreme love which redeemed humanity by entire obedience, and again representing the church in its organized ministration of blessing and help and sympathy to all mankind. As the author of the Epistle to the Hebrews says, "They watch for your souls, as they that must give account."

(4) This is the meaning and the purpose, and this is the appeal of the Christian ministry in our time. It offers no assured reward of worldly gain, of comfort, of luxury, of commercial profit, nor even of present power and success. It holds out only the prospect of unequaled opportunity of service and of encouragement of the spiritual life of our people; of having the mind and heart uplifted and satisfied by the consciousness of work that is done for God; of contributing something, however small, to the laying of that foundation of righteousness upon which the security and permanence of this Republic surely depend; and, finally, of hearing some day, when the struggle-storm of life is over and its fever past, from the lips of Christ our Lord: "Thou hast been faithful over a few things, I will make thee ruler over many things; enter thou into the joy of thy Lord" (St. Matthew xxv : 23).

My brethren, we are met here today to commemorate Bishop Freeman's 40 years of service in the Christian ministry; and we may say that in an honorable degree, in his life of unselfish devotion to duty he has exemplified that ideal of the priest and pastor, which has been and is the high tradition of our Anglo-Saxon church where, as the poet Wordsworth says:

"All generous feelings flourish and rejoice—
Forbearance, charity in deed and thought,
And resolution, competent to take
Out of the bosom of simplicity,
All that her holy customs recommend,
And the best ages of the world prescribe."

Bishop Freeman has been permitted, by the grace of God, to make a notable contribution to the realization of the ideal of Christian citizenship in our time. For 16 years rector of St. Andrew's Church, Yonkers, N.Y.; for 11 years in St. Mark's, Minneapolis; for 2 years in the Epiphany, Washington; and for 10 years bishop of this important diocese, nobly and effectively he has carried on the work of Bishop Satterlee and Bishop Harding in the building of this National Cathedral, and with zeal and conspicuous ability he has given his service to the Nation and the church.

What greater or truer ideal of American citizenship can we desire or have than this? What career of political leadership can surpass this in beneficent service to our country?

My brethren, it was Saul of Tarsus, the Hebrew of the Hebrews, the pupil of Gamaliel, who has told us, in the measured wording of our text, that "He who makes an offering of his life to the ministry of the church sets his heart upon a noble and honorable occupation." He knew what it was to forsake the great opportunities of secular life. He also knew the incapacity, or else the unwillingness, of many that were near and dear to him to understand the necessity under which a man, by the power of strong conviction, felt compelled to make a glad offering of his life for service rather than to achieve for himself a so-called "brilliant career" in the world. And, therefore, writing from his Roman prison to a young man like Timothy, appointed to be the first bishop of the church in the rich, the famous, the beautiful, the intensely worldly city of Ephesus, his words ring out with special meaning and emphasis: "He that giveth himself to the ministry hath set his heart upon an honorable occupation"; "Fight the good fight of faith, lay hold on eternal life"; "Be sober in all things, suffer hardship, do the work of an evangelist, fulfill thy ministry"—"For I am already being offered, and the time of my departure is come. I have fought the good fight. I have finished my course, I have kept the faith. Henceforth there is laid up for me the crown of righteousness, which the Lord, the Righteous Judge, shall give me at that day, and not only to me but also to all them that have loved His appearing."

So naturally today our thoughts go back through the long centuries that have elapsed since these glorious words were written; and we rejoice that the historic witness has been so faithful, that the words seem to have been uttered only yesterday. For more than 1,800 years have passed since then, but the work of the evangelist, the service of the Christian ministry, the responsibility of the Christian bishop are more than ever, if possible, real and positive factors in our religious, our social, and our national life. Let us then surrender ourselves to the elevating and inspiring memories which this occasion excites and sustains, and in the commemoration of the 40 years of service of this well-beloved bishop, let us acknowledge our debt and pay our tribute to those 60 generations of the faithful servants and priests of God, to whose faith and loyalty we owe it that we are assembled here today.

FEDERAL ACTIVITIES AGAINST LAWLESSNESS—ADDRESS BY ATTORNEY GENERAL CUMMINGS

Mr. ASHURST. Mr. President, I ask unanimous consent to have printed in the RECORD a radio address on the subject: "How the Government Battles Organized Lawlessness", delivered by Hon. Homer Cummings, Attorney General of the United States, May 12, 1934.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

HOW THE GOVERNMENT BATTLES ORGANIZED LAWLESSNESS

Ladies and gentlemen, in its campaign against crime the Department of Justice is primarily concerned, of course, with the enforcement of the Federal criminal statutes. Most criminal activities do not constitute violations of the laws of the United States, but are infractions of State statutes. The desperado Dillinger, for example, whose deeds of bloodshed and violence have recently terrorized the Middle West, has, so far as we are able to ascertain, committed only one Federal offense—the transportation of a stolen automobile from one State to another. The explanation for this lies in the fact that in our political system the Federal Government possesses only those powers which are granted to it, expressly or impliedly, by the Constitution. The Congress is, therefore, limited in the enactment of criminal statutes to those objects that are within the purview of the United States Government as defined in the Constitution.

A few of these laws are the Dyer Act, prohibiting the interstate transportation of stolen automobiles; the Mann Act, designed to curb the white-slave traffic; the so-called "Lindbergh kidnaping" statute, making it a Federal offense to transport a kidnaped person from one State to another; the antitrust laws; the extortion statute, which makes it a crime against the United States for a person to send through the mail an anonymous or unsigned communication threatening death, kidnaping, or personal injury for the purpose of extortion; the mail fraud statutes; and the statute which makes the theft of goods from interstate shipments a Federal offense.

The efforts of the Department of Justice to apprehend and punish those who violate these statutes are meeting with heartening success. During the fiscal year 1933, convictions were obtained in more than 95 percent of the cases in which persons were tried in the Federal courts for criminal offenses. A total of 3,896 convictions were obtained, and prison sentences were imposed which totaled 4,764 years, exclusive of probationary sentences totaling 2,659 years and suspended sentences of 1,149 years. The fines which were imposed aggregated $326,177.07. In addition, 1,163 Federal fugitives from justice were located.

Since the passage of the Federal kidnaping statute the Department has attempted, with the cooperation of State and local authorities, to bring to justice the participants in 27 kidnaping cases. In these 27 cases 56 convictions have been secured; 2 death sentences, 11 life sentences, and other prison sentences aggregating 924 years have been imposed; and 17 persons are now in custody awaiting trial.

Recently we presented to the present Congress a so-called "12-point" legislative program, consisting of bills which the Department was anxious to have enacted into law. This 12-point program deals with racketeering; transporting stolen property in interstate commerce; provisions strengthening the so-called "Lindbergh kidnaping statute"; fleeing from one State to another for the purpose of avoiding prosecution; burglarizing national banks; killing or assaulting a Federal officer while he is engaged in the performance of official duties; participation in a riot or escape at any Federal penal institution; the importation, manufacture, or sale of machine guns and concealable firearms; and matters of procedure and authority.

I am greatly pleased to report that practically all of these bills are in a fair way to become laws in the very near future.

In addition to the 12-point program, the Department of Justice is now suggesting to the Bureau of the Budget an appropriation for the purpose of permitting the Department to increase its force and modernize its equipment. This appropriation, if made by the Congress, will enable the Department to employ 270 additional investigators, and to purchase the following equipment: 20 armored automobiles, 200 fast cars, 110 two-way automobile radio sets, 70 monitor automatic rifles, and 70 submachine guns. Both the men and the equipment are urgently needed. At the present time the Division of Investigation has only 419 investigators for a country that covers more than three and one half million square miles and numbers more than 125,000,000 people.

The War Department has generously offered to the Department of Justice the use of Army planes in emergency situations.

The campaign upon which we have embarked includes, as a cardinal feature, a program of complete and friendly cooperation with the law enforcement agencies of the several States and municipalities. Moreover, the facilities of the Department of Justice are always at the disposal of these agencies.

Especially useful is the Identification Unit of the Department of Justice. This unit has on file more than 4,000,000 fingerprint records of criminals, representing the largest and most complete collection of its kind in the world, and is receiving each day additional criminal identification data from more than 6,400 contributors in the United States and foreign countries. These records are available, without cost, to law-enforcement officials throughout the country. Each inquiry addressed to the Identification Unit by any officer of the law is replied to within 36 hours after its receipt.

A uniform crime reporting system is also maintained for the collection, analysis, and dissemination of data concerning the volume, nature, and fluctuation of crime. The statistical section receives reports of crime conditions from the police departments of more than 1,600 cities and, after compiling these records, publishes the results in a quarterly bulletin entitled "Uniform Crime Reports." These bulletins are furnished to law-enforcement agencies in all parts of the country.

A technical laboratory has been established for research work. Here experiments are conducted with advanced scientific equipment, and the results of the tests are made available to all law-enforcement officials.

In a radio address several months ago, I stated that the Department of Justice was contemplating the organization of a national institute of criminology. Since that time further consideration has been given to the matter, and plans are now being made which look toward its establishment. The functions of the new organization will be: (a) To assemble, digest, and translate into practical form reports of improvements in the various branches of the administration of criminal justice, such as police, prosecution, court organization and administration, probation, parole, penocorrectional institutions and experiments, and the pardoning function; (b) to educate civic organizations in different parts of the country as to the nature of these materials, their availability, and how they may be used locally to improve the administration of criminal justice and to help in the prevention of delinquency and criminality; (c) to conduct a training school where specially qualified officers, Federal, State, and municipal, may study scientific methods of crime repression and prevention. A primary concern of the proposed new unit of the Department of Justice will be the development of methods for dealing effectively with young predelinquents and delinquents, thereby tending to check crime at the source.

The Department of Justice and the law-enforcement agencies of the several States must be supported by an informed public opinion if the efforts to repress and prevent crime are to succeed. Moreover, we must put an end to the day when public prosecutors and peace officers fraternize with known gangsters and killers; when jails and penitentiaries are like sieves from which the instructed criminal readily escapes; when a newsreel picture of a notorious desperado is applauded in a motion-picture theater; when a petition for the pardon of a vicious murderer, even before his capture, is circulated and signed by hundreds of citizens; when politicians ally themselves with kidnapers and extortioners and dispose of the "hot" money which these dastardly enemies of society obtain from their victims; and when physicians and lawyers lend aid and assistance to fugitives from justice. Moreover, it is imperative that we put an end to the maudlin glorification of the criminal. The gangster is not a romantic hero as he is too often depicted by the thoughtless or irresponsible. On the contrary, he is usually a coward at heart and always a public enemy. The path to a better ordered and safer society is beset by many difficulties, but with a long pull and a strong pull and a pull altogether, we shall not fail.

PROTECTION AGAINST DISCRIMINATORY AND EXTRATERRITORIAL TAXES

Mr. WALSH. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD and to lie on the table a statement by me as to the purpose of section 103 of the Revenue Act of 1934, to afford to American citizens and corporations trading abroad a certain protection against discriminations and extraterritorial taxes of any foreign country.

There being no objection, the statement was ordered to lie on the table and to be printed in the RECORD, as follows:

SECTION 103, REVENUE BILL OF 1934—RATES OF TAX ON CITIZENS AND CORPORATIONS OF CERTAIN FOREIGN COUNTRIES

1. Amendments to section 103, reported by the Senate Finance Committee: The purpose of section 103 is to afford to American citizens and corporations who are trading abroad a certain protection against discriminatory and extraterritorial taxes of any foreign country. The section provides that if the President finds that under the laws of any foreign country American citizens or corporations are being subjected to discriminatory or extraterritorial taxes, he shall so proclaim, and thereupon citizens and corporations of such foreign country shall be subject to an additional income tax, equal to the income tax otherwise imposed upon the citizens and corporations of that foreign country.

The bill as passed by the House of Representatives covered only discriminatory taxes and fixed the additional tax rate at 50 percent of the present tax. The Senate Finance Committee amendments extend the section to cover also extraterritorial taxes and increase the rates of additional tax to 100 percent of the present tax. Both of these amendments were approved, first, because it is necessary to complete the description of the character of such unjust taxes to which Americans may be subjected; and second, in order to make the additional tax sufficiently heavy to act as an efficient deterrent against such taxes.

2. Discussion of discriminatory and extraterritorial taxes: This section is a wise provision, supplementary to other measures now being adopted by our Government to promote our foreign trade. It is now realized that we cannot return to our former well-being unless we go beyond our own frontiers into foreign markets to sell the goods we cannot consume at home. Our predepression standard of living was dependent upon our trading in all parts of the world; our workmen on the farm and in the factory are not likely again to enjoy the high wages and benefits of the twenties unless their employers once more sell their products in the highly competitive and usually well-protected markets of the western world, South America, and the Orient.

The recapturing of foreign markets requires much more than loading goods on ships and the will to sell. As is well known,

many countries now impose large or even prohibitive tariffs, and also limit, by means of a quota, the amount of goods that can be imported into their borders. Where a product can be imported into a foreign country despite the tariff and the quota, it encounters the internal taxes of the country. So long as these internal taxes are no greater than those paid by the local producer, the American importing goods into the foreign country has no cause for complaint, even though these taxes be heavy. However, when the American encounters a tax which, by its terms, lays a peculiar and onerous burden on him, not borne by others, he is placed in a position where it is always difficult and often impossible to do business. Such situations exist today, and it is these situations to which section 103 is directed.

The term "discriminatory taxes" is intended to mean those taxes of a foreign country which are so framed, imposed, and enforced as to result in a special tax burden upon American concerns, greater than those imposed on the enterprises of that country or of the most-favored nation. The term "extraterritorial taxes" is intended to mean those taxes which so flagrantly violate accepted rules and concepts of law with respect to the amount of income or other subject matter held to be properly within the taxing jurisdiction of the country as to amount to laying taxes beyond the territorial limitations of the country and upon income or property without its borders. An example of a discriminatory tax is one which operates to lay on American concerns higher taxes than that imposed on national enterprises of the taxing country, or on enterprises of a third country. An example of an extraterritorial tax would be a tax upon an American concern in respect of the income or property of any phase of its activities which is clearly beyond the proper taxing jurisdiction of the country imposing the tax.

FRENCH DIVIDEND TAXATION

France has a corporation income tax at the rate of 15 percent. In addition, there is another tax upon corporations at the rate of 16 percent upon the amounts of dividends and interest paid by that corporation. These taxes are payable alike by French corporations and foreign corporations doing business in France, and the American corporation that does business in France has no just cause for complaint against the payment of these taxes. However, in addition to this, the French taxing authorities are now endeavoring to collect a second dividend tax of 16 percent upon American corporations. Many American corporations have found it advisable to set up a French subsidiary to do business in France. This subsidiary pays the 15 percent income tax and also the 16 percent dividend tax on the dividends it declared to the American parent corporation. The French tax administration has asserted within the last few years a new construction of an old law of June 29, 1872. It apparently considers that the American parent corporation which has a French subsidiary is really doing business in France and that therefore it should pay the 16 percent dividend tax on a proportion of all dividends declared and paid by it in the United States to its American stockholders. It is fair to say that probably the best legal opinion in France among members of the French bar is that this is an incorrect interpretation of the law, but the fact remains that the authorities are endeavoring to collect such taxes. It has been estimated that the total of the amounts which French tax authorities are now endeavoring to collect from American corporations on this theory is in excess of 1,500,000,000 francs. Some of these assessments are being tested in the courts. The leading case is that of the Boston Blacking Co., which has been pending for several years in the Court of Cassation (the supreme court of France) but is still not finally decided.

This tax is discriminatory because it is not imposed on French companies with French subsidiaries. It is also very obviously an extraterritorial tax because it is laid upon dividends and interest paid in the United States by an American corporation to American shareholders and bondholders, and even without regard as to whether an equivalent amount of income was received from the French subsidiary. According to all generally accepted principles, such a levy is without the jurisdiction of France and invades the territorial jurisdiction of the United States.

After the action of the French authorities was instituted, our Government made representations, and as a result thereof, a treaty was negotiated between France and the United States in 1930, was signed in April 1932, and was ratified by the United States Senate on June 15, 1932, without dissenting vote. The treaty has not yet been ratified by the French Parliament, in spite of any efforts on the part of the United States to obtain such ratification. This treaty provides, among other things, that if an American concern has a branch (which is not a subsidiary) in France, it will pay the 15-percent tax on the net profits of the branch and a 16-percent tax upon three quarters of that income, on the assumption that this will approximate the amount ordinarily declared out in dividends. If there is a French subsidiary, the dividend tax will be payable on the dividend actually paid by it, but no tax will be payable by the American parent corporation. These two provisions are permissive in that the American corporation may declare its desire to be taxed in accordance with those provisions. While I have spoken of this as a tax upon dividends, it also applies to interest paid by the corporation. If this treaty were ratified, the controversy with respect to this tax would be satisfactorily settled.

3. Other cases of discriminatory or extraterritorial taxes: There are other cases of discriminatory or extraterritorial taxes; but the question is a somewhat technical one, and it would take too much time to enter into a complicated discussion of this character, even if I were an expert qualified to discuss it from the technical point of view. I am not prepared to assert at the present time that there is or is not any tax other than the French tax to which I have referred, which should properly be now held to be of this character, but I am inclined to believe that there is no other situation at the present moment sufficiently grave or acute to warrant special reference to it. Section 103 is, however, in my opinion, a necessary and useful means of protection against all situations of such character.

4. Intended operation of section 103: Fair principles of taxation have been laid down in a large number of bilateral treaties affecting the question of international double taxation. The fundamental principles of jurisdiction and methods of allocation in the revenue acts of the United States are for the most part fully in accord with the generally accepted and sound principles governing such questions. Consequently, the President will have generally accepted criteria for determining whether a foreign tax is discriminatory or extraterritorial. The intent of section 103 is that if the attention of the President is directed to a foreign tax which seems to so flagrantly violate accepted criteria of international taxation as to bring it within the category of a discriminatory or extraterritorial tax, he will cause inquiry to be made into the situation for the purpose of determining whether, as a matter of fact, American citizens or corporations are being actually subjected to such discriminatory or extraterritorial taxes. It would seem natural that in the course of such an investigation representations or inquiries would be made to the government of a foreign country, or the matter would otherwise come to its attention, and that an opportunity would be given for the foreign country to remove the discriminatory or extraterritorial features of its tax. It would also seem natural that the President, through his executive offices, might obtain an agreement from such foreign country to remove such features. If this were done, there would be no occasion for the President to issue such proclamation, and the section would have accomplished its result in an amicable manner. It would be only cases where the foreign country persisted in its efforts to collect such unjust taxes from American corporations that it would be necessary to issue the proclamation, with the consequent extra burden of taxation thereby imposed upon the citizens and corporations of such foreign countries.

I am informed that the treaty with France was presented for ratification to the French Parliament on or about March 15, but was not acted upon because of the adjournment of the Parliament. Ratification of this treaty by the French Parliament in the near future would clearly make unnecessary a proclamation by the President under this section.

CALL OF THE ROLL

Mr. NYE obtained the floor.

Mr. HARRISON. Mr. President, I understood the Senator from West Virginia [Mr. HATFIELD] was going to proceed this morning. I suggest the absence of a quorum.

The VICE PRESIDENT. May the Chair say to the Senator from Mississippi that the Senator from North Dakota [Mr. NYE] said he thought he ought to have the floor, in view of the fact that he did not complete his remarks yesterday but yielded for the purpose of considering the proposed amendment to the Constitution. That is the understanding of the Chair.

Mr. HARRISON. Mr. President, I want to say something about that, but for the present I suggest the absence of a quorum.

The VICE PRESIDENT. The Clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	Hayden	Reynolds
Ashurst	Couzens	Johnson	Robinson, Ark.
Austin	Cutting	Kean	Robinson, Ind.
Bachman	Davis	Keyes	Russell
Bailey	Dickinson	King	Schall
Bankhead	Dieterich	Logan	Sheppard
Barbour	Dill	Lonergan	Shipstead
Barkley	Duffy	Long	Smith
Black	Erickson	McCarran	Steiwer
Bone	Fess	McGill	Stephens
Borah	Fletcher	McKellar	Thomas, Okla.
Brown	Frazier	McNary	Thomas, Utah
Bulkley	George	Metcalf	Thompson
Bulow	Gibson	Neely	Townsend
Byrd	Glass	Norbeck	Tydings
Byrnes	Goldsborough	Norris	Vandenberg
Capper	Gore	Nye	Van Nuys
Carey	Hale	O'Mahoney	Wagner
Clark	Harrison	Overton	Walcott
Connally	Hastings	Patterson	Walsh
Coolidge	Hatch	Pittman	Wheeler
Copeland	Hatfield	Pope	White

Mr. ROBINSON of Arkansas. I wish to announce that the Senator from California [Mr. MCADOO] is absent because of illness, and that the Senator from Florida [Mr. TRAMMELL], the Senator from Iowa [Mr. MURPHY], and the junior Senator from Arkansas [Mrs. CARAWAY] are neces-

sarily detained from the Senate. I ask that this announcement may stand for the day.

Mr. KING. I announce the absence of the Senator from Oklahoma [Mr. THOMAS], the Senator from New York [Mr. COPELAND], the Senator from Virginia [Mr. GLASS], and the Senator from New Hampshire [Mr. KEYES], in attendance upon a conference committee.

Mr. DIETERICH. I desire to announce that my colleague the senior Senator from Illinois [Mr. LEWIS] is absent on important public business in his State.

Mr. FESS. I announce that the Senator from Rhode Island [Mr. HEBERT] is absent on account of illness, and that the Senator from Pennsylvania [Mr. REED] and the Senator from Wisconsin [Mr. LA FOLLETTE] are necessarily detained from the Senate.

The VICE PRESIDENT. Eighty-eight Senators have answered to their names. A quorum is present. The Senator from North Dakota [Mr. NYE] has the floor.

THE NATIONAL INDUSTRIAL RECOVERY ACT

Mr. NYE. Mr. President, the press this morning announces the abolition of the N.R.A. compliance board as having been ordered yesterday by Gen. Hugh S. Johnson in a major reorganization step that included a move to rationalize the service codes. The work of the board, so the dispatch declares, will be taken over by the recently formed compliance division. The order summarily removed William H. Davis, board director, who incurred Johnson's displeasure for his decisions in recent compliance cases.

I know nothing of the merit of the compliance board or of Mr. Davis. Perhaps his discharge is entirely deserved by reason of his record and the record of his board. Possibly, also, Mr. Davis is being discharged before he has an opportunity to quit, as we understand so many of the more important figures in the N.R.A. organization are planning immediately following the adjournment of Congress to sever their connection with the N.R.A. But if it be, as it may well be, merely the case of another official being discharged because he disagreed with General Johnson, then I should like to suggest what a marvelous display we would have if General Johnson could discharge any and all individuals, boards, and commissions who or which have disagreed with him in his administration of N.R.A.

First of all, if it were left to Mr. Johnson, there would be an immediate beheading of this, as Mr. Richberg calls it, "Anarchistic Darrow Review Board." Then, in the second place, I presume it would be entirely agreeable to Mr. Johnson if there could be decreed the death of the Consumers' Advisory Board, which he himself created within N.R.A., but whose recommendations he has not heeded in any such degree as to invite the continued confidence of that particular board.

Then, with the review board and the Consumers' Advisory Council removed from the picture, General Johnson would undoubtedly bring about, if he could, as he can, the discharge of the Research and Planning Commission, which he created within N.R.A. The Research and Planning Commission is another one of those creatures set up to do worth-while things, but whose recommendations have not been worth shaking one's finger at so far as General Johnson's attitude has been concerned.

Then, having accomplished the discharge and discontinuation of those boards and commissions, of course, General Johnson would want to do away with and would want to accomplish the outright junking of the terrible Federal Trade Commission which has so thoroughly disagreed with him respecting the making and enforcement of many of the codes.

With all that done, of course, there would remain one thing for General Johnson to do, and that would be to abolish, by constitutional amendment, the Congress of the United States, or, failing in that, at least to get rid of the Congress for the summer. Then, having accomplished that object, General Johnson, of course, would want to expedite with all the power at his command the departure of the President for Hawaii for many, many weeks. What a delightful opportunity then would exist for General Johnson, Mr. Richberg, and their associates within N.R.A. What a marvelous opportunity to demonstrate what "cracking down" can really mean. With that sort of opportunity, and in the light of what has happened in the past, it is fair to assume that small business enterprises in America would experience such a storm as they have never known could exist in this great land of the free and home of the brave.

Mr. LONG rose.

The PRESIDING OFFICER (Mr. NORRIS in the chair). Does the Senator from North Dakota yield to the Senator from Louisiana?

Mr. NYE. I will yield to the Senator from Louisiana in just a moment.

Under such favorable conditions General Johnson, of course, could perform for the interests of monopoly a much finer service than he has been able to perform thus far with the boards, commissions, Congress, and the President himself on the ground and watching to see what was going on. Indeed, what a summer it would be for Johnson and Richberg. What a summer for the American plunderbund.

But I want to urge upon the President, if I can make my voice heard at the White House, that when Congress shall have gone and he is planning his departure for Hawaii, "For Heaven's sake, take Mr. Johnson along to Hawaii with you." Take him down there where perhaps he can find something to do in the way of creating a code for the Sugar Trust. I have not any doubt that the Pineapple Trust there would appreciate one of the fine monopolistic codes which have served so well those who have sought for years for favors they have not received until N.R.A. came into being under the kind of administration it has had.

I yield now to the Senator from Louisiana.

Mr. LONG. Mr. President, I understood the Senator to suggest that General Johnson would amend the Constitution in order to make his power more complete. The Senator might better suggest a less cumbersome system. The General does not need to go that route to amend the Constitution. That is no longer necessary. An Executive order has a great deal more effect than an amendment to the Constitution, especially more effect than a mere act of Congress. I think the Senator from North Dakota is not doing General Johnson justice, because an executive decree from the pen of Mr. "Hooey" Johnson, under the seal of N.R.A., wipes out State laws and State statutes, and at least shelves the Constitution.

Mr. NYE. I am exceedingly sorry if I am not doing General Johnson justice.

There is, it seems to me, one point upon which there is quite general agreement, and that is that N.R.A., under its leadership, has taken in far too much territory. I mean that originally it was intended that codes should be made to apply to a few of the outstanding industries in the country; that in those industries an effort should be made to accomplish those finer, fairer practices in trade which were so desperately needed in some lines. But, instead of confining the effort in the main to a program of doing away with child labor, bringing about shorter working hours, and a better minimum rate of wage—instead of confining themselves to those things, N.R.A. leadership became obsessed with the thought that every industry in the United States, no matter what its line of enterprise might be, should be brought under a code; and the codes have invariably worked terrible hardship upon people whom it never was intended should be jeopardized any further than they already were by the kind of competition which monopoly was affording.

The coremaking has been carried on to a point where enforcement is many times more difficult than was ever the problem of enforcing prohibition. America, it seems to me, pretty clearly determined that enforcement of the provisions of the prohibition amendment was utterly impossible, and the American people wanted to be done with it. In any event here we are today with a job on our hands, if we are sincere, of striving to enforce these many, many codes which have been provided, while on every hand is evidence galore that there not only is lack of enforcement but lack of any endeavor on the part of N.R.A. to enforce, particularly when

the complaints regarding compliance are filed against the big favored ones who have fared so well under the code system.

In the matter of enforcement there have been numerous instances where some little cleaner or pants presser in the country has been dragged into court and made the subject of large headline display and punished for having pressed a pair of pants for 45 cents when the code said he should charge 50 cents.

But when the great industries, when our great American monopolists, have operated under their codes in a way that has invited complaint, as complaints have been filed by the thousand, there has been hardly a finger raised by N.R.A. to enforce compliance or even to call to the attention of those monopolists that they were betraying the faith and confidence which had been bestowed when they were given one of the codes under which business was going to regulate itself. Enforcement has been most partial.

Mr. President, I am reliably advised that departments of N.R.A. have received complaints literally by the thousand regarding refusal or failure of business to comply with codes; that N.R.A. officials who have been in line to receive these complaints have tried diligently to get the ear of General Johnson and have him give heed to the complaints which were coming in, but all to no avail. General Johnson has no time for smaller things like that. There are bigger things to be done, and the matter of compliance with codes can wait until others can take care of it.

Mr. President, I challenge the Administrator of N.R.A. to publish a complete showing of the percentage of settlements which have been accomplished out of the compliance complaints which have been filed. In the Pittsburgh area alone it can be shown that in not more than 9 percent of the cases have complaints been received by N.R.A. and prosecuted to accomplished enforcement with any success whatsoever. The delays which accompany these appeals for compliance are, of course, to those who are trying to play ball, who are trying to do their part, distressing, provoking to a degree that finds today those people demoralized who a few weeks ago were overly anxious to cooperate and do their part to accomplish national recovery. Their spirit—and my mail reveals it more and more every morning—is quite completely crushed; their hopes are quite completely vanished, as respects accomplishment under the National Recovery set-up in the hands of those who are administering it at the present time.

Confidence that fair play would be the accomplishment on every hand has vanished. It has flown. It does not exist as it did a few weeks ago, all for one reason—all because it has fast dawned upon the American people that N.R.A. is in the hands of its enemies, not in the hands of those who would make N.R.A. accomplish the things which Congress had in mind when it created the machinery which has afforded this recovery set-up. There is not a sincere desire, it seems, to enforce upon big offenders under the code as there is desire to enforce here and there a code as it applies to some smaller, lesser offender.

Today we are confronted by a thing which seems to me most important for our congressional consideration. Big business has been kept in some little order during the formation of these codes and during the life under the codes up to this time. It has hesitated to go forward as it would like to go forward and reap the whole benefit that might come to it under the code. It has feared to do so because it has recognized that the President sat back there in his place with a club—a club in the form of a licensing feature that he could invoke if business would not behave itself.

Now, we are told by General Johnson that there is no longer need for this licensing feature. He is not going to ask Congress to renew it. He has made it rather clear that he is not going to ask Congress for a renewal, because he realizes that if Congress goes into this thing in any small part, Heaven alone knows what Congress is going to do to the entire machinery of N.R.A. He does not openly declare that this is the reason for not asking for renewal of the licensing feature. Instead, he says, "We do not need it"; and when he says, "We do not need it", he speaks the wishes, he speaks the interests of the great monopolists of America, who have enthroned themselves as never before under these codes, who have gone out and created the codes, who have chosen the men who are to sit on these code authorities.

Mr. LONG. Mr. President——

Mr. NYE. The monopolist today finds himself with a marvelous opportunity, if no one interferes with him, to go forward as he has never gone forward before in reaping for the executives of his corporation larger bonuses, in reaping for his stockholders larger dividend checks, but he is not at any time particularly interested in the size of the pay checks of the employees of his corporation. So do not, for heaven's sake, give back to the President of the United States the licensing club which he could use if big business should take very unfair advantage under these codes. With the death of the licensing feature, which is only a week or two away, business will be able to say, "Now we have the whole machinery. N.R.A. and all its advantages which we have created are ours; and there is not a power on earth that can interfere with us, no matter how brazen the American public may feel we have become in our profiteering under these codes."

Mr. LONG. Mr. President——

Mr. NYE. I yield to the Senator from Louisiana.

Mr. LONG. I wanted to say to the Senator, in line with his remarks about monopolists proceeding with the power of the Government, that the independent oil people of the Southern and Southwestern States made a fight extending over 20 years to try to get some regulation against the monopolistic practices of the Oil Trust. Some of those battles were waged over many years. We suddenly found every bit of our legislation wiped out in one of the far-reaching regulations under this code provision, and the Oil Trust became the power of the Government, upsetting our State law and paying practically no attention to it, although we thought we had written into the national law something that would compel them to make their pipe lines a common utility; but nothing of the kind happened. They just used the law to undo what the State had done up to that time.

Mr. NYE. Mr. President, reverting to the evident desire of business to get away from the licensing feature, and to deny to the President a renewal of the privilege which is now his to license and in that manner to govern business and the use it makes of these codes, I desire to say that if Congress can shut its eyes, if Congress can just blind itself to what may be in the making, and can rush away from here without taking any action, without doing anything that will seem to curb those who are riding so high these days, if I am not mistaken Congress sooner or later will have its eyes opened to the fact that it overlooked an opportunity to salvage, that it overlooked an opportunity to save those things within N.R.A. that are worth saving, that ought to be saved. It will awaken to the fact that the entire ship has gone down under a policy of cracking down so severe that the only hope, the only accomplishment hoped for, is that of a cracking-up of the entire structure.

General Johnson and his associates declare that the Darrow Review Board's findings reveal no substantial showing of monopoly. Yet, Mr. President, close study of the Darrow Review Board's report reveals that existing monopoly has been placed in a much stronger position than it ever before has occupied, and reveals further that in fields where monopoly has not existed particularly in the past, new fields for monopoly are being created. The Review Board has found most emphatic evidence that some of the codes are in aid of monopoly and oppressive of small industry; but the General, in that military spirit, is not going to admit that he has made any mistakes, is not going to admit that anyone can discover that anything he has done has been wrong. Boldly and brazenly he is going to insist upon the public accepting him as being one who could not make a mistake, one who is the victim of those who would cause him political embarrassment and cause the administration political embarrassment. Like the general of all times who has gone out with his forces upon the battlefield, he may

foolishly surrender the lives of thousands upon thousands of his men, but he never admits during his lifetime that he made a mistake. He will always insist that if he had it to do over again, he would do it in the same identical way.

Mr. President, from day to day, and with the very best of intent, I shall seek minutes of the time of the Senate to discuss the Review Board's findings as they relate to the various codes that have been studied, and to concern myself with the replies to those findings and those studies which have come from Mr. Johnson, Mr. Richberg, and other lesser lights in the N.R.A. organization.

Today I had planned to discuss the findings of the Board as they relate to the steel code. I am going to beg another day of time to prepare to do that very thing; but in that connection I do think attention ought to be called to the fact that the counsel for N.R.A., Mr. Richberg, has very viciously attacked the Federal Trade Commission because of the Federal Trade Commission's findings respecting monopoly being permitted to continue to exist by the N.R.A. code which the steel industry has won. Why does he object? Again because it must not, at this stage of the N.R.A. campaign, be admitted that monopoly has enjoyed any favor under N.R.A. More than that, there has existed from the beginning a terrible jealousy on the part of N.R.A. toward the Federal Trade Commission. An attitude has been assumed in N.R.A. that has said in effect, "The Federal Trade Commission does not know what it is talking about. The Federal Trade Commission has not caught up with the new spirit, with the new deal. We are going to ignore the Federal Trade Commission, because they are not in step with the present day and with the trend of this hour of the new deal."

But, regardless of what Mr. Richberg may say about the steel code, I say, Mr. President, that the steel code has given greater favor to monopoly than monopoly has ever enjoyed heretofore at the hands of Government. Never has anything of its kind been permitted by the Government as it is being practiced day after day with the aid of Government by the great steel corporations today.

I think perhaps, rather than discuss at this time the report of the Darrow Board as it relates to the steel code, I can better read an article appearing in the May 23, 1934, issue of the Nation under the title, "Magna Carta of Monopoly." It has to do with the steel code. Incidentally they are still spelling it "s-t-e-e-l"; but sooner or later the public, when it refers to the steel code, is going to refer to it as the "s-t-e-a-l" code. The American people have had burdened upon them, by reason of this steel code, such monopoly as the Nation has never before known. I hope the Senate will follow this story by the editors of the Nation:

During the feverish days when leaders of the steel industry were discussing the proposed code of fair competition prior to its submission to the N.R.A., one of the lesser rulers asked one of the greater ones to explain a certain obscure provision. The latter replied without a moment's hesitation: "There is no mystery about this code. It just means that the industry is going to be run as it always has been run, only more so." The last three words furnish the key to an understanding of the steel code, and, indeed, to an understanding of the basic philosophy of the industry for the last three decades. This philosophy has always placed primary emphasis upon preservation of the status quo in prices, in production, in markets, and in the corporate and geographic structure of the industry. The cardinal sin has been for one producer to "get more than his share of the business", especially if the additional orders were obtained by quoting prices lower than his competitors. Competition in any form has come to be regarded as at best an ungentlemanly practice; albeit no member of the industry can claim to have behaved always as a gentleman should.

It is not surprising, therefore, that after a formal and hypocritical obeisance in the direction of collective bargaining the steel code should be concerned primarily with the creation of an almost perfect technique whereby prices can be controlled by the dominant interests of the industry. Even in these days of economic and legal miracles, however, it is almost incredible that this Magna Carta of monopoly should have been written into the law of the land with the solemn assurance of the Administrator of the N.R.A. that it would not "permit monopolies or monopolistic practices."

Let it be borne in mind that every code which has been carried by General Johnson to the President for his approval has had to be accompanied by a certificate that nothing in the code would permit monopolies or monopolistic practices. But let us see what got into this one lone code—and what got into that code in very large measure got into other codes:

The system for price quotation established in the code is designed to result in uniform delivered prices on any one product to any one buyer. It commences with the requirement that each producer must file a quotation on each of his products with the board of directors of the American Iron and Steel Institute, which is the code authority of the industry. Producers may not, however, file or quote prices at their own mills, since that practice would make the goal of price uniformity difficult or impossible to achieve. Instead, prices must be quoted at certain common "basing points" established in the code. These basing-point quotations are either identical at the time they are filed or become so almost immediately, since producers are informed promptly of the prices quoted by their competitors. In view of the provision for a "10-day waiting period" before a new price can become effective, it is apparent that powerful group pressure can be brought to bear upon any chiseler who seeks to indulge in the unsportsmanlike practice of cutting prices.

If worst comes to worst and the recalcitrant member refuses to listen to reason, the most amazing provision of the entire code may be invoked. This permits the board of directors "to investigate any base price for any product at any basing point", and if it determines that such price is "an unfair base price * * * having regard to the cost of manufacturing such product", the board "may require" the seller to file a new base quotation which the board considers fair. If this fails, the board is empowered to fix a "fair base quotation" which "shall be the base price" of the erring member until changed as provided in the code.

When it is remembered that the system established in the code, of plural voting based upon volume of sales, is such as to insure control by the two or three largest steel producers, and that the Government representatives who attend meetings of the code authority have no authority to veto or modify its actions, it is impossible to escape the conclusion that the steel code not only permits "monopolistic practices" but actually establishes and legalizes a full-fledged monopoly.

I remind the Senate that the publication from which I read is the current number of The Nation, the pages of which have contained eloquent eulogies of Gen. Hugh S. Johnson, the pages of which have severely attacked critics of General Johnson and the policies he has been pursuing under N.R.A.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. NYE. I gladly yield.

Mr. VANDENBERG. Is there any doubt that the process which the Senator is describing would be a criminal offense under the statutes of the United States if it were not for the temporary repeal of the antitrust laws under the N.R.A. Act?

Mr. NYE. My answer is that there is no question whatsoever about that.

Mr. VANDENBERG. In other words, they would be eligible for the penitentiary?

Mr. NYE. They would be eligible for the penitentiary, quite so; but under the N.R.A. they enjoy the blessing of Government to go ahead and entrench themselves more and more thoroughly, and agents for the Government, like General Johnson, look on and smile and say, "Go ahead, boys, and enjoy the picking while the picking is good."

Mr. HATFIELD. Mr. President, will the Senator yield?

Mr. NYE. I yield.

Mr. HATFIELD. Has the Senator any figures or facts which would give a citizen any information as to how much this type of industry is paying for such immunity in the way of code administration?

Mr. NYE. I am sorry to have to say to the Senator that I do not have that information, but it is information which the Senate ought to have, not only with respects to this one code but as to all of them, and I repeat, if Congress hastens itself out of Washington, leaves here with its eyes closed to the seriousness of this situation, it will come back in the fall much wiser, but regretting that it did not act while there was time to act.

Mr. HATFIELD. I may say to the Senator that while my information may not be accurate, I have heard it stated that the administration of the codes as they are now being operated is costing something in excess of a billion dollars a year.

It is not the industries which are paying this price, but it is the consumers who buy the products who are paying.

Mr. NYE. Always the consumer pays the bill.

I continue reading from this article in the current number of the Nation:

The powers of the code authority are not limited to the right to fix prices, nor does the system of price control end with the establishment of uniform quotations at the basing points. From the time the base quotations are filed, the code itself prescribes in meticulous detail the various additional charges according to which the ultimate delivered price is automatically calculated. Price identity is further maintained by the establishment and control of resale prices on steel products sold through jobbers, by rigid regulation and specification of terms of sale, cash discounts, credit terms, maximum deductions, and minimum charges for "extras." Price-cutting loopholes of almost every conceivable variety have been foreseen and corked up. In every phase of the administration of the code enormous powers are given to the board of directors of the steel institute.

Spelled again, "s-t-e-e-l."

It combines within itself the functions of policeman, prosecuting attorney, judge, and jury, as well as certain legislative powers, all of which in the aggregate give it absolute control not only over the economic destinies of the firms in the industry but over consumers of steel, transportation agencies, and, indeed, the economic welfare of entire communities.

The steel code originally went into effect on August 19, 1933, for a 90-day trial period, at the end of which it was again extended to May 31, 1934. The N.R.A. must now recommend to the President whether the code shall be canceled, revised, or extended.

The N.R.A. must now recommend to the President whether the code shall be canceled, revised, or extended.

I want to impress upon the Senate that point. The privileges under that code run only to the 29th day of this month. I shall make reference to that a little later.

Assuming that the administration has no present intention of abandoning its experiment with "codes of fair competition", three courses of action appear to be possible—all of them beset with difficulties. The steel code can be extended without substantial modification, in which case the administration will find it difficult to refuse to extend to other industries the "privileges" which have been accorded to the steel industry. The Administrator can attempt to secure substantial modification of the code, involving the elimination of price-fixing and other monopolistic provisions. Or the Government can confer upon the steel industry the status of a public utility, which would involve the same kind of control by it over prices and competitive practices as is now exercised over the railroads through the Interstate Commerce Commission.

Obviously the steel industry will not willingly accept either of the last two alternatives, and a recent comment by General Johnson, to the effect that the code is in the main acceptable to him as it stands, suggests that he will not try for drastic changes through compulsion. That may be the easiest way out for him, but it is far from the best course from the standpoint of the public.

Is there monopoly? Have these codes created a monopoly? Is the Federal Trade Commission justified in the findings which it has made regarding the tendency to improve conditions for monopoly under the steel code? Is Mr. Richberg justified in attacking the Federal Trade Commission because it finds these practices existing under the steel code?

Mr. President, there is monopoly under these codes as there was never monopoly before, and when Mr. Richberg and his associates take the attitude they do in fighting every individual, in fighting every agency, official or organized, that dares to criticize them, they are engaging in nothing other than rank, base deception, as they have been since the middle of last fall.

But we are told in their way, "Oh, there are some things that are wrong. Surely some things are wrong, but we are going to make changes. We are going to correct those ills." I ask, when—pray tell, when are those changes coming? I have heard that kind of assurance since the middle of last August, and I have not seen in more than a very small percentage any fulfillment of the promises.

Very interesting indeed it is to note, Mr. President, that the steel code expires on May 29—this month. Their 90-day extension period is then up. A renewal is in order, or, as I read from the Nation, it is now up to the President to renew, extend, or cancel the steel code, which has worked such vicious hardship upon the buyers of steel and the consumers of America.

The price structure within that code is the heart of the code. Take away the ability of the steel industry to determine their basing points, to fix prices, and they will not tolerate a code. They have said as much. The N.R.A. officials, on the other hand, have declared time and time again, and the President has declared, that we had to get away from these price-fixing features and would get away from them.

On the 29th day of this month N.R.A. and the steel institute are "going to bat" regarding the renewal of that code. The steel institute is going to say to N.R.A.: "If you take out that price-fixing structure we will not concur in any code, and we will pull a 'Henry Ford' and go out on our own and conduct our own business. We are declining to cooperate with you unless you give us this thing which we want, this thing which we have had, and this thing which we are going to continue to have if we are going to play ball with you at all."

Might that give any special meaning to the urge and determination to get the Congress out of Washington, to get the President out of Washington, to get the Darrow Review Board out of Washington, to quiet for all time the Federal Trade Commission, to seal up in a room down there in the N.R.A. headquarters the Consumers' Advisory Council and the Planning and Coordinating Commissions?

Mr. President, it seems to me that the most embarrassing thing that can be upon the doorstep of Mr. Johnson on the 29th day of this month and thereafter is the existence of anybody in Washington that is going to stand in the way of his granting to the steel institute and the Steel Trust what they want if they are going to continue playing ball with N.R.A.

But the urge is upon us—get rid of the review board, cut off its head, do not tolerate it for a minute. It is anarchistic, it is socialistic, it is communistic. Get it out of the picture. They are embarassing us around here. And I rather guess, from what I see and hear, that they will be gotten out of the picture unless Congress or one or the other of the two Houses of the Congress shall stand up and protest against what is in prospect this summer, barring any actions or any precautions taken by Congress to still, to quiet, to control those who are exercising such damnable authority as was never before given into the hands of single individuals by Congress or this Government.

Mr. President, N.R.A. was going to afford larger employment; N.R.A. was conceived in an hour when we were agreed that there had been too much business for profit and too little business for the happiness and pleasure and comfort of the workers of America. Under the old deal, profit was the great cause of every move that the Congress made or that the agencies of the Government made in aiding business.

Moves were made which would bring about larger profits, create larger dividend checks; make it possible for Mr. Schwab and Mr. Grace to continue robbing their steel stockholders in the form of bonuses from year to year, bonuses which in 1 year, in Mr. Schwab's case, amounted, as I remember, to something like $1,600,000, in addition to the stupendous salary he was drawing.

Under the new deal, as administered by Gen. Hugh S. Johnson, "profit" remains the watchword, and the worker be damned! And sooner or later every American is going to know that to have been a fact and a practice under his administration up to this point.

Let us see what is happening under N.R.A. Let us see why it is that some few industrialists cheer N.R.A. while day after day the workers by the scores, by the thousands, are moving out on strike. In the current number of the Nation, May 23, which has been so friendly to N.R.A., which has upheld the hand of General Johnson at every turn, there is an editorial entitled "Where We Stand." Listen to it:

The individual worker in industry made no appreciable gain in real wages from March 1933, when the new deal began, to March 1934.

Do I need repeat that?

Mr. HATFIELD. Mr. President, will the Senator yield?

Mr. NYE. I yield.

Mr. HATFIELD. Has not the worker actually lost because of the increase in the cost of living?

Mr. NYE. Let us see just what has happened according to this writer. Referring to the worker, he writes:

His average weekly wage increased 9.7 percent, but the cost of living rose 9.3. Hours of work were 2.4 percent shorter per week in March 1934, but they are being lengthened as productive activity increases. Over 10,900,000 workers are still unemployed. In February 1934, there were more families on relief, either direct or C.W.A., than in February of last year.

Mr. HATFIELD. Mr. President, will the Senator further yield?

Mr. NYE. I yield.

Mr. HATFIELD. While the hours were reduced, the workmen's wages were likewise reduced. In other words, the workman lost the opportunity to make wages during the hours he lost. When his hours were reduced, down went the wage he was paid.

Mr. NYE. Just so. The Nation editorial goes on:

These figures come not from sources opposed to the N.R.A. but from the Monthly Survey of Business issued by the American Federation of Labor, which has worked hand in glove with the administration. They are compiled from such stately authorities as the Annalist, the New York Times' weekly index, the National Industrial Conference Board, and the United States Government. From June to October 1933 hours were shortened, the number of unemployed was reduced from 13,689,000 to 10,122,000, and the total monthly income of workers in industry increased by $200,000,000. Employers, in desperation, were following Dr. Roosevelt's prescriptions.

After October * * * there was a change of policy in N.R.A.; emphasis was placed on assistance to vested interests. * * * This spring, with production and business activity rising, profits considerably higher than a year ago, business men were far more able to shorten work hours, and put men to work, but they are no longer willing to do so.

Between October and March, although business was steadily improving, the number of unemployed rose by 780,000.

We have said real wages did not rise during the year. But the profits of the first 51 industrial corporations to report their earnings for the first quarter of 1934 increased from $6,332,000 in 1933 to $18,740,000. Moreover, the Alexander Hamilton Institute points out that the value of output per man per hour in manufacturing industry increased considerably, both in the period of high industrial activity last spring and in the first month of this year. In February, the organization states, the value of output per man-hour warranted a 13.9 percent increase in wage rates. But the increase in productivity did not go into wages. It went into dividends. The survey cites a case history that is revealing. A certain large manufacturing corporation in the Middle West produced in 1932, 563,000 units at a cost of $752 per unit; in 1933, by increasing production to 869,000 units, costs were reduced to $567 per unit. The wage cost per unit was reduced from $254 to $197, or 22.6 percent, and the value produced per dollar paid in wages increased from $3.02 to $3.32, or 10 percent. But the wages were not increased; profits increased from $16,500,000 to $83,214,000 and an extra dividend was paid to the stockholders.

But nothing to the workers.

With such figures as these before him—

The editor of the Nation goes on—

how can Mr. Roosevelt fail to see that, instead of dropping the power to license business, he should insist that the Congress renew it? He should use that power to the full in forcing business to divide its profits now that there are profits and to create the mass purchasing power which, according to his own theory, capitalism must have in order to survive.

In the light of those facts, of profits increasing from $16,000,000 to $83,000,000, with no increase for the wage earner, why should we wonder that more and more frequently strikes are springing up all over this country, displeasure is coming to the surface, men are showing a fighting spirit and a madness that might easily lead us to most severe consequences during the summer and fall unless remedies may be applied.

Mr. President, from day to day I plan to discuss the various codes which have been reviewed by the Darrow review board, and the responses which have been made by the N.R.A. and other agencies to the findings of that board. I mean to discuss the bituminous code in which the Darrow board recommend the discharge of certain code authorities for malfeasance in office. N.R.A. laughs it off, but let it be said that the Department of Justice sent to the Pittsburgh area men to investigate the charges which have been preferred, and those Department agents are now there, studying the situation to ascertain directly and definitely what are the facts. Let us hope that it means that there will quickly be accomplished the elimination from this program of those men who have so abused the privilege which was theirs by reason of their membership upon a code authority.

I mean, too, to discuss from the standpoint of the Darrow review board's views and the responses made by governmental agencies, the ice code, the steel code, the cleaning-and-dyeing code, the electrical-manufacturing code, and the other codes which have been reviewed by the Darrow board. Today I am going to confine myself briefly to the moving-picture code which was reviewed by the Darrow review board and which has been commented on by Mr. Johnson, Mr. Richberg, and the Deputy Administrator Mr. Rosenblatt.

The moving-picture code is a splendid example of what some people seem to mean when they refer to the self-regulation of business. The booking situation existing in the moving-picture field has been such in times past that it has occasioned endless consideration of legislation looking to the correction of the abuses which existed under the plans which were being pursued. Now, under the code there has been an enlargment of the abuses about which we have known all these years, and we have placed into the hands of the so-called " code authority of the moving-picture code " the power to go out and regulate itself. When we see how they are doing the job we are straightway forced to go back to the words uttered by President Roosevelt himself, when he declared most emphatically that no business has ever been known to purge itself of its own iniquities; and yet the most iniquitous ones of the whole lot are back there in a most powerful position today by reason of these codes, governing themselves; correcting the iniquities within their own ranks.

Mr. President, 66 pages or more than 40 percent of the entire response of the National Recovery Administration to the report of the National Recovery Review Board consists of extravagant lines by the Deputy Administrator in charge of the motion-picture code, Mr. Rosenblatt. In addition to devoting numerous paragraphs throughout the report to self-commendation, he has devoted the entire final 20 pages of his comments to the erection of a memorial in honor of himself. He reaches his complimentary peak on page 54 of that report where he claims a status to which I will admit he may be entitled. I read that climax:

" Fools rush in where angels fear to tread." How much wiser is the man who rushes in where angels have already trodden.

The Deputy Administrator first concerns himself with the length of the hearings conducted by the Board as contrasted with the " 79 days and nights of continuous labor upon the code " accepted by " the overwhelming majority " of all interests in the industry. All this would appear to be beside the point, in view of the undisputed fact that there are numerous complaints against the provisions of this code.

I am prepared to agree with the Deputy Administrator's description of the number and variety of problems involved in preparing the code for this industry, but I cannot permit the presumption to arise that because of the long period of its consideration the resultant code is sublimely endowed with celestial perfection.

The deputy is greatly concerned in his comments about the Board's treatment of the statement of the seven producing companies, which was filed at the end of the hearing. Contrary to his conception of the agreement as to its treatment, the record shows that it was not to be received as evidence, but in lieu of agreement of counsel at the conclusion of the hearings. Obviously, argument of counsel can have no probative value.

The deputy can make no point of the testimony being unsworn, inasmuch as N.R.A. witnesses are not sworn; nor can he object to the lack of cross-examination at this hearing, since he could have examined if he had chosen to enter his appearance.

The deputy seeks to mislead the reader by claiming the Review Board's report admits (p. 76 of the report) that the

great majority of the sections of the code favor exhibitors. An examination of the report discloses no such admission. On the contrary, the report contains vigorous and detailed denials that any section favors anyone but the distributors.

Part III of the deputy's response announces that "the report of the National Recovery Review Board is based on false testimony", and proceeds to attack isolated statements of some witnesses, which statements are not necessary to support the Board's findings. What a pity, what a pity, indeed, the deputy himself was too busy to attend the hearings so as to put in evidence these inconsequential objections! Their presence in the record would more clearly demonstrate his most feeble defense.

Part IV of his response, under the title "Repudiation of Complaining Witnesses by Independent Exhibitors" is a continuation of the deputy's persistent policy of damning all protesting minorities.

The contrasting of the solvency of the independents with the insolvency and bankruptcy of the large producers is misleading, since it assumes that the producers achieve their present status as a natural result of business competition. Anyone familiar with the stock manipulations of the large companies could speedily correct such a fraudulent inference.

Part V of Mr. Rosenblatt's response, under the title "Analysis of the Recommendations of the Report" (p. 46), is an analysis in name only. The deputy in this section takes up each revision suggested by the Review Board's report and discusses it in his inimitably evasive manner. In view of the indisputable fairness of the suggested revisions, it would appear that the deputy's almost profane attack upon them is considerably colored by his deserved fear for his own job. His unreasonable attitude in the matter is strikingly portrayed on page 54, wherein he upbraids the Board for withholding a report as to the labor provisions. He devotes two pages to rantings and ravings concerning attacks upon the labor provisions, when not a single recommendation in regard to these provisions is contained in the report of the Review Board. Literally he has a "chip on his shoulder" and will not agree with the Review Board or anyone else who may seek to criticize his acts.

As to the other parts of the "analysis", they consist of frantic defenses based on unfair statements of conditions and only partial quotations of provisions in the present code.

Let us take up the recommendation of the Board and compare them with the deputy's alleged answers contained in his "analysis."

The Board's report changes the definition of an affiliated dealer by denying the distributor the right to lease a theater to a "straw man" and have him classed as an independent exhibitor. The deputy terms this "trivial" and "unsound." He says:

> Unaffiliated exhibitors who in good faith have taken advantage of the distress of affiliated circuit operation and had acquired, under lease, such theaters for independent unaffiliated operation would nevertheless be deemed affiliated operators of unentitled-to designation on various grievance and clearance and zoning boards.

This statement is untrue, inasmuch as the grievance and clearance and zoning boards do not deny an affiliated exhibitor representation. He would be represented on these boards as an affiliated exhibitor, instead of as an unaffiliated exhibitor. It is hard to see how this change in classification would be in any way detrimental.

The Board's report provides for the setting up of an entirely new method of selecting the code authority, for the reason that the code provides no means of electing a code authority but merely names 10 men who are declared to be the code authority. Does this unusual method of naming the code authority in the code itself exist in any other code? It shows the extent to which the monopoly went to insure the continuation of its control.

The deputy does not explain why this method of selecting the authority should obtain in this one code of the almost 400 now approved, other than to aver that the independents are too unorganized to take part in an election. Would it not be better to have no code at all than to deny a large part of the industry the opportunity to elect representatives because of the difficulty of holding an election? It should be made to be representative in the manner advised by the Board, or in some other way.

Incidentally, assuming that the decisions of the code authority to date have been fair in all respects, it might be safe to assume that that fairness has been dictated by the presence and restraining influence of the National Recovery Review Board, now sought to be abolished so summarily by General Johnson.

The Board made no recommendations in regard to the labor provisions of the code, yet the deputy spent two pages of valuable space trying to draw the Board into a controversy into which it had refused to advance.

The code contains a provision supposedly reducing the number of short subjects which the distributor might require the exhibitor to take. The Board amended this provision so as actually to reduce the number. In defense of the provision of the code, the deputy states that this provision provides:

> That distributor may not require exhibitor, as a condition for the licensing of feature photoplays, to license more than a corresponding proportion of the short subjects required by the exhibitor. By reason of this device the short-subject licenses of the various distributors are so proportioned that in no event may the exhibitor be required to license more than 100 percent of his needs.

This statement of the deputy proves one of two things: (1) That the deputy does not know as much about this industry and code as his lengthy defense of himself would lead one to believe; or (2) he is guilty of a deliberate falsehood, first, because he deliberately ignores the plainly printed exceptions of news reels; second, because what the provision actually provides is as follows:

> Part 5. No distributor shall require as a condition of entering into a contract for licensing of the exhibition of feature motion pictures that the exhibitor contract also for the licensing of the exhibition of a greater number of short subjects (excepting newsreels), in proportion to the total number of short subjects required by such exhibitor, than the proportion of the feature pictures for which a contract is negotiated bears to the total number of feature pictures required by the exhibitor.

Obviously, from this, the proportion of the number of short subjects which the distributor may require an exhibitor to take and the number of short subjects which the needs is the same, under this provision, as the proportion of the number of featured pictures which a distributor may force him to take, to the number of features which he needs. For example, if an exhibitor needs 100 features and 200 shorts, not news-reels, and the disetributor, under practice of block-booking, forces the exhibitor to take 200 features, twice what he needs, he may then force the exhibitor to take 400 shorts, twice what he needs, under the code provision. Certainly that would be forcing the exhibitor to take more than 100 percent of his needs.

If the deputy was as active as he proclaims he was in formulating this code, and if he knows as much as he boasts he does about the industry, he could hardly fail to recognize the purport of the provision. Obviously, he thought everyone else would be as incapable of figuring it out as he pretends to be.

In view of this explanation of the provision, the much proclaimed important concession contained therein becomes a mockery. It is the same old wolf in sheep's clothing.

There is a practice in the industry of the distributor's designating the days of the week on which certain features will be shown in his theater by the exhibitor. Where the picture is paid for on a percentage basis, it is obvious that the distributor by picking Saturdays, Sundays, and holidays can exact a greater fee. Where the picture is licensed for a certain sum, however, he cares not as to the day of showing. This practice is obviously unfair to the exhibitor since it extracts undue sums from him, prevents his choosing the most suitable picture for his clientele and for the date on which the picture is shown, and it gives the distributors control of the playing time of the exhibitor.

The deputy passes off all these objections by stating that "none of the rights granted to the independent exhibitors by this provision of the code existed prior thereto." Apparently, he admits that the provision does not do all that it should, but contends that the exhibitors are no worse off than they were before, so they should not object.

Admitting that before the code the distributors had, by contract with the exhibitors, all the powers in this regard sought to be denied by the Board's recommendations, still that would not entitle the distributors to write them into a so-called "code of fair competition", when obviously they are unfair exactions of the producers' monopoly.

The recommendations of the Board seek to correct the injustices of allowing distributors to decide what admission price the exhibitor should charge at his theater, and of allowing distributors to prohibit the exhibitors from showing two features at one performance. Under the code provision the distributor is given the right to continue these oppressive and dictatorial practices by contract.

The deputy devotes himself to long arguments as to the legality of such provisions in a contract. Without discussing the question of legality, it is obvious that a code of fair competition should not take within its sheltering arms such provisions as these, which allow one branch of the industry to exercise unreasonable and unfair control over another.

It can readily be understood that, although certain trade practices cannot be declared illegal, still there is no reason for incorporating them into a code of fair competition. It is bad enough that the law allows these oppressions, without its endeavoring to give them its affirmative approval in a code of fair competition.

The code allows an exhibitor to eliminate 10 percent of the pictures he has contracted for under certain conditions. In view of the fact it has been demonstrated that this is too limited a cancelation privilege, the Board raised the 10 percent to 15 percent, and removed some of the restrictions upon the privilege.

The only answer of the deputy is that this provision affords the greatest cancellation privilege ever accorded the exhibitor. Again I point out, that when a provision has been demonstrated to be unfair, it is no defense to state that it is less unfair than another provision. It still has no place in any code of fair competition.

The remainder of the deputy's reply to this suggested change consisted of criticism of the Board's error in the placing of a decimal point; and now I desire to call the attention of the Senate to the fact that this error has since been demonstrated to have been made by the official National Recovery Administration's reporters who transcribed the report.

The deputy then launches into an argumentative defense of the provisions of the code in regard to clearance and zoning and grievance boards, which were suggested to be amended considerably by the Board in an effort to make them fair.

This completes the deputy's "analysis." I submit, Mr. President, that the title "analysis" constitutes a misnomer unparalleled in governmental reports.

Part VI of his report, entitled "The Attack Upon the Deputy Administrator", comprises one third of the deputy's answer. Undoubtedly, as far as the deputy himself is concerned, the meat of his whole answer is in the last title, inasmuch as it contains his extravagant rationalization in defense of his retainer. It devotes page after page of a Government report to pure self-adulation and defense of an injured vanity which could far better have been expounded by the very simple statement, "I love me."

When Mr. Rosenblatt's response was given to the press on Monday morning and published, when independent operators in the moving-picture industry read what Mr. Rosenblatt had to say, and when they read, among other things, that those who had complained about the motion-picture code were inconsequential, no-account members of the industry, just a few who ought not to be heard, Mr. Rosenblatt hit several thousand motion-picture people in this country squarely between the eyes; and not the least offended among them was a former member of the Federal Trade Commission, Mr. Abram F. Myers, who at the present time is associated with the Allied States Association of Motion Picture Exhibitors, and who, after he had read the papers on Monday morning, May 21, wrote me as follows:

SECURITIES BUILDING,
Washington, D.C., May 21, 1934.

DARROW-JOHNSON CONTROVERSY

MY DEAR SENATOR: This association together with other organizations of independent producers, distributors, and exhibitors has been seeking modifications of the motion-picture code.

Members of the association from various parts of the country testified before the National Review Board, and their testimony was supported and supplemented by numerous other witnesses.

The members of the code authority failed to put in an appearance, although they were notified of the hearing and requested to be present. Deputy Administrator Rosenblatt refused in open hearing to take the stand.

We are astonished to read in the morning paper the charge that the Darrow report covering the motion-picture code was based on the one-sided and untruthful testimony of a few malcontents and obstructionists.

If such be the fact, the Congress should be officially apprised thereof, and the Darrow report should be accorded no consideration; if the facts are otherwise, the witnesses who appeared in response to the invitation of the board should be protected against the epithets of the N.R.A. officials.

So far as this association is concerned, it has spent many thousands of dollars and much valuable time in an effort to get a fair code. It has cooperated with the N.R.A. in every way consistent with the rights of its members.

We feel that if the matter is allowed to rest in its present state, with the truth of the charges and countercharges undetermined, nothing will have been gained and those who testified before the Darrow board will be further discriminated against.

We respectfully suggest that the Senate make a thorough-going and impartial investigation of the entire subject, including the manner of the writing of the motion-picture code, its provisions, the manner in which it is being administered, as well as the conduct of both the N.R.A. and the Review Board in respect of the code.

Yours very respectfully,

ABRAM F. MYERS.

HON. GERALD P. NYE,
United States Senate, Washington, D.C.

In the light of the showing made there, which is a showing that many other independent institutions in the country can make if they take the time, why do we not fall in line with the spirit which is prevailing more and more each hour over in the House, which is declaring for the need of a sweeping investigation by the Congress, declaring for the need of a continuation of the work inaugurated by the Darrow Review Board?

It seems to me to be an obligation upon us as a Congress to decline to leave here until there has been absolute assurance that the infamous ills that have crept into these codes shall be eliminated, and eliminated expeditiously.

As a general thing, I take the word of men. I like to take the word of all men; but when a man who, 6 months ago, told me that certain things were going to be done that have not been done since, stands up today and says, "Yes; there is a wrong here and a wrong there, but we are going to change it", frankly, I cannot take that man's word very seriously.

Mr. President, let us demonstrate before we leave here this spring that we meant precisely what we said when, in cooperating in the new deal, we declared: "We shall make mistakes, and when we discover mistakes that we have made we shall stop and correct them; or, if we fail in one undertaking, we shall try another method of reaching the recovery goal." If we will do that, Mr. President, if we will do our part, we shall save what is destined to destruction under the present course. We shall save those worth-while things that are to be found under N.R.A.

When the Darrow Review Board, 17 days before the report was made public, carried its report to the White House, the White House announced that copies of the report would be sent to N.R.A. itself, to the Federal Trade Commission, and to the Department of Justice. The President wanted the reaction of these three departments to the Darrow Review Board's report. He would publish it when it was all together. Last Monday morning there was released to the press the Darrow Review Board's report, and the only thing

released with it was the response of N.R.A., the institution which was under investigation.

Is it fair to ask with some interest now, Where is the report that the Federal Trade Commission made to the President? Where is the report that the Department of Justice possibly made to the President in the face of the Darrow report? I feel inclined to say that it is fair to ask; and in a few days, if it shall develop that such reports are in existence, I shall offer a resolution here asking that the Senate be furnished with those reports.

I do not know how far I shall get with a resolution of that kind. I encountered the other day here in the Senate an example which indicates that probably I shall not get very far. I came into the Senate one day last week with a resolution asking that the Federal Trade Commission send to the Senate copies of the reports which the Federal Trade Commission had made to N.R.A. in response to requests of N.R.A. Not a voice was raised on the floor of the Senate in opposition to that resolution. Why should any voice be raised? But at a moment when there were but few in the Chamber on the following day a Member of this body rose in his place and moved reconsideration of that resolution, and it is on our calendar now.

Why is it that there is inclination to close the door on every hand to information which certainly the Members of Congress are entitled to and ought to have? Why can we not know the truth? If the Department of Justice in its antitrust division has found that the Darrow report is justified, why can we not know it? On the other hand, if the Department of Justice has found that the Darrow report was without good foundation, let us know that. If the Federal Trade Commission has reported to the President that the Darrow report was socialistic, communistic, and ought not to be seriously considered, let us know it. If the Federal Trade Commission has reported to the President that the Darrow report went to the heart of things and really developed facts that ought to have been developed, that, too, we ought to know. But no! There stand up men, when the call is made upon them, to object, to delay, to cover up; and the Senator who asked for reconsideration of that very simple, ordinary resolution of last week told me that he made the request because General Johnson had called him up and told him to hold it up.

Mr. President, I have talked now longer than I had planned to talk; but I give him warning that, without any desire to engage in filibuster, I shall probably be talking for a few minutes each and every day until at least there is forthcoming assurance that men who have proven themselves so deceptive shall not continue through this summer and fall with the power that they have abused so flagrantly in the past.

In closing my remarks, knowing that response will be made, and ought to be made, to what I have said, I desire to express the hope that words which I have not spoken shall not be placed in my mouth. I sincerely hope there will be none who will deny that I have tried most sincerely to cooperate in the N.R.A. cause. I have been thoroughly convinced, since the enactment of the recovery program, that N.R.A. had within it possibilities that could bring blessings to every home in America. I say yet that those possibilities exist, but never will they be produced so long as existing policies are pursued by those who are in charge.

My sympathy is entirely with what I understand to be the principle of N.R.A. I believe it accomplished splendid things when it did away with child labor, when it brought about shorter hours of employment, when it afforded a higher minimum-wage scale, when it eliminated here and there, as it has, some of the frightful, shameful methods of competition which business was resorting to in a cutthroat way to get some one else out of business, or to enhance and make brighter its own future.

Four years before legislation was enacted creating the N.R.A., I introduced in the Senate a so-called "fair trade bill", and in each subsequent session of Congress presented a similar bill. Extended hearings were held upon it in one session, but it never got beyond the subcommittee. That bill was wholly sympathetic to this program of codes, but the proposed legislation provided that the codes should be formulated with the Federal Trade Commission as guardian, as the representative of the Government, as the representative of the consumer, so that when a unit of industry came along and said, "We want a code", there would be a representative of the Government to pass upon the merit of the code which was being requested.

I believe sincerely in the need for the elimination of unfair practices. I believe in it because I have felt for long that small business was being eliminated by unfair trade practices resorted to by monopoly, and when N.R.A. came into being, I believed that N.R.A. would be so administered as to give the helping hand to small industries, not to monopoly. But when we see what is happening on every hand, and when we see the arrogant and defiant manner in which those under criticism stand up in hours like these, I am thoroughly convinced that nothing good will come out of N.R.A. until there shall be a complete shaking-up of the personnel of that organization, and until there shall be chosen men to carry on there whose sympathies are in accord with what I honestly believe to be the sympathies of the President of the United States.

The President has told me more than once of his interest and his sympathy in the cause of the small, independent business man. He believes he is a very important part of our economic structure. He has led me to believe that we ought to have more little ones and fewer big ones. Yet the policy under N.R.A. at every step thus far has been to make the big ones bigger and to make the little ones smaller and fewer in number.

Mr. President, I doubt very much whether under existing policies and leadership N.R.A. can do what I have always hoped would be accomplished under the law passed by Congress last March. It seems to me there is a thing which might be done by the Congress, or, better, by the President. We have the Darrow Reviewing Board finding that these codes are working to the aid of monopoly. There is the Federal Trade Commission finding that the codes are aiding monopoly and oppressing small business. So two agencies of the Government are found taking that view.

Within N.R.A. are two agencies, both created by General Johnson, the personnel of those agencies appointed by General Johnson. One is the Consumers' Advisory Council, the personnel of which is thoroughly displeased and demoralized by reason of the utter ignoring by General Johnson of its recommendations. Another one is the Planning and Coordinating Commission, I think it is called, within N.R.A., created by General Johnson, but as voiceless as it is possible to be.

There are four agencies of the Government with practically one view in common; namely, that the consumer is getting a very raw deal under some of these codes, and that monopoly is being more strongly entrenched than ever before.

Why would it not be to the advantage of Congress if it should summon the heads of those four boards before a duly constituted committee of the Congress to give testimony as to just what the trouble seems to be? Or, if Congress is not going to do it, what a fine advantage would flow if the President were to summon the heads of those four boards and informally discuss with them what might be done and what has happened in the past to prevent the right thing from being done. If that were to be done, N.R.A. would quickly discover, and the President would quickly discover, who its friends in this hour of great trial really are. I believe the President has such a plan in mind.

Mr. President, industrial recovery under the new deal was to be won through the breaking up and destruction of monopoly. Under N.R.A. monopoly has been more strongly entrenched than ever before.

N.R.A. was expected to accomplish more equitable division of industrial profits between capital and labor; instead, its administration has been such as to increase the profits of capital far beyond the increases won by labor, the consumer paying the larger costs without any material increase in

buying power. This is well exemplified by the General Motors' report for 1933, to which I referred on yesterday, in which it is revealed that sales in dollars rose 31 percent, net earnings 50,000 percent, and average annual wages rose only three quarters of 1 percent.

Big business, proven selfish and greedy to a point that brought economic destruction under the old deal, is, under the N.R.A. program of self-regulation of industry, dominating in this self-regulation.

N.R.A. or any other recovery program is doomed to failure if its direction continues that of affording profit on the basis of watered, fictitious valuations and investments of the insane boom days; and when such effort is made without first restoring fully the boom-day buying power of labor and of the people of the United States generally, we invite a crash more complete and more lasting than even that of 1929 has proven.

If N.R.A. leaders were aiming, as did the Congress which supported the Recovery Act, at decentralization of industry and the accomplishment of a better day and chance for small industry, real recovery might now be well on its way. But instead, N.R.A. has been so abused and misdirected that the small fry in industry is fast finding itself devoured by the big fish, whose greed brought about our economic destruction from which we now seek recovery.

N.R.A. was supposed to save and put industry on its feet. If a census could be had at this time it would reveal business ventures now less by thousands than existed before the N.R.A. came into being.

Big business—our Schwabs and our Graces—evidently have learned no lesson from the depression. The purpose of big business remains that of controlling in its field, dominating at any cost its competition, and writing prices and costs which are all and more than the traffic, meaning the consumer, can possibly bear. Its domination of and cheering for N.R.A. are not a cheerful sign of what the future of N.R.A. has in store for the masses of the people.

The present promise of N.R.A. reforms must, of necessity, as I have said, be weighed alongside of the unfulfilled promises of reforms made by the same crack-down artists during these many months of N.R.A. activity.

The regimenting of industry and business by the Government through N.R.A., and the turning over of this regimentation to big business, which dominates the code authorities, which, in turn, are to lead in the self-regulation of industry, is nothing more than the old deal thrown into high gear.

I am convinced, Mr. President, that the continuation of existing N.R.A. policies, under existing leadership and direction, is bound to carry us to more economic havoc than we have yet known, regardless of how many more Army officers may be called to the side of the present Administrator to assist him. All the Army officers on the Federal pay roll are not going to be able to stuff the public much longer with this ballyhoo giving N.R.A. the credit for what C.W.A., C.C.C., P.W.A., natural recovery, and Uncle Sam's purse and credit have done.

Mr. LONG. Mr. President, I ask permission to have printed in the RECORD the decision handed down by Judge Charles I. Dawson, United States district judge for the western district of Kentucky, in the case of Hart Coal Corporation et al. against Thomas J. Sparks et al., which case involved the code of fair competition for the bituminous coal-mining industry in western Kentucky.

There being no objection, the decision was ordered to be printed in the RECORD, as follows:

IN THE DISTRICT COURT OF THE UNITED STATES FOR THE WESTERN DISTRICT OF KENTUCKY

HART COAL CORPORATION ET AL., PLAINTIFFS, *v.* THOMAS J. SPARKS, UNITED STATES ATTORNEY FOR THE WESTERN DISTRICT OF KENTUCKY, AND J. R. LAYMAN, STATE COMPLIANCE DIRECTOR OF KENTUCKY, DEFENDANTS

Opinion

The plaintiffs seek in this section to enjoin Thomas J. Sparks, United States attorney for the western district of Kentucky, and J. R. Layman, State compliance director of Kentucky, appointed under the National Industrial Recovery Act, from initiating or prosecuting any suit or suits in equity or any criminal proceedings against them for violations of a certain order issued by Gen. Hugh S. Johnson, Administrator for National Recovery, on March 31, 1934, as supplemented by an order issued by said Johnson on April 22, 1934, these orders having been issued as amendments to and supplements of the code of fair competition for the bituminous coal industry, approved and recommended by said Johnson, Administrator, etc., and promulgated by the President on September 18, 1933. On application for a temporary restraining order the action was dismissed as to the defendant, J. R. Layman, State compliance director, it affirmatively appearing that he has no authority to direct, institute, or control any proceeding, civil or criminal, against violators of the code. A temporary restraining order was granted, enjoining the defendant, Sparks, as United States attorney, pending further order of the court, from initiating any prosecution or other action to enforce the penalties attempted to be authorized by the National Recovery Act for violations of codes promulgated under its terms. The matter is now before me on motion for a preliminary injunction against the United States attorney.

The 34 plaintiffs are engaged in bituminous-coal mining in the western Kentucky coal field, and they produce approximately 90 percent of all the coal produced in that field.

The bill alleges that notwithstanding the fact that the mining and production of coal for market is not interstate commerce, and that Congress has no power to regulate same, many of the plaintiffs joined in submitting to the President for his approval a code of fair competition for the bituminous-coal-mining industry in western Kentucky; that the western Kentucky mining field has for many years been a sharply defined subdivision of the coal industry, having peculiar and exceptional problems not existing in other competitive coal-mining areas; that by reason of the relative thinness of the coal seams and the resulting high per-ton cost of production, and because of high freight-rate differentials against the field, this field must be regarded as a separate and distinct unit in the coal-producing industry; that in the code submitted by this field these exceptionally adverse conditions were given recognition in the wage scale which it proposed, but that this code was rejected and a so-called "national code" for the bituminous-coal industry, providing for much higher minimum wages, was formulated by the said Johnson, Administrator, and approved by the President.

It is further alleged that notwithstanding many of the provisions of the so-called "national code", and particularly the minimum-wage scales therein prescribed, were wholly unacceptable to the plaintiffs and other producers in western Kentucky, they yielded obedience to and proceeded to operate under it, relying upon certain clauses of the code providing for a readjustment of minimum wages and hours of service after investigation of these matters in the manner provided for in the code; that as a result of the investigation conducted by the code authorities as to the matter of wages, hours, and freight differentials, it was disclosed that for the month of November 1933, the western Kentucky coal field, operating under the wages fixed in the national code, had sustained a loss of 6.95 cents per ton on coal produced, while their competitors in the southern Illinois field for the same period had made a profit of 10.52 cents per ton, and in the Indiana field, of 7.76 cents per ton; that thereupon the representatives of the western Kentucky operators requested of the Administrator a readjustment of the wage scale in western Kentucky, but that no action was taken upon this request until March 31, 1934, when General Johnson, Administrator, without notice or hearing, arbitrarily and in disregard of the facts, issued one of the orders complained of herein, by which the minimum-wage scale for the western Kentucky field and certain other fields, including Alabama, as fixed in the original code, was greatly increased and the hours of service reduced from 8 to 7 hours per day, with no corresponding increases in the fields of Illinois and Indiana, except such increases as resulted from changing the hours of service from 8 to 7 hours per day; that thereupon the plaintiffs, knowing that they could not operate under the increased wage scale except at a heavy loss, reduced the operations of their mines to the minimum necessary to fill existing contracts, and proceeded to Washington for a hearing on the order, which was had on April 9, 1934; that at this hearing, in support of their claim that they could not live under the wages prescribed, they offered figures compiled and findings made by the National Recovery Administration itself, and that no evidence to the contrary was offered or heard by the National Recovery Administration; that at this hearing the representative of General Johnson, Administrator, conducting the hearing, was asked if there was any other evidence in possession of the Administrator bearing upon the ability of the western Kentucky field to operate without a loss under the prescribed wages, and that they were advised that there was no such other evidence; that notwithstanding these facts, the said Johnson, as Administrator, on April 22, 1934, issued the second order complained of, declining to reduce the wage scale for the western Kentucky field, as fixed in his order of March 31, 1934, but materially reducing it for the Alabama field, which is a competitor of the western Kentucky field in southern markets; that this reduction of the Alabama wage scale, without a corresponding reduction in the western Kentucky field, inevitably operates to close to the plaintiffs those markets in the South in which Alabama coal is a competitor, and that the combined effect of the two orders of March 31 and April 22 is to practically exclude them from all competitive markets, North and South, and to destroy their business.

The orders complained of are attacked as an unconstitutional attempt on the part of the National Government to regulate matters exclusively reserved to the States and to the people under

the tenth amendment to the Federal Constitution, and as violative of the fifth amendment to the Constitution in that it deprives the plaintiffs of their property without due process of law. It is further claimed that, conceding the power of Congress to regulate hours of service and wages in coal mines, the National Recovery Act is unconstitutional because of an unlawful delegation of legislative power; that, conceding the validity of the act, the orders complained of are arbitrary and capricious, and made in disregard of the provisions of the code of fair competition for the bituminous-coal industry and of the facts developed under the terms of that code.

The answer of the defendant, in addition to denying many of the allegations of the bill, portrays coal mining as a great national industry and the importance of the product of such mines to many of the basic industries of the country located in States other than those in which the coal is produced, and to the railroads, carrying a large part of the interstate commerce of the country, and claims for Congress the power to regulate and foster the industry as one affecting interstate commerce, and the affidavit of Wayne P. Ellis was offered in support of this theory.

At the threshold of the case I am met with the suggestion that the plaintiffs are in no position to seek equitable relief: First, because they have an adequate remedy at law; and, second, because by operating under the terms of the code promulgated under the National Recovery Act and accepting its benefits they are precluded from attacking the constitutionality of the act and of the orders complained of, purporting to have been issued under its authority.

In view of the heavy penalties provided in the act for violating codes of fair competition promulgated under it, there can be no doubt, under well-settled equity principles, of the inadequacy of the remedy at law.

I think the suggestion that the plaintiffs are estopped by their alleged previous acceptance of and operation under the code to question the constitutionality of the orders complained of, and of the act as construed by those charged with its enforcement, is pressing the doctrines of estoppel and waiver to an unreasonable limit; and in fairness to the district attorney and his counsel it should be stated that this contention has not been very vigorously urged. The court must be presumed to know what is common knowledge. The authorities charged with the enforcement of the National Recovery Act have proclaimed from the date of its passage that the codes promulgated under it are the law of the land and binding upon every person in the industry affected, whether they consent to same or not; and that upon a violation of such codes the dire penalties fixed in the act would be imposed upon them. No opportunity of election was presented. Not only this, but they were threatened with boycotts and blacklisting if they dared to operate in disregard of the terms of the code applicable to their particular industry. It seems to me that in view of this well-known and publicly proclaimed attitude of the authorities the Government is in a poor position to contend that its citizens operating under the codes are precluded from questioning the constitutional authority of those who seek to enforce them.

Furthermore, it is pleaded and not denied that these plaintiffs had nothing to do with fixing the terms of the code here involved; that they merely acquiesced in and operated under it after it was promulgated, as the national authorities were insisting they were legally compelled to do. To treat their past acquiescence and compliance with its terms under these conditions as voluntary and as an election to operate under it would be not unlike treating the unresisting march of the condemned criminal to the gallows as his consent to his own execution.

The right claimed for the President and his subordinates under the act to regulate hours of service and wages in coal mines either is, or is not, authorized under the Constitution, and those charged with the enforcement of the act, and claiming authority under it, should not desire nor will they be permitted, under the specious plea of estoppel or waiver, to evade a judicial determination of this important question.

Section 1 of the act reads:

"A national emergency productive of wide-spread unemployment and disorganization of industry, which burdens interstate and foreign commerce, affects the public welfare, and undermines the standards of living of the American people, is hereby declared to exist. It is hereby declared to be the policy of Congress to remove obstructions to the free flow of interstate and foreign commerce which tend to diminish the amount thereof; and to provide for the general welfare by promoting the organization of industry for the purpose of cooperative action among trade groups, to induce and maintain united action of labor and management under adequate governmental sanctions and supervision, to eliminate unfair competitive practices, to promote the fullest possible utilization of the present productive capacity of industries, to avoid undue restriction of production (except as may be temporarily required), to increase the consumption of industrial and agricultural products by increasing purchasing power, to reduce and relieve unemployment, to improve standards of labor, and otherwise to rehabilitate industry and to conserve natural resources."

Section 3 (a) authorizes the President, upon application to him by one or more trade or industrial associations or groups, to approve voluntary codes of fair competition for such trades or industries as are represented by the applicants, provided certain conditions and requirements of the statute are met.

Section 3 (b) provides:

"After the President shall have approved any such code the provisions of such code shall be the standards of fair competition for such trade or industry or subdivision thereof. Any violation of such standards in any transaction in or affecting interstate or foreign commerce shall be deemed an unfair method of competition in commerce within the meaning of the Federal Trade Commission Act, as amended; but nothing in this title shall be construed to impair the powers of the Federal Trade Commission under such act as amended."

Section 3 (d) provides:

"Upon his own motion, or if complaint is made to the President that abuses inimical to the public interest and contrary to the policy herein declared are prevalent in any trade or industry or subdivision thereof, and if no code of fair competition therefor has theretofore been approved by the President, the President, after such public notice and hearing as he shall specify, may prescribe and approve a code of fair competition for such trade or industry or subdivision thereof, which shall have the same effect as a code of fair competition approved by the President under subsection (a) of this section."

Section 3 (f) provides that when a voluntary code of fair competition has been approved by the President, as authorized by section 3 (a), or when such a code has been prescribed by the President under section 3 (d)—

"Any violation of any provision thereof in any transaction in or affecting interstate or foreign commerce shall be a misdemeanor, and upon conviction thereof an offender shall be fined not more than $500 for each offense, and each day such violation continues shall be deemed a separate offense."

Section 4 reads:

"(a) The President is authorized to enter into agreements with, and to approve voluntary agreements between and among persons engaged in a trade or industry, labor organizations, and trade or industrial organizations, associations, or groups relating to any trade or industry, if in his judgment, such agreements will aid in effectuating the policy of this title with respect to transactions in or affecting interstate or foreign commerce, and will be consistent with the requirements of clause (2) of subsection (a) of section 3 for a code of fair competition.

"(b) Whenever the President shall find that destructive wage or price cutting or other activities contrary to the policy of this title are being practiced in any trade or industry or any subdivision thereof, and, after such public notice and hearing as he shall specify, shall find it essential to license business enterprises in order to make effective a code of fair competition or an agreement under this title or otherwise to effectuate the policy of this title, and shall publicly so announce, no person shall, after a date fixed in such announcement, engage in or carry on any business, in or affecting interstate or foreign commerce, specified in such announcement, unless he shall have first obtained a license issued pursuant to such regulations as the President shall prescribe. The President may suspend or revoke any such license, after due notice and opportunity for hearing, for violations of the terms or conditions thereof. Any order of the President suspending or revoking any such license shall be final if in accordance with law. Any person who, without such a license, or in violation of any condition thereof, carries on any such business for which a license is so required, shall, upon conviction thereof, be fined not more than $500, or imprisoned not more than 6 months, or both, and each day such violation continues shall be deemed a separate offense. Notwithstanding the provisions of section 2 (c), this subsection shall cease to be in effect at the expiration of 1 year after the date of enactment of this act or sooner if the President shall by proclamation or the Congress shall by joint resolution declare that the emergency recognized by section 1 has ended."

The foregoing provisions of the act make it perfectly apparent that Congress relied upon the commerce clause of the Constitution to justify the legislation. The declaration of policy contained in section 1 clearly proclaims this, and the penalties provided in the act for violations of its terms and for violation of the codes promulgated under it are carefully restricted to transactions in or affecting interstate or foreign commerce, and section 7 (d) defines interstate and foreign commerce as follows:

"The terms 'interstate and foreign commerce' and 'interstate or foreign commerce' include, except where otherwise indicated, trade or commerce among the several States and with foreign nations, or between the District of Columbia or any Territory of the United States and any State, Territory, or foreign nation, or between any insular possessions or other places under the jurisdiction of the United States, or between any such possession or place and any State or Territory of the United States or the District of Columbia or any foreign nation, or within the District of Columbia or any Territory or any insular possession or other place under the jurisdiction of the United States."

Under well-settled rules of statutory construction, the language of this act should be construed by the courts according to the commonly accepted and understood meaning of the words used. In the light of this rule, and indulging the presumption that Congress was familiar with the well-understood limits of its powers under the commerce clause as determined by the Supreme Court, it is difficult to escape the conclusion that the act was drawn with full appreciation of the limitations upon the powers of Congress under the commerce clause and with no intention of exceeding these powers; or was deliberately dressed in constitutional language to conceal a purpose to exercise a degree of regulation not within the fair intendment of the language used; or else those charged with the enforcement of the act have construed it to authorize the regulation of matters not intended by Congress to be regulated.

The second alternative I unhesitatingly reject. The question of whether those charged with the enforcement of the Recovery Act

are misconstruing it in their attempt to regulate the production and preparation of coal for market is not material. The real question is: Does the act, as so construed, transcend the constitutional power of Congress?

In considering this question we must never forget that the National Government is one of delegated powers, and that Congress possesses only such legislative powers as are expressly or by implication conferred upon it by the people in the Constitution. Even though the ninth and tenth amendments to the Constitution had never been adopted, it would be difficult, in the light of the history of the Constitution, of its source, and of the objects sought to be accomplished by it, to reach any other conclusion than that there is reserved to the States or to the people all the powers and rights not expressly or impliedly conferred upon the National Government. But the ninth amendment, which declares—

"The enumeration in the Constitution, of certain rights, shall not be construed to deny or to disparage others retained by the people"—

and the tenth amendment, providing that—

"The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States, respectively, or to the people"—

put this matter beyond all question. Therefore, Congress does not have all legislative power. It possesses only such legislative power as has been expressly or impliedly conferred upon it.

By clause 3, section 8, article 1 of the Constitution, Congress is given the power—

"To regulate commerce with foreign nations, and among the several States, and with the Indian tribes."

It is to be noted that the power vested in Congress by this clause is not the power to regulate every activity of the people. It does not grant the power even to regulate all commerce; it must be interstate or foreign commerce, embracing within that power, of course, the power to regulate such acts and transactions as, within constitutional limitations, can be reasonably deemed to directly affect interstate commerce. Interstate commerce cannot constitutionally be stretched to reach those activities not embraced within the meaning of the word commerce. "Commerce" has been defined by Webster as intercourse, especially the exchange or the buying and selling of commodities; trade or traffic; and, of course, includes the movements necessary to such intercourse, trade or traffic, and the instrumentalities of such movements, but it does not include production or manufacture of articles of commerce.

In the case of *McCall* v. *California* (136 U.S. 106), the following definition of commerce, given by Pomeroy in his work on Constitutional Law, is approved:

"It includes the fact of intercourse and of traffic and the subject matter of intercourse and traffic. The fact of intercourse and traffic, again, embraces all the means, instruments, and places by and in which intercourse and traffic are carried on, and, further still, comprehends the act of carrying them on at these places and by and with these means. The subject matter of intercourse or traffic may be either things, goods, chattels, merchandise, or persons."

Since *Gibbons* v. *Ogden* (9 Wheat. 1) the Supreme Court has been called upon innumerable times, not only to define what is interstate commerce within the regulatory power of Congress but also what is not interstate commerce, and these opinions graphically portray the scope which has been given to the commerce clause, in order that national authority may be fully and completely exercised over this matter of national concern, yet without invading the rights reserved to the States and the people under the tenth amendment. They have been but the logical development, under the particular facts involved, of the definition of interstate commerce given in *Hopkins* v. *United States* (171 U.S. 578):

"Definitions as to what constitutes interstate commerce are not easily given so that they shall clearly define the full meaning of the term. We know from the cases decided in this court that it is a term of very large significance. It comprehends, as it is said, intercourse for the purposes of trade in any and all its forms, including transportation, purchase, sale, and exchange of commodities between the citizens of different States, and the power to regulate it embraces all the instruments by which such commerce may be conducted."

Cases illustrating the scope of the power are: *Montague & Co.* v. *Lowry* (193 U.S. 38); *Addyston Pipe & Steel Co.* v. *United States* (175 U.S. 211); *Swift & Co.* v. *United States* (196 U.S. 375); *Lemke* v. *Farmers' Grain Co.* (258 U.S. 50); *Stafford* v. *Wallace* (258 U.S. 495); *Chicago Board of Trade* v. *Olsen* (262 U.S. 1); *Dahnke-Walker Milling Co.* v. *Bondurant* (257 U.S. 282); *Coronado Coal Co.* v. *United Mine Workers of America* (268 U.S. 295); *United States* v. *Ferger* (250 U.S. 199); *United States* v. *Patten* (226 U.S. 525); *Railroad Commission of Wisconsin* v. *C., B. & Q. R.R. Co.* (257 U.S. 563); *Houston, East & West Texas Railway Co.* v. *United States* (234 U.S. 342). But in no case has the Supreme Court ever decided, or even hinted, that the power to regulate interstate commerce, or transactions affecting interstate commerce, embraces the power to regulate the production and manufacture of articles intended for commerce. On the contrary, that court has been at pains to point out that these activities are exclusively within the control of the States, or reserved to the people.

In the case of *United States* v. *E. C. Knight Co.* (156 U.S., p. 1), the Court said:

"Doubtless the power to control the manufacture of a given thing involves in a certain sense the control of its disposition, but this is a secondary and not the primary sense; and although the exercise of that power may result in bringing the operation of commerce into play, it does not control it, and affects it only incidentally and indirectly. Commerce succeeds to manufacture, and is not a part of it. * * *

"It is vital that the independence of the commercial power and of the police power, and the delimitation between them, however sometimes perplexing, should always be recognized and observed, for while the one furnishes the strongest bond of union, the other is essential to the preservation of the autonomy of the States as required by our dual form of government; and acknowledged evils, however grave and urgent they may appear to be, had better be borne than the risk to be run in the effort to suppress them of more serious consequences by resort to expedients of even doubtful constitutionality. * * *

"The regulation of commerce applies to the subjects of commerce and not to matters of internal police. Contracts to buy, sell, or exchange goods to be transported among the several States, the transportation and its instrumentalities, and articles bought, sold, or exchanged for the purposes of such transit among the States, or put in the way of transit, may be regulated, but this is because they form part of interstate trade or commerce. The fact that an article is manufactured for export to another State does not of itself make it an article of interstate commerce, and the intent of the manufacturer does not determine the time when the article or product passes from the control of the State and belongs to commerce."

In the case of *Kidd* v. *Pearson* (128 U.S., p. 1), which was dealing with the constitutionality, under the commerce clause, of a State law which prohibited the manufacture therein of liquor even for shipment out of the State, the court said:

"No distinction is more popular to the common mind or more clearly expressed in economic and political literature than that between manufactures and commerce. Manufacture is transformation—the fashioning of raw materials into a change of form for use. The functions of commerce are different. The buying and selling and the transportation incidental thereto constitute commerce; and the regulation of commerce in the constitutional sense embraces the regulation, at least, of such transportation. The legal definition of the term as given by this court in *County of Mobile* v. *Kimball* (102 U.S. 691–702), is as follows: 'Commerce with foreign countries and among the States, strictly considered, consists in intercourse and traffic, including in these terms navigation and the transportation and transit of persons and property as well as the purchase, sale, and exchange of commodities.' If it be held that the term includes the regulation of all such manufactures as are intended to be the subject of commercial transactions in the future, it is impossible to deny that it would also include all productive industries that contemplate the same thing. The result would be that Congress would be invested, to the exclusion of the States, with the power to regulate, not only manufactures but also agriculture, horticulture, stock raising, domestic fisheries, mining—in short, every branch of human industry. For is there one of them that does not contemplate, more or less clearly, an interstate or foreign market? Does not the wheat grower of the Northwest and the cotton planter of the South plant, cultivate, and harvest his crop with an eye on the prices at Liverpool, New York, and Chicago? The power being vested in Congress and denied to the States, it would follow as an inevitable result that the duty would devolve on Congress to regulate all of these delicate, multiform, and vital interests—interests which in their nature are and must be local in all the details of their successful management.

"It is not necessary to enlarge on, but only to suggest the impracticability of such a scheme, when we regard the multitudinous affairs involved, and the almost infinite variety of their minute details. * * *

"The demands of such a supervision would require, not uniform legislation generally applicable throughout the United States, but a swarm of statutes only locally applicable and utterly inconsistent. Any movement toward the establishment of rules of production in this vast country, with its many different climates and opportunities, could only be at the sacrifice of the peculiar advantages of a large part of the localities in it, if not of every one of them. On the other hand, any movement toward the local, detailed, and incongruous legislation required by such interpretation would be about the widest possible departure from the declared object of the clause in question."

In the case of *Delaware, Lackawanna & Western R.R. Co.* v. *Yurkonis* (238 U.S. 439), there was involved the question of whether Yurkonis, who was injured while working in a coal mine belonging to the railroad company, the coal from which was to be used by the railroad company in the operation of its interstate trains, was engaged in interstate commerce at the time he was injured so as to bring him under the provisions of the Federal Employers' Liability Act. The court held that the mining of coal was not commerce, and the fact that it was being mined for use in the operation of trains in interstate movements did not bring such mining under the control of the national Government under the commerce clause of the Constitution.

In *Heisler* v. *Thomas Colliery Co.* (260 U.S. 245), there was involved the constitutionality under the commerce clause of a Pennsylvania statute taxing anthracite coal when prepared and ready for shipment or market. The act was attacked on the ground that the tax was a burden on interstate commerce, the argument being that Pennsylvania had a virtual monopoly in anthracite coal; that the major part of the production finds its market in other States, and that the necessary and intended result of the law was to pass this tax on to the citizens of other

States, and thus burden interstate commerce. The case was most carefully considered, the attorneys general of nine different States in which Pennsylvania anthracite coal finds a market appearing in the Supreme Court to urge its unconstitutionality because it burdened interstate commerce. In response to this contention, the Court said:

"The reach and consequences of the contention repel its acceptance. If the possibility, or, indeed, certainty of exportation of a product or article from a State determines it to be in interstate commerce before the commencement of its movement from the State, it would seem to follow that it is in such commerce from the instant of its growth or production, and in the case of coals, as they lie in the ground. The result would be curious. It would nationalize all industries, it would nationalize and withdraw from State jurisdiction and deliver to Federal commercial control the fruits of California and the South, the wheat of the West and its meats, the cotton of the South, the shoes of Massachusetts and the woolen industries of other States, at the very inception of their production or growth; that is, the fruits unpicked, the cotton and wheat ungathered, hides and flesh of cattle yet on the hoof, wool yet unshorn, and coal yet unmined, because they are in varying percentages destined for and surely to be exported to States other than those of their production.

"However, we need not proceed further in speculation and argument. Ingenuity and imagination have been exercised heretofore upon a like contention. There is temptation to it in the relation of the States to the Federal Government, being yet superior to the States in instances, or rather, having spheres of action exclusive of them."

Oliver Iron Co. v. *Lord* (262 U.S. 172) involved the constitutionality under the commerce clause of a Minnesota statute, imposing a tax on the business of mining iron ore equal to 6 per cent of the value of the ore produced. It was claimed that inasmuch as substantially all the ore produced was mined with the expectation that it would be, and actually was, immediately loaded on cars and shipped into other States to satisfy existing contracts, the mining of the ore constituted interstate commerce, and the imposition of a tax on such mining was a burden upon such commerce. In response to this contention, the Court said:

"Plainly the facts do not support the contention. Mining is not interstate commerce, but, like manufacturing, is a local business subject to local regulation and taxation. * * * Its character in this regard is intrinsic, is not affected by the intended use or disposal of the product, is not controlled by contractual engagements, and persists even though the business be conducted in close connection with interstate commerce."

Hammer v. *Dagenhart* (247 U.S. 251) involved the constitutionality under the commerce clause of the act of Congress of September 1, 1916, prohibiting transportation in interstate commerce of goods made in any factory employing certain kinds of child labor. The court held that the regulation of the business of manufacturing was beyond the reach of Congress under the commerce clause, and in discussing the proposition, said:

"Commerce consists of intercourse and traffic, and includes the transportation of persons and property, as well as the purchase, sale, and exchange of commodities. The making of goods and the mining of coal are not commerce, nor does the fact that these things are to be afterward shipped or used in interstate commerce make their production a part thereof. * * * Over interstate transportation or its incidents the regulatory power of Congress is ample, but the production of articles intended for interstate commerce is a matter of local regulation. * * * If it were otherwise, all manufacture intended for interstate shipment would be brought under Federal control to the practical exclusion of the authority of the States, a result certainly not contemplated by the framers of the Constitution when they vested in Congress the authority to regulate commerce among the States. It is further contended that the authority of Congress may be exerted to control interstate commerce in the shipment of child-made goods because of the effect of the circulation of such goods in other States, where the evil of this class of labor has been recognized by local legislation, and the right to thus employ child labor has been more rigorously restrained than in the State of production. In other words, that the unfair competition thus engendered may be controlled by closing the channels of interstate commerce to manufacturers in those States where the local laws do not meet what Congress deems to be the more just standard of other States. There is no power vested in Congress to require the States to exercise their police power so as to prevent possible unfair competition. Many causes may cooperate to give one State, by reason of local laws or conditions, an economic advantage over others. The commerce clause was not intended to give to Congress a general authority to equalize such conditions. In some of the States laws have been passed fixing minimum wages for women; in others, the local law regulates the hours of labor of women in various employments. Business done in such States may be at an economic disadvantage when compared with States which have no such regulation; surely this fact does not give Congress the power to deny transportation in interstate commerce to those who carry on business where the hours of labor and the rate of compensation for women have not been fixed by a standard in use in other States and approved by Congress. The grant of power to Congress over the subject of interstate commerce was to enable it to regulate such commerce, and not to give it authority to control the States in their exercise of the police power over local trade and manufacture. The grant of authority over a purely Federal matter was not intended to destroy the local power always existing and carefully reserved to the States in the tenth amendment to the Constitution."

It was held in *Crescent Cotton Oil Co.* v. *Mississippi* (257 U.S. 129), that the separation of the seed from the fiber of cotton, through the use of a cotton gin, was a part of the manufacture of both the seed and fiber into useful articles of commerce, and the fact that these articles while in process of manufacture were intended for export to another State did not make such ginning interstate commerce.

In *Utah Power & Light Co.* v. *Pfost* (286 U.S. 165), it was held that the generation of electricity from water power, and the transmission of the current over wires from the generator to consumers in another State, are two entirely separate and distinct operations, one a local manufacturing operation, subject to exclusive State control, and the other interstate commerce. The court said:

"We are satisfied, upon a consideration of the whole case, that the process of generation is as essentially local as though electrical energy were a physical thing; and to that situation we must apply, as controlling, the general rule that commerce does not begin until manufacture is finished, and hence the commerce clause of the Constitution does not prevent the State from exercising exclusive control over the manufacture. *Cornell* v. *Coyne* (192 U.S. 418, 428–429). 'Commerce succeeds to manufacture and is not a part of it.' *United States* v. *E. C. Knight Co.* (156 U.S. 1, 12).

"Without regard to the apparent continuity of the movement, appellant, in effect, is engaged in two activities, not in one only. So far as it produces electrical energy in Idaho, its business is purely intrastate, subject to State taxation and control. In transmitting the product across the State line into Utah, appellant is engaged in interstate commerce, and State legislation in respect thereof is subject to the paramount authority of the commerce clause of the Federal Constitution."

In *United Mine Workers of America* v. *Coronado Coal Co.* (259 U.S. 344), the Supreme Court again declared:

"Coal mining is not interstate commerce, and the power of Congress does not extend to its regulation as such."

And the force of this decision is not at all weakened by the subsequent decision of the Supreme Court in *Coronado Coal Co.* v. *United Mine Workers of America* (268 U.S. 295), for there the Court simply held that on the second trial of the case in the lower court the evidence showed that there was a conspiracy to directly interfere with and obstruct interstate commerce.

In the very recent case of *Chassaniol* v. *City of Greenwood*, decided March 12, 1934, Mr. Justice Brandeis, writing for the Court, again emphasized the fact that manufacturing processes and acts directly in connection therewith do not constitute interstate commerce, even though the product manufactured is intended for sale and shipment in interstate commerce.

Cases emphasizing the lack of power in the National Government, under the commerce clause, to regulate manufacture and production could be multiplied; but to refer to them would unnecessarily extend this opinion. Indeed, it seems to me that the lack of such power is as axiomatic as is the proposition that no State is entitled to more than two Senators under the Constitution. He who would find in such cases as *Stafford* v. *Wallace* and *Chicago Board of Trade* v. *Olsen*, supra, authority for the exercise of such power, has read the opinions of the Supreme Court on the subject to but little purpose, and fails to comprehend that those cases dealt with acts, instrumentalities, and agencies directly connected with and affecting interstate commerce, and in no wise involve the regulation of manufacture or production.

As the defendant seeks to justify the orders here involved solely under the commerce clause of the Constitution, and as the act plainly indicates that Congress found its justification under that clause, I should probably be justified in testing the constitutionality of these orders under that clause alone; but the matter is of such grave importance, and courts are so reluctant to strike down as unconstitutional acts of coordinate departments of the Government, that I feel constrained to search further to determine if justification can be found for the orders involved in any other provision of the fundamental law. Frankly, I would be at a loss to conjecture under what other provision or provisions of the Constitution those who claim for the National Government the right to regulate manufacture and production would, in good faith, profess to find such authority but for the arguments advanced from time to time by those who defend the exercise of this authority. Generally speaking, aside from the commerce clause, the act, as construed by those charged with its enforcement, has been defended as a proper exercise of national power in a great emergency; or as an exercise of the inherent power of the National Government to accomplish the purposes set forth in the preamble of the Constitution, and some have thought that it could be justified by clause 1, section 8, article I, of the Constitution, which vests in Congress the power—

"To lay and collect taxes, duties, imposts, and excises, to pay the debts and provide for the common defense and general welfare of the United States."

Certainly no emergency, no matter how pressing, can clothe Congress with any power to legislate on matters not expressly or impliedly confided to it by the Constitution.

In the great case of *Ex parte Milligan* (4 Wall. 2), the Supreme Court exploded the doctrine that emergency creates national power in the following language:

"The Constitution of the United States is a law for rulers and people, equally in war and in peace, and covers with the shield

of its protection all classes of men at all times and under all circumstances. No doctrine, involving more pernicious consequences, was ever invented by the wit of man than that any of its provisions can be suspended during any of the great exigencies of government. Such a doctrine leads directly to anarchy or despotism, but the theory of necessity on which it is based is false; for the government, within the Constitution, has all the powers granted to it which are necessary to preserve its existence; as has been happily proved by the result of the great effort to throw off its just authority."

In *Wilson* v. *New* (243 U.S. 332), the Supreme Court again held that a national emergency could not be made the source of congressional power; that it could not call into existence a power not granted in the Constitution. And again, in the very recent case of *Home Building & Loan Association* v. *Blaisdell* (290 U.S. 398), the Supreme Court, through Mr. Chief Justice Hughes, was careful to explain that while emergency may afford a reason for the exertion of admitted legislative power, it cannot call into life a power which has never existed.

The so-called "rent cases", *Block* v. *Hirsh* (256 U.S. 135); *Brown Holding Co.* v. *Feldman* (256 U.S. 170); *Levy Leasing Co.* v. *Siegel* (258 U.S. 242), and the more recent cases of *Home Building & Loan Association* v. *Blaisdell* (290 U.S. 398), and *Nebbia* v. *New York*, decided by the Supreme Court on March 5, 1934, have been thought by many to afford support for the emergency doctrine; but this conception of these cases is erroneous.

The case of *Block* v. *Hirsh*, supra, involved the extent to which the police power of Congress over the District of Columbia may be exercised in an emergency; and *Brown Holding Co.* v. *Feldman* and *Levy Leasing Co.* v. *Siegel*, supra, involved the extent of the exercise of the police power of the State of New York in an emergency. The same question was involved in the Minnesota case of *Home Building & Loan Association* v. *Blaisdell* and the New York case of *Nebbia* v. *New York*, supra.

In considering these cases it is important to keep in mind that the National Government has no police power, as that term is generally understood, within the boundaries of sovereign States, except over property therein owned by the Government in its proprietary capacity. It does possess such police power over the District of Columbia by virtue of clause 17, section 8, article I, of the Constitution, which authorized Congress—

"* * * to exercise exclusive legislation in all cases whatsoever, over such District (not exceeding 10 miles square) as may, by cession of particular States and acceptance of Congress, become the seat of government of the United States, and to exercise like authority over all places purchased by the consent of the legislature of the State in which the same shall be, for the erection of forts, magazines, arsenals, dockyards, and other needful buildings."

This provision of the Constitution vests in Congress all legislative power over the District of Columbia, and such power, of course, includes the general police power inherent in governments possessing unrestricted legislative authority. So in the District of Columbia rent case the Supreme Court found that the underlying power necessary to sustain the legislation was the police power conferred by the Constitution over the District, and that the emergency simply justified the exercise of this admitted existing power to an extent which would not be tolerated in normal times.

The only police power possessed by Congress other than that heretofore noted is over the Territories and public domain of the United States; and the authority for the exercise of the police power in this field is found in clause 2, section 3, article IV, of the Constitution, which provides:

"The Congress shall have the power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States."

The generally recognized power of Congress to define certain acts as crimes, and fix the punishment therefor, does not rest upon the police power proper, but upon the expressly or impliedly granted powers of the National Government, and upon that provision of the Constitution conferring upon Congress the power to make all laws necessary for carrying into execution the enumerated powers of the National Government. Thus, Congress under the commerce clause has the power to define offenses against such commerce and fix the punishment therefor, and the same is true with reference to the other powers expressly or impliedly conferred upon the National Government. But this is a very different thing from the police power which embraces the right to legislate for the general welfare, health, and safety of the community. This is the highest power possessed by a government having unrestricted legislative authority. Granted a reasonable basis for its exercise, it acknowledges few, if any, limitations in such a government; but, with the exceptions heretofore noted, it is not possessed by the Government of the United States, except to the extent that it exists in connection with the exercise of its delegated powers. See *The Lottery Cases* (188 U.S. 321); *Hipolite Egg Co.* v. *United States* (220 U.S. 45); *Caminetti* v. *United States* (242 U.S. 470).

It would hardly seem necessary to demonstrate the fallacy of the claim that there is any inherent or general power unmentioned in the Constitution to accomplish the purposes set forth in the preamble to that instrument. It would seem perfectly apparent that the objects set forth in the preamble were intended by the fathers to be attained through the exercise of the powers granted to the National Government in the Constitution; otherwise, the National Government is not one of limited delegated powers, but of unlimited powers, with Congress free to accomplish the purposes set out in the preamble in whatever way may appeal to the judgment of that body. Of course, the statement of this proposition carries with it its own refutation.

The present, however, is not the first time that the argument has been advanced that the preamble contains an affirmative grant of power. Such a contention was advanced in *Jacobson* v. *Masachusetts* (197 U.S. 11), and Mr. Justice Harlan, for the Court, disposed of this contention in this language:

"We pass without extended discussion the suggestion that the particular section of the statute of Massachusetts now in question is in derogation of rights secured by the preamble of the Constitution of the United States. Although that preamble indicates the general purposes for which the people ordained and established the Constitution, it has never been regarded as the source of any substantive power conferred on the Government of the United States or on any of its departments. Such powers embrace only those expressly granted in the body of the Constitution and such as may be implied from those so granted. Although, therefore, one of the declared objects of the Constitution was to secure the blessings of liberty to all under the sovereign jurisdiction and authority of the United States, no power can be exerted to that end by the United States, unless, apart from the preamble, it be found in some express delegation of power or in some power to be properly implied therefrom."

Clause 1, section 8, article I, of the Constitution, which vests Congress with the power to lay and collect taxes, etc., is so punctuated that, if considered by itself, it might be construed as conferring two separate and distinct powers upon Congress—one to lay and collect taxes, and the other to pay the debts and provide for the common defense and general welfare of the United States. Of course, if such construction were given to this section, it would wipe out all limitations upon the powers of Congress and leave it with unlimited power to legislate for the general welfare of the United States. The inevitable result compels a rejection of such a construction.

Story, in his work on Constitutional Law, after a careful consideration of the clause, reached the conclusion that it should be construed as if it literally read to empower Congress to pay and collect taxes, duties, imposts and excises, in order to pay the debts and provide for the common defense and general welfare of the United States, and this construction was approved in *United States* v. *Boyer* (85 Fed. 425) and has never been questioned by any court of reputable authority.

So far as I am advised, the only contention that there is any other constitutional provision supporting the power here claimed is the suggestion, which has been rather tentatively advanced by the general counsel for the National Recovery Administration, that the authority is implicit in clause 5, section 8, of article I, which empowers Congress to coin money and regulate the value thereof. It is suggested that the Federal Government would be acting within its delegated powers under this clause in relating the value of money to the wages of labor, and could thus bring within national control the wages and hours of service in every industry in the country. I am quite satisfied that no reputable court would so construe that provision of the Constitution, and the suggestion only serves to illustrate the straits to which those are driven who would sustain the National Recovery Act as construed by its enforcers.

The scheme of regulation of the strictly local affairs of the citizens of the country, attempted to be set up and enforced under the Recovery Act, has no place in our system of government, and it is futile for its defenders to attempt to justify it on constitutional grounds. No such justification can be found. It is the boldest kind of usurpation—dared by the authorities and tolerated by the public only because of the bewilderment of the people in the present emergency. Every person at all familiar with the Constitution and our scheme of government under it knows that no such power exists, and its mere academic assertion would be amusing, but its determined exercise is tragic. In the exercise of this claimed power the national authorities have reached out and by codes and other regulations are attempting to regulate every conceivable character of local business—the tailor in his shop, the merchant in his store, the blacksmith at his forge, the coal operator, and the manufacturer. Apparently, none of the activities of man are acknowledged as beyond its reach. If the existence of such a power in the National Government be admitted, it means the end of constitutional government in this country, under which individual effort and initiative have been fostered and encouraged, and the people generally have enjoyed a degree of liberty of person and security of property unknown to the rest of the world. I know of no higher duty of the national courts, the judges of which are sworn to support and defend the Constitution of the United States, than to strike down such an unwarranted invasion of the reserved powers of the States and the rights of the people.

In view of my conclusions on the fundamental question of the power of Congress to regulate the matters dealt within the orders complained of, there is no occasion to consider the other objections urged against the validity of these orders, and I shall not do so except to observe that, conceding such power, the act would be an unconstitutional delegation of that power to the President, as it sets up no standards to guide him in carrying out the legislative policy and will expressed in the act (*United States* v. *Grimaud* (220 U.S. 506); *Interstate Commerce Commission* v. *Goodrich Transit Co.* (224 U.S. 194); *Hampton & Co.* v. *United States* (276 U.S. 394)).

A preliminary injunction, enjoining the defendant, Sparks, as United States Attorney, from initiating any prosecution or other action to enforce the penalties attempted to be authorized by the

National Industrial Recovery Act for violations by the plaintiffs, or any of them, of the orders of Gen. Hugh S. Johnson, National Administrator, dated March 31, 1934, and the amended and modified order of said Johnson, as National Administrator, dated April 22, 1934, both of same purporting to be amendments to and supplements of the code of fair competition for the bituminous coal industry, attempted to be promulgated under the provisions of the National Recovery Act, is granted.

I see no occasion at this time for making the preliminary injunction any broader in its scope than here indicated.

CHAS. I. DAWSON,
United States District Judge.

May 19, 1934.

NORMAN, QUIRK & GRAHAM,
VAN WINKLE & SKAGGS,
All of Louisville, Ky., Counsel for Plaintiffs.
T. J. SPARKS,
United States Attorney, Louisville, Ky.
DWIGHT L. SAVAGE,
Special Assistant to the Attorney General, Washington, D.C., Counsel for Defendants.

Mr. WAGNER. Mr. President, 12 months ago I addressed the Senate in behalf of an untested program for the relief of the American people. Today it may be appropriate for me to survey the achievements and restate the philosophy of that program at a time when it is being subjected to examination and appraisal by the Senate and by other agencies.

The "new deal" has accomplished too much to fear destruction by its enemies. It can suffer only if its friends clothe it in perfection and scorn the advocates of improvement. In any program of action, some mistakes are made, some fine opportunities are overlooked, some weaknesses are disclosed, and some good instrumentalities are perverted to serve ignoble ends. We are embarked upon a program of action, and nothing could be more valuable to the American people than criticism that is developed thoughtfully and advanced temperately. Such criticism is abundant at the present time, and there is no greater need than that it should be sifted and weighed carefully and impartially.

It is not my purpose at this time to review the progress of the public-employment measures, such as the Public Works and Civil Works Administrations. They have been more than vindicated. They have performed useful work, given impetus to private industry, and rescued 5,000,000 workers and their families from ruin. No longer can there be doubt that the Government should serve as a balance wheel to mitigate the violence of the business cycle.

At the very core of our program for economic reconstruction is the National Industrial Recovery Act, for the ultimate test which we must face is the capacity of a revived industrial system to operate more continuously and more justly than it has in the past, and to absorb about 9,000,000 people who are now unemployed.

The Recovery Act has yielded favorable results, although the road to be traveled is yet a long one. Over 4,000,000 people have been reabsorbed by private industry, of whom 1,000,000 have been taken on since January 1, and the index of employment is 37 percent higher than a year ago. No recovery in the history of business cycles has been so rapid, and conditions today are better than at any time since December 1930. Current improvements are particularly significant, according to the Bureau of Labor Statistics, because there is generally a regression during this time of year.

The expansion of industry has been accompanied by a vast improvement in the conditions under which men and women earn their bread. Hours of labor have been reduced 16 per cent. This gain is much more striking when we deal with specific cases rather than with averages. And in hours of work it is the special cases at the long, wearing end of the scale that take the heavy human toll. The full-time week in the manufacture of silk and rayon goods was 54½ hours in 1914. In March 1933 it had dropped only to 51. Under the code the maximum is set at 40, and thus is achieved overnight a gain three times as great as had been attained in 9 years. The full week for laborers in the steel industry was 54 hours a year ago; it is now 40. Examples might be multiplied endlessly.

With the abolition of the sweatshop has come the outlawing of child labor. For half a century statesmanship and education and philanthropy grappled with this social disease in vain. Yet almost spontaneously practically every code has forbidden the employment of children under 16 years of age. That this has been accomplished by the combined efforts of the administration, labor, and industry, without any express mandate in the law, should be the complete answer to those who doubted the flexibility of the law.

Wage reform is the keynote of the Recovery Act. The failure in the past to allocate a large enough share of the national income to employees dried up consumer purchasing power and made collapse inevitable. Under the new deal wages have spiraled upward with great rapidity. The index of factory pay rolls, which stood at 38 a year ago, has risen to 67, representing an astounding gain of over 73 percent and touching the highest peak of the past 3 years.

With wages, as with hours of labor, average gains are less spectacular than the relief brought to special groups which had been forced to live on the fringe of destitution. Innumerable code investigations disclosed and removed conditions so shameful that they could not continue to exist under the pitiless rays of publicity.

For example, in one type of job in a particular industry the number of hours actually worked per week averaged 55, for which the compensation was $9.58. In another the average weekly compensation for women was $7.70. In both of these instances, as in many others, the minimum week under the code is 40 hours and the minimum pay from $13 to $14.

A fully functioning productive mechanism is the basis for any prosperous economic order. The index of basic industrial output is 34 percent above what it was a year ago, and half of this progress has come during the past 6 months. The ground lost between the beginning of 1931 and the early part of 1933 has been recaptured. Other tokens of business progress are at hand. Freight-car loadings during recent months have reached a volume unequaled during the past 2 years. Accumulated stocks are being disposed of. Residential construction is now at its highest during a 2-year period. Monthly brokers' loans are twice as voluminous as a year ago. The automobile industry is in exceptionally good shape, while electric-power production and the steel and coal operations are advancing.

Faced with unimpeachable evidence that we have restored the shattered hopes of the American people in the short space of 1 year, confronted by gains that would have been too fanciful for expectation a few months ago, what criticisms do those completely opposed to the recovery program muster? Some of their objections are a medley of contradictions. One camp wants to abandon the program because it has not accomplished enough, and the other camp wants to scrap it because it has been so successful that it is not needed any longer. No one can be certain in which of the two camps a single critic may be found on a particular day. There seems to be a free passage between the two.

In the first camp the very people who insisted that the program would not achieve anything, and who predicted that we would recover in 4 years without doing anything, are now complaining that the program has not worked miracles in 1 year. The same individuals insist that recovery was on the way in May 1933 and that the program has had nothing to do with it. These mythical and marvelous speculators as to what might have been were not so confident at that time when they besieged the Government with petitions to aid their own sinking ships.

More important are the inhabitants of camp 2, who claim that the program has outlived its original usefulness. They can think of a program only in terms of its capacity to further their own narrow interests. Now that the back of the depression is broken and their own scalps saved, they want freedom to return to the old regime of uncontrolled selfishness and heartless exploitation. The more successful we are in outlawing the abuses of the past, the more we may expect to hear protests from those who were nourished on such abuses.

Far more worthy and useful are the critics who realize that the haphazard planlessness of the past must give way to the rule of intelligence and order, but who see specific

defects in the new-deal program. It will be very fruitful to examine their objections in detail and to attempt to separate the dross from the gold.

The charge of price fixing is an old battle cry which has frequently obscured the realities of the price problem. There are only two aspects of prices that are important: First, price as a measure of the real cost of producing an article or a service, and, secondly, price as the value placed upon an article or a service in terms of other goods for which it may be exchanged. For example, the fact that the selling price of an automobile has risen from $1,500 to $1,800 is not significant until we know whether or not this represents a rise in the real cost of producing the automobile, or a relative rise in the exchange value of the automobile, or merely a general rise in the nominal price of all commodities.

Under the old system of ruthless and wasteful competition real costs were excessively high, and therefore the price which society as a whole had to pay for goods and services was great. In addition, since the antitrust laws did not in the slightest prevent monopolistic or predatory practices, many industries were able to place inordinately high exchange valuations upon their products, and thus to take constant toll of the consuming public.

The recovery program attacks the price problem very simply. By promoting rational production and eliminating destructive competition it seeks to reduce real social costs. By establishing a balance between production and profits on one side and wages on the other it seeks to promote healthy price relationships and to prevent any particular group from becoming too favored in the exchange process.

Let us examine whether business cooperation has brought unchecked price rises that have canceled wage advances and plundered the consumer. In the early part of the year the able Senator from Idaho [Mr. BORAH] said:

> At the present time millions of dollars are being extorted from the profits of the masses in prices which are fixed by combines, trusts, and monopolies (CONGRESSIONAL RECORD, p. 873).

I believe that when we substitute careful scrutiny of reliable statistics for generalities we find these charges to be inexact. The general raising of the price level has characterized every revival that we have experienced, and it is elemental economics that prices at the beginning of revival rise faster than wage rates. But every sign is at hand that prices are definitely under control and are being brought into line with the incomes of the masses of consumers. The sharp rise of 17 percent in wholesale prices between March and August 1933 has been followed by a fairly even keel since then, with variations keeping within a range of 2 percent. Retail prices likewise shot up 17 percent during the early period of recovery but have remained remarkably steady since the middle of last November.

The truth is that even during the first hectic dislocation of the recovery drive prices never rose enough to injure the consumer. If we regard the individual wage earner, who works full time, we find he has not made appreciable progress since a year ago. In contrast to this, however, the purchasing power of the entire wage-earning class, owing to reemployment in private industry alone, has risen 23 percent during the past 12 months. Thus the working class as a whole, and in most cases the working family, has one quarter more in real earning power than a year ago. This amounts to over $400,000,000 per month, independent of Government pay rolls.

I do not mean to deny that some prices are too high today. Nor do I deny that there are some industries which are engaged in price fixing to the detriment of the public welfare. But despite this, the general tendency is favorable, the underlying method of approach of the recovery program is sound, and the need today is to make that program even more effective and to prevent its instrumentalities of control from falling into the hands of selfish groups.

Mr. COUZENS. Mr. President, will the Senator permit an interruption at that point?

Mr. WAGNER. If the Senator will permit me, I should prefer not to be interrupted until I shall have concluded, when I shall be very glad to answer any questions.

Mr. COUZENS. Very well. I do not wish to interrupt the continuity of the Senator's speech, but there are several questions I should like to have him answer.

Mr. WAGNER. The second, and in some respects the major, charge leveled against the new-deal program is that it has benefited the large industrialist at the expense of the small business man. The eloquent Senator from North Dakota [Mr. NYE] said some time ago that the small business man is marching to his grave under the N.R.A., and he has received support from the report of Mr. Darrow and his associates. When this criticism was made in June, I had to rely upon logic and history for my answer. I asked how it could be concluded logically that the small man would be injured by the first law that gave him real representation in the councils of industry and enlisted governmental supervision in his behalf. I illustrated by economic history that for 40 years the spirit of the antitrust laws had been systematically subverted and that the small man had found himself pulverized under the wheels of giant industry.

Today we need not rely upon logic or historical analogy. The facts of the living present are before us, and they are, on the whole, favorable. The upward sweep has encompassed every type of industry, both those employing huge numbers of men and those where the individual aggregates of capital and labor are very small.

In April 1934, according to the Bureau of Labor Statistics, only 2 manufacturing industries out of 90 failed to show gains in employment over the preceding year, and every one showed gains in pay rolls. These increases have not been confined to the automobile and iron and steel industries, with 1,000 workers per plant, nor to the cotton textiles, with units of 500 workers, nor to the electrical and machinery trade, with 300 men in each plant. They have extended equally to the fertilizer industry, with only 40 men per plant, to book jobbers and jewelers, equally small, and to the butter trade with a unit size of 18. Furthermore, the vast majority of establishments in these latter trades employ far fewer men than the average number, and are, indeed, very small.

It has been claimed that the small man is injured by the minimum-wage provisions of the recovery law. I cannot believe that those who advance this claim realize the implications of what they are saying. I cannot believe that anyone is ready to admit that a country so wealthy as ours is willing to found its so-called " prosperity " upon the wage slavery of its workers. The new standards which have been set do not seat the workers in the lap of luxury; they are the minimum requirements for health and decency, and any business which cannot conform to them has no justification for existence. The vast majority of small business men are able and willing to pay these minimum wages and realize that the increased purchasing power throughout the country is the touchstone of their own prosperity as well as that of large industry.

The point I wish to make is that the small business man has benefited by the recovery program in the sense that he is far more prosperous than before its passage, and that it holds great promise for him in the future.

But it is true, and many able Senators and Mr. Darrow's Board have rendered a great service by bringing it to light, that the small man still suffers from many of the monopolistic tyrannies that have persisted for half a century. The small man still is subject to the unfair competition of some large opponents who get special favors from banks and railroads, who can afford temporarily to sell below cost in order to crush the small man, who fix prices, and who manipulate the sources of supply and demand to serve their own selfish interests.

How may these evils be remedied? Certainly not by repealing the sections of the Recovery Act which modify the antitrust laws, for all these evils existed when those laws were in full force. It is not the code idea that promotes monopoly. In fact, the able Senator from Idaho has said:

> I do not believe, as has been suggested somewhere, that the extortion takes place by connivance with the code or in accordance with the terms of the code. I believe this extortion takes place in defiance of the spirit of the code and in defiance of the

terms of the code. We will never be able to bring about a different condition until we have a greater and stronger power back of the code; that is the power to punish for the doing of such things. (CONGRESSIONAL RECORD, Jan. 18, p. 873).

If the Senator admits that monopolistic practices violate the codes and the law, what greater power does he seek? The antitrust laws are still in force, except insofar as they are abrogated by the code provisions. The code provisions are still subject to the requirement that they shall neither promote monopoly nor tend to oppress small enterprise. The Federal Trade Commission has been ordered, whenever complaint is made, to pass judgment upon whether or not the code violates the antimonopoly section of the Recovery Act. There are ampler facilities today for preventing monopoly and oppressive practices than ever before.

The Darrow supplementary report recognizes fully that we cannot return to the wildly disorganized economy of Adam Smith. It states:

To go back to unregulated competition in which the small man can gain his share of the market by some special advance of skill or other factor is not possible in the situation where technological advance has produced a surplus, so that unregulated competition demoralizes both wages and prices and brings on recurrent and increasingly severe industrial depressions.

These words might have been plucked from the plea which I made for the enactment of the recovery law almost a year ago.

The Darrow supplementary report further recognizes that some form of social control and cooperation is essential in the twentieth century, and that if we do not choose one form we shall be forced into another that is more alien to our traditions and more restrictive of our liberties. It says that:

The choice is between monopoly sustained by government, which is clearly the trend of the National Recovery Administration, and a planned economy, which demands socialized ownership and control, since only by collective ownership can the inevitable conflict of separately owned units for the market be eliminated in favor of planned production. * * * The hope for the American people * * * lies in the planned use of America's resources following socialization.

I do not believe—and I do not think that most of those who purport to agree with Mr. Darrow believe—that it is necessary or desirable for us to go this far. We are not going this far. The recovery program affords us an opportunity to solve economic problems of unprecedented complexity without departing from our liberal traditions and accustomed folkways. It reconciles liberty and law in an American way.

The only difficulty is that we have not seized these opportunities in full. The recovery program has helped the small man to recover from the depression, and it has brought out into the open monopolistic abuses that were ignored when we were self-satisfied with the antitrust laws. But it has done very little to cure these abuses, though it has a finer mechanism than we had ever before for so doing. It has succeeded in recovery; it has fallen far short of reform. Its greatest potentialities are still unexplored and await further action.

Another criticism voiced in the Darrow report is that our attempts to rationalize production by preventing the enlargement of plant and field capacities are a drain upon our potential enjoyment of wealth.

While it is very true that general overproduction is impossible, there can be temporary overproduction of specific articles when many independent agencies strive blindly to capture more than their normal share of the competitive market, and there can be profligate production and consequent exhaustion of our limited natural resources, such as petroleum and timber. Neither of these two evils could be avoided under absolute laissez faire. Competitive overproduction could not be checked so long as cooperation was impossible. The waste of resources could not be stopped even where monopoly existed, for it profited those in control to exploit those resources as rapidly as possible.

For these reasons sage students of our industrial order have recognized the temporary necessity of some control over production. Certainly Mr. Justice Brandeis is a believer in free enterprise and a constant protestant against the evils of monopoly. But when faced with the question of a certificate of convenience and necessity, in the now-famous case of New State Ice Co. against Liebman, Two hundred and Eighty-fifth United States Reports, page 262, 1932, he wrote:

All agree that irregularity in employment—the greatest of our evils—cannot be overcome unless production and consumption are more nearly balanced. Many insist that there must be some form of economic control. There are plans for proration. There are plans for stabilization. Some thoughtful men of wide business experience insist that all projects for stabilization and proration must prove futile unless, in some way, the equivalent of the certificate of public convenience and necessity is made a prerequisite to embarking new capital in an industry in which the capacity already exceeds the production schedules.

However, I am not a scarcity economist. In the vast majority of cases I believe that the long-range task is not to limit production but to produce as much as possible and to distribute the products widely and equitably. But let it not be supposed that this was the policy under the old deal The common belief that industry poured forth goods at maximum capacity which people could not buy because of low wages is only half correct. The selfish quest for profits served frequently to reduced production. Industrial sabotage for the purpose of preserving high prices was a frequent occurrence. This practice resulted in direct and extreme loss to consumers, who received less goods and had to pay an artificially high price for them. In the long run it worked to the disadvantage of industry, for in general withholding production is wasteful and economically indefensible.

The antitrust remedy was founded upon belief that limited production rests upon monopoly, and that the one could be prevented by prohibiting the other. Forty years have demonstrated that restraining practices flourished despite the law. The only effect of the law was to create a pretense that black was white and thus to prevent the Government from stepping in to protect the worker and the consumer.

The immediate problem before us, to which sufficient attention has not yet been paid, is to prevent the production-control devices of the new deal from being turned into an old-deal instrument for the profit of the few and the denial of the many. We must develop to the limit our natural wealth without exploiting it, and we must make it serve social needs. It is at this crucial stage that forceful and careful and patriotic criticism such as has been forthcoming during the past few months is necessary.

More fundamental than any of the questions which I have been discussing is the relationship between wages and profits. A balance between the return to industry and the return to labor is at the very core of economic stability, and it is here that the new-deal program seems in greatest need of immediate improvement.

During the period between June and October 1933 hours of work were reduced 16 percent and employment increased 19 percent, although production was declining by 17 percent. Paradoxical as it may seem, subsequent improvements in the general condition of business have been matched by increasing unwillingness to reduce hours and to raise wages. Between October 1933 and March 1934 production increased over 11 percent. During the first quarter of 1934 corporation earnings have been three times as great as during the same period last year. Out of 670 dividend changes reported by Standard Statistics 515 were favorable, as compared with only 156 a year ago. But this latter period has witnessed a gain of only 1.5 percent in employment, hours of labor have been actually lengthened by one-half hour per week, and the real earnings of the individual worker are not appreciably greater than they were in March 1933.

If the return of prosperity, as measured by increased industrial output and higher profits, is going to be accompanied by a desire to return to the wage philosophy of the 1920's, additional and more serious depressions are only a matter of a few years.

The wage problem is not merely a technical question of providing enough purchasing power to keep industry running at full speed. We cannot justify ourselves in stopping short when that level is reached. We must go on to create a fairer system, in which the worker shall share equitably in

our great wealth and live in comfort and security. To deny this right to men who are intelligent is to invite unrest and violence.

The same principles apply to hours of labor. Most of the maximum-hour scales are far too high even by the narrow test of reemployment measures. They are indefensibly high when contrasted with the number of hours that people shall be required to work in a highly industrialized civilization.

Finally, let us turn to problems of administration. General Johnson and the men under him have faced a superhuman task with superhuman efforts, with vision, fairness, and courage. There has been no time since the war, and possibly not even then, when the public service here in Washington has attracted so many people of the highest caliber intent upon service and relatively unguided by the desire for personal aggrandizement. They deserve the highest tribute.

The able critics of the recovery program have said that it is fatally defective because it is advised by the very leaders who brought about disaster in 1929. I do not believe that our troubles were brought on solely by improper leadership; many of them were caused by an outworn economic system. The same men, when given an opportunity to cooperate and to receive the advice of Government, may achieve far better results. Nevertheless, there is a good deal of force in this thoughtful criticism.

The cooperation of industry and labor should be balanced by governmental agencies for the protection of the public. Obviously there would be no such balance if the Recovery Administration itself were composed preponderantly of men whose primary associations are with particular interests. If Government is going to participate in economic affairs, an independent and unhampered public service should be developed for this purpose, just as for the administration of justice, the preservation of peace, and the education of the young. I realize that this cannot be done overnight, because the trained personnel does not exist. I believe that it will be done within a reasonable time and that we should turn our efforts in that direction.

I am not devoting any special attention today to the labor problems of the new deal, because I expect to discuss these before the Senate in the near future.

We cannot measure the accomplishments of the past year simply by telling the bloodless story of reopened banks and factories, nor even by counting the millions of families whose lives have been removed from the dark cellars of extreme poverty. Of far greater significance is our new faith in democratic government as an instrument for promoting the common weal. With pride in our progress, and with humility in our mistakes, let us continue the recreation of a mighty nation serving the purposes of mankind.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Latta, one of his secretaries.

RECIPROCAL TARIFF AGREEMENTS

The Senate resumed the consideration of the bill (H.R. 8687) to amend the Tariff Act of 1930.

Mr. BARBOUR. Mr. President, as I have already spoken once on the subject now before the Senate, the so-called "tariff bill", I shall be very brief in adding a few further remarks at this time. I desire to speak about the bill now pending before the Senate which proposes to give to the President power to negotiate reciprocal tariff agreements with other countries and put them into force without referring them to Congress for approval.

I should like to discuss this proposed legislation in two parts: First, to point out certain of the general objections to the bill; secondly, to consider in some detail its possible effect upon the people of the State of New Jersey.

Before considering these general objections, it is perhaps well to outline briefly the major provisions of the bill.

In addition to conferring upon the President power to negotiate trade agreements without submitting them to Congress for approval, the bill authorizies him to raise or lower, by 50 percent, and duty in the existing tariff law. The agreements that are entered into are subject to termination on due notification within 3 years, but may be continued indefinitely if this notice is not given. The authorization of these powers has been asked for on the ground that it is essential as a part of the recovery program to stimulate our exports, and it has been frankly stated that we cannot expect to increase our exports without making provision to receive corresponding increases in importations. It is fair to assume that we already import as much duty-free merchandise as we can use; so, if we are to enter into reciprocal arrangements with other countries, it must be in terms of concessions in the dutiable list.

As Senators know, I have endeavored to support the administration in its recovery program; and I should be extremely reluctant to take a stand in opposition to this proposed transfer of power if I were at all convinced that it is an essential unit in the recovery program. I am satisfied, however, that rather than being an essential unit in the recovery program the authorization of power to the President to negotiate reciprocal trade agreements constitutes a very real menace to some of the most fundamental elements in the rest of the recovery program.

Senators are all aware of the fact that the President has urged upon industry operating under N.R.A. codes that they further shorten the hours of labor and increase the rates of pay. They should also know that one of the problems that are still matters of major concern to the administration is the stimulation of the so-called "durable-goods industries." It does not require much reflection to see that these two demands involve increased labor costs, on the one hand, and increased capital investment, on the other. It does not seem to me natural to expect that industries which are dependent on the tariff for their very existence will be willing to enter into commitments for increased expenditures in the face of a very real prospect that their tariff protection may be arbitrarily reduced. In other words, it seems to me very much as if industry were being asked to put some more chips on the table at the same time that they were told there were some marked cards in the deck.

One other point, I think, should be emphasized in connection with the argument that this move is essential to the recovery program. Both the President, in his message, and Secretary Hull, in his defense of the bill before the Ways and Means Committee in the House, emphasized the fact that quick results are not to be expected from this drastic change in our tariff policy. I take these observations as an indication of an attempt to establish a new type of commercial policy for our foreign trade, and an indication that, it is admitted, even by the proponents of this measure, any direct contributions to recovery in the immediate future will be comparatively slight.

This brings me to the consideration of a second argument that has been advanced in behalf of the proposed legislation. Because other countries follow this bargaining policy, and because our foreign trade has declined during the depression years, as has the foreign trade of every other country in the world, it has been argued that unless we devise some means by which we can imitate the horse-trading practices of other countries, it will be a matter of but little time before we shall have no foreign trade whatever. Such assertions are utterly without justification. As a matter of fact, our foreign trade for 1933 was greater, both in value and volume, in exports and imports than was our foreign trade in 1932.

We have been told repeatedly by the advocates of this bill that it is essential to have a quicker method of adjusting our tariff rates than the method which we now follow. They do not tell us, however, of the complications and animosities that a bargaining tariff policy is likely to stimulate. There is ample testimony from many responsible and well-informed people as to the undesirability of such a policy for the United States. Thomas Walker Page, a Democratic member of the Tariff Commission, and William Culbertson, a former member of the same body, have indicated their belief that such a policy is impracticable for the United States. The present United States Tariff Commission in a document published last year concluded a discussion of bargaining

tariffs with the statement that because so many countries have been padding their tariffs for purposes of bargaining, "reciprocal tariff agreements by which concessions were made in return for the reduction of such temporary duties might mean the grant of valuable concessions in return for wholly problematical concessions."

Few things are closer to the people of America today than the subject of employment, or unemployment, whichever way we wish to put it. With some 10,000,000 or more wage earners unemployed, it is most natural that those who are employed and those hopeful of securing employment have reason to be apprehensive and fearful of any legislation which may result in decreasing employment opportunities for American workers.

In a report dated March 1, 1933, the United States Tariff Commission showed that the drop in American export trade resulted in 500,000 workers in the industrial and agricultural fields being deprived of employment opportunities. This number is but 5 percent of the number of workers who have been deprived of employment opportunities as a result of the drop in our domestic trade. It is readily apparent from these figures that a return to normal employment conditions is not dependent upon restoration of our foreign trade. The same Tariff Commission report shows that an increase of 12 percent in the wages of our industrial workers would, of itself, offset the entire loss of our export trade. I might add that there is further doubt of the value of foreign trade when we realize that exports to Europe, Asia, and South America must be paid for, as I have previously stated, in imports of manufactured goods, agricultural products, or minerals, or more I O U's.

There are other important arguments against this bill, but I shall not take the Senate's time to go over all of them, as they are already well known. I should like, however, to take a moment to draw attention to the possible effect upon the productive activity of one State of the Union, namely, New Jersey, my own State, with which, quite naturally, I am more familiar than any other.

According to the latest detailed census, 440,000 people were directly employed in the manufacturing industries in New Jersey. There is no published formula as to what industries would be selected for sacrifice, and all attempts to elicit from the advocates of this bill a list of industries that would be chosen have been unsuccessful. We have, however, the statement attributed to Hon. Harry L. Hopkins, Director of the Emergency Relief Administration, to the effect that it would be desirable to eliminate a number of the industries on the Atlantic seaboard; and we have some very definite statements by Secretary Hull as to some of the tests he would employ in choosing the duties which could be reduced. There is also much talk of eliminating the inefficient industries; but no one, as far as I know, has dared to describe the divining rod by which he could discover which industries are allegedly inefficient.

Obviously, if it is the intention of the administration that these powers shall be used, they must either sacrifice a large number of small industries or pick on a smaller number of major industries. In either event, the picture for New Jersey is not a happy one. Out of the 440,000 people employed in New Jersey manufacturing industries in 1929, 125,000 were employed in what we may define as the smaller industries. These industries include the leather industry, the pottery industry, manufacture of paints and varnishes, production of rubber goods, cast-iron pipe, pencils, pens, buttons, cutlery, embroideries, felt hats, and laces. They are entirely dependent upon a high protective tariff, and the other nations of the world would give much to see these industries put out of business.

If the administration should choose to center on the larger industries, we find an equally depressing picture as far as New Jersey is concerned. Over 150,000 residents of New Jersey are employed in these larger industries. These industries include manufacture of silk and rayon products, dying and finishing of textiles, production of many forms of electrical machinery, clothing, chemicals, and glass.

So, if we combine the employment in the small industries with the employment in the major industries in New Jersey most likely to suffer from this policy, we discover that over 60 percent of the industries of the State would be put in a position of complete uncertainty as to the future. I do not suggest that all of these industries would be eliminated; but I do state that, in view of the terms of the proposed legislation, it will become foolhardy for the industries to enter into any commitments which involve further obligations.

I wish to refer also to the present critical situation with relation to trade development in the world owing to the encroachments of Japan in the world markets. This has already been given extra emphasis by the recent practical declaration of war on Japanese encroachments by Great Britain, which have been so serious to the Britons that Japan has practically taken from them the cotton-goods trade in India, as well as making serious encroachments in Canada, Africa, and Australia. The same encroachment in France has been so serious that the Lyons Chamber of Commerce has petitioned the French Government for protection against it.

If the pending tariff bill shall be enacted, it will be impossible, under the most-favored-nation clause, for our Government to negotiate any treaty with relation to any government in the world without extending the same benefits and reductions to Japan and China under existing treaties. It might be considered as inevitable that the United States will find itself in even a worse position than either France or England in a trade war with the Orient because of the wage levels established by the N.R.A.

Mr. HATFIELD. Mr. President——

The PRESIDING OFFICER (Mr. THOMPSON in the chair). Does the Senator from New Jersey yield to the Senator from West Virginia?

Mr. BARBOUR. I yield.

Mr. HATFIELD. The Senator is aware of the fact that New Jersey is the proud possessor of the greatest chemical industrial business in the United States?

Mr. BARBOUR. I know that.

Mr. HATFIELD. He is also aware of the fact that this industry was largely developed within a period of 15 years?

Mr. BARBOUR. That is true.

Mr. HATFIELD. Due to the fact that it has had a sufficient protective tariff to assure its growth and development?

Mr. BARBOUR. The Senator is perfectly correct.

Mr. HATFIELD. He is further aware of the fact that New Jersey at one time had the only ultra-marine blue chemical industry in the United States, and that that industry was destroyed by the ability of the German industry to undersell the American industry because there was not sufficient protection afforded to assure a continuation of the life of that industry in New Jersey?

Mr. BARBOUR. I thank the Senator very much for his very timely observations. I should like to say to the Senator that it is my intention later to offer an amendment directly affecting the very industry to which the Senator refers, speaking now more particularly of the dye industry.

Mr. HATFIELD. The Senator is further aware of the fact that for 150 years the United States had no chemical industry?

Mr. BARBOUR. That is true; and it will not have any for the next 150 years if we shall tinker with and reduce the tariff.

Mr. HATFIELD. I agree with the Senator's statement.

Mr. BARBOUR. I thank the Senator again.

Mr. President, in conclusion, I should like to direct the attention of the Senate to the possibility of stimulating American export trade by entirely pro-American means. I refer to the huge foreign imports into the United States each year, and I desire to point out that if a system of reciprocal trading is to be set up, which I do not advocate, in that event certainly the trade favors which foreign countries already enjoy in the United States to the extent of $1,400,000,000 a year, should be the basis of the bargainings. I see nothing unfair or illogical in asking for reciprocal advantages, if that sort of thing is to be done, in return for a continuation of this enormous trade. Why deal only in the further extension of new and additional trade advantages

within the United States at the expense of some American protected commodity of either agriculture or industry?

I for one cannot think in terms of always bargaining on the basis of concessions or loans. The existing privileges and advantages held in the United States by other nations that show no inclination to pay their debts should be the basis of the proposed negotiations, if there is to be any tariff bargaining at all.

Mr. VANDENBERG. Mr. President, will the Senator yield to me?

Mr. BARBOUR. I yield.

Mr. VANDENBERG. In full confirmation of what the Senator has just said, I wish to call his attention to the statement issued by the Department of State on December 15, 1933, in which it was indicated that a so-called "model reciprocal agreement" had been negotiated between Colombia and the United States. Up to date they have not allowed us to see this interesting model agreement, but in the press release of the Department of State on the 15th of December it was indicated that they had made this tentative agreement with Colombia on the basis merely of agreeing to continue the existing exemptions on the free list in behalf of Colombian products. In other words, that for which the Senator from New Jersey contends and which he recently joined me in supporting in a public statement, is so completely practical, even from the standpoint of those who are contending for the pending reciprocal tariff agreement bill, that it is borne out and personified and exemplified by the one so-called "model agreement" at which we have not thus far been permitted to peep. In other words, the Senator is not only justified in what he says by the logic of the situation, but he is actually justified by the tentative operations of the State Department itself.

Mr. BARBOUR. Mr. President, I am very glad indeed the Senator from Michigan has drawn attention to the sample case, so to speak, to which he refers, which illustrates so completely what he and I have felt all along and what I said a moment ago. The President can take action along that line whenever and as often as there is any need for it without this particular piece of legislation for which he is asking, just as he has the power to increase tariffs now under the provisions of the N.R.A. law, which gives him that authority.

Mr. DICKINSON. Mr. President, will the Senator yield to me?

Mr. BARBOUR. I am very glad to yield.

Mr. DICKINSON. I should like to know whether or not the shrinkage in imports and the shrinkage in exports are relative so far as imports which are free of duty and imports which may bear a duty are concerned. In other words, have we not suffered about the same decline in the economic turnover on imports which are free of duty as in the case of imports on which a duty is charged?

Mr. BARBOUR. The Senator is quite correct. As I said a moment ago, speaking along the same general line, while many Senators on the other side of the aisle stress the point that our exports have fallen off, the exports of every country about which I have been able to secure any information have also fallen off. The business of the whole world is somewhat lower and, as the Senator has said, it does not take any stretch of the imagination at all to lead one to the conclusion that, if anything, the imports of merchandise and other commodities on the free list are slightly lower in proportion than are those on the dutiable list.

Mr. DICKINSON. Permit me to make the further suggestion, that the decrease in our economic turnover, as will be found if it is studied commodity by commodity, occurs in the heaviest percentage in the articles which the people can get along without. It will be found that the commodities the people must have are maintaining a higher level in the economic turnover than are those we can get along without. For instance, there has been a tremendous decline in the sale of automobiles, because there has not been the capacity to buy them or the capacity to operate them there once was. We find also that there has been a decline in the consumption of foodstuffs, yet the percentage of decline is not so great as in the case of commodities, such as automobiles, radios, jewelry, and what might be called "semi-necessary articles."

Mr. BARBOUR. Mr. President, I thank the Senator. I think one of the key objections in the whole situation can be summed up in a word; that is, the uncertainty of the whole undertaking. No one knows where the lightning will strike next, or how hard it will strike, or what the intent of the administration will be. As a matter of fact, the administration stress the fact that they want to be in a position to move overnight in the White House, in order to do the thing effectively. In my opinion, that is not only un-American but it is also disconcerting to such a degree as to mean chaos so far as business is concerned.

Mr. DICKINSON. In line with the old theory that the right to tax is also the right to destroy, it will put the business man in a quandary as to what his future is to be the minute we adopt a theory of this kind.

Mr. BARBOUR. It will put the business man in the frame of mind where he will feel it to be foolish to undertake any commitment if his industry is in a measure dependent upon protection.

Mr. VANDENBERG. Mr. President, if the Senator will permit me, I wish to make an observation in line with the statement just made by the Senator from Iowa [Mr. DICKINSON]. Of course, the power to tax is the power to destroy, and in this instance there is the deliberate purpose to destroy, because we are advised that the new rule which is to determine the maintenance of protection is not a rule related to differences in cost of production, but it is a rule relating solely to the question whether or not the new tariff commissars in the United States think an existing business is efficient and nonexpensive. They intend to destroy those businesses which they consider to be expensive and inefficient. They intend to use the tax power for the purpose of destruction. That is implicit in the very program which they bring us.

Mr. BARBOUR. And further than that, Mr. President, along the very line of the intent and the danger of that intent, to which the Senator from Michigan has drawn attention, in my judgment, that intent exists with reference to areas as well as to industries.

I do not wish to take up any more of the time of the Senate, because the Senator from West Virginia [Mr. HATFIELD] is to follow me.

Mr. FESS. Mr. President, the Senator in his address referred to the controversy between Great Britain and Japan. I wish the Senator would emphasize the fact that Great Britain, according to the announcement of Runciman, did not resort to bargaining tariffs to cure her difficulty, as she had the power to do had she wanted to, but, instead, inaugurated a form of protective tariff, such as we are trying to preserve.

Mr. BARBOUR. I am grateful to the Senator from Ohio for bringing out that fact, which, of course, I had in mind, although perhaps I did not express it clearly.

Mr. President, I send to the desk an amendment which I ask to have printed and lie on the table. I shall want to bring up the amendment at a later date.

The PRESIDING OFFICER. Without objection, the amendment intended to be proposed by the Senator from New Jersey will be received, printed, and lie on the table.

Mr. HATFIELD. Mr. President, according to reports, the Code Authorities, those business interests placed in control of our American industries since they have been regimented under the N.R.A., have, during the past few weeks, found it necessary to curtail production because of what they contend is overproduction or lack of purchasing power.

The American Federation of Labor reports that unemployment is increasing, and predicts a substantial increase in the millions of unemployed within the next few months.

Thus management and workers have called the attention of Congress to the immediate need for legislation which will help and not retard recovery.

Industrialists who believed themselves compelled to operate under the N.R.A., through which the Government has permitted some groups to exploit the consumers and workers by the suspension of the antitrust laws, and by means of minimum wages and maximum hours, cannot be expected to come out and state that recovery is being retarded as a result of legislation demanded by the very administration which has surrendered to them. Codes have increased production costs, and many codes have caused undue price advances which may curtail consumption.

Mr. President, I digress at this point long enough to pay tribute to the distinguished Senator from North Dakota [Mr. NYE], who has given to this Nation and to the world a description of the administration of the National Recovery Act which should impress the mind of every man beneath the American flag, and I trust that as time goes on this distinguished representative from the great State of North Dakota will still uncover and unfold the course along which this administration will lead the industrial group of our country, if its course is not stayed by the Congress of the United States.

Naturally, factories and workshops producing articles or commodities which are unable to meet the competition of the products of European and Asiatic workers without proper tariff protection will hesitate to purchase raw materials, and will hesitate to employ labor when they see the administration forcing Congress to enact legislation which makes possible the lowering of tariff rates some 50 percent by a mere Executive flat.

With 10,000,000 or more workers unemployed and dependent upon public charity, the administration indicates its lack of interest by virtual notice to the American people that their interests now lie principally in guaranteeing profits to international financiers and those few possessing securities of foreign nations.

The recent decision of Attorney General Cummings, undoubtedly influenced by the White House, indicates the contempt which the President has for the intent of the Congress.

Under the able and inspiring leadership of the senior Senator from California [Mr. JOHNSON] the Congress voted to prohibit the sale in our country of securities of those foreign countries which had refused to pay their obligations, voluntarily entered into, to our country and our people.

This legislation was enacted with full realization that foreign governments, debtors to the United States, were reducing the taxes placed upon their people at the very moment we were enacting the highest taxes ever imposed upon the American people in peace times.

Mr. President, the American does not know what high taxation will mean if we expect to pay off our mounting public debt. Our high taxes mean high costs of production.

Yet, Mr. President, we find Great Britain owing to the United States Government $4,636,157,358.30, of which $176,120,246.63 is in default. Through the decision of the Attorney General—which to my mind is clearly contrary to the intent of the Congress and the legislation enacted—Great Britain is placed in a position wherein her present leaders can laugh at the efforts of the American Congress; and Great Britain can continue to reduce the taxes on her people and still refuse to pay her obligations to the United States.

Mr. President, I hold in my hand a statement of the debt owed by Europe to the United States, and I ask that it be placed in the RECORD at this point as a part of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The statement is as follows:

WHAT FOREIGN NATIONS OWE UNITED STATES TABULATED

WASHINGTON, May 5.—The indebtedness of foreign nations to the United States Government (including those countries which have no funding agreement) is shown in the following table prepared for the Senate by the Treasury Department last January.

	Total indebtedness	Amounts unpaid according to contract
FUNDED INDEBTEDNESS		
Countries which have made payments on account of amounts due July 1, 1932–January 4, 1934:		
Czechoslovakia	$165,283,195.35	$2,852,898.61
Great Britain	4,636,157,358.30	176,120,246.63
Greece	32,583,338.65	1,379,690.83
Italy	2,008,103,248.76	13,667,010.12
Latvia	7,312,658.38	286,462.10
Lithuania	6,554,544.23	221,169.92
Rumania	63,871,783.49	1,048,750.08
Total	6,919,866,167.16	195,596,228.29
Countries which made no payments on account of amounts due in same period:		
Austria	23,757,934.13	34,707.23
Belgium	411,166,529.09	11,309,453.89
Estonia	17,784,695.59	989,985.22
France	3,960,772,238.30	82,308,312.22
Germany (reichsmarks convertible, at $0.2382)	724,186,140.53	959,377.17
Hungary	2,051,938.61	114,628.64
Poland	222,560,466.43	12,317,829.71
Yugoslavia	61,625,000.00	525,000.00
Total	5,423,905,542.68	108,559,354.14
Total under funding agreements	12,352,498,355.47	304,155,582.43
UNFUNDED INDEBTEDNESS		
Armenia	20,313,416.65	20,313,416.66
Nicaragua	416,550.13	416,550.13
Russia	337,223,288.14	337,223,288.14
Total	357,953,254.93	357,953,254.93
Grand total	2,710,451,610.40	662,108,837.36

NOTE.—Finland, with a total debt of $8,726,645.63, has met every payment when due.

The situation will change on June 15, when further installments fall due as follows:

Great Britain, $85,670,765; France, $59,000,218; Italy, $14,741,593; Belgium, $7,159,453; Poland, $4,039,039; Czechoslovakia, $1,682,812; Rumania, $1,248,750; Estonia, $322,850; Yugoslavia, $800,000; Finland, $166,538; Lithuania, $147,864; Latvia, $134,883; Hungary, $32,669.

Mr. HATFIELD. Surely it will not be contended that the token payment of 4.2 percent of that which is due, on the part of a nation which is solvent enough to reduce the taxes upon her own people, meets the financial obligations which she owes.

Not only has Great Britain refused to meet the payments due to the United States but she has publicly stated—for actions speak louder than words—that no provision is made in her budget for debt payments to the United States.

Most likely, Mr. President, the officers of the Bank of England have been advised by the international financiers, who have influenced the President to insist on legislation which will add millions of workers to the lists of the unemployed if we accept payment of debts in goods through the making of secret reciprocal trade treaties.

We are told that in view of the opposition of some Democratic Senators, who fear possible political trouble if they vote to grant this plenary treaty-making power to the President—which means life or death to the workers, farmers, and miners—that a concession will be made wherein the President will be authorized to give a notice to those interests which are affected by such reciprocal trade treaties.

What value are such hearings if the parties concerned will have no knowledge of the contentions being made by those who wish to benefit the foreigners at the expense of the American people?

On May 1 I addressed the Senate and made reference to the reciprocal-trade treaty signed last December on the part of the State Department and Colombia. At that time I directed attention to the unwillingness of the State Department to even indicate the articles or commodities referred to in that reciprocal-trade treaty.

Since that time I have had occasion to look up the exports of Colombia, and I find that the exports of that country are principally coffee, 1,600,000 bags average in 5 years, 85 percent of which is imported into the United States, bananas, pineapples, cotton, rubber, tobacco, sugar, wheat, barley, potatoes, oats. Colombia has the largest potential oil field, some 34,000 square miles of proven oil territory, Mr. President, a territory 10,000 square miles greater than the great State of West Virginia, which I have the honor

in part to represent in this body. Colombia also exports gold, platinum, and emeralds.

However, as a result of the interest which I displayed in that treaty, I have secured information as to its presumed contents, which information, if true, surely indicates that the treaty has not been negotiated with the intention on the part of the administration to increase employment opportunities of American workers or to benefit American farmers, but solely for the further enrichment of a few wealthy American concerns which possess valuable concessions in Colombia and which ship large portions of their products into the United States.

Mr. DICKINSON. Mr. President, will the Senator from West Virginia yield to me?

Mr. HATFIELD. I gladly yield to the Senator from Iowa.

Mr. DICKINSON. I should like to inquire, in view of the fact that practically all the exports from Colombia are agricultural or raw products——

Mr. HATFIELD. That is very true.

Mr. DICKINSON. If that same condition does not apply to practically all the South American countries?

Mr. HATFIELD. It undoubtedly does.

Mr. DICKINSON. And also to Canada on our north?

Mr. HATFIELD. I think that is a correct statement. I may say to the Senator from Iowa that 90 percent of the imports coming from Colombia are represented by two commodities, one of which is fruit and the other crude oil.

Mr. DICKINSON. Both of which we produce in this country.

Mr. HATFIELD. We produce them bountifully; in fact, we have an overproduction.

Mr. DICKINSON. Then, I presume, we are going to have a great time trading jackknives with Colombia, which produces a surplus of the very commodities which we also produce in surplus.

Mr. HATFIELD. That is my fear.

Mr. DICKINSON. The same thing applies to Russia. The principal Russian exports are lumber products, wheat, barley, and other grains, and yet we are establishing a bank with a hundred million dollars capital, supplied by Government funds, to increase our trade with Russia.

Mr. HATFIELD. And because of these fears, Mr. President, I asked the Secretary of State for information upon the subject matter of this treaty. His assistant, who was very courteous, very considerate, very friendly, stated to me that it was a secret and that he could not give me the information but that he would do the very best thing, and he did it very promptly. So he sent me a news release which the office of the Secretary of State was willing to give to the public. That was all the information that a United States Senator was entitled to, notwithstanding he represented a State whose interests are involved in the production of the same commodities which are shipped here from the great Republic of Colombia.

Mr. DICKINSON. Mr. President, will the Senator yield further?

Mr. HATFIELD. I gladly yield to the Senator.

Mr. DICKINSON. There can be no secrecy, though, about the products in which we can trade with Colombia, can there?

Mr. HATFIELD. None whatever.

Mr. DICKINSON. Therefore, it was simply secret with reference to the type of negotiation as to who shall be crucified and who shall be assisted?

Mr. HATFIELD. Not only is that true, Mr. President, but if it was a treaty that was going to be helpful to the American toiler, to the American people as a whole, to the consumers of this country, they should know of it; it should be made public.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. HATFIELD. I am glad to yield to the able Senator from Michigan.

Mr. VANDENBERG. I understand the Senator has a resolution pending asking for permission to look at this treaty?

Mr. HATFIELD. That is true.

Mr. VANDENBERG. I trust the Senator proposes to ask for action in the course of the day upon his resolution.

Mr. HATFIELD. It is my purpose to do so.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. HATFIELD. I yield to the Senator from Arkansas.

Mr. ROBINSON of Arkansas. The Senators are referring to a treaty in process of negotiation. They are insisting upon the publication of the treaty before the negotiation has been completed and before the Executive chooses to transmit it to the Senate. I will say now that I cannot consent to the resolution proposed by the Senator from West Virginia. It does not seem to me to be proper to ask the President, as the resolution does, about a treaty of this character.

Mr. VANDENBERG. Mr. President, may I ask the Senator a question?

Mr. ROBINSON of Arkansas. I yield, with the permission of the Senator from West Virginia.

Mr. HATFIELD. I yield.

Mr. VANDENBERG. Does the Senator from Arkansas understand that this treaty is one which is subsequently to be submitted to the Senate for ratification?

Mr. ROBINSON of Arkansas. I have no information about the matter except what I have obtained in the process of debate here. If it is a treaty, of course, it has to be submitted for ratification, and I assumed that the Senators knew what they were talking about when they characterized it as a treaty.

Mr. VANDENBERG. The Senator from West Virginia and the Senator from Michigan are forced to rely upon such information as is available from the State Department respecting this matter, and the State Department, in a press release of December 15, states that it is a reciprocal trade agreement, and also states that—

> It will come into force after the necessary legislative action shall have been taken in the United States.

Mr. ROBINSON of Arkansas. Of course, that is a very different thing from a treaty, if that statement be correct.

Mr. VANDENBERG. Then, Mr. President, we confront the situation that this is not a treaty which was negotiated last fall and winter, which it is expected to submit to the Senate in due order, but it is a trade agreement in anticipation of the action of Congress upon the pending bill.

Mr. ROBINSON of Arkansas. Of course, no trade agreement can become effective until there is authority of law for it.

Mr. VANDENBERG. Certainly not, but we then confront the contemplation that this is the exercise, the tentative exercise, of a power not yet granted by Congress.

Mr. ROBINSON of Arkansas. Of course, it cannot be the exercise of a power not granted; that is impossible, both in law and in fact.

Mr. VANDENBERG. And yet exists.

Mr. ROBINSON of Arkansas. What the Senator means to say, I presume, is that in anticipation of the possible grant of authority negotiations have been in progress with Colombia.

Mr. VANDENBERG. It is not a matter of negotiations being in progress; it is a matter, according to the Department of State, of the signing of a reciprocal trade agreement 4 months before we even have an opportunity to decide in Congress whether or not the President is entitled to proceed to negotiate one of these trade agreements.

Mr. ROBINSON of Arkansas. Of course, the execution of such an agreement would be void unless validated by law.

Mr. HATFIELD. Not only is what the Senator from Michigan says true, but the news release states that the contracting parties are waiting for proper legislation to put it into effect.

Mr. VANDENBERG. That is correct.

Mr. FESS. Mr. President, will the Senator yield?

Mr. HATFIELD. I am glad to yield to the able Senator from Ohio.

Mr. FESS. The question of secrecy has been discussed, and that is one of the elements claimed to be necessary in connection with proposed tariff bargaining.

Mr. HATFIELD. That is true.

Mr. FESS. I wonder if the Senator recalls the famous contribution upon the tariff question by Woodrow Wilson in 1909?

Mr. HATFIELD. I have read the contribution of that distinguished American with a great deal of interest.

Mr. FESS. May I read one paragraph?

Mr. HATFIELD. I should be delighted to have the Senator read a paragraph.

Mr. FESS. I quote from Woodrow Wilson as follows:

> It is the policy of silence and secrecy, indeed, with regard to the whole process that makes it absolutely inconsistent with every standard of public duty and political integrity.

Mr. HATFIELD. I thank the Senator for contributing the quotation of this famous statesman to the discussion.

Mr. President, I have reason to believe that this so-called "reciprocal trade treaty" between the United States and Colombia was made in order to protect American petroleum and American fruit interests with large holdings in Colombia from the payment of export taxes on petroleum and fruits which these interests ship into American markets, using low-paid foreign labor.

Of course, Mr. President, the United States of America cannot apply an export tax, but I understand that form of taxation is in vogue in Colombia.

The farm States of the West and Southwest are the principal beneficiaries of the excise tax placed on imports of petroleum. Surely it is not helping the people of those States to remove or reduce the excise tax on imports of petroleum.

We are today operating the petroleum industry of America under a code; we are permitting, through the Government of the United States, only a certain percentage of well production, and in some instances one oil corporation in America is capable of producing daily a sufficient amount of oil for every purpose, for every consuming need.

Further, is it not possible that Venezuela will demand and receive similar concessions from the United States for her oil and fruits, and that every other country will do likewise?

For the benefit of those who may have been led to believe that this reciprocal trade treaty will advance the sale of our surplus wheat, pork products, or corn, let me remind the Senate that Argentina has an exportable surplus of wheat, hides, meats, corn, and other agricultural products.

It is possible that the reciprocal trade treaty, entered into with Colombia on the part of the State Department last December, contains provisions which will benefit some of the people of our country. If so, why the secrecy?

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. HATFIELD. I gladly yield to the able Senator.

Mr. VANDENBERG. The Senator from Arkansas, who, I regret, has left the floor, chided the Senator from West Virginia and myself for not knowing whether this pending thing is a treaty or a trade agreement. I find upon further consultation with page 7755 of the CONGRESSIONAL RECORD, where the initial publication appears, that the Assistant Secretary of State refers to it in one instance as a treaty and in the other instance as a reciprocal trade agreement. So the confusion in which the Senator from West Virginia and myself find ourselves also communicates itself to the State Department.

Mr. HATFIELD. I thank the Senator.

Was any hearing held or were any American interests, other than those owning possessions or concessions in Colombia, consulted or given an opportunity to protest before this treaty was entered into on the part of our State Department? Under this bill it may be promulgated without review by the Senate.

When that time comes after the enactment of the pending tariff legislation, what will be the embarrassing attitude of the American oil industry and of the American people generally? When this power is given to the President of the United States, if the legislation be constitutional, it will take a two-thirds vote of the Congress to relieve him of this great power which he would have.

Is it possible that this treaty will be nullified now after it has been signed by the contracting parties, as the result of any protest on the part of our American oil or fruit interests? Only the Senate can nullify it, and even the Senate could not do so should this measure become a law.

Mr. President, why is it that the Foreign Relations Committee cannot call before it the proper officials of the State Department now and examine the contents of this treaty which, under the Constitution, the Senate must ratify or reject if it is to assume that responsibility which the American people intend it to assume in keeping with its obligation and its oath?

Mr. President, this is but a sample of the treatment accorded the Congress since the inception of the new deal, we hear so much about, predicated upon control, reform, spend, and tax, with a besmirching of all that belongs to the past.

At a time when every real American is intent upon aiding recovery of our people, we are asked to legislate on tariff reform, to make the President a tariff dictator.

Since the inauguration on March 4, 1933, the Congress has delegated practically dictatorial powers to the President on the plea of emergency, and, further, that such powers were essential to immediate recovery.

It is common sense that we retard any possible recovery when the House passes and the powerful and influential Finance Committee of the Senate reports a measure, making the President a tariff dictator, which instills fear and uncertainty in the hearts and minds of millions of our people. Development, extension, and progress are at a standstill, owing to this overpowering uncertainty.

As the able senior Senator from Ohio [Mr. FESS] the other day pointed out, there is no man who is capable of allocating sufficient funds to develop an industry and to continue its progress by research essential to enable it to keep up with the trend of progress of industries in the Nation as compared with industries beyond the seas. It was my pleasure to point out to him one example dealing with the great chemical industry which has developed in the past 15 years under the Stars and Stripes through the protection of the Fordney-McCumber law and the Smoot-Hawley tariff law. There is being spent approximately, we are told, $75,000,000 to $100,000,000 yearly in research for the development and progress of the chemical industry of America, and today, because of its wonderful achievement, because of the enthusiasm, because of the stimulus that has been given to the American chemist, he can stand squarely on American soil and say to the chemists on the Rhine, "We have even surpassed you in progress and in development in the chemical world."

Mr. FESS. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. BONE in the chair). Does the Senator from West Virginia yield to the Senator from Ohio?

Mr. HATFIELD. I gladly yield to the able Senator.

Mr. FESS. Is it not true in industry where there are many activities, one producing a certain article and another producing a similar article, as, for example, in the application of electricity, that the unit which fails to keep abreast of new inventions through research work is the one that must go down, and the one that survives and the cause of its survival is the amount of time, energy, money, and intelligence expended in the research field? Is not that true?

Mr. HATFIELD. It is absolutely true.

Mr. FESS. How much of it would have been done if it had had to be done by the dead hand of government?

Mr. HATFIELD. Mr. President, we would stand still, we would retrograde, we would go back to the period of the Dark Ages, in my judgment.

Mr. LONG. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from West Virginia yield to the Senator from Louisiana?

Mr. HATFIELD. I am glad to yield.

Mr. LONG. I understood the Senator from West Virginia had introduced a resolution asking the State Department to give the Senate full information regarding the

Colombian Treaty which they have already negotiated in anticipation of the passage of the pending tariff bill. What became of the Senator's resolution?

Mr. HATFIELD. The resolution is now on the clerk's desk awaiting the consideration of the Senate.

Mr. LONG. When will we be able to bring it up for consideration? I think it might be quite enlightening to have the information called for by the resolution.

Mr. HATFIELD. I will say to the able Senator from Louisiana that I should be quite willing to have it brought up at any time.

Mr. LONG. Will the Senator permit me to suggest the absence of a quorum and then ask to have the resolution considered today?

Mr. KING. Mr. President, I shall have to object to the consideration of the resolution today.

Mr. McKELLAR. So shall I.

Mr. HATFIELD. I will say for the information of the distinguished Senator from Louisiana that the eminent leader on the majority side, the Senator from Arkansas [Mr. ROBINSON], served notice a while ago that he would be compelled to object to the consideration of the resolution at the present time.

Mr. LONG. If the Senator will permit me, I think we ought to know first just who has the pickle in the soak. It is a very odd thing that the State Department should want to be so very guarded about the thing that we cannot know what has already been done. What kind of a deal has been cooked up for the American people? Have they gone out and negotiated a treaty? Here are men in the Senate of the United States elected by the people and supposed to be the treaty-making body of the Government. Yet these officials are negotiating a treaty with Colombia as a result of which somebody is going to get it in the neck. They are going to take somebody's business away from them in this country. They have given out a press release stating that they have actually negotiated the treaty, but they do not want full information about it to get out until they get the matter confirmed by the Senate. In other words, here is a treaty which they do not think the Senate will approve and therefore they say, "Go ahead and enact a law ratifying the treaty before we let you see it or know what is in it."

That is a pretty good sample of the kind of thing that causes those of us who are trying to maintain a little of the spirit of constitutional government to become apprehensive. This would seem to be a dark-hour process of ratifying in advance something about which we have no knowledge whatever. It does not look very good to me. It is not what I would call "dealing in the light." In other words, if you are going to load the dice, at least let me see them when they fall. Give me that much chance.

Mr. HATFIELD. I may say to the able Senator that, as I understand, the secret process is the only way in which reciprocal treaties will be negotiated under this bill if it shall become a law.

Mr. LONG. That may be true; but there is ethics in all lines. In other words, I would not intimate that anybody in this august body would engage in such a practice; but if a man went into a gambling dive where he knew they had the cards marked they would at least let him see one side of them. In this instance we cannot even see the back of the card. They want us to ratify in advance a treaty that they have made with Colombia.

What does Colombia produce? We all know that there is no product of Colombia that does not interfere with the products of either Arizona, Louisiana, Florida, or California, one or the others. They have oil in Colombia, they have certain fruits and certain vegetables and certain mines; that is all. Now, the State Department has a treaty all cooked up with Colombia, and they are holding it over here in cold storage waiting for the Senate to ratify it so that they can give it out to the world and cut somebody's throat, and they will not send it in here. It is the most ridiculous proposition I ever heard of.

Perhaps I do not understand legislating in a national way. I do not suppose I do. But I never understood that there was anything to be hidden in a matter of this kind or that we were called on to vote on something and approve something that we were not going to be allowed to see.

Who is afraid of this thing? Are we legislating in this country in such a way that we dare not let the people know what we are doing? Is that the kind of government we are running here—that we do not dare let the American people know what this treaty is that we have with Colombia, but we must enact this bill and then we are going to let them see what is in it? In other words, the doctor is going to pour a dose of medicine down us and he is not going to tell us what disease we are taking it for, and he will make us swallow it whether it is laudanum or arsenic or whatever it is that he is loading in, and nobody is going to know anything about it.

That is what I resent about this kind of thing—trying to enact that kind of proposition here and make people stand for it, and not be willing to bring the treaty in here and let it become known. That is the kind of thing that shows that this is an unwise and unacceptable policy that we are asked to pursue in turning over the treaty-making power to some agency besides the Senate.

Mr. KING. Mr. President, will the Senator yield?

Mr. HATFIELD. I yield to the Senator from Utah.

Mr. KING. To this intelligent body it is not necessary to explain the function of the Executive and the function of the Senate in connection with treaties.

Many treaties have been negotiated which the President of the United States did not submit to the Senate because of changed conditions, and, perhaps, in some instances, because the President did not agree with provisions contained therein.

There is no compelling obligation upon the part of the President to submit a treaty to the Senate. No treaty becomes the law of the land, as contemplated by the Constitution of the United States, until it has been submitted and has been ratified.

Mr. LONG. Why, certainly not.

Mr. KING. I do not know anything about this alleged treaty with Colombia. My recollection is that the Secretary of State has stated before the Finance Committee, as well as elsewhere, that no treaties have been or are now being negotiated in anticipation of the so-called "tariff bill" which is under consideration here.

Moreover, Mr. President, may I say that any man who knows Franklin D. Roosevelt and the distinguished Secretary of State—men of character and ability—knows that they would not approve a treaty which they believed would prove injurious even in the slightest degree to our country.

I am not here to defend President Roosevelt, because he needs no defense; nor to defend the Secretary of State, because he needs no defense. Their records are before the American people.

They are men of honor, of character, and of the highest integrity. They love their country and will do as much for the maintenance of constitutional government and the rights and interests of the American people as any man who lives under the flag.

Mr. LONG. Mr. President, will the Senator from West Virginia yield?

Mr. HATFIELD. I yield.

Mr. LONG. I hope my friend from Utah will not leave the Chamber.

Mr. KING. I have a committee appointment which compels me to leave the Chamber.

Mr. LONG. The Senator from Utah has forgotten the Constitution. Let me say that there never has been a treaty negotiated which has not been submitted to the Senate before it became the law. A treaty must be submitted to the Senate or it cannot become a law; but here is a case in which the State Department have negotiated a treaty, and they not only will not submit it to the Senate but they are

calling upon us to ratify it and make it a law before they will let us know what is in it.

My friend from Utah [Mr. KING], who has suddenly left the Chamber, I know for other and more important business—because no man could devote time less worthily, in my opinion, than to try to pass the bill we have before us right now—says that Mr. Roosevelt needs no defense. He does not. I am going to show you why Franklin Roosevelt needs no defense. Here is what he said about this kind of a bill.

Mr. Roosevelt on July 30, 1932, said this:

It is a difficult and highly technical matter to determine costs of production abroad and at home. A commission of experts can be trusted to find such facts. Then the facts should be left to speak for themselves, free from Presidential interference.

If Mr. Roosevelt's words are to be given the credit which the Senator from Utah says they should have—and I agree they should have—why do we not write into this bill a stipulation that if any reciprocal tariff agreements are to be made they shall be free from Executive interference, instead of being made by the Executive? When are we going to rely upon Mr. Roosevelt? Are we going to come here and say that the American people can depend on him, and then, when I read what he said, are we going to go back on his word?

Evidently the Senator from Utah does not think as much of Mr. Roosevelt as I think of him. I am going to say to these people that when they trusted in the word and in the promise of Mr. Roosevelt and of Huey Long, both of us were telling the truth, and both of us are still telling the truth, until Mr. Roosevelt comes in here and says that he did not mean this or that he did not say it, one of the two things.

This is not an attack upon Mr. Roosevelt. It is an attack made by forces that are not carrying out the philosophy that was presented by Mr. Roosevelt to the American people.

Let me read what was said by Mr. Hull, who has been so ably defended, and who comes from Tennessee and is a friend of mine, and who is negotiating these tariff arrangements. Mr. Hull on May 19, 1932, said:

I am unalterably opposed to section 315 of the Tariff Act and demand its speedy repeal.

I strongly condemn the proposed course of the Republican Party, which contemplates the enlargement and retention of this provision, with such additional authority to the President as would practically vest in him the supreme taxing power of the Nation, contrary to the plainest and most fundamental provisions of the Constitution—a vast and uncontrolled power, larger than had been surrendered by one great coordinate department of government to another since the British House of Commons wrenched the taxing power from an autocratic King.

That is the statement of Mr. Hull. He says that this flexible-tariff provision which he said he was going to help repeal, which was only about a drop in the bucket compared to the bill that is before us, abdicated more power than had been taken away from the British King by the House of Commons; and yet, praising Mr. Hull, as my friend from Utah has done, praising Franklin D. Roosevelt, as we all continue to do—we have to do it, you know [laughter]—continuing this praise, we sit here and allow these promises to the American people to go unfulfilled.

Not only have we President Roosevelt's words, but we had a very able running mate of the President of the United States in that election, who spoke on the matter, and we published this to the world.

Our distinguished Vice President, who deserves all the praises that can be given to any man—and some time I will write out a whole lot of them for use in the next campaign—said:

I want you all to turn over in your minds and see what it means for Congress, representing the people of America, to surrender its rights to levy taxes. Remember this, gentlemen, when the legislative body surrenders its tariff powers and obligations to the Executive.

And I could read many more lines; but my friend from West Virginia has kindly yielded to me, and I do not want to infringe upon his time.

The proposition which is up to the American people is, Is there such a thing in the Democratic Party as truth? That is all: Is there any such thing as truth in the Democratic Party and in Congress? That is the proposition. Are we going back on the word we gave the people? Are we going back on the promise of the Secretary of State and the President of the United States? After what we have told the country, from one end to the other, that this immense power that is about to be placed in the hands of the President should never be conferred, or anything akin to it, are we going to bow down here and have to go before the people humbly admitting that we meant nothing by what we promised, and that the platform on this question—which I can read, and will read at a little later time; I have already read it once, but I will read it again at some other point in this discussion—is going to be ignored by the party in power?

Not only that, but here is this request of the Senator from West Virginia for a copy of a treaty with Colombia. I did not ask for it. I was a well-wisher to the request; but the Senator from West Virginia asks the State Department to send the Senate a treaty which we are told has already been negotiated, and which the State Department officials have said in the public prints they are waiting for us to ratify. They are waiting for us to ratify a treaty which has been negotiated. Mr. Sayre says it is a treaty. That is the word he used. The newspaper article says that he has made a treaty, and he is waiting for the Senate to pass the measure ratifying it before he makes it public.

In other words, this cowardly Congress, as he would take us to be, is going to sit here and let him tell us that he has gone ahead and made a treaty, and we do not dare try to see it nor do we dare try to find out what is in it. He has a pickle in the soak for somebody. He is going to put somebody's business in the discard, and we cannot find out what he is going to do to us until he has hung us. That is what is in this proposal; and I resent it, Mr. President. I, for one, believe that we shall have to let the American people become acquainted with this question.

Party does not mean enough to me to make me sacrifice the Constitution of the United States. Party does not mean enough to me to make me go back on the word of my chief. Party does not mean enough to me to make me go back on the platform promises on which we ran in the last campaign; and nothing means enough to me in the matter of government to make me uphold here the proposition that a Senator who asks, "What is the treaty?" cannot find out what the treaty is upon which we are now voting a ratification, if it shall be voted.

Mr. DICKINSON. Mr. President, will the Senator yield?

Mr. HATFIELD. I yield.

Mr. DICKINSON. In order that we may have a clear understanding, I wish to read the definition of "treaty" from Bouvier's Law Dictionary:

Treaties are agreements between nations of a general nature bearing upon political or commercial questions, and are distinguished from conventions which are agreements relating to minor or specific subjects, such as consular conventions and postal conventions. The right to negotiate treaties is one of the tests of sovereignty. The king is usually the treaty-making power in a monarchy, subject to the advice of his ministers in constitutional governments, and in a republic the chief executive or some part of the legislature. After treaties have been negotiated and signed, they must be ratified by the proper authorities of each state.

The question I wish to suggest to the Senator from West Virginia is, when will the treaty become a trade agreement, and after this legislation shall have been enacted are we to say that the Colombian treaty is a trade agreement, and therefore is an agreement which does not have to be ratified by the Senate, because we will have abdicated our power over tariff agreements, which are really trade treaties? It seems to me it is a very interesting question as to whether or not we ought to call this a treaty or a trade agreement.

Mr. HATFIELD. Mr. President, my response to the distinguished Senator from Iowa is that, in my judgment, it will be interpreted by the Department of State to be a trade agreement, and I do not think it has ever been intended that this treaty should be submitted to the Senate of the United States.

Mr. DICKINSON. In other words, when it is black, we may either call it a pot or a kettle, and it is just the same.

Mr. LONG. Mr. President, the Senator has been very generous, but I should like to interrupt him a moment longer in order to read into the RECORD at this point a short quotation from one of the 14 books of the Bible that was discarded by King James. I should like to read about three lines from the gospel of Baruch, chapter 6.

Mr. HATFIELD. I yield to the Senator for that purpose.

Mr. LONG. It reads:

As for their tongue, it is polished by the workman, and they themselves are gilded and laid over with silver; yet are they but false, and cannot speak.

[Laughter.]

Mr. FESS. Mr. President, will the Senator from West Virginia yield to me?

Mr. HATFIELD. I yield.

Mr. FESS. The Senator from Louisiana referred to the platform and the pledges made by candidates. He also referred to the former position of his party on this particular question.

Mr. VANDENBERG. Whose party?

Mr. FESS. We will not name it. If the Senator from Louisiana would consult the CONGRESSIONAL RECORD, page 7291, volume 75, part 7, he would find the record of the vote on the effort to defeat the flexible provision in the act of 1930. That went no further than to give the President power, within limits, after a recommendation of the scientific commission, known as the "Tariff Commission." The provision was so offensive, in attempting to give the President authority, within limits, to act upon the facts gathered by the Tariff Commission, that Senators on the other side wanted to have it provided that such action on the part of the President should always be referred back to this body for approval, before the President's decree should be effective.

The Senator will recall that the present Chairman of the Committee on Finance, our beloved friend, the Senator from Mississippi [Mr. HARRISON], offered his famous H.R. 6662 as an amendment, making it mandatory that any such proposed action on the part of the President should come back to the Senate before any decree of the President should be effective.

Upon that proposal 36 Democrats voted in the affirmative, and I notice that 6 Republicans voted with them. Not a single Democrat voted against it, while 30 Republicans voted against it. That was a provision to nullify the grant of a limited power to the President. Now, from the same author, comes the pending proposal, greatly to enlarge the power of the President, to enlarge it far beyond the dream of anybody up to that time, and seemingly all but a few are enthusiastically supporting the proposal, which is diametrically opposed to what was done only 2 years ago.

Mr. CLARK. Mr. President, will the Senator from West Virginia yield to me to ask a question of the Senator from Ohio?

Mr. HATFIELD. I am very glad to yield.

Mr. CLARK. How did the Senator from Ohio vote on that amendment?

Mr. FESS. I voted against it, as the Senator would have expected me to vote.

Mr. CLARK. The Senator has reversed his position as much as he claims the Senator from Mississippi has reversed his.

Mr. FESS. Oh, no; not in the slightest degree.

Mr. HATFIELD. I thank the able Senator from Ohio for his contribution. I remember very well the colloquy which took place between the senior Senator from Nebraska and the senior Senator from Kentucky upon the subject at that time on the amendment which would have required that when increases or decreases in tariff rates were recommended by the President as to any item, the entire matter would require the approval of the Senate of the United States. The agreement between the distinguished senior Senator from Nebraska and the distinguished senior Senator from Kentucky was that such recommendations would be approved by this body without question.

Mr. President, one of the leading proponents of the reciprocal trade treaties, Mordecai Ezekiel, possibly second in influence with the President, admits, in an article published in what may be termed the "administration's mouthpiece", the weekly publication entitled "Today" of April 21, page 16, edited by Mr. Moley, and published by Vincent Astor, wealthy owner of the floating White House, that some seven or more millions of workers will be threatened with the loss of their employment opportunities, and that a million or more farmers will be forced into other lines of activity.

To me, that is a very far-reaching statement for any man who occupies a responsible position with the Central Government here at Washington. For instance, a farmer who has lived upon his farm for a great number of years knows something about the farming industry, but if he is put into some other industry, he will have to learn that business, and possibly because of the age he has reached he will not be so adept in arriving at a standard of efficiency which will enable him to earn enough to protect and educate his family.

The same applies to the man who has learned his fellowcraft work in the art of making china, or glass, or steel, or pottery, or in any of the various other industries found under the American flag. After they have delved in those industries for long periods of time, it would be indeed difficult for them to learn a new business to such a standard of efficiency that they would be able to satisfy their home demands, or pay off a mortgage, perchance, they may have been liquidating in part while they were occupied in the positions in which they had served as entered apprentices, and earn positions in the industry as master workmen.

Surely, with such pronouncements on the part of those close to the administration, neither industry, labor, nor farmers can be expected to make purchases except for their immediate needs.

Yet, Mr. President, this legislation, which its proponents publicly and freely admit will add some eight or ten millions of our people to those already on the Government charity lists, is labeled "recovery." At a time when every real American realizes that a termination of Federal meddling is of first importance to speedy recovery, we are asked to enact legislation which will unquestionably retard recovery.

It has been the experience of every nation that it is not well to interfere in any way with the principles which protect the industries which give employment and work opportunities today to the industrial workers who live under their flags, but they guard sacredly those work opportunities, and they undertake to increase the work opportunities by reducing the number of hours of labor and protecting the home trade for the industrial workers.

This legislation will not encourage recovery, except for foreign nations. How? By laying down the bars permitting the importer to claim the market here under the American flag which is now enjoyed by the toilers of this Nation. Some international financers may be benefited and comparatively few Americans engaged in business of exporting and importing will reap the reward.

A few days ago Secretary of Agriculture Wallace, in a radio broadcast, criticized our failure to follow in the footsteps of England in dealing with international trade. England, and those who operate her governmental machinery, were pointed out as having laid down certain principles which our Government and our people could well afford to emulate.

The fact is that England after 100 years of free trade has now adopted an intra-Empire protective tariff, and we all know how far England in her progress toward recovery has forged ahead of America.

On that very day, a matter of hours before the radio talk of Secretary Wallace, England, to protect the employment opportunities of her own people and the markets of the British Commonwealth of Nations from the ruthless, cutthroat competition of the low wage paid and low living standards of the workers of Japan, had publicly served

notice on Japan of the possible severance of trade relations between the Empire on one hand and Japan on the other.

How different, Mr. President, is the attitude of Great Britain as compared with the attitude of the authorities in the United States of America, when the same power under the Industrial Recovery Act is reposed in the Chief Executive of this Nation.

England, the Government which Secretary Wallace asks that we emulate, faced with increasing unemployment among her workers, due to underselling on the part of the Japanese, not only served notice of substantially increased import duties on imports from Japan, but, in reality, served notice of an embargo against the products of Japan.

However, though Congress granted a similar embargo power to the President in 1933, the President did not take advantage of protecting the industries of America which are languishing today. For instance, the match industry is practically out of commission, having only a fraction of the market here in America. This situation was recognized by Congress when, in the Revenue Act of 1934, it increased the excise tax on colored-stem matches; but the increase was not sufficient to bar all the cheap foreign competition in this field.

Japan, because of the cheap wage paid the Japanese workmen, can sell matches at 30 percent less than the cost of the production of the American match. The same is true, Mr. President, of the china and the pottery industries. The same is also true of some portions of the fish industry, particularly on the Pacific coast, involving the great State of Washington, the great State of Oregon, and the great State of California.

Is it possible that any Member of this body who believes that we should reduce or eliminate our tariff duties on the more than 300 industries, articles, or commodities which I enumerated on May 1 will contend that such action would be in line with the administration's understanding of the meaning of the word "recovery"?

Mr. President, the sincerity of those who cry "recovery", while urging upon the Congress the enactment of one-man tariff dictatorship, can well be questioned.

Our recovery has been seriously retarded by the insistence of the administration that we legislate at the present moment on tariff changes.

Indeed, evidence is piling up that the tariff program and other blunders are delaying recovery in this country to such an extent that we are falling far behind other leading countries in our efforts at recovery from the world-wide, war-caused depression.

As evidence of this fact, Mr. President, I present a table issued by the League of Nations on this subject for the year ending 1933, and ask that it be considered as a part of my remarks at this point.

The PRESIDING OFFICER (Mr. BONE in the chair). Without objection, it is so ordered.

The table referred to is as follows:

Indices of industrial production (1928=100)—Issued by League of Nations

	United States	Canada	England	France	Germany	Japan	Sweden	Russia
January 1933	59	52	90	78	62	117	83	212
December 1933	68	72	97	83	72	[1] 139	95	[2] 237
Gain	9	20	7	5	10	22	12	25

[1] November. [2] October.

Mr. HATFIELD. It is interesting to note that at the end of the year 1933 the United States had the lowest index of industrial production, that is, it was the greatest distance below the normal of 1928 production of any of the countries listed above.

During the year 1933 the United States made a gain of 9 points, and, with the exception of England and France, this was the lowest gain in industrial production of any of the countries listed. England's small gain of 7 points is due to the fact that she did not have very far to go to reach normal, as she started the year with an index of 90.

Mr. President, I think we are pretty well agreed that relief must be provided and is of first importance; although we may differ somewhat on details. But I desire to stress the thought that recovery should then command our attention, with only incidental consideration for socialistic reform, which can better be attended to when we are well on our way back to reasonable prosperity. Not only are we hounded to pass reform measures, but now we are thrown headlong into a partisan political controversy as old as the life of the Nation—the tariff question. Surely, there can be but little merit, either from the standpoint of relief, recovery, or reform in bringing into question constitutional government, delegation of legislative functions, abolition of congressional duties, revision of tariff procedure, and taxation. We are here called upon—in the midst of other pressing duties—to pass upon the merits of (1) free trade, (2) tariff for revenue only, (3) competitive tariffs, and (4) reciprocal tariffs versus the long-established protective-tariff policy of this country. It is neither right nor wise in this hour of our country's peril to demand it.

Mr. LONG. Mr. President, will the Senator yield?

Mr. HATFIELD. I yield.

Mr. LONG. I desire to show, although very few of my Democratic colleagues are here, how consistent the RECORD shows what my position was. I think I have stated on every possible occasion in the Senate that I was a tariff Democrat, in favor of tariffs; and yet when we had before us in 1931 the tariff bill on which we voted on the 1st day of April, 1932, introduced for the purpose of repealing the flexible provision of the Tariff Act, I was one of the Democrats who, while a tariff man, voted to repeal it on the ground that it lodged in the Executive tariff-making power, which ought to be retained by Congress. My vote is shown on page 7291 of the RECORD. We had speeches made on the subject at that time by illustrious Senators. I quote a sentence from one of our theme speeches, made by one of the Democratic Senators from the State of Texas, who said:

> This is the most outrageous doctrine that has ever been uttered during the course of the present debate.

We were all applauding that sentiment here, and we were all undertaking to wrench this terrible power from the President. This was known, and was pronounced by the Republicans to be a gesture of the Democratic Party; but it was explained in the debates at the time that it was desired to put the matter before the American people, that we should not go further, as the iniquitous thing then before Congress proposed, but that we should repeal what had already been done.

Here in the RECORD is my vote with the rest of them, all of us voting that we would not have this kind of thing.

All of us went before the people and said that we were going to repeal it. Every one of us did. If there is a single one who did not do it, I do not know who he is. Every one of them did it, unanimously. Here is the record of what we did, in which it is shown that I was standing here defending the faith of the party.

In the CONGRESSIONAL RECORD, on page 7291, appears the list of the distinguished and illustrious Democrats whom I followed. I followed their words, I followed their instructions, and I followed their votes. I went down the line with them. Now I call for my leaders; I call for the men who poured this inspiration into me in campaign after campaign.

Where is the leader?

Mr. HATFIELD. Will the Senator give the volume of the CONGRESSIONAL RECORD to which he just referred?

Mr. LONG. Yes. This is the RECORD of April 1, 1932, at page 7291.

We now come back for leaders, and where have the leaders gone?

The situation reminds me of a tombstone which was erected down in my country for a man who had died. Before his death he had instructed his wife that when he died she should put on his tombstone the inscription which he left for her. It consisted of a little verse which he had

written. So, in accordance with his instructions, there was engraved on the tombstone these words:

Remember, man, as you pass by,
So as you are, so once was I.
So as I am, so you must be.
Prepare to die and follow me!

The old woman put that on the tombstone, but she did not want to be bound by the injunction "to follow me"; so she put two little lines beneath it in her own behalf:

To follow you I'm not content,
Until I know which way you went.

[Laughter.]

Now, which way have my leaders gone, Mr. President? Where are they?

Mr. McKELLAR. Mr. President, may I answer the Senator from Louisiana? When this power was given the Republican President it was given to him for the purpose of raising the tariff duties, and we all know it. There is not any doubt about it. We all know exactly the purpose for which the power was given him. The power which is given the present President is to decrease tariff duties. That is what is troubling the Senator from Louisiana, who is a tariff advocate, and that is what is troubling the Senators on the other side.

Mr. FESS. Mr. President, will the Senator yield?

Mr. HATFIELD. I yield.

Mr. FESS. Does the Senator from Tennessee interpret the present law to mean that the President cannot reduce the tariff duties?

Mr. McKELLAR. I am not interpreting the present law, and I have not been asked to do it; but I know that most of the Senators on the other side of the Chamber are for high tariffs, that they are in favor of making them as high as possible, and if they had the slightest idea that Franklin Roosevelt was going to raise tariff rates instead of lower them they would, every one of them, be in favor of this measure.

Mr. FESS. Oh, no; we would not.

Mr. VANDENBERG. Mr. President, will the Senator from West Virginia yield?

Mr. HATFIELD. I yield.

Mr. VANDENBERG. That was not the problem which was disturbing the Senator from Tennessee when the bill having to do with the flexible tariff provisions was before the Senate. It was not a question of whether the rates were going up or going down that was then disturbing the Senator from Tennessee.

Mr. McKELLAR. That is the only thing that disturbed me.

Mr. VANDENBERG. I have the floor for the moment.

Mr. McKELLAR. The Senator was referring to me and pointing at me, and I thought I might reply.

Mr. VANDENBERG. I have not finished, and I hope the Senator from Tennessee will get the full text before he preaches.

Mr. McKELLAR. I will preach with or without.

Mr. VANDENBERG. The Senator was not disturbed about whether rates were going up or going down, I repeat, but this is what the Senator was disturbed about; and I am quoting his very eloquent address on September 26, 1929:

> The minute, Mr. President, you take from the people the right of their representatives to levy taxes and put that right in the hands of a man who can practically perpetuate himself in office for 8 years, you repeal the thirteenth amendment in effect, because we are all economic slaves, and the only difference is that we have a little hope in 8 years of removing our bonds, where under most forms of slavery that hope cannot be entertained.

Mr. President, so far as I was concerned, it seemed to me that, so long as the Congress had written a firm formula under which this power was to be used, it was not a delegation of the taxing power; but the Senator from Tennessee thought that even the limited flexing of the tariff under that rule was a delegation of the taxing power and with all the great vigor at his command he undertook to convince the Senate of the fact. He was not worrying about whether rates were going up or going down, so far as his argument was concerned; he was worrying about the fundamental question of the delegation of the taxing power; and the pending measure delegates twice as much, yea, 50 times as much taxing power as did that provision of the law to which he objected heretofore.

Mr. McKELLAR. Mr. President, the Senator from Michigan and others who believe as he does were perfectly willing—and voted that way when the occasion offered—to give the President the power when they thought their own President was going to raise the tariff rates. We all know that. Why try to dissemble and argue constitutional questions? It is a fact that they voted for that bill then because they thought their President would raise the tariff rates. Is there a Senator here who denies that?

Mr. HATFIELD. Oh, yes, there is; I deny it. The Senator from Tennessee is not fair.

Mr. LONG. Mr. President, will the Senator let me answer the Senator from Tennessee?

Mr. HATFIELD. The Senator from Tennessee is not fair.

Mr. McKELLAR. In what respect?

Mr. HATFIELD. Mr. President, I have the floor, and I say the Senator from Tennessee is not fair, and the statement he has made reflects upon a President who has passed into history and whose inclination upon the subject as was apparent, was toward lower rates than those found in the Smoot-Hawley tariff law. There is no one better informed upon the subject of the commitments and the convictions of President Hoover in that regard than is the senior Senator from Tennessee. I now yield to the Senator from Louisiana.

Mr. LONG. Mr. President, the Senator from Tennessee, though, has not answered the point that connects me. I am an injured, innocent person in this matter.

Mr. McKELLAR. I do not think anybody could do that. If anybody could stop the Senator from Louisiana, I do not know whom he could be.

Mr. LONG. The injury that my friend from Tennessee does me is that I came here a young man out of the country to follow him, and I did follow him and the other leaders on this side. My first vote——

Mr. McKELLAR. The Senator has fallen by the wayside so frequently lately that I cannot any longer find my follower.

Mr. LONG. No; the trouble is, Mr. President, that my leader is gone off after a false god, while I am still going down the line with my original convictions. I came here a tariff Democrat; everybody knew I was a tariff Democrat; and I said so when I came; yet when we had the bill up to repeal the flexible tariff provision, on the ground that it was abdicating the functions of Congress to the President of the United States, here is the vote of the Senator from Louisiana along with the Senator from Tennessee [Mr. McKELLAR], voting for the reason expressed, that it was an absolutely outrageous procedure to take the power out of the hands of Congress. I voted with my friend from Tennessee.

Mr. McKELLAR. Will the Senator yield?

Mr. LONG. I have not the floor.

The PRESIDING OFFICER. Does the Senator from West Virginia yield to the Senator from Tennessee?

Mr. HATFIELD. I yield.

Mr. McKELLAR. May I say to the Senator from Louisiana that is one of the very few times I have ever known him to be right.

Mr. LONG. Oh, no, Mr. President; the Senator from Tennessee always votes with me once on each question. The Senator from Tennessee is bound to be right half the time, because, as a rule, he votes on each question on both sides of the fence, and so the Senator from Tennessee can always claim that he is at least half right, because so long as I have observed my friend I am with him at least one time and against him at least one time on every question.

In this case my friend from Mississippi [Mr. HARRISON], I believe, offered the amendment, and here is the speech of the Senator from Tennessee saying that we were placing this matter before the country to show that the Democratic Party was for the repeal of this thing root and branch. Here I was, a tariff Democrat, standing up for the Constitution of the United States, sitting at the feet of the Senator from Tennessee and his allies, listening to the voice of free-

dom, inhaling the pure air of lawful government; and then I turn around, after having undertaken to imbibe that spirit, and find that my leader has gone, and that my leader is denouncing me here because I do not go with him. Where is he going next week? Mr. President, it reminds me of a man trying to find the North Pole. He does not know whether he is within 6 miles of it or not unless he meets somebody coming back from it. I have to meet the Senator from Tennessee coming back in order to know whether I am on the right road. Whenever I see the Senator coming back from where he was last week, I know I have not changed.

The Senator was not alone in this matter. I have just read from the declarations of our President, of the other Senator from Tennessee at that time, who is now Secretary of State, and now I am here, a tariff Democrat, voting as I always voted—voting with my party that Congress should legislate on the revenue. Here is my vote; here it is, the same as when I started, and here is the declaration of my party that they would repeal this thing; here is the declaration of our candidate, here is the declaration of our Vice President, and here is the declaration of our Secretary of State.

Shall one who has voted in this way and who has made such a promise to come here now and not only change his position, with that promise staring him in the face, but to do three times the evil that has already been done under the law we promised to repeal? I think it is just a question of time when my friend from Tennessee is going to get off and think this thing over, and when he does his conscience is going to govern him, because we all know that the Senator has a conscience. [Laughter.]

Mr. FESS. Mr. President——

Mr. HATFIELD. I yield to the Senator from Ohio.

Mr. FESS. The Senator from West Virginia replied to what I think was a very unfortunate statement of the Senator from Tennessee [Mr. McKELLAR] when he asserted that the only interest we on this side could have in the flexible-tariff authority given to the Executive was to increase tariff rates. I have an authoritative statement here that I want to put in the RECORD, if the Senator from West Virginia will permit me to do so.

Mr. HATFIELD. I shall be very glad to yield for that purpose.

Mr. FESS. I read from the veto message of President Hoover on House bill 6662, entitled "An act to amend the tariff act of 1930, and for other purposes", a bill for which the Senator from Tennessee voted and which was calculated to secure a continuance of logrolling in this body, a practice which we were trying to get rid of when the flexible-tariff provisions were written into the law. This will be an answer to the Senator's statement that we had no interest except an increased tariff rate, and, if there were no opportunity to bring that about, we would never vote for it.

Mr. McKELLAR. Before the Senator proceeds to read the quotation will he yield to me for a moment?

Mr. FESS. I will yield in a few moments. I quote as follows:

> The broad purpose of the present form of Executive action upon the flexible provision is promptly to remedy inequities and injustices in the tariff as they may be discovered; to prevent any tariff system being frozen upon the Nation despite economic shifts; and by providing this flexibility to meet changing economic conditions greatly to lessen the necessity for periodic general revision of the tariff, with its disturbance to economic life and its orgy of politics and logrolling. The flexible provision has, since the act of 1930, proved its high usefulness in these particulars. The Commission has completed or has in progress investigations covering 291 different articles. Of those which come under the flexible provisions, the recommendations were for no change in about 54 percent of the cases, increases in 16 percent, and decreases in 30 percent, which were placed in effect within a few days.

Instead of the charge made by the Senator from Tennessee being true that the flexible provision was designed to increase tariff rates, the vast majority of the actions of the Chief Executive were in the direction of decreasing rates under the flexible tariff provision. Let that be an answer to the Senator from Tennessee.

Mr. HATFIELD. That was a strong reason why the then President of the United States insisted upon the flexible-tariff provision's going into the Smoot-Hawley Tariff Act.

Mr. FESS. That was the main object.

Mr. McKELLAR. Mr. President, will the Senator from West Virginia yield to me to enable me to ask the Senator from Ohio a question?

Mr. HATFIELD. I yield.

Mr. McKELLAR. I am going to ask the Senator from Ohio, does he believe in reducing the tariff rates generally?

Mr. FESS. Why, certainly.

Mr. McKELLAR. The Senator is not a tariff——

Mr. FESS. Mr. President, if the Senator from West Virginia will permit me——

Mr. HATFIELD. I yield.

Mr. FESS. I believe in the tariff philosophy that was suggested by James A. Garfield many years ago, and in that system of protection which ultimately leads to the nearest possible free trade. The Senator from Tennessee knows that in the evolution of economic forces, no matter how high rates may be at one time or how low they may be at another time, if they are too high when we have fully developed economic efficiency in production, it is necessary then to reduce them. That is the philosophy of the protective system.

Mr. McKELLAR. I am not now talking about the philosophy; I am talking about certain facts. Is it not true that the Senator from Ohio has voted for every high tariff bill that has been passed since he has been in either House of Congress?

Mr. FESS. And in each successive case the tariff bill provided lower rates than the preceding tariff bill.

Mr. McKELLAR. The Senator voted for the higher tariff rates.

Mr. FESS. I voted for a protective tariff as against a competitive tariff.

Mr. McKELLAR. And he has voted against every low tariff and every Democratic tariff bill since he has been a Member of Congress.

Mr. FESS. Certainly; and I would vote against any free-trade tariff bill or tariff-for-revenue-only bill.

Mr. LONG. Mr. President, will the Senator from West Virginia yield further?

The PRESIDING OFFICER. Does the Senator from West Virginia yield further to the Senator from Louisiana?

Mr. HATFIELD. I am glad to yield.

Mr. LONG. The point to which I now want to get the Senator from Tennessee [Mr. McKELLAR] to bring his mind back is this. I am going to read from the Democratic platform of 1932. The tariff plank read this way:

> We advocate a competitive tariff for revenue, with a fact-finding tariff commission free from Executive interference.

That is the Democratic platform which I helped to write and which the Senator from Virginia [Mr. GLASS] helped to write.

Mr. HATFIELD. Of 1932?

Mr. LONG. Yes; the year of our Lord 1932.

Mr. McKELLAR. Does the Senator from Louisiana believe in that provision of the platform?

Mr. LONG. Yes.

Mr. McKELLAR. Then, why does not the Senator vote for it? Why is he on the other side? He is just like every other Senator from Louisiana in the last half century. Because sugar is produced in his State he is voting for every high-tariff bill the Republicans bring forward.

Mr. LONG. There is no one so blind as the man who will not see. The Senator has made a charge against me——

Mr. McKELLAR. Not only against the Senator, but all other Senators from Louisiana since I have been a Member of Congress. The Senator from Louisiana to whom I am addressing these remarks, and all other Senators from Louisiana, have uniformly lined up for a high tariff every time the Republican Party has introduced a high-tariff bill. The Senator has fought the Democratic Party consistently ever

since he has been here because he is in favor of a high tariff for the purpose of protecting his own little pet industry in Louisiana. Those are the facts, and everybody knows them to be the facts. Why try to talk around them by saying there is some constitutional question involved? The Senator does not pay a particle of attention to the Constitution, and the Republicans do not pay a particle of attention to the Constitution when it is in their way.

Mr. LONG. Here is where my friend from Tennessee needs to go back to school. I know he is going to rise within the next 5 minutes and beg the pardon of the Senate and of myself for what he just said. Former Senators Ransdell and Broussard both voted for the flexible-tariff provision in the Smoot-Hawley tariff bill.

Mr. McKELLAR. Just like all the Republicans did.

Mr. LONG. I went before the people of Louisiana and defeated both of those gentlemen.

Mr. McKELLAR. But it is a fact the Senator did not defeat them on the tariff issue. If he had made that an issue, he would not have defeated them and he would not be here now.

Mr. LONG. Oh, yes. I did not defeat them on the tariff issue as such, but I did make it a point that in voting to abdicate the function of Congress and place it in the hands of the President, those two gentlemen had shown the people of Louisiana that they were not competent to represent them. I came here to fill the seat of Senator Ransdell. Senator Ransdell voted for the flexible provision in the tariff bill so the President and the Tariff Commission could fix the rates. I came here, and what was the first thing I did? Did I do what the Senator from Tennessee said? No; I voted to undo what Ransdell and Broussard and every other Louisiana Senator had done.

Mr. McKELLAR. Yes; the Senator did that when he first came here, but as soon as he felt the ground under his feet he voted against the Democrats, went over on the other side and voted with the Republicans, and he has been with them ever since. [Laughter.]

Mr. LONG. No. The Senator talks one way, but he goes another way, as I have said.

Mr. McKELLAR. Oh, no. I am here on the Democratic side and everybody knows it. I have stood with the party all my life, and I am going to stand with it all the remainder of my life. I am not like the Senator from Louisiana, jumping up on one side at one time and on the other side at another time.

Mr. LONG. Oh, no; the Senator from Tennessee always has the Democratic flag up. I admit that. But here is what the Democratic Party in its platform said:

> We advocate a competitive tariff for revenue, with a fact-finding tariff commission free from Executive interference.

That is the platform of the Democratic Party, and here is what Mr. Franklin D. Roosevelt said on July 30, 1932, and which he is absolutely dishonoring this afternoon:

> It is a difficult and highly technical matter, but a commission of experts can be trusted to find the facts, and the facts should be left to speak for themselves.

And then the platform said:

> We advocate a competitive tariff for revenue, with a fact-finding tariff commission free from Executive interference.

Now, get the words of the Democratic platform again:

> We believe that a party platform is a covenant with the people.

Can anyone imagine a thing like that? [Laughter.] Yet the Senator from Tennessee says he is a good Democrat.

Mr. McKELLAR. Of course, we can imagine a thing just like that. The Senator from Louisiana and Republican Senators are opposed to President Roosevelt having this power because they are afraid he is going to reduce tariff duties. The Senator from Louisiana is particularly afraid because his little pet industry of sugar down in Louisiana will have a lowered tariff rate, perhaps. That is the only thing that hurts or worries the Senator from Louisiana. If it were not for sugar he would probably be standing just like he stood when he first came here, on the Democratic side. But sugar! Sugar! Just mention sugar to anybody from Louisiana, and they want to be on the Republican side and not on the Democratic side. [Laughter.]

Mr. HATFIELD. May I ask the Senator from Tennessee a question? Would the Senator from Tennessee be willing to give to a Republican President the same power he is seeking to have given to a Democratic President?

Mr. McKELLAR. If he were one like President Hoover, I am frank to say to the Senator from West Virginia, I would not be willing. I would not vote for it under any such circumstances.

Mr. HATFIELD. Can the Senator from Tennessee suggest any Republican President to whom he would be willing to give that power?

Mr. McKELLAR. Oh, yes. If HIRAM JOHNSON were President, if GEORGE W. NORRIS were President, if WILLIAM E. BORAH were President, or even if ARTHUR H. VANDENBERG were President, I would be glad to give the power to them; but I would not think of doing it for the rank and file on the Republican side of the Chamber. [Laughter.]

Mr. LONG. Mr. President, will the Senator from West Virginia permit me to finish what I was endeavoring to state when the Senator from Tennessee interrupted me?

Mr. HATFIELD. Yes; I am very glad to yield further to the Senator from Louisiana.

Mr. LONG. Here is what the Democratic Party said. I am reading this only because I want the Senator from Tennessee to understand that it is a promise of the party—the Democratic Party—to tell the truth. The Senator from Tennessee may not believe that it is in the platform, but the party did say that it ought to keep its word. It said that. Whether the Senator from Tennessee knows it or not, it is Democratic philosophy, according to the platform, to do what we tell the people we are going to do. There are a lot of folks who do not believe in that principle. However, here is what the Democratic Party said in its platform in 1932:

> We believe that a party platform is a covenant with the people to be faithfully kept by the party when intrusted with power and that the people are entitled to know—

Just think of that!

> The people are entitled to know in plain words the terms of the contract to which they are asked to subscribe.

And then the platform went on to say:

> We advocate a competitive tariff for revenue with a fact-finding tariff commission free from Executive interference.

And my friend from Tennessee still thinks he is a Democrat. [Laughter.] There is no way to convince him otherwise. He said if I was a good Democrat I would be over here like I was the last time. He was with me on this very issue then. I was with him in urging that the tariff-making power ought not to be placed in the hands of the President of the United States. I was for protecting sugar, just as he charges. I was a tariff Democrat, just as he charges, just the kind of a Democrat that will keep the party alive.

Mr. McKELLAR. I did not know there were any such.

Mr. LONG. Oh, yes; Henry Jackson, from Tennessee, was one of the best we ever had.

Mr. HATFIELD. Mr. President, may I ask the Senator from Louisiana a question at that point?

Mr. LONG. The Senator from West Virginia has the floor.

Mr. HATFIELD. Is it not a fact that every Democratic Senator, representing a State that is Democratic, voted, as is disclosed by the RECORD, for protection for those industries in his own State and for those commodities produced within the confines of his State?

Mr. LONG. That is true in every case with the exception of one Senator, and I have always wondered just what was wrong with him. [Laughter.] Every Democrat here, as will be disclosed by the RECORD, voted to protect the industries in his own State, with the exception of the Senator from South Carolina [Mr. SMITH]. He is the only man who voted otherwise. He voted for the immigration law, which would have kept cheap labor from coming in here.

Mr. SMITH. And to keep some others from coming into the country as well.

Mr. LONG. But all Democrats are in favor of protecting the products of their own States. As an example, the Senator from Texas [Mr. CONNALLY] and I voted to protect oil. We voted to protect the copper of Arizona. Why? Because we needed the copper votes to get a tariff on oil and they needed the oil votes to get a tariff on copper. [Laughter.] There is the hocus-pocus about this thing. That is the way it was done. I am perfectly willing to stand here and tell the Senate that I voted for the other man's tariff because we needed his vote to get the tariff on our products.

Mr. McKELLAR. Sugar! [Laughter.]

Mr. LONG. Yes, sugar. What could be more noble than a tariff on sugar? [Laughter.]

Mr. ASHURST. Mr. President, will the Senator from West Virginia yield to me?

Mr. HATFIELD. Certainly.

Mr. ASHURST. The Senator from Louisiana is making the most powerful argument for the pending bill that could be made. Congress, when it makes a tariff bill, almost necessarily does so on the log-rolling principle. The pending measure provides a scientific way to handle tariffs. That is why I am in favor of the pending bill.

Mr. LONG. The Senator is probably for this bill.

Mr. ASHURST. Mr. President, I know, and the Senate knows, that Congress will not grant a proper tariff on copper. I know, and the Senate knows, that when the keen mind of the President and his tariff experts consider copper, they will increase the tariff on copper.

Mr. LONG. That is not how we got the tariff on copper. We had a Democratic President here, and he did not give us a tariff on copper. I will tell you how we got the tariff on copper last time. We got it because several other Senators and myself went around here swapping enough votes to get it. [Laughter.] That is how we got the tariff on copper. We could not get the tariff with oil and copper and coal by themselves, so we put in lumber in order to get a few more votes. [Laughter.] There is no need of whipping the devil around the stump.

Mr. McKELLAR. That is the best argument the Senator has made for the passage of this bill.

Mr. LONG. Mr. President, we have all realized that we have to give the other man protection if we claim it for ourselves. In other words, it is the spirit of the Bible:

> Whatsoever ye would that men should do to you, do ye even so to them.

Why, certainly. It was the spirit of the Scripture that caused a man to give his brother a tariff, particularly when he needed his brother's vote to get the tariff for himself. [Laughter.] It makes the man feel better; but we went before the people with all that known, did we not? We went before the people and told them what we were going to do, and we said, "The people are entitled to know in plain words what it is that they are contracting for"; and we said to them, "We will have a competitive tariff for revenue, with a fact-finding tariff commission free from Executive interference." That is what we told them; and we told them we were truthful people, and that that was what we were going to do.

Mr. ROBINSON of Arkansas. Mr. President, does the Senator from Louisiana think that is applicable to the subject matter of this bill? Does not the Senator understand fully that the basis of that clause, "free from Executive interference", was the allegation that Republican Presidents had been in the habit of attempting to control or influence the action of the Tariff Commission?

This bill does not relate to the proceedings of the Tariff Commission under the flexible provision. It relates to an effort to restore and build up the foreign commerce of the United States. It is not an interference with any action of the Tariff Commission and cannot fairly be said to be. I merely ask leave to point that out to the Senator.

Mr. LONG. The Senator unfortunately runs into the declaration of the President of the United States that in making reciprocal tariff agreements this would apply. Unfortunately, the Senator is answered by the party platform again, because Mr. Cordell Hull and Mr. Franklin D. Roosevelt, in interpreting this very platform of the party, declared to the American people that it meant just what I should have understood it to mean—that reciprocal treaties or anything else would be gaged on the report of a fact-finding commission, based upon the difference in cost of producing the particular product in the foreign country and the cost of producing it in this country. That was the declaration.

Mr. HATFIELD. Mr. President, the only evidence that has been adduced respecting the interference of a President, either in the adjustment of tariff rates or otherwise, was given by the Chairman of the Tariff Commission, with failure on the part of the Finance Committee to invite any other members of the Tariff Commission before it to inquire of them whether or not the chairman of the Tariff Commission was stating a fact. I think it was very unfair of the Finance Committee not to give the other members of the Tariff Commission an opportunity to be heard; but the fact remains that the chairman of the Tariff Commission who gave support to the thought that the Chief Executive in the past had interfered with tariff rates still remains the chairman of the Tariff Commission under a Democratic administration.

Mr. ROBINSON of Arkansas. Mr. President——

Mr. HATFIELD. I yield to the Senator from Arkansas.

Mr. ROBINSON of Arkansas. Does the Senator contend that the exercise of the power under this bill by the Executive, if the bill should pass, would interfere with the proceedings of the Tariff Commission?

Mr. HATFIELD. I do not understand that there is any provision in the bill requiring the President to take any advice upon the questions which may be involved, but it is understood, I think, that an organization will be created to function under the bill at the dictum of the President, who will hold in his power the life and death of industry, as well as the work opportunities of American labor.

Mr. ROBINSON of Arkansas. I do not quite understand that answer. My question was directed to the point that the Senator from West Virginia was making, or attempting to make, that the failure to take the advice of the Tariff Commission as to the passage of this measure was an interference on the part of the Executive with the functions of the Tariff Commission.

Mr. HATFIELD. No. I was referring to the Tariff Commission under the existing law.

Mr. ROBINSON of Arkansas. Of course, the Senator understands that under the bill, and probably under any practice that will prevail, the Executive will avail himself of the information which the Tariff Commission can supply.

Mr. HATFIELD. That is true.

Since, however, the party in power has chosen to lay aside not only relief and recovery measures but even measures for the reform of those abuses which we all alike deplore and are prepared to remedy, and has decided to force a political battle on the whole tariff issue, we must accept the issue. It is my forecast that before the national elections in November enough of the Democratic Members of the Senate, not tied down by any gag rules, will have joined with the Republicans either so to modify the pending tariff bill as to save the Constitution, preserve the constitutional rights and duties of Congress, and protect American agriculture, labor, and industry, or to defeat the measure entirely.

Mr. LONG. Mr. President, a moment ago the Senator asked me a question, and I have been able to get the RECORD so as to give an answer.

Mr. HATFIELD. I yield to the Senator.

Mr. LONG. I will ask one of the pages to find the Senator from Tennessee [Mr. McKELLAR]. I think he went to answer a telephone call in the cloakroom.

Mr. McKELLAR entered the Chamber.

Mr. LONG. Since the Senator from Tennessee has talked about the tariff Democrats from Louisiana, I want to read the illuminating record on the tariff question of my friend,

the senior Senator from the great and sovereign State of Tennessee. I particularly love that State. I lived there for many years.

Mr. McKELLAR. The Senator is going to get some real Democratic doctrine now.

Mr. LONG. Yes; some real, genuine Democratic doctrine.

The Senator from Tennessee [Mr. McKELLAR] voted as follows:

On October 24, 1929, he voted for Mr. Blaine's amendment for a 5½-cent rate on casein. The House rate was 2½ cents.

On October 28, 1929, he voted for Mr. GOLDSBOROUGH'S amendment to increase the duty on olive oil in containers. Tennessee, as you know, raises vegetable oil. That was patriotic Democratic doctrine.

Mr. McKELLAR. What vegetable oils do we raise?

Mr. LONG. Cottonseed.

Mr. McKELLAR. Oh, yes.

Mr. LONG. You see, the Senator is going to get wise on this thing before we get through with it. Just wait until we get through. The Senator from Tennessee is going to vote with us before we get through.

Mr. McKELLAR. Mr. President, I cannot let that statement go unchallenged. The Senator from Louisiana will have to change his methods of voting a long, long way before I ever vote with him, certainly on tariff issues.

Mr. LONG. As long as "the light holds out to burn, the vilest sinner may return"; but the Senator from Tennessee does not have to return in this case. He has voted against the flexible provision of the tariff with me, and he has voted for these tariffs with me, too. Wait until I get through with him.

On January 20, 1930, the Senator from Tennessee [Mr. McKELLAR] voted for the committee amendment for higher rates on basic paper. They have a paper company over in Memphis.

Mr. McKELLAR. I never heard of it.

Mr. LONG. I used to work for it—the Palo Paper Co. [Laughter.]

Mr. McKELLAR. Did the Senator do any real work?

Mr. LONG. Not much; no more than I had to. [Laughter.]

On January 24, 1930, the Senator from Tennessee voted for Mr. Oddie's first amendment to increase the duty on hides. Now, imagine that! That was a good vote, too. I would have voted that way if I had been here, particularly if we had had sugar in the bill.

Mr. McKELLAR. The Senator does not mean to say that it takes sugar in a bill to make him vote for it, does it?

Mr. LONG. Oh, no; but we built up a case, you know. It is well to build up a few friends on this tariff question, because you are liable to need them the next day. That is why enough votes were obtained to put this tariff on the hides that go into the shoes that the poor little children are wearing in this country today; and I would have voted for it if I had been here. It was a good vote.

On January 28, 1930, the Senator from Tennessee voted for the amendment of Mr. THOMAS of Idaho to increase the duty on vegetable oils. Again cottonseed comes in there.

On February 18, 1930, he voted for Mr. PITTMAN'S amendment placing a duty on silver ores. All right. I did not know that Tennessee produced any silver. Probably that was one of the kind of votes I would have cast.

On February 18, 1930, he voted for Mr. CONNALLY'S amendment increasing the duty on cattle.

Mr. HATFIELD. That was a very high duty; was it not?

Mr. LONG. Yes; a very high duty. Now, imagine that! When a man buys a beefsteak today he owes it to the vote of the Senator from Tennessee that that beefsteak costs such a high price. He put that tariff on beef. Imagine!

Let us see, now. I will read the rest of this record.

On March 3, 1930, the Senator from Tennessee voted for Mr. Shortridge's amendment for a duty on long-staple cotton. The Senator from Mississippi [Mr. HARRISON] voted for that, too. They voted for it because cotton is a southern product.

Mr. HATFIELD. What became of the Senator from Tennessee?

Mr. LONG. He voted for that. I am reading the record of the Senator from Tennessee.

On March 13, 1930, the Senator from Tennessee voted for concurrence in the amendment placing a duty on long-staple cotton.

On March 14, 1930, he voted for an amendment to increase the duty on hides. They raised it again, and he still went along.

On March 22, 1930, he voted for the amendment to place duties on basic and sensitized paper. They manufacture those over in the city of Memphis.

The Senator also voted against a number of decreases. Proposals were made to decrease some tariffs, and a number of Democratic Senators decided that they would line up on the Democratic doctrine to stand with the people, and the Senator from Tennessee stood by the people. I am one man who defends the record of the Senator from Tennessee when he does not defend it himself. I am one of the men who speak a good word for him when he is here trying to undo his own votes.

He has a friend in me, the kind of a friend that a man is proud of when he gets over these days of hectic politics, and can look back and see, when he was trying to do himself wrong, that his friends stood by him.

Mr. McKELLAR. Mr. President, if the Senator will yield, when that time comes I have no doubt I shall have forgotten all the mistakes the Senator from Louisiana has made while he has been in the Congress, and I shall be very forgiving.

Mr. LONG. That is very kind of the Senator; but one good thing about it is that he may not have so much to forgive when I read about 14 more votes he cast here.

On October 28, 1929, the Senator from Tennessee voted against Mr. WAGNER'S amendment to reduce the duty on olive oil in containers. Why? Just reason these votes out. Here is the Senator from New York [Mr. WAGNER], who probably will vote for a tariff on most New York products most of the time. Cottonseed oil was not raised in his part of the country, so he voted to reduce the rate on olive oil. The Senator from Tennessee deserted his party in that hour of need, except for the fact that the party was standing right. I think the party was going along with him at that time; so the Senator voted democratically that time, I guess.

November 5, 1929, he voted against the committee amendment to reduce the duty on china clay. That is pottery. Is any pottery produced in Tennessee? I do not know why the Senator voted that way. I believe the Senator was voting on principle. I have done the Senator an injustice; I thought he was voting for this tariff to get protection for a product of Tennessee. Now I know he was voting for protection as a matter of principle, and likely as a matter of party duty.

January 27, 1930, he voted against Mr. WHEELER'S amendment to reduce the duty on filaments and yarns of rayon.

On January 27, 1930, he voted against Mr. Simmons' amendment to reduce the minimum duty on filaments and yarns of rayon.

On January 31, 1930, he voted against Mr. McMaster's amendment to strike out the duty on cement.

Imagine that!

Mr. HATFIELD. Cement?

Mr. LONG. Cement. Can Senators believe that? I was down in Louisiana at that time, and that was one occasion when I was fighting a tariff. I had a big road-building program on down there, and we were buying millions of barrels of cement, spending $75,000,000 laying concrete roads, and I knew that if that tariff went on the cement was going to cost us a great deal more money, $2,000 more per mile for the roads. Because of this vote of the Senator from Tennessee, every mile of that road cost us $2,000 more.

Cement! It is all right; I do not blame the Senator. I disagreed with him at the time, but now I have been converted. I believe he was right. I think that vote was right. [Laughter.]

Let us go a little further. On March 13, 1930, he voted against the amendment to reduce the duty on mustard seed. Why was that? They raise mustard and they raise turnips in Tennessee. Did the Senator from Tennessee want them

sending over to Europe or down to Mexico to get greens to make pot liquor out of when they could get them right there in Tennessee? Not on your life. [Laughter.]

On March 13, 1930, the Senator voted against the amendment to reduce the minimum rate on rayon filaments and yarns.

On March 13, 1930, he voted the same way on the same question.

On March 15, 1930, the Senator voted against the amendment to reduce the duty on hides.

On March 15, 1930, he voted against the second amendment to reduce the duty on hides.

On March 17, 1930, he voted against concurring in the amendment to eliminate the countervailing duty on coal.

Think of that! Coal! Every little child that has to get up in the morning and kindles the fire in order to keep itself warm, every poor man, woman, and child in the country who sits in front of a coal fire has to remember the vote of the Senator from Tennessee. [Laughter.] Coal! Coal! Do they mine any coal in Tennessee? I wonder.

On March 19, 1930, the Senator voted against the amendment for free cement for public use. Listen to this, Senators. Here is the dramatic climax of a marvelous accomplishment. [Laughter.] The Senator voted against the amendment for free cement for public use. He even voted that the United States Government and the State of Louisiana had to pay a tariff on cement. There we were in Louisiana, when that bill to place a tariff on cement was brought in, paying $2,000 more a mile to build concrete roads in that State; and incidentally we have the best road system in the world down there, although some gentlemen here may not know that. There we were appealing to the Congress not to tax the State, and here the Senator from Tennessee leaped over and voted to put a tax of $2,000 more a mile, in the form of a tariff on cement, on every mile of road we were building.

Why was that? I do not know whether cement is manufactured in Tennessee or not. It is made all around there. But whether it is made in Tennessee or not, the Senator from Tennessee could not have expected to get votes for tariffs on the products of his State, probably without having followed the Golden Rule that is given in the Bible, to do for the other man what you ask him to do for you.

Here we are trying to get the Senator to keep only one more promise of the party; that is, that you shall regard what you promised as an obligation and having promised the people something, that you will not go back on it.

Now I show the Senator how I have been with him. I show the Democrats how I have been with them. I read the logic, I read the philosophy, of all the gentlemen on this side of the aisle. I read the promises of the party, I read the platform declaration of the President of the United States, I read what was promised by the Secretary of State, I read the Constitution, I cite them the vote I cast here with them when I came here; but it is as sounding brass and a tinkling cymbal to some of my friends.

Mr. McKELLAR. Mr. President, the Senator doth protest too much.

Mr. HATFIELD. Mr. President, I think I shall have to hurry along now. [Laughter.]

The tariff was not the cause of and its change is not the cure for the depression. The only possible reason for bringing the subject up at this time would be the false theory that the tariff was the cause of the depression. I repeat that statement, the tariff was not the cause of and its change is not the cure for the depression. The figures and facts I am giving are important, and I trust that those who are honoring me with their presence will listen, for in this is a great lesson, one, in my judgment, which has not been brought home to the Executive department of the Government.

First, we are told by the administration that imports declined from $4,338,572,000 in 1929, the year before the passage of the Tariff Act of 1930, to $1,423,467,000 in 1933, a decrease of $2,915,105,000, or 67 percent. These figures are presumably correct, since they are the records published by the Tariff Commission. But did it ever occur to the administration to ask whether the decline was "in the value of goods subject to tariff" or "in those on the free list"?

The answer is very important. The Tariff Commission, which, accordding to its Chairman, is a working tool of the President and not of the Congress, has published reports showing that dollar value of duty free imports has declined from $2,880,128,000 in 1929 to $901,782,000 in 1933, a decrease of $1,978,346,000, or 68.7 percent, while commodities subject to duty declined in dollar value from $1,458,444,000 to $521,685,000, a decrease of $936,759,000, or 64.2 percent.

In other words, the decline in dollar value of imports on the free list was more than double the decline in dollar value of dutiable goods, and the percentage decline for the free list was 68.7 percent, while for those on the dutiable list it was 64.2 percent.

At this point I insert a table giving value of imports year by year, of imports dutiable, and those free from duty, so that there can be no further dispute on this point.

Dollar value of imports into the United States, "dutiable" and "free from duty", 1929–33

Year	Total	Free from duty	Dutiable
1929	$4,338,572,000	$2,880,128,000	$1,458,444,000
1930	3,114,077,000	2,081,132,000	1,032,954,000
1931	2,088,455,000	1,391,693,000	696,762,000
1932	1,325,093,000	885,536,000	439,557,000
1933	1,423,467,000	901,782,000	521,685,000

Mr. President, it should be clear to everyone who studies this table that the decline in imports cannot be traced "to high or low duties" or "to no duties." All declined together, but the decline of the free-list articles was the greater because the declines in prices of agricultural and raw materials from the tropics were greater than in prices of certain dutiable manufactured goods from Europe.

The decline in prices was principally responsible for the decline in dollar value of imports. During the three pre-war years, 1911, 1912, and 1913, imports for consumption were valued at $1,645,119,000, and, using 1926 as a basic index of 100, the wholesale price index for all American commodities was 67.9. Now we find that the average annual dollar value of imports for consumption for the three depression years, 1931, 1932, and 1933, was $1,612,338,000, and again the wholesale price index was 67.9. Thus prices for the 3 years just past have averaged exactly the same as for the last 3 pre-war years, and imports, by dollar value, were only $32,781,000 less per year, or scarcely 2 percent under the earlier period.

In other words, there is almost a parity of imports and exports between the pre-war period and the post-war depression period beginning the first of the year 1931 and ending with 1933.

Furthermore, customs duties collected in the pre-war period averaged $308,810,000 a year, and during the last 3-year period, they averaged $300,155,000 a year—a decrease of only $8,655,000, or 2.7 percent.

Mr. President, how about the fabulous value of imports in the war period, 1916 to 1920? The average annual dollar value for the 5-year period was $3,430,788,000, but the wholesale price index for all commodities for the 5-year period was 125.5. Reduced to the price level of 1931, 1932, and 1933 the average annual dollar value of imports for the war period would have been only $1,856,182,000, which should be compared with our average of $1,612,338,000 during the last 3 years. In other words, 86.9 percent of the greater dollar value of imports during the war period was due to unit prices, and only 13.1 percent was due to greater volume. And be it remembered that even this small increase in volume was due to the imports of goods for processing for reexportation on account of the war, such as the grinding of wheat and its reexportation.

In order that this matter may be removed from further controversy, I have prepared the representative figures:

Period	Dollar value of imports for consumption	Average wholesale price index (1926=100)
1911–13	$1,645,119,000	67.9
1916–20	3,430,788,000	125.5
1931–33	1,612,338,000	67.0

The figures which I have submitted show that 86.9 percent of the increase in dollar value of imports for the war period over the pre-war period was due to price increase, and only 13.1 percent was due to volume of imports. The decline to the depression period, 1931, 1932, and 1933, from an average annual $3,430,788,000 to an average annual of $1,612,338,000, was accompanied by a decline in prices of from 125.5 to 67.9—using the Government wholesale-price index of 1926 as 100. In other words, our imports for the last 3 years are only 2 percent below the imports for the last 3 pre-war years when prices were the same. These figures permit of only one conclusion, and that is if we want a greater dollar value of imports for any reason, the problem is one of price levels and not of tariffs. Put prices up 50 percent and we shall put up the dollar value of imports 50 percent. But all of us know how the administration has failed to do that.

The London Conference had for its purpose, at least in part, this accomplishment, but it failed to accomplish anything.

That no general tariff changes are needed is further shown by the figures already cited, which show that the decline in dollar value of goods on the free list has been greater than those subject to duty because unit prices have gone lower for free-list articles, which are more generally raw materials, than for dutiable articles, which are more generally manufactured.

Mr. President, carrying this study one step further, we find how completely this is a problem of price levels responsive to demand and purchasing power and not to tariff rates. I have selected a list of 15 articles which represented 60 percent of our imports in 1929; such items as tea, coffee, cocoa, rubber, silk, hides and skins, furs, copper, tin, petroleum, and so forth.

The dollar value of our imports of these 15 articles rose from $964,588,000 in 1910 to 1914—the pre-war parity period talked about so much, and for which Government figures are readily available—to $2,614,975,000 in 1929, and declined again to slightly below pre-war levels to $829,855,000 by 1932, and to almost exactly pre-war levels by 1933, due to a slight rise in prices of several of the items. The average dollar value of our imports of these 15 items, representing 60 percent of our imports, was the same for 1931, 1932, and 1933 as for the pre-war period, although their dollar value had risen to three times that level in 1929. It is a false and mistaken notion to assume that we can increase our exports by any change in our tariff rates, or merely by some bargain, such as our trade of wheat with Brazil for her coffee. We must first pay more for what we are importing, which means world price adjustment, so then foreign nations can buy from us, if we want to restore dollar value of exports. This is apparent at once when we note that our exports rose and fell in dollar value as prices went up and fell down, and, further, that they followed the same general course as imports. When we paid high prices for imports, our dollar sales were correspondingly high. During the few years of excess sales we were either paying foreign debts or lending money to those who bought from us, and for that reason, Mr. President, largely, our imports increased to such a point as to be pointed to at this time as the reason why we should do something to increase our foreign commerce, when the fact remains that it was not because of the increase of the commodities which came to our shores but the price that the American consumer was willing to pay for these commodities, as compared with another period in which they would have been enabled to buy these products very much cheaper providing they had the purchasing power with which to make the purchases.

Our old foreign-debt accounts have virtually been repudiated, and we should not continue an unwise lending policy to restore the enjoyment of that trade which was ours in that inflated period of 1929.

Hence our export policy must be coordinated with our financial position, but this certainly does not mean that we shall open our markets to a flood of low-priced foreign goods, thereby depressing our prices and increasing our unemployment. This is no time to add to the world's mess of quotas, licenses, permits, exchange controls, and a hundred other devices.

Mr. Donham, dean of the school of business administration of Harvard University, discussed this question with a great deal of force, and to me, in a very convincing way, pointing out why we should build from within and adopt the same principle that has been adopted by every European nation. We have failed miserably, Mr. President, to respond to the appeals of such men as Dean Donham. It is time thoughtfully to study our new international-credit position and adjust our commerce accordingly.

In order that no doubt may arise as to the accuracy of my statements, I have prepared the detailed statistics of the dollar value of imports of each of these 15 items for the pre-war period, and for the years 1929 to 1932, inclusive.

I ask that this table may be printed as a part of my remarks at this point.

The PRESIDING OFFICER (Mr. THOMAS of Utah in the chair). Without objection, permission is granted.

The table referred to is as follows:

United States general imports—Value (15 selected groups)

Item	1910–14	1929	1930	1931	1932
Rubber and manufactures	$210,693,000	$247,420,000	$114,298,000	$76,379,000	$34,272,813
Sugar and related products	106,414,000	229,740,000	150,537,000	122,613,000	105,025,010
Coffee	101,455,000	302,396,882	209,471,802	174,904,211	136,811,614
Tea	16,732,000	25,866,089	22,594,645	18,757,123	12,455,426
Cocoa and manufactures	16,699,000	51,271,164	32,213,729	23,853,380	20,092,908
Hides and skins	104,581,000	137,281,000	92,268,000	50,302,000	22,492,033
Furs and manufactures	22,628,000	125,853,000	68,686,000	55,860,000	28,463,697
Vegetable oils, expressed and fats	22,498,000	100,662,000	73,402,000	47,977,000	32,009,980
Tobacco and manufactures	37,419,000	60,617,009	46,572,000	41,793,000	26,561,474
Jute and manufactures	40,632,000	95,989,000	67,755,000	37,081,000	22,468,685
Silk and manufactures	109,373,000	471,377,000	284,825,000	208,912,000	120,240,435
Total, wood and paper	79,851,000	377,328,000	319,466,000	237,355,000	168,112,328
Petroleum and products	6,252,000	143,558,000	145,116,000	92,741,000	60,635,916
Copper, ore and manufactures	47,845,000	153,710,000	104,616,000	48,744,000	23,735,758
Tin, including ore	41,511,000	91,906,000	60,411,000	36,731,000	16,478,362
Total	964,588,000	2,614,975,135	1,792,332,176	1,274,602,714	829,856,444

Mr. HATFIELD. Mr. President, I have shown conclusively, I think—

First. That increases in the dollar value of imports during the war and post-war periods were almost entirely a price phenomena;

Second. That the present decreases in the dollar value of imports back to pre-war levels also are a result of the price decline;

Third. That if we wish to increase the dollar value of our imports at this time it should be through a world-wide price-

raising program, if that be possible, rather than through reduction in tariffs, which would deluge our markets with low-priced goods from the low-wage countries, thus breaking down our own price structure, and destroying agriculture and increasing unemployment; and,

Fourth. That high tariff rates were not the controlling feature in that the decline in dollar value of imports was equally apparent in dutiable and free goods; in fact, the decline in the dollar value of imports was greater in the case of goods on the free list than those on the dutiable list.

So it can be easily understood, Mr. President, that the error on the part of those who claim that high tariff rates are responsible for the decline in our foreign trade is due to the fact that no one has given serious study to the real picture which our imports and our exports portray. When we remember that 69.5 percent of all the imports coming to this country are free, as compared with 30.5 percent that are dutiable, and bear in mind the picture I have portrayed, it is, indeed, a wonder that we are as prosperous as we are as a nation, notwithstanding the convictions of the distinguished senior Senator from the great State of Tennessee.

Mr. FESS. Mr. President——

The PRESIDING OFFICER. Does the Senator from West Virginia yield to the Senator from Ohio?

Mr. HATFIELD. I yield to the Senator from Ohio.

Mr. FESS. I understand that the Senator is now emphasizing the fact that the percentage of falling off of our imports is larger in the case of commodities on the free list than it is in the case of commodities on the dutiable list.

Mr. HATFIELD. That is true.

Mr. FESS. That is the conclusive answer to all the talk to the effect that the high tariff is the cause of the falling off of our imports.

Mr. HATFIELD. That, I think, is correct.

We must now turn our attention to the other phase of the program, namely, that we must lower tariffs and admit greater quantities of goods, and that is what we hear today from the lips of the Senator from Tennessee, so that in turn—

First. We may increase our exports;

Second. Foreigners may pay their annual interest and other service charges; and

Third. Foreigners may liquidate their indebtedness to us.

Fourth. We must add seven or eight millions to the unemployed and deprive more than 1,000,000 farmers of their properties.

These four propositions must be examined separately.

The first of these propositions, namely, that we should lower duties in order to increase values of imports in order that we may increase our exports, is especially vulnerable. We have not been given the details, and the Senate should be definitely advised of pertinent details before it delegates to administration officers the right finally to negotiate any trades.

I, as one Senator, feel that it is incumbent upon me to take the position I have taken, so that I may report to the 1,800,000 people who I in part represent in the confines of West Virginia that I have protected their work opportunities, and in protecting their work opportunities it was necessary for me to protect the industries which give them employment.

Unless and until this shall be done the Senate should insist that each proposed agreement, first, shall be the subject of a public hearing; second, that it shall be submitted to the Senate for approval; or, third, that it shall be submitted to Congress and a proper period allowed for either the House or Senate, or both, by resolution to indicate approval thereof.

Can you conceive, Mr. President, of a Chief Executive or any group of men being more familiar with the industries, the wants and the needs of the rank and file of the people, than are the Representatives in Congress from the respective districts of the 48 States of the Union, plus the Senators from those States, the men who have been elected by the voice of the people of these respective districts and States? Or can one conceive that a delegated power will be used in such a way as to afford greater protection or give greater consideration to the individual man or to the individual industry than will the power if exercised directly by the Congress of the United States?

Certainly blanket authority to make any and all trades which might occur to any clerk in any of the interested departments would open the way to the wildest orgy of efforts by importers and exporters to have secret negotiations carried through, and in turn would force every American group of farmers, every labor group, and industrial and financial groups to keep a research staff, a legal staff, and a lobbying staff here in Washington trying to defend their present protection and to ward off potential trades. There would also be an army of foreign suppliants, such as we have known during periods of tariff making; and should this bill become a law we will see them here, as they are here at this hour, in the hope that some industry under the American flag may be embarrassed to the benefit of some industry in Europe or the Orient. Members of Congress would be called upon daily to learn whether some industry in their State or district was under consideration. Under the secret operations of reciprocal tariff bargaining no Representative or Senator would know until the mischief had been done and embarrassment had necessarily ensued of any agreement that had been entered into between our own Government and some foreign government. There should be added to the bill an amendment to require the State Department to advise Members of Congress of commodities which are being considered. Otherwise there would be tariff chaos.

Mr. President, unless various protective devices are written into the pending bill, there will be such uncertainty as to what is going on behind closed doors that no industry will be willing or able to make plans 60 days ahead. Banks will not make loans. They are not making loans now. They surely will not make loans in such an uncertain financial condition as would be brought about and as would affect the average industry under a tariff control under the domination of one man whose ideas and convictions are to place American industry upon a serious competitive basis with the underpaid wage earner of Europe and the Orient.

Labor will be in constant fear that it will be unemployed. Farmers will not dare to plant crops which may be traded. Talk of recovery! No suggestion would do more to delay recovery than this proposal for secret executive tariff revision.

Mr. President, I have shouldered the responsibilities of the chief executive of my State. I would not want the responsibility thrust upon me that is proposed in the pending measure. It is too broad. It represents too great a power. To fail in its proper use would mean the destruction of the industrial institutions of the country and would send out upon the highway the wage earner who today has employment, looking for work when there would be none to be found.

Even now we constantly hear of efforts on the part of interests in Mexico and Cuba and of interests in Canada to let in fresh vegetables at lower rates of duty. How are the Senators from Florida, Texas, and California going to react to this? We hear of demands for reducing the duty on long-staple cotton to please England, Egypt, and other foreign groups and certain American buyers. How will Mississippi, Texas, and other States react to this? We hear of efforts of Venezuela, Mexico, and other Latin American countries to send in petroleum and petroleum products. How will Texas and Oklahoma, Kansas and California, and a dozen other States react to this proposal? Have we not got these matters settled now under a flexible tariff provision in the law which requires a public hearing and certification of the findings by the Commission to the Chief Executive of the Nation? Surely we have; and when we have that kind of protection invoked by the law of the land, industry can feel secure and can go forward.

Every day we hear of efforts to bring in cattle from Canada and Mexico and beef from Argentina. Our cattlemen are in a constant state of fear. They saw our administra-

tion last year bring in literally millions of pounds of canned beef from Argentina for the Civilian Conservation Corps camps, while our own cattle could not be sold at any price, even with the present tariff.

Recently I read in the newspapers a news release given out by the Secretary of Agriculture, after the purchase of this canned beef by the Government from South America, advising the farmer, who had his old cow for sale with the idea of retaining and developing her young heifer, that he should sell the heifer and keep the old cow. That is the picture that was portrayed in this news release. Imagine the consternation of the farmer when he finds out how the Government managers have failed to protect him.

Congress should not trust any administration official who cannot be recalled, who is not subject to a vote from home, who is hidden away where he can make secret arrangements which cannot be passed upon by any representative official. Are Senators from farm and industrial States going to delegate full authority, when it is admitted that some ten million are unemployed? In my address of May 1, I named fully 300 articles or commodities which even now may be under discussion and which are marked for slaughter. Perhaps before this subject is disposed of we may find it desirable to discuss the merits of some of these tariff rates in detail and have the Senators interested indicate where they stand on this trading program.

It is said we must let in these imports in order to build up our exports. For instance, we must either export more cotton or practice production control. I have searched the record and find that during 1909–14 our average annual exports of unmanufactured cotton amounted to 8,850,000 bales, each equal to 500 pounds, and at an average annual value of $529,475,000, or an average value of almost exactly 12 cents per pound. That was a very profitable period for the cotton producer. He was satisfied with the price he was receiving for his product. But what do we find in 1932? I find that in 1932 we exported 9,600,000 bales, with a value of $345,164,000, or only 7⅛ cents per pound; and in 1933 we exported 9,050,000 bales, with a value of $398,216,000, or about 8⅛ cents per pound. Thus we are exporting substantially more cotton than in pre-war years, but in 1932 and 1933 the prices were low. If we had received 12 cents per pound, as in 1909–14, our exports for the last 2 years would have had an average value of $560,000,000 instead of a little over $370,000,000—an increase of nearly $200,000,000 a year in value of exports in this one item alone. This is merely another illustration proving that the problem is a price problem and not a tariff problem. I understand that the price of cotton during recent months has ranged as high as 12 cents, so that our exports this year, if price and quantity remain, should equal the pre-war level without any tariff tinkering.

If the problem is one of an expanded cotton crop, then we should first stimulate domestic consumption. Southern cotton farmers use great quantities of burlap on their farms made from imported jute. We use great quantities of woolen carpets and rugs made from imported wool. A dozen other examples could be given. Let us take steps first to extend our tremendously potential domestic market rather than trade off some other American industry.

Recently I read in the Chicago Tribune an article which discloses the pitiful plight of the small cotton worker, the everyday man who works in the cotton field along the highway, telling how he is now looking for an opportunity to have a free ride to some industrial section with the hope of securing employment, having had his cotton-production possibilities destroyed as a result of the cotton control bill which recently was passed by the Congress. I ask permission to have printed in the RECORD at the conclusion of my remarks the article to which I have just referred.

There being no objection, the article was ordered to be printed in the RECORD.

[See exhibit A.]

Mr. HATFIELD. Let us emulate the great European nations in building up and developing our home industries and encouraging them through proper publicity, through the different departments that deal with these problems at home; for if we trade off our products for some other farm crops or manufactured products, throwing farmers and laborers out of work, we will lose the present American market for cotton faster than we will build up a new foreign market.

Mr. VANDENBERG. Mr. President, will the Senator from West Virginia yield to me to suggest the absence of a quorum?

The PRESIDING OFFICER. Does the Senator from West Virginia yield for that purpose?

Mr. HATFIELD. I yield.

Mr. VANDENBERG. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	Hayden	Reynolds
Ashurst	Couzens	Johnson	Robinson, Ark.
Austin	Cutting	Kean	Robinson, Ind.
Bachman	Davis	Keyes	Russell
Bailey	Dickinson	King	Schall
Bankhead	Dieterich	Logan	Sheppard
Barbour	Dill	Lonergan	Shipstead
Barkley	Duffy	Long	Smith
Black	Erickson	McCarran	Steiwer
Bone	Fess	McGill	Stephens
Borah	Fletcher	McKellar	Thomas, Okla.
Brown	Frazier	McNary	Thomas, Utah
Bulkley	George	Metcalf	Thompson
Bulow	Gibson	Neely	Townsend
Byrd	Glass	Norbeck	Tydings
Byrnes	Goldsborough	Norris	Vandenberg
Capper	Gore	Nye	Van Nuys
Carey	Hale	O'Mahoney	Wagner
Clark	Harrison	Overton	Walcott
Connally	Hastings	Patterson	Walsh
Coolidge	Hatch	Pittman	Wheeler
Copeland	Hatfield	Pope	White

The PRESIDING OFFICER. Eighty-eight Senators having answered to their names, there is a quorum present.

Mr. LONG. Mr. President, will the Senator from West Virginia yield?

Mr. HATFIELD. I yield.

Mr. LONG. I should like to have the attention of the senior Senator from Tennessee [Mr. MCKELLAR] for just a moment.

In order to complete my remarks, I ask that I may be permitted to read a few lines from a statement in the RECORD embodying Democratic philosophy, which I have followed, and which was a source of inspiration to me before I entered this body.

Mr. President, I ran for the Senate in the fall of 1930, and took my seat in January 1932. Before I was a candidate for the Senate, on March 22, 1930, there was offered in the Senate by the senior Senator from Tennessee [Mr. MCKELLAR] an amendment to increase the ad valorem duty on certain paper, an amendment to paragraph 1405 of the pending tariff bill, to place a duty of 3 cents per pound and 10 percent ad valorem on plain basic paper and 3 cents per pound and 20 percent ad valorem on that which had been albumenized or sensitized.

I wish to read the following from the remarks of the Senator from Tennessee in the discussion of that amendment on March 22, 1930, appearing on page 5905 of the CONGRESSIONAL RECORD of that date:

> Mr. MCKELLAR. Mr. President, with this statement I am going to leave the matter to the Senate. It seems to me there is but one question. Here are two great corporations, one the Eastman Kodak Co., the other the Agfa-Ansco Co. One is an American company, the other is a German company. On general principles, it seems to me that we ought to be willing to take the side of the American company. I am willing to do so, and I hope the Senate on a vote will do likewise.
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> Mr. MCKELLAR. Yes; it is the paper that is produced by the monopoly, and those who are fighting it are a German monopoly by the name of the Agfa-Ansco Co. It is a fight between a German monopoly and an American monopoly, if the Senator wants to put it that way, and, of course, anybody can choose which monopoly he is for, whether the American or the foreign monopoly.

I wish to read further inspirational sentences from the discussion.

Mr. McKELLAR. Mr. President, I thank the Senator, as far as he has gone. I entertain the same sentiments today.

Mr. LONG. I desire to read further inspirational sentences from the Senator from Tennessee, which I am sure will stay with us through the night, and no doubt will bring the Senator from Tennessee back to the faith of the fathers.

On page 5907 of the CONGRESSIONAL RECORD appears the following:

Mr. McKELLAR. The Ansco Corporation was organized in 1928, according to my information. It was formerly directed and controlled by the German I.G., commonly known as the "German I.G. Chemical and Dye Trust." Recently the German I.G. formed an American I.G. chemical corporation and apparently now conducts its activities in the United States through the instrumentality of the American I.G. Co. The power, wealth, and activities of the German I.G. Trust are well known among American manufacturers. It is most natural for a powerful group of foreign companies to seek to secure the entry of foreign-made basic paper at a low rate in order to reduce materially their cost of the finished paper, which they sell to American people. That is the fact about it. There is no doubt in the world about it being the German trust that wants to bring this paper in free. The American trust, if we may call it that, as some people do, want a duty on it. That is the situation.

So the Senator stated that as a basic principle, which inspired me, as it did him then.

I leave these remarks with the Senate, hoping that when the Senator from Tennessee shall return to his study tonight he will have opportunity to find out that he was following another famous Tennessean, President Andrew Jackson. My State will always be grateful and will follow along with the principles of these illustrious Tennesseans, Andrew Jackson and Senator McKELLAR.

Mr. McKELLAR. Mr. President, I again thank the Senator most cordially.

Mr. HATFIELD. Mr. President, time does not permit at this moment to set down other illustrations. They all point to the same conclusions. If we pass this bill, it will probably bring out many other illustrations showing we cannot afford to go into a wholesale secret set of trades, giving away our domestic markets in the vain hope of getting a better foreign one.

Mr. President, there appeared an editorial a few years ago in a paper named "Labor." This editorial is so appropriate to the picture which I have portrayed dealing with the home markets that I feel impelled to read it at this time. It deals with the home markets, as I have stated. It states that the home market is nine times as important as the foreign market. Then it tells, Mr. President, how to stimulate the home market. I quote:

A new financial journal, the National Sphere, has an article on its cover which begins as follows:

"With 7 percent of the world's population, the United States consumes 48 percent of the world's coffee, 53 percent of its tin, 56 percent of its rubber, 21 percent of its sugar, 72 percent of its silk, 36 percent of its coal, 42 percent of its pig iron, 47 percent of its copper, 69 percent of its crude petroleum, and owns twenty-three of the thirty million running automobiles.

"While the population of the United States was increasing by 60 percent, industrial production increased by 300 percent. The purchasing power of the 120,000,000 citizens of this country is greater than that of the 500,000,000 Europeans and much greater than that of the more than a billion Asiatics."

All of which is true. But then, on an inside page, is another article headed "Export Trade Becomes Vital to American Prosperity." It urges the "stimulation" of foreign markets, because they take about 10 percent of the output of this country each year. I again quote:

It seems to Labor that the Sphere needs to learn on its inside pages the lesson taught on its cover.

If 90 percent of our production is consumed at home and only 10 percent goes abroad, then it is surely nine times as important to stimulate the home market as to stimulate the foreign market.

America's purchasing power is greater than that of a 4 times larger population in Europe and a 10 times larger population in Asia because American wages are relatively high.

Make these wages higher still and the buying power of the home market will increase in full proportion. Wipe out the periods of unemployment or half employment and there will be another increase in buying power.

A 1 percent gain in consuming power of the home market is equal to 9 percent boost in the demands of the rest of the world, and the home market is in our sole control, while the foreign markets are ruled by the financiers, governments, and customs of other nations.

The thing really vital to American prosperity is steady employment at high wages. The foreign market is important, valuable, but the heart of our prosperity—when we have it—is at home.

Mr. President, that is one of the most patriotic editorials that I have ever read in any American paper, and if we, as Americans should practice this principle, adhere to it, and build from within, we would accomplish more, we would achieve it more quickly, and reestablish that prosperous condition that we once enjoyed as a nation of people by building from within, reducing the hours of employment, and, at the same time, protecting the employment opportunities of the wage earners in this Republic against the cheap products which come into competition with their toil when they come to our ports in America, or at least require their production on a parity with the products of the home industry.

Mr. President, the second proposition is that we must open our markets by abandonment of certain branches of agriculture and manufacturing to successful foreign competition, in order to make it possible for foreign debtors—individuals, partnerships, corporations, and governments—to pay the service charges on their debts.

We were not accorded those privileges, Mr. President, when we were a debtor nation, which I will be able to disclose in the paragraphs which are to follow.

If we are going to pursue any such policy, it would be better to abandon our immigration restrictions and let these foreign people in here, and raise them from their low standard of living to our higher standards, than to lower our own by letting in a flood of goods; it would be better to abandon our merchant marine, which would be equal to the service charges on a large share of these foreign debts, and return to the policy of paying freight and insurance to foreign nationals, thus furnishing them the money with which to pay their service charges on their debts. I favor neither of these methods, however. There are other methods of taking care of the service charges on our foreign investments than the one proposed of stimulating imports, which is synonymous with lowering our prices, thus ruining our farmers, lowering wages, and leading to vast unemployment.

But I do not favor any of the methods suggested—lowered tariffs, trading off our markets, letting down our immigration restrictions, or abandoning our merchant marine. I propose to analyze this problem briefly to show that no such radical program of so-called "reform" is necessary and that each such proposal would only delay recovery, and that none of them are appropriate reform measures to consider at this time. I am glad to observe that the administration, under fire from the Republican Members in the House of Representatives, has openly at least abandoned the idea of cancelation or compromising foreign government debts as a part of this trading program. It is equally unwise to trade off our market and our farmers, laborers, manufacturing, forestry, mining, fishing, financing, and the other activities of our people.

Here, Mr. President, under our flag, where more than half of the business of the entire world is done, is to be found the greatest market on God's earth for every group. People from every clime and every land are seeking an opportunity at least to enjoy a part of the home market here under the Stars and Stripes.

Mr. President, for about 15 years—from 1918 to 1933–34—our financiers and our Government have been in a net creditor position—namely, our foreign investments have exceeded our debts to foreigners. But the rank and file of the people were in a debtor position.

They are, Mr. President, in a debtor position at the present time. They are almost, Mr. President, in a bankrupt position, and it remains to be seen whether they will be redeemed from this impoverished condition by this administration, and there is only one way to do it, and that is to build up the purchasing power of the individual man.

For a full 150 years before that—from 1765 to 1918—we were a debtor nation, and I am not so sure that we ever had a favorable balance in commerce and trade in dealing with

imports and exports. When we read the recorded facts dealing with the industrial history of this country, if we add our colonial period, we may say that we were a debtor nation from the date of discovery up to about 1918, '19, '20. That did not mean that we were sinking to a lower level of civilization, Mr. President, but to the contrary, we were going forward, onward, and upward in our progress toward higher civilization, until today we stand upon the pinnacle overlooking every other nation in our progress among the nations. An individual debtor, or a debtor nation, with such marvelous assets in men and materials, may be moving forward to bigger and better accomplishments, as we did.

Thus it was for us for a century, or even two centuries, and so it can be with some outside countries which are now debtors to us. It does not follow that we should withdraw from active business relations, political relations, or social relations merely because we so unwisely have become a new creditor government, while the masses of the people were being lured more and more deeply into debt.

Mr. President, a study of our international trade shows that in every year except 14, from 1776 to 1875, a period of 100 years, we had an unfavorable balance of trade. Here we were, a debtor nation; and yet we continued for a hundred years, except 14 scattered years, to get deeper and deeper in debt and to have an unfavorable trade balance against us, but we were going forward, we were developing. Our educational system was developing. Our professional system of medical science and chemical science was developing, and today those professional men do not have to look to Europe for a finished education, because they can find it within the confines of our own Republic. We were saved by our vast national resources, the vast flow of immigration, and the courage and hardihood of the individual American, then unregimented, before the enactment of the National Recovery Act.

Let me add that in that 100-year period the net unfavorable balance adds up to a grand total of $2,346,125,000, an infinitesimal sum compared with the vast amount of money which we dissipated in our participation in the brawls of Europe from April 6, 1917, until the conclusion of that conflict. Interest was accumulating all of that period and being added to the debt by being reinvested in this country. Furthermore, we had payments to make for marine insurance, freights, immigrant remittances, and so forth. It has been estimated that by 1875 our indebtedness was no less than $5,000,000,000, and service charges were probably equal to $250,000,000 a year. In addition, we had to pay insurance, freight, and other charges for foreign service rendered. But our position was unique in the world. We were a free people, with a democratic Government.

Then our program commenced to turn. From 1876 to 1896, a period of 20 years, we had an average annual favorable balance of $109,343,000. This favorable balance was apparently less than one half enough to pay foreign interest and other service charges. It is variously estimated that during that 20-year period our public and private indebtedness to foreigners increased $150,000,000 a year, largely through reinvestment here of earnings on former investments and building of factories here, or a total of from $3,000,000,000, to a total indebtedness of possibly $8,000,000,000.

The American people reaped the whirlwind as to the attitude of the Europeans when the great depression came in 1929 in the withdrawal of their investments and the cashing in of their investments, which brought havoc and distress to the American people.

Again, we improved our trade relations, and from 1896 to 1910 our favorable balance increased to an annual average of $443,766,000. In view of our great foreign debt, and the fact that we had insurance, freight, and other foreign-service charges to meet in addition to interest, it is fair to assume that our foreign indebtedness may have continued to increase, but at a very slow rate. It is well known that beginning soon after 1896 we began to make very substantial foreign investments of our own in Cuba, the Philippines, Puerto Rico, Hawaii, Canada, Mexico, Panama, and elsewhere.

Between 1911 and 1915 we apparently began to reduce our foreign indebtedness, or to rapidly build up our own foreign investments, since our balance of trade during that 5-year period averaged $658,220,000 annually. During that period, or at least up to the middle of 1914—it is quite possible that so-called "invisible items"—foreign travel, immigrant remittances, foreign contributions for reduction, medical research, missionaries, and so forth, added to interest, insurance, freight, and other service charges may have taken most of our favorable balance so that the World War may have been the real beginning of the change in our status from a debtor nation to a creditor nation.

Our own indebtedness to foreigners was probably near its peak in 1914. During the 5-year period, 1916–20, our favorable balance of trade averaged $3,162,836,000 a year, or a total favorable balance of $15,814,180,000. This was enough to pay average carrying charges of $400,000,000 a year and liquidate $8,000,000,000 in foreign indebtedness, leaving foreign investments for ourselves of some $6,000,000,000. It is not to be concluded that we did in fact pay off all foreign obligations. As late as 1930 it was estimated that foreign investments in this country still amounted to nearly $5,000,000,000, so that in fact our own foreign loans had evidently gone far above $6,000,000,000. This, of course, was the period of reckless, large loans to foreign governments by our Government and through the sale of foreign securities to our people.

The 10-year period 1921–30 saw a further piling-up of private, as distinct from Government, foreign investments, since now we supplied our own marine insurance and merchant marine, at least in part; had large earnings on foreign investments already made; and continued to have a large, favorable balance of trade. Our average annual trade balance from 1921 to 1925, inclusive, was $946,924,000, while from 1926 to 1930, inclusive, it averaged $743,845,000—a total for the 10-year period of $8,453,845,000. From these figures it is easy to visualize how we so rapidly changed from a net debtor Nation of from eight to ten billion dollars in 1914 to a net creditor position of at least $20,000,000,000 in 1934, even after greatly reduced foreign government obligations.

However, the change is not so simple as these figures might make it appear. When the World War began, our National Government was free from debt, with the exception of about $1,225,000,000. By the time the post-war records were balanced, our national debt had mounted to over $25,000,000,000; and when we partially canceled or compromised debts of foreign governments to our Government, it was for an amount not far from one half this amount. When we discuss our status as a great creditor nation—a comparatively small group of our citizens with $15,000,000,000 invested abroad, and our Government with foreign credits of ten billions—and talk of allowing imports so that foreigners and their governments may pay service charges and liquidate indebtedness, let us not overlook the fact that our Government is also indebted to its citizens, or soon will be, to the extent of over $30,000,000,000, and that in order to service these debts and liquidate them someone will have to pay taxes of a billion dollars yearly. These taxes will not be paid by the foreign citizens who owe our citizens, or the foreign governments who owe our Government, but by our own people. If our own people are going to have to pay these national taxes in the smaller units where they live, coming up to the State unit, and then taking care of the Federal Government charges, together with the emergency relief charges, then we dare not at this time knock out from under them their home markets by increasing imports, lowering prices and wages, and forcing more unemployment.

Mr. President, I ask to have printed as a part of my remarks at this point an analysis of our favorable and unfavorable balances of trade from 1776 to 1930.

The PRESIDING OFFICER (Mr. THOMPSON in the chair). Without objection, it is so ordered.

The matter referred to is as follows:

Analysis of export and import trade of the United States, 1776 to 1930

Year	Average annual			Total excess of exports (+) or imports (−)
	Exports	Imports	Excess of exports (+) or imports (−)	
1776-90 (estimated)	$30,000,000	$40,000,000	−$10,000,000	−$150,000,000
1791-1800	46,774,000	59,185,000	−12,411,000	−124,110,000
1801-10	74,532,000	92,766,000	−18,234,000	−182,340,000
1811-20	58,989,000	80,812,000	−21,823,000	−218,230,000
1821-30	69,421,000	72,949,000	−3,528,000	−35,280,000
1831-40	103,550,000	119,520,000	−15,970,000	−159,700,000
1841-50	122,620,000	121,123,000	+1,498,000	+14,980,000
1851-60	248,887,000	284,475,000	−35,588,000	−355,880,000
1861-65	187,811,000	255,439,000	−67,628,000	−338,140,000
1866-70	320,842,000	408,295,000	−87,453,000	−437,265,000
1871-75	501,841,000	577,873,000	−76,032,000	−360,160,000
1876-80	670,761,000	492,570,000	+184,191,000	+920,955,000
1881-85	791,892,000	667,140,000	+124,750,000	+623,750,000
1886-90	738,379,600	717,231,000	+21,148,000	+105,740,000
1891-95	892,421,000	785,137,000	+107,284,000	+536,420,000
1896-1900	1,157,318,000	741,519,000	+415,799,000	+2,078,995,000
1901-05	1,453,883,000	972,162,000	+481,641,000	+2,408,205,000
1906-10	1,778,697,000	1,344,538,000	+433,859,000	+2,169,295,000
1911-15	2,370,539,000	1,712,319,000	+658,220,000	+3,291,100,000
1916-20	6,521,190,000	3,358,354,000	+3,162,836,000	+15,814,180,000
1921-25	4,397,026,000	3,450,103,000	+946,924,000	+4,734,620,000
1926-30	4,777,313,000	4,033,469,000	+743,845,000	+3,719,225,000

Mr. HATFIELD. This record discloses a picture that is worth the study of any citizen who is interested in his government's future destiny.

Mr. President, I have made this excursion into the foreign-trade experience of this country for several reasons.

First, I wanted to bring out the fact that for a hundred years we were a debtor country, and yet during all but 14 of these 100 years we had an unfavorable balance of trade, and continued getting deeper and deeper into debt. We were a growing, free, and democratic country, expanding in physical area, developing our resources, increasing in population, and raising our standards of living.

Second, I wish to point out that most of the 15 billions of private foreign investments of our financial people at the present time is likewise in growing, developing countries, for instance, South America in part. Indeed, permit me to point out that in 1932 our private long-term investments in Europe were only $4,432,000,000, while in 1929–30 it was estimated that foreigners (chiefly Europeans) had investments in this country amounting to $4,700,000,000. A real study of this subject probably would disclose the fact that our private investments in Europe are no greater than their private investments in this country.

Our private investments in foreign countries were as follows:

Canada and Newfoundland	$3,999,000,000
Central America	966,000,000
South America	2,982,000,000
West Indies	1,209,000,000
Africa	129,000,000
Asia	1,002,000,000
Oceania	428,000,000
Europe	4,432,000,000
Plus capital of banks and insurance companies	125,000,000
Total	15,272,000,000

It is not at all unlikely that European countries have similar investments in these areas, especially in their own possessions.

From these facts, I see no logic in the suggestion that we must let in more imports merely in order that European countries may be able to service their debts. Indeed, the annual service on the intergovernmental debts is a comparatively trifling item to our two principal European debtors. Neither England nor France is any longer mentioning lack of ability to pay. The annual payment on the debt of England to us for principal and for interest would amount to less than 3½ percent, possibly, of their budget, and in the case of France it would amount to much less than that. So the facts that have been developed prove to me conclusively that we ought to take care of home folks, home industry, and home toilers, and give them first consideration.

In the third place, I wish to point out that the period of restoration and recovery is scarcely a time to force collections. This is another act of deflation and depression, and another obstacle in the way of recovery. Too many instances of this kind are being encountered by the average American in his experience with the banking institutions of this land today. Not only is it individual, but it also affects collective individuals who represent industries, and because of that attitude of the banking institutions of this country I have felt friendly toward legislation that would, from the Federal Treasury itself, give protection and relief to those who cannot secure the proper credit to take care of the investments they have made which they hoped would protect them through their rainy day of life.

Mr. President, I wish to conclude with a few historical facts which are intricately and intimately woven into the growth and development of our national industrial fabric, facts that none will dare to deny. It is a historic truth, Mr. President, and something that every American patriot should read and be governed by in his acts in dealing with responsibilities, public and private, that may come to him as a citizen—we have it inculcated into every fiber of our make-up—that the lamp of experience as recorded in past history is the safest, indeed, the only safe guide for the future.

In referring to past history I do so with the hope that it may impress those who have the future destiny of our Government in hand, that they will reflect seriously as to this great responsibility that is theirs, and on the results that may readily come if disregard and disrespect are the treatment accorded these historical facts.

I do not agree, Mr. President, that we are to rebuild a new nation upon the ruins of the old; for to undertake such a Herculean task would be largely to cast off all that has been accomplished in the development of our resources and our national wealth, representing some $350,000,000,000 in gold, with a value in each dollar representing 23.22 grains.

Past history records the fact, Mr. President, that 100 years ago the same political tactics were adopted that were undertaken in the year 1929 under Mr. Charles Michaelson, of the Democratic National Propaganda Bureau here in Washington; the tariff then, as now, being the occasion for arousing hatred on the part of planters and individual citizens who possibly were more or less unfamiliar with our natural growth in manufactures. These methods were successful then with results which none would wish repeated; but unless these methods are promptly abandoned, their effect in the twentieth century will be what it was in the nineteenth.

I invite every patriotic American to read that history and the results which followed in the industrial growth of our Nation, and how they affected the individual man who lived in those days.

The citizenship of America, from the individual citizen's point of view, and from an agricultural and industrial point of view, let me urge, is so interrelated that we can well be classed as one great family; and in that true sense Americans are all kinsfolk. He who teaches otherwise is unworthy of public confidence.

The first Congress of the United States, history records, was composed largely of farmers, and they were wise men. They understood full well that if all Americans were to remain tillers of the soil, it would be vain to plant or sow except for their immediate families. Therefore, as everyone knows, the first legislative act of the first Congress of farmers and planters was a protective tariff bill. The reading of the industrial history of America establishes this fact. It establishes these further facts:

First. Every manufacturing enterprise in the United States had its origin in a feeling of security engendered by ample tariff protection on its product before the industry was established. By this I mean to be understood as claiming that the Republican Party alone is entitled to credit for every manufacturing enterprise established in this country since 1861. If any gentleman on the other side will name a single industry that owes its origin to Democratic legislation, barring the production of a few chemicals

as the result of a protective tariff thereon as a war measure, I will make public apology.

Mr. President, the chemical industry was developed during the World War, and it is my purpose to discuss that great industry before the close of the debate; it is so important. Indeed, there is hardly an industry in the United States today that is being operated in which the chemical equation does not enter fully, and no industry could successfully exist and develop, to the satisfaction of the consumer, without the chemical equation.

Second. Whenever tariff rates have been revised upward, industry and commerce have promptly responded, and the party responsible has never lost control except at the zenith of its achievement, and when the country could stand prosperity no longer.

Third. Whenever tariff rates have been revised downward, however slightly or gradually, industrial ruin has ensued, and the party responsible for the downward revision has invariably and always lost control amid popular execration.

Fourth. Per capita importations are always larger when American producers are given ample security against foreign competition than under a tariff-for-revenue-only policy. To this historic fact there never has been an exception, and never will be one.

Mr. LONG. Mr. President, will the Senator yield?

Mr. HATFIELD. I yield.

Mr. LONG. While the Senator from Mississippi [Mr. HARRISON] is in the Chamber, I wish to have it stated in the RECORD that, as a Senator, whether we are allowed to take up and act on the resolution offered by the Senator from West Virginia or not, I request publicly that the Secretary of State, or the Department of State, send to the Senate the treaty which has been negotiated with Colombia, which is awaiting the enactment of the pending bill for its validity. I wish to have the announcement made that respectfully, with all due courtesy, I request the Department of State to send to the Senate a copy of the treaty which has been negotiated with the Republic of Colombia, fixing certain tariffs which will become validated when this bill shall have been enacted. In other words, inasmuch as it has been announced that our action on the bill will validate that treaty, I think that at least the Senate should have knowledge of such treaties as have already been negotiated, which are to be validated by our action.

I shall be very much disappointed if by tomorrow morning the Department of State shall not indicate its willingness to allow the Senate to have a view of this already executed treaty.

I thank the Senator from West Virginia.

Mr. HARRISON. Mr. President, since my name was mentioned, I take it the question just propounded was directed to me.

Mr. LONG. Yes.

Mr. HARRISON. I understand there is no objection on the part of the State Department to making public the terms of the treaty referred to. I understood on yesterday that the State Department had sought permission from the other contracting party to have the treaty made public, and that if permission should be granted, the treaty would be made public. I am sure that is the attitude of the State Department.

Mr. VANDENBERG. Mr. President, may I ask the Senator from Mississippi whether he understands that this is a treaty which is to come to the Senate for ratification under the previously existing treaty process, or whether it is a trade agreement, which is not to come to the Senate, but is to be validated under the new power contained in the pending bill?

Mr. HARRISON. I may say to the Senator that I am not familiar with the proceeding. I only know that yesterday I was informed by the State Department that they understood that some Senator was to make a request that this matter be published. I think they told me who the Senator was who intended to do that and gave me the information I am now giving to the Senate. I presume it is a treaty which would have to be submitted to the Senate. I just imagine that, because I do not know of any authority which the State Department now has to enter into any treaty which does not have to come to the Senate for ratification.

If this matter should be delayed until after the passage of this bill, perhaps the agreement might be made without its coming to the Senate. It seems to me that it would be wise for the matter to wait until this bill is out of the way; but I am merely giving the Senate the information which came to me yesterday. As I understand, the State Department has no objection to making public anything that is in that agreement or treaty.

Mr. VANDENBERG. I take it from the Senator's observation that he would concede that it would be a rather dubious thing if the State Department in December had made a treaty or trade agreement in contemplation of this ungranted authority, with the expectation of holding it back and not sending it to the Senate under the treaty process. I take it that the Senator thinks that would be a rather doubtful contemplation.

Mr. HARRISON. I made the statement because I know there are some gentlemen who seize upon everything in order to make another speech, and I think it is rather unfortunate that the matter is to be concluded now only for the reason that it makes more fuel to be used in this debate.

Mr. VANDENBERG. I shall appreciate it if the Senator will permit me to ask him one further question.

Mr. HARRISON. Certainly.

Mr. VANDENBERG. The Senator apparently agrees that this treaty having been concluded last December, it probably was intended that it should be sent to the Senate for confirmation ultimately, in the regular process. If that be so, I ask the Senator why the State Department press release on December 15, 1933, stated that—

> The agreement will come into force after the necessary legislative action shall have been taken in the United States and Colombia.

Would not that lead to the reasonable interpretation that in December they had negotiated an agreement in contemplation of this subsequent power?

Mr. HARRISON. That inference might be drawn; and if it should be, I do not think there ought to be any criticism because of it. I will say to the Senate, however, that the State Department inform me that they have no objection to making the treaty public if someone wants that to be done, and they are only requesting the consent of the other nation which is a party to it before making it public.

Mr. VANDENBERG. Then there would be no objection to the adoption of the resolution asking for the treaty?

Mr. HARRISON. I shall object to its adoption now. I desire to get the tariff bill out of the way before we take up something else.

Mr. LONG. Mr. President, my understanding of this matter is a little bit clouded. I had understood from the Senator from Mississippi that the State Department were willing to send the treaty here, and were only waiting for the permission of the Republic of Colombia. I was under the impression that they had asked for that permission, and that it ought to be merely a matter of a day when they would hear from the Republic of Colombia as to whether or not they could make this treaty visible to the Senate. In other words, it has quite a bearing on our action on the pending bill, in view of the news report which has been read by the Senator from Michigan to the effect that that treaty has been negotiated and is waiting upon our legislative action for its ratification. If any other different view might be taken of the treaty, we should see it. If this is the bill that ratifies the treaty, we ought to see the treaty. If a separate ratification of the treaty is necessary, we ought to see it. The subject has been debated here several days.

This resolution was introduced yesterday, but it was mentioned day before yesterday. I hope we shall have the treaty by tomorrow.

I should like to look the treaty over. I am satisfied that it clearly affects the people of the South. We are competitors of the Republic of Colombia. They compete with our

meat, Mr. President. They furnish meat to this country. They furnish products which take the place of our cottonseed oil and our vegetable oil, and they furnish products which come in direct competition with our mineral oil.

I know that if this treaty is very extensive in its terms it takes something away from us. We should like to know, together with the people in West Virginia, what the treaty has in it. I hope there will not be much delay in furnishing the treaty to us; that if the State Department has not already sent the necessary telegram or cable, or communicated with the Colombian Embassy, it will do so tonight. I cannot see why Colombia should undertake to keep the treaty secret, unless Colombia felt that if the American people knew its contents they would object to it.

It may be that there is something in the treaty which is so favorable to the Colombian concerns that they feel that the discovery by American interests that these institutions of Colombia are to take some of their business would injure the status of the treaty. If that attitude were taken by Colombia, it would be practically the same as telling us that they feel that the knowledge, if it should come to us, would in some way affect the possibility of ratifying the treaty.

All that, Mr. President, is a reason why there ought to be no delay in sending the treaty to the Senate. I hope the few words I have spoken, and the very gracious position which the Senator from Mississippi [Mr. HARRISON] has announced, will result in our obtaining the treaty by sometime tomorrow so that we may find out something of what we may expect from this kind of legislation if this is to be a ratification of the treaty to which reference has been made.

Mr. HATFIELD. Personal investments which our individual citizens have in some industry, the desire of the workers to protect employment opportunities they have or had, the desire of our farmers to retain that market which yearly consumes 98 percent of all they produce other than cotton, wheat, and corn, naturally forces our people to protest against and to resent the passage of legislation which enriches foreigners at the expense and the suffering and privation of our own people. Are they therefore to be condemned because of their anxiety? No, Mr. President. It is my conviction that they are entitled to exaltation, to commendation, and to expressed confidence, for the reason that they are not only laboring to maintain their own interests, but in doing so they are laboring to protect the work opportunities of the toilers, and to afford a desirable market for the farmer, as well as to give their assistance in the way of developing a purchasing power to the average man. When we trace these ramifications of the interest of the individual man as they interrelate themselves to our whole industrial fabric, it is easy to understand that the prosperity of these industries make for our social uplift, not individually, but collectively, to the extent that its influence involves every man and woman of the 125,000,000 people that inhabit our national domain.

So I repeat that under our flag all are kinsfolk, and that nationally, not locally or sectionally, do we prosper or languish.

EXHIBIT A

[From the Chicago Tribune, May 21, 1934]

FINDS A.A.A. PUTS COTTON WORKER IN DESTITUTION—SHARE CROPPERS GO TO CITY FOR AID

By Arthur Evans

SIKESTON, MO., May 20 (special).—Regimentation of cotton growers under the "new deal", as viewed in this region, is throwing a large portion of the share croppers, both white and Negro, who furnish the labor for the crops, out of employment and into destitution.

In this area about one third of them are estimated to be adversely affected.

The cotton worker, who has been on the ragged edge, a few jumps ahead of the wolf, is regarded as sustaining the heaviest load under the acreage-reduction plan of the Agricultural Adjustment Administration and the Bankhead Act, which aims to cut cotton production to 10,000,000 bales a year. In many cases the pressure is driving share-cropping families off the land.

At Cape Girardeau, on the outer fringe of the Cotton Belt, a few weeks ago white and Negro families in direst poverty were stranded along the highways, seeking to hitch-hike their way into the larger cities. Inquiry developed that they were share croppers, mostly from Arkansas, who had been cut out of work when acreage was reduced.

AID "EASIER IN THE CITIES"

The explanation they gave was that they were "hitting the road" to the cities believing it would be easier to get aid there. Cape Girardeau reported it was feeling the pressure of numerous Negro families who had been starved out of the cotton country, and in St. Louis there were complaints of an influx adding to the unemployed.

Here in Sikeston, a fertile region fond of calling itself a modern "Valley of the Nile", tenant farmers and landowners in general hold that the cotton-control project of the new deal is working havoc with the croppers.

In the eight cotton counties of southeast Missouri some farmers are refusing to sign acreage contracts.

In nearly 2 days spent in Sikeston and vicinity the observer got the same general story from nearly all cotton raisers interrogated. It was to the effect that the share cropper is made the scapegoat, since he is the man least able to stand further economic pinching.

UNREST ABOUNDS IN TOWN

Where the N.R.A., by reducing hours, seeks to make jobs for more workers the A.A.A., by reducing acreage, is reducing jobs for workers, and the farmers here hold that the Washington "brain trust" is thus traveling in opposite directions. In the towns much unrest and dissatisfaction is evident. Criticism is loud.

The argument is that the share cropper is worse off under the recovery program than he was in the worst year of the depression.

The cotton growing set-up around here is of this nature. The landlord owns the land and buildings and pays the taxes. He either operates himself or rents the farm to a tenant who manages and furnishes the seed, mules, and equipment. The growing of the crop is contracted out to the share cropper. He, his wife, and children furnish the labor. He gets a cabin free, the cutting of his firewood, and can plant a garden, but few of them do.

CROPPER GETS A HALF

When the crop is sold the landlord gets one fourth, the tenant farmer one fourth, the share cropper one half.

In general, 10 acres to a man is figured in growing the crop. A cropper with wife and family hereabouts is accounted good for 25 or 30 acres. He can grow more than he can pick, and in picking time additional labor is hired at about 1 cent a pound at present estimates.

The share cropper pays for this, as he is supposed to furnish the labor.

Here is a case which is regarded as typical of what is happening in southeast Missouri under crop allotment and the A.A.A.:

E. P. Coleman, a leading citizen of Sikeston, has a farm a short distance out in Stoddard County. Mr. Coleman is a Harvard man. He specialized in economics.

"But", says he, "I was never taught anything at Harvard like the halfbaked theories of the 'brain trust.'"

HALF IN CULTIVATION

The Coleman farm is 681 acres, of which 367 are in cultivation. An average of 363 acres was planted in cotton in the base period of the acreage-reduction plan. The yield was 234 bales in 1931 and 225 bales in 1932. (A bale is 500 pounds.)

When the contract making began the Coleman farm was cut to 100 bales of tax-exempt cotton. This was a 56-percent cut, where the landlord had been expecting about a 40-percent cut. This reduction to 100 bales was made before the contract making began with the commissars. Then another cut was made to 60 bales, the explanation being this was to "conform" to the reduction program.

On this farm the Government is going to pay rent on 97 acres, at the rate of $7.35 an acre. This price is fixed at the rate of 3½ cents a pound on a yield of 210 pounds to the acre, although the Coleman records show the yield was 355 pounds to the acre over the base period.

"Thus," says Mr. Coleman, "the cotton acreage on this farm was reduced from 323 acres, the base period average, to 145 acres, to produce 60 bales of tax-exempt cotton. Rent is to be paid for 97 acres, making a total of 242 acres. Then we knock off, for luck, 81 acres, which is not to be put into cotton and on which no rent is to be paid.

NOT EQUIPPED FOR CORN

"We can put these 81 acres into corn and sell it; but we're not equipped to grow corn, but cotton. Besides, this would run counter to what the Government is doing in corn States in cutting acreage—the programs don't seem to mesh.

"So our actual reduction in cotton acreage is 178 acres from the old 323 acres, for which the farm will receive $712 in rental payment."

On the Coleman farm are 67 persons in 11 share-cropper families. This year the families will be retained on the land and the reduced cotton acreage divided among them.

In 1931 seven share-cropper families had a return of $2,627.26, or $375.30 per family. Out of this had to come the expense of extra cotton-picking labor.

In 1932, 10 families on the same farm made $3,019.52, an average of $301.95 per family.

In 1934, 11 families on the farm, it is estimated, will make $1,750 or an average of $159.10 per family. This figure is based on the

prepared reduction contract plus a 1-cent-a-pound parity payment to the cropper, the price of the lint cotton being estimated at 11 cents a pound, present market value.

MUST BE CARED FOR

The increase in number of families on the farm is due to increased acreage 2 or 3 years ago. The families are still there to be taken care of despite the reduction in acreage.

"From these figures", says Mr. Coleman, "it appears the share cropper is worse off under this recovery plan than he was during the depression in actual money return. And in addition, the cropper is paying 35 percent more for the goods he buys than last year, while consumers are paying processing taxes and higher prices for goods. In other words, the processing tax and higher prices are being paid by the consumer to give hypothetical aid in recovery, while in real operation the program is reducing income of the great bulk of cotton labor, and in numerous instances is swelling the ranks of the unemployed.

"The Government insists the landlords maintain the same number of tenants they had on their farms in 1933. They do not permit the landlord to have a base acreage in excess of the average of 1928 to 1932. During 1933 there was a great increase in cotton acreage. On this particular farm, the croppers who farmed 100 acres in 1933 would be retained to plant 35 acres in 1934. It is ruining the share cropper and is the cause of general unrest, dissatisfaction, and complaint."

BETTER THAN ELSEWHERE

In southeast Missouri, conditions in the cotton fields are rated much higher than in some other sections of the Cotton Belt, and the return of the share cropper has been somewhat greater. Scores of farmers are complaining on the rule-of-thumb method used in ascertaining the acreage reduction. Most farmers do not keep records and apparently did considreable guesswork in figuring how much they raised during the base years. When the returns were footed some counties were given totals above the official records for the counties, and this led to a horizontal cut on top of the initial reduction contemplated. The effect was to penalize landlords and tenants who had kept books.

William Graham, former county judge here, dwelt sorrowfully but explosively on his experience. "The Government gave me a black eye", he said. "I gave them 35 percent off, and they came back and knocked me off 40 percent more. They gave no reason for that last cut."

"Why didn't you tell them to go to Jericho, Jedge?" asked a bystander.

"Because, like the rest of you, I was scared to", answered the judge. "That Bankhead 50-percent tax looked like a sword of Damocles, but everyone is kicking now."

A TYPICAL EXPERIENCE

An experience said to be typical of several hereabouts was narrated by E. L. Limbaugh, a tenant-farm manager for 30 years near Sikeston. He has a 339-acre farm, under high state of cultivation. Of this, 250 acres was in cotton last year.

"My average cotton planting was 200 acres during the base period", said Mr. Limbaugh. "I was entitled to 114 acres under the reduction plan, but they slashed me far below this.

"I have 35 people to feed, and if I had signed the share croppers would be cut out of work. So I told the A.A.A. to go to hell. I shore did. Now I've planted double the cotton allotment they wanted to give me. I'll pay the 6 cents a pound tax, and I'd rather do that than go into the Government deal, after they butchered me up."

"You talk like a Republican," interjected a bystander.

"There isn't a stronger Democrat in southeast Missouri than I am," retorted Mr. Limbaugh. "But the Government is dispossessing the share croppers by putting on the pressure. I kaint feed those 35 people if I sign a contract. It can't be done.

"So I'm going to take the hide with the taller, raise my cotton, and pay the penalty tax."

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 2442. An act for the protection of the municipal water supply of the city of Salt Lake City, State of Utah;

S. 3114. An act to extend the times for commencing and completing the construction of certain bridges in the State of Oregon;

S. 3355. An act to authorize the coinage of 50-cent pieces in commemoration of the two hundredth anniversary of the birth of Daniel Boone; and

H.R. 3673. An act to amend the law relative to citizenship and naturalization, and for other purposes.

PUGET SOUND BRIDGE, WASHINGTON

Mr. BONE. Mr. President, I ask unanimous consent for the immediate consideration of House bill 9530, which passed the House 2 or 3 days ago, and which grants the permission of Congress to Pierce County, in the State of Washington, to erect a bridge over a part of Puget Sound known as "The Narrows", a very narrow arm of water. It involves nothing but a mere permit and is revocable in its terms.

Mr. HARRISON. Mr. President, may I ask the Senator if it has the approval of the committee?

Mr. BONE. It has been reported favorably by the committee.

Mr. McNARY. Mr. President, I have investigated the matter and I have no objection.

The PRESIDING OFFICER (Mr. COPELAND in the chair). Is there objection to the immediate consideration of the bill?

There being no objection, the bill (H.R. 9530) granting the consent of Congress to the county of Pierce, a legal subdivision of the State of Washington, to construct, maintain, and operate a toll bridge across Puget Sound, State of Washington, at or near a point commonly known as "The Narrows" was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the county of Pierce, a legal subdivision of the State of Washington, to construct, maintain, and operate a bridge and approaches thereto across Puget Sound, State of Washington, at or near a point commonly known as "The Narrows", at a point suitable to the interests of navigation, in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. If tolls are charged for the use of such bridge, the rates of toll shall be so adjusted as to provide a fund sufficient to pay the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of the bridge and its approaches, including reasonable interest and financing cost, as soon as possible under reasonable charges, but within a period of not to exceed 30 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the costs of the bridge and its approaches, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected, shall be kept and shall be available for the information of all persons interested.

SEC. 3. The right to alter, amend, or repeal this act is hereby expressly reserved.

APPROPRIATION FOR ADMINISTRATION OF COTTON AND CATTLE ACTS

Mr. BANKHEAD. Mr. President, from the Committee on Appropriations I report back favorably, without amendment, the joint resolution (H.J.Res. 345) to provide funds to enable the Secretary of Agriculture to carry out the purposes of the acts approved April 21, 1934, and April 7, 1934, relating, respectively, to cotton and to cattle and dairy products, and for other purposes. I ask unanimous consent for the immediate consideration of the joint resolution.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Alabama?

Mr. McNARY. Mr. President, I understand this bill is designed to carry out an authorization heretofore provided.

Mr. BANKHEAD. That is correct.

Mr. McNARY. It carries an appropriation to meet an emergency situation?

Mr. BANKHEAD. That is true.

Mr. McNARY. I have discussed the matter with the Senator from Alabama and the Senator from North Dakota [Mr. NYE]. In view of Congress having expressed itself favorably, I have no objection to the immediate consideration of the joint resolution. I understand the bill was unanimously reported by the Committee on Appropriations.

Mr. BANKHEAD. That is correct.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the joint resolution?

There being no objection, the joint resolution was considered, ordered to a third reading, read the third time, and passed, as follows:

Resolved, etc., That to enable the Secretary of Agriculture to carry out the purposes of the act entitled "An act to place the cotton industry on a sound commercial basis, to prevent unfair competition and practices in putting cotton into the channels of interstate and foreign commerce, to provide funds for paying additional benefits under the Agricultural Adjustment Act, and for other purposes" (Public, No. 169, 73d Cong.), approved April 21,

1934, there is hereby appropriated and made available, pursuant to the authorizations contained in the said act, the funds available for carrying into effect the provisions of the Agricultural Adjustment Act, as amended, which shall be available for administrative and other expenses, and in addition thereto, the proceeds derived from the tax levied under said act of April 21, 1934, are hereby appropriated and made available for the purposes for which appropriations are authorized to be made under the provisions of section 16 (c) of said act: *Provided*, That the Secretary of Agriculture shall transfer to the Treasury Department and is authorized to transfer to other agencies out of funds hereby made available for carrying out said act of April 21, 1934, such sums as are required to carry out the provisions of said act, including administrative expenses and refunds of taxes.

To enable the Secretary of Agriculture to carry out the purposes of the act entitled "An act to amend the Agricultural Adjustment Act so as to include cattle and other products as basic agricultural commodities, and for other purposes" (Public, No. 142, 73d Cong.), approved April 7, 1934, there are hereby appropriated, out of any money in the Treasury not otherwise appropriated, pursuant to the authorizations contained in sections 2 and 6 of said act of April 7, 1934, $100,000,000 for the purposes of the Agricultural Adjustment Act, as amended, and $50,000,000 for the purposes specified in section 6 of said act of April 7, 1934, including the employment of persons and means in the District of Columbia and elsewhere and other necessary expenses; in all, $150,000,000, to remain available until December 31, 1935.

The sum of $3,000 of the appropriation "Contingent expenses, House of Representatives: Folding documents, 1933 (03114)" is continued and made available for the same purposes during the fiscal year 1934.

RECIPROCAL TARIFF AGREEMENTS

The Senate resumed the consideration of the bill (H.R. 8687) to amend the Tariff Act of 1930.

Mr. McNARY. Mr. President, is the Senator in charge of the bill willing to recess at this time until 11 o'clock tomorrow morning?

Mr. HARRISON. Mr. President, I have been very hopeful that we might proceed until 7 o'clock tonight. I can appreciate the Senator's feeling about the matter, and I appreciate my own feeling about it as well. Since we met at 11 o'clock this morning a good deal of the time of the Senate has been devoted to another subject than the bill which is the unfinished business. We have made very little actual progress. If we are going to reach any conclusion on the bill, we must have the set speeches delivered and out of the way. Senators have a right to make set speeches, of course. I do not want to forestall any Senator from making any speech he may desire.

I had very much hoped that we could get a vote on the bill by Friday of this week, so that when we might recess over the weekend. Of course, if we cannot get a vote by Friday, we shall have to remain in session Saturday. We certainly never will pass the bill unless we stay here and get the long speeches out of the way. I had hoped that we might proceed until at least 7 o'clock tonight and then meet early tomorrow, unless we could reach a unanimous-consent agreement to limit debate on the bill.

Today is Wednesday. If we could have a unanimous-consent agreement that beginning Friday when the Senate convenes debate on any amendment shall be limited to 15 minutes and on the bill to 30 minutes, and that no Senator shall be permitted to speak more than once on the bill or any amendment, I think we could get rid of the set speeches tomorrow, and that would not curtail any Senator in the matter of time. Each Senator would have 45 minutes to discuss the bill. I am hopeful the Senator from Oregon will agree to such an arrangement.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Mississippi?

Mr. HARRISON. I have not as yet submitted the request.

Mr. McNARY. It was merely an observation or an expression of a hope.

I appreciate the Senator's anxiety to conclude the argument and to place the bill on its final passage. He has been very patient and always accommodating. There are very few Senators here at this time. It is now 5:45 o'clock. We convened this morning at 11 o'clock. I could not enter into a unanimous-consent agreement because of the absence of two or three Senators on this side of the Chamber who by tomorrow will have their speeches ready for delivery. After general discussion of the subject matter shall have been concluded, I shall be very glad to consider a unanimous-consent agreement limiting debate on the bill and amendments. However, in view of the lateness of the hour and the fact that several Senators have had to leave in order to keep engagements, I hope the Senator will consent to recess at this time until 11 o'clock tomorrow morning.

Mr. HARRISON. How many more speeches are to be made on the Senator's side of the Chamber?

Mr. McNARY. I have no desire to conceal anything from the Senator from Mississippi. I think the Senator from Iowa [Mr. DICKINSON] has a speech which will probably take an hour and a half. The Senator from Missouri [Mr. PATTERSON] has a speech which will probably take an hour or an hour and a half to deliver. The Senator from Delaware [Mr. HASTINGS] will have a speech that will probably require 2 hours to deliver. Beyond that I know of no other set speeches. When those Senators shall have had an opportunity to present their views I shall very gladly, and I hope favorably, consider a limitation of debate. The Senator from West Virginia [Mr. HATFIELD] also has a speech to make.

Mr. HARRISON. The Senator from West Virginia who just concluded a speech?

Mr. McNARY. Yes; he has a speech in relation to the chemical industry.

Mr. ROBINSON of Arkansas. Mr. President, does the Senator from Oregon feel in all probability that it will be possible sometime tomorrow to reach an agreement for limitation of debate?

Mr. McNARY. If the debate proceeds in an orderly fashion and opportunity is given to Members to make their speeches, I shall be glad to consider, later in the day or tomorrow, such a proposal. I am not saying that I shall consent. It depends on whether Senators have an opportunity to give full expression to their views. I hope we may at a very early time reach such an agreement.

Mr. HARRISON. Does the Senator think it is possible to conclude consideration of the bill Friday?

Mr. McNARY. I have looked over the amendments, of which there are 24. In view of the amendments and the speeches to be made tomorrow, I doubt if we can finish Friday.

Mr. HARRISON. Does the Senator think we can get through at least by Saturday?

Mr. McNARY. The Senator is not a very good witness. The Senator from Pennsylvania [Mr. REED] is absent and there are other Senators who want to discuss some of the amendments. I have asked how long they want to discuss the bill or the amendments, and I hope it can be done under limitation of time. That is as far as I think I can go, and as far as the Senator from Mississippi should wish me to go.

Mr. HARRISON. I do not want to ask the Senator any impertinent question.

Mr. McNARY. The Senator has not done so.

Mr. HARRISON. I am extremely anxious to finish consideration of the bill this week.

Mr. McNARY. I am extremely anxious to be frank about the matter. I hope the Senate will now recess until 11 o'clock tomorrow morning.

Mr. HARRISON. There is quite a backfire upon my side of the Chamber about the management of the bill and possible lack of expedition in its consideration.

Mr. McNARY. I should be glad to cooperate with the Senator to control that backfire. [Laughter.]

Mr. HARRISON. It is pretty hard to control. However, in view of what the Senator from Oregon has said, I shall not object to a recess until 11 o'clock tomorrow morning.

CONTROL OF CHINCH BUGS

Mr. CLARK. Mr. President, day before yesterday, on behalf of the Senator from Iowa [Mr. MURPHY] and myself, I introduced a joint resolution (S.J.Res. 126) to provide funds to enable the Secretary of Agriculture to cooperate with States in control of chinch bugs, and obtained an order for it to lie on the table in the hope that, because of its important character, I might obtain unanimous consent for its early consideration.

I have become convinced that the joint resolution should go to the appropriate committee, in view of the fact that it carries an appropriation of $1,000,000. I, therefore, ask unanimous consent for its reference to the appropriate committee.

Mr. ROBINSON of Arkansas. Mr. President, the joint resolution appears to carry an appropriation.

Mr. CLARK. It does.

Mr. ROBINSON of Arkansas. It is not merely an authorization There is no authorization for it, is there?

Mr. CLARK. It is an emergency joint resolution. My thought was that it should go to the Committee on Appropriations, although I am not certain about the reference.

Mr. McNARY. What is the request of the Senator from Missouri?

Mr. CLARK. I asked unanimous consent, day before yesterday, that the joint resolution lie on the table. I now request that it be referred to the appropriate committee.

The PRESIDING OFFICER. If there is no objection, the joint resolution will be referred to the Committee on Appropriations.

RULES IN ACTIONS AT LAW

Mr. ASHURST. Mr. President, I should be lacking in grace and deficient as to gratitude if I failed to make expression of appreciation of the valuable and timely assistance rendered by the able Senator from Arkansas [Mr. ROBINSON], the majority leader, and the able Senator from Oregon [Mr. McNARY], the minority leader, in the passage of what is called the "antigangster legislation."

Presuming further upon those two Senators and upon the Senate, I ask unanimous consent for the consideration of Senate bill 3040, a bill considered by the Senate Committee on the Judiciary and unanimously reported favorably.

It is a bill giving the Supreme Court of the United States power to make and publish rules in actions at law. It does not deprive any State or any citizen of any vital right.

Mr. ROBINSON of Arkansas. Mr. President, for many years the Supreme Court has exercised the right to make uniform rules for the regulation of practice in equity.

Mr. ASHURST. That is true.

Mr. ROBINSON of Arkansas. The provisions of this bill have been recommended by the American Bar Association and by other authorities familiar with the subject for a good many years.

Mr. ASHURST. That is also true.

It will be remembered that the Prince of Denmark, in recounting some things that made life wearisome, mentioned "the law's delay." This bill will eliminate a good portion, but, of course, not all of the law's delay.

Mr. JOHNSON. Mr. President, do I understand that this bill emanates from the Supreme Court and has the approval of its judges?

Mr. ASHURST. I am sure the Supreme Court would approve.

Mr. JOHNSON. One of the recommendations suggested does not commend itself to me greatly, and that is the reason why I made the query.

Mr. FESS. Is the report a unanimous one?

Mr. ASHURST. Yes.

I ask that the letter of the Attorney General be read.

The PRESIDING OFFICER. Without objection, the letter will be read.

The Chief Clerk read as follows:

DEPARTMENT OF JUSTICE,
Washington, D.C., March 1, 1934.

Hon. HENRY F. ASHURST,
Chairman Committee on the Judiciary,
United States Senate, Washington, D.C.

MY DEAR SENATOR: I enclose herewith a draft of a bill to empower the Supreme Court of the United States to prescribe rules to govern the practice and procedure in civil actions at law in the district courts of the United States and the courts of the District of Columbia. The enactment of this bill would bring about uniformity and simplicity in the practice in actions at law in Federal courts and thus relieve the courts and the bar of controversies and difficulties which are continually arising wholly apart from the merits of the litigation in which they are interested. It seems to me that there can be no substantial objection to the enactment of a measure which would produce so desirable a result, which, apart from its inherent merit, would also, it is believed, contribute to a reduction in the cost of litigation in the Federal courts.

I request that you introduce the enclosed bill and hope that you may be able to give it your support.

Sincerely yours,

HOMER CUMMINGS, *Attorney General.*

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 3040) to give the Supreme Court of the United States authority to make and publish rules in actions at law, which was read, as follows:

Be it enacted, etc., That the Supreme Court of the United States shall have the power to prescribe, by general rules, for the district courts of the United States and for the courts of the District of Columbia, the forms of process, writs, pleadings, and motions, and the practice and procedure in civil actions at law. Said rules shall neither abridge, enlarge, nor modify the substantive rights of any litigant. They shall take effect 6 months after their promulgation, and thereafter all laws in conflict therewith shall be of no further force or effect.

SEC. 2. The Court may at any time unite the general rules prescribed by it for cases in equity with those in actions at law so as to secure one form of civil action and procedure for both: *Provided, however*, That in such union of rules the right of trial by jury as at common law and declared by the seventh amendment to the Constitution shall be preserved to the parties inviolate. Such united rules shall not take effect until they shall have been reported to Congress by the Attorney General at the beginning of a regular session thereof and until after the close of such session.

Mr. ADAMS. Mr. President, I wish to inquire of the Senator from Arizona whether or not this bill provides, or intends to provide, that the present practice in Federal courts in actions at law in which State procedure now governs is to be supplanted by rules of the Supreme Court, so that the lawyers in the various States who have some familiarity with State practice in actions at law will be forced to engage in additional studies to find out whether or not they may safely proceed in actions in the Federal courts.

Mr. ASHURST. No distinction is made in some States between a case at law and a case in equity. This bill is for the purpose of granting the Supreme Court of the United States the right and power to make general rules for the district courts of the United States and for the courts of the District of Columbia with respect to forms of process, pleadings, writs, and motions in civil actions. It does not in any sense destroy or abridge any right or any statute of any State. It does seek to secure some sort of uniformity in law cases in the Federal courts, as has been accomplished in equity cases.

Before the able Senator from Colorado came into the Chamber, I mentioned that one of the things recounted by Hamlet that made life not worth the living was "the law's delay." It is the opinion of the Committee on the Judiciary, as is also the opinion of the Attorney General, that no person will be deprived by the bill of any substantial right. It will tend to simplify and make uniform the pleadings and practice in law cases, and the Supreme Court of the United States will have the power to promulgate rules.

Manifestly, the Supreme Court of the United States could not make a rule that would violate any law of any State or of the United States. I hope the able Senator from Colorado will not object to the consideration of the bill. It is recommended by the Senate Committee on the Judiciary, and was drafted partly, if not wholly, by the Attorney General.

Mr. ADAMS. Mr. President, I find myself forced to withdraw my personal judgment on the matter in my deep awe and respect for the Chairman of the Judiciary Committee, but my judgment is that the lawyers in the smaller communities who practice only occasionally in the Federal courts will regret the passage of the bill.

Mr. ASHURST. I shall ask them to take their revenge on me, then, and on the Department of Justice instead of on the Senator from Colorado. I believe that the bill is an advance. Lawyers, among all the people in our country, must not be the last to make advance. We are trying to simplify procedure.

I am grateful to the Senator for withdrawing his personal objection.

Mr. ADAMS. I could not maintain an objection in the face of the arguments advanced by the distinguished Senator from Arizona.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

EXECUTIVE SESSION

Mr. ROBINSON of Arkansas. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

The PRESIDING OFFICER (Mr. COPELAND in the chair) laid before the Senate a message from the President of the United States submitting nominations of sundry postmasters, which was referred to the Committee on Post Offices and Post Roads.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters, which were ordered to be placed on the calendar.

THE CALENDAR—TREATIES

The PRESIDING OFFICER. The calendar is in order.

The legislative clerk proceeded to read Executive D, Seventy-third Congress, second session, a treaty of friendship, commerce, and consular rights between the United States and the Republic of Finland, signed at Washington, February 13, 1934.

Mr. ROBINSON of Arkansas. The treaties may go over, Mr. President.

The PRESIDING OFFICER. The treaties will be passed over.

TREASURY DEPARTMENT

The legislative clerk read the nomination of Robert H. Jackson, of Jamestown, N.Y., to be Assistant General Counsel for the Bureau of Internal Revenue.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. HARRISON. I ask that the President be notified of the confirmation of Mr. Jackson's nomination.

The PRESIDING OFFICER. Without objection, the President will be notified.

THE JUDICIARY

The legislative clerk read the nomination of R. Kenneth Kerr to be United States Marshal, Southern District of Ohio.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read the nominations of sundry postmasters.

Mr. McKELLAR. I ask that the nominations of postmasters on the calendar be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

IN THE NAVY.

The legislative clerk proceeded to read the nominations of sundry officers in the Navy.

Mr. ROBINSON of Arkansas. I ask that the nominations in the Navy be confirmed en bloc.

The PRESIDING OFFICER. Without objection, they will be confirmed en bloc.

That completes the calendar.

RECESS

The Senate resumed legislative session.

Mr. ROBINSON of Arkansas. I move that the Senate take a recess until 11 o'clock tomorrow morning.

The motion was agreed to; and (at 5 o'clock and 50 minutes p.m.) the Senate took a recess until tomorrow, Thursday, May 24, 1934, at 11 o'clock a.m.

NOMINATIONS

Nominations received by the Senate May 23 (legislative day of May 10), 1934

POSTMASTERS

ALABAMA

William B. Wilder to be postmaster at Andalusia, Ala., in place of J. F. Brawner. Incumbent's commission expired March 8, 1934.

Leroy McEntire to be postmaster at Decatur, Ala., in place of L. R. Day, removed.

Mim C. Farish to be postmaster at Grove Hill, Ala., in place of T. A. Carter, removed.

Roy J. Ellison to be postmaster at Loxley, Ala., in place of R. M. Mahler. Incumbent's commission expired March 8, 1934.

Craig Smith Robbins to be postmaster at Selma, Ala., in place of Robert Patterson. Incumbent's commission expired March 8, 1934.

Annie H. Townsend to be postmaster at Tuscaloosa, Ala., in place of J. F. Morton. Incumbent's commission expired February 2, 1933.

ALASKA

Emil O. Bergman to be postmaster at Fort Yukon, Alaska, in place of E. O. Bergman. Incumbent's commission expires May 29, 1934.

ARKANSAS

William I. Fish to be postmaster at Dumas, Ark., in place of W. I. Fish. Incumbent's commission expires May 29, 1934.

Byron P. Jarnagin to be postmaster at Waldo, Ark., in place of M. L. Beeson. Incumbent's commission expired January 9, 1934.

CALIFORNIA

Carl W. Brenner to be postmaster at Buena Park, Calif., in place of I. D. Jaynes. Incumbent's commission expired February 10, 1934.

Frances L. Williams to be postmaster at Fall Brook, Calif., in place of Bert Woodbury. Incumbent's commission expired December 18, 1933.

Percy H. Millberry to be postmaster at Lakeport, Calif., in place of G. F. Russell. Incumbent's commission expired March 3, 1931.

Phillip J. Dougherty to be postmaster at Monterey, Calif., in place of J. L. Steward, removed.

James R. Wilson to be postmaster at Sacramento, Calif., in place of H. J. McCurry, resigned.

Harold B. Lull to be postmaster at South Gate, Calif., in place of C. G. Huntington. Incumbent's commission expired September 30, 1933.

Charles E. Conner to be postmaster at Torrance, Calif., in place of Alfred Gourdier, removed.

Roy Bucknell to be postmaster at Upper Lake, Calif., in place of Roy Bucknell. Incumbent's commission expired May 7, 1934.

John J. Madigan to be postmaster at Vallejo, Calif., in place of H. F. Stahl, removed.

COLORADO

Ida S. Faires to be postmaster at Alma, Colo. Office became presidential July 1, 1933.

Thomas E. Sexton to be postmaster at Buena Vista, Colo., in place of S. E. Mear. Incumbent's commission expired December 18, 1932.

Michael J. Brennan to be postmaster at Durango, Colo., in place of J. H. McDevitt, Jr. Incumbent's commission expired December 16, 1933.

Ithal Jenkins to be postmaster at Eads, Colo., in place of W. V. Kerr, removed.

Melvin F. Hofstetter to be postmaster at Hayden, Colo., in place of B. T. Shelton. Incumbent's commission expired April 28, 1934.

Robert R. Menhennett to be postmaster at Kremmling, Colo., in place of C. C. Eastin. Incumbent's commission expired January 28, 1934.

Carlos M. Wilson to be postmaster at La Junta, Colo., in place of R. G. Dalton. Incumbent's commission expired February 25, 1934.

William H. Harkrader to be postmaster at Las Animas, Colo., in place of J. W. Moore, deceased.

Gus C. Flake to be postmaster at Manitou, Colo., in place of J. W. Noble, retired.

Grover C. Huffnagle to be postmaster at Ridgway, Colo., in place of C. A. McLean. Incumbent's commission expired September 18, 1933.

James F. North to be postmaster at Rocky Ford, Colo., in place of M. J. Anderson, deceased.

Charles L. Dickson to be postmaster at Westcliffe, Colo., in place of J. C. Callaghan, deceased.

DELAWARE

Cyrus E. Rittenhouse to be postmaster at Newark, Del., in place of W. H. Evans, resigned.

GEORGIA

Leila W. Maxwell to be postmaster at Danville, Ga., in place of L. W. Maxwell. Incumbent's commission expires June 4, 1934.

Elbert L. Fagan to be postmaster at Fort Valley, Ga., in place of F. W. Withoft. Incumbent's commission expired April 22, 1934.

Herman C. Titshaw to be postmaster at Pitts, Ga., in place of P. C. McAllister. Incumbent's commission expired March 8, 1934.

Nettie H. Woolard to be postmaster at Sylvester, Ga., in place of U. C. Combs. Incumbent's commission expired September 30, 1933.

Cecil F. Aultman to be postmaster at Warwick, Ga., in place of I. M. Whitfield. Incumbent's commission expired April 28, 1934.

IDAHO

William Schlick to be postmaster at Burley, Idaho, in place of C. M. Oberholtzer. Incumbent's commission expired March 8, 1934.

Mary P. Kelley to be postmaster at Kuna, Idaho, in place of L. B. Young. Incumbent's commission expired January 11, 1934.

Ezekiel Holman to be postmaster at Sugar, Idaho, in place of Christian Schwendiman. Incumbent's commission expired February 25, 1934.

Edwin N. Kearsley to be postmaster at Victor Idaho, in place of A. T. Moulton. Incumbent's commission expired December 10, 1932.

ILLINOIS

Gilbert C. Jones to be postmaster at Albion, Ill., in place of J. R. Funkhouser, resigned.

Ralph McLaughlin to be postmaster at Baylis, Ill., in place of G. E. Stauffer, Jr., removed.

Marvin G. Diveley to be postmaster at Brownstown, Ill., in place of H. M. Brown, removed.

Clyde P. Stone to be postmaster at Carmi, Ill., in place of Newton Arbaugh, resigned.

Clason W. Black to be postmaster at Clay City, Ill., in place of J. A. Bateman. Incumbent's commission expired January 16, 1934.

Mary J. Comstock to be postmaster at Dieterich, Ill., in place of H. M. Fritscher. Incumbent's commission expired February 14, 1934.

Ira D. Hogue to be postmaster at Dongola, Ill., in place of N. T. Lawrence. Incumbent's commission expired February 8, 1933.

Beryl J. Donaldson to be postmaster at Farina, Ill., in place of G. S. Wade, resigned.

Margaret Echols to be postmaster at Flossmoor, Ill., in place of W. J. Fagan, removed.

Harld E. Young to be postmaster at Mounds, Ill., in place of G. T. Schuler, removed.

Paul B. Laugel to be postmaster at Newton, Ill., in place of E. F. Gorrell. Incumbent's commission expired February 6, 1934

Paul R. Smoot to be postmaster at Petersburg, Ill., in place of W. T. Beekman, transferred.

Martin J. Naylon to be postmaster at Polo, Ill., in place of A. S. Tavenner. Incumbent's commission expired December 18, 1933.

Floyd J. Tilton to be postmaster at Rochelle, Ill., in place of W. J. Huston. Incumbent's commission expired December 18, 1933.

Alva M. Clavin to be postmaster at Sterling, Ill., in place of H. E. Ward, removed.

James E. Heflin to be postmaster at Versailles, Ill., in place of R. C. Tarrant. Incumbent's commission expired April 16, 1934.

Melvin Higgerson to be postmaster at West Frankfort, Ill., in place of W. A. Kelly, removed.

INDIANA

Grover C. Rainbolt to be postmaster at Corydon, Ind., in place of R. E. Black, resigned.

Oscar J. Sauerman to be postmaster at Crown Point, Ind., in place of F. Y. Wheeler. Incumbent's commission expired December 18, 1933.

William W. McCleary to be postmaster at Elberfeld, Ind., in place of C. C. Nicholson, resigned.

Henry M. Mayer to be postmaster at Evansville, Ind., in place of C. G. Covert. Incumbent's commission expired December 19, 1931.

William L. Eastin to be postmaster at Ewing, Ind., in place of O. O. Brown, resigned.

Chester Wagoner to be postmaster at Flora, Ind., in place of G. M. Jordan. Incumbent's commission expired March 8, 1934.

Joseph E. Mellon to be postmaster at Hobart, Ind., in place of H. O. Carlson. Incumbent's commission expired September 18, 1933.

Walter E. Wehmeyer to be postmaster at Kendallville, Ind., in place of H. D. Bodenhafer. Incumbent's commission expired January 19, 1933.

Edwin W. Hanley to be postmaster at Michigan City, Ind., in place of F. H. Ahlgrim, removed.

William S. Darneal to be postmaster at New Albany, Ind., in place of T. J. Jackson, removed.

Gordon B. Olvey to be postmaster at Noblesville, Ind., in place of C. J. Wheeler, removed.

William N. Burns to be postmaster at Otterbein, Ind., in place of Harry Kretschman. Incumbent's commission expired April 16, 1934.

Charles O. Hall to be postmaster at Sullivan, Ind., in place of R. P. White, removed.

Henry Backes to be postmaster at Washington, Ind., in place of J. E. Pershing. Incumbent's commission expired April 8, 1934.

Oscar M. Shively to be postmaster at Yorktown, Ind., in place of Mark Broadwater. Incumbent's commission expired December 13, 1932.

Bessie D. Perkins to be postmaster at Whiteland, Ind., in place of J. M. Hill. Incumbent's commission expired December 13, 1932.

IOWA

Hans E. Eiel to be postmaster at Buffalo Center, Iowa, in place of E. B. Sparks. Incumbent's commission expired March 18, 1934.

Clifford A. Brause to be postmaster at Denver, Iowa, in place of J. F. Schoof, removed.

Clara E. Kennedy to be postmaster at Estherville, Iowa, in place of F. A. Robinson. Incumbent's commission expired January 31, 1934.

Eva Keith to be postmaster at Goldfield, Iowa, in place of Eva Keith. Incumbent's commission expired March 18, 1934.

Frank Proescholdt to be postmaster at Manilla, Iowa, in place of Lynn McCracken, resigned.

Elmer D. Bradley to be postmaster at Missouri Valley, Iowa, in place of E. M. Rhodabeck. Incumbent's commission expired February 28, 1933.

Mark F. Hogan to be postmaster at Monticello, Iowa, in place of George Guyan, deceased.

Vane E. Herbert to be postmaster at Storm Lake, Iowa, in place of J. A. Schmitz, resigned.

John F. Taylor to be postmaster at Villisca, Iowa, in place of H. D. Peckham, transferred.

Myrtle Ruth Lash to be postmaster at What Cheer, Iowa, in place of R. H. Bedford. Incumbent's commission expired January 31, 1934.

KANSAS

Nell C. Graves to be postmaster at Columbus, Kans., in place of N. W. Huston. Incumbent's commission expired January 11, 1934.

Rosa B. Blaine to be postmaster at Copeland, Kans., in place of F. D. Bush. Incumbent's commission expired December 16, 1933.

Arch E. Hosmer to be postmaster at Holton, Kans., in place of W. T. Beck. Incumbent's commission expired December 19, 1931.

Bryan F. Scarborough to be postmaster at Iola, Kans., in place of C. O. Bollinger, removed.

Edward W. Shiney to be postmaster at McCracken, Kans., in place of R. C. Mortimer, removed.

Eunice E. Buche to be postmaster at Miltonvale, Kans., in place of M. W. Covey. Incumbent's commission expired March 18, 1934.

Caroline Doerschlag to be postmaster at Ransom, Kans., in place of J. H. Sunley. Incumbent's commission expired December 16, 1933.

Henry F. Dodson to be postmaster at South Haven, Kans., in place of B. W. Ruthrauff. Incumbent's commission expired December 16, 1933.

KENTUCKY

Richard W. Wilson to be postmaster at Elizabethtown, Ky., in place of M. W. Barnes, transferred.

Frances W. Lyell to be postmaster at Hickory, Ky., in place of Nell Hooker. Incumbent's commission expired December 16, 1933.

Omer W. Cleek to be postmaster at Walton, Ky., in place of R. M. Tewell, removed.

LOUISIANA

James R. Wooten to be postmaster at Monroe, La., in place of A. A. Thoman. Incumbent's commission expired December 19, 1932.

Jerome A. Gilbert to be postmaster at Tallulah, La., in place of W. B. Eisely, removed.

MAINE

Lee M. Rowe to be postmaster at Bryant Pond, Maine, in place of F. M. Cole. Incumbent's commission expired January 8, 1934.

Anna M. McLaughlin to be postmaster at Dryden, Maine, in place of E. S. Maddocks. Incumbent's commission expired April 16, 1934.

George L. Hawes to be postmaster at East Corinth, Maine, in place of A. D. Clark. Incumbent's commission expired January 16, 1934.

Lillian L. Guptill to be postmaster at Newcastle, Maine, in place of L. L. Guptill. Incumbent's commission expired May 9, 1934.

Edward J. McKay to be postmaster at North Jay, Maine, in place of B. E. Davidson, resigned.

Howard H. Herrick to be postmaster at Rangeley, Maine, in place of H. V. Kimball, resigned.

Fred T. Eaton to be postmaster at York Harbor, Maine, in place of W. F. Putnam. Incumbent's commission expired January 16, 1934.

MASSACHUSETTS

John E. Mansfield to be postmaster at Bedford, Mass., in place of H. E. Pfeiffer. Incumbent's commission expired December 16, 1933.

William F. Leonard to be postmaster at Nantasket Beach, Mass., in place of F. M. Reynolds, Jr. Incumbent's commission expired December 16, 1933.

James B. Logan to be postmaster at North Wilbraham, Mass., in place of J. B. Logan. Incumbent's commission expired January 8, 1934.

Harvey E. Lenon to be postmaster at Swansea, Mass., in place of E. A. Thurston. Incumbent's commission expired December 16, 1933.

Benjamin R. Gifford to be postmaster at Woods Hole, Mass., in place of B. R. Gifford. Incumbent's commission expired May 16, 1934.

MICHIGAN

Henry I. Bourns to be postmaster at Adrian, Mich., in place of F. A. Acker. Incumbent's commission expired December 16, 1933.

Arthur Little to be postmaster at Cass City, Mich., in place of Euphemia Hunter. Incumbent's commission expired December 8, 1932.

John G. Watson to be postmaster at Colon, Mich., in place of E. A. Lake. Incumbent's commission expired December 16, 1933.

T. Theodore Hurja to be postmaster at Crystal Falls, Mich., in place of J. R. Flood, removed.

William De Kuiper to be postmaster at Fremont, Mich., in place of A. I. Miller, transferred.

Edward J. Talbot to be postmaster at Manistee, Mich., in place of J. A. Meier. Incumbent's commission expired January 28, 1934.

Edwin C. Kraft to be postmaster at Nashville, Mich., in place of R. E. Surine, removed.

Hallie C. Bunting to be postmaster at Port Hope, Mich., in place of H. A. Dickinson, removed.

William M. Zeitler to be postmaster at Republic, Mich., in place of C. W. Munson. Incumbent's commission expired January 28, 1934.

Mildred E. Walsh to be postmaster at St. Charles, Mich., in place of May Rowley. Incumbent's commission expired January 28, 1934.

Floyd H. Leach to be postmaster at Scotts, Mich., in place of G. E. Gibson. Incumbent's commission expired December 16, 1933.

Gordon W. Huffman to be postmaster at Tustin, Mich., in place of Olof Brink. Incumbent's commission expired December 16, 1933.

Leo M. Neubecker to be postmaster at Weidman, Mich., in place of M. O. Wolfe. Incumbent's commission expired December 16, 1933.

MINNESOTA

John Kasper to be postmaster at Faribault, Minn., in place of N. S. Erb. Incumbent's commission expired December 20, 1932.

James M. Brennan to be postmaster at Hinckley, Minn., in place of M. C. Noble. Incumbent's commission expired March 8, 1934.

Carl H. Ruhberg to be postmaster at Storden, Minn., in place of E. S. Engelsen. Incumbent's commission expired December 18, 1933.

Margaret J. McGarry to be postmaster at Walker, Minn., in place of Arthur McBride, deceased.

Einar C. Wellin to be postmaster at Willmar, Minn., in place of E. A. Peterson. Incumbent's commission expired March 3, 1931.

MISSISSIPPI

Rex R. Ray to be postmaster at Canton, Miss., in place of T. W. Maxwell, retired.

Beula P. Herrington to be postmaster at Mount Olive, Miss., in place of B. G. Byrd. Incumbent's commission expired October 2, 1933.

MISSOURI

Leila F. Hughes to be postmaster at Adrian, Mo., in place of L. F. Wagy, removed.

Owen W. Anglum to be postmaster at Ash Grove, Mo., in place of L. C. Snoddy. Incumbent's commission expired April 8, 1934.

Richard W. Marsden to be postmaster at De Soto, Mo., in place of H. A. Seemel. Incumbent's commission expired March 8, 1934.

Anvil A. Lewis to be postmaster at Eminence, Mo., in place of R. E. Carr, resigned.

William H. Titus to be postmaster at Excelsior Springs, Mo., in place of H. H. Morse, resigned.

Garnett S. Cannon to be postmaster at Fornfelt, Mo., in place of M. A. Schriefer, removed.

Robert R. Kier to be postmaster at Grant City, Mo., in place of Denver Johnston. Incumbent's commission expired April 8, 1934.

Fred E. Ream to be postmaster at Green Ridge, Mo., in place of L. E. Nicholson. Incumbent's commission expired April 8, 1934.

Harrison S. Welch to be postmaster at Higbee, Mo., in place of Leonard Ancell. Incumbent's commission expired May 13, 1934.

Fred J. Yeomans to be postmaster at Hopkins, Mo., in place of W. L. Moorhead, removed.

Eugene J. Echterling to be postmaster at Parnell, Mo., in place of E. A. Burch. Incumbent's commission expired April 8, 1934.

Ernest C. Buehler to be postmaster at South St. Joseph, Mo., in place of Harry Korf. Incumbent's commission expired March 3, 1931.

John H. Dickbrader to be postmaster at Washington, Mo., in place of O. F. Schulte. Incumbent's commission expired March 18, 1934.

MONTANA

Ludwig S. Rigler to be postmaster at East Helena, Mont., in place of A. L. Cory. Incumbent's commission expired December 18, 1932.

NEBRASKA

Albin J. Kriz to be postmaster at Brainard, Nebr., in place of A. J. Fials. Incumbent's commission expired December 30, 1932.

Harry Boesen to be postmaster at Cairo, Nebr., in place of L. M. Baird. Incumbent's commission expired December 20, 1932.

Curtis B. Benger to be postmaster at Callaway, Nebr., in place of M. T. Douglass, removed.

Roy E. Sheffer to be postmaster at Gering, Nebr., in place of J. N. Allison, removed.

Stanley R. Wheeler to be postmaster at Giltner, Nebr., in place of J. T. Bierbower. Incumbent's commission expired April 16, 1934.

Dorothy M. Porter to be postmaster at Haigler, Nebr., in place of E. T. Long. Incumbent's commission expired December 16, 1933.

Mary E. Krisl to be postmaster at Milligan, Nebr., in place of M. E. Krisl. Incumbent's commission expired May 29, 1934.

Henry C. Cope to be postmaster at Mitchell, Nebr., in place of A. B. Jones. Incumbent's commission expired December 16, 1933.

Stanton A. Troutman to be postmaster at Palisade, Nebr., in place of W. S. Tyler. Incumbent's commission expired January 28, 1934.

Mildred I. Onstot to be postmaster at Riverton, Nebr., in place of R. C. Shetler. Incumbent's commission expired April 16, 1934.

W. LeRoy Larson to be postmaster at Sidney, Nebr., in place of I. L. Pindell. Incumbent's commission expired December 16, 1933.

Margarete C. Phelps to be postmaster at Valentine, Nebr., in place of R. R. Brosius, transferred.

Edith C. Hackl to be postmaster at Wynot, Nebr., in place of E. B. Thompson. Incumbent's commission expired March 18, 1934.

NEVADA

Anne M. Holcomb to be postmaster at Battle Mountain, Nev., in place of A. M. Holcomb. Incumbent's commission expired May 20, 1934.

Roy T. Williams to be postmaster at Minden, Nev., in place of J. E. Drendel, resigned.

NEW HAMPSHIRE

George W. Moulton to be postmaster at Lisbon, N.H., in place of J. E. Collins. Incumbent's commission expired March 18, 1934.

NEW JERSEY

Leslie B. Vail to be postmaster at Hamburg, N.J., in place of F. H. Burgher. Incumbent's commission expired February 2, 1932.

Augustus J. Hans to be postmaster at Netcong, N.J., in place of W. E. Harbourt. Incumbent's commission expired January 16, 1934.

S. Dana Ely to be postmaster at Rutherford, N.J., in place of R. E. Rose, removed.

Leon P. Kays to be postmaster at Stanhope, N.J., in place of W. B. Lance. Incumbent's commission expired February 2, 1932.

Edward J. Lennon to be postmaster at Stone Harbor, N.J., in place of George Martin. Incumbent's commission expired November 12, 1933.

Franke Carter to be postmaster at Tenafly, N.J., in place of W. F. Bodecker, removed.

Clarence Smith to be postmaster at Woodstown, N.J., in place of F. K. Ridgway. Incumbents' commission expired January 28, 1934.

NEW MEXICO

Joseph H. Gentry to be postmaster at Fort Stanton, N.Mex., in place of J. H. Gentry. Incumbent's commission expired May 7, 1934.

NEW YORK

Francis J. Sinnott to be postmaster at Brooklyn, N.Y., in place of A. B. W. Firmin, transferred.

DeVerne A. Lewis to be postmaster at Canastota, N.Y., in place of J. H. Roberts. Incumbent's commission expired January 28, 1934.

Frank Brancato to be postmaster at Clinton Corners, N.Y., in place of O. M. Berrington. Incumbent's commission expired December 12, 1932.

Earl P. Talley to be postmaster at East Rochester, N.Y., in place of B. R. Erwin, deceased.

John J. McClory to be postmaster at Franklinville, N.Y., in place of F. H. Bacon. Incumbent's commission expired February 6, 1934.

James E. Burns to be postmaster at Glen Cove, N.Y., in place of H. L. Hedger, resigned.

Anna G. Prendergast to be postmaster at Hall, N.Y., in place of W. C. Mead. Incumbent's office expired January 30, 1933.

Frank H. Wood to be postmaster at Lake George, N.Y., in place of F. F. Hawley. Incumbent's commission expired February 6, 1934.

Allen J. C. Schmuck to be postmaster at Lawrence, N.Y., in place of E. J. O'Hara, removed.

Kathryn R. Fuselehr to be postmaster at Malverne, N.Y., in place of C. D. Drumm. Incumbent's commission expired April 22, 1934.

Milton S. Smith to be postmaster at Mayville, N.Y., in place of G. H. Fischer. Incumbent's commission expired December 16, 1933.

Theodore W. Cook to be postmaster at Montauk, N.Y., in place of T. W. Cook. Incumbent's commission expired April 22, 1934.

Francis G. Van Emmerik to be postmaster at Oakdale Station, N.Y. Office became presidential July 1, 1932.

Christopher C. King to be postmaster at Rockville Center, N.Y., in place of W. P. Lister, transferred.

Herbert Zahorik to be postmaster at Roscoe, N.Y., in place of W. B. Voorhees. Incumbent's commission expired February 14, 1934.

Edward D. Guyder to be postmaster at Weedsport, N.Y., in place of R. C. Kelsey, resigned.

Nora B. King to be postmaster at Woodbourne, N.Y., in place of N. M. Misner, removed.

NORTH CAROLINA

William R. Young to be postmaster at Badin, N.C., in place of R. C. Barker. Incumbent's commission expired December 20, 1932.

Joseph C. Peed to be postmaster at Creedmoor, N.C., in place of R. O. Smith. Incumbent's commission expired April 8, 1934.

William T. Culpepper to be postmaster at Elizabeth City, N.C., in place of J. A. Hooper. Incumbent's commission expired April 15, 1934.

Thomas T. Hollingsworth to be postmaster at Greenville, N.C., in place of H. R. Munford. Incumbent's commission expired March 22, 1934.

John E. Morris to be postmaster at Hertford, N.C., in place of J. P. Jessup. Incumbent's commission expired January 28, 1934.

Wightman C. Vick to be postmaster at Norwood, N.C., in place of M. C. Campbell, resigned.

NORTH DAKOTA

Mildred B. Johnson to be postmaster at Ashley, N.Dak., in place of J. N. McGogy. Incumbent's commission expired May 19, 1932.

Altha B. Waddell to be postmaster at Forbes, N.Dak., in place of E. A. Kingery, removed.

Max A. Wipperman to be postmaster at Hankinson, N.Dak., in place of W. C. Forman, Jr., deceased.

Richard J. Leahy to be postmaster at McHenry, N.Dak., in place of F. R. Cruden, removed.

John F. Swanston to be postmaster at McVille, N.Dak., in place of Carl Quanbeck. Incumbent's commission expired December 18, 1933.

John D. Prindiville to be postmaster at Rutland, N.Dak., in place of N. N. Prindiville. Incumbent's commission expired October 10, 1933.

OHIO

Carl L. Meloy to be postmaster at Garrettsville, Ohio, in place of C. M. Mott. Incumbent's commission expired February 6, 1934.

Duward B. Snyder to be postmaster at Grand Rapids, Ohio, in place of R. G. McWilliams. Incumbent's commission expired April 28, 1934.

Helen E. Dunn to be postmaster at Holland, Ohio, in place of A. H. Wood, removed.

Perry L. Heintz to be postmaster at Jackson Center, Ohio, in place of R. S. Nichols. Incumbent's commission expired December 16, 1933.

James H. Smith to be postmaster at Middleport, Ohio, in place of R. E. Powell. Incumbent's commission expired December 7, 1932.

Charles Fishley to be postmaster at Mineral City, Ohio, in place of C. L. Oberlin. Incumbent's commission expired April 28, 1934.

John H. H. Welsch to be postmaster at Port Washington, Ohio, in place of C. S. Kline. Incumbent's commission expired January 31, 1934.

Clara B. Dix to be postmaster at Prospect, Ohio, in place of C. V. Cope. Incumbent's commission expired January 22, 1934.

Edward T. Brighton to be postmaster at Sylvania, Ohio, in place of H. G. Randall. Incumbent's commission expired December 14, 1932.

Donald K. Studer to be postmaster at Whitehouse, Ohio, in place of A. C. Oberlitner. Incumbent's commission expired December 7, 1932.

OKLAHOMA

Erwin D. Keys to be postmaster at Earlsboro, Okla., in place of J. L. Bowen, removed.

Cyril M. Surry to be postmaster at Hartshorne, Okla., in place of M. L. Thompson, removed.

Gertrude Barker to be postmaster at Kaw, Okla., in place of W. J. Krebs. Incumbent's commission expired March 18, 1934.

Pearl Brazell to be postmaster at Lamont, Okla., in place of O. J. Bradfield. Incumbent's commission expired May 27, 1933.

Buford E. Stone to be postmaster at Manchester, Okla., in place of A. G. D. Elswick, resigned.

Dennis F. Almack to be postmaster at Moore, Okla., in place of M. S. Hewitt. Incumbent's commission expired January 20, 1934.

Guy B. Hilton to be postmaster at St. Louis, Okla., in place of Gail Lunsford. Incumbent's commission expired December 16, 1933.

Kib H. Warren to be postmaster at Shawnee, Okla., in place of F. S. Roodhouse. Incumbent's commission expired December 16, 1933.

William B. Wyly to be postmaster at Tahlequah, Okla., in place of G. F. Benge, deceased.

Charles A. Knight to be postmaster at Tecumseh, Okla., in place of H. H. McMahan. Incumbent's commission expired December 16, 1933.

OREGON

Robert H. Fox to be postmaster at Bend, Oreg., in place of L. B. Baird. Incumbent's commission expired December 7, 1932.

Joseph M. Buchanan to be postmaster at Crane, Oreg., in place of B. A. Bennett. Incumbent's commission expired February 28, 1933.

Claude H. Reavis to be postmaster at Enterprise, Oreg., in place of Ben Weathers. Incumbent's commission expired March 8, 1934.

Hiram J. Stillings to be postmaster at Hermiston, Oreg., in place of L. A. Phelps. Incumbent's commission expired January 26, 1933.

Margaret Marie Anderson to be postmaster at Jordan Valley, Oreg., in place of Theresa Scott. Incumbent's commission expired February 9, 1933.

May B. Johnson to be postmaster at Madras, Oreg., in place of W. R. Cook. Incumbent's commission expired January 4, 1932.

Henry Lloyd to be postmaster at Milton, Oreg., in place of W. R. Anderson. Incumbent's commission expired January 9, 1933.

Henry Alm to be postmaster at Silverton, Oreg., in place of R. G. Allen. Incumbent's commission expired February 6, 1934.

PENNSYLVANIA

Joseph R. McCrum to be postmaster at Alexandria, Pa., in place of J. B. Kean. Incumbent's commission expired January 14, 1933.

Arthur B. Clark to be postmaster at Altoona, Pa., in place of J. E. Brumbaugh, retired.

Oscar H. Stillwagon to be postmaster at Ambler, Pa., in place of F. C. Weber. Incumbent's commission expired February 20, 1933.

F. Joseph Roach to be postmaster at Bala-Cynwyd, Pa., in place of J. F. Dolan, Jr., removed.

James P. Bryan to be postmaster at Beaver, Pa., in place of J. H. Ammon, retired.

Harry E. Cuppett to be postmaster at Bedford, Pa., in place of William Brice, Jr., removed.

Wilson I. Shrader to be postmaster at Berwick, Pa., in place of W. C. Vought, removed.

Harry D. Kutz to be postmaster at Bethlehem, Pa., in place of R. K. Ritter, removed.

Elizabeth D. Bermingham to be postmaster at Blossburg, Pa., in place of H. S. Kiess. Incumbent's commission expired May 22, 1932.

George W. Goodley, Jr., to be postmaster at Boothwyn, Pa., in place of F. E. Sharpless. Incumbent's commission expired January 8, 1934.

Lewis M. Sutton to be postmaster at Camp Hill, Pa., in place of H. C. Fry, removed.

Francis P. Kelly to be postmaster at Carbondale, Pa., in place of H. G. Likeley. Incumbent's commission expired February 28, 1933.

Martin A. King to be postmaster at Clarks Summit, Pa., in place of L. W. Pentecost, removed.

Daniel Leffler to be postmaster at Clearfield, Pa., in place of C. E. Roseberry. Incumbent's commission expired April 11, 1932.

Joseph B. Roper to be postmaster at Coatesville, Pa., in place of Norman Baily, removed.

Clarence W. Scheuren to be postmaster at Collegeville, Pa., in place of H. D. Rushong. Incumbent's commission expired February 28, 1933.

James P. Meaney to be postmaster at Conshohocken, Pa., in place of H. M. Logan, removed.

George T. Kirkendall to be postmaster at Dallas, Pa., in place of R. S. Waters. Incumbent's commission expired May 23, 1932.

Charles L. Lehman to be postmaster at Devon, Pa., in place of M. G. Hallett, removed.

Robert Grant Furlong to be postmaster at Donora, Pa., in place of W. W. Weise. Incumbent's commission expired December 19, 1932.

Sylvester M. Considine to be postmaster at Drexel Hill, Pa., in place of L. M. Watkin, Jr., removed.

W. Fred Smith to be postmaster at Ephrata, Pa., in place of S. Y. Wissler. Incumbent's commission expired January 14, 1933.

Dominick Franceski to be postmaster at Forest City, Pa., in place of W. T. Davies, removed.

Neale Boyle to be postmaster at Freeland, Pa., in place of J. S. Crawford, removed.

Bernard A. Devlin to be postmaster at Jenkintown, Pa., in place of J. J. Wonderly, transferred.

John A. Eckert to be postmaster at Jersey Shore, Pa., in place of C. J. Levegood. Incumbent's commission expired January 29, 1933.

Robert E. Holland to be postmaster at Kane, Pa., in place of A. L. Evans, removed.

James A. Sproull to be postmaster at Leechburg, Pa., in place of S. J. McMains, deceased.

John C. Amig to be postmaster at Lewistown, Pa., in place of E. F. Brent, retired.

John A. Frazier to be postmaster at Liberty, Pa., in place of W. R. Miller. Incumbent's commission expired December 18, 1933.

John C. Tritch to be postmaster at Middletown, Pa., in place of W. F. Houser, Sr., removed.

Frank W. Cross to be postmaster at Milford, Pa., in place of W. G. Detrick. Incumbent's commission expired January 19, 1933.

James F. Boran to be postmaster at Minersville, Pa., in place of C. E. McGhee, removed.

William J. Burke to be postmaster at Mount Carmel, Pa., in place of A. R. Harris, removed.

James K. Wiley to be postmaster at Mount Union, Pa., in place of C. H. Welch, removed.

William G. Loy to be postmaster at Newport, Pa., in place of E. S. L. Soule. Incumbent's commission expired March 18, 1934.

Fred Favo to be postmaster at Oakmont, Pa., in place of B. P. Dawkins, removed.

Daniel A. Wieland to be postmaster at Palmyra, Pa., in place of T. E. Lerch. Incumbent's commission expired February 28, 1933.

Eli R. Diller to be postmaster at Paradise, Pa., in place of A. M. Lichty, removed.

William Leslie to be postmaster at Parkers Landing, Pa., in place of G. A. Needle. Incumbent's commission expired January 19, 1933.

John J. Borntrager to be postmaster at Pennsburg, Pa., in place of W. R. Schanley, retired.

Clair A. Wamsley to be postmaster at Phoenixville, Pa., in place of A. L. Coffman, resigned.

James H. Rattigan to be postmaster at Pottsville, Pa., in place of D. S. Gressang, retired.

Marie E. Potteiger to be postmaster at Progress, Pa. Office became Presidential July 1, 1932.

William J. Moran to be postmaster at Ralston, Pa., in place of F. R. Paris, resigned.

Paul A. Martin to be postmaster at Roaring Spring, Pa., in place of E. G. Carper, resigned.

Archer L. Laws to be postmaster at Sayre, Pa., in place of G. F. Carling, removed.

James A. Carney to be postmaster at Sharon Hill, Pa., in place of G. E. McGlennen, removed.

Enoch E. Lunquist to be postmaster at Sheffield, Pa., in place of M. H. Shick, resigned.

John E. Blair to be postmaster at Shippensburg, Pa., in place of W. C. Dubbs, removed.

Joseph Murray Gilliland to be postmaster at Snow Shoe, Pa., in place of W. A. Sickel, deceased.

Marie H. Bailie to be postmaster at Springdale, Pa., in place of C. F. Abel. Incumbent's commission expired December 18, 1933.

Edmond J. Holleran to be postmaster at Susquehanna, Pa., in place of M. F. O'Connell, transferred.

Alfred P. Smalley to be postmaster at Swarthmore, Pa., in place of V. S. Pownall, resigned.

John D. Cox to be postmaster at Tyrone, Pa., in place of H. L. Orr. Incumbent's commission expired December 18, 1932.

Edgar S. Thompson to be postmaster at Upper Darby, Pa., in place of C. B. Lessig. Incumbent's commission expired February 28, 1933.

Joseph P. Caufield to be postmaster at Verona, Pa., in place of J. C. McCurdy, removed.

Hazel B. Davis to be postmaster at Westfield, Pa., in place of L. E. Knapp, removed.

Emma R. Eakins to be postmaster at Wynnewood, Pa., in place of J. P. Kearney, removed.

PUERTO RICO

America R. de Graciani to be postmaster at Ensenada, P.R., in place of A. R. de Graciani. Incumbent's commission expired May 29, 1934.

SOUTH CAROLINA

Allie V. Collum, Jr., to be postmaster at Blackville, S.C., in place of C. J. Fickling, removed.

Curtis W. Dukes to be postmaster at Branchville, S.C., in place of J. M. Byrd. Incumbent's commission expired February 18, 1933.

Hattie C. Sherard to be postmaster at Calhoun Falls, S.C., in place of A. L. Dickson, removed.

Ollie W. Bowers to be postmaster at Central, S.C., in place of O. W. Bowers. Incumbent's commission expired June 4, 1934.

Basil T. Brinkley to be postmaster at Ellenton, S.C., in place of M. L. Bush, removed.

Rufus Ford, Jr., to be postmaster at Holly Hill, S.C., in place of W. B. Gross, deceased.

Edward H. Blackmon to be postmaster at Orangeburg, S.C., in place of A. D. Webster, removed.

Jack C. Pate to be postmaster at Sumter, S.C., in place of W. B. Daughtrey. Incumbent's commission expired March 8, 1934.

Jackson L. Flake to be postmaster at Swansea, S.C., in place of T. O. Lybrand, resigned.

SOUTH DAKOTA

William J. Nolan to be postmaster at Buffalo Gap, S.Dak., in place of M. T. Thompson. Incumbent's commission expired December 16, 1933.

William J. Gassen to be postmaster at Gregory, S.Dak., in place of P. J. Kleinjan, removed.

TENNESSEE

Cyril W. Jones to be postmaster at Athens, Tenn., in place of J. B. Elliott, removed.

Thomas D. Walker to be postmaster at Kerrville, Tenn., in place of T. D. Walker. Incumbent's commission expired May 16, 1934.

Raymond C. Townsend to be postmaster at Parsons, Tenn., in place of Terrell McIlwain. Incumbent's commission expired March 18, 1934.

Hal P. Cotten to be postmaster at Rives, Tenn., in place of J. O. Jennings. Incumbent's commission expired December 12, 1932.

TEXAS

Nat Shick to be postmaster at Big Spring, Tex., in place of E. E. Fahrenkamp. Incumbent's commission expired May 25, 1932.

Earnest N. Sowell to be postmaster at Elgin, Tex., in place of J. C. Miller. Incumbent's commission expired April 15, 1934.

Milton L. Burleson to be postmaster at El Paso, Tex., in place of H. C. Kramp. Incumbent's commission expired January 25, 1931.

Robert W. Klingelhoefer to be postmaster at Fredericksburg, Tex., in place of A. H. Kneese. Incumbent's commission expired April 15, 1934.

John M. Sharpe to be postmaster at Georgetown, Tex., in place of S. J. Enochs. Incumbent's commission expired March 18, 1934.

Swanee E. Willis to be postmaster at Monahans, Tex., in place of W. M. Casey. Incumbent's commission expired December 20, 1932.

Walter E. Shannon to be postmaster at North Zulch, Tex., in place of W. E. Shannon. Incumbent's commission expired May 9, 1934.

John W. Waide to be postmaster at Paint Rock, Tex., in place of J. W. Waide. Incumbent's commission expired May 9, 1934.

Oran W. Cliett to be postmaster at San Marcos, Tex., in place of J. M. Cape, deceased.

Willie R. Goodwin to be postmaster at Stinnett, Tex., in place of J. E. Early. Incumbent's commission expired May 31, 1933.

Hugh D. Burleson to be postmaster at Streetman, Tex., in place of H. D. Burleson. Incumbent's commission expired April 15, 1934.

Paul E. Jette to be postmaster at Wink, Tex., in place of O. G. Rudy. Incumbent's commission expired June 19, 1933.

VERMONT

George H. St. Pierre to be postmaster at Island Pond, Vt., in place of P. A. Bartlett. Incumbent's commission expired December 20, 1932.

Rosa M. Stewart to be postmaster at Tunbridge, Vt., in place of A. G. Folsom. Incumbent's commission expired March 8, 1934.

VIRGINIA

Charles M. Hutcheson to be postmaster at Charlotte Court House, Va., in place of M. I. Wight, removed.

Mary C. Lewis to be postmaster at Fort Eustis, Va., in place of M. C. Lewis. Incumbent's commission expired May 13, 1934.

Paul Scarborough to be postmaster at Franklin, Va., in place of E. A. De Bordenave, resigned.

Carolyn C. Bryant to be postmaster at Independence, Va., in place of P. L. Harrington, removed.

Frank L. Schofield to be postmaster at University of Richmond, Va., in place of F. L. Schofield. Incumbent's commission expires May 29, 1934.

Alice H. Tyler to be postmaster at Warsaw, Va., in place of F. J. Garland, resigned.

William Nelson Page to be postmaster at Winchester, Va., in place of H. C. Stouffer, retired.

VIRGIN ISLANDS

Alvaro de Lugo to be postmaster at St. Thomas, V.I., in place of E. S. Richardson, Jr., resigned.

WASHINGTON

Warren H. Perrigo to be postmaster at Arlington, Wash., in place of S. G. Buell, resigned.

Frank O. Keith to be postmaster at Battle Ground, Wash., in place of B. L. McCarty, resigned.

Walter V. Cowderoy to be postmaster at Blaine, Wash., in place of G. D. Montfort. Incumbent's commission expired April 16, 1934.

Joshua J. Peak to be postmaster at Davenport, Wash., in place of J. H. Berge, deceased.

Ralph H. Mitchell to be postmaster at Omak, Wash., in place of R. L. Wright, removed.

E. Morris Starrett to be postmaster at Port Townsend, Wash., in place of F. A. Iffland. Incumbent's commission expired January 26, 1933.

Paul Hamilton to be postmaster at Prosser, Wash., in place of W. C. Sommers. Incumbent's commission expired March 18, 1934.

Paul Rhodius to be postmaster at Sedro Woolley, Wash., in place of D. M. Donnelly. Incumbent's commission expired March 18, 1934.

George B. Day to be postmaster at Walla Walla, Wash., in place of C. F. Morrow. Incumbent's commission expired January 26, 1930.

WEST VIRGINIA

Thomas F. Ward to be postmaster at Keyser, W.Va., in place of P. J. Davis, resigned.

John A. Ball to be postmaster at Mullens, W.Va., in place of A. C. Early. Incumbent's commission expired March 8, 1934.

Henry S. Ellison to be postmaster at Union, W.Va., in place of W. H. Young. Incumbent's commission expired December 18, 1933.

WISCONSIN

Theodore E. Wozniak to be postmaster at Athens, Wis., in place of G. J. Chesak. Incumbent's commission expired December 19, 1933.

Alex G. Mohr to be postmaster at Cambria, Wis., in place of T. D. Morris. Incumbent's commission expired October 31, 1933.

Marie Gunn Dunham to be postmaster at Cumberland, Wis., in place of W. C. McMahon, removed.

Harry R. Olson to be postmaster at Grantsburg, Wis., in place of R. G. Lidbom. Incumbent's commission expired January 29, 1933.

May K. Powers to be postmaster at Lake Geneva, Wis., in place of M. D. Host. Incumbent's commission expired January 29, 1933.

Martin J. Bachhuber to be postmaster at Mayville, Wis., in place of Peter Mies. Incumbent's commission expired April 30, 1934.

Gaylord T. Thompson to be postmaster at Mercer, Wis., in place of L. A. Gehr. Incumbent's commission expired December 18, 1933.

Emil L. Silverness to be postmaster at Mondovi, Wis., in place of W. H. Smith. Incumbent's commission expired January 21, 1933.

Axel L. Olson to be postmaster at Mountain, Wis., in place of B. H. Piepenburg. Incumbent's commission expired January 18, 1933.

Albert T. Zieman to be postmaster at Randolph, Wis., in place of Herbert Hopkins. Incumbent's commission expired February 28, 1933.

Adelbert O. Randall to be postmaster at Rosendale, Wis., in place of W. T. Hoyt. Incumbent's commission expired March 22, 1934.

John P. Stier to be postmaster at Sussex, Wis. Office became Presidential July 1, 1933.

Alfred H. Hadler to be postmaster at Thiensville, Wis., in place of J. M. Albers, deceased.

Elmer A. Peterson to be postmaster at Walworth, Wis., in place of J. E. Robar. Incumbent's commission expired February 25, 1933.

John T. O'Sullivan to be postmaster at Washburn, Wis., in place of Alfred Froseth, resigned.

Winfield J. Kyes to be postmaster at White Lake, Wis., in place of W. J. Kyes. Incumbent's commission expired May 2, 1934.

WYOMING

William Thomas Scott to be postmaster at Gebo, Wyo., in place of B. G. Rodda, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 23 (legislative day of May 10), 1934

PROMOTIONS IN THE NAVY

TO BE LIEUTENANT COMMANDERS

Charles L. Andrews, Jr.
Henry L. Pitts.

TO BE PAYMASTERS

Frederick Schwab	John C. Poshepny
Leon I. Smith	Henry C. McGinnis
Harold E. Humphreys	Frank J. Manley
Hugh A. Phares	Percival F. Patten
Percy W. McCord	Michael A. Sprengel
Tipton F. Woodward	Chester B. Peake
George L. Thomas	

TO BE ASSISTANT GENERAL COUNSEL FOR THE BUREAU OF INTERNAL REVENUE

Robert H. Jackson

UNITED STATES MARSHAL

R. Kenneth Kerr to be United States marshal for the southern district of Ohio.

POSTMASTERS

ALABAMA

Ethel G. Liddell, Butler.
John T. Maddox, Vernon.

CONNECTICUT

Elizabeth J. Carris, Stepney Depot.

FLORIDA

Kathleen McCallum, Bay Harbor.
Nancy L. Mims, Deerfield.
J. Andrew Shelley, Palatka.
Ralph W. Hartman, Stuart.

GEORGIA

Thomas J. Hamilton, Augusta.
Theo B. Little, Cornelia.
Paul L. Miles, Metter.
Goodwin M. Barnes, Midville.

IDAHO

Clellan W. Bentley, Mullan.
Wando J. Andrasen, St. Anthony.

INDIANA

Leo McGrath, Fowler.

MAINE

Irenee Cyr, Fort Kent.
Leo V. Kennan, Mars Hill.

MASSACHUSETTS

James Sheehan, Millis.
Thomas B. Mulvehill, Norwood.
Charles A. McCarthy, Shirley.
Margaret E. Coughlin, West Concord.

NEVADA

James I. J. Lee, Boulder City.
Grace G. Thompson, Mina.
William E. E. Kinnikin, Reno.

TEXAS

Claude Thompson, Breckenridge.
James R. Eanes, Comanche.
John M. O. Littlefield, Crosbyton.
A. Warren Dunn, Fort Stockton.
Fred E. Horton, Greenville.
William C. Bigby, Livingston.
Myrtle M. Hatch, Mission.
Morris W. Collie, Pecos.
Ernest C. Waddell, Putnam.
Jack V. Gray, Rotan.
Carl R. Nall, Sherman.
Clarence Carter, Somerville.
Frederick I. Massengill, Terrell.

UTAH

A. Carlos Schow, Lehi.

VERMONT

John E. Stewart, Morrisville.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MAY 23, 1934

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D.D., offered the following prayer:

Oh, the love of Almighty God; we pause in silence before its heights and its depths. Oh, the mystery of wonder; oh, the rapture of delight! Let us dedicate ourselves anew to the high and holy cause of humanity, and may the perfume of the sacrifice fill our homes where we dwell, the shrines where we worship, and the places where we work. Heavenly Father, for the sake of others may we engage ourselves in ardent, patient, and undiscouraged toil. We pray that the work we do, the thoughts we think, and the words we speak may be fit to remember and worthy of use for another day. In all that is done in this Chamber let the Golden Rule be magnified, and all to Thy glory. Amen.

The Journal of the proceedings of yesterday was read and approved.

ADJOURNMENT OVER

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that when the House adjourns tomorrow it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. BYRNS. There is one other request I desire to make. A great many Members have asked me to request a meeting tomorrow night to consider bills on the Private Calendar unobjected to. In response to these numerous requests, which have come from both sides of the aisle, I ask unanimous consent that it shall be in order tomorrow to take a recess until tomorrow night for the purpose of considering only bills on the Private Calendar which are unobjected to, beginning with the star.

Mr. TRUAX. Mr. Speaker, reserving the right to object, I wonder if the gentleman would amend his request for tomorrow night and make it Tuesday night?

Mr. BYRNS. I will if I have to, but I would like to have the meeting tomorrow night.

Mr. TRUAX. I am sure some of our colleagues would want to be present when we consider bills on the Private Calendar and they cannot be here tomorrow night. Under the circumstances I will have to object.

Mr. BYRNS. Then, Mr. Speaker, I ask unanimous consent that on Monday next it shall be in order to take a recess until Monday evening for the purpose of considering only bills on the Private Calendar which are unobjected to, beginning at the star.

Mr. SNELL. Mr. Speaker, reserving the right to object, would it not be better to wait until Monday to make the request?

Mr. BYRNS. I am perfectly willing to do that. I can withhold the request until tomorrow.

Mr. SNELL. I wish the gentleman would withhold his request until tomorrow.

Mr. BYRNS. I thought if I made the request this week the Members who have bills on the Private Calendar would have ample notice.

Mr. FISH. Will the gentleman yield?

Mr. BYRNS. I yield to the gentleman from New York.

Mr. FISH. In view of the fact the gentleman is making a unanimous-consent request, does not the gentleman think it would be in order to ask unanimous consent to bring up the arms embargo bill after we conclude the bill now under consideration?

Mr. BYRNS. I understood the gentleman from Tennessee [Mr. MCREYNOLDS] was going to make that request.

Mr. FISH. Does not the gentleman think it would be a good idea to make the request now?

Mr. BYRNS. I think so, and I understand the gentleman from Tennessee [Mr. MCREYNOLDS] will make the request.

UNEMPLOYMENT

The SPEAKER. Under a special order of the House the gentleman from Indiana [Mr. CROWE] is recognized for 10 minutes at this time.

Mr. CROWE. Mr. Speaker, ladies and gentlemen of the House, I requested this time to bring to the attention of the House and the country a bill which I introduced this week and which has been given number H.R. 9696.

The general purpose of this bill is to continue the Recovery Act, and the primary reason for introducing this bill was because of general unemployment, particularly in the building trades.

In my home community, a building-stone district, where in normal times 10,000 people were employed, today less than 1,000 men have employment. Suffering, privation, and distress abound. This is true throughout the country wherever building material is produced.

No other branch or group of people in the entire United States is in such distress as the people employed in the building trades. If the people of this industry can be afforded work, it will be what is needed to bring ultimate complete recovery to the Nation.

Mr. Speaker, unmistakable indications showing an uptrend in national recovery are to be seen and we are on the road back to normal times. Commodity prices and the financial markets have shown a decided improvement in the past few months. This is very encouraging.

Today our greatest problem is unemployment. While there has been a noticeable decline in unemployment, it is, however, imperative that further declines be had and that more men are employed and that the machinery be set up now to increase the employment before the coming winter, in order to avoid a dole or a continuance of work which will not create things of lasting benefit.

UNEMPLOYMENT AND ITS EFFECT

Statistics compiled by the American Federation of Labor show that of the 40,000,000 persons engaged in gainful employment during normal times, 11,000,000 are out of work. Other agencies show the unemployment to range from 8,000,000 up. Unless we maintain the present uptrend in business, the coming winter would add another million workers to the ranks of the unemployed; therefore, it is imperative that further steps be taken to see that this does not occur. Many who have been able to retain their jobs during these troublesome times have had drastic reductions in wages. Many others have only had part-time work, accordingly reducing the purchasing power of those employed. Many of the workers being on half time are buying one half of what they did normally buy. No lasting improvement in business can be expected until the wage earner has full-time employment and full-time pay rolls.

THE REMEDY

Employment of labor is the remedy. The employment of labor, if it be used in the immediate use of material and supplies at the place where the labor is performed, in turn, will create fabrication of material back in shops, factories, and mills and start an endless chain requiring both labor, materials, and merchandise. That process is so much more effective than a dole, and, may it be pointed out, that either employment be furnished or the dole is imperative. This rich Nation is not going to permit starvation of its citizens. The dole admits that many of the Nation's good citizens are starving, but it creates nothing substantial and leaves other thousands and millions in its wake ultimately in the same condition; that is to say, ultimately thousands who contribute to the dole will, if long continued, reach the same status themselves.

WORK

In my opinion, the proper solution for our economic problems and our unemployment lies in producing work of a kind that will furnish the greatest amount of useful employment and consume the most materials without adding to the present surplus of marketable goods. I believe one of the most feasible plans and one that would bring the greatest return per dollar invested would be a wide-spread acceptance of the use of the Government's offer to loan municipalities money to finance their projects. Some months ago I urged Mr. Ickes, of the Interior Department, to hasten the construction of Federal projects throughout the country of post-office buildings and other Federal buildings, which program was at a standstill. I subsequently introduced a bill of $125,000,000 to take care of this. I later introduced a bill for $50,000,000 to be used to further and complete the Government's building program in the city of Washington, the Apex, and other buildings to be included. I find, however, that even though these amounts were granted and earmarked, that they would not be even a starter toward the amount necessary to bring recovery to the Nation.

$2,500,000,000 FOR NATIONAL RECOVERY

I want it to be known and distinctly understood that in introducing the bill that I have introduced today for $2,500,000,000 for Federal and non-Federal projects that it is not in any sense of the word a desire to embarrass the administration, but to help the administration, and with a hope that the proper publicity and public sentiment be aroused to the need of a continuance of the program, which was initiated last year and which I supported, namely, the bill authorizing $3,300,000,000, intended to bring about recovery of the Nation. In this bill of two and one-half billion dollars I ask that no less than $700,000,000 shall be allocated for new building construction, of which not to exceed $175,000,000 shall be allocated for construction of Federal buildings; this money to be for post-office buildings throughout the country in the districts of the several Congressmen, and $50,000,000 for buildings in the city of Washington; the remaining $525,000,000 to be for loans and grants to finance building construction provided in section 202, National Industrial Recovery Act, as amended.

I am specifying an amount of $1,800,000,000 for non-Federal projects. We find in the P.W.A. that the $3,300,000,000 has been allocated. We find that thousands of other applications have been filed with the Department for projects in thousands of cities, counties, States, and so forth, throughout the United States. These projects will average as good, and many of them even better, than many which have already been accepted by the Government. It is a fact that today 1,037 projects requiring $126,000,000 could be allocated if the money were available. Other projects totaling $150,000,000 are coming through very soon, which it is assured will be proven acceptable. A total of more than $3,000,000,000 worth of requests are now with the department of P.W.A., of which it can be safely said that at least 50 percent will be acceptable to the Government when they are finally surveyed by the legal, financial, and engineering departments of the Government. This would mean that at least one and one-half billion dollars would be needed. Accordingly, I feel that a conservative amount, all told, would be $1,800,000,000 for these projects.

The necessity for this is apparent in every American city. Mayors from the principal cities of the United States, economists, and many of the most substantial people in our country have recently appeared at hearings conducted by Senator LA FOLLETTE and have testified to the need of augmenting the Public Works program, which is now getting under way.

It should be particularly impressed upon the people of the Nation that this is not really increasing the indebtedness of the Federal Government in any appreciable amount. Seventy percent of this money will be refunded to the Government with interest. The Government's credit is good. Every call for money by it is quickly oversubscribed. The Government is simply stepping in as the big brother for all of these communities that are afflicted and paralyzed throughout the Nation and upholding their hands, furnishing the needed credit.

It is further shown that the greatest unemployment there is in the country today is in the building trades. While this has improved perhaps 5 to 10 percent during the last year, there is said to be 80 percent yet of unemployment of people who work in the building trades. We further know that to bring a lasting prosperity that heavy goods must be used if we permanently break the panic. The use of con-

sumer goods alone is not sufficient. It needs the use of all sorts of building materials, steel, stone, brick, cement, roofing, and so forth. That program will start a cycle of fabrication, which will reach to every city and village and hamlet in the United States. To those who would be inclined to criticize and to say that the dollars spent in buildings, roads, bridges, sewers, waterworks, and so forth, do not sufficiently reach labor, let me suggest to them that the dollar's worth of stone, lumber, or any other building material in the building, is perhaps only worth a penny or two in the tree, quarry, or claybank, and that through all the steps that it takes to reach the finished product nearly all of it is for labor in some form or other. When you follow the slab as laid in the highway, and trace it back, the material, the machinery, and everything else finally reaches, in its final break-down and analysis, the unmined ores, the stone in the quarries, buried deep with earth and clay, and after all, it takes labor to bring it into the use of man.

As one who is supporting the administration in every way that I possibly can, I am bringing this measure to the House and to the country hoping that it will further augment employment of labor, and bring permanent and lasting prosperity to the Nation. [Applause.]

THE M'LEOD BANK BILL

Mr. GRANFIELD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a speech made by Congressman DOUGLASS over the radio relative to the McLeod bill.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. GRANFIELD. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following statement of Representative DOUGLASS, of Massachusetts, through radio station WMAL on the McLeod bank bill, Monday, May 21, 1934, at 6:30 p.m.:

Our National Government is now extending the hand of assistance to millions of our citizens who are striving to overcome the economic handicaps which have beset them in the last few years.

That helpful hand is reaching out in many directions. It is aiding people in many walks of life. It is providing jobs. It is furnishing the essentials of livelihood for those who otherwise would be in want.

While to some these activities of the Government may seem to be out of line with America's traditional political philosophy, there can be no doubt that we have bridged by this means a terrible chasm in our national existence. Over that bridge we are confident that we shall march to a more complete national existence, to a greater individual happiness.

But in all of these activities of the Government on behalf of its citizens there is one amazing omission. That omission leaves out of our national rehabilitation scheme 10,000,000 of our most loyal and patriotic citizens.

Those to whom I refer as the "omitted 10,000,000" are the thrifty and industrious men and women whose little accumulations of savings have been frozen in closed banks as a result of the financial collapse of a year ago.

So long as these 10,000,000 are forgotten, so long as they are deprived of the helping hand of governmental aid, our bridge to recovery will be incomplete and shaky.

Representative MCLEOD, who has so kindly presented me tonight, has introduced in the House a bill which would give added strength to the recovery bridge at this, its weakest point.

His measure might well be termed "a bill to extend the recovery to the omitted 10,000,000."

Mr. MCLEOD'S bill is sometimes called the "bank relief bill." That is a misnomer. It would be more accurately known if it were described as the "bank depositors' justice bill."

Because that is all that the bill provides—simple justice for the men and women who were lured by their Government into leaving their hard-earned savings in banks which had the soundness only of tissue paper.

The provisions of the McLeod charter of justice are simple. They acknowledge the obligation which the Government assumed when it countenanced and encouraged its examiners in making misleading, if not false, statements as to the soundness of the banks now closed.

The bill proposes to meet this obligation by the simple expedient of making the Government the temporary receiver for the assets of these closed banks. Under its provisions the Government would buy the assets and pay off the depositors.

Over a period of 10 years the Government would sell these assets, thus repaying to itself the money which would be expended immediately.

An effort has been made to show that Mr. MCLEOD'S program would be terribly expensive, perhaps prohibitive, that the Government would stand to lose most of the money which it would put up to buy the assets.

If there is any truth in that charge, then the Government has already wasted thousands of millions of dollars in its recovery effort. The only way the McLeod bill could be made costly would be for our recovery plans to fail. That is unthinkable.

As those recovery plans, upon which, as I have said, we have already spent billions of dollars, become effective, the value of the assets of the closed banks will increase. That increase will enable the Government to dispose of these assets after a period of years at fully enough to repay the advance which it now would be called upon to make.

It should be borne in mind when considering this bill that so long as the affairs of these closed banks remain in the hands of receivers and conservators there exists a menace which at any instant may destroy whatever progress we have made toward recovery in the last year.

Those receivers and conservators have it in their power to knock the bottom out from under almost every market in the country. If they were to unload upon the markets of the Nation with any degree of precipitation the assets which they control, we would have a break in prices which would be disastrous.

That danger would be completely eliminated if the Government took over the assets and proceeded to liquidate them in an orderly and leisurely manner. And the Government is the only institution in our country which is big enough and strong enough to liquidate them in that manner.

Considering the tremendous potentialities of the McLeod bill as a recovery measure, the extent to which its opponents have gone in fighting it is, to put it charitably, amazing and regrettable.

Its opponents in the House have resorted to almost every known trick in the rather lengthy parliamentary trick book They have indulged in virtually every known political maneuver to hinder and plague its progress.

Yet the demand for its enactment has become so strong and so wide-spread that these obstructive tactics cannot in the end prevail.

It is true that the bill has been introduced by a Republican Member of Congress. Yet it cannot, by any stretch of imagination, be called a Republican Party measure. Some of its most bitter opponents sit on the Republican side of the aisle in the House.

These Republican opponents are linked with powerful Democratic opponents. Yet the friends of the bill sit on both sides of the aisle, too.

Democrats as well as Republicans have pledged their support to the measure, not because they seek partisan or personal advantage through the bill, but simply because they realize that it would be a tremendous aid to the recovery program and because they realize also that only through its enactment can the reputation of the Government be cleansed of the accusation that it deliberately deceived its citizens as to the conditions of the banks.

Notwithstanding the overwhelming public sentiment in favor of this measure of justice, and notwithstanding the wide-spread support among both parties on the floor of the House, an almost unbelievable situation has arisen.

This situation, briefly, is that a small group of so-called "leaders" of the House have thus far succeeded in preventing any consideration of the bill on the floor of the House.

This group has thwarted every effort to bring the bill onto the floor, permit debate and amendment and final action by vote of the House.

This condition is truly alarming to those who believe in the fundamentals of representative government. Representative government becomes a mockery if the representatives of the people are not to be allowed to vote on measures which are of general interest to the people—matters affecting the general welfare.

Yet that is exactly the situation which we are facing in the House at present on the McLeod bill.

The American people have sent their Representatives to Congress to consider and decide upon just such proposals as this. They are willing that the majority shall govern; but they have heretofore been determined and are, we believe, today resolved that a small group shall not dominate the Government. So long as a small group is able to prevent even consideration of bills, that group is able to govern because it holds absolute veto. To deny the right to petition and to be heard is tyranny.

In the House we are now trying to defeat the effort of this small group to dominate the legislative program.

We have upon the Speaker's desk a petition which is designed to force this group to permit the House to vote "yes" or "no" upon the McLeod bill—in favor or against it.

This petition has come to be known as a "new declaration of independence." In effect it declares the independence of the House from political domination of a few of its Members.

In order that this petition may have the force which we desire it must be signed by 145 Members of the House. Already more than 125 Members of the House have affixed their signatures to the declaration. They have written their names, as the founding fathers years ago wrote theirs, to put an end to unjust and improper interference with the wishes of our people.

It is now necessary to obtain about a dozen-and-a-half additional signatures to the petition in order to make it effective.

It is up to the American people to register their views on this proposition of government—to determine whether legislation shall

be stifled by a few or whether it shall be considered, debated, and voted upon as we want to consider, debate, and vote upon the McLeod charter of justice.

In conclusion, ladies and gentlemen, if you believe in the principle back of the McLeod bill, write or telegraph your Congressman and tell him so. If he has not already signed the McLeod petition on the Speaker's desk, write or telegraph him to do so at once. Write tonight—now! Delay may be disastrous.

I thank you all.

Good night.

REREFERENCE OF BILL

Mr. DEROUEN. Mr. Speaker, I ask unanimous consent that the reference of the bill (S. 2585) authorizing and directing the Secretary of the Interior to cancel patent in fee issued to Victoria Arconge to the Committee on Public Lands may be changed and the bill referred to the Committee on Indian Affairs.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. TERRELL of Texas. Mr. Speaker, I ask unanimous consent to address the House for 30 minutes on next Tuesday morning after the reading of the Journal and disposition of matters on the Speaker's desk.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

COMMITTEE ON ENROLLED BILLS

Mr. PARSONS. Mr. Speaker, I ask unanimous consent to proceed for 3 minutes to make a statement with reference to a reflection that was made on the enrolling clerk and the Committee on Enrolled Bills in the House yesterday.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PARSONS. Mr. Speaker, during the course of the discussion on the measure that was sent back for correction to the House yesterday this statement appears in the RECORD:

> I do not know how many there have been, but it seems like a waste of time. Every day we have one or two bills which having passed both Houses of Congress and having been enrolled by the enrolling clerks have to be called back and the work done over again. I believe it is a situation that deserves the attention of the leadership of the House.

This statement is a reflection upon the enrolling clerk's office under the Clerk of the House of Representatives and upon the Committee on Enrolled Bills, and especially the clerk of this committee.

I wish to say that during the four sessions that this work of the House has been under the present enrolling clerk and the clerk of the Committee on Enrolled Bills there has not been a single, solitary mistake made in the thousands and thousands of pages of bills that have been passed by this House and enrolled by the enrolling clerk's office and the Committee on Enrolled Bills.

When a bill originates in the House and is passed here, it goes to the clerk's office and there it is proofread and prepared to go to the Senate. When it has been passed by the Senate, with or without amendments, and it has been agreed to in conference and passed on by both Houses, the enrolling clerk's office again proofreads it and corrects it and prepares the copy to go to the Printer, where the enrolled copy is printed. It is there read and reread before the copy is prepared for the signature of the Speaker and the Vice President before going to the President.

Mr. Ellis was in the enrolling clerk's office beginning in 1910 up to 1933, and no mistakes were made during the years he was in that office. Mr. Rippon, who is in that position now, and Mr. Hesselman, who is the clerk of the Committee on Enrolled Bills, have performed almost miraculous work in seeing that no mistakes have been made in the dotting of an "i" or the crossing of a "t" or leaving out of a comma in any of the bills, and thousands of pages are crowded through here every session. In the tax bill alone there were 248 pages of matter.

I desire to make this statement this morning, so that the Members may know that in this Senate concurrent resolution, which was brought back here yesterday for correction, certain language in the resolution was superfluous and it was sent back by the President for correction. This correction should have been made by the committee in the beginning. No mistake was made in the enrolling clerk's office or by the Committee on Enrolled Bills. [Applause.]

SALE OF ARMS OR MUNITIONS OF WAR

Mr. McREYNOLDS. Mr. Speaker, I ask unanimous consent for the present consideration of the joint resolution (H.J.Res. 347) to prohibit the sale of arms and munitions of war in the United States under certain conditions.

This refers to the Chaco situation.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the joint resolution, as follows:

> *Resolved, etc.*, That if the President finds that the prohibition of the sale of arms and munitions of war in the United States to those countries now engaged in armed conflict in the Chaco may contribute to the reestablishment of peace between those countries, and if after consultation with the governments of other American Republics and with their cooperation, as well as that of such other governments as he may deem necessary, he makes proclamation to that effect, it shall be unlawful to sell, except under such limitations and exceptions as the President prescribes, any arms or munitions of war in any place in the United States to the countries now engaged in that armed conflict, or to any person, company, or association acting in the interest of either country, until otherwise ordered by the President or by Congress.
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> SEC. 2. Whoever sells any arms or munitions of war in violation of section 1 shall, on conviction, be punished by a fine not exceeding $10,000 or by imprisonment not exceeding 2 years, or both.

Mr. McREYNOLDS. Mr. Speaker, we are only going to take a few minutes for the consideration of this joint resolution. The reason for calling it up at this time is the emergency that has existed, and is still existing, in South America in the Chaco section.

As you know, a war between Bolivia and Paraguay has been going on intermittently since 1928. Many people have been slain during this time. The President of the United States is very anxious to do whatever he can to stop this conflict, and I am sure that the people of the United States will approve of his action.

Many munition-producing countries of Europe, as well as the countries of South America, are deeply concerned about this situation, and, I am advised, are anxious to cooperate in an effort to stop this useless conflict. This bill simply prohibits the sale of munitions for the purpose of exportation to these countries if the President so desires in view of conditions existing there, and in cooperation with other countries.

The Secretary of State has this to say about it:

> This conflict has been proceeding intermittently since December 1928, and continuously since June 1932. It has involved the loss of thousands of lives and if it is permitted to continue unchecked, the destruction of life is likely to assume appalling proportions. War in any part of the world is a matter of concern to this Government. But war between two American Republics is of special and vital concern, which neither our humanitarian sentiment nor our feeling of American solidarity will permit us to ignore.
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> I have reason to believe that the arms-producing nations of the world will find it possible to join in this movement, and that the selfish interests of manufacturers and merchants of arms and munitions will not be permitted to stand in the way of concerted action sponsored by the enlightened opinion of the world.

Mr. Speaker, I yield 10 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Speaker and Members of the House, this resolution was reported out of the committee unanimously. It simply carries out the request of the President to give him the power to stop the sale of munitions of war going to the countries engaged in the fight in the Grand Chaco—in other words, Bolivia and Paraguay.

In my humble opinion, this legislation should have been enacted a year or more ago. The Prime Minister of Great

Britain has deliberately, within the last week, accused the United States Government of being responsible for preventing other nations from agreeing to prohibit the shipment of arms to these two fighting nations. Therefore there should be no delay in passing this legislation. The administration should have taken the lead, instead of being compelled by world public opinion to follow Great Britain and other munition-producing countries in stopping the sale of arms and munitions of war to Bolivia and Paraguay.

I rose today in my limited time to call the attention of the Members of the House to a bill that is now on the Speaker's desk, and has been there for several months. It is a bill that originated in the Committee on Foreign Affairs and passed this House to give the President the power to decide on the aggressor nation and to lay an embargo on that nation. We on this side of the House fought that bill bitterly, and I am still bitterly opposed to it as an act of war and not an act of peace.

The Senate amended it by virtually adopting the motion to recommit offered by me in the House, empowering the President to lay an embargo on both belligerent nations or on all belligerent nations, but not on any one nation or the alleged aggressor nation.

That bill has been on the Speaker's desk for several months. The reason, I understand, it has not been called up is that we have just sent Mr. Norman Davis as ambassador at large over to the arms conference at Geneva that begins at the end of this month.

I further understand he wants to go there to bargain and to lead foreign nations to believe that the Congress of the United States will join them in giving the President the power to lay an embargo on the aggressor nation. Such tactics would be utterly unfair and without any foundation, except a good imagination backed by a colossal amount of nerve and bluff.

You might just as well join the League of Nations, and, as far as I am concerned, I should rather join the League of Nations than give the President the power to lay an embargo on the aggressor nation—a measure to provoke war and the right to declare war. You might as well take all the constitutional powers away from Congress and give them to the President—the right to declare war, to destroy the traditional policy of the United States laid down by Washington in 1793, the traditional policy of neutrality adhered to by every President since that time.

Mr. HENNEY. Will the gentleman yield?

Mr. FISH. Not unless I can get more time. Now, everybody in the country ordinarily would say, "Fine, when you give the President the power to lay an embargo on the aggressor." But when you analyze it, you will find that history is full if controversies over which nation was the aggressor. Historians are still debating and disputing as to which was the aggressor nation during the World War. There has never been a war where it has been admitted that one nation was the aggressor. It would be considered an unneutral act, and virtually an act of war, to lay an embargo against one nation as the aggressor. Unquestionably such an unneutral policy would entangle us in all European or Asiatic wars and would only result in involving us and dragging us into foreign wars. And if we should empower the President to determine the aggressor nation, and he should join the League of Nations or the group that is in the League of Nations, we would be virtually enforcing the provisions that are most obnoxious to the American people, the sanction powers of the League of Nations, articles X and XVI.

The Senate of the United States, after careful deliberation, amended our resolution and struck out granting power to the President to select the aggressor nation. So I think it would be most unfair if our Ambassador at Large, Mr. Norman Davis, conveyed the impression to foreign nations that the Congress had any idea of surrendering our constitutional powers to the President to provoke war by committing an unneutral act. Let us assume that Japan continued the fighting in Manchuria or in China and that the President had this power and declared that Japan was the aggressor nation and laid an arms embargo on Japan. The first thing that would happen would be that an American ship carrying munitions under an American flag to China would be seized going into a Chinese port by a Japanese warship, and in 30 days we would be at war with Japan because our national honor would have been impugned. There is not a man or woman in America who wants war with Japan. Yet we would be forced into war because the Congress had given up its constitutional power to lay an embargo to the President and some ambassador at large, someone not elected by the people, might go over to the League of Nations and say to them, "We will go along with you and declare who is the aggressor." Do you not know what would happen?

The United States would be holding the bag and would be expected to do all the fighting. It is time that the United States refuse to pull the chestnuts out of the fire for the rest of the world; it is time that we stop passing moral judgments on the rest of the world; it is time that we minded our own business and stopped meddling and muddling with affairs of other nations. We do not propose to act as an international policeman, and we have plenty of problems to solve at home.

We are a peaceful nation, and we do not want war, and the only war that the United States will declare is a war in defense of our country. [Applause.] I do not know that I have ever felt more strongly about anything in the 14 years that I have been in Congress, because I can see so clearly that if you give this power to determine the aggressor nation to any man, no matter how good he is, some representative, some agent of the President, would surely get us into trouble, and probably into war.

Mr. McREYNOLDS. Mr. Speaker, will the gentleman yield?

Mr. FISH. Yes.

Mr. McREYNOLDS. The impression is held here on this side that the gentleman is making a speech on another resolution that is now on the Speaker's table but not before the House at the present time. A great many Members on this side want to know how the gentleman stands on this resolution.

Mr. FISH. Oh, I am 100 percent for it. I started out by saying so, but the whole issue of an arms embargo is involved in the pending resolution.

Mr. McREYNOLDS. This resolution gives the President the right to prohibit the sale of arms and munitions to anyone who would export to either country or to both countries. There is no aggressor proposition involved, and I wish the gentleman would make that distinction.

Mr. ROMJUE. Mr. Speaker, will the gentleman yield?

Mr. FISH. Yes.

Mr. ROMJUE. I am for this legislation, and the gentleman has announced that he is for it. The gentleman has also announced that there never was a case but that one or the other of the nations was an aggressor.

Mr. FISH. They never admit it.

Mr. ROMJUE. But, as a matter of fact, never a controversy has started but that one or the other is the aggressor.

Mr. FISH. Oh, they both always claim that the other made the first move to mobilize.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. McREYNOLDS. Mr. Speaker, I yield the gentleman 5 minutes more.

Mr. ROMJUE. The gentleman from Tennessee [Mr. McREYNOLDS] has just suggested that the gentleman has gone off to discuss another piece of legislation.

Mr. FISH. Yes; of a similar character that is on the Speakers desk.

Mr. ROMJUE. Does not this legislation amount to an embargo, which the gentleman has just denounced; an embargo in effect against both nations? I think so and I approve of that.

Mr. FISH. Oh, the gentleman misunderstood me. This resolution gives the President power only to stop the sale of munitions to both countries, not to the aggressor country, and the resolution pending now on the Speaker's desk does

practically the same thing, as it permits the President to place an embargo on arms against all belligerent nations, while this merely permits an embargo on the sale of arms to only Bolivia and Paraguay.

Mr. ROMJUE. Very well. Let us see if we know what we are talking about. This absolutely prohibits the distribution of arms to these countries that are engaging in war.

Mr. FISH. This applies only to two countries, Bolivia and Paraguay, and to no other countries, and can be applied only to both and not against one.

Mr. ROMJUE. One or the other must be the aggressor.

Mr. FISH. No; it has nothing to do with the aggressor. It can apply only to both.

Mr. MARTIN of Colorado. Mr. Speaker, will the gentleman yield?

Mr. FISH. Yes.

Mr. MARTIN of Colorado. The gentleman has instanced the case of Japan and China.

Mr. FISH. Yes.

Mr. MARTIN of Colorado. Does not the gentleman well know that Japan, for instance, is fully able to arm and equip herself as against China, and that China is not able to arm and equip herself, and that an embargo against both of them would, therefore, be playing directly into the hands of Japan and against China?

Mr. FISH. I believe that; but that does not change the situation. It is not our fault if China does not protect herself or is not able to do so.

Mr. MARTIN of Colorado. It changes it entirely so far as I am concerned.

Mr. HENNEY. Mr. Speaker, will the gentleman yield?

Mr. FISH. Yes.

Mr. HENNEY. The gentleman made the statement that Members on his side of the House were against this matter when it came up last spring, and inferred that Members on this side are responsible for the legislation.

Would not the gentleman state that this bill was one of President Hoover's pets, and was sent down during his administration, and had the backing of the Members on the gentleman's side of the House at that time?

Mr. FISH. Let me amend that by saying that it was the pet of the so-called "Republican Secretary of State", Mr. Stimson.

Mr. HENNEY. Who is still a Republican wheel horse.

Mr. FISH. Who is called "Wrong Horse Harry" Stimson. He is with you on the tariff. He is with you on the aggressor-nation proposal; and if you want him, you can have him If you take him, for God's sake keep him. [Applause.]

Mr. HENNEY. We are with you on that; we do not wish to accept your gift; but President Hoover sponsored this program.

Mr. FISH. Oh, his Secretary of State did. He was for the League of Nations. It is a League of Nations proposition, and Secretary Stimson was for the League of Nations. Mr. Hull is for the League of Nations, and Ambassador at Large Norman Davis is for the League of Nations. This proposal to permit the President to pick the aggressor is entrance, not by the back door but by the front door, into the League of Nations, to enforce the sanctions of the League known as "articles X and XVI."

Mr. HENNEY. Does the gentleman deny that President Hoover sent down a letter endorsing that program?

Mr. FISH. I do not recollect. I will have to refresh my memory. I do not want to blame Hoover for anything more than is necessary.

Mr. HENNEY. I will ask the gentleman if President Hoover was not in favor of the League of Nations?

Mr. FISH. I am not a mind reader, but I know he never campaigned on any League platform.

Now, Mr. Speaker, I do not yield further.

Mr. Speaker, as one who loathes and abhors war, as one who served in the war, and will go as far as any man or woman in the Nation for peace and peaceful relations in the world, I believe this doctrine of the aggressor nation to be the greatest menace to our people, and the only thing that will lead us into war. At the same time I should like to say a few words, representing my own views, at least. If we are forced into war, let it be in defense of the United States of America and not in defense of the war profiteers and munition makers of America. [Applause.]

Mr. HOEPPEL. Will the gentleman yield?

Mr. FISH. Not at this time. As one who believes in the profits system in this country and not in these socialistic doctrines that would destroy capitalism, I am ready at any time to vote to take the profits out of war, and I am also ready to vote for Government ownership of the munition plants in America. [Applause.]

The SPEAKER. The time of the gentleman from New York [Mr. FISH] has again expired.

Mr. McREYNOLDS. I just want to say the question of aggressor nation is not involved in this bill. It applies to both, if authority is given to the President to prohibit the sale of arms for exportation to Bolivia and Paraguay.

I have not time to reply to the gentleman from New York because of my agreement to take only a few minutes for the consideration of this bill in order to get action at this time. However, the gentleman's speech was almost wholly relative of the House to the bill (S. 3114) to extend the times for for consideration. In order to put us in a better position before other countries, and in a position where this country can be of great service to humanity, we feel that immediate action should be taken.

I ask for a vote, Mr. Speaker.

The SPEAKER. The question is on the adoption of the resolution.

The resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate agrees to the amendments of the House to the bill (S. 3114) to extend the times for commencing and completing the construction of certain bridges in the State of Oregon.

MESSAGES FROM THE PRESIDENT

Sundry messages from the President of the United States were communicated to the House, by Mr. Latta, one of his secretaries, who also informed the House that the President did on the following dates approve and sign bills of the House of the following titles:

On May 21, 1934:

H.R. 7059. An act to provide for the further development of vocational education in the several States and Territories.

On May 22, 1934:

H.R. 473. An act for the relief of Irene Brand Alper; and

H.R. 4274. An act for the relief of Charles A. Brown.

LOANS FOR INDUSTRIAL PURPOSES

Mr. PRALL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (S. 3487) relating to direct loans for industrial purposes by Federal Reserve banks, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill, S. 3487, with Mr. McREYNOLDS in the chair.

The Clerk read the title of the bill.

The Clerk read as follows:

SEC. 9. The Reconstruction Finance Corporation is authorized and empowered to make loans upon adequate security, based on mineral acreage to recognized and established incorporated agencies engaged in the business of mining, milling, or smelting of ores.

Mr. BROWN of Michigan. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. BROWN of Michigan: Page 21, add a new section immediately after section 9, reading as follows:

"The Corporation is authorized and empowered to make loans under section 5 of the Reconstruction Finance Corporation Act, as amended, to any person, association, or corporation organized under the laws of any State, the District of Columbia, Alaska, Hawaii, or Puerto Rico, for the purpose of financing the production, storage, handling, packing, processing, carrying, and/or orderly marketing of fish of American fisheries, and/or products thereof, upon the same terms and conditions and subject to the same limitations as are applicable in case of loans made under said section 5, as amended."

Mr. BROWN of Michigan. Mr. Chairman, this amendment is a committee amendment offered for the purpose of clearing up some doubt regarding the construction of section 5 of the original Reconstruction Finance Corporation Act. By testimony before the subcommittee of the Banking and Currency Committee handling the Reconstruction Finance Corporation matters it appeared that two chairmen of the Reconstruction Finance Corporation have held that the fishing business is not an industry and is not entitled to loans under the Reconstruction Finance Corporation Act. We of the committee believe that this industry is entitled to recognition along with farming, mining, or any other such enterprise. I can tell you very briefly that the amendment is of great interest to all the States bordering the Atlantic Ocean, the Gulf of Mexico, an dthe Pacific Ocean, and it is also of great interest to those of us who live on the shores of the Great Lakes. The industry is one which in 1932 produced 83,000,000 pounds of food products. The Great Lakes themselves produced over $4,000,000 worth of food products, over half of which were produced in my own State of Michigan.

We feel that the amendment is in line with simple, plain justice, and we see no reason why it should not be adopted, so as to clear up this matter of construction.

I shall read an excerpt from the testimony before the subcommittee. This is a portion of the statement made by Mr. Andrews relative to loans to fishing enterprises:

I have taken the matter of including fishing as an industry up with the first two chairmen of the R.F.C.—there have been three appointed so far—and they have answered that they do not find any provision in section 5 which would allow them to deal with a fishing corporation.

This amendment includes fishing as an industry and authorizes loans upon full and adequate security to any person, firm, or corporation engaged in any branch of the fishing or fish-processing industry.

Mr. BLAND. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. I yield.

Mr. BLAND. I would remind the gentleman that a good deal of testimony was taken before the Committee on the Merchant Marine, Radio, and Fisheries to the effect that fishing was an industry extending into many millions of dollars when consideration is taken of the value of the fisheries and allied projects.

Mr. BROWN of Michigan. I thank the gentleman for his contribution.

Mr. KLEBERG. Mr. Chairman, I move to strike out the last word in order to ask the gentleman from Michigan a question; and I shall also address the question to the chairman of the subcommittee, the distinguished gentleman from New York, Mr. PRALL.

The ability of the Reconstruction Finance Corporation under section 5 to make interpretations as to whether certain lines of business may be considered as eligible industries is questioned. I would call the attention of the gentleman to the fact that I am not at all sure that under this bill the ginning industry, one of great importance throughout the entire South, would be eligible for loans.

For the information of the committee I may say that in the past 6 months the manufacturing interests putting out ginning machinery have sold a vast quantity of this machinery to Mexico, Cuba, and other foreign countries.

I know it to be a fact that in my own State of Texas there is a real problem with reference to needed repairs and replacement of this machinery. I know, too, that in my particular section, while they might find that credit was available on certain terms, credit is not obtainable.

Section 5 of the pending bill contains the word "available." The question in my mind is whether or not with the retention of the word "available" in this bill these interests would be able to obtain credit under the provisions of the bill.

Mr. PRALL. I may say to the gentleman from Texas that I cannot conceive of any body of men such as the directors of the Reconstruction Finance Corporation considering ginning anything but an industry.

Mr. KLEBERG. There is no question that it is a large and distinct industry.

One more question, if the gentleman will permit: If the gentleman will turn to page 22, the gentleman will find, beginning in line 8, the words "when credit at prevailing bank rates for the character of loans applied for is not otherwise available." Should not the word "available" be stricken and the word "obtainable" substituted for it? Credit might be available and still not be obtainable.

The purpose of this act is to increase employment. There are many times when credit might be available to certain institutions, but not obtainable.

Mr. PRALL. I would say that that is drawing the line pretty close.

Mr. KLEBERG. But I would remind the gentleman from New York that the banks draw the line exceedingly close.

Mr. PRALL. I know that is true; but I would say that the word "available" is perfectly all right.

Mr. KLEBERG. I am willing, of course, to accept the gentleman's interpretation, because what the gentleman said on the floor should go a long way toward interpreting the intention of Congress for those who are to administer this act. I thank the gentleman.

Mr. FORD. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, this amendment to include the fishing industry within the class of industries to which loans may be made by the Reconstruction Finance Corporation is, in my judgment, a sound one that ought to be adopted.

The Pacific coast has a vast fishing industry stretching all the way from Alaska to San Diego. I have been informed by individuals and corporations engaged in the fishing industry in California that they have been unable to secure adequate bank credit for their business, and as a result are operating under a tremendous handicap.

It seems to me that if this bill is designed to promote employment, to encourage capital to promote the industry of the country, it should specifically include the fishing industry, because of the importance of that industry in the United States. I am in favor of the bill as a whole, and am convinced that this amendment will greatly increase the effectiveness of the measure. We all want business to revive; we all want to see unemployment diminish. For that way lies recovery, and recovery is the goal of the Roosevelt administration.

Mr. HASTINGS. Mr. Chairman, I ask unanimous consent that the Clerk may again read the pending amendment.

There being no objection, the Clerk again read the pending amendment.

Mr. ANDREW of Massachusetts. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I want to say a word on behalf of this amendment. The pending bill is designed to promote the interests of the smaller and the distressed industries of the country. If there is any industry in the entire country which meets these qualifications of being a small-scale and a distressed industry, it is that of fishing. The industry is not conducted by great corporations with large aggregations of capital. It is carried on by small groups of men with very little money back of them. If there is any industry more in distress today than the fishing industry, I do not know what it is. They have suffered from oversupply, from declining prices, from inability to secure credit to replace their nets and gear and equipment. Many of their vessels are tied up at the docks, and many of the fishermen are without employment.

In the last 20 years we have done many things in Congress to promote the interests of those who cultivate the soil, but we have done nothing for those who toil on the sea. During the period of the depression particularly we have passed a long series of measures for the benefit of agriculture, but we have scarcely passed a single measure for the benefit of those who work on the sea.

Some of you think of fishing as a sport, as a means of diversion for vacation days, but there are whole communities in the United States for whose people it is a very serious business, and which depend exclusively upon fishing for a living. The city of Gloucester, Mass., from which I come, has for 300 years found in fishing its principal business. Some 20,000 of its inhabitants depend directly or indirectly upon it for their livelihood today.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. ANDREW of Massachusetts. I yield.

Mr. BROWN of Michigan. I think the House should know that this amendment is in effect the bill introduced by Mr. McCORMACK, of Massachusetts, which was supported by the gentleman from Massachusetts, Mr. ANDREW, and other Members from the Northeastern States before the subcommittee.

Mr. ANDREW of Massachusetts. That is true. We are all intensely interested in it. The men who make their livelihood from this hazardous occupation do not know the 6-hour day or the 30-hour week. They work through the night as well as by day on the sea, battling with the elements, with storms and gales of wind and the turbulent waves, and even in the midst of the ice and the snows of winter; but they earn at best a meager living, and of late many of them have earned nothing at all. Yet they have looked in vain to Congress for some assistance in their plight.

In the last 4 years they have suffered at least as much as has any other occupation in the country, but they have found no relief. They are unorganized. They are most of the time out at sea, referring particularly to those engaged in coastal fishing. They are seldom situated where many of them can get together and discuss what they need to help them. They have no great organizations to speak for them, and no great department of the Government to prepare measures in their behalf. One after another effort is undertaken for the farmers, but the fishermen remain neglected. It would be but another injustice if this measure should not be amended so as to extend them the credit of which they stand in need.

The bill before us was designed to extend the benefit of Government credit to what are called the "smaller industries" of the country. It offers relief to the mining industry, to the smelting industry, to irrigation projects, and to corporations which have mineral deposits. In view of such liberal extensions, if no steps were taken today to help the scattered and helpless fishing industry, upon which at least 200,000 people in this country depend for their living, manifestly it would be cruel and unfair. Fishing is a calling which is dangerous. It is hard. It is not, financially speaking, very rewarding. It is very hard pressed just now. The humble citizens who pursue it as a life work up to the present moment have received little or no consideration from the Federal Government. I hope there will not be anyone in the House to vote against this amendment which offers them at least some possibility of relief.

Mr. BEEDY. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, may I call the attention of the House to a situation which I think will prove of interest and which is in marked contrast to that which is generally found to be the case today. I do not suppose anyone, unless he has had an opportunity to come in close contact with these fishermen, understands just what these hardy, seafaring men have been called upon to go through in the last 4 years. They are a very industrious, frugal class of people. But the facts are as follows: After they have encountered all the hazards of the sea and the uncertainties of the catch have been made certain, their experience has been that when they get fish to the market they are unable to get enough for them to pay the actual cost of operations if you reckon their time of any value. They have been here in Washington for aid. They asked no charity. They wanted to make some arrangements to borrow enough money on their boats, their tackle, their nets and traps to enable them to repair their equipment so that they could carry on. You will recollect a rather picturesque incident which occurred about a year ago when some of these Maine fishermen came here in a sailing vessel. They came up the Potomac River in their sailing vessel and went to the R.F.C. for aid, which they were unable to secure.

Last Wednesday morning—I think I am correct in that day—I picked up the Washington Post at my breakfast table. My eye fell upon an editorial which paid a tribute to the fishermen of Maine. I shall ask to insert the editorial at this point.

REFRESHING

A fund of $100,000 to assist needy fishermen of the Maine coast in repairing their gear or buying new outfits has been refused by those hardy men. With Yankee pride they have informed the State administrator of the Emergency Relief Administration that if he wants to lend them the money they have no objections, but they want no charity.

This independent spirit has long characterized the men of the Maine coast. It may be old-fashioned stubbornness, this insistence upon paying their own way, but it is what they have always done in their struggle to wrest a living from the sea. State Administrator J. A. McDonough was reported so moved by the refusal that he told the men they could pay the money back in cash or in catch.

Just what the Government will do with $100,000 worth of haddock and hake is not quite apparent. If it cannot find a market for the fish as such, perhaps it can turn them into fertilizer, which could then be distributed gratis to other groups of hardy men who have lately been far from averse to seeking Government subsidies.

Here was the cause of the editorial. The chairman of the relief committee of the State of Maine, Mr. McDonough, had offered these Maine fishermen a check for $100,000 as a gift. Did they take it? No. In substance, they said: "We do not think when our Government is in a crisis that we ought to ask it to feed us. We do not want charity. We will give all we have as security for a loan and we will pay back every dollar with interest, but our Government can give us nothing." [Applause.]

I have not been so stirred by an incident for a long time, and I here express pride, not a local pride, but one in which I am sure every man and woman in this House will join me, in that type of American citizen. That is the spirit that is going to save the United States of America in this day of its travail. [Applause.]

Mr. COLDEN. Will the gentleman yield?

Mr. BEEDY. I yield to the gentleman from California.

Mr. COLDEN. May I call the attention of the gentleman from Maine to the fact that in southern California, where the fishermen have brought in tons of fish, being unable to sell them, they have contributed the fish to the unemployed, and this has been the only meat the unemployed of southern California have had available. These fishermen have been very generous.

Mr. BEEDY. I wish to extend my thanks to the fishermen of Maine for this splendid spirit of self-sacrifice and cooperation. I also wish to thank the members of the Banking and Currency Committee for accepting this amendment, and those gentlemen who introduced and sponsored it on the floor of the House. I invite the unanimous support of this House.

Mr. MORAN. Will the gentleman yield?

Mr. BEEDY. I yield to my colleague from Maine.

Mr. MORAN. So far as this amendment is concerned, it does not give anything new or additional, but it does prevent discrimination against the fishing industry.

Mr. BEEDY. That is correct.

Mr. MORAN. And so far as the security is concerned, there is the general requirement that the security must be satisfactory to the R.F.C., anyway.

Mr. BEEDY. That is true.

Mr. BLAND. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, in view of the fact that the Committee on Merchant Marine, Radio, and Fisheries, of which I have the honor to be the Chairman, has given about 5 days' study, and probably longer, to the fish situation throughout the United States, may I say that as a result of the study it was the unanimous opinion of that committee that relief should be extended. While the approval of this amendment has not been formally submitted to the committee, I take the liberty now of saying that I believe that it would have the unanimous support of every man on the committee. I see before me many members of the committee, and I am satisfied that they will agree with my statement.

Some question has arisen whether it would include oysters, lobsters, and other classes of fish. It is my understanding that the amendment is to include all branches of the fish industry, floating and fixed. This would include oysters.

Mr. McCORMACK. Will the gentleman yield?

Mr. BLAND. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. May I say in response to the gentleman's statement that having drafted the bill which is now offered as an amendment by the committee, I appreciate very much the action of the chairman of the committee and the committee. It was my intention that this should include all fishing activities, and I am in absolute harmony with the gentleman's statement.

Mr. BLAND. I have no doubt that it includes oysters and lobsters.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. BROWN].

The committee amendment was agreed to.

Mr. McGUGIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McGUGIN: Page 21, line 9, after the word "agencies", insert the following words: "individuals and partnerships."

Mr. McGUGIN. Mr. Chairman, far be it from me to want to lead anyone in this House to believe that there is a single justification in the world for the Government of the United States furnishing its credit for undeveloped mineral property, as is provided for in sections 8 and 9 of this bill. It is beyond my comprehension that any line of credit could be presented which would be more hazardous and worthless credit.

We find, first, it provides for credit as against mineral rights, not as against a mining institution which is already developed and is making money, but mineral rights; not as against an oil refinery or an oil company which has producing wells, but as against undeveloped oil rights or leases. If we are going to do such a thing, we should at least be fair about it, and we should do as much for the individual or the partnership as we do for a corporation owning undeveloped mineral property.

Under section 9, applying it to the oil business, leave that section as it is, and Standard Oil of New York, Sinclair, or any other oil corporations can go and borrow money on their undeveloped mineral acreage; but the individual cannot do it, and a partnership cannot do it.

The actual facts are that in oil and other lines of mining endeavor, corporations have gone out and undertaken to corner the mineral resources of this country, developed and undeveloped. They have bought up the undeveloped mineral rights on land which they believe is prospective mineral property. It is a burden to carry these leases and rights in the matter of taxes and rentals, and by this act we provide that this undeveloped acreage is good collateral down at the R.F.C.

The principle is wrong; but if we are going to use Government credit to preserve the mineral rights of these corporations who now own these mineral rights, then we should do the same for individuals and partnerships.

Again, so far as the oil industry is concerned, if the Congress is going to extend some special favors here to corporations, it should extend the same privileges to the individuals. If the individual oil man makes a strike, his income tax immediately goes up to the higher brackets, but if a corporation makes a strike it only pays the corporation rate. It is the individual oil man who does the most for the Government, and if we are going to furnish credit on mineral property when that property is owned by corporations, we should do the same thing for the individual or the partnership, and I hope the amendment will be adopted.

Mr. BANKHEAD. Will the gentleman yield for a question?

Mr. McGUGIN. Yes.

Mr. BANKHEAD. It will be recalled that when we had up the original Reconstruction Finance Act, as I recall it, under the leadership of Mr. Garner here in the House, the same proposal was made that loans should not be restricted simply to corporations, but that individuals and partnerships should have an opportunity to borrow from the R.F.C., and at that time President Hoover and the leadership on the Republican side very strenuously opposed any such suggestion.

Mr. McGUGIN. If Mr. Garner was right, then I am sure my amendment will be adopted today, when we have a House the Membership of which is more than two thirds Democratic.

Mr. BANKHEAD. I am wondering about the change of mind on the part of the gentleman.

Mr. McGUGIN. No; so far as I am concerned, I am against the whole section, with or without this amendment, but if we are going to adopt the section, we should have this amendment.

Mr. DOCKWEILER. Will the gentleman yield?

Mr. McGUGIN. I yield.

Mr. DOCKWEILER. Does the gentleman think the word "mineral" in section 9 will be interpreted to include oil and petroleum products?

Mr. McGUGIN. It will if the R.F.C. pays any attention to the law books.

Mr. DOCKWEILER. I should like to see the word "oil" inserted there, because I am not sure that it will be construed in that way.

Mr. McGUGIN. The courts have universally classified oil as a mineral.

Mr. STEAGALL. Mr. Chairman, the committee feels the amendment is scarcely necessary in view of the language of section 5 (d) of the bill but, to clarify the matter, the committee does not object to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas.

The amendment was agreed to.

Mr. MEEKS. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. MEEKS: After section 9, page 1, insert the following as a new section:

"The Reconstruction Finance Corporation is hereby authorized and empowered to make loans at any time prior to January 31, 1935, out of the funds of the Corporation upon full and adequate security to public-school districts or other similar public-school authorities organized pursuant to State law for the purpose of payment of teachers' salaries due prior to January 1, 1934: *Provided*, That the aggregate amount of such loans at any time outstanding shall not exceed $75,000,000."

Mr. MEEKS. Mr. Chairman and members of the Committee, the committee, after careful deliberation, reached the conclusion that this proposed amendment should be incorporated in the bill. The language of the amendment is clear and unmistakable and expresses its purpose. It is to aid one of the most essential activities in the country, namely, the relief of school districts throughout the United States that are in need of funds to pay accumulated salaries. I think that a lengthy discussion of the amendment is unnecessary, as the language makes clear its purpose. [Applause.]

Mr. McCLINTIC. Mr. Chairman and gentlemen of the Committee, I want to congratulate the Committee for having presented the kind of an amendment which, in my opinion, will be beneficial to education. Ever since I have been a

Member of Congress my best efforts have been put forth to support all school activities. On January 16, 1934, I introduced a bill which is known as "H.R. 6971", to authorize the Reconstruction Finance Corporation to purchase or loan money upon school warrants issued in payment of teachers' salaries. This bill was referred to the Committee on Banking and Currency, and when a hearing was held by a subcommittee, headed by the distinguished gentleman from New York [Mr. PRALL], I appeared before the same and delivered an argument in favor of the bill. The present legislation, which proposes to extend benefits to industries, is the result of the hearings held and the various testimony given by Members interested in this subject.

I have called on the Chairman of the Committee on Education and urged that his committee report out a general school bill which will provide for a per capita payment and, in addition, take care of the so-called "educational program"; and, regardless of whether or not it is possible to obtain additional legislation relating to this subject during the present session, I am of the opinion that this amendment will provide sufficient power on the part of the Reconstruction Finance Corporation to extend some aid to school districts.

Within the last few weeks legislation has been presented to the Ways and Means Committee for the purpose of increasing the powers granted to the Reconstruction Finance Corporation; and being the chairman of the subcommittee appointed to hold hearings and make a report on this subject, I appeared before the Banking and Currency Committee for the purpose of finding out whether or not this measure was going to receive consideration; and, inasmuch as this legislation was in the course of preparation, it was not necessary for my committee to try to assume jurisdiction, as the passage of this bill takes care of what I had in mind. Therefore, inasmuch as school warrants are backed up by levies against taxable property, I feel certain that this is sufficient security to cause the Reconstruction Finance Corporation to make loans for the purposes as named in this amendment, and I am sure that the passage of this bill with the added amendment extending the time to June 1, 1934, will be looked upon with favor by all those interested in educational matters. [Applause.]

Mr. GLOVER. Mr. Chairman, and ladies and gentlemen of the Committee, I think this House today is marking time for the future. This, in my opinion, is one of the best bills that we have had the privilege to support. It is going to place industry back where our people can work and earn a living so that they can do away with being constantly in doubt as to how they are going to take care of their families.

This amendment adds strength to this bill. It proposes to furnish aid to schools by providing for the cashing of teachers' warrants.

In the early part of this session I introduced the first bill that was offered in this Congress to take care of this situation that was so appalling and so disturbing to the school interests of our country and to relieve teachers who are carrying their warrants received for teaching.

Mr. COX. Will the gentleman yield?

Mr. GLOVER. I will.

Mr. COX. Is not there a popular demand from all parts of the country for this legislation?

Mr. GLOVER. Yes. I think the Reconstruction Finance Corporation cannot serve a better purpose than in carrying out the purpose of this amendment. The trouble with the school situation now is that they have built fine schoolhouses all over the country in a time of prosperity, thinking that prosperity would go on. They contracted for the payment of the buildings and must necessarily set aside funds to take care of those contracts.

Now, the teachers are the ones that are suffering most. The teachers of my State—and I presume it is true all over the country—have been forced to take school warrants, which are as good as gold but cannot be paid now, as there is sufficient property behind them, and the Reconstruction Finance Corporation will not lose one penny. But the teachers are having to carry these warrants; they have deposited them in the bank and have drawn a small percentage of their value but are not able to take up the warrants.

The bill that I offered before the committee had a respectful hearing by this committee, and I am glad to have that principle in this bill. That was the principle that was advocated by every educator who came before your committee and before the Committee on Education. This is one of the most vital parts of this bill, and it ought to have been in it originally. I hope the amendment will be adopted. [Applause.]

Mr. DOUGLASS. Mr. Chairman, I move to strike out the last two words. I take this time to speak to you as Chairman of your Committee on Education. While I do not oppose as such this amendment, I want you to understand the position of the Committee on Education, of which I have the honor to be chairman. We have been discussing in that committee for 3 or 4 or 5 months the need of Federal emergency aid to education, and we have tried honestly to determine that issue according to our ability and according to the evidence presented to us. Your Committee on Education has reported H.R. 9544, a bill to provide for cooperation by the Federal Government with the several States and Territories, and the District of Columbia, in meeting the crisis in education. The essential provision of the bill is that $75,000,000 shall be appropriated for carrying out the purposes of the act from the Federal emergency relief funds that are to be provided this year, to be disbursed on the basis of need by the Federal Relief Administrator, with the advice and cooperation of the Commissioner of Education. There is an overwhelming demand throughout the country from all the State superintendents of education, or practically all, for relief for education in order that the common schools of less than college grade shall be kept open in this Nation next year. I have no objection to the paying of back salaries already due, but I tell you the great need, beginning in September, with the scheduled opening of the schools, will be that the children shall go back into the schools, and unless this Government appropriates the $75,000,000 which the Committee on Education has asked for in some form, in some manner, before adjournment of this Congress, then there are thousands of schools that will not be opened in this country next September. If that sad event happens, if that catastrophe befall, it will be most unfortunate, because when you close the door of the school, you open the door of the jail. If this measure under discussion is intended to take the place of the bill which your Committee on Education has reported, I would be against it, but I hesitate at this moment to take that position.

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. DOUGLASS. Yes.

Mr. BOLAND. Is the gentleman aware of the fact that schools in Pennsylvania will not be able to keep open during this next year unless some provision is made?

Mr. DOUGLASS. I am perfectly aware of that fact. We have evidence and documents submitted to us from all the State superintendents of the Nation calling upon the Federal Government to expend, not $75,000,000, but $150,000,000. Your committee feels that the pressing need is not to pay for obligations past due, but to open the schools next September, and you will be doing a great injustice to the youth of this Nation, you will be buying and selling their future morality, you will be opening the doors of the jails to them if you do not do something by way of emergency aid and do it in this session. I hate to believe that this measure was brought in to hamper or defeat our Education Committee bill, because the Committee on Rules will not give us a rule on it, but I am going to insist that this House, later, when I have better opportunity to make a speech on the subject, shall hear from us in the form of an amendment to the emergency relief bill, and I appeal to you to think what you are doing here today. Pay the teachers what is owing them from the past, if you will, but give us something to open the schools with next fall and pay the teachers in the near future. Protect the youth of America. Think what you are

doing here today, and if in your hearts and souls you believe that the passage of this amendment will thwart needed relief to education in the immediate future, then vote against it. [Applause.]

Mr. HASTINGS. Mr. Chairman, I offer the following amendment to the amendment, which I send to the desk.

Mr. PRALL. Mr. Chairman, I make the point of order that this bill is really an amendment to a Senate bill and is subject only to one additional amendment. I make the point of order that the amendment of the gentleman from Oklahoma to that amendment is an amendment in the third degree and not in order.

The CHAIRMAN. The Chair overrules the point of order because this amendment, in the nature of a substitute for the Senate bill, is being considered as an original bill and is subject to the same amendments as if it were an original bill. The Clerk will report the amendment.

The Clerk read as follows:

Amendment by Mr. HASTINGS to the amendment of the committee offered by Mr. MEEKS: Strike out in the amendment "January 1, 1934", and insert "June 1, 1935."

Mr. HASTINGS. Mr. Chairman, the pending amendment is as follows:

The Reconstruction Finance Corporation is hereby authorized to make loans at any time prior to January 31, 1935, out of the funds of the Corporation, upon full and adequate security, to public-school districts, or other similar public-school authorities, organized pursuant to State law, for the purpose of the payment of teachers' salaries due prior to January 1, 1934, provided that the aggregate amount of such loans at any time outstanding shall not exceed $75,000,000.

The amendment which I have offered is to strike out "January 1, 1934" and insert "June 1, 1934."

You will see that the effect of this amendment, if adopted, will permit loans to be made to school districts for the payment of salaries to teachers upon outstanding school warrants on and after January 1, 1934, and up to June 1, 1934.

This is an important amendment, and I should like to have your earnest attention to it for a moment, and I really hope it will be accepted by the committee.

The fact is that in nearly every school district sufficient taxes are collected to pay the salaries of teachers up to January 1 of each year, but the difficulty is the payment of the salaries of teachers after January 1 of any year. This is true in Oklahoma. Practically all the school districts collect enough taxes to pay all outstanding warrants up to the first of the year, but thereafter the teachers, who are very poorly paid at best, are compelled to discount their warrants at ruinous rates; and the truth is that during the past few years some teachers have been unable to secure money on their warrants at any price.

The law in my State of Oklahoma requires the warrants for any scholastic year to be paid in the order of issuance, out of the funds collected in taxes or other sources; but if sufficient taxes are not collected or funds derived from other sources to pay all the outstanding warrants issued against the funds of any school district, they are not paid out of the taxes collected during the coming year, because the funds collected during the coming year are used to meet the obligations of that particular year. You will see, therefore, that the teachers are particularly concerned with the warrants issued during the last half of the school year, and that, of course, is after January 1 of each year.

The truth is that in practically every rural school district in my State of Oklahoma, and I assume this is measurably true throughout the entire country, taxes are not collected during these distressed times in sufficient amount to meet the warrant obligations issued against the taxes. As I have stated, if a warrant issued during the last half of a school year is not paid out of the taxes collected for that year, this warrant is not paid the following year, and there really is no way to collect it except by bonding the district or to bring suit and get a judgment against the district, and after a judgment is secured it may require 3 or more years to collect it.

You will see, therefore, that if you really want to help the poorly paid teachers you will vote for the amendment which I have offered, which will extend the time within which loans may be made, from January 1, 1934, to June 1, 1934, so that loans may be made to school districts to pay the salaries of teachers for the spring months of the year and until June 1, 1934.

Now, this is an important amendment, if you really want to help the teachers of the country.

Mr. BROWN of Michigan. Will the gentleman yield?

Mr. HASTINGS. I yield.

Mr. BROWN of Michigan. The gentleman did not mean June 1 of this year?

Mr. HASTINGS. Of this year.

Mr. BROWN of Michigan. The amendment reads 1935.

Mr. HASTINGS. I meant it to read June 1, 1934.

I ask unanimous consent, Mr. Chairman, that the amendment be corrected to read "June 1, 1934."

The CHAIRMAN. Without objection, the amendment will be so corrected.

There was no objection.

Mr. HASTINGS. I hope the author of the original amendment will accept this amendment, as it is very important to the teachers throughout the country.

The CHAIRMAN. The time of the gentleman from Oklahoma [Mr. HASTINGS] has expired.

Mr. LUCE. Mr. Chairman, the information I am about to give the committee is of vital importance to every Member outside the city of Chicago who hopes that his home region will profit by this bill.

The amendment proposes full and adequate security for loans, and, in my judgment, there is not a single school district in the United States outside of Chicago which can meet this requirement. So I am opposing the amendment primarily that the Committee on Banking and Currency may not be held responsible by Members when they find they have been given a gold brick. "Full and adequate security!" Now, why can Chicago give full and adequate security? Because it owns a block in the heart of the city that is worth $40,000,000. Let every Member here who hopes to get something for his own school district ask himself what security that is full and adequate it can present. He may suggest tax warrants. Is there a man here who would lend a dollar today on any tax warrant in the United States where school teachers are unpaid? Is it not known that communities in Florida are in insolvency today and that we are passing legislation to relieve bankrupt communities generally? The value of a tax warrant depends upon the willingness of the citizens in the district in question to vote the money. There is no certainty that they will ever vote the money, and no prudent man would lend on the tax warrant of a district that cannot pay its teachers.

But you may say there are the school buildings and grounds, which can, in effect, be mortgaged in order to get this money. Is there a man here who would accept a school building as security for a loan? It is of no value for any other purpose. Its life is short as a rule. It is usually not built of fireproof material, and the ground upon which it rests is often of insignificant value. So you can remove school property from the security that can be given.

So that in effect, barring some few localities in Kentucky, I think, this amendment is not worth a continental to anybody outside Chicago, who is being asked to vote for it on the ground that it will help his school district. The amendment is a camouflage for relief for the second largest city in the United States, a city of great wealth and prosperity, which now through several years has been unable to extricate itself from the slough into which it was plunged by disgraceful local politics. The city of Chicago is an instrumentality of the State of Illinois. The State of Illinois has refused to meet this situation. It has recently passed some legislation that may help, but now for several years it has turned a deaf ear to the teachers in Chicago, who have been left in a pitiable plight that should arouse the sympathy of anybody except a ward politician.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. LUCE] has expired.

Mr. LUCE. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. LUCE. By reason of their inability to get from the legislature the necessary legislation, or to induce the legislature to call a constitutional convention to change the constitution, Chicago has floundered in this slough of mud, and now comes here, because it will not save itself, because the Legislature of Illinois will not save it—comes here to ask the credit of the United States, aye, the credit of the residents of all these school districts that are being deceived in the expectation that they will get something out of the bill—the credit of the whole country, to save a city that will not save itself.

There came to the subcommittee a witness from the city of Chicago, Prof. Simeon E. Leland, Professor of Economics in the University of Chicago, and a member of the State Tax Commission of Illinois, and he made this statement:

As I see it, there is only excuse for two sets of government, Federal Government and urban government, and I would abolish all the rest in between.

He qualified by saying this was only his philosophy. He did not ask us to accept it; but if he had his way, he would abolish the State of Illinois and he would abolish every other State. Is it not a pity that we have reached a point where men of learning come before us and suggest to us that we abolish all the 48 States of the Union? He comes from the observation of an administration of a city in a State where I do not marvel such views should germinate. He comes from a city so debauched in the conduct of its affairs that it cannot get relief from its own legislature. So he would abolish State legislatures to justify the demand on the Treasury of the United States of America.

Then the real question is here whether you will feel it expedient by national legislation to supplant the State of Illinois and say to the city of Chicago that it may raise money on the $40,000,000 block in the center of the city. There is no question here of help for any other school districts. That it is impracticable and impossible to give, and it is certain will not be given.

I trust that, knowing the facts in the case, the committee will not see fit to allow itself to be used to pull the chestnuts out of the fire for the city of Chicago. [Applause.]

Mr. KENNEY. Mr. Chairman, will the gentleman yield?

Mr. LUCE. I yield.

Mr. KENNEY. Do I understand the gentleman wishes to convey the idea that there is no city, no school district throughout this country, that is not financially responsible, that should not be considered for any kind of a loan?

Mr. LUCE. I undertake to say that the requirement of the amendment "full and adequate security" will not be met by any school district in the United States outside of the city of Chicago.

Mr. KENNEY. May I ask the gentleman whether or not the Reconstruction Finance Corporation, after the passage of this bill, will not be a large banking institution so far as the making of loans is concerned and stand in the place of the ordinary commercial bank?

Mr. LUCE. Oh, I suppose so—in effect.

Mr. KENNEY. And has it not been true in the past that the municipalities of this Nation have always been considered for loans by all the commercial banks of the country?

Mr. LUCE. That is perfectly true, but at the present moment municipalities are coming here to ask us to pass legislation to treat them as bankrupts and provide for their going through insolvency.

[Here the gavel fell.]

Mr. SABATH. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I am grateful to the gentleman from Massachusetts for at least conceding that should a loan be made to Chicago, it would be fully secured and repaid. This is really more than I had expected from the gentleman. Now, I assure the gentleman that within the last few years the city of Chicago has demonstrated to the world, if not to the gentleman from Massachusetts, that it is making progress in every direction. The city now has a splendid administration which is doing everything within its power to rebuild the fair name of Chicago. I recognize that up to about 2 years ago the city of Chicago suffered. I am not going to talk politics, nor am I going to say that it was due to Republican maladministration, but is not that a fact? I assure the gentleman from Massachusetts, and every other Member present that we of this city are making progress and now have perhaps as good a record for accomplishment as any other city in the United States.

I differ with the gentleman from Massachusetts when he says that this amendment would afford relief to no school district in the United States outside of Chicago, for an examination of the amendment offered by my colleague [Mr. MEEKS], a member of the committee, will disclose that it is substantially my bill, H.R. 9465, and will show that the provision to which the gentleman objects, namely, to make loans upon full and adequate security, are embodied in other provisions of this bill and in all sections granting authority to the R.F.C. to make loans.

Take any section at random, and this will be found to be the case. For instance, section 8 states that "the Reconstruction Finance Corporation is authorized and empowered to make loans upon full and adequate security based on mineral acreages", and so on.

The gentleman from Massachusetts [Mr. LUCE] stated also that the great State of Illinois has neglected or refused to come to the rescue of its unpaid 16,000 deserving school teachers. May I again call his attention to the fact that in a special session of our legislature a few months ago an act was passed authorizing the Chicago Board of Education to pledge not only a great block of its property, which has a value of $40,000,000, and which he described, but any other property owned by the Board of Education not used for educational purposes, to obtain money with which to pay its school teachers?

I also wish to say that not one single cent of this authorization will be taken out of any other appropriation provided for or authorized in this bill. The Chairman of the Reconstruction Finance Corporation has plainly stated that the Corporation can make loans up to $100,000,000 out of funds that have already been repaid and which are again legally available for loan purposes.

The pending amendment was adopted by the Committee on Banking and Currency after weeks and weeks of careful consideration. It has been carefully worded; the Government's highest interests are protected; it has the approval of every member of the committee, with the exception of the gentleman from Massachusetts [Mr. LUCE], and one or two others; it has the approval of the Reconstruction Finance Corporation, and the approval of the administration also.

Let me again call attention to the fact that this is merely an authorization and not an appropriation. It only authorizes the Reconstruction Finance Corporation to make loans to the limit of $75,000,000 for the payment of school teachers' salaries. I repeat, it applies to all school districts in the United States, provided, of course, that they furnish full and adequate security, and I disagree with the gentleman from Massachusetts [Mr. LUCE] when he states that there is not any other district in the United States, outside of Chicago, that is not solvent and that can furnish good securities that are and will be acceptable to the Corporation. I am reliably informed that 27 States will be able to comply with the requirements of my amendment.

I desire to say one word, if I may, Mr. Chairman, to the gentleman from Massachusetts [Mr. DOUGLASS], who has made an earnest and convincing plea for his committee bill. I want to say to the gentleman from Massachusetts and those interested in the gentleman's bill that when the gentleman asks for a special rule for his bill, I, as one member of the Rules Committee, shall gladly vote for it, because I am in favor of the Congress' doing all within its power to take care of the country's praiseworthy educational institutions. Congress should come forward and do the righteous

thing, the imperative thing, for these brave men and women to whom we confidently intrust the education of the youth of America.

The gentleman from Massachusetts, I believe, has stated that this bill will not interfere with his bill. I shall give the gentleman the same support of his bill that I am giving to this meritorious amendment of the committee. I believe this amendment is of extreme importance. I assure the Membership of the House that the provision is broad enough to make possible the authorization of loans on good security to any school district.

Mr. Chairman, ladies, and gentlemen, the mere fact that I remained here today at my post of duty rather than leave the city to attend the funeral tomorrow of a close relative should prove my vital interest in the worthy cause of these unfortunate school teachers, and through them the great cause of popular education.

I cannot close without extending my thanks and appreciation to the gentleman from Michigan [Mr. BROWN], who has recognized the merit and need of this amendment, and for the great aid he has given me and the great service he has rendered in obtaining favorable consideration. This also applies to Mr. PRALL, of New York, Mr. GOLDSBOROUGH, of Maryland, Mr. SISSON, of New York, Mr. FARLEY, of Indiana, and to my colleague, Mr. MEEKS, of Illinois, who, as a member of the Committee on Banking and Currency, and for the committee, offered my amendment.

Mr. PRALL. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 5 minutes.

The motion was agreed to.

Mr. TERRELL of Texas. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I do not think I shall take over 5 minutes; I just want to express myself on this proposition, although I know I am on the unpopular side, as I usually am; but that does not keep me from expressing my views.

So far as I am able to understand, there has never been a decision of the Supreme Court of the United States holding that Congress could appropriate money to anything except Federal projects. The Reconstruction Finance Corporation Act has never been passed upon by the Supreme Court. A number of important laws, as a matter of fact, have never reached the Supreme Court. I am one of those who believe that Congress should not enact a law unless there is constitutional authority for the law, and I am trying to stand by this proposition.

I taught school for many years, and certainly am in sympathy with the school teachers. I should like to help the schools, but I know this is a State problem, and was so declared by the framers of the Constitution of the United States. Congress has no right to appropriate one dollar for schools anywhere in any State, and I base this statement not only upon the Constitution itself but upon the decisions of the courts of the United States and upon veto messages of Presidents who have disapproved legislation of this kind.

Mr. KENNEY. Mr. Chairman, will the gentleman yield for a question?

Mr. TERRELL of Texas. I yield for a brief question.

Mr. KENNEY. The Reconstruction Finance Corporation has been making money out of its loans, has it not?

Mr. TERRELL of Texas. That does not alter the question at all, even though they may have made hundreds of millions.

I read now, Mr. Chairman, an excerpt from the veto message from President Buchanan, who was President of the United States during the year 1859, when this law was enacted.

This is very short. The Congress had passed a law donating land and land scrip for the establishment of agricultural and mechanical colleges in the different States. He vetoed the bill, and here are just a few of his words:

I deem it to be both inexpedient and unconstitutional.

Does Congress possess the power under the Constitution to make a donation of public lands to the different States to provide colleges for the purposes of educating their own people? I presume the general proposition is undeniable that Congress does not possess the power to appropriate money in the Treasury, raised by taxes on the people of the United States, for the purpose of educating the people of the respective States. It will not be pretended that any such power is to be found among the specific powers granted to Congress, nor that "it is necessary and proper for carrying into execution" any one of these powers.

Should Congress exercise such a power, this would be to break down the barriers which have been so carefully constructed in the Constitution to separate Federal from State authority. We should then not only "lay and collect taxes, duties, imposts, and excises" for Federal purposes but for every State purpose which Congress might deem expedient or useful. This would be an actual consolidation of the Federal and State Governments, so far as the great taxing power is concerned, and constitute a sort of partnership between the two in the Treasury of the United States, equally ruinous to both.

Mr. KELLER. Will the gentleman yield?

Mr. TERRELL of Texas. I yield to the gentleman from Illinois.

Mr. KELLER. That was before the Civil War?

Mr. TERRELL of Texas. Yes.

Mr. KELLER. And the Congress afterward did pass the very bill that the gentleman objects to?

Mr. TERRELL of Texas. That is true, but it has not yet been passed upon by the Supreme Court.

Mr. KELLER. But it has been in effect for many years?

Mr. TERRELL of Texas. It has been in effect, that is true. Many laws have been passed years ago that are unconstitutional and have not been passed upon by the Supreme Court of the United States.

Mr. KELLER. It has been good for the schools all over the country.

Mr. TERRELL of Texas. Some of them have, but I am going to stand by the Constitution of the United States, as I understand it.

[Here the gavel fell.]

Mr. STEAGALL. Mr. Chairman, I do not believe the committee will object to the Hastings amendment, which accomplishes substantially what was desired by the original amendment.

Mr. HASTINGS. Mr. Chairman, I ask unanimous consent that the committee amendment and the amendment thereto may be again read.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The Clerk again read the amendments.

The CHAIRMAN. The question is on the amendment to the committee amendment.

The question was taken; and on a division (demanded by Mr. HASTINGS) there were—ayes 87, noes 50.

So the amendment to the committee amendment was agreed to.

The CHAIRMAN. The question now recurs on the committee amendment as amended.

The question was taken; and on a division (demanded by Mr. SABATH and Mr. GLOVER) there were—ayes 90, noes 73.

Mr. LUCE. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed as tellers, Mr. MEEKS and Mr. LUCE.

The Committee again divided; and the tellers reported that there were—ayes 113, noes 80.

So the committee amendment as amended was agreed to.

Mr. BROWN of Kentucky. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. BROWN of Kentucky: On page 21, after section 9, insert a new section as follows:

"That the Reconstruction Finance Corporation is authorized to make loans for periods not exceeding 20 years, to finance the acquisition of any system, plant, or works for the production, transmission, or distribution of electric energy by such public corporations, bodies, or instrumentalities as are referred to in section 201 (a) (1) of the Emergency Relief and Construction Act of 1932. The provisions of title 2 of the Emergency Relief and Construction Act of 1932 as amended and all acts supplementary thereto applicable to loans to said public corporations, bodies, or instrumentalities so far as consistent with the terms thereof shall apply to loans made under the terms of this section."

Mr. LUCE. Mr. Chairman, a point of order. The Committee has already passed upon this proposal.

Mr. BROWN of Kentucky. Mr. Chairman, I desire to be heard.

Mr. RANKIN. This is not the same proposal.

The CHAIRMAN. Does the gentleman from Massachusetts desire to be heard further?

Mr. LUCE. I do.

Mr. Chairman, my understanding is if there is a substantial change in a proposal that has been defeated, it may be brought up; but if the new proposal is not essentially different, the Committee cannot be obliged to take the time to consider it again.

Mr. RANKIN. Mr. Chairman, may I call the attention of the Chairman to the fact that a substantial change has been made, as will appear from a reading of the amendment. The amendment on yesterday confined its application to municipalities that purchased power from public plants, which necessarily confined it to small areas. That has been eliminated by this amendment and therefore broadens the scope of the amendment to reach the entire country.

Mr. Chairman, I submit that the change is radical, substantial, and entirely changes the purport of the amendment, and that the gentleman's point of order should not be granted.

The CHAIRMAN. The Chair feels that there has been sufficient change made in this amendment to make it a different proposition, and the Chair therefore overrules the point of order.

Mr. BROWN of Kentucky. Mr. Chairman, yesterday afternoon we voted on an amendment somewhat similar in nature to this, but confined only to municipalities buying their power from a Government agency. Whatever objection was offered yesterday afternoon to the amendment was offered on the ground that we were picking out particular portions of the United States and granting a privilege that we did not grant to other sections.

The amendment which I offer removes all such arguments from consideration, because there is not a municipality in the United States that cannot come in under this amendment as offered and get the necessary funds if they can present security that is adequate and satisfies the Reconstruction Finance Corporation. There is not a municipality that cannot come in and get the money. That argument is completely removed from the picture. This applies to every section of the United States.

There is just one issue before us this morning when you vote on the amendment, and that is: Are you opposed to these municipalities being offered the opportunity of owning their own municipal lighting plants?

It is not a question of voting for one section over another; we are voting for all the country, and if you are in favor of municipalities being allowed to own their light plants, then you should be in favor of this Government agency lending the money to make it possible for them to do so.

As the gentleman from Mississippi [Mr. RANKIN] said yesterday afternoon, there is not a type of security that can be offered that is better than the returns from these municipal plants. We have not very many of them in the State of Kentucky. We have had a government there for 30 or 40 years that has been opposed to the people having the right to benefit by these public monopolies. We have had a government there that has not believed the people ought to have the right to purchase cheap power, but that they ought to be exploited by private enterprise. So we have not had an opportunity in more than three or four instances to benefit by municipal ownership. There are in Kentucky the towns of Owensboro, Providence, and Falmouth with the lowest light rates in the State because they have municipal plants, and at least one of these towns is without any city tax rate and is supporting the entire government of the city by the returns on their municipal plant. We should like for the rest of the State of Kentucky to have the right to do the same thing, and we should like for the rest of the municipalities in the United States to have the right to either get a fair and decent rate from their private companies or the right to come to the R.F.C. and, by furnishing adequate security, get the money to buy their own light plants.

This is the issue before us this morning—not to grant relief to any particular section, but to all towns in the United States.

Mr. CONNERY. Will the gentleman yield?

Mr. BROWN of Kentucky. I yield.

Mr. CONNERY. The gentleman said this would allow them to get decent rates from the companies that they now have. What does the gentleman mean by that?

Mr. BROWN of Kentucky. What I mean is, if they cannot enter into a contract with the private companies now serving them, they will have this avenue open to them so they can bring their securities here and borrow money from the Reconstruction Finance Corporation and build or buy the plant that is now in their town.

Mr. CONNERY. I am in favor of the gentleman's amendment.

Mr. RANKIN. Will the gentleman yield?

Mr. BROWN of Kentucky. I yield to the gentleman from Mississippi.

Mr. RANKIN. Let me say to the gentleman from Kentucky, and to the other Members of the Congress, that whenever you give the municipalities the right to borrow this money, then your power companies will begin to bring your rates down. There is no amendment that has been offered in this House that will do more to bring down power rates to the ultimate consumers in this country than this amendment. Very few of these communities will ever exercise this right, very few of them will ever borrow money under this provision, but here is what the amendment will do. You people who live in towns and cities that are being overcharged on electric light and power rates will see them begin to bring those rates down, base them on the cost of production, and not on watered stocks, unreasonable overhead charges, and on great expenditures made to spread propaganda throughout the country, and to keep lawyers on the pay rolls that they do not need in order to keep the people misled as to what they are doing to them.

This will not cost very much, and I sincerely trust that the Membership of the House will adopt the amendment, because it will help to bring the rates down in every town, city, and community in the United States, that has not already brought them down, to the T.V.A. yardstick.

[Here the gavel fell.]

Mr. HOLLISTER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the question before us is really this: Are we going to use the Reconstruction Finance Corporation as a weapon of social justice, as a kind of club to coerce one or the other group in some particular municipal fight, or are we to use it for the purpose for which it was originally created and for which most of us want it extended?

One of the recent speakers has just said that if you approve of municipal ownership you should vote for this amendment. Mr. Chairman, that is a strange statement. The mere fact that we approve the right of an individual to conduct whatever business he sees fit does not necessarily mean that we want to give that person the right to borrow money from the Reconstruction Finance Corporation. The mere fact that you approve of a particular kind of business does not necessarily mean that you want to put the Reconstruction Finance Corporation into that kind of business.

The Reconstruction Finance Corporation was organized for the purpose of bolstering up the economic system of the country by assistance to banks, insurance companies, and railroads. We are now carrying it further and giving direct assistance to industry for the particular purpose of keeping them going and thus keeping people at work.

We all know the purpose for which this amendment has been introduced and we all know it will not put a single additional man to work. The people are already working in these plants that are to be acquired and the use of this money will not put any more men to work than are working now.

To show the manifest absurdity of the suggestion, why, if it is a sound suggestion, should we not take every kind

of public utility and give the same kind of an authorization, whether a street-car system, a bus system, a water-works system, a power line, or anything else of a like nature? How long would the resources of the Reconstruction Finance Corporation last, Mr. Chairman, if we should permit every municipality of the country that wants to acquire anything of this kind to come in and ask for money for such a purpose?

Mr. BRITTEN. Mr. Chairman, will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. BRITTEN. Would not the effect of this amendment be the setting up of a selling agency in practically every city in the United States where private interests have these particular utilities.

Mr. HOLLISTER. It would seem to me it might very well work out in that way.

Mr. BRITTEN. It seems to me it would have that effect in practically every city in the country because wherever they have in any small city or community a more or less defunct electric utility their object would be to sell that utility to the city and a selling agency would be immediately established for that purpose.

Mr. HOLLISTER. In many cases the city would not be helped at all and it would simply mean that some private promoters who had a losing proposition on their hands would see a chance to get out from under.

Mr. LEE of Missouri. Will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. LEE of Missouri. Does not the gentleman believe that any such light plant in the country that wanted to borrow money from the Reconstruction Finance Corporation, whether it was defunct or not, would be just as apt to pay this Government as Mr. Dawes would be to pay the $90,000,000 that you lent him under Mr. Hoover's administration?

Mr. HOLLISTER. I do not think the gentleman is addressing his remarks to the question. I am not suggesting the idea it might not be paid back. I am suggesting that this is not the function of the Reconstruction Finance Corporation. The gentleman, apparently, takes the attitude that a great many of the Members take, that the mere fact that the loan will probably be repaid is a reason why one should be able to go to the Reconstruction Finance Corporation to borrow money. I say that so far we have not adopted that theory, and I do not think we ought to go that far.

Mr. LEE of Missouri. Oh, no; Mr. Chairman——

Mr. HOLLISTER. I cannot yield further to the gentleman.

Mr. BROWN of Kentucky. Will the gentleman yield?

Mr. HOLLISTER. I yield to the gentleman from Kentucky.

Mr. BROWN of Kentucky. If a private individual in a town in your State owned a power plant, under this bill he could borrow money. Does the gentleman contend that if all the people in that town owned such a plant it would be worth any less or it would be any more dangerous for the R.F.C. to lend it money?

Mr. HOLLISTER. But that is not the gentleman's amendment. Under the gentleman's amendment, the R.F.C. may advance money to municipalities to acquire a power plant, not borrow on one already owned.

Mr. BROWN of Kentucky. Under this bill, as now written, the private owner of a plant can borrow money from the R.F.C.; and my contention is that if the people of the town owned the plant, there would be just as good security.

Mr. HOLLISTER. I am willing to yield for a question, but that is not a question.

Mr. TRUAX. Will the gentleman yield for a question?

Mr. HOLLISTER. I yield to the gentleman.

Mr. TRUAX. Is it not a fact that a great majority of the power lines and power plants in the State of Ohio are owned by the Ohio Power Co., a subsidiary of the House of Morgan?

Mr. HOLLISTER. The gentleman probably knows a great deal more about that subject than I do, but the gentleman's question has nothing to do with the proposition I am discussing.

[Here the gavel fell.]

Mr. CONNERY. Mr. Chairman, I think that if this amendment did not do anything else except to give particular cities and towns throughout the United States an opportunity to have some defense against these big power companies who are controlling all the gas and electricity of the United States—if it only gave the cities and towns an opportunity to have a club to say to these power companies, "If you do not give us decent rates, if you do not give us low rates, if you do not give the people a chance, we will build our own plant", I think the passage of this amendment would be worth while.

I am deeply interested in this matter for this reason. In 1912 my father was mayor of the city of Lynn, Mass. He brought down an expert from the Massachusetts Institute of Technology to make a survey of this very situation in the city of Lynn. This expert got all of the facts and figures together and reported that the Lynn Gas & Electric Co. was making some 300-percent profit on the rates that the people of Lynn were paying.

One of my colleagues told me this afternoon that in his city the small home owners today are paying the same rates for gas and electricity that they did when the gas and electric company first started, showing that it is not a question of justice and fair rates. It is not a question of fair rates at all; it is a question of getting everything they can out of the people. I hope this amendment of the gentleman from Kentucky will pass. It will be a great forward step for every city and town in the United States, giving them an opportunity, or a club if you call it, against the big Power Trust, and will let the average taxpayer of the country pay the right rates for gas and electricity and not the high exorbitant rates charged by the Power Trust.

Mr. LLOYD. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. LLOYD. Assuming all the gentleman says in favor of the amendment, what we are trying to do is to furnish industry money so that they can put men to work. Does not the gentleman think the better way would be to provide for this by some other legislation?

Mr. CONNERY. I think there is no time like the present. It is germane to this legislation, and we ought to do it now.

Mr. McFARLANE. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. McFARLANE. Does not the gentleman think that when these municipalities borrow money to build a plant it will put men to work in those industries?

Mr. CONNERY. Yes; and the workers will be supplied with greater buying power, thereby aiding all business men in that city or town.

Mr. DONDERO. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. DONDERO. What does the gentleman say about public utilities regulating the rates of power companies in the cities? Does not the gentleman think they are sufficient?

Mr. CONNERY. I heard a colleague to my right here say just now that the public utilities do not regulate. Of course, there are utility commissions and commissions; some act for the people, others for the interests of the power companies.

Mr. HOLLISTER. I should like to ask the gentleman a question. I do not think the gentleman from Texas understood what the amendment is.

Mr. CONNERY. The gentleman from Texas meant that if in Topeka, Kans., a new plant was being erected by money furnished by the Reconstruction Finance Corporation, that would put people to work.

Mr. HOLLISTER. But that is not covered by this particular amendment.

Mr. RANKIN. Permit me to answer the gentleman from Michigan [Mr. DONDERO]. The trouble is that instead of the State commissions regulating the power interests or the

utilities, the utilities are regulating the State commissions. That is the reason we had to resort to the establishment of the Tennessee Valley Authority, in order to give the people some yardstick by which to measure the rate.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. CONNERY. Mr. Chairman, I ask unanimous consent to proceed for 1 minute more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. TRUAX. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. Yes.

Mr. TRUAX. Concerning what the gentleman from Mississippi [Mr. RANKIN] says, the Public Utilities Commission of Ohio, which is supposed to regulate or fix the rates, is now known by the people not as a public-utilities commission but as a utilities commission.

Mr. CONNERY. Yes; as I said some work for the people, others for the Power Trust. I hope the amendment of the gentleman from Kentucky [Mr. BROWN] will be agreed to. I think it is a good amendment and will inure greatly to the benefit of the small-tax payers of the United States.

Mr. HASTINGS. Will this amendment enable loans to be made to municipalities for the construction, building, and installation of their own plants?

Mr. CONNERY. That is what I understand.

Mr. HASTINGS. Will it allow the building of new ones?

Mr. RANKIN. You can do that under the P.W.A.

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

Mr. WOLCOTT. Mr. Chairman, it has been our hope under this bill to give the full share of benefit to such small industries which cannot now go to the banks or other ordinary lending agencies of the country and obtain capital with which to carry on their business. As a consequence, these factories and businesses have to close, and men and women are put out of employment. We want to give every small industry in the Nation an opportunity to live and progress and to expand and to put men to work. This talk here today about creating funds under the R.F.C. by which municipalities can buy up the utilities of the Nation should not be considered as an amendment to this bill, because we know from the appraisals of these utilities that there are not just a few millions of dollars involved, but there are actually billions of dollars involved. I call attention to the fact that the money provided for in this bill would not be one one-thousandth of the capital of these utilities which are now serving the country. I want to see low rates, and I want to see low rates in the industrial States, such as New York and Massachusetts, the New England States, and in Michigan and Ohio and the Midwest States, and why? Because in these States we have not these subsidized power plants such as you have in the Tennessee Valley, such as you will have in the Grand Coulee District, such as you have at the Wilson Dam and Roosevelt Dam and the Coolidge Dam and the Boulder Dam. We have not the facilities for getting cheap power such as you, and we want to keep these industries. You have taken away from us certain of our agricultural pursuits because of these Government subsidies. When we can soberly sit down around a committee table and work out a plan whereby every municipality may take over its light and power plant, then I think perhaps we should give favorable consideration to it, but in this bill the limitation of $300,000,000 is placed, and if every cent of that money were used in the purchase of public utilities and lighting plants, by municipalities, you could not begin to even buy out one one-hundredth part of the capital stock of these companies, and so all the benefit which you would give to the municipalities by way of reduced rates would be inconsequential. I do not contend that the funds advanced by the R.F.C. under this amendment would be deducted from the $300,000,000 provided for in this bill, but I use this figure solely for comparison. Further, I contend that you are not putting one man to work by adopting this amendment. It is our purpose under this bill to give to the small industries of the Nation a chance to live.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. Yes.

Mr. MAY. To call the attention of the gentleman to the fact that if we loan money to municipalities to acquire these light plants, we will take that much property out of the realm of taxation for the Federal Government when it becomes municipal property. In addition to that, we do not increase employment in any single instance, but perhaps reduce it, because the private utility would employ more men than a municipal plant.

Mr. WOLCOTT. The gentleman is perhaps right. I feel that if the public utility commissions of the several States cannot regulate a situation such as that brought to our attention by the gentleman from Massachusetts [Mr. CONNERY] in which he says the utilities of his State are getting 300-percent profit, then there is something the matter with that State administration.

Mr. BROWN of Kentucky. And I want to say that there is something wrong with the administration.

Mr. WOLCOTT. Then it is up to the gentleman's State to remedy it. Such a condition does not exist in my State. [Applause.]

Mr. GIFFORD. Mr. Chairman, lest an opportunity be not afforded a little later on, I wish to compare what you are doing now in respect to section 9 with section 11. Under this section we seem to be loading down the R.F.C. with all sorts of loans on things which are somewhat doubtful in respect to the relief of unemployment which they would afford. Under section 11, commerce and industry are to be subjected to no such liberal treatment. They must show first that there are no available funds in the local banks, and then must go to the Federal Reserve bank in their district, and after being refused twice, then—and then only—can they go to the R.F.C.. By that time the loan would necessarily be regarded as a most dubious one.

I call to the attention of the committee that I have already heard this point made by those who have a great deal to do with the Reconstruction Finance Corporation. We passed a bill 2 years ago to authorize the Federal Reserve Board to make loans to private industry for 6 months. Did they do it? They did not. We are doubtful as to whether they will do it now. When section 11 is reached, I hope that some member of the committee will see to it that that part of the section be stricken out which provides that when there are no available funds at the local banks, commerce and industry must be forced to go to the Federal Reserve bank of that district before they may make application to the R.F.C. They should be allowed to go either to the Reconstruction Finance Corporation or the Federal Reserve bank.

Section 11 is the important one embodying the real purpose of this bill. This measure is designed to assist commerce and industry, that business may receive a more permanent cure and future unemployment be prevented. I take this opportunity of presenting this matter to the attention of the Committee on Banking and Currency, and I urge that this proposed amendment be presented, especially in view of the unwillingness of the Federal Reserve banks to carry out the plain intent of the Congress expressed in the act of 1932.

At that time I personally called on the Federal Reserve bank in my district and asked if they would make loans to industry, and they said, "Probably not. We do not intend to enter into competition with our member banks, even for 6 months." The intent of the Congress was rudely violated. Under this act an industry must show the Federal Reserve bank why the local member bank will not loan the money. The local bank probably will be called upon by the Federal Reserve bank anyway to pass upon the loan. When the local member banks have money on hand—and they now do have it, but do not see fit to loan it—what possible chance has industry, after being refused twice, to go to the Reconstruction Finance Corporation?

The Reconstruction Finance Corporation could simply say that if the desired loan were not a proper one to be made by the other two agencies, why should or how could they approve it?

Let us see to it that the Reconstruction Finance Corporation, in its delegated duty to assist industry and commerce, is not to be called on to review prejudicial opinions, but rather be permitted to make its own investigations and decision, uninfluenced by the refusals of other agencies which simply do not wish to do business.

Mr. KELLER. Will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. KELLER. I should like to know if, in the gentleman's opinion, Congress is unable to pass a law to compel the agencies of this Government to do what this Congress told them to do?

Mr. GIFFORD. I reminded the Reserve bank officials that the intent of Congress was that they should come to the relief of industry for the next 6 months.

Mr. KELLER. And the gentleman should have said more.

Mr. GIFFORD. I did say a great deal more on the floor of this House on the assembling of the next Congress.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. GIFFORD] has expired.

Mr. BOILEAU. Mr. Chairman, I move to strike out the last two words. I think we should bear in mind that these loans are to be made only upon application of the municipality which desires to have its own electric plant. If the people of a community feel for one reason or another that their interests will best be served by having their own electric plant, it seems to me we should afford those people an opportunity to acquire that plant, by making loans, just as we make loans to private business. This bill provides that the Reconstruction Finance Corporation can make loans to industrial and commercial businesses. It would seem to me only fair that we should loan to municipalities which are desirous of engaging in the power business the money to enable them to acquire a plant. In no locality is there a possibility of an electric plant being established unless the people of that community feel that for some reason or another private business has not been dealing properly with them. The only time there is any agitation for a public power plant is when the people of a community feel they are paying excessive rates. If the people feel that in their locality they are paying excessive rates, it seems to me we would be doing the fair thing in this bill by making money available to them to carry on that business, which is certainly of a public nature.

One gentleman made the statement that this bill would have the effect of taking property out of taxation and placing it in the hands of the municipality which would not pay Federal taxes. That may be true to some extent, but if a public utility, if an electric plant in any given community is paying such large income taxes to the Federal Government that the Federal Government would be materially injured by the loss of that income, then it seems clear that the profits are so large that they should be retained in the hands of the people of that community through the operation of their own public plant.

Mr. RANKIN. Will the gentleman yield?

Mr. BOILEAU. I yield.

Mr. RANKIN. When the Tennessee Valley Authority delivered the contract to the city of Tupelo, Miss., to supply power, to be furnished to the people at rates based on the cost of production, the mayor of the city held that contract up and said, "This contract reduces the light and power bill to the people of Tupelo just exactly as much as our city ad valorem taxes amount to, all told."

Mr. BOILEAU. I thank the gentleman for his contribution.

Mr. MAY. Will the gentleman yield?

Mr. BOILEAU. I yield.

Mr. MAY. I should like to ask the gentleman if he does not feel that if, under this legislation, we authorize municipalities to borrow money to buy these plants, it may be a means by which the municipalities will be able to pay large sums of money in exorbitant and ridiculous prices to the public utilities that now own the plants simply because of the fact that they take it for granted it is all coming from the Government?

Mr. BOILEAU. In coming to that conclusion the gentleman must assume that those who will act for the communities are a bunch of bums, a bunch of grafters, and that they are crooked. In the first place, there must be a sentiment in the community for a publicly owned plant. In the second place no municipality is going to pay an exorbitant price for a plant, or more than the plant is worth. There is no more reason to say that graft will result from the adoption of this amendment than there is to say that there has been graft in the acquisition of all public-utility plants by municipalities.

Mr. MAY. Mr. Chairman, will the gentleman yield further?

Mr. BOILEAU. Yes.

Mr. MAY. Does not the earning capacity of an electric plant in a municipality have a decided bearing upon the sale value of the plant? If it is not earning anything, it will not sell. If the plant is earning a big profit, it will sell at a big price. Would not, therefore, profits have to be taken into consideration in fixing the value of these plants?

Mr. BOILEAU. I do not entirely agree with the gentleman.

[Here the gavel fell.]

Mr. HART. Mr. Chairman, I am very much interested in the statement of my colleague from the seventh district of Michigan to the effect that if the commissions in the various States could not regulate properly the rates paid by consumers, that there was something wrong with the government in those States. Had the gentleman been acquainted with the conditions in his own State he would know that there is and has been something wrong there for years. For instance, the rate the ordinary householders pay in cities comparable in size to Washington is 9 cents per kilowatt-hour. The rate in the city of Washington is 3.2 cents. When I came here it was 3.8 cents. Now, there is no such difference in cost. There might be a difference in cost of a cent a kilowatt-hour, but there is no such difference in cost as 6½ cents per kilowatt-hour.

We in Michigan live in one of the most utility-ridden States in the Union. For instance, the utility which furnishes power for most of the State and for my city is the Consumers' Power Co. I happen to operate a number of plants for which I buy power from this company. The distributing plant of the Consumers' Power Co. which furnishes power to Saginaw and Bay City is located 3 or 4 miles outside the city of Saginaw; as a matter of fact, it is about half-way between the two cities. Saginaw has a population of about 83,000, and Bay City has a population of about 52,000. In Bay City is a municipal distributing plant buying current from the Consumers' Power Co. and retailing it to their inhabitants. I have a competitor in Bay City, 8 miles from my plant. I compared bills with him one day. Each of us happened to have a bill for the same number of kilowatt-hours—2,020. My competitor, buying from the Consumers' Power Co., paid $54, whereas I, buying from the Consumers' Power Co. also, paid $127 for the same number of kilowatt-hours; and our plants are located but 8 miles apart, and we are competitors.

Mr. RANKIN. Mr. Chairman will the gentleman yield?

Mr. HART. I yield.

Mr. RANKIN. The records show that in the city of Detroit, Mich., the consumers pay approximately three times as much for light and power as do the people right across the river in Windsor, Canada, although Windsor transmits hers from Niagara Falls, 250 miles away.

Mr. HART. I am aware of that fact. Now, the conditions were so bad and it was so generally understood that the commission was not functioning in behalf of the people in Michigan that the Governor preferred charges against the commission and removed the commissioners. Now we are beginning to have some hearings before this commission and may get some results.

The practices of these utilities are abominable. They go into city elections. They have furnished the money for certain candidates in city elections. If they have a contract coming up they immediately begin a campaign to elect someone who will negotiate for them; and they write their own rates; they have done it for years.

I am not advocating Government ownership of all public utilities. What I am after is fair rates, fair play.

[Here the gavel fell.]

Mr. PRALL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think we are going far afield in giving any consideration whatever to this amendment. The purposes of the pending bill are to help recovery by extending aid to industries to continue and increase employment. It was never contemplated by our committee that the R.F.C. should be used to buy anything. We have had many hearings on bills providing for loans to municipalities and on bills for other purposes, but none of the proposals were included in this bill because we could not see that they extended aid to the unemployed. I am quite sure the gentleman from Massachusetts is mistaken in his statement that this amendment will relieve unemployment.

In this bill $300,000,000 is provided for one purpose, that of aiding industry to get on its feet. I do not suppose the electric and power plants in this country could be bought for less than billions of dollars, and every amendment adopted by the committee today which removes any amount from the sum set up in the bill for the purpose of the bill takes just that much aid from industry.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. PRALL. I yield.

Mr. SNELL. There seems to be considerable misunderstanding as to the effect of the amendments already adopted on the $300,000,000 the bill carries for industry. For instance, to be specific, is the amount of money that was earmarked for the school districts to be taken from the $300,000,000?

Mr. PRALL. No; it does not.

Mr. SNELL. Then, regardless of any of the amendments put on the bill there will be $300,000,000 for industry?

Mr. PRALL. Yes.

Mr. SNELL. And the sums necessary to take care of the other amendments will be in addition to the $300,000,000?

Mr. PRALL. Yes; that is provided in the amendment. It does not affect the $300,000,000 set up in the bill.

Mr. SNELL. In the hearings before the gentleman's committee was any consideration given to authorizations similar to that contained in the amendment pending before the House at the present time?

Mr. PRALL. Yes; our subcommittee sat for 6 weeks holding hearings almost every day. During that time many bills were presented to the committee upon which it acted unfavorably. Probably a great many of them will be offered today as amendments to the pending bill. Had the committee considered that any of these proposals would have aided the objects sought to be accomplished by this bill the committee would have included the suggestions in the bill. This is primarily a bill to aid industry and not to purchase anything, not to furnish money for such uses as the buying of electric power plants or for States or municipalities to invest in other activities.

[Here the gavel fell.]

Mr. SNELL. Mr. Chairman, I ask unanimous consent that the gentleman from New York may proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. PRALL. I hope the House will stand by the committee. I have no objection to Members introducing bills authorizing the purchase of these plants; but this is an object foreign to the purposes of the pending legislation.

I hope the House will not only vote against this amendment but against every amendment offered which does not primarily take care of industry.

Mr. MAY. Will the gentleman yield?

Mr. PRALL. I yield to the gentleman from Kentucky.

Mr. MAY. The whole effect of the amendment now under discussion would be merely to transfer title from one party to another party and would not aid industry at all?

Mr. PRALL. It would mean absolutely nothing to industry.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. PRALL. I yield to the gentleman from Missouri.

Mr. COCHRAN of Missouri. I have just read the amendment and it seems to me that it gives additional power to the Reconstruction Finance Corporation to loan money to States or subdivisions thereof for the purpose of buying power plants, and so forth. If this amendment carries, will the gentleman say that the money so loaned would come out of the appropriation that we are making for loans to industry?

Mr. PRALL. I may say to the gentleman that in connection with other bills that have been introduced, reports come from the R.F.C. that if those objects, whatever they may be, run into very much money, Congress will have to appropriate additional funds.

Mr. COCHRAN of Missouri. The amendment that we are now considering does not take away from the amount that we are now appropriating, but simply gives to the Reconstruction Finance Corporation the power to loan money for the purpose contained in the amendment, namely, for the purchase of power plants, and so forth. The gentleman is not going to contend that we are taking away one dollar from this loan-to-industry appropriation by the amendment.

Mr. PRALL. It may be construed by the R.F.C. that that is what it means.

Mr. COCHRAN of Missouri. The intent of the Congress right now, regardless of the construction placed upon it by the Reconstruction Finance Corporation later, is simply to give them the power to loan money for the purpose enumerated in the amendment, if they have the money, and not to provide that any part of the appropriation contained in this act is to be used for that purpose.

Mr. PRALL. Well, whatever meaning and whatever interpretation the R.F.C. may choose to make, I hope, and I again ask, the Members of the House to vote against this amendment and not load the bill down with amendments for other purposes.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. PRALL. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. In line with the question propounded by the gentleman from Missouri [Mr. COCHRAN], I call attention to the fact that the amendment with respect to $75,000,000 to cover loans for teachers' salaries specifically provided that it shall not come out of the $300,000,000. It was limited to $75,000,000. I suggest that if it is intended the proceeds of this authorization shall not come out of the $300,000,000, it ought to so state.

Mr. COCHRAN of Missouri. That is what I was trying to show. This will not come out of the appropriation.

Mr. FISH. Will the gentleman yield?

Mr. PRALL. I yield to the gentleman from New York.

Mr. FISH. I am somewhat worried, too. I believe the House should understand as they proceed what becomes of the $300,000,000.

[Here the gavel fell.]

Mr. FISH. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended for 2 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FISH. It seems to me it is very important to understand just where this $300,000,000 goes which we are allocating to the R.F.C. We have a provision in the bill that carries an authorization of $125,000,000 for drainage or irrigation districts to buy bonds with. The question comes up whether they can use the $300,000,000, which was supposed to be for loans to help industries, to buy these drainage bonds?

Mr. PRALL. No; they cannot.

Mr. FISH. Suppose the R.F.C. runs short of funds, can they take any of the $300,000,000?

Mr. PRALL. No; they cannot.

Mr. FISH. I think it is very important that that be made most emphatic.

Mr. PRALL. The appropriation which the gentleman refers to, of $125,000,000, was made under another act some time ago, wherein $50,000,000 was first provided. The $50,000,000 was not sufficient and they applied for $100,000,000 additional funds. We increased this amount to $125,000,000 because they have applications now pending for almost this amount.

Mr. FISH. But could they take any of this $300,000,000 if the other fund runs short?

Mr. PRALL. They are bound to loan $300,000,000 to industry under this bill, regardless of anything else.

Mr. FISH. That is what I want to know.

Mr. PATMAN. Will the gentleman yield?

Mr. PRALL. I yield to the gentleman from Texas.

Mr. PATMAN. Under the existing law, the R.F.C. has the right to extend its credit to irrigation and levee districts, as the gentleman just explained, and under the law, as amended in this bill, to mining corporations, and now it is proposed to extend the benefits to municipalities.

[Here the gavel fell.]

Mr. PATMAN. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. In extending this credit they will be operating under existing laws and using existing funds. They have a considerable amount at their disposal. Section 5 (d) is in regard to extending direct loans to industry and section 5 (d) in giving the R.F.C. permission and authority to extend the loans also makes an authorization of $300,000,000. Therefore, any amendment that we put in this bill, such as the Brown amendment and the Sabath amendment or any other amendment, the amount of money that is expended will not come from section 5 (d) because that section stands out by itself, to cover commercial and industrial loans $300,000,000.

Mr. PRALL. That is the way I understand it.

Mr. COCHRAN of Missouri. Mr. Chairman, I rise in favor of the amendment.

Mr. Chairman, this is a very important amendment. Let it be clearly understood that the gentleman in charge of the bill has plainly stated to the House that if this amendment is adopted the $300,000,000 provided for in this bill will in no way be affected. I say this for the future benefit of the Reconstruction Finance Corporation if the amendment is adopted.

We passed a law appropriating money to be disbursed by the Public Works Administration. There were several counties and municipalities in my State that applied for loans for the purpose of constructing their own power plants. The public utilities of my State immediately went into court and challenged the right of the counties to issue bonds for this purpose. This tied up the loans. A special session of our legislature was held, and I regret to say that it was subject to severe criticism. Why? Because it was claimed by the press that the public-utility corporations operating in the State went to the State capital and by means, fair or foul, protested the legalization of such bonds, and the protests prevented our legislature from enacting legislation that would have enabled the counties and the subdivisions thereof to construct these power plants. If I am in error in what I say, I hope some Member from my State will correct me.

Now, here is proposed a plan to extend an opportunity for the States or subdivisions thereof to apply to the Reconstruction Finance Corporation for aid to construct their own power plants. If the Reconstruction Finance Corporation does not have the money, it cannot lend it; but I see no reason why the Reconstruction Finance Corporation should not have the power to make such loans, provided the money is available.

I may say in conclusion—and this, again, is also for the benefit of the members of the Reconstruction Finance Corporation—the members of the House committee in control of this bill have stated here on the floor that if this amendment is adopted the money is not to come out of the $300,000,000 provided in this bill for loans to industry, but is simply an additional authorization giving power to the Reconstruction Finance Corporation to make such loans if it is in a position to do so. I hope the amendment is agreed to. [Applause.]

Mr. PRALL. Mr. Chairman, I move that all debate on this amendment do now close.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky.

The question was taken; and on a division (demanded by Mr. BROWN of Kentucky) there were—ayes 66, noes 96.

Mr. RANKIN and Mr. COCHRAN of Missouri demanded tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. PRALL and Mr. BROWN of Kentucky.

The Committee again divided; and the tellers reported that there were—ayes 73, noes 124.

So the amendment was rejected.

Mr. WHITTINGTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITTINGTON: On Page 21, following line 10, insert a new section as follows:

"SEC. 9 (a). The Reconstruction Finance Corporation is authorized and empowered to make loans out of the funds of the Corporation upon adequate security to publicly and privately controlled colleges, universities, and other institutions of higher learning, including corporations for higher learning controlled by denominations, to provide emergency relief through the refinancing of accumulated financial obligations: *Provided*, That the aggregate amount of such loans at any time outstanding shall not exceed $15,000,000."

LOANS TO DENOMINATIONAL COLLEGES

Mr. WHITTINGTON. Mr. Chairman, while the title of the bill under consideration stipulates that it relates to direct loans for industrial purposes, the fact is there are other matters embraced in the legislation and it is really an omnibus bill.

I favor the main purpose of the bill, which is to provide for direct loans to industries, to maintain and increase employment of labor where such loans cannot be obtained from existing banking institutions, and I am opposed to all amendments that would divert any part of the $300,000,000 authorized to be appropriated for industries, to other purposes.

Under the Relief and Construction Act of 1932, the Reconstruction Finance Corporation was authorized to make self-liquidating loans to State universities and colleges, and to States, counties, and municipalities for the operation of educational institutions. Under the Public Works Act of 1933, such and similar loans were authorized to be made by the Administrator of Public Works, and the authority previously conferred upon the Reconstruction Finance Corporation was transferred to, and is now vested in, the Administrator of Public Works.

Provision has thus been made in the existing depression for loans to State universities, colleges, and other educational institutions where the public credit may be pledged for their repayment.

There is no existing provision for loans to privately controlled colleges, universities, and other institutions of learning, including corporations for learning controlled by denominations.

The denominational colleges and universities are supported by donations and contributions. They depend upon the liberality of their benefactors. In the very nature of the case, during the wide-spread depression, contributions for the support and maintenance of denominational institutions have greatly decreased. Formerly relief and charity work

was done by voluntary contribution, but in the emergency where worthy citizens who gladly contributed to denominational schools and to charities, without any fault of their own, have lost all, denominational colleges and universities have been among the greatest sufferers.

The denominational institution fills a large place in public education. Citizens are taxed to maintain the State and publicly controlled colleges and universities. The educational facilities afforded by denominational colleges provide for training and educating the youth of the land without direct expense to the taxpayers. They are to be encouraged and maintained, for their proper functioning relieves the taxpayers of providing additional institutions to accommodate the students who now attend denominational colleges and universities.

Personally, I believe that the public interest would be promoted by the enlargement and multiplication of denominational institutions. The duty of the State is to provide the youth with at least a high-school education. The obligation is not so great to provide college or university training. In many States appropriations are made by the State legislatures for scholarships in private and denominational colleges and universities. Without being required to equip or maintain the higher institutions of learning by providing scholarships in denominational colleges, the legislatures are promoting the interests of the taxpayers.

Denominational colleges ordinarily have had excellent credit with banks and banking institutions. The amendment I propose is not a gift or a grant. The justification for the amendment is there is no source of credit to denominational colleges and universities in the emergency. They have ample and sound security; they are entitled to credit. My amendment would authorize the Reconstruction Finance Corporation to extend that credit primarily because banks are unable to provide the necessary loans.

With no taxing power and with gifts and donations largely eliminated as a result of the depression, the denominational colleges and universities are really in a serious plight. In many cases the endowments of these institutions were invested in stocks and securities that have materially declined. The endowments have been seriously impaired. Relief is essential to enable these institutions to function properly.

I am aware that the Banking and Currency Committee conducted hearings on similar proposals. The Senator from Massachusetts [Mr. WALSH] and the gentleman from Kansas [Mr. GUYER] introduced similar legislation some months ago.

While the better practice is for legislation to be reported by the committee rather than be proposed on the floor of the House, I maintain the subject matter is not new. Unless the House considers the amendment which I propose, there will be no other opportunity during the present session for the consideration of this vital and important matter.

Previous provision has been made not only for State colleges and universities, but provision has been also made for agriculture, banking, railroads, and public works. There is nothing more important than the education of the youth of the land. We cannot neglect the training of the boys and girls of today who are to be the men and women of tomorrow. I know of nothing more vital to recovery than the proper training of the youth of today, and I know of no institutions where better training is given than in the denominational schools of the country.

The amendment that I have offered authorizes the Reconstruction Finance Corporation, out of its funds—without taking any part of the $300,000,000 authorized to aid industry in the pending bill—on adequate security, to make loans to denominational colleges, universities, and other publicly and privately controlled institutions, to provide emergency relief through the refinancing of accumulated financial obligations, with the provision that there shall not be outstanding loans aggregating more than $15,000,000 at one time. When multiplied millions are being supplied by the public Treasury for commerce and industry, for relief and for public improvements, I assert that Congress should recognize and encourage the fine work of the denominational colleges and universities by authorizing for the next current year loans aggregating $15,000,000 to aid them in refinancing.

I trust that the amendment will be adopted.

Mr. SMITH of Virginia. Will the gentleman yield.

Mr. WHITTINGTON. I yield.

Mr. SMITH of Virginia. When I heard the amendment read, I was inclined to support it; but I was wondering whether it included preparatory schools.

Mr. WHITTINGTON. The amendment applies to schools of higher learning, because the State and municipally owned colleges may obtain loans under the Public Works Act of 1933. The amendment has to do with institutions of higher learning, and for that reason I limit the amount of outstanding loans at one time to $15,000,000. I have in mind the bill mentioned by the gentleman from Massachusets [Mr. DOUGLASS] and appropriations for preparatory schools under that legislation, which will doubtless come before the House at an early date.

Mr. RANDOLPH. Will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. In West Virginia, over a period of years, the denominational colleges have been the backbone of our higher educational system. Today we have the denominational colleges of the State being driven to the wall. Now is the time to come to the rescue of these worthy institutions. I want to say that I favor the gentleman's amendment.

Mr. WHITTINGTON. And let me say, further, that the loans I seek in the amendment I have offered will aid the taxpayers. The proper fostering of denominational education is for the benefit of the taxpayers of the Nation. The denominational colleges have probably suffered more than any other institutions from the depression. The amendment will afford imperative relief to worthy institutions.

Mr. PRALL. Mr. Chairman, this is clearly another attempt to get from the Reconstruction Finance Corporation funds for other purposes than those which the bill provides. There is no reason in the world why we should confuse this bill by adding amendments providing funds for private colleges or schools or hospitals.

A bill came before the Subcommittee on Banking and Currency which provided for funds for colleges, and the Reconstruction Finance Corporation objected to it. The committee reported adversely, and I again appeal to the Membership to vote down this amendment.

Mr. McGUGIN. Mr. Chairman, I move to strike out the first word. Mr. Chairman, it seems to me in all fairness it comes with poor grace from the Committee on Banking and Currency of the House to complain about an amendment's being added to this bill because it is for purposes other than for industry, especially as meritorious as this amendment is.

The House Banking and Currency Committee received a bill from the Senate which contained 11 pages, and it struck out all of those 11 pages and substituted its bill. The Senate bill was limited entirely to industry, but the House Committee on Banking and Currency had some pet purpose it wanted to serve. It is all right for the committee to take care of pet projects, but it is all wrong for the House to take care of borrowers under the head of "other purposes."

The committee saw fit to make undeveloped mineral acreage a proper subject for credit at the Reconstruction Finance Corporation, and no man has enough ingenuity in financial trickery to think of a credit more flimsy than undeveloped mineral rights.

We are told that $15,000,000 for private and denominational colleges would be loading this bill down with bad legislation. We are told that by the committee, in the face of the fact that the committee provided for making loans on mineral acreage. Undeveloped mineral acreage, Mr. Chairman, is what Dr. Cook sold his securities on.

Mr. WHITTINGTON. And may I say that the $15,000,000 would be available to every one of the 48 States of the Union.

Mr. McGUGIN. Yes; the $15,000,000 could be loaned to denominational schools, and practically all of them own mortgages and other securities of substantial value, and it is quite certain that the money will be paid back. I want it distinctly understood that I did not vote for the R.F.C., in the first instance, and I have never voted for a single bill to extend its authority. I am unalterably opposed to using public credit for private purposes.

We are now debating this bill. I do not intend to vote for it in the end. I do submit that this House could most graciously accept this amendment for the denominational colleges, since the committee has seen fit to take care of mineral acreage, and has seen fit to go far beyond industries and provide for the purchase of preferred stock in insurance companies. Of course, it is common knowledge that when the R.F.C. buys preferred stock it is because the companies do not have adequate securities to present. That is the primary reason any company sells preferred stock. It does not have good collateral upon which to borrow money. It provides in the case of mutual insurance companies to take any security that they offer or that will pass the R.F.C. Why not permit these denominational and private colleges to keep their doors open by adopting this amendment? If there is any merit in this bill, there is more merit in the amendment offered by the gentleman from Mississippi than in anything the bill provides for, other than industry.

Mr. PRALL. Mr. Chairman, I move that all debate upon this amendment close in 10 minutes.

The motion was agreed to.

Mr. SMITH of Virginia. Mr. Chairman, I offer the following amendment to the amendment which I send to the desk.

The Clerk read as follows:

Mr. SMITH of Virginia offers an amendment to the amendment: In line 4, strike out the word "higher" where it occurs in the amendment.

Mr. WHITTINGTON. Mr. Chairman, as far as I am concerned, I have no objection to that amendment to my amendment.

Mr. SMITH of Virginia. Mr. Chairman, I desire to be recognized just to say in behalf of the entire amendment as it is now changed that it seems to me that we should adopt it. It does not interfere with any loans to industries. I am voting, as many of you are, against every amendment offered on the floor that will affect or stop loans to industries or stop putting men to work, and the only chance that you are going to have at this session of Congress to get relief for these educational institutions is on this bill. You will not get a chance on the floor. We are lending money to railroads and insurance companies, on homes and on farms, and on everything else, but we are doing nothing for the privately owned educational institutions, and there is no reason why the Congress should discriminate against them.

Mr. WHITTINGTON. This amendment specifically provides that the $15,000,000 is not to come out of the $300,000,000.

Mr. SMITH of Virginia. Yes; and that it is to be loaned on adequate security. It puts those people on the same basis that you put other private industries. There is no reason why we should discriminate against these institutions.

Mr. LUCE. Mr. Chairman, this proposal received the long and serious attention of the subcommittee. We heard eminent educators from various parts of the country who disclosed to us clearly and convincingly the unfortunate situation in which the private colleges find themselves. That situation received our complete sympathy, yet we decided it was unwise to advise the House to grant their request, partly because of the money involved, but that was, after all, a minor and unimportant consideration. The determining factor was to be found in the fact that this amendment would be a cruelty to the institutions themselves. Those institutions have been founded, conducted, and perpetuated through the benevolence of their friends, largely graduates of the institutions, sometimes individuals of large means, but always as a result of benevolence and philanthropy. Every man within the sound of my voice knows that the moment there is a public supply of funds for any of these institutions private supplies dry up. Men say, "You can get this from the Government or from some subdivision of the Government by a vote of the city council or the State legislature or the Congress. Why should we give anything when you can make the taxpayer do it?"

Mr. WHITTINGTON. Will the gentleman yield?

Mr. LUCE. Certainly.

Mr. WHITTINGTON. May I remind the gentleman that this merely provides for loans to enable those institutions that are supported by contribution to function.

Mr. LUCE. Absolutely. It applies to a loan, but that does not in any way affect the consideration I am presenting, that the moment it is found an institution can be saved from closing its doors by coming to Washington, that moment its friends, its graduates, townsfolk, and everybody else concerned stop taking any further interest in the situation of the institution in question.

Mr. WHITTINGTON. Will the gentleman yield further?

Mr. LUCE. Certainly.

Mr. WHITTINGTON. If we follow that argument to its conclusion, Congress would not make any appropriations for direct relief, would it?

Mr. LUCE. Why, sir, I see nothing to tie up the direct relief the gentleman has in mind with the benefactions that men make to schools and churches and hospitals; and if you begin with the colleges, you would have to go on to the hospitals and you would be asked to go on to the churches. There would be no stopping short of the complete field of private benevolence. So I feel I am accurate in saying that the adoption of this amendment would be an injury to the institutions which it is meant to benefit. So long as there are graduates who have faith in the institutions that gave them their education, so long as there are towns that desire to keep within their borders institutions that shall have their doors open to give higher education, so long as men feel enough responsibility for maintaining those institutions that make for the welfare of mankind, it is unfortunate that such institutions should ask for public funds.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. LUCE] has expired.

Mr. BROWN of Kentucky. Mr. Chairman, if we follow the plea of the able chairman of this committee we might as well abolish all of Congress except the committee. The gentleman asked us, because the committee did not offer this amendment, not to put it in. I do not think there is any doubt that if this mining-pool amendment had been offered from the floor of the House he would have pleaded with us to vote it down, but because it was offered from within the committee it is all right.

Now, there is no question that these private colleges need and deserve relief. The Reconstruction Finance Corporation is not going to loan any money unless the security is adequate. I have had pleas from the best citizens in my district to vote for this amendment on some bill on the floor of this House because our private colleges need this relief. They have the best security on earth to offer. If you are going to have the Reconstruction Finance Corporation, if you are going to loan money to mining pools, if you are going to loan money to any other agencies, private power plants, and not to the public, I see no reason why you should not loan it to these private colleges.

Mr. WHITTINGTON. And they are not able to operate because the banks have been told by the Federal Reserve Board that they cannot make such loans?

Mr. BROWN of Kentucky. The Federal Reserve banks have ruled that these colleges are not sufficiently liquid, and they are not able to borrow money. The Reconstruction Finance Corporation is the only hope they have.

The CHAIRMAN. The time of the gentleman from Kentucky [Mr. BROWN] has expired.

Mrs. McCARTHY. Mr. Chairman, this will probably be the last opportunity we have to give any relief to the private and denominational schools. There are many well-established institutions which will have to close their doors unless

this amendment is adopted. In my own district there is the Salina Wesleyan University and Business College; the latter supplies business education quite largely for one part of my district. One member of the committee in opposition to this amendment stated that the pledges to the schools are unpaid. However, they are unpaid because of the depression, but the people who made those pledges made them in good faith; and as soon as the depression has passed, those pledges will be paid. There is also unpaid tuition due every one of those institutions. The students intend to repay those tuition fees, and those institutions will go on thereafter if we give them some temporary relief. Of course, the objection is going to be made that these are denominational schools and that we have a separation of church and State. That is all well and good and must be continued as a permanent policy, but this is temporary emergency legislation, to meet a time of stress. We owe a debt of gratitude to those splendid denominational schools that have furnished such fine, well-educated citizens in the past, who have become great leaders and statesmen. We should not permit those institutions to close their doors when all they need is a temporary loan from the Government. The money is bound to be repaid, and the students in those institutions will have an opportunity to complete their education.

Mr. RANDOLPH. Will the gentlewoman yield?

Mrs. McCARTHY. I yield.

Mr. RANDOLPH. In the denominational colleges of West Virginia at the present time most members of the faculties are actually serving with their salaries 6 months in arrears. They are actually giving service at great sacrifice, because as members of the teaching profession they continue at their posts in an hour when the Nation needs such consecrated persons to guide and direct those young men and young women who are preparing to become active members of society.

Mrs. McCARTHY. That condition is prevalent in denominational schools throughout the United States.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment of the gentleman from Virginia to the amendment of the gentleman from Mississippi.

The amendment was agreed to.

The CHAIRMAN. The question is on the amendment of the gentleman from Mississippi, as amended.

The question was taken; and on a division (demanded by Mr. WHITTINGTON) there were—ayes 68, noes 77.

Mr. WHITTINGTON. Mr. Chairman, I ask for tellers.

Tellers were ordered; and the Chair appointed as tellers Mr. PRALL and Mr. WHITTINGTON.

The Committee again divided; and the tellers reported that there were—ayes 68, noes 103.

So the amendment was rejected.

Mr. WEIDEMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WEIDEMAN: On page 21, after section 9, insert a new section, as follows:

"SEC. —. That the Reconstruction Finance Corporation is authorized and empowered to make loans direct to municipalities and other governmental subdivisions organized pursuant to State law at an interest rate not to exceed 1½ percent per annum, said loans to be made upon such security in the form of tax-anticipation warrants, short-term notes, delinquent-tax certificates, or other collateral, as the Board may deem adequate to secure such loans; and the Reconstruction Finance Corporation is further authorized and empowered to purchase the tax-anticipation warrants, short-term notes, delinquent-tax certificates, or other collateral of the municipalities and governmental subdivisions organized pursuant to State law, for the purpose of aiding such municipalities and governmental subdivisions in maintaining the necessary and essential governmental expenditures and services."

Mr. WEIDEMAN. Mr. Chairman, this amendment is the so-called "municipal loan amendment" upon which the subcommittee took testimony.

This amendment is approved by the Municipal Council of Mayors, an organization composed of the mayors of approximately 2,000 municipalities.

The bill upon which the original hearings were held did not contain a limitation on the interest rate which could be charged the municipalities for their refinancing needs either through short-term notes, tax-anticipation warrants, or by any other means. It was only after Mayor LaGuardia, of New York; Mayor Wamsley, of New Orleans; the mayor of Newark; and representatives of the mayors of San Francisco and various other cities said that no substantial good could come to municipalities unless there was a limitation upon the interest rate that could be charged them for these loans that such a provision was inserted.

This amendment will authorize the Reconstruction Finance Corporation to make loans direct to municipalities and other governmental subdivisions at an interest rate not to exceed 1½ percent, said loans to be secured by tax-anticipation warrants, short-term notes, delinquent-tax certificates, or other collateral as the R.F.C. Board may deem adequate.

The passage of this bill would save many municipalities and other governmental subdivisions from bankruptcy, and would enable cities, townships, and so forth, to pay up their indebtedness and not default on their obligations, and would guarantee the payments of municipal and county bonds heretofore issued.

Take, for example, the city of Detroit, whose bonded indebtedness amounts to approximately $400,000,000. The city of Detroit has now balanced its budget and is living within its income, but it has an inherited deficit of $13,000,000 which it is carrying on its budget from year to year. In order to carry on the city's business it is necessary for the city to issue scrip bearing interest at the rate of 5 percent per annum. Each time the city has script printed there is a printing cost of about $35,000. Therefore, the yearly cost to the taxpayer to carry this scrip, which is used because the bankers claim they cannot loan the city the necessary money through short-term obligations, is $650,000 for interest and $35,000 for printing, a total of $685,000. If this amendment is passed, the R.F.C. could loan money to the city of Detroit and other governmental subdivisions and cities at the rate of 1½ percent per annum. Under this bill, the cost to the city of Detroit would be $195,000 per year, a saving of $490,000 per year. If municipalities were loaned money at the same rate as the Federal Reserve banks are loaned money, the cost would only be $63,500 per year.

The point I want to make is this: The additional payment of interest is nothing but a bonus for the bankers, paid for by the taxpayers, for which they are rendered no service, and for which they receive nothing in return.

The exorbitant interest demanded by bankers is the reason for the high taxes now levied; it is the reason why, in the name of economy, the salaries of teachers, policemen, firemen, and city employees have been generally reduced; so the divisions of government could live within their income, so they could continue to pay their tributes to the bankers.

Mr. BYRNS. Mr. Chairman, we shall have to get through

Think what a saving it would mean to the people of the country could the municipalities of the country avail themselves of this reduced interest rate, a saving of money which ordinarily would go to the private bankers. This amendment will accomplish something substantial. The President of the United States has said that interest payments must be pared down. You are not going to help municipalities by lending money to them at a greater interest rate or a greater premium.

The United States Government can print money for the Federal Reserve bank at a cost of from one twenty-sixth to one thirty-fourth of 1 percent, the differential being due to the fact that a few years ago bills were printed in the denomination of $10,000, whereas today they are printing bills of smaller denominations, which has slightly increased the cost. If we can finance the Federal Reserve banks at a cost of one thirtieth of 1 percent, there is no reason in the world why we cannot extend similar aid, perhaps in a somewhat lesser degree, to the cities and municipalities of the country; there is no reason in the world why we cannot help the taxpayers of the country by charging the municipalities 1½ percent, or, in other words, 50 times as much as we charge the Federal Reserve bank for printing its notes.

You have authorized loans to school districts. Let me read you what is happening in some of these cities: In Toledo, Ohio, the policemen and firemen have had their wages cut in half. In Youngstown, Ohio, the police department is receiving only one-half pay. In Dayton, Ohio, the funds are in closed banks. In Cleveland the police and fire departments are receiving only half pay for full time, street lights are cut off, and the garbage-collection force is idle.

In San Antonio, Tex., the policemen and firemen are being paid only $75 per month. Wichita Falls is in a serious condition. In Flint, Mich., the operating expenses have been cut in half.

[Here the gavel fell.]

Mr. WEIDEMAN. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. STEAGALL. Will the gentleman yield for a motion?

Mr. WEIDEMAN. I yield to the gentleman from Alabama.

Mr. STEAGALL. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 5 minutes.

Mr. COCHRAN of Missouri. Mr. Chairman, that is not fair.

Mr. BYRNES. Mr. Chairman, we shall have to get through with this bill and the next bill by tomorrow night.

Mr. COCHRAN of Missouri. Mr. Chairman, we have some important amendments to offer.

Mr. STEAGALL. Mr. Chairman, I modify my motion. I move that all debate on this amendment close in 5 minutes.

The motion was agreed to.

Mr. WEIDEMAN. May I impress upon the membership of the House that you are not giving away anything. If we eventually want to solve the problem of the welfare of municipalities, there is only one way to do it, and that is by reducing the interest cost which we have to pay to the bankers for financing. You cannot do it any other way. In the village of Lincoln Park, Mich., the policemen and firemen are on welfare and there are many other municipalities in the same condition.

We are bound to come out of this depression that we have had. We are on our way out of it now, but you cannot help the situation if you are going to pile upon these municipalities interest debt upon interest debt, which benefits only the bankers. You could use these interest savings, if necessary, to pay the school teachers, to pay the policemen and firemen, or you could use it for garbage collection and for other city purposes.

Mr. MAY. Will the gentleman yield?

Mr. WEIDEMAN. I yield to the gentleman from Kentucky.

Mr. MAY. In the reading of the amendment, I did not catch what rate of interest was provided for.

Mr. WEIDEMAN. One and a half percent.

Mr. MAY. There is no law which compels a banker to make a loan. If the rate of interest to municipalities is reduced to one and a half percent, will this not result in the bankers loaning their money to somebody else?

Mr. WEIDEMAN. This is Government money. If the Government can lend its own money to the Federal Reserve banks and that private banking system at one thirtieth of 1 percent, which you gentlemen know is the rate they pay for printing the money, why can we not loan it to municipalities at fifty times that rate?

Mr. DONDERO. How much does this amendment propose to make available for loans to municipalities?

Mr. WEIDEMAN. That is left to the judgment of the Reconstruction Finance Corporation. They may loan anything they want to, but this will not hurt the people of the United States. It will only hurt the bankers, and I suspect they are violently opposed to this amendment. They are opposed to anything which will cut down the interest rate. Interest produces nothing and consumes everything. If we buy an article for $1, 25 cents of that $1 goes for the payment of interest. Our interest bill on public and private debts amounts to three times the amount of our normal Federal Budget.

Mr. DONDERO. Other moneys would have to be appropriated for the Reconstruction Finance Corporation in order to meet these demands.

Mr. WEIDEMAN. We have not had much trouble in that direction in this Congress.

Mr. RICH. Will the gentleman yield?

Mr. WEIDEMAN. I yield to the gentleman from Pennsylvania.

Mr. RICH. What interest rate does the gentleman expect to charge municipalities for the lending of this money by the Federal Treasury?

Mr. WEIDEMAN. One and one half percent.

Mr. RICH. If we loan money at 1½ percent what does the Federal Government have to pay for the money?

Mr. WEIDEMAN. The Federal Government should not have to pay a penny if they furnish the same kind of money that I have in my pocket, and that they issue to Federal Reserve banks. I have here a $5 bill, which was issued in 1929. I wish you would examine your money. This money has behind it Insull bonds, foreign bonds, and cats and dogs. This is national currency. All the national-currency bills do not have this on them: "Or by like deposit of other securities." They have Insull bonds, German bonds, Brazilian bonds, and so forth, deposited with the Federal Reserve banks, and they are given these brandnew United States national currency notes. This is the same kind of money and the same privilege that I propose to give to municipalities.

Mr. RICH. The Government in securing its funds must pay 3 percent, we will say, for the money that they borrow. How can they furnish money to these municipalities and pay 3 percent, unless it is fiat money?

Mr. WEIDEMAN. Well, if this is fiat money or if what the gentleman states is true, we are on fiat money now.

This same kind of money issued to bankers is called sound money, but when we advocate the identical kind of money backed by the faith and credit of municipalities, the sound-money men would make you believe that it is not as good as money backed by Insull bonds, German bonds, or by mere promissory paper of an individual, or of even a foreign commercial house.

The taxpayers and citizens of cities and villages should be given the same opportunity as is given to the Federal Reserve bank and to international private bankers.

We have given the power over the issuance of money to the private bankers; this power must be restored to the people in accordance with the Constitution of the United States. It is the duty of the Government to come to the rescue of these distressed cities whose people are being oppressed by the tremendous demands of interest payments to the bankers.

Mr. KENNEY. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. KENNEY to the Weideman amendment: Page 21, after line 10, insert a new section, as follows: "That the Reconstruction Finance Corporation"—

Mr. GOSS. A point of order, Mr. Chairman. I understood the gentleman was offering an amendment to the amendment and not a substitute.

Mr. KENNEY. I am offering an amendment to the amendment striking out the rate of interest and adding at the end of the amendment the words:

Provided, That the aggregate of such loans shall not exceed at any one time the sum of $300,000,000.

The Clerk read as follows:

Substitute amendment offered by Mr. KENNEY for the Weideman amendment: Page 21, after line 10, insert a new section, to be known as "section 9a":

"That the Reconstruction Finance Corporation is authorized and empowered to make loans direct to municipalities and other governmental subdivisions organized pursuant to State law, said loans to be made upon such security, in the form of tax-anticipation warrants, short-term notes, delinquent-tax certificates, or

other collateral as the Board may deem adequate to secure such loans; and the Reconstruction Finance Corporation is further authorized and empowered to purchase the tax-anticipation warrants, short-term notes, delinquent-tax certificates, or other collateral of municipalities and governmental subdivisions organized pursuant to State law, for the purpose of aiding such municipalities and governmental subdivisions in maintaining the necessary and essential governmental expenditures and services: *Provided, however,* That the aggregate of such loans made direct to municipalities and other governmental subdivisions outstanding shall not at any one time exceed $300,000,000."

The substitute amendment was rejected.

The CHAIRMAN. The question now recurs on the amendment offered by the gentleman from Michigan [Mr. WEIDEMAN].

The amendment was rejected.

Mr. COCHRAN of Missouri. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COCHRAN of Missouri: On page 21, after line 10, insert a new section, as follows:

"That the Reconstruction Finance Corporation is authorized and empowered to make loans under the Reconstruction Finance Corporation Act, as amended, out of funds of the Corporation, to any public or private hospital organized under the laws of any State upon the same terms and conditions and subject to the same limitations as are applicable in the case of loans to financial institutions specified in section 5 of such act as amended."

Mr. COCHRAN of Missouri. Mr. Chairman——

Mr. PRALL. Mr. Chairman, I move that all debate on this section and all amendments thereto close in 5 minutes.

The motion was agreed to.

Mr. COCHRAN of Missouri. Mr. Chairman, on February 8 I introduced a bill authorizing the Reconstruction Finance Corporation to make loans to hospitals. The gentleman from New York [Mr. PRALL] very kindly granted me a hearing upon this bill. Gentlemen came as far as a thousand miles to appear before the committee in support of the measure which is the amendment I am offering. The witnesses showed the subcommittee that the average value of a hospital in this country in round numbers is $900,000, and they also showed that the average outstanding indebtedness of a hospital is $300,000. Can anyone conceive of better collateral for the Reconstruction Finance Corporation?

The Reconstruction Finance Corporation advanced to a railroad with headquarters in my city $14,000,000, and they took it to New York and paid it to J. Pierpont Morgan. Not long afterward they came back and applied for another loan. I had not been home for 5 months, but I knew that this railroad was in distress financially, but despite this fact the Reconstruction Finance Corporation advanced $3,000,000 more to this railroad, and the following month it went into the hands of a receiver.

I read in this morning's paper that the Chairman of the Reconstruction Finance Corporation said that 47 percent of the loans had been repaid.

My amendment specifically provides that this money shall not come out of the $300,000,000 to be advanced to industries. I do not want this to come out of the $300,000,000 that we desire to so advance. What I want to do is to give the Reconstruction Finance Corporation the power to lend to hospitals the same as it has to railroads, banks, and other corporations, and the collateral it will receive will be far superior to the collateral it has already received for the loans it has advanced.

Mr. WEIDEMAN. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN of Missouri. I yield to the gentleman from Michigan.

Mr. WEIDEMAN. The reason the railroads are in such bad shape is because they have watered their stock so much and the interest payments on their watered stock eat them up and they cannot possibly get out of their present condition.

Mr. COCHRAN of Missouri. I may say to the gentleman that I think the country would have been better off if we had let the railroads in distress go into the hands of receivers and refinanced on a proper valuation and then they could earn an amount sufficient to meet their indebtedness. [Applause.]

Mr. WEIDEMAN. I agree with the gentleman, because, in that event, the interest would not eat them up.

Mr. COCHRAN of Missouri. I repeat, the sooner you take the watered stock out of the railroads the sooner they can earn a sufficient amount to pay the interest on their indebtedness.

I think I have received 500 telephone calls from Members of this House or their secretaries asking me the status of my bill, which indicates that the Members have heard from the hospitals in their districts and have been urged to help pass this legislation.

I know the amendment is sound, and I hope the Membership of the Committee will support it.

Mr. KENNEY. Does the gentleman's amendment apply to private hospitals and city-owned hospitals?

Mr. COCHRAN of Missouri. Private hospitals. I do not provide for city-owned hospitals. The amendment provides for private institutions that are owed millions of dollars by citizens of this country who went to the hospitals ill and could not meet their bills but who will pay as soon as they are financially able to do so. The hospitals have done their share during this depression; and as we have helped others, why should we not help them if they can submit proper collateral in support of a loan?

The CHAIRMAN (Mr. COOPER of Tennessee). The question is on the amendment offered by the gentleman from Missouri.

The question was taken, and the amendment was rejected.

Mr. TERRY of Arkansas. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Amendment offered by Mr. TERRY of Arkansas: Page 21, line 10 after section 9, insert a new section, as follows:

"SEC. 9 a. That the Reconstruction Finance Corporation is authorized and empowered to make loans, for not exceeding 25 years, to or for the benefit of school districts duly organized pursuant to State law for the purpose of enabling such districts to reduce and/or refinance their outstanding indebtedness: *Provided,* That the aggregate amount of such loans shall not exceed $75,000,000. Such loans shall be secured by a pledge of such part of the revenues of such district derived from taxes or assessments heretofore or hereafter imposed pursuant to State law and/or such other assets of such district as may be acceptable to the Corporation; and such loans shall be made under such terms and conditions and in such amounts as the Corporation may prescribe. No such loan shall be made until the Corporation shall have been satisfied that an agreement has been entered into between the district and the holders of all or a major portion of its outstanding bonds or other obligations, under which the district so applying for such loan will be able to purchase or refinance all or a major portion of its bonds or other obligations at a price approved by the Corporation, and which will, in the opinion of the Corporation, result in a substantial reduction in the outstanding indebtedness of the district.

"The Reconstruction Finance Corporation may set up or designate such agency in each State as may be necessary to carry out the provisions of this act."

Mr. LUCE. A point of order, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. LUCE. The Committee has already adopted an amendment relating to loans to school districts. It is difficult to determine by listening to the reading whether this amendment differs from the one adopted or not. So I raise the point of order in order to have that ascertained.

The CHAIRMAN (Mr. COOPER of Tennessee). The Chair will state, with regard to the point of order raised by the gentleman from Massachusetts, that an examination discloses that there is a substantial difference between the proposed amendment and the one adopted by the Committee some time ago. Therefore, the Chair overrules the point of order.

Mr. LUCE. A parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. LUCE. If this amendment contradicts the other in any particular, what would be the effect of the adoption of this amendment?

The CHAIRMAN. Naturally that would be a question of consistency on which the Chair cannot rule. That would be a matter for the Committee to determine whether it

wanted to adopt an amendment that was inconsistent with some other amendment that had previously been adopted.

Mr. LUCE. What would be the effect if we adopted an amendment that was inconsistent with the other?

The CHAIRMAN. That is a question for the Committee.

Mr. LUCE. Would the last action of the Committee prevail over the former action of the Committee?

The CHAIRMAN. The Chair cannot answer that. That is naturally a question of law, and the Chair cannot rule on that.

Mr. LUCE. I realize the difficulty involved, and I suggest that the gentleman from Arkansas point out whether this is consistent with the amendment previously adopted by the Committee.

The CHAIRMAN. The Chair reminds the gentleman from Arkansas [Mr. TERRY] that debate upon this section and all amendments thereto has been exhausted. The question is on the amendment offered by the gentleman from Arkansas.

The amendment was rejected.

Mr. BEEDY. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD and to include therein an editorial to which I referred in my remarks.

The CHAIRMAN. Is there objection?

There was no objection.

The Clerk read as follows:

SEC. 10. The Reconstruction Finance Corporation Act, as amended (U.S.C., supp. VII, title 15, ch. 14) is amended by inserting before section 6 thereof the following new section:

"SEC. 5c. With the approval of the President, the Corporation is authorized and directed, notwithstanding any other provisions of law, to establish or to utilize export or import trading and banking corporations in which the United States shall own, directly or indirectly, the entire beneficial interest, and to subscribe for and purchase the common and preferred stock and obligations thereof, for the purpose of aiding in financing and facilitating exports and imports between the United States and other nations or the agencies or nationals of either of them."

Mr. GOSS. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. GOSS: Page 21, line 24, after the word "them", insert "*Provided*, That corporations in which the United States owns or controls, directly or indirectly, the entire beneficial interest, shall report to Congress annually and include in the report a complete financial statement."

Mr. GOSS. Mr. Chairman, the purpose of this amendment is to require, under section 5 (c), which we have just read, any corporations in which the Government owns all of the stock to report to Congress annually and submit in the report a complete financial statement. So far during this whole program we have formed many corporations which are entirely or partly owned by the Government of the United States. In none of the bills have we required reports to be made annually to Congress, although these corporations have been authorized by this body. When the permanent appropriation bill was on the floor of the House, the able and distinguished Chairman of the Committee on Appropriations interrogated me in the course of the debate, and this is one of the questions which the chairman of that committee would like to have had solved. Inasmuch as the Committee on Appropriations cannot offer legislation on appropriation bills, I have felt it appropriate to offer this amendment for the consideration of the House at this time, because the very subject involved in the amendment is under discussion in this section.

It seems to me ridiculous, when the Government organizes and owns all of the stock of a separate corporation, that that corporation is not required by law to make an annual report to Congress; and here is where the trouble comes in. I have discussed this matter with the distinguished Chairman of the Subcommittee on Permanent Appropriations, the gentleman from New York [Mr. GRIFFIN], and also with the Chairman of the Committee on Appropriations, and both are in favor of the amendment, because when these subcommittees of the Committee on Appropriations come back to Washington in December and start writing up the appropriation bills none of this information is available to these subcommittees. This seems to me a reasonable request, to have these reports in so that your appropriation standing committees will have the benefit of the information contained in the financial statements of these Government corporations. We come here early in December to mark up these appropriation bills. In the subcommittee on independent offices we have dozens and dozens of departments. A few days is given to each department, and it would be physically impossible to prepare those bills with the coming of Congress in January without the necessary financial statements. If the House does not order these corporations to submit annual and financial statements giving the status of their finances, it would be impossible to know whether we should or should not appropriate money.

I have offered this amendment at this time so that these corporations which, with the approval of the President in this particular section, the Reconstruction Finance Corporation may acquire and may organize to do a banking business or an import and export business, will report to Congress annually each year and give a complete financial statement. I trust the House in its wisdom, to help one of the committees it itself has organized, will require this information to be given. It is bad enough to have the United States Government owning and operating these corporations, but without a proper financial statement, how can your committees of Congress function?

Mr. KVALE. Is it not merely an ordinary business procedure?

Mr. GOSS. That is all it is. I cannot conceive why the House should deny members of its committees an opportunity of having a financial statement of corporations of which the Government owns all the stock.

Mr. STEAGALL. Mr. Chairman, the committee feels there is no objection to this amendment. It feels it will be conducive to the proper handling of funds. I ask for a vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut.

The amendment was agreed to.

Mr. FISH. Mr. Chairman, I move to strike out the entire section.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. FISH: Beginning in line 11, page 21, strike out section 10.

Mr. PRALL. Mr. Chairman, I move that all debate upon this section and all amendments thereto close in 5 minutes.

The motion was agreed to.

Mr. FISH. Mr. Chairman, this bill which has for its main purpose the loaning of money through the Reconstruction Finance Corporation to industry, or was supposed to have that for the main purpose, evidently includes a great many other purposes. One of them is to set up an export and import bank with practically no limitation as to the money that bank is to expend or whether they are to loan 100 percent on American goods that we are to ship to some foreign nation. There is apparently no restriction whatever in this section. It is improperly written and might be construed to mean anything. It might convey to the Reconstruction Finance Corporation full power to loan 100 cents on the dollar to any amount whatever to ship goods to Soviet Russia or any other nation.

I listened with much interest to the colloquy between the distinguished gentleman from Massachusetts [Mr. LUCE] and the equally distinguished gentleman in the chair with regard to their interpretation of consistency and inconsistency and where one began and the other ended. This question of setting up a bank and loaning money out of the Treasury to either sell or give away American goods is totally inconsistent with the speech made by Franklin D. Roosevelt in Ohio on August 20, 1932. In a revised version of the Alice in Wonderland story, the Governor, now President, told the Ohio Democratic platform convention:

It has been suggested that the American public was apparently elected to the role of Alice in Wonderland.

White knights had great schemes of unlimited sales in foreign markets and discounted the future 10 years ahead.

A puzzled, somewhat skeptical Alice asked the following simple question:

"What if we produce a surplus?"

"Oh, we can sell it to foreign customers."

"How can the foreigners buy it?"

"Why, we will lend them the money."

"I see", said Alice, "they will buy our surplus with our own money."

Now, that is exactly what is proposed by this administration in this section, an absolute and total repudiation of the statement of the Democratic candidate for the Presidency. Mocking and decrying the Republican administration which never loaned any money to any foreign country, Candidate Roosevelt ridiculed Herbert Hoover and his policies. Now this administration, with the same man who made that speech a year ago last August, as President comes here and proposes to loan money to sell our goods to foreign nations, to be paid for with our own money. The great American game of fleecing the American taxpayer is about to reopen on another vast international scale. We have always been mulcted when it came to making loans or extending credit to foreign nations.

If we want to become the international Santa Claus of the world, the nations of the world will buy all the goods we have just as long as we put up the money; but where is that money coming from? Is it coming out of the $300,000,000 authorized in this bill, or is it coming out of the general funds already appropriated for the Reconstruction Finance Corporation?

No matter what we may think of Lenin, the founder of communism, he was a pretty wise man when he said "the capitalists will commit suicide for temporary profit." That is exactly what we propose to do here with only this difference, that there will be no profit at all. We just commit financial suicide for no profit whatever, not even temporary profit. If we are going to give away any money or any goods, let us give it to the American people rather than to the Communists in Russia. There are plenty of people in this country who have no means of support, who are destitute and hungry, and there is need for relief throughout the Nation. So I should like to have a vote on my amendment to strike out this section and have it brought back here in proper form and not as an unlimited proviso as it is now. I am opposed, moreover, to lending one cent of cash or credit to Soviet Russia or any other foreign nation when our people back home need every penny themselves.

The CHAIRMAN. The time of the gentleman from New York [Mr. FISH] has expired.

The question is on the amendment offered by the gentleman from New York [Mr. FISH].

The amendment was rejected.

The Clerk read as follows:

SEC. 11. The Reconstruction Finance Corporation Act, as amended (U.S.C., supp. VII, title 15, ch. 14), is amended by inserting before section 6 thereof the following new section:

"SEC. 5d. For the purpose of maintaining and increasing the employment of labor when credit at prevailing bank rates for the character of loans applied for is not otherwise available at banks or the Federal Reserve bank of the district in which the applicant is located, the Corporation is authorized and empowered to make loans to any industrial or commercial business established prior to January 1, 1934. Such loans shall, in the opinion of the board of directors of the Corporation, be adequately secured, may be made directly, or in cooperation with banks or other lending institutions, or by the purchase of participations, shall have maturities not to exceed 5 years, shall be made only when deemed to offer reasonable assurance of continued or increased employment of labor, shall be made only when, in the opinion of the board of directors of the Corporation, the borrower is solvent, shall not exceed $300,000,000 in aggregate amount at any one time outstanding, and shall be subject to such terms, conditions, and restrictions as the board of directors of the Corporation may determine. The aggregate amount of loans to any one borrower under this section shall not exceed $100,000.

"The power to make loans given herein shall terminate on January 31, 1935, or on such earlier date as the President shall by proclamation fix; but no provision of law terminating any of the functions of the Corporation shall be construed to prohibit disbursement of funds on loans and commitments, or agreements to make loans, made under this section prior to January 31, 1935, or such earlier date."

Mr. O'CONNOR. Mr. Chairman, I move to strike out the last word. In the section at the bottom of page 22 there is the following provision:

The aggregate amount of loans to any one borrower under this section shall not exceed $100,000.

Mr. PRALL. Mr. Chairman, I move that all debate on this section and all amendments thereto close in 5 minutes.

Mr. AYERS of Montana. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. AYERS of Montana. Are we now considering section 11, on page 22?

The CHAIRMAN. That is correct.

Mr. McCORMACK. I suggest that I should like to have 2 minutes.

Mr. COX. I wish to offer an amendment and I should like to discuss it.

Mr. SAMUEL B. HILL. I wish to offer an amendment, and I should like to have 5 minutes to discuss it.

Mr. PRALL. Mr. Chairman, I withdraw the motion.

Mr. O'CONNOR. Mr. Chairman, on the bottom of page 22 is the following provision:

The aggregate amount of loans to any one borrower under this section shall not exceed $100,000.

Yesterday, in some remarks I made, I stated it was my conviction that that amount was too low to be of any real help to many industries which needed help. I did not believe that any industry with a million dollars net assets, for instance, could be helped substantially by a loan of $100,000, so as to put men back to work. I realize there is the other school of thought, that because this money should be widely distributed, the amount of $100,000 should be reduced to a lower sum. The Senate bill carried $1,000,000 as the limit. I believed the limit should be $300,000 or at least $250,000, to finance many businesses that could be called "small" businesses, and I intended to offer an amendment to that effect, but because I believe there is considerable sentiment in the committee for an increased amount, and believing it will be worked out in conference, that this amount will be increased to at least $250,000, and hoping that result will occur, I do not at this time propose to offer any amendment increasing the amount, and I hope and trust that when the bill comes back it will have a larger amount as the maximum.

The CHAIRMAN. Without objection, the pro forma amendment is withdrawn.

There was no objection.

Mr. McCORMACK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McCORMACK: On page 22, line 11, after the word "commercial", insert the words "or other."

Mr. McCORMACK. Mr. Chairman, the purpose of this amendment is to extend the benefits of the direct-loan provision of this bill to all business. It will be noticed that as now worded this section confines the benefits to industrial or commercial business. Because of the interpretation placed by the Reconstruction Finance Corporation upon the original act, the fishing industry would be unable to get the benefits of this section, nor could the mineral business obtain the benefits of the provisions of this section of the bill.

I do not want to go into detail. I have talked this amendment over with the chairman of the subcommittee and I do not think he will object to it. If he so states I can see no necessity for taking further time of the House.

Mr. PRALL. Mr. Chairman, may the amendment be read again by the Clerk?

There being no objection, the Clerk again read the amendment.

Mr. PRALL. Mr. Chairman, I am sorry I cannot agree with the amendment.

Mr. McCORMACK. I regret very much to hear the chairman of the subcommittee make that statement.

Mr. PRALL. I wonder if the gentleman could not connect this amendment with the amendment already passed making provision for the fishing industry; could not this

amendment be referred to that section? The amendment suggested would open up the section to every line of business.

Mr. McCORMACK. Will the gentleman from New York agree to the amendment modified so as to make the section read, "to make loans to any industrial or commercial business which shall include the fisheries industry"?

Mr. McGUGIN. Mr. Chairman, if the gentleman will yield, I would remind him that the fisheries industry has already been taken care of by a previous amendment.

Mr. McCORMACK. No. The amendment to which the gentleman refers was an amendment of existing provisions of the Reconstruction Finance Corporation Act. This provision of the measure authorizes direct loans to industry between now and January 1, 1935. The amendment to which the gentleman refers was of existing law, which will be in effect after the expiration of this provision on the 1st of January 1935. Between now and January 1, 1935, the fisheries industry could not obtain the benefit of the direct loans provided in this particular section. The purpose of my amendment is to open the benefits to the fisheries industry.

Mr. Chairman, may I ask the gentleman from New York if the modification of my amendment meets the approval of his subcommittee?

Mr. PRALL. I am sorry to advise the gentleman from Massachusetts that the committee does not feel that it cares to make any further changes in the bill; that it is opposed to any further amendments or any further changes.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. DONDERO. Would not the fisheries business be considered a commercial business and come under the present wording of the bill?

Mr. McCORMACK. It ought to, but it does not. The original Reconstruction Finance Corporation Act provided for loans to agriculture, commerce, and industry, as I remember it. Certainly the fisheries business is either commerce or industry; but it has not been so construed; it has been held to be neither commerce nor industry.

Mr. DONDERO. What is it, then?

Mr. McCORMACK. I consider it either commerce or industry, preferably commerce.

Mr. DONDERO. Fishing is carried on for commercial purposes.

Mr. McCORMACK. Exactly; but the Reconstruction Finance Corporation has not so construed it.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. COX. Is not the amendment the gentleman now proposes necessary to carry out the effect of the amendment already adopted with regard to the fisheries industry? Is it not necessary to make effective what has already been done?

Mr. McCORMACK. My friend is correct. It is necessary to make effective, so far as direct loans are concerned, the amendment heretofore adopted.

Mr. Chairman, I ask unanimous consent to modify my amendment so that it will read, "to any industrial or commercial business which shall include the fisheries industry."

The CHAIRMAN. Without objection, the amendment will be modified; and the Clerk will report the amendment as modified.

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. McCORMACK: Page 22, line 11, after the word "business", insert "which shall include the fisheries industry."

Mr. McCORMACK. Mr. Chairman, permit me to say that this ties in with the action already taken by the committee with reference to the fishing activity.

Mr. BLAND. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. BLAND. This is simply a perfecting amendment.

Mr. McCORMACK. Absolutely; it is a perfecting amendment and is essential if those engaged in the fisheries industry are to obtain the benefits of this section of the bill.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts.

The amendment was agreed to.

Mr. BEEDY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BEEDY: On page 22, line 8, after the word "banks", strike out "or the Federal Reserve bank of the district in which the applicant is located."

Mr. STEAGALL. Mr. Chairman, I do not think there is any objection to this amendment which really perfects the language of the section, and I shall ask for a vote if it is satisfactory to the gentleman from Maine.

Mr. BEEDY. Mr. Chairman, I should like to proceed for about 2 minutes.

Mr. PRALL. Mr. Chairman, will the gentleman yield?

Mr. BEEDY. I yield.

Mr. PRALL. Then this portion of the section would read, "is not otherwise available at banks, the corporation is authorized and empowered to make loans."

Mr. BEEDY. Yes. In other words, I fear that many of these loans will never get as far as the Reconstruction Finance Corporation if they are turned down by the Federal Reserve bank in the first instance.

Mr. Chairman, permit me to say just one thing more to clear up the situation about the $300,000,000. There is no money appropriated by this bill; let us be clear about that; nor is there any mandate to the Reconstruction Finance Corporation to lend a dollar to industry. We do say that whereas prior loans have been made on sound and adequate security, we will now open the door a little wider, and if the R.F.C. is satisfied that the loan can be made on a reasonable basis the loan may be made. But once the R.F.C. starts making such loans, it may never lend more than $300,000,000. There is no amount earmarked here; there is no amount set aside from the general funds of this Corporation; but out of their revolving fund they may start loaning where they see fit under this broader power and within their discretion, but they may never exceed $300,000,000.

I think that makes clear what has been said this afternoon about the power to loan $300,000,000 direct to industry.

Mr. KENNEY. Will the gentleman yield?

Mr. BEEDY. I yield to the gentleman from New Jersey.

Mr. KENNEY. An amendment was passed this afternoon which authorized loans to school districts and other school authorities. Is it the gentleman's interpretation that the R.F.C. may loan to some city that operates its schools or is a city or other municipality precluded so that only school districts may take advantage of the amendment?

Mr. BEEDY. I may say to the gentleman that I would not want to go off half-cocked on an interpretation of that amendment.

Mr. KENNEY. It looks to me as if cities are not included, and that the city of Chicago could not get anything for the benefit of its school teachers under the amendment as passed.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maine.

The amendment was agreed to.

Mr. COX. Mr. Chairman, I offer an amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. Cox: On page 22, line 25, after the word "exceed", strike out "$100,000" and insert in lieu thereof "$50,000."

Mr. STEAGALL. Mr. Chairman, I move that all debate on this section and all amendments thereto close in 5 minutes.

Mr. TRUAX. Will the gentleman make that 15 minutes?

Mr. STEAGALL. No.

Mr. TRUAX. Mr. Chairman, I make the point of no quorum.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and twenty-three Members are present, a quorum. What is the gentleman's motion?

Mr. STEAGALL. The motion is that all debate on this section and all amendments thereto close in 5 minutes.

The motion was agreed to.

Mr. COX. Mr. Chairman, may I have your attention for a minute, and I will not take more than 1 minute. I dislike to offer any suggestion that looks to the modification of a bill that the Committee on Banking and Currency is sponsoring, but may I call your attention to the fact that members of the committee handling this legislation have time and time again on the floor during the debate made the statement that the legislation was intended to take care of the smaller industries of the country. The Senate bill authorizing loans up to $250,000,000 fixed the maximum loan to any one borrower at $1,000,000. This would mean there would be but 250 concerns accommodated under the act if each of them borrowed up to the maximum.

The House committee modified this language of the Senate bill and fixed the maximum amount that any one borrower might obtain at $100,000, and increased the sum that might be loaned under the bill from $250,000,000 to $300,000,000. Under the bill as it is written if all borrowers were accommodated or obtained loans to the maximum amount, but 3,000 concerns could be taken care of. Reducing the amount from $100,000 to $50,000, it would be possible to make maximum loans to as many as 6,000 borrowers.

Here is what I wish to direct the attention of the Membership to particularly, and that is that there is precious little, if anything, in this bill of benefit to any other than a few of the highly industrialized sections of this country. You Members coming from the outlying States of the country will find that under the bill as drawn there will be nothing for an industry in your State and the only promise of benefit to any industry in a great many of the States as carried in the bill will be to reduce the maximum loan from $100,000 to $50,000 or to some amount considerably less than $100,000.

Mr. BURNHAM. Will the gentleman yield?

Mr. COX. I yield to the gentleman from California.

Mr. BURNHAM. What is the gentleman going to do with an industry that is not considered a large business but which comes within the purview of the term "smaller industry", an industry employing 300 or 400 people, which desires to expand its business? It desires to renew its equipment and perhaps employ an additional 200 or 300 people, but cannot get along with a loan of less than $500,000.

Mr. COX. Any operator with assets sufficient to secure a loan of $100,000 is not, to my mind, in the class of small industry. Large industrial operators are able to take care of themselves. Let us keep to the spirit of the proposal and give our concern to the small man.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia.

The amendment was rejected.

Mr. SAMUEL B. HILL. Mr. Chairman, I offer an amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. SAMUEL B. HILL: Page 23, after line 7 insert a new paragraph as follows:

"SEC. 11½. The Reconstruction Finance Corporation Act, as amended (U.S.C., supp. VII, title 15, ch. 14), is amended by inserting before section 6 thereof the following new section:

"'SEC. 5e. Notwithstanding any other provision of law, the Corporation is authorized and empowered to make loans, upon full and adequate security, for periods not in excess of 20 years, to private corporations to aid in constructing and maintaining facilities for the growing, harvesting, marketing, storing, warehousing, and/or processing of forest products: *Provided*, That such loans shall be made only when the board of directors of the Corporation is satisfied that the borrower will apply the proceeds of the loan only in connection with a program of reforestation under which the forest involved will be rendered self-perpetuating, and the project is recommended by the Forester of the Forest Service and approved by the Secretary of Agriculture, after due study and investigation, as technically and financially sound: *Provided further*, That loans shall not be made for the construction of new plants if existing domestic plant capacity is substantially in excess of domestic market requirements.'"

Mr. STEAGALL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN (Mr. MCREYNOLDS). The gentleman will state it.

Mr. STEAGALL. I made a motion that all debate on the section close in 5 minutes.

The CHAIRMAN. This is an amendment that forms a new section. The Chair is informed that the motion the gentleman made only applied to a section and amendments thereto. This is a new section.

Mr. SAMUEL B. HILL. This amendment is consonant with the purposes of the bill as presented by the committee. In other words, it is to help industry.

The manufacturing and processing of forest products is an industry and no doubt comes within the purview of the act as an industry under the general provisions of the bill as they now stand.

However, we are asking in this amendment that you couple with the industry of growing, harvesting, and manufacturing of forest products a program of reforestation, so that the timber from which the products are taken will be self-perpetuating. In other words, we seek by this amendment to provide for employment not merely for the short period of time that is required to cut the standing timber at a given time but also to provide employment for all time for the community by perpetuating the growth of timber through the financial aid that this amendment offers, and for that purpose we are asking that the time of the loan be not to exceed 20 years.

This amendment is of interest to every State and community which has commercial timber and is interested in perpetuating its supply of timber. Its importance will be brought home to you when you realize the fact that within the 2 decades immediately preceding the passage of the National Industrial Recovery Act we imported from outside sources timber products of greater value than the amount you appropriated under the Public Works Act, or greater than $3,300,000,000. By perpetuating our own timber supply and by perpetuating the employment necessary to the reforestation of our denuded and dwindling forests we shall at least save to our own people the employment which is given to foreign people who supply us with the timber products that are brought into this country from the outside.

Now, you may say that there is already provision for this kind of loan, and there is legislation looking toward this kind of loan, but it is absolutely unworkable, and I am so advised by the representatives of the Reconstruction Finance Corporation.

This amendment, favored by the United States Forester, is a workable amendment, would provide employment for many thousands of people throughout the country, would perpetuate a natural resource which would last not only for this generation but for future generations. I therefore present it for your favorable consideration.

This amendment is in the interest of conservation not only of the timber as a commercial product, but it is equally important from the standpoint of watershed conservation and from the standpoint of preventing soil erosion, and, also, as I have said, from the standpoint of furnishing employment to the various communities in which these commercial timber products may be produced. I therefore respectfully urge the adoption of the amendment.

[Here the gavel fell.]

Mr. PRALL. Mr. Chairman, I move that all debate on this section and all amendments thereto do now close.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington [Mr. SAMUEL B. HILL].

The amendment was rejected.

The Clerk read as follows:

SEC. 12. The Federal Reserve Act, as amended, is amended by adding after section 13a thereof a new section reading as follows:

"SEC. 13b. When it appears to the satisfaction of a Federal Reserve bank that an established industrial or commercial business located in its district is unable to obtain requisite financial assistance on a reasonable basis from the usual sources, the Federal Reserve bank, pursuant to authority granted by the Federal Reserve Board, may make loans to, or purchase obligations of, such business, or may make commitments with respect thereto, on a reasonable and sound basis, for the purpose of providing it with capital, but no obligation shall be acquired or commitment made hereunder with a maturity exceeding 5 years.

"Each Federal Reserve bank shall also have power to discount for, or purchase from, any bank, trust company, mortgage company, credit corporation for industry, or other financing institution operating in its district, obligations having maturities not exceeding 5 years, entered into for the purpose of obtaining capital for any such established industrial or commercial business; to make loans or advances direct to any such financing institution on the security of such obligations; and to make commitments with regard to such discount or purchase of obligations or with respect to such loans or advances on the security thereof, including commitments made in advance of the actual undertaking of such obligations. Each such financing institution shall obligate itself to the satisfaction of the Federal Reserve bank for at least 20 percent of any loss which may be sustained by such bank upon any of the obligations acquired from such financing institution, the existence and amount of any such loss to be determined in accordance with regulations of the Federal Reserve Board: *Provided*, That in lieu of such obligation against loss any such financing institution may advance at least 20 percent of such capital for any established industrial or commercial business without obligating itself to the Federal Reserve bank against loss on the amount advanced by the Federal Reserve bank: *Provided, however*, That such advances by the financing institution and the Federal Reserve bank shall be considered as one advance, and repayment shall be made pro rata under such regulations as the Federal Reserve Board may prescribe.

"The aggregate amount of loans, advances, and commitments of the Federal Reserve banks outstanding under this section at any one time, plus the amount of purchases and discounts under this section held at the same time, shall not exceed the combined surplus of the Federal Reserve banks as of July 1, 1934, and all operations of the Federal Reserve banks under this section shall be subject to such regulations as the Federal Reserve Board may prescribe.

"For the purpose of aiding the Federal Reserve banks in carrying out the provisions of this section, there is hereby established in each Federal Reserve district an industrial advisory committee, to be appointed by the Federal Reserve bank subject to the approval and regulations of the Federal Reserve Board, and to be composed of not less than three nor more than five members as determined by the Federal Reserve Board. Each member of such committee shall be actively engaged in some industrial pursuit within the Federal Reserve district in which the committee is established, and each such member shall serve without compensation but shall be entitled to receive from the Federal Reserve bank of such district his necessary expenses while engaged in the business of the committee, or a per diem allowance in lieu thereof to be fixed by the Federal Reserve Board. Each application for any such loan, advance, purchase, discount, or commitment shall be submitted to the appropriate committee and, after an examination by it of the business with respect to which the application is made, the application shall be transmitted to the Federal Reserve bank, together with the recommendation of the committee."

Mr. McGUGIN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to make a few observations about the experience of the Government of the United States in the banking business.

One of our first experiences was playing the role of an international banker. In this experience we lent about $18,000,000,000 and then we found we could not collect that, and we whittled it down to about $11,000,000,000 and now we find that our debtors are repudiating this debt. So the great experience of Uncle Sam in international banking has cost him $18,000,000,000.

Not content with this, we wanted to try some private banking. So in the Seventy-second Congress we started the R.F.C. and said we were going to limit it to furnishing credit for banks, insurance companies, and railroad companies, and that we were simply going to take care of financial agencies which had the privilege of rediscounting paper. This has not worked out. We should have known better. In a Republic there is no way to use public credit for private purposes and limit it to certain classes. So now we find the R.F.C. branching out into all manner and forms of loans.

According to this morning's papers, the R.F.C. has made loans something like $5,500,000,000 and, in addition to that, $800,000,000 of advancements as to which there is no hope or claim of recovery. This is a total of $6,300,000,000. So through the R.F.C. the Government of the United States is today the greatest banker in the world.

In addition to this, we have also gone into the mortgage business, and we have $4,000,000,000 worth of farm and city mortgages, which is only a starter. Just a few days ago I was talking to a member of the Home Loan Board and he told me that they had applications in the Home Owners' Loan Corporation today for over $4,000,000,000 worth of loans, with a limit of $2,000,000,000 of bonds. This means that at the next session of Congress we are going to increase that limit by another $2,000,000,000 or another $3,000,000,000 or $4,000,000,000.

As of this day, beginning with the enactment of the R.F.C. law, Uncle Sam is a banker to the tune of $10,000,000,000 in the R.F.C. and the two mortgage corporations. This is a total of $96 for each man, woman, and child in this country.

Now, this bill today makes the R.F.C. an out-and-out banker. There will be no end to the classifications added to it in another session.

Let me say this. We cannot have socialistic banking and not have socialistic business. No Congress ever enacted a more socialistic measure than this Congress when it enacted the Reconstruction Finance Corporation Act. Both political parties are to blame for the R.F.C., but the Democrats are more to blame than the Republicans for the international banking. The Republican Party with the Reconstruction Finance Corporation is into the tar up to its eyes, just as deep as is the Democratic Party.

The truth is that the present overwhelming demand for public money for private purposes is to be dated back to the enactment of the Reconstruction Finance Corporation Act. That act gave the idea to the American people that every citizen had the right to thrust his personal financial troubles upon the Government. Of course, no government can long bear such a burden.

Mr. BROWN of Kentucky. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 23, line 16, after the word "Board", strike out the word "may" and insert the word "shall"; and, in line 17, after the word "or" where it occurs the second time, strike out the word "may" and insert the word "shall."

Mr. BROWN of Kentucky. Mr. Chairman, the purpose of this amendment is to put industry on its feet. The committee that wrote the provision pertaining to the Federal Reserve Bank Act, in saying what they were going to do for industry, concluded by saying "it may do it."

I do not know what you gentleman may think of it, but the only thing that will do any good for business in my section is the word "shall." It will not do them a dime's worth of good to grant the banks the privilege of saying they "may" do so-and-so. They have that privilege now, and they do not do it. My amendment proposes to write in the word "shall" instead of the word "may." You provide for an advisory committee appointed by the Federal Reserve Board, and then when you get through passing on the safety and security of the loans you leave them to the tender mercies of the Federal Reserve banks.

Since the Federal Reserve banks have had the privilege of issuing currency on bonds instead of actually loaning to private business, they would rather buy the Government bonds and issue currency than take a chance on local or private industry.

If you are in earnest about doing something for private industry, you will strike out the word "may" and insert the word "shall." I remember what was said in reference to the bill passed 2 years ago in regard to loans to industry.

It never was done and it will not be done now, unless you write in there a mandatory provision instead of a permissive clause.

Mr. STEAGALL. Mr. Chairman, we have just heard criticisms of the Reconstruction Finance Corporation because, as alleged, it has made loans recklessly. We are now told and advised by my good friend from Kentucky [Mr. BROWN] that unless we insert a mandatory provision re-

quiring Federal Reserve banks to loan the funds authorized by this act, no loans will be made by the Federal Reserve banks. I am surprised at the contention of the distinguished gentleman from Kentucky, that Congress should pass an act requiring banks to make loans. There are only about $140,000,000 more that will be available for these loans under the provisions of the act which limits loans to the amount of the surplus of the banks as of July 1 of this year. It would be folly to require the banks to make such loans. All the Federal Reserve banks could do would be to proceed to lend on demand the amount of money on hand and then their relief activities would be terminated. It would be a case of first come first served and funds soon exhausted. The Federal Reserve banks under this section are expected to use this fund within their discretion and upon the advice of a board of business men, selected from the industrial world and from the communities from which applications will come, and to pass on applications and the merits of each borrower, and to purchase or make commitments through loaning institutions upon that basis.

The Federal Reserve officials told the committee they thought that substantial relief might be afforded by Federal Reserve banks acting in cooperation with other lending institutions by making commitments which would enable other institutions to extend necessary loans now being withheld. For the purpose of supplementing the service that may be rendered by the Federal Reserve banks, the bill has a provision authorizing applicants who are not able to secure desired accommodations from Federal Reserve banks to turn to the Reconstruction Finance Corporation and have their case reviewed—reviewed as it were in an appellate court, where the application may again be passed upon. Of course, it would be an act of folly for the Congress to undertake to say that banks shall make loans. We are obliged to trust the officials of these institutions to discharge their duties. Of course, they do not always conduct their transactions and their business in a way satisfactory to many of us. I have found fault, as many of us have, with things that have happened in the past in the conduct and operation of Federal Reserve banks. But surely we can only authorize the banks to make loans. There must be exercise of discretion in each case in order that justice may be done all worthy applicants.

Mr. McGUGIN. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. Mr. Chairman, my time has expired. I move that all debate upon this amendment do now close.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky.

The amendment was rejected.

Mr. PATMAN. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. PATMAN: Page 24, line 24, after the period, insert another paragraph, to read as follows:

"No salary in excess of $17,500 annually shall be paid to any person connected with any Federal Reserve bank or Federal Reserve Board."

Mr. LUCE. Mr. Chairman, I make the point of order against the amendment that there is nothing in the bill relating to the salaries of members of the Federal Reserve Board.

The CHAIRMAN. The Chair sustains the point of order.

Mr. PATMAN. Mr. Chairman, I move to strike out the last word. Yesterday I wired the governor of the Federal Reserve Bank at Dallas, Tex., and asked him to furnish me at his earliest convenience the names, the position held, and the salaries drawn by each person connected with the bank and receiving more than $3,000 annually.

I also wired the same to the Federal Reserve bank in New York. I did not hear up until this morning, so I wired them again, and I have just received this reply from Dallas, Tex., from the governor of the bank there. He says:

Wrote you in reply to your telegram of yesterday advising it is policy of Reserve System for Federal Reserve Board only to give out information of the character desired and suggested that you direct your request to that Board, which has full information with respect to all the Federal Reserve banks.

Of course, I requested the Federal Reserve Board to give me that information first, and I was told by the secretary, Mr. Morrill, that they did not have the information, that they could not furnish it, that the only way that I could get this information was through each Federal Reserve bank. The Federal Reserve banks now claim that the information is here and that the Federal Reserve Board should give it out. It just goes to show in connection with this secret money system that we have what I intimated in my remarks yesterday, and that is inability to obtain this information in any way.

CREDIT OF NATION USED FREE OF CHARGE

The Federal Reserve banks use the credit of this Nation free of charge. They do not pay one penny for the use of it. They pay unlimited salaries. You do not know how much they pay. I happen to know that one or more officials of the Federal Reserve Bank of New York receive a salary of $50,000 annually and other benefits in addition. Last December a committee of big bankers tried to persuade the Federal Reserve Board to allow the $50,000 salary to be raised to $75,000 annually. I commend the Board for denying the request. It is the people's credit they use and it is the people's credit they spend. Yet you do not know how much it is, and it occurs to me that we should have a restriction upon the salaries. We have it as to insurance companies when they borrow money from the R.F.C. We have it on railroad-company executives when they borrow from the R.F.C.

So why should there not be restriction on Federal Reserve banks? I serve notice now that although this amendment has been held out of order, I expect to insist upon the adoption of this amendment on every bill that comes up where the amendment will be in order, and I hope it will be adopted.

We have in this country today 12 Federal Reserve banks. Each of those banks has a governmental monopoly, an exclusive monopoly on the use of the Government's credit. Those 12 banks hold two and one-half billion dollars' worth of United States Government bonds. They purchased those bonds with Government credit; and after they used the Government's credit to purchase those bonds, they continue to charge and the United States Government continues to pay interest upon those bonds which were bought with the Government's credit. Last year the Government of the United States paid those banks $37,000,000 in interest upon those bonds. The total expenses of the Federal Reserve System amounted to $29,000,000, so they made a profit of $9,000,000 right there, using the Government's credit to buy and hold Government obligations, and nothing else.

Mr. McGUGIN. Will the gentleman yield?

Mr. PATMAN. Yes; I yield.

Mr. McGUGIN. Does not the gentleman particularly favor the House bill in preference to the Senate bill, because the House bill goes into Government banking more than the Senate bill?

Mr. PATMAN. The gentleman from Kansas should favor it, because he said public credit should not be used for private corporations. That is exactly what the Federal Reserve banks are doing. They are owned by private corporations. A Federal Reserve bank is worse than a private corporation in this—individuals own a private corporation. Individuals do not own the Federal Reserve banks, but they are owned by private corporations. Not a dollar of stock is owned by any one individual. Not a dollar of stock is owned by the Government of the United States. It is a corporation owned by private corporations. So if the gentleman is consistent in his remarks, he will certainly stand for any amendment that will restrict the power of this corporation.

Mr. McGUGIN. Oh, no; the gentleman knows the Federal Reserve bank is a quasi-public corporation.

The CHAIRMAN. The time of the gentleman from Texas [Mr. PATMAN] has expired.

The Clerk concluded the reading of the bill.

The CHAIRMAN. The question is on the committee substitute for the Senate bill.

The question was taken; and on a division (demanded by Mr. PATMAN) there were ayes 166 and noes 0.

So the substitute amendment was agreed to.

The CHAIRMAN. Under the special rule the Committee will now rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MCREYNOLDS, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill S. 3487, and, pursuant to House Resolution 388, he reported the bill back to the House with an amendment adopted in the Committee of the Whole.

The SPEAKER. Under the rule the previous question is ordered.

The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the third reading of a Senate bill.

The bill was ordered to be read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. STOKES. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. STOKES. I am opposed to the bill.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. STOKES moves to recommit the bill to the Committee on Banking and Currency with instructions to report the same back forthwith with the following amendment: Page 21, line 11, strike out section 10, " to establish or to utilize export and import trading and banking corporations, etc."

Mr. STEAGALL. Mr. Speaker, I make a point of order. Only one motion to recommit is in order, and that is a general motion to recommit under the rule under which the bill was considered.

The SPEAKER. The point of order is sustained. An amendment has already been adopted by the House.

The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. PATMAN) there were—ayes 178, noes 6.

So the bill was passed.

On motion by Mr. STEAGALL, a motion to reconsider the vote by which the bill was passed was laid on the table.

The SPEAKER. Without objection, the Clerk will be authorized to correct section numbers.

There was no objection.

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to extend their own remarks on the bill that has just been passed.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. SMITH of Washington. Mr. Speaker, there exists in many of the communities of the United States a very real need and desire for loans to be made direct to industry, in order to provide working capital to deserving firms whose plants are idle or operating part time and are unable to resume or expand operations for lack of funds and cannot obtain loans from local banks and mortgage companies.

Public Works and Civil Works projects giving employment to millions of citizens, in addition to the vast sums granted to aid agriculture and refinance the mortgages on the farms and homes of the Nation are very worthy and furnish a striking contrast to the failure and refusal of the last national administration to furnish such aid. I hope that the Public Works and Federal Emergency Relief Administration programs will be continued just as long as they are needed, and I do not believe that we should at the present time seriously consider abandoning these or any of the other agencies for national recovery. However, I am firmly convinced that we should go a step farther and render it possible for the small factories throughout the Nation which are now closed to again operate, and those operating part time to run full time, and give jobs to their former employees, as will be accomplished by this legislation.

BILL H.R. 6527

Mr. Speaker, I introduced on January 8, 1934, my bill, H.R. 6527, dealing with this most important subject, which was one of the first bills to be introduced and considered by the Committee on Banking and Currency, the body of which reads as follows:

To further aid in the resumption and carrying on of normal business and industrial activities, the Reconstruction Finance Corporation is authorized to make direct loans to approved firms and corporations, such loans in all cases to be made under proper safeguards, and to be based on security that is adequate reasonably to insure repayment of principal and interest in full: *Provided*, That such loans shall be limited to providing funds for pay rolls and working capital.

The principle of my bill will be carried into effect by the bill which is now before the House, and I feel certain that the enactment into law of S. 3487 will do much to revive industry, create employment, and increase the prosperity of the American people.

LOANS TO OYSTER INDUSTRY—SCHOOL DISTRICTS

I strongly favored the amendment to render the fishing industry eligible to receive loans, as it will also qualify the oyster or shell-fish industry in southwest Washington to receive such loans. Also, I actively supported the committee amendment to provide $75,000,000 for loans to school districts, which will enable the schools to remain open and pay the delinquent salary warrants of school teachers, and it is hoped in some cases restore their salaries or at least prevent any further reduction in the same.

UNEMPLOYMENT INSURANCE

Mr. Speaker, as a direct and natural result of our unemployment crisis, to which I have just referred, much thought and study have properly been given to the subject of unemployment insurance.

President Roosevelt, when Governor of New York, called a conference to consider plans and systems of unemployment insurance and a joint commission was appointed by Governor Roosevelt of New York and the Governors of Connecticut, Massachusetts, New Jersey, Ohio, and Pennsylvania, which rendered a favorable report on February 14, 1932. Since then a number of States have legislated on the subject, notably Wisconsin and Ohio, and the American Federation of Labor and numerous large employers of labor have indicated their friendly interest, and the subject is now being considered by committees of the House and Senate.

In view of this situation, I deem it in order to invite the attention of my colleagues in Congress, and our constituents, to a discussion and analysis of unemployment insurance.

WHY ADOPT UNEMPLOYMENT INSURANCE?

In a recent number of a magazine widely circulated among employers a prominent counsel of the largest manufacturers' organization in the United States said:

All the testimony of European authority is to the effect that unemployment insurance does not cure unemployment.

The absurdity of such a statement is as glaring as a similar statement concerning old age and old-age pensions would be. No thinking person regards old-age pensions as a cure for old age, nor widows' pensions as a way of bringing back dead husbands, nor life insurance as a means of preventing death. It is just as fallacious to hold that unemployment insurance should cure unemployment. It never was devised for that purpose. It is frankly a measure devised primarily to relieve the suffering caused by the devastations of unemployment. And, it should be added, even the best of all possible measures can relieve only a part of this suffering. There is still an enormous toll taken from society in the form of undernourished, diseased bodies, sick minds, disrupted families, vagabondage, begging, crime, lowered standards of working conditions, bitterness engendered by continuous suffering, and many other evils due to the breakdown of our economic machine, many parts of which origi-

nated in the "one-hoss shay" we used in a former and simpler age and did not scrap as we scrap the parts of physical machines when they are out of date.

WHAT IS A DOLE?

Probably the most effective weapon of attack on proposals to establish unemployment insurance for the involuntarily unemployed in this country has been to use a word which seems to have the unique power of causing as many chills to play up and down the spines of the timid as certain other words burdened with connotations they ill deserve. That word is "dole." It is used, as a rule, wholly incorrectly, sometimes by persons who maliciously and purposely wish to damn unemployment insurance by that small but powerful word and at other times by the stupid and ill-informed who are addicted to expressing opinions concerning things of which they know little or nothing.

Now, a dole is supposedly something a person gets for nothing, something involving no system, no contract nor responsibility declared or undeclared. In plain and simple terms, it is a charitable gift. When we have said that we have described what has been going on in every corner of the United States during this entire depression and every preceding depression. We have been doling out rations, money, gifts of one kind or another to the unemployed, and while we have been doling we have been shuddering at what we are determined to call "Britain's dole."

In Great Britain a recent investigation has shown no less than 35.2 percent of the persons continually insured during the 7¼ years between 1923 and 1930 had drawn no benefit at all and another 38 percent had received benefit less than 10 percent of the time, despite an average unemployment rate of 13 percent, which sometimes mounted as high as 20 percent.

UNEMPLOYMENT INSURANCE IN OTHER COUNTRIES

Great Britain was the first country to establish a national compulsory unemployment-insurance scheme. As we have said, it was the outgrowth of dissatisfaction with existing ways of relieving distress due to unemployment. At present 18 countries have adopted insurance to meet this hazard. Approximately 35,000,000 workers are covered by compulsory insurance and 3,000,000 by voluntary insurance, including trade-union benefits supplemented by government subsidies. Next to the British scheme in size and importance is the German scheme, established in 1927. It, too, has been in operation during a period of unprecedented depression and has consequently been subject to extraordinary buffeting. It comprises not only a set-up for ordinary unemployment insurance, but also for emergency or extended unemployment benefits and for welfare support, or what we would term "relief." Benefits are graduated according to average earnings of 11 wage groups. The duration of standard benefit is 20 weeks, except in the case of insured persons with means who are entitled to benefit only during 36 days.

The most significant thing about all the unemployment-insurance schemes in other countries is that authoritative opinion is invariably favorable to the principle. By authoritative opinion one does not mean the passenger on a trans-Atlantic boat who regales his fellow passengers with the story of someone who knew personally someone else who knew personally a lazy chap who preferred the dole to a job. Like any other institution subject to controversial attack, such as marriage, prohibition, and the eternally recurring question of the delinquencies of the latest generation, unemployment insurance suffers from the human tendency to generalize. Only by an honest and objective review of factual material and authoritative opinion based on wide experience and impartial judgment can any fair estimate be made. For example, one may find superficial magazine articles based on a running acquaintanceship with the British unemployment-insurance scheme, which may or may not be adversely critical. But no one who has made a thorough and exhaustive study of it, comparing it with far less satisfactory contemporary methods of relieving unemployment in the United States, has condemned the principle of unemployment insurance.

ATTITUDES AND ACTION IN THE UNITED STATES

Various objections to introducing unemployment insurance in the United States have been made. In the first place we have played up our individualism, our ability to handle social and economic questions without Government intervention. After the President's Unemployment Conference in 1921 some hope was entertained that numbers of industrialists would establish unemployment reserve funds to cover their workers, just as they provided funds to cover the depreciation of plant and machinery during times of depression. But what happened? In spite of all the interest aroused and the wide discussion of the subject, the mountain labored and brought forth a mouse. A few of the more progressive employers did get plans under way, but all during the years when we were living high employers were more absorbed in expanding productive capacity and planning for an endless prosperity than in providently laying aside funds to protect their workers from being drenched by the rain which history should have demonstrated to them always falls sooner or later in the kind of artificial climate we have invented.

As a result, less than 100,000 workmen are covered by these voluntary plans. Some of them have vanished in the present depression, unable as individual plans to stand up in a situation demanding industry-wide if not Nation-wide and world-wide treatment. A negligible number of workers are also provided for by varyingly generous schemes out of their trade-union funds and others out of funds provided by employers and trade union cooperating. But probably not over 200,000 workers are provided for by all these schemes and as time goes on and the depression eats into their funds it is obvious that these individual plans can have little effect on the problem of providing relief for 10,000,000 or 12,000,000 unemployed. It is worth noting that progressive employers who have tried to work plans of their own acknowledge the necessity of compulsory legislation if there is to be any adequate coverage of workers. They realize that our anachronous American philosophy of individualism cannot possibly meet the situation.

Another monkey wrench thrown into the machinery for compelling provision by legislation for the involuntarily unemployed has been the opposition of the rank and file of manufacturers. Sometimes perhaps a hall of fame will be erected to honor manufacturers who have supported any measure enacted for the purpose of improving the lot of the worker. Robert Owen would have a place there. So would the Earl of Shaftesbury and a few other brave men who dared to desert their backward and selfish fellow employers in the interest of the worker. Today, too, one finds occasionally an employer who is sufficiently interested in protecting workers from exploitation to appear in legislative councils in the interest of shortening hours of labor or to support some other piece of labor legislation which would not undermine and destroy society as his associates claim.

And so, down through the dismal history of the exploitation of workers during the industrial revolution of the eighteenth and nineteenth centuries and this even more terrifying industrial revolution of the twentieth century, one finds the rank and file of employers organizing opposition to every form of legislation enacted for the protection of workers. The first labor law in England provided that children under 9 years of age could not work over 12 hours a day in cotton mills and it was considered viciously radical and subversive by the majority of employers. Each generation looks at such acts passed in another age as obviously good, but certain groups of manufacturers almost automatically rise up in protest against any legislative measure proposed today in the interest of improving the status of the worker. So it is to be expected that employers in general will oppose the introduction of unemployment insurance just as they opposed the introduction of accident compensation. It is also to be expected that while their opposition will be troublesome, it will only retard and not prevent the introduction of unemployment insurance just as in the past it only retarded the law preventing children under 9 from working over 12 hours a day.

Until lately the American Federation of Labor has opposed unemployment insurance, but at the annual conference of November 1932, this policy was reversed. This is a significant step, for the Gompers tradition was against legal provision of anything which a militant trade-unionism could provide for itself by its own weapons. In both England and America a considerable number of trade-unionists would like to have the unions provide all the plums to their members such as health benefits, out-of-work benefits, and old-age pensions. But in the face of an increasingly complex and interdependent economic structure they are fast yielding to the inevitable.

In spite of our vaunted though anachronous individualism, and in spite of organized and unorganized opposition, unemployment insurance will probably be introduced in some of the States of the United States in the near future. Three years of acute depression, with all the attendant suffering that it implies, the demand for larger and larger relief funds, the growing dissatisfaction with the uncertainty of obtaining these funds and with the ways of distributing them will serve to convert the obstructionists and to awaken the apathetic. It did not take very long to break down opposition to Federal relief. Some of the States which were loudest in their opposition are now gladly reaching out their hands to the Reconstruction Finance Corporation. In like manner opposition to unemployment insurance will fall away as present sources of relief are exhausted and already unsatisfactory methods of testing for need become, in the face of overwhelming numbers, less and less adequate.

The first State to propose unemployment insurance legislation was Massachusetts, in 1916. Since then numerous bills have been proposed in various States. In the special session of 1931 the Wisconsin Legislature enacted an unemployment insurance law with the provision that it should become conditionally compulsory July 1, 1933. If by June 1, 1933, the employers (many of whom had declared they would prefer to establish their own voluntary plans) of not less than 175,000 employees have voluntarily established plans complying with standards prescribed by the State, the compulsory system will not take effect. Otherwise it will go into effect on July 1, 1933. This plan provides for contributions by employers only.

Following a conference on unemployment insurance, called by Governor Roosevelt, a commission was appointed by the Governors of Connecticut, Massachusetts, New Jersey, New York, Ohio, and Pennsylvania to report on compulsory unemployment reserves. On February 14, 1932, they reported in favor of establishing such reserves. In the Seventy-second Congress Senator Wagner introduced bills providing for the encouragement of compulsory legislation by States. This was to take the form of permitting employers to deduct a portion of the payments they made to reserve funds when paying their income and corporation taxes. Bills based on the interstate report advocating compulsory reserves are being introduced in Massachusetts, Connecticut, New York, New Jersey, Pennsylvania, Indiana, Michigan, and several far western States. The California bill is very similar. This ought to insure a large degree of uniformity in State legislation.

The Ohio bill, introduced in the State legislature in January 1933, provides for a reserve fund to be maintained by contributions from the employer amounting to 2 percent of his total pay roll and from employees amounting to 1 percent of their weekly earnings. Provision is made for reducing or increasing employer contributions according to the merit rating established by experience. This is in accordance with industrial accident compensation laws and is designed to distribute the cost of insurance more equitably and provide incentive for stabilizing work and preventing unemployment as far as such a relatively unimportant factor in employment stabilization can aid in prevention. Benefits are not to be paid until after a 3 weeks' waiting period and will amount to 50 percent of the unemployed man's normal weekly wages, not to exceed $15 a week. Benefits would be payable not more than 16 weeks and only after a worker had paid in contributions for 26 weeks during the 12 months preceding his application, or for a period of 40 weeks in the 2 preceding years. Administration is provided for by the appointment of an unemployment-insurance commission of three members by the Governor, with the advice and consent of the senate. The chief groups excluded from coverage are interstate commerce employees, farmers, farm laborers, teachers, Government employees, employers and workers in small establishments of less than three employees, short-time casual laborers, and nonmanual workers with annual salaries of $2,000 or more.

In the Ohio plan the State is to assume the function of trustee, with no financial liability because the framers of the bill are strongly convinced that one of the most important functions of unemployment insurance is to relieve taxpayers of the burden of supporting able-bodied unemployed. This is a far cry from the demand of the Independent Labor Party of Great Britain which insists the state should bear the entire burden of caring for able-bodied unemployed. The Ohio Unemployed Insurance Commission stresses the place of charity as distinct from unemployment insurance in dealing with the unemployed, stating that "insurance is designed to help those who are normally self-supporting to remain self-supporting" and assigning workers who are physically and mentally deficient, certain classes of casual workers, and others who do not properly fall in the insurance categories to charity, public and private. The commission points to the fact that by relieving the charities of the burden of caring for the majority of unemployed workers (who are victims of industrial depression and should therefore not be recipients of charity) they are making it possible "for case workers to deal much more efficiently and effectively with the unemployable and partially employable."

Aside from the difficulties in regard to interstate competition, other problems in relation to unemployment insurance are given an exaggerated importance. For example, opponents insist that unemployment cannot possibly be an insurable risk. This seems to be an academic red herring even though its parentage cannot be traced to academic cloisters. It is unquestionable that the incidence of the risk shows great variations, that unpredictably severe depressions furnish serious hazards and that it is impossible to calculate rates on an actuarially sound basis from experiential data. Even if we acknowledge the truth in these observations it should be observed that life, health, and other forms of insurance first had to be tried in order to make the data available with which actuarially sound modifications could from time to time be made. Moreover, there is a large body of employment and unemployment data now available which would enable some States, at least, to compute fairly accurately the amount of contributions necessary in order to provide a given amount in benefits, with restrictions as to preliminary employment in the State, waiting period, duration of benefit, and other requirements for the receipt of benefit.

It should be kept in mind that rates must be based on experience in many industries, with large groups of persons and over a long period of time, in order to cover years of depression as well as prosperity. When one considers the unpredictability of epidemics, hurricanes, floods, earthquakes, and other disasters against which insurance may be taken, it seems within reason to plan for unemployment insurance. It is primarily a matter of how much a group is willing to pay for benefits of a stipulated amount over a limited period of time. As we have pointed out, Great Britain discovered she could not afford to pay for the extention of benefits to the chronically unemployed, just as many persons who carry accident insurance cannot afford to pay the higher premium for total disability.

HOW SHOULD AN UNEMPLOYMENT FUND BE SUPPORTED?

As to the question of how an unemployment-insurance fund should be supported, there is variance of opinion. In European countries the state usually makes some contribution, although in Germany employers and workers support the standard benefit fund and the government, national and local, supports only emergency benefit funds. In

Great Britain, as we have said, the state contributes to the insurance fund and pays the entire cost of the transitional benefit cases. The Wisconsin act provides for contributions by employers only, which is also the recommendation of the Interstate Commission, composed of the representatives of the Governors of the States of New York, Ohio, Massachusetts, Pennsylvania, New Jersey, and Connecticut. The Ohio bill provides for contributions from employees as well as employers. The bill introduced in Illinois in January 1933 provides for contributions from employers only, unless employees wish to have greater benefits by making voluntary contributions. Much may be said both for and against contributions from workers. Employees contribute in all foreign countries which have unemployment-insurance funds.

The chief argument for such contributions is a psychological one, the claim being that workers have more self-respect when they help to pay for what they get. Against contributions by the workers we find it stated that such payments eventually come from industry and are passed on to the consumer, and that it is more practicable to avoid deductions from the pay envelops. There is much to be said for Federal contributions in the United States not only to spur the States to action but also in order to insure some degree of Federal supervision in the interest of uniformity and excellence of practice on the ground that our Federal Government is in most cases more capable than our various and overlapping local governments.

Whether individual plants or groups of plants in an industry should have separate funds or whether there should be a general pooled fund depends on how much importance is attached to the possibility of using unemployment insurance premiums to bring pressure to bear on employers to regularize employment. Considering the far greater significance of such losses as are incurred by idle plant and equipment and the retraining of personnel, unemployment-insurance premiums would probably play a small part. While it might be worth while to add this small factor, it may be even more important to observe sound insurance practice in spreading risk over as wide a number of contributors as possible, thus building up greater financial strength. The final report of the recent Royal Commission report states,

> It is, in our view, impracticable to provide within the scheme for differentiation between industries in the rates of contributions or rates of benefit or periods of benefit because of a risk of unemployment above or below the average. * * * So long as the scheme itself does not encourage unsound organization and undesirable methods of working, we are of the opinion that the best way of dealing with an industry which fails * * * to make satisfactory arrangements for the engagement and employment of labor, is by measures outside unemployment insurance.

It would be quite possible in any case, when sufficient data are accumulated through experience, to arrange for lower premiums for industries with good employment records and, indeed, even for individual employers. It is interesting to note that the reason Great Britain discarded the provision for refunding a portion of the employer's contribution, according to his rating for keeping workers steadily at work throughout the year, as "partly because the actual financial effect was an appreciable additional charge rather than a saving to the fund, and partly because the administration of the provision was found to be both difficult and expensive."

The Interstate Commission on Unemployment Insurance claims that by starting with an attack on persistent unemployment and irregularity of operation by providing for compulsory reserves by individual firms and groups of employers, it should prove possible to assess responsibility for avoidable irregularity. With this information secured they regard the possibility of formulating a more comprehensive plan more practicable than at present. This Commission claims that the pooling of reserves may result in perpetuating careless management and, consequently, in a failure to spur employers to regularize employment. On the other hand, the Ohio Commission on Unemployment Insurance recommends a merit-rating system, following the example of workmen's compensation, but insists that separate reserve funds maintained by individual employers for their own employees conflict with the principle that sound insurance depends on covering the widest possible spread of persons subject to the risk insured against. The new Mastick bill, proposed in the New York State Senate January 4, 1933, gives the commissioner of labor power to compel pooling either by industry or by locality. This makes it possible to arrange to cover the irregular trades such as the building and garment trades as well as small communities where a pooled fund would have obvious advantages.

The question of coverage is largely one of protecting those workers least able to provide for their own protection; although some persons favor stretching the coverage to include fairly prosperous groups in order to spread the risk. It would probably be advisable to exclude nonmanual workers earning more than $2,500 to $3,000 a year, Government employees, and other fairly well-assured steadiness of income, self-employers, and certain other groups. Prof. Paul H. Douglas thinks it probably both advisable and necessary for political and administrative reasons to exclude agricultural and domestic workers, although certain compromises might be effected when unemployment insurance was well under way and other difficulties had been ironed out. The question of seasonal and part-time workers, age limitations, and other matters would be decided in the light of the wealth of experience with such groups in other countries.

In the limited scope of these remarks, it is impossible to go into the question of the amount of contributions and benefits for different age groups, the very important part an adequate system of Federal employment exchanges plays in testing for willingness to work and in serving as clearing houses for employers and workers, and numerous other matters related to unemployment insurance. There are numbers of details to be considered by any group contemplating the installation of this form of insurance. But once it was set up, with a system of relief to supplement it, the machinery would be there and improvements and modifications could be effected from time to time. The importance of having a definite, businesslike system, understood by employers and workers alike, would do away with much of the uncertainty and chaos resulting from our American dole giving.

CONCLUSION

Once more let us emphasize the importance of regarding unemployment insurance as a method, the best possible method developed thus far, of relieving and not curing unemployment. Efforts to devise a more smoothly coordinated economic organization, geared more adequately to a civilization which has long since burned its pioneer bridges behind it, must be unremitting. But, as we have indicated, it may be a considerable length of time before such efforts are effective. In the meantime we must seek better ways of handling relief of the unemployed than our present highly unsatisfactory ones; unsatisfactory from the point of view of expense, of proving the worthiness of applicants, and of preserving the self-respect and morale of the involuntarily unemployed. The concensus of authoritative opinion in countries which have adopted compulsory unemployment insurance is in favor of retaining it. The United States needs to supplant its chaotic dole giving by a dignified system of unemployment insurance to insure the payment of benefits as a matter of right and justice to involuntarily unemployed workers for a stipulated period of time. A supplementary system of relief on the basis of need would prevent the insurance system from carrying burdens too heavy for it. The majority of workers, however, would be carried by the insurance scheme and case-work treatment would be applied only to persons not qualified for benefits under this scheme. It goes without saying that if case work were necessary in only the second- and third-line trenches and not in the first-line trenches it could be far more effectively applied than under the present overwhelming circumstances. As a matter of simple justice, "It is possible", says Mr. R. H. Tawney, the British economist, "for a society, by making

the fullest possible provision for common needs, to abolish, if it pleases, the most crushing of the disabilities, and the most odious of the privileges which drive a chasm across it."

I am indebted to Miss Mary B. Gilson, the author of Unemployment Insurance in Great Britain, which has recently been published as one of the series of public policy pamphlets issued by the University of Chicago Press, for many of the facts which I have presented.

Mr. FARLEY. Mr. Speaker, the subject of direct loans to industry has been one carefully and thoroughly considered by the committee, and comes as the result of a wide-spread demand by industry throughout the entire land. Some industries have been badly crippled because of the depression that started with us in full force in the spring of 1930. Many of these industries have undertaken to hold their capital and organization intact, and in most cases have exhibited a fine spirit of loyalty to the country by keeping their men employed in far too many instances when they lost money by so doing.

It looks like a better day for labor and for capital now employed in these small industries that they are to have access to the resources of the Reconstruction Finance Corporation and likewise the Federal Reserve banks. I call your attention to the two outstanding provisions of S. 3487. The object of this legislation, in the main, is to broaden the powers of R.F.C., to facilitate exports and imports; to empower it to extend credit; to maintain and increase employment; to assist in refinancing and reducing of existing commercial and industrial burdens; and to further facilitate the extension of credit to small industrial concerns; and to amend the Federal Reserve Act relative to loans to industry proposed by Federal Reserve banks.

There are two important provisions in this measure, the first of which is to make accessible to industry the resources of R.F.C. We are all of the impression that the R.F.C. is a division of the Government set up to meet an emergency, the length of its life to be determined by Congress from time to time. One of the first things we did in this session was to extend the functions of the organization to July 1, 1935, and undoubtedly these extensions will be authorized from time to time as long as the emergency exists, and they accomplish faithfully what was intended when the organization was authorized. However, there is a feeling that this is temporary and as industry is a vital part of our national well-being, a more permanent form of financing is desirable.

To this end for the first time the resources of the Federal Reserve banks, through the use of their surplus, have been opened to make direct loans to industrial enterprises, and I have a feeling that this will meet a situation so much desired that it will become a permanent part of the Federal Reserve System.

This bill provides for the establishment of 12 intermediary-credit banks, corresponding with the districts where the Reserve banks are now established. The bill further provides for the selection of a board, which shall not be composed of less than three or more than five outstanding business men who are to act in an advisory capacity in conjunction with the Reserve Board with reference to loans. It is hoped and expected that when the capital structure of the banks of the country has been rebuilt, they will again be in position to grant credit to worthy institutions upon adequate and sufficient security.

It is not the wish of any Member of Congress to usurp the functions of the banks of the country. We want them to continue to serve us, but we have reached a place where we do not want them to be our masters. There is no community so small that it does not have need of financial assistance. Farmers must be financed. Merchants must be financed. Every type of industrial program will depend on this assistance, and I for one feel that by authorizing the Federal Reserve System to take over this part of the banking function at this time is of outstanding importance and value, and in the end will be so regarded by a large majority of the people, even the banking institutions themselves.

We learn by experience, and if all the poorly secured loans made in the past had been handled in a conservative and constructive manner for the benefit of the people, rather than profit of unscrupulous individuals, we certainly would not have had to pass through the terrible ordeal such as the last 3 years have been. We are making progress. Money is flowing back into the channels of trade. Men are being reemployed; and when we are in position to put labor to work, then it will be that the farmer's product can be sold; and whenever the farmer begins to make money and comes back into the market as a purchaser we will then be far out on the road to recovery and we can look back upon it as a time of hardship by profitable experience.

The committee has labored long and faithfully and held hours of hearings with some of the outstanding industrialists as witnesses before the committee. Newspapers of the land have given the project their support in a very sympathetic and helpful manner.

I am indebted to an article in a recent issue of the Washington Post for the fine résumé of the past year's activities in the administration. I have taken the liberty in a former article to quote some of their statements of this progress.

I want to say to you, Mr. Speaker, ladies, and gentlemen, that no more constructive piece of legislation has been passed, and I compliment you for the very fine spirit in which this legislation has been put on the statute books.

Mr. WALDRON. Mr. Speaker, the pending measure (S. 3487) is a moral victory for those of us who more than a year ago insisted that direct financial aid to industry through the Reconstruction Finance Corporation was the surest means of providing jobs and accelerating economic recovery.

The workers of my district, the largest industrial section in Pennsylvania, want jobs and not charity. Steady employment and an assured income each week, in my opinion, can only be obtained by opening the mills and starting the wheels of industry humming.

In the last session of Congress, when the President's recovery program was being finally enacted, I pointed out to the country that the one flaw in the plan was the failure to provide the proper credit facilities for commerce and industry. Millions of dollars of credit had been pumped into insurance companies, banks, mortgage companies, and other lending institutions, without any assurance that these agencies, in turn, would use it to put new life into industry. The farmer, the home owner, the destitute, and others were provided for, but the job-producing employer in our large cities and industrial centers was left completely out, and he was supposed to "take up the slack" of jobs when the relief appropriations were exhausted.

As it became apparent that nothing was going to be done about it by the administration, I introduced three bills providing for direct loans to industry by the Reconstruction Finance Corporation. Efforts to secure administration support of these measures failed and Congress adjourned without taking any action thereon.

What followed is history. The credit intended to accelerate recovery through the established lending agencies did not reach the job-producing industries. Much of it was frozen in bank vaults, which, while making those institutions 100-percent liquid, was not loaned out to business. Mortgages were impossible to obtain, even on the best security. Needed working capital was denied, except upon a greatly reduced basis, and then only for impractical periods of time. Concerns operating under the N.R.A. with increased labor costs and overhead, were compelled to go along on a hand-to-mouth basis rather than to move forward with steady precision. Instead of more jobs, there frequently were less jobs, and when the C.W.A. and other relief agencies ceased activities recently through exhaustion of appropriations, there was not enough industrial jobs available to absorb even a small percentage of those released. We are now facing another unemployment situation which, it is hoped and believed, this form of relief will overcome and would certainly have overcome, in large part, had it been applied last year.

Those of us who saw this situation last June sought by every honorable means to change the administration's viewpoint. Some recognition of my proposal was given last fall when the Reconstruction Finance Corporation attempted to set up mortgage-loan companies to meet the pressing need for credit fo rthe smaller concerns. The plan has not furnished the relief needed. The agitation, however, has continued throughout this session of Congress, and administration approval has been finally won for the measure now before you. I am happy to have been a leader in this fight for the thousands of men and women in our industrial sections who abhor charity and seek only the right to toil at their regular trades at a fair living wage.

After I introduced my bills last year, thousands of letters poured into my office, and to the Committee on Banking and Currency, from all over the United States urging that some action be taken upon my proposal. The story these letters told of the heroic struggle of industry to hold its ground or to advance with consequent benefits to unemployed workers and the communities served is too long to be repeated.

However, a few instances from my own district will illustrate the situation. One concern whose credit rating, under normal conditions, was in excess of $100,000 had that rating reduced to $10,000 by the banks with whom they formerly did business. Several others complained that loans were called when such loans represented only a fractional part of the present value of buildings and equipment which was free and clear of encumbrance. One manufacturer with orders ahead that would furnish employment for 60 people was compelled to operate with only 7 employees when his working capital was tied up in a closed bank and additional capital could not be obtained from any other lending agency. Another large firm, with realty worth several million dollars and not one penny against its property, shut its doors, throwing several hundred people out of employment for a period of several months, because it could not obtain a small loan to carry on in the off-season. Scores of other instances of hardships these business men have encountered in their effort to obtain credit might be cited.

In September last I directed a letter to a selected list of several hundred firms in my district embracing every class of business and manufacturing, all of whom were in existence and doing business on January 1, 1933. Replies were not received from all of them, but of this group 25 firms had closed their doors, throwing out of employment approximately 1,300 people. A few weeks ago I covered the same group, and at this date find that 31 additional firms are out of existence, involving nearly 800 employees. These concerns ranged in size from the small merchant, employing two or three people, to a factory, employing 678 persons.

If my bill, H.R. 6124, had received the recognition to which it was entitled at the last session of Congress, many of these concerns would be flourishing today and there would be some 2,100 fewer mechanics and artisans walking the streets of Philadelphia seeking employment.

The pending measure, S. 3487, recognizes the justice and fairness of my proposal and should be the means of pumping credit into industry, which will provide jobs for many who are now unemployed. While it does not go as far as my bill would have gone in the matter of the amount that may be loaned to an individual borrower, I shall vote for it, since I believe it will greatly assist the small concerns and open up employment. It is a step which should have been taken a year ago.

Briefly, S. 3487 provides that the Reconstruction Finance Corporation may make loans to any industrial or commercial business established prior to January 1, 1934, when credit at prevailing bank rates for loans of such type is not available at banks or the Federal Reserve bank of the district of the applicant. The loans may be made directly, or in cooperation with banks or other lending institutions, or by the purchase of participations, for a period of not to exceed 5 years. The sum of $300,000,000 is authorized to be used for making these loans, but the amount of a loan that may be made to any one individual borrower is limited to $100,000 by the House provision.

While I believe that $100,000 loaned to any single borrower will take care of the needs of the smaller business concerns, many of whom will not require anything like that amount, I do not believe it is sufficient to take care of the larger concerns needing working capital, who should be given the same consideration and who are capable of putting back to work a much larger number of employees. There are some long-established concerns to whom a million dollars or more might be loaned without any great risk. The bill as it came from the Senate had a limitation of $1,000,000 in the case of any individual borrower, which limitation I believe would be more nearly proper. The measure I introduced (H.R. 6124) would have permitted much larger loans if the security furnished came within the scope of the Reconstruction Finance Corporation Act.

I shall vote for the House proposal, however, in order to speed the legislation to an early conference in the hope that the conferees will increase this limitation to the individual borrower to somewhere near the amount contained in the Senate bill.

I congratulate the administration and its leaders in the House and Senate for their final recognition of the merits of this job-providing proposal, which I consider one of the most important steps in economic recovery taken at this session of Congress.

Mr. REILLY. Mr. Speaker, the meat of the pending bill is that provision that provides for furnishing loans to industry. There are other sections in the bill that are amendatory of existing laws, the object of such amendments being to make the said legislation more workable.

All the Members of this House can testify to the fact that there is a wide demand throughout this country for governmental assistance to industry. Up to the time of the present industrial crisis, and even since the first dark days of October 1929, the banks had rendered the necessary assistance to industry and business in general. But since the banking holiday in March 1933, industries in this country, and particularly small industries, have been suffering for a lack of legitimate financial assistance.

It was hoped that the bill passed at the last session of Congress providing for the guaranty of bank deposits would make it possible for the banks of the country to be more liberal in taking care of the demands of industry, but it does not seem that such legislation has in any substantial way liberalized the loan practice of the banks.

Some of the bankers claim—in fact, many of them—that they are prohibited from making loans they would like to make because of the rigid rules laid down by bank examiners. Whether or not this statement is universally true I do not know, but I do know that many of the bankers in my district state that they would gladly make more loans to industry if the bank examiners would not compel them to write off such loans.

This bill provides for two methods for affording financial relief to industry. One provision enlarges the authority of the Reconstruction Finance Corporation by permitting that organization to make loans to industry or commercial institutions where the needed credit cannot be obtained from the usual channels or through the banks.

The Reconstruction Finance Corporation has been attempting in a mild way to administer to the financial demands of small industries by making loans to the extent of about $17,000,000. These loans have not been made by the Reconstruction Finance Corporation direct to the industries, but through financial set-ups in the different communities. These financial set-ups or corporations are subject to local control. They require a small initial capital, and to this organization the Reconstruction Finance Corporation has loaned that amount I have referred to.

Under this new legislation the Reconstruction Finance Corporation will be at liberty to loan $300,000,000. These loans are to run for a period of not to exceed 5 years. A survey has recently been made by the Federal Reserve Sys-

tem to find out just how much money could be used along the lines proposed in this bill, and it was estimated that there was a loaning demand for about $600,000,000 to provide the necessary financial assistance to industry, which at the present time cannot obtain relief from banking or money institutions.

This bill also provides that the Federal Reserve banks may loan to industry a sum up to the amount of their surplus. All the Federal Reserve banks have at the present time surpluses of about $150,000,000. Of course, the Federal Reserve banks may also render greater assistance to industry by making commitments and extending loans already in existence.

This bill contemplates that the Federal Reserve Board and the Reconstruction Finance Corporation will cooperate with the banks in meeting this demand for working funds, particularly by the small industries of the country. For instance, both of these institutions may propose to the banks that if the banks will advance 50 percent of the amount of money needed by an industry they will advance the balance. In other words, these two Government agencies may join with the banks in going 50–50 on needed industrial loans.

Of course, these advances by the Reconstruction Finance Corporation and the Federal Reserve Board are not to be in the nature of gifts to industry. The loans are required by this bill to be adequately secured and only such institutions that show vitality and life, and a possibility of working out the required loan, will be granted assistance from either one of these lending bodies.

That some industries are to be disappointed in their attempts to receive working loans under the terms of this bill is to be expected. Many industries seeking such loans have been turned down already by the Reconstruction Finance Corporation, and there will probably be others disappointed in receiving loans after this bill, broadening the loaning power of the Reconstruction Finance Corporation and putting the Federal Reserve Banks into the loaning picture, has become a law.

It is hoped, however, that the Reconstruction Finance Corporation and the Federal Reserve banks will be as liberal as possible in executing this law.

Our factories must be kept running in order that men may be employed. There can be no doubt at all but that the lack of finances has closed many factories since the breaking of the panic; factories that had orders in sight and factories that in the old days had ample banking credit.

The Reconstruction Finance Corporation has done a good work. It has loaned out about $5,000,000,000 to banks, insurance companies, railways, and other corporations. Of this sum, $1,500,000,000 has already been paid back, and it is expected that in the final wind-up the Corporation will not lose $1; that is, the interest received on the loans will more than pay the operating expenses of the Corporation and such losses as it may suffer.

Many banks, industries, and corporations have been saved by loans received from the Reconstruction Finance Corporation, and it is hoped that through the passage of this bill many industries will be saved and the army of the unemployed reduced.

BANK-DEPOSIT INSURANCE

Mr. BANKHEAD. Mr. Speaker, at the request of the majority leader, I desire to submit a unanimous-consent request. The next order of business on the calendar of the majority leader is the immediate consideration of the extension of the bank-deposit insurance bill reported by the Committee on Banking and Currency. A rule providing for the consideration of this bill has been presented, but in order to expedite consideration of the bill I ask unanimous consent that it may be in order to consider the bill under the terms of the rule we expected to present, and ask that the resolution be read.

The Clerk read as follows:

House Resolution 303

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 3025, a bill to amend section 12B of the Federal Reserve Act so as to extend for 1 year the temporary plan for deposit insurance, and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 3 hours, to be equally divided and controlled by the Chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the substitute amendment recommended by the Committee on Banking and Currency, and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. Without objection, the resolution will be adopted.

There was no objection.

A motion to reconsider was laid on the table.

Mr. LUCE. Mr. Speaker, the resolution we have just adopted provides for a motion to recommit. Earlier this afternoon we were working under a rule identical with this one which provided " without intervening motion except one motion to recommit."

Will the Chair kindly explain how this provision can be made of any value in the application of the rule under which we are about to proceed?

The SPEAKER. The rule just adopted grants the usual permission to offer a motion to recommit; but when the House has adopted a substitute for the entire bill, a motion to recommit with instructions would not be in order.

Mr. LUCE. What type of motion would be in order?

The SPEAKER. Just a simple motion to recommit.

REVISION OF AIR-MAIL LAWS

Mr. MEAD submitted the conference report on the bill (S. 3170) to revise air-mail laws for printing in the RECORD under the rule.

CITIZENSHIP AND NATURALIZATION

The SPEAKER laid before the House the following message from the President of the United States:

To the House of Representatives:

In compliance with the request contained in the resolution of the Senate of May 22, 1934 (the House of Representatives concurring therein), I return herewith House bill No. 3673, entitled "An act to amend the law relative to citizenship and naturalization, and for other purposes."

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *May 23, 1934.*

The SPEAKER. Pursuant to the provisions of Senate Concurrent Resolution No. 19, the Clerk of the House will enroll the bill with the changes contained in the concurrent resolution.

VETO MESSAGE OF THE PRESIDENT OF THE UNITED STATES—LOTTIE BRYANT STEEL (H.DOC. NO. 381)

The SPEAKER laid before the House the following message from the President of the United States:

To the House of Representatives:

I return herewith without approval House bill no. 177, entitled "An act for the relief of Lottie Bryant Steel."

The bill provides for the payment to Mrs. Steel, remarried widow of Col. Montgomery Bryant, a former officer of the United States Army, of $105.07, as pension at the rate of $3 per month from May 22, 1902, to the date of her remarriage, June 26, 1903.

Colonel Bryant's death occurred June 17, 1901, some 7 years after he was placed on the retired list of the Army, and was not the result of service-connected disability. Having been on the retired list at the time of his death, no pension was allowable under the laws then in force applying to pensions for service only.

It was not until May 1, 1920, approximately 19 years later, that the law was amended so as to have permitted of the allowance from that date of a service pension to Colonel Bryant's widow. Prior to that time, however, she had remar-

ried, which remarriage precluded the application to her of the benefits of the amendatory law.

Should the beneficiary of this bill again become a widow, she will have a pensionable status under the law of May 1, 1920. I fail to see any justification for the proposal to now place her in a pensionable status for a period during which the law then in force precluded the allowance of pension.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *May 22, 1934.*

The SPEAKER. The objections of the President will be spread upon the Journal.

Mr. BYRNS. Mr. Speaker, I move that the message and the bill be referred to the Committee on Claims and ordered printed.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

RADIO MESSAGES

Mr. McCLINTIC. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD and to include therein certain radio addresses I have delivered during the session.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. McCLINTIC. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio messages broadcast over Station KASA, Elk City, Okla.:

THE PRESIDENT'S BIRTHDAY PARTY AND THE DOUGHTON DINNER

(Feb. 6, 1934)

Fellow Oklahomans and friends who are listening in over radio broadcasting Station KASA at Elk City, much time has elapsed since so many persons of the Nation have assembled on one evening to celebrate an occasion as one week ago when more than a million joined in what was estimated to be about 6,000 receptions of the country to assist in raising funds for the Warm Springs (Ga.) Foundation for Crippled Children by helping President Roosevelt to enjoy his fifty-second birthday.

Thirty-five thousand dollars was raised in Washington alone, and I can think of no finer purpose than the will to aid these helpless little crippled children.

Like a super-Hollywood opening, but with more flare and color and greater names than Hollywood could ever possibly muster, the birthday reception, which surpassed anything that Washington remembers, included 10 tables which sold for $1,000 each. One of these tables was purchased by an anonymous contributor, who sent $1,000 for a table for 10 World War heroes—5 from each of two hospitals in Washington—and they were there, engulfed in happiness.

Another sent $2,500 just as a contribution. It didn't get anybody in, not even himself. And a third sent $1,000 to purchase tickets for 500 marines, soldiers, and sailors.

In Washington it was like New Year's Eve, in a way, but a little more thoughtful. President Roosevelt was 52, but the city seemed to be just turned 21—joyous in new strength.

Meanwhile the White House was completely snowed under by the tens of thousands of telegrams, cablegrams, and letters which poured in to wish the President a happy birthday. They came from every nook and cranny of the United States, from the crowded tenements of New York to the lone prospector in Montana. They came from every foreign country—from Americans away from home and from aliens who watched his mighty task from afar. It was the most spontaneous outburst of good will the White House has ever seen.

Ray Baker, chairman of arrangements for the Washington celebration, who brought Mrs. Roosevelt, the lovely wife of the President, to the party, and who comes from Idaho, spent much of his early days in the mine, and at night by the aid of a coal-oil lamp studied law. He was finally admitted to the bar, held a number of offices in connection with his party, one of which was being Director of the Mint, and was selected by Mrs. Woodrow Wilson to write the life of President Wilson, selecting much of his material from the private files of the President.

Will Rogers, the radio star and humorist, who comes from our own State, was master of ceremonies, and arrived late for the President's party, maybe due to the informal reception which he held in the Speaker's reception room at the Capitol earlier during the afternoon, at which time he was assisted by his lovely daughter, Mary, and in which reception all members of the Oklahoma delegation participated. Many others also came in to listen to the cornfield logic by Will, which, when all summed up, seems to be a lot of hoole, but in fact is a lot of good common horse sense.

As a climax to the eventful day, during which time the good will of a nation swept like a rising tide through the White House, over the greatest hook-up in radio history President Roosevelt spoke to the Nation at large and particularly to the millions attending the 6,000 banquets to raise funds for the crippled children. This great leader perhaps understands the need for such a fund for the children more than many others, and as a message of hope for the sufferers from infantile paralysis, from which President Roosevelt recovered before he entered the White House, it is the President's confident belief that medical science will be able to do for the victims of infantile paralysis what it has already done to abate tuberculosis, eliminate yellow fever, and to restrict the ravages of many other human ills.

We are indeed glad that the citizens of southwestern Oklahoma took part in this celebration by holding banquets in various towns on this evening for the purpose of participating in the worthy cause. We were very sorry that it was not possible for us to be in attendance for at least one of the banquets in the district in that section of Oklahoma, but we did the next best thing by notifying a representative in each of the 11 counties of the district to purchase a ticket for us for each of the entertainments held there, since we were especially glad to be able to take part with the citizens of the home State and President Roosevelt in such a worthy cause as helping to raise funds for the crippled children.

One of the nicest dinners that it has been my privilege to attend for a long time was the one given to the Ways and Means Committee a few nights ago by Chairman DOUGHTON, of North Carolina, at which all of the members of the committee were present. This organization has a history that is not known to many of our citizens, as when George Washington, as Commander in Chief of the Continental Army was successful in defeating the British and our form of government took shape, then it was that it became necessary for the first Congress, serving under George Washington, our first President, to find some way to obtain the means necessary to carry on the affairs of the Government. It is generally conceded that President Washington recommended to the leaders who were cooperating with him that such a committee be formed, and from that date until the present time this organization has looked after the principal duties and legislation necessary for the maintenance of the Government.

For a long time this was the only committee in the House of Representatives; however, as the Nation increased in population and activity, in connection with all kinds of business, it became necessary to create other committees, such as Banking and Currency, Army, and Navy, and the various others that are now functioning. There may be some of you who do not know that all bills for the purpose of raising revenue always originate from this source, and when it is taken into consideration that there will be a turn-over this year of more than $10,000,000,000, one can have a conception of the duties of such a committee.

At present, sessions are being held morning and afternoon for the purpose of shaping into form the numerous provisions that have been worked out by a subcommittee that spent the greater portion of the summer and fall here in Washington preparing amendments to the present laws in the hope that those who are termed "big business" and have been escaping paying their proper proportion of the amount necessary to defray the expenses of this Government may be compelled to do so in the future. I do not know of anything that is more disgusting to our people than the realization that Mr. Mitchell, with the National City Bank; Mr. Wiggins, with the Chase National Bank; and J. P. Morgan made profits that amounted to many millions of dollars and were able to escape paying a thin dime in the way of income tax. When it is taken into consideration that J. P. Morgan Co. collected many millions of dollars in the way of dividends on noninterest taxpaying Government securities, and in addition purchasing a yacht that cost more than $2,000,000, one can realize the necessity of changing the law so as to compel every kind of a money tyrant to do his part.

I was especially pleased at this dinner when the newest Member, Hon. CLAUDE FULLER, who was recently elected, stated that his assignment to this committee was considered such a high honor by the people of Arkansas that over 500 individuals wrote him letters of congratulation. Inasmuch as the State of Oklahoma has never before had representation in this organization, I feel very proud that our district has a voice on many matters concerning certain vital questions of importance to the citizens of the Nation.

To give you some idea of the interest that is taken in any provision that relates to a commodity, recently when publicity was given to the fact that the committee had adopted an amendment levying a tax of 5 cents per pound on coconut and sesame oil, which is a product of a seed imported from the Orient that contains many of the properties that can be substituted for butterfat, it brought the largest response of individual telegrams that I have ever seen in all my public life. During one whole day Western Union and Postal messenger boys averaged bringing a telegram to my office every 2 minutes, presenting arguments both for and against the inclusion of such a provision in the new revenue act.

Chairman DOUGHTON is a Scotchman from North Carolina; his ancestors were pioneers of this great State. He is by temperament and other splendid qualifications exceptionally well fitted to look after the duties of his position, and at this dinner expressions of affection came from members of both parties in testifying as to the high regard and esteem in which he is held. One member in speaking on this occasion made bold the statement that no member of this committee had ever voluntarily retired from the same unless he was promoted to some higher position. Vice President Garner, Speaker Henry T. Rainey, and Judge Green, of the Federal court, served as members of this committee prior to their elevation to more important assignments. In addition, this committee makes up all the other committees of the House of Representatives, and for this reason is conceded to have more power than any other in Congress.

We are highly gratified because of the support given to President Roosevelt's money bill and believe it will furnish the means of stabilizing finance in the majority of countries of the world. We know that the taking over of all the Nation's gold will provide a metal base to issue at least $15,000,000,000 in currency, and this will be a sufficient amount to keep the old ship of state on an even keel, also to provide funds to give employment to every deserving person until normal conditions are restored.

The former Secretary of the Treasury, Mr. Ogden Mills, who belonged to the Mellon group, took a pot shot at President Roosevelt's policy in his recent speech delivered in Kansas. It did not even create a ripple of interest here in the Capital. It was timed to happen just before the birthday receptions held in honor of the President; however, no one to speak of paid any attention to his wild utterings, as he was one of President Hoover's trusted lieutenants, and everyone knows that enough damage was done by this crowd to pretty nearly destroy the Nation. I am proud of the honor of cooperating with President Roosevelt, for if there ever was a man who has given his efforts on behalf of our citizens it is the man who is now in the White House.

LEGISLATION

(Feb. 13, 1934)

Fellow Oklahomans, again I wish to express my appreciation to station KASA for the opportunity of providing my friends information relative to what has been going on in Washington. I realize that some of you do not have the opportunity of keeping up with the various events and happenings that are published in our splendid daily and weekly papers, and it is for this reason I often refer to items that have been given some publicity.

I am sure that our friends—and especially those who reside in Ellis, Dewey, Roger Mills, and other counties in the northern part of the district—have been made happy because of the passage of a bill in the House which will make livestock a basic commodity and will set aside $200,000,000 to be used for this purpose. This subject was brought to my attention by a number of our prominent citizens when I was at home during the holidays, and I promised to contact the Honorable MARVIN JONES, who is chairman of the committee that has jurisdiction over this subject and who is also our neighbor on the west, being the Representative from the panhandle district of Texas, and if possible, secure the passage of such a bill. I am sure that there are many listening in who are acquainted with this most distinguished gentleman, and by the way I am pleased to say that there never was a finer or more conscientious worker in behalf of those whom he represents. This bill reads as follows:

"To amend the Agricultural Adjustment Act so as to include cattle as a basic agricultural commodity, and for other purposes

"*Be it enacted, etc.*, That section 11 of the Agricultural Adjustment Act, as amended, is amended by adding after the word 'hogs' a comma and the word 'cattle.'

"SEC. 2. Subsection (a) of section 12 of the Agricultural Adjustment Act, as amended, is amended by adding at the end thereof a new paragraph, as follows:

"'To enable the Secretary of Agriculture to finance, under such terms and conditions as he may prescribe, surplus reductions and production adjustments with respect to the dairy- and beef-cattle industries, and to make advance rental and/or benefit payments with respect thereto, there is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $200,000,000.'"

Another measure that will be of special interest and benefit to many of those residing in the district is the one which provides the sum of $35,000,000 to be used as a fund to loan the farmers during the year 1934 for the purpose of planting, fallowing, and cultivation of crops; also providing $1,000,000 which shall be available to purchase feed for livestock in drought- and storm-stricken areas. The aggregate amount of a loan, under the provisions of this act, is $250; however, it contains a provision that the President of the United States, in an emergency, may make loans without regard to limitations under such regulations as he may prescribe.

It has been a privilege on my part to support these most meritorious bills, and I am proud that the administration has sponsored such measures, which shows conclusively that we have in the White House a President who is just as much interested in agriculture and the production of livestock as he is in any other occupation.

There has been a lot of activity in Washington during the past week with respect to the production of oil. Oil is today one of the largest industries in the Nation, and there are more people directly or indirectly affected by oil and its byproducts than any other commodity. The total value of the production of oil and its byproducts in 1933 amounted to approximately $540,000,000. In addition there are 20 States that are now producing this commodity. A number of unethical citizens have deliberately violated the State and Federal regulations with respect to running hot oil, and this situation resulted in breaking the market until crude oil sold as low as 10 cents per barrel. This situation brought about disaster to a large number of independent producers, to the extent that some were forced out of business and others were taken over by larger companies, who are always able to weather a storm.

One of the first acts of President Roosevelt was to put into effect an oil code which came under the jurisdiction of Secretary Ickes, thus providing the kind of regulations which it was thought would stop the production of illegal oil and at the same time maintain a fair price so that the industry could survive. Soon after I returned to Washington, numerous complaints came to me regarding illegal production; and being interested in protecting the citizens who have tried to obey the law, I prepared and introduced a bill which if enacted into a law would cause all of those who had obtained profits from the sale of illegal oil to pay an income tax and at the same time provide an informers' fee of 50 percent of the penalty named in the legislation.

I never dreamed that when this bill went into the legislative hopper that it would cause the Secretary of the Interior to immediately make an investigation, which, according to the information brought to me, showed that in the east Texas field practically no attention was being paid to proration orders, the existing law that relates to interstate shipment, or the provision of the code; and the amount of illegal oil being produced daily amounted to between forty and seventy-five thousand barrels, which means that over 2,000,000 barrels per month were being thrown on the market and sold at a price practically one-half of the posted price.

The Secretary of the Interior came before the Ways and Means Committee and said that unless something was done to provide new legislation to stop the production of illegal oil, the code jurisdiction would break down and become ineffective within 2 weeks. I have secured the adoption of two amendments to the existing law, which will in the future provide a tax of 0.1 of 1 cent per barrel on all crude products derived from wells and 0.1 of 1 cent per barrel on crude delivered to the refineries, in order that sufficient funds may be had to enforce necessary regulations in connection with the production of illegal oil.

It was my privilege to represent the administration in presenting these three amendments to the committee, and, of course, oil being one of the major industries of the State of Oklahoma, I am very happy that the committee has accepted these amendments relative to this subject.

Another contributing effect of this legislation is that it will cause many of those who have interests in royalty and have been defrauded in the past, to have a means of finding out the amount of oil that has been run from the properties in which they are interested, thus giving them sufficient data to collect that which is rightfully due.

Evidence was presented to the committee which showed that at one time from 85 to 100 train loads of illegal oil was daily being shipped north from the east Texas field, and when it is taken into consideration that a very large amount of this oil went into Canada, unless an informative fee was provided for the purpose of identifying those who were engaged in this illegal transaction, several million dollars would be lost to the Government, that should have been collected by the Income Tax Bureau.

The east Texas field is so large, it is beyond the comprehension of a person unless he actually visits the same, and it is said that there are over 300,000 miles of various kinds of pipe lines and that the practice in the past has been to attach many kinds of bypasses, so that meter readings would not give any correct information as to the amount produced or run from a well. The committee realizes that as long as illegally produced oil is sold at a price far below the posted figure, it will soon demoralize the industry to the extent that many of the little fellows will have to go out of business, thus giving the larger companies an opportunity to form the kind of monopolies that would bring about a much higher price for the different products that are sold to the public.

The recent law that was passed by the Ways and Means Committee, prohibiting oil from going into interstate shipments, has been violated by causing such oil to go into refineries where a very small amount was skimmed from the top and then the crude was reshipped as processed oil to refineries outside of the State, where it was rerefined and practically the same amount of gasoline recovered. It is now believed that with the inclusion of the three amendments which have been accepted by the committee, the industry will be far more healthy in the future, and that all of those who are obeying the law will receive the protection to which they are entitled.

The person who introduced English sparrows into this country many years ago, nearly every day in Washington is given severe criticism because these little fellows have increased in number until they have become the worst nuisance of anything the National Capital has to combat. When the sun goes down great droves of these little fellows come from distances of 50 miles or more and practically cover the public buildings, and because the Humane Society will not allow them to be killed, every kind of a plan that one can think of has been used for the purpose of scaring them away. At first the C.W.A. workers were employed to climb trees and ring cow bells. The birds simply abandoned the place where all of this noise was going on and then returned after the racket ceased. The War Department was then called on to furnish gases, in the hope that the birds, when detecting the odor, would depart for other sections.

This proved ineffective, as the birds would abandon the premises until the wind had blown the gasses away and then give the onlookers the ha-ha. Then stuffed hawks and owls were borrowed from the museum and perched at various commanding positions, but this did no good; then, as a last resort, a shotgun squadron was called out, and under orders from the commanding officer volleys of blanks were fired at intervals, but the birds soon learned that they had nothing to fear from the noises.

This brings me to the thought that there are a large number of our splendid citizens interested in the subject of wild life and the

disaster caused by predatory animals, and I expect to devote my next radio message, which will be delivered at this same hour 1 week hence, to this subject. I feel sure that all of the Waltonites and others who are interested in this particular subject will be interested in listening to an excellent experience had by the present New Mexico secretary of the game commission on a lion hunt, and a method that is now being used in a portion of this congressional district with respect to a study of prairie chickens and the way they are trapped for propagation purposes.

WILD LIFE

(Feb. 27, 1934)

Fellow Oklahomans, each week at this hour I am endeavoring to bring to the listeners a message from Washington dealing with questions of interest.

I am sure that everyone realizes that game, birds, fish, and animals, are real factors in the daily lives of millions of our people. This being true, Congress has provided annual appropriations to be used in the enforcing of protective laws and the setting aside of game preserves. The importance of this subject can be realized when it is taken into consideration that 6,000,000 adults take out licenses annually, which amount to over $7,000,000, and it is estimated that hunters and fishermen spend approximately $650,000,000 per year in participating in this class of pastime. The Izaak Walton League has been performing a most wonderful work in this connection. Members of this organization are to be commended for their fine efforts to provide the kind of protection that will make possible the preservation of our wild life in their natural haunts.

Since 1929 game refuges have been established as follows: Montana, 26,669 acres; Oklahoma, 19,985 acres; California, 15,733 acres; Nevada, 17,902 acres; South Carolina, 33,000 acres; Florida, 21,076 acres; Colorado, 5,500 acres; North Carolina, 20,000 acres; Nebraska, 39,000 acres; Wyoming, 3,318 acres; North Dakota, 4,000 acres; New York, 2,274 acres; Maryland, 10,000 acres.

And, in addition, public-spirited citizens in Louisiana and other States have purchased large areas which have been turned over to the State authorities for this purpose. It will also be interesting to know that the waters adjacent to the District of Columbia are fully protected for this purpose. If this kind of action had not been taken, wild life of many kinds would have long since disappeared. One of the most interesting publications relating to this subject that is free for distribution is Farmers' Bulletin No. 1719, and should any of my constituents desire a copy of the same, I shall be glad to take care of your requests for such publication.

It will be interesting to know that many of our most prominent citizens are interested in the propagation of various kinds of wild life. Some time ago I had a conversation with Speaker RAINEY concerning this subject, and he advised me that the most profitable enterprise conducted on his farm in Illinois was the growing of deer. He stated that on one occasion he received an order from Mr. Phillips, a prominent oil producer in Oklahoma, for a solid carload of such animals, and that the same were shipped by express to him without the loss of a single animal. In addition, there are hundreds of small-game farms located throughout the Nation for the purpose of supplying suitable stock to the various States that are interested in this subject.

When one visits the Capital, should he take a trip down the Potomac River, he will see small clusters of evergreens located every few miles apart, which are duck blinds built for the purpose of being rented to those who desire to participate in this kind of sport. The law does not allow a person to shoot ducks or geese from the bank or in an open boat, and unless the game swims within shooting distance of such blinds, they have the kind of protection that prevents extermination.

I do not know of any place in the Nation where more different kinds of wild fowls can be seen than on the Potomac River, and for the first time in many years the species of the heron family known as "egrets" took up their abode in this river during the past summer. These are big white birds whose feathers were formerly used to adorn ladies' hats, and because of the enormous demand, had it not been for a Federal law, this species of wild life would have been completely destroyed. The Potomac River is likewise a fisherman's paradise, as at different seasons both salt- and fresh-water fish can be caught in large quantities, thus giving to the residents of the District of Columbia a pastime that is enjoyed by many.

At present Congress is appropriating the sum of $1,000,000 per year for the purpose of supervising the many refuges and the carrying on of the work of propagation. The Bureau of Fisheries looks after the distribution of various kinds of fish suitable for the waters in every State in the Union, and anyone desiring a supply for their own ponds can obtain the same by writing to their Representative in Congress.

I am sure our listeners will be pleased to know that wild life is increasing; however, there are natural enemies in the way of predatory animals that have to be fought every day in the year, which take a terrible toll of certain kinds of domestic animals, as well as other kinds of game. Recently the Members of Congress who were interested in the discussion of such animals met in the Capitol for the purpose of bringing pressure on the Budget officer in order to secure funds to be used for this purpose.

It is estimated that the damage caused by wolves and coyotes in Oklahoma alone amounts to $250,000 per year. We have in the Wichita Forest Reserve 450 deer, 316 buffalo, and 325 elk. The calves of these animals are more subjected to destruction by wolves than any other kind of animal, and the Representatives in Congress who are interested in this subject by taking united action were able to get the appropriation restored which has been available for several years to provide this kind of aid. The Biological Department has caught 2,130 wolves in our State, and they report 356 destroyed in the year 1933. When it is taken into consideration that there are many other States affected by this kind of evil, one can realize the necessity of carrying on the kind of work that will protect the livestock industry and the many kinds of wild life.

I promised to give an account of a lion hunt, in which the participant was the present secretary of the Game Commission of New Mexico. At the time of the hunt he was employed by the owner of the Vermejo Park, a large area in northern New Mexico, to kill the animals that were destroying young deer, elk, and wild turkeys. In his letter to me he calls attention to some of his accomplishments along this line, with a statement that the United States Biological Survey estimates that a lion will kill 50 deer per year. He further estimates that the work he has accomplished in this connection has been worth $20,000 to the owner of the large tract of land where he was employed. Continuing, this is his story:

"I have had several exciting chases after lions and some that you would have enjoyed"—I am not so sure about this, as lions are one kind of animal that I had an experience with when a young lad that has made a lasting impression on my memory, but I will not go into detail as the recollection is not very pleasant. "Recently, late one afternoon my dogs hit the trail of five lions and together they followed them to their kill, which was a buck deer, very much like the one you shot some time ago. The dogs treed one after another of these lions until I had killed four of them. In treeing the fourth one the dogs separated on the track and one followed the fifth, while the two other dogs treed the fourth. After killing the fourth lion I was unable to find the dog, though I was certain he had treed his lion. I stayed until after dark hunting him, but had to give it up and came on in to the ranch. The dog returned sometime that night.

"The next morning the foreman said, 'I heard your dog barking, indicating that he had treed, for 2 hours about sundown and he appeared to be back of the clubhouse, not over 1 mile away.' I went back next day and sure enough he had treed his lion within a mile of this place, and for the reason no one went to him, the poor worn-out dog quit and went home.

"We again took the track and, after a hard chase through rough country, the lion, a medium-sized female, took to a tree, a scrub pifion bush not over 4 feet off the ground, but overlooking a 20-foot ledge of rock, and in this position was holding her own against the dogs when I came in sight, about 200 yards away. When I saw them I whistled encouragement, as I usually do, to let the dogs know I am coming; then my young Airedale jumped into the bush and grabbed the lion by the under jaw and then the fur began to fly, as the lion dug her claws into the dog's face and head and with a backhand stroke threw him end-over-end down over the cliff. No sooner had the dog hit the ground than he came back around the rocks, bleeding and crippled, but looking for more.

"At this instance the old dog, who has been in dozens of lion fights, did exactly the same thing and received the identical treatment. I rushed up a bit closer and finished the lion with a lucky shot in the heart, and, had I not hastened to shoot, I think those two fool dogs would have fed themselves to the lion until nothing was left of them. They were so bruised and badly injured as to be unable to hunt for a week.

"I have found that these hunting dogs, particularly Airedales, once they are warmed up in a chase, will go in on anything regardless of the odds against them, thus showing remarkable courage, but often unwise."

The gentleman who gave this account is one of the finest sportsmen in the Nation. Alone, for a long time, he rode the mountain ranges with his Airedale dogs chasing and destroying the kind of animals that cause more disaster to wild life than any other that I know of. I am sure that his efforts have resulted in great good to that section of the country.

For the reason our congressional district has more prairie chickens than is to be found in any other section of the United States, and the same are now being caught for propagation purposes, I am sure you will be interested in knowing something about that kind of bird. It is said that they cannot live with civilization, and I am indebted to Mr. Verne Davidson, of Ellis County, for a very interesting report, relative to the method he now uses in catching and branding this very wild species of game. Recently he was kind enough to give me the following facts in this connection:

"Our method of catching prairie chickens is a unique one developed by rangers of our own State game department over a period of 7 or 8 years, by use of fish seines. The original start, I understand, was made by carrying an unaltered fish net about 6 feet wide and 40 feet long between two horses and the capture made by dropping the net on the young birds while feeding. This was soon followed by using cars, which proved to be far less disturbing to the birds and enabled the trappers to cover more territory. I am sorry that I cannot give an accurate report on the numbers and trials encountered in those first attempts. Needless to mention, it was many days work to obtain a few for exhibition at the State fair.

"Observations made during these trips into the chicken country eventually led to some changes in the make-up of the net and the manner of setting it for the catch. I have had personal

charge of all the work for the past 3 years, when the principles had been laid out in a general way as we pursue them now. I had helped the 2 years before in company with the usual set of expert net men who had developed the method to establish a record of chickens caught by 4 rangers, using 3 cars, during the whole month of August and several days in September. The past season the capture of 73 in 1 day with the use of 1 car and 2 men will apprise you of the fact that refinements are nearly perfect.

"Today's method and procedure is this: Using a 60-foot (1-inch mesh) seine, 10 feet in width, with a stout rope along the bottom on which iron stakes are spaced about 6 feet and an opening in the center 3 feet in diameter to which a hoop net several feet long is attached. In the heat of the day, when temperatures are above 100 degrees in the shade, the old mother hen and her chicks find relief bathing in the dust under the shade of the taller oak clumps, which we call 'oak motts' or 'shinnery clumps.' Those in which the cattle are in the habit of using as fly bushes present the ideal set-up for chicken as well as trapper, as there is plenty of dust and less leafy obstruction to the cooling breeze for the chickens, and visibility is best for the trapper. Moreover, the taller bush provides the best place on which to erect the net which is soon to be aflutter with impatient birds seeking their usual method of exit—by wing.

"When the covey is located, the car is usually only 5 or 10 yards away, and by careful maneuvering, the birds may be driven from under their favorite portion of the 'mott' to the opposite side or completely away if the mott is too small. Then the net is set over the dusting holes with the sides shaping in a V and the upper edge brought over as much as possible to form a roof. The roof need be little more than an eave—something to prevent the birds walking up the net and flying on over. The bottom is staked to the ground after being stretched tight. There are technicalities to watch, too numerous to mention. When the net is set, the men climb aboard their car and make a wide circle calculated to allow the birds to return to their dust baths. If the mott were large and the sun quite hot, all will be in the edge and return easily. If it is small, they are out in the shorter cover with mouth open and panting greatly. Providing they are not too old, all will slowly walk back until all are again coveyed together."

I realize that the information given you today is a little different from that which you have been accustomed to hearing over the radio; however, diversification is often the spice of life, and next week I intend to report as to the progress Congress is making under the leadership of our great President, who is interested in the welfare of all of our citizens.

LEGISLATION

(Mar. 6, 1934)

Fellow Oklahomans, each week at this hour I am permitted, through the courtesy of Station KASA, to bring you a message from the Nation's Capital. I want to express my thanks to our friends who have been good enough to write me during the past week, and especially those who were kind enough to send me a copy of a local Elk City newspaper which contains an article that attempts to take me to task by one of your local citizens, on the grounds that I have been delivering appointments to a number of deserving citizens in western Oklahoma; also that only my friends are the ones who participated. Although his charges are not exactly correct, I am glad to plead guilty to helping our friends, and I am proud to say that the seventh congressional district has probably received as many appointments as any other district in the State of Oklahoma; also that as long as I am in public life I am going to continue to help every person who cooperates with me in the best manner possible. This week I announced the appointment of 11 ex-service men—1 from each county in the district—who are to be given employment in connection with surveying parties in several of the Rocky Mountain States. This means that one from each county in the district will have this opportunity, and it so happens that Mr. Fay Nichols, of Elk City, is one of those who is to receive this consideration. It is too bad that my lovely friend, who takes me to task for appointing quite a number to responsible positions, did not mention the ex-service men who will be given appointments. Anyhow, I had rather be criticized for being able to do something that is meritorious from every standpoint than to have it said, "He did not have any power or prestige in the city of Washington."

Some very interesting things have been happening in Washington lately. The Senate of the United States has been busily engaged in discussing the pay cut and an amendment relating to the Spanish-American War veterans and others. The bill as passed in this body restores certain items, which in aggregate means that the bill has added increases to the extent of about $340,000,000.

I wish it were possible to obtain a sufficient amount of money to enable every class to obtain the amount of assistance it is entitled to. However, there is one fact that must not be overlooked, and that is, the money has to be obtained from some source, and whenever the load is piled on so heavy that it breaks the wagon down, then everyone will be denied receiving anything. I am sure that every person in the District realizes that this is a fact and can have some conception of the great problem that is confronting the United States Congress and the President at this very critical hour.

One hundred and forty-five signers have been added to the petition on the Speaker's desk, which causes the so-called "bonus measure" to be taken away from the committee and brought straight to the House for consideration. This measure, in my opinion, will pass the House; however, the Senate has already gone on record as being against it; therefore, unless the proposal is limited in some way, a point of order may lie against the bill in the Senate, and this means that no action could be taken during this session, regardless of how the House Members voted.

I was down at the White House a few days ago, and, in discussing this subject with a person who is very close to the President, I suggested that there should be presented some method whereby the needy could be paid that which they are entitled to receive, and that I felt sure those who now have a good salary or a certain amount of property would not complain if a compromise were effected on this basis. So I am making a guess that such a plan may be worked out; anyhow, one-half of a loaf is always better than no loaf at all.

The air-mail scandal still grows and nearly every day some person becomes enmeshed in the net that is gradually being drawn together for the purpose of uncovering all of the various individuals who dealt the cards under the table in order that a few persons could have air-mail contracts without competitive bidding. What a terrible thing it is for a young man, like the son of ex-Senator Smoot, to have his reputation blasted into tiny bits by being forced to admit that when he was working for his father he was charging different companies, one of them being an air-mail corporation, large fees for using his influence in order to bring about certain results.

Then there is the question of up-to-date planes that is receiving a lot of discussion in both branches of the service. It is claimed that there have been no competitive bids on planes to be purchased for a number of years, and it has been shown that profits up to 40 percent have been made by some of these companies. This gives rise to the charge that these planes were not up to date, they lacked some of the material necessities in the way of up-to-date appliances in order to reach the highest point of efficiency, and the implication has been made that this fact has made the planes incapable of performing the same kind of service as others, thus causing the death of a number of Army pilots during the time when the weather was bad. Also, this thought is in the minds of a great many: If the Army aircraft is not able to function during stormy weather, what would happen to this Nation in case we were involved in a war? Both committees of Congress claim that they are going to the bottom of all this in order to find out who has been responsible for all of the irregularities in the years gone by.

A grand jury in Washington has been in session for several weeks in order to hear witnesses who have inside information relative to some of the alleged crooked contracts made for the purchase of uniforms and supplies in the War Department, and men high up are being asked to waive immunity from prosecution and come before the same. Would it not be a fine thing if there could be found some way to keep crooks from using unethical methods and mulcting the Treasury of the United States?

I made a speech last week calling attention to the big corporations that have obtained their capital by selling stock to the public which in a little while stops paying dividends; however, the officials of such companies instead of reducing their salaries continue to pay themselves bonuses and in some cases the same amounts to as much as $200,000 per year. This is nothing but inside robbery. I have a lot more respect for "Pretty Boy" Floyd, or any other bank robber who only takes a few thousand dollars from time to time, than I have for one of these inside robbers who often takes as much as $100,000 at a time from his stockholders by being able to collect enough proxies to keep himself in office. Therefore, I am proud that it was my privilege to vote for a bill that brought all of this information out to the front during the last few days; thus showing to the public, the companies, and giving the names of the officers who have defaulted and cheated their stockholders in order to enrich themselves. There is one thing sure; if there is not enough money available in the Treasury to take care of our ex-service men, Spanish-American War veterans, and to provide employment for the meritorious, as a member of the Ways and Means Committee I will gladly vote to confiscate all salaries in excess of $25,000, and in addition raise the inheritance and other forms of taxation sufficiently high to keep the Budget balanced.

I am highly pleased that President Roosevelt has announced that he intends to provide means sufficient to take care of certain classes of the unemployed after May 1. We were somewhat disturbed because we were afraid that normal industry would not furnish a sufficient amount of employment to take care of those who are now working under the Civil Works Administration; however, the President announced that the $950,000,000 recently appropriated would be a sufficient amount to carry on activities until normal recovery will be able to absorb those who are entitled to be given employment.

We are glad to announce that money conditions are still improving. Very few people have a proper conception of what Uncle Sam was up against when the various nations of the world began to slide off the gold standard—and what would have been the effect if some radical changes had not taken place with respect to our currency system. At this minute every nation in the world is engaged in financial warfare; they realize that if their currency can be made a little cheaper than some other countries that it will cause such nations to have an advantage when it comes to commerce. This being true, several nations—before the United States went off the gold standard—actually formed a money pool for the purpose of keeping the American dollar so high that their nation would have a distinct advantage in selling manufactured

articles for export trade, and because of this situation our export trade was practically ruined when President Roosevelt came into power, and it is to his credit that he had the nerve to smash right between the eyes all of these so-called "international bankers" who were enriching themselves at the expense of our Nation by putting into effect the kind of a monetary plan that has been very beneficial.

One of the Washington papers this week called attention to the fact that a banker said to a customer who desired to deposit $1,000, "We can't take your money. We have to limit the deposits of some of our customers." Another institution will not take deposits unless a person is able to furnish good references. Actually, the guarantee bank law which our district started years ago, has brought about flushed conditions when it comes to cash, which is absolutely beyond the comprehension of an ordinary man. Our dollar has been cheapened about 40 percent, yet I have not felt it in any way, and I don't believe that many of our citizens will ever know that this sleight-of-hand performance has been brought about. In fact, most of the difference in price has been absorbed by the middleman; anyhow, it has produced a wonderful effect, causing this Nation now to have nearly as much gold as all of the other nations of the world, and there is one thing certain, we are going to come out of this bad situation in some way that will be satisfactory to practically all of our people.

AIRCRAFT

(Mar. 13, 1934)

Fellow Oklahomans, again through the courtesy of Station KASA at Elk City, I bring you a message from Washington. At this same hour next week I hope to discuss topics of general interest to all of those who may be listening.

The subject of aircraft is once more uppermost in the minds of not only the lawmakers but a large number of the citizens of the United States. An investigation has been started by the grand jury of the District of Columbia for the purpose of finding out something about the methods of letting contracts for planes by the War Department, and the names of men high up in different avocations of life have been mentioned in connection with influence favorable to various organizations. One of the most startling disclosures was the fact that 3 days prior to the close of Mr. Hoover's administration the sum of $5,000,000 was expended for Army plane parts, causing to be purchased large supplies that were not needed, and it is evident that the reason for such haste was to give to certain favorites this class of business, prior to the time the authority would go to others. The House of Representatives has passed a resolution authorizing an expenditure of $10,000 to be used in defraying expenses in connection with the payment of witnesses and to employ an attorney to make an investigation of all Army purchases. The statement was made on the floor of the House that the Military Affairs Committee, under the leadership of Chairman McSWAIN, had promised that they would go to the bottom of this matter and "let the chips fall where they may."

In this connection, it will be remembered that profits as high as 50 percent were made by many of those who were favored with contracts to supply airplanes; and it is the thought of many of our people that when profits of this kind are made that oftentimes the finished planes do not embody all of the latest improvements, and that this may be the cause of a large number of Army pilots losing their lives when called on to perform service in carrying the mail under strenuous conditions. Similar charges have been lodged against naval contracts, and the standing committee in charge of legislation of this kind attempted to hold a hearing for the purpose of finding out why some concerns were paid profits as high as 50 percent.

Some of you may not know it, but the Naval Affairs Committee is a partial organization, as nearly every member represents some district that either has a navy yard, shipbuilding plant, or some other activity owned and controlled by the Navy. Therefore, unless a Member is willing to carry out the wishes of the admirals who determine the policies of the Navy, his district is liable to be punished by having such activities withdrawn or smothered to death, and, of course, such Members feel obligated to do just exactly what they are told to do. This hearing was conducted under the leadership of the same Member of Congress who was appointed by the authority of a special House resolution to investigate the *Akron* disaster. Speaker RAINEY appointed me to serve on that committee, but when I found out that two of the members were connected with the Military Affairs Committee and the other two the Navy I respectfully declined, because I believed it would be impossible to obtain any kind of a report unless it met the approval of the Navy Department.

Therefore, after a rather extensive hearing, in which the committee had access to practically all of the records relating to the disclosures that have recently been brought out, a report was submitted to the House, which completely exonerated the Navy. Anyhow the *Akron* is no more. This same gentleman has again given out to the press a statement to the effect that there is nothing wrong with the conduct of the officers in the Navy, relating to the purchase of airplanes in the past. We have a neighbor on the south of us, Congressman MCFARLANE, of Texas, who advises me that there is no justification for such action, and that he will file a minority report, in which the public will be given what we sometimes call "the low down."

The revival of this question and the bringing to the surface of a lot of bad practice and irregularities has brought Gen. William E. Mitchell, the deposed head of the Army aircraft during the World War, into the limelight. This general has maintained for a period of 12 or 14 years that the officers in the Army were not in any way favorable to the development of this branch of the service, and has continuously called the public's attention to the fact that the planes furnished to the Army and Navy were far inferior to those owned by many nations of the world. Everyone remembers that General Balboa, of Italy, flew 21 ships across the ocean, encountering Arctic weather and every other kind of situation, and he only lost 1 plane during the entire trip. There isn't another record in the world that compares with this one, and it tends to substantiate the charges that have been made by General Mitchell relative to the efficiency of aircraft of other countries.

I have been a strong advocate for many years of changing the present set-up with respect to national defense, by having three branches of this service. One in charge of air, one of land, and the other the sea, thus establishing the policy that is now carried out by England, France, Japan, and practically all of the other major nations of the world. However, there is in this Government a perpetuation of old Army and Navy officers, who look with disfavor upon any new invention, and who are satisfied to carry out the traditions of the days gone by, feeling and believing that that which was good enough to protect this Nation in the past will be sufficient in the future. It is to be regretted that the citizens of this country apparently are powerless to break down the enormous influence that is maintained by those in control of these two branches of the service to the extent that our country cannot have the most up-to-date weapons of defense and offense that human ingenuity can provide.

I have a distinct recollection that soon after the World War, when I became a member of the Naval Affairs Committee, that most of the members, with the exception of myself, were apparently against expenditures and authorizations for aircraft. On one occasion it was proposed that a debate be held at one of the public theaters in Washington, at which I was to affirm the virtues of aircraft and a distinguished gentleman from California, one of the members of the committee, was to take the opposite view. This talk would not be complete unless I made the statement that before my promotion to the Ways and Means Committee, every single opposing member, serving in this capacity had completely changed his viewpoint.

In this connection it will be remembered that for a period of about 3 years, while serving on the Naval Affairs Committee, I advanced the idea that the old obsolete battleships that were hid up the James River during the World War to keep them from being sunk by submarines could be used as an instrument of warfare, if a small second deck were built on each ship for the purpose of carrying bombing planes, thus making such ships their own airplane carrier, enabling them to send projectiles several hundred miles instead of depending upon old obsolete cannons. Finally, when the press carried a sufficient amount of information to arouse interest, it became necessary that an investigation be made, and Admiral Moffett sent one of his trusted officers to my office for the purpose of convincing me that the plan was impractical and should not be put into effect. After a conference, which lasted the greater portion of a day, the officer became convinced that a ship of this type could be constructed and carried such a recommendation to Admiral Moffett.

Then, when the London Conference was held, this admiral had included as a part of the agreement an amendment which allowed nations to develop such a new type, and the Naval Affairs Committee of the United States was the first body of this kind in all of the world to recommend such construction. Admiral Moffett is dead; I am no longer a member of the committee; and, apparently, there is no one in Congress who has sufficient power to break down the opposition of those who favor new ideas. When the new appropriation bill passed the House it carried an authorization for nearly a billion dollars, and there was not a single word in the bill to make certain that any of this money would be utilized in constructing this, the most outstanding type of airplane offense and defense that can be provided.

At present we depend upon large, cumbersome airplane carriers, such as the *Lexington* and *Saratoga*, that cost naked more than $50,000,000. These were constructed under some of those wartime 10-percent-plus contracts, thus enabling the builders to carry on the work of construction for an indefinite period of time and to pay salaries sufficiently high as to make the finished ship the most costly of any of its class in the world. I offered a resolution providing for an investigation; however, there was not an official connected with the Navy Department who was willing to render any assistance; but, on the other hand, everything possible was done to keep the subject smothered, as, in my opinion, they knew that the facts when brought to the light of day would not stand inspection, and every statement I am making has since been substantiated.

When the United States Navy constructs this new type of ship, then no more will we have to construct airplane carriers and it will reduce the cost of maintaining this branch of service at least one-third and, at the same time, give the Navy 50 percent more efficiency.

The reason I have gone into this subject is that the United States, and especially Oklahoma, is air-minded. The major percent of its citizens feel and know that the air offers more possibilities for future development than anything else and that the time is not far distant until planes will be circling the globe; then nations will lay aside all types of obsolete weapons of offense and defense and unless we have the newest and most up-to-date instrumentalities that can be provided by mankind, we cannot hope to carry on in a successful way.

Ladies and gentlemen, I was chairman of the subcommittee that first investigated the *Akron*. It was my privilege to be in charge of the committee that went to Lakehurst for the purpose of flying on the *Akron* the day it crashed. I offered the first resolution in the House asking for an official investigation of this disaster. It was in my office in Washington that the first agreement was made that brought about the establishment of the first school in the world to teach aircraft. My colleagues have given me credit for promoting the new combined cruiser and aircraft carrier, and I am hoping that the result of all of this publicity will cause an awakening in this country of the citizens to the extent that our country can have both on land and sea the kind of aircraft that will enable the Nation to carry on all activities in the most efficient manner possible, and as a last word, I want to pay tribute to Gen. William E. Mitchell, who was court-martialed for giving the public the true situation with respect to what was taking place, and the old adage has been exemplified, "Truth crushed to earth will rise again."

COTTON LEGISLATION

(Mar. 20, 1934)

Fellow Oklahomans, again through the courtesy of Station KASA at Elk City, I bring you a message from Washington. At this same hour next week I hope to discuss topics of general interest to all of those who may be listening.

The legislation affecting the great cotton industry has occupied a very prominent position in legislative channels during the past week and none can tell what the final result will be until the Senate acts on the same. This bill is designed to save the cotton industry and because of its particular application to a large number of those whom I have the honor to represent I feel that correct information concerning this subject should be interesting to every individual in a cotton-producing area.

The United States exports more cotton than any other nation in the world, and of all commodities produced cotton represents in dollars and cents the most important crop grown in the United States. Our Nation is confronted at the present time with one of the most serious situations that the Government has ever been called on to solve and this is because practically all of the other nations have changed their legislative authority to the extent that they are able to levy prohibitive taxes against any kind of commodity instantaneously; this means that nations can over night levy a tax so high that it would, in effect, be an embargo against shipments that happen to be in transit on the seas. The Ways and Means Committee during the past week has been holding hearings for the purpose of rewriting our law relating to this subject, in order that the President of the United States may have the right to bargain or make trades with such countries, thus enabling him to increase rates on imports or to levy embargoes by using the quota system in order that our commerce may not be wiped off the seas.

If something is not done to bring about a better readjustment of conditions affecting our exports and imports, the United States will continue to drift into a situation where it will be impossible for our people to enjoy the profits of trade from other nations.

Let us compare cotton with wheat as a stable commodity produced in large quantities in the United States. Testimony has been given to our committee by prominent citizens to the effect that the export trade, relating to wheat, has practically ceased, and the figures show that the total value of wheat exported in 1933 amounted to only $4,768,000. What does this mean? The answer is that England, Germany, Italy, France, and other nations have caused a sufficient amount of virgin agricultural lands to be planted in wheat to produce a yield practically sufficient to take care of their own citizens, thus wiping out the market that we have enjoyed in the past to a large degree. It is for this reason the Government has put into effect a plan for the curtailing of the crop, and it means that a percentage of the soil used to grow wheat must be utilized for some other purpose, as we, as a nation, cannot hope to export but little of the surplus wheat that is grown in the future. Let us look at cotton. The United States, as a nation, exports about 50 percent of the normal yield per year. Because of the cheapness of labor in other nations where cotton can be produced, if such countries increase their acreage, the inevitable result will be that cotton can be placed on the market for a much lower price than we can produce it in the United States.

At present foreign nations are planting 26,000,000 acres in cotton and, according to the figures, they are proposing to increase this acreage to the extent of 20,000,000 acres. If such new acreage produces one-fourth of a bale per acre, it will mean an additional yield of 5,000,000 bales, which will be in competition with the cotton produced in the United States. This will have a disastrous effect upon the cotton-producing sections of the United States, to the extent that further reduction in acreage will have to be made or new uses for cotton will have to be found within our borders.

Brazil has, at the present time, 222,000,000 acres of land that can be planted in cotton. Concessions have been made by this country to Japan, and in 1930, 30,000 Japanese citizens came to Brazil for the purpose of growing cotton. Egypt, the Soudan in Africa, and other countries in South America can enlarge their acreage to the extent that our export cotton business may be wiped off the map. At present India produces more than 3,000,000,000 yards of cloth from cotton each year, from its 278 cotton mills. England, Japan, and other countries are providing a sufficient amount of spindles and looms for the manufacturing of the amount of cotton goods that is necessary to supply their own use.

In view of the fact that the majority of the major nations of the world owe us large sums of money, which cannot be paid at the present time unless there can be found some way to balance the economic conditions, the citizens of our country will have their export market severely curtailed. This brings us to the thought that there must be an economic readjustment within the borders of the United States to the extent that our citizens will realize the necessity of using our own products in preference to those that are shipped from abroad.

The so-called "Bankhead bill" is designed to protect the cotton producer and to bring about a fair disposition with respect to yield, so that the large landowners may not take an unfair advantage of those whom we term "the little fellow." It provides that the provisions of the same shall apply to cotton produced in 1934, 1935, and 1936; also, that the President, if it is desirable, can apply it to the crop produced in 1937. Also, should it be decided that the provisions of this act shall not apply to the cotton produced in any crop year, the President may issue a proclamation proclaiming this fact. It is the intention of the author of this bill to, as nearly as possible, comply with the wishes of those who produce cotton, and the bill specifies that the President, when convinced that two-thirds of those who own, rent, or control land suitable for the production of cotton are favorable to the provisions of this bill, he can cause to be levied a tax equal to 50 percent of the selling price of cotton, not to exceed 5 cents per pound.

In addition the Secretary of Agriculture is authorized 60 days prior to each crop period to make an allotment of bales of cotton to each county in the cotton-growing area in such a manner that the individual owner of land may know the exact number of bales of cotton that he can produce within a crop year in order that the total production may not exceed 10,000,000 bales.

It is provided that each producer of cotton may receive a tax-free certificate covering the number of bales of cotton that he may produce, and, if I read the bill correctly, should there be a storm or any other kind of disaster that would make it impossible for a person to market the number of bales of cotton that has been allotted, such person is privileged to dispose of his tax-free certificate or to utilize the same in a succeeding year.

The ginners of cotton will be charged with the responsibility of making monthly reports to the collector of internal revenue, remitting such tax as may be collected on surplus production. It is also provided that cotton produced in surplus may be stored for a period of 1 year without the necessity of paying the tax, and this provision will give added protection to those who might suffer a loss brought about by crop failure or other situations that cannot be foreseen.

One of the most important provisions contained in this act authorizes the President to enter into agreements with foreign countries to fix the amount of cotton that may be exported by the respective countries entering into agreements and to make all rules and regulations for the carrying out of such agreements, which can be construed as a power to negotiate for trade quotas.

At the present time the United States has an organization known as the "Tariff Commission" and the provisions of existing laws make it possible for the President to increase rates after an investigation has been made and recommendations presented to him covering rates applicable to any commodity, unless the same should be on the free list. This provision of law cannot effectively give to any authority of our Government quick means of coping with new situations that exist in practically every country of the world; and unless something is done to provide new machinery for the handling of such crops as cotton and wheat, the producers in this country are faced with a situation that may destroy completely our export market. Everyone that is posted realizes that the United States has a carry-over of approximately 10,000,000 bales, and that this is a factor that has a disastrous effect upon the price of cotton. Two years ago the product of the cotton farmer was sold at a price less than one half of that which it is now bringing. In my opinion the cotton producer cannot hope for a continuation of the ruling price unless new uses can be found for cotton and the yield be controlled to the extent that this surplus can be cut down. I am of the opinion that if the Government had not agreed to withhold from the market the so-called "option cotton", that which the Government loaned 10 cents per pound on, and the number of bales that were taken over from other activities, that the price could not have been kept up to the present figure.

I have always taken the position that it is far better to bring about a regulation of a commodity by causing the interested persons to agree on some voluntary plan; yet, when it is taken into consideration that there are certain foreign investors who are interested in large cotton plantations in the South who will not enter into any voluntary agreement for the reduction of acreage, it means that the "land hog", or the unfair producer, would gladly take advantage of any situation to produce more cotton in case the success of the plan rested upon voluntary agreements. In view of the fact that our export trade is threatened with extermination and we do not consume in the United States only about one half of the normal yield, it leaves this great industry in a predicament which makes it necessary that the Government put into effect some regulation that will be fair to all concerned—and this is the basis upon which the great Agricultural Committee considered this subject and reported favorably to the House the so-called "Bankhead bill."

I think it would be interesting to those who are listening in to know that Congressman FULMER, of South Carolina, a member of

the Agricultural Committee, made the statement when speaking on the floor of the House that of all the witnesses that appeared before the committee to give testimony on the Bankhead bill, there was only one who opposed the same, he being Mr. Johnson, of the State of Mississippi. The following quotation relates to his testimony:

"Mr. Johnson on the witness stand.

"Mr. BANKHEAD. I believe you say that you have about 48,000 acres in cotton?

"Mr. JOHNSON. No; I said that we have about 48,000 acres in the plantation and about 25,000 acres in cotton cultivation.

"Mr. BANKHEAD. Now, is that not all tenanted by sharecroppers?

"Mr. JOHNSON. Practically all of it; yes.

"Mr. BANKHEAD. They are all colored tenants, are they not?

"Mr. JOHNSON. Yes; practically all.

"Mr. BANKHEAD. Have you no white tenants on the farm?

"Mr. JOHNSON. Probably two or three.

"Mr. BANKHEAD. How many families are on that farm?

"Mr. JOHNSON. On the 3 farms, about 1,600 families; fifteen or sixteen hundred families.

"Mr. BANKHEAD. Who owns that property, Mr. Johnson?

"Mr. JOHNSON. The property is owned by a corporation; a part of the stock is owned in this country, but about 60 percent of it is held in England, a majority of it. About 40 percent of the stock is held by various persons in America, including myself."

In addition to this class of foreign investment, I personally know that in the so-called "delta country" of the Mississippi Valley there are thousands of large plantations whose principal crop is cotton and that the owners of the same will not cooperate in a voluntary manner with the Government for the purpose of taking out of production a certain number of acres. They know that if a sufficient number of the "little fellows" can be induced to sign up an agreement for the purpose of reducing the yield that if they refrain from taking such action that it will enable them to produce a 100-percent crop and be given the benefit of the increased price.

It is unfortunate in life that our citizens always have to contend with an element that is not willing to cooperate for the purpose of bringing about a very much needed result, and the so-called "Bankhead bill" provides a prohibitive tax on cotton produced in a surplus which will force such unethical landowners to do their part. I am intensely interested in protecting the grower of every commodity in the Nation, and have always supported every bill that has had this result for its purpose. Therefore, in view of the intensive study I have made of all of the conditions surrounding this one crop that so vitally affects the largest one area in the United States, it seems apparent that this is the best policy for the Government to pursue at the present time.

PHILIPPINE LEGISLATION

(Mar. 27, 1934)

Fellow Oklahomans, again through the courtesy of Station KASA at Elk City I bring you a message from Washington. At this same hour next week I hope to discuss topics of general interest to all of those who may be listening.

The subject of Philippine independence is one that has been brought to the attention of Congress for a number of years, and during the past week the House considered and passed a new bill for the purpose of extending the time for acceptance by the Philippine Legislature; in addition amended the same in order to meet certain objections of the Filipino citizens.

The United States Government has always declared to the other nations of the world that our people did not seek additional territory nor to compel the citizens of our insular possessions to give special recognition to the United States when they were capable of self-government. Every President since McKinley has announced as being in favor of giving to the Filipinos their independence as soon as its citizens were capable of providing a satisfactory form of government; and in addition, the platforms of both parties have been specifically in favor of such a principle. The Filipino race is one of the oldest in the world; their civilization dates back much further than that of our country, and they were proficient in many of the arts and sciences a long time prior to those of many nations. It will be remembered that in 1519 Magellan, a Spanish commander, was killed in a battle by being struck with a steel instrument, which shows that they had a knowledge of manufacturing this metal long before the same was perfected in many nations of the world. In fact, other articles of domestic use show conclusively that they were as progressive as the citizens of Japan in some respects.

The Philippine Islands are peopled with several distinct races, which differ in many characteristics. The Irogotes were possibly the most difficult to subdue, and after the Spanish-American War had been concluded, it was necessary to maintain military control in these islands in order to subdue this tribe, and the struggle was not completed until after several years of intense guerrilla warfare.

The Philippine Islands embrace a territory that is greater than all of New England, including the State of New York. They have a population of over 14,000,000, which exceeds the Republic of Mexico; and, in addition, is greater than 10 of the South American republics. The progress made during the time the islands have been under our flag is very marked. This has been brought about in a large degree because of American capital invested to the extent of $247,000,000. Many of those who opposed this legislation did so on the grounds that the Filipinos were not sufficiently advanced to be able to maintain a stable government; yet, the facts show that the Filipinos have an educational system that compares favorably with many of the nations of the world. At present there are over 8,000 public schools, employing more than 28,000 teachers. It is an interesting fact to know that the University of Manila was founded in 1611, which was 25 years prior to the establishment of Harvard University, one of the oldest colleges in our Nation. It is said that approximately 80 percent of its citizens, at the present time, have a knowledge of the English language, and can read and write. One of the chief causes for advancement in these islands is the splendid Public Health Service which maintains 105 hospitals and has been established for a period of 15 years, and is entirely under the control of Filipinos.

The judicial branch of the Government is represented by a supreme court, with 28 lower courts, and in addition there are nearly 1,000 justices of the peace who have a jurisdiction similar to those within the United States. I am sure that many of our listeners will be interested in knowing that 92 percent of the Filipinos are Christians, 4 percent pagans, and 4 percent Mohammedans, thus showing that Christianity has gone hand in hand with the development of the new civilization in these islands.

The provision of the legislation that relates to independence provides: First, for the formation of a constitution; second, limitation of exports, and after 5 years the tax to be applied on the bonded indebtedness; third, an immigration quota of 50 individuals; fourth, the creation of the office of American High Commissioner; fifth, after a period of 10 years, on July 4, the withdrawal of American sovereignty; sixth, the relinquishment of all Army bases, including some 300,000 acres of land that is now occupied for this purpose; seventh, negotiations as to naval bases.

I desire to briefly comment on some of the provisions that relate to this subject. The Army officials in Washington have always opposed the relinquishment of any kind of territory now under the jurisdiction of the United States for the reason they realize that if activities are to be curtailed it will mean a reduction in their appropriation that is provided annually by Congress, and any policy that would have the effect of reducing the number of officers or men in the Army is always frowned on. As to naval bases, in my opinion, the maintaining of the same in a country very near Japan will be an eyesore to this great nation and may result in a controversy which can cause embarrassment in the future. Therefore, it would seem to me that if the Army bases are to be given up that the same policy should be put into effect with respect to the Navy, as any policy maintained by the United States that is liable to embroil us in a difficulty with a major nation, in my opinion, is unwise.

There are those who feel free to express an opinion that the time may come when Japan will feel that it is within her power to take the Philippine Islands and, should this happen, the United States would be severely embarrassed if we continue to maintain any kind of military activities within this possession. This being true, I have always felt that the interest of the 120,000,000 citizens of the United States was more important than those of a citizenship located some four or five thousand miles distant and that whatever policy was adopted by this Nation should first take into consideration the rights of our own people.

The main opposition to the so-called "Philippine independence" has always come from those who have large investments in this nation and who are more interested in commerce than in the rights of humanity. Under the present agreement, with respect to commerce, the Philippine industries are allowed to export sugar, copra, sisal, and other products in the United States without paying a duty. This is a differential that has enabled certain industries to make many million dollars and the beet-sugar people of our Nation have severely complained because of such regulations on the ground that their industry is being confronted with the kind of competition that makes the growing of beets unprofitable.

I am practically sure that it would not have been possible to pass this legislation without giving consideration to this subject, and the present bill allows 50,000 tons of sugar and 800,000 unrefined tons to come into the United States in the future for a period of 10 years without paying any duty. Also, opposition came from those who are interested in the production of coconut oil, and it was agreed that 200,000 tons of such oil should be admitted free during the 10-year period. Similar provisions were provided to take care of cord, rope, and other products, which, to say the least, is fair to those interested in such occupations.

During the past week the Honorable Manuel L. Quezon, the President of the Philippine Senate, has been in Washington with a commission for the purpose of ironing out existing differences and promoting this new legislation. It was my privilege to serve with this distinguished Filipino in the years gone by, and I think he is one of the best educated and probably the most forceful character ever produced by his race. Therefore when a message was presented to Congress from the Philippine Legislature, stating that the terms of the new bill would be acceptable to the Filipinos, the opposition folded up and the bill was passed practically unanimously.

According to the provisions of this legislation, direction is given to the form of a constitution that shall be adopted by the Philippine people, and it is further provided that within a period of 4 months the same shall be submitted to its citizens for ratification; then when action is taken, the Philippine Legislature will prescribe new legislation with respect to the calling of elections for the purpose of allowing their citizens to fill such offices as are necessary to maintain their government. In other words, this Nation provides that they shall have a period of trial, and during

the same the United States will appoint a High Commissioner as an observer with certain powers for the purpose of rendering service to the officials of this new proposed republic until the time arrives when they can have absolute freedom.

It is significant that their day of independence is to be on July 4, which is the day that we celebrate for the same reason; and when these 14,000,000 people become an independent nation, they will have the same rights as are accorded to other nations of the world with respect to commerce and to be represented at the capitals of the other nations.

In summing up the results of our wars in the past, a lesson is taught to our people when it is taken into consideration the number of those who gave up their lives and the terrible cost in dollars and cents, that never ceased until the participants and their dependents had passed on to the beyond. The Philippine Islands cost us in money, according to the Treaty of Paris, $20,000,000, which is a clear loss to the taxpayers of this Nation, which is in addition to the millions of dollars that this Government has expended in appropriations for the purpose of maintaining our Army and Navy and the various officials who look after the welfare of the Government. In addition, the privileges given to exporters of different commodities have had a disastrous effect upon articles produced in the United States; and when a comparison is made with Cuba, Puerto Rico, Haiti, and our insular possessions, one is bound to come to the conclusion that territory conquests are expensive follies and that in the end saddle upon the taxpayers a burden that carries on pretty nearly indefinitely. Therefore, it would seem to the person who is acquainted with all of these facts that our citizens should be taught the lesson that territory acquisition by force is the most expensive policy that can be put into effect, and nations that continue this kind of programs are always subjecting their citizens to baptism in blood. I am hoping that the time will never come when we as a Nation will allow ourselves to become embroiled in another foreign difficulty, and I feel that President Roosevelt and the members of his administration are to be congratulated for taking this forward step in order that our Nation may be free from the kind of entangling alliances that might engulf our people in the greatest war that could be fought on the globe.

VETERANS' LEGISLATION

(Apr. 10, 1934)

Fellow Oklahomans, again through the courtesy of Station KASA, at Elk City, I bring you a message from Washington. At this same hour next week I hope to discuss topics of general interest to all of those who may be listening.

I am sure that all of those who are listening will be pleased to obtain information concerning the bill which was enacted into a law over the President's veto, as there are some who do not know that President Roosevelt, in his message sent to Congress, first presented an argument stating why he could not approve the legislation, and then specifically used the following language, which showed that he was in sympathy with most of the provisions contained in the act:

[From President Roosevelt's message]

"A few weeks ago I gave approval to an amendment the purpose of which was, pending the determination of their appeals, to restore to the rolls at 75 percent of their compensation those veterans in whose cases the presumption of service connection was disallowed by the local boards. I intend now by regulation forthwith to direct an appeal by the Administrator of Veterans' Affairs in each and every one of these disallowed 29,000 cases, with the further direction that in the final determination of these cases every reasonable doubt be resolved in favor of the veteran, and every assistance be rendered in the preparation and presentation of these cases. While these cases are pending the veterans will be paid 75 percent of their compensation they received prior to the time they were removed from the rolls. If the appeal is allowed, they will receive back compensation. Only in cases disallowed by the Board of Appeals will the veteran thereafter be permanently removed from the rolls. This regulation will be put into effect at once."

In regard to Spanish-American War veterans, he stated as follows:

"I come now to the provisions of the bill relating to Spanish-American War veterans. To this group of ex-service men I have devoted much thought. Because of their age they command sympathy. Nevertheless, we must recognize also that many abuses have crept into the laws granting them benefits.

"I am today directing the restoration to the rolls of those Spanish-American War veterans who in 1920 were receiving pensions as a result of having sustained an injury or incurred a disease arising out of their war service.

"By regulation 12 a presumption of service origin was extended to Spanish-American War veterans on the rolls on March 19, 1933. In order to take the same action which I am taking in regard to World War veterans, I am directing the restoration to the rolls, as of this date, at 75 percent of the amount they were receiving on March 19, 1933, all Spanish-American War veterans pending a final determination of their cases before the Board of Appeals."

Continuing further, he said: "It goes without saying that I shall not hesitate to make further changes if the principle of justice demands."

I am sure that the American Legion's viewpoint on this subject will be very interesting, and National Chairman E. A. Hayes gave out the following statement prior to the passage of this bill, which is self-explanatory:

MY DEAR CONGRESSMAN: The morning newspapers state that President Roosevelt proposes to veto the independent offices appropriation bill, containing amendments to the veterans' disability laws which incorporate, in substance, three points of the Legion's four-point program.

"Inasmuch as the President plans to leave Washington today, it is likely that the House of Representatives will vote upon the veto prior to his departure. In this event we believe the Congress should understand the points at issue affecting World War disabled from the viewpoint of the American Legion. There being insufficient time to address a letter to each Member of the House, I would appreciate your securing permission to read this letter from the floor for the information of the Members.

"There were originally three points at issue affecting the disabled. The hospitalization point has already been substantially granted by Presidential regulations, so all that has remained on this has been to enact it into law. This has left two points, contained in the bill before you, which have not been granted by Presidential regulation, and concerning which differences of opinion have existed.

"The first point has had to do with restoration of the payments received by the entire service-connected World War disabled group. This cost has been estimated at $31,308,000 by the Veterans' Administration, although the Legion has believed that the cost would be substantially less than this sum.

"The second point concerns eligibility to service connection for World War disability, and affects some 29,000 so-called 'presumptives.' The first year's cost of this proposal has been estimated by the Veterans' Administration at $10,900,000.

"I will now discuss briefly the first point, that affecting restoration of the rates of pay received by the World War disabled group, concerning whom everyone admits there is no doubt that World War service disabled them. The types of afflictions which have disabled this group can be roughly subdivided into four groups, which are veterans suffering from tuberculosis, from neuropsychiatric disease, from general medical and surgical afflictions, and the amputation cases.

"I think you gentlemen will recall that during the debate of the Economy Act a year ago, it was repeatedly stated in the Congress that nobody planned and nobody desired that the veterans who had been admittedly disabled by their World War service should have one cent taken away from their disability compensation. Yet we find now that, notwithstanding the increases which have been made by Presidential regulations, that the substantial amounts have been taken away from the war disabled, which I have just set forth.

"The Legion does not now believe, nor have we ever believed, that it was the desire of the American people or the American Congress to so sharply reduce the Government's payments to the admittedly World War disabled.

"President Roosevelt in addressing our national convention at Chicago last October told the Legion the following in connection with this group: 'Furthermore, it is my hope that, insofar as justice concerns those whose disabilities are, as a matter of fact, of war-service origin, the Government will be able to extend even more generous care than is now provided under existing regulations. It is to these men that our obligation exists.'

"So much for the restoration of service-connected disability payments which the Legion has sought and provision for which is made in the independent offices bill now once more before you.

"This bill, however, contains certain exceptions to a blanket restoration of payments, exceptions which the Legion itself has advocated. So, as a matter of fact, although the bill would in theory restore the old payments, it would not do so in all cases.

"I now come to the second point at issue, which is the third point in the Legion's program—that of restoration of eligibility to service connection as it existed prior to the Economy Act.

"This concerns the 29,000 so-called 'presumptives', 90 percent of whom are World War veterans suffering from tuberculosis or neuropsychiatric disease, men whose disabilities had been connected with their service under laws in existence since 1921, subsequently twice amended insofar as the presumptive date was concerned.

"Senator BYRNES, of South Carolina, who was in charge of the bill in the Senate, offered to restore these men to the service-connected rolls at 75 percent of their former payments. This offer was made presumably on behalf of the administration. It proposed a temporary restoration only, with payments to be made until review of the cases on appeal could be had by the newly created Veterans' Appeal Board.

"The cost of this proposal was estimated at $10,900,000 a year, or the exact same yearly cost which would be incurred to restore this group to the rolls permanently. The point at issue between the administration's plan and the Legion's plan was this: Under the administration's plan the Appeals Board would pass upon the veterans' eligibility to service connection, under the very same rigid and restrictive rules and regulations of the Economy Act, through the operation of which they had their service connection broken a year ago.

"Service connection is difficult to establish 10 or 12 years after a disability has developed. Thousands of these men are insane and are confined in the Government hospitals. Other thousands now lie upon their backs upon beds for the tubercular. There is small opportunity for either class to now prove their direct service connection. It was this very difficulty which the Congress

had in mind when on its own initiative it enacted the presumptive legislation, for the Congress realized even then the difficulty of proving service connection in many thousands of cases."

It has been the policy of this Government ever since the Revolutionary War to take care of the disabled, the widows and orphans, and the dependents of those who performed service in the Army. This same policy has been in effect with respect to the Civil War veterans, Spanish-American War veterans, and, in part, to the World War veterans. It is known that every time there is a war certain financiers are enabled to manipulate their business affairs in such a way as to reap millions of dollars in profits. I remember very distinctly that Daniel Drew, who was the partner of Jay Gould during the Civil War, said that because he was able to bribe certain Army officers and other officials of the Government it was possible to obtain the result of the Battle of Antietam 3 or 4 days prior to the time the news went to the public, and because of this inside information he was able to manipulate stock markets in such a way as to make enough profits in dollars and cents to buy new uniforms for every soldier in the Civil War. Of course, he didn't buy any.

Everybody knows that prior to the World War every kind of propaganda possible was put out in this country for the purpose of molding influence and that the only ones who profited were the big munitions factories, shipbuilding corporations, steel companies, and others that took advantage of every situation to charge unheard-of profits for the various articles that had to be used by the Army and our citizens. The Government paid bonuses to its civilian employees throughout the Nation and, in addition, allowed one class of women known as "Yeomanettes" to have the same status as a soldier when it came to pensions, hospitalization, and other kind of considerations.

The poor private was forced to go to war. He was paid $1 per day for his service in the United States and a little more abroad. He made a genuine sacrifice, oftentimes giving up a lucrative position; and when it is taken into consideration the amount the disabled are now being paid, and compare that with the millions of dollars that were made by big business in this Nation, there is not anyone who can successfully say that he is not entitled to the consideration provided for in this legislation.

The World War will go down in history as the "foolish war." The United States was made the goat because we furnished the other countries a sufficient amount of money to enable them to buy munitions of war and the other necessities that had to be provided from some source. Today we are holding the sack while the foreign nations that owe us some $12,000,000,000 refuse to pay even the interest that is past due.

It has been my privilege, as many of you know, to visit the battlefronts in Europe from the Toul sector clear up to Mount Kemmell, and I say, without fear of contradiction, that anyone who has witnessed the various conditions that our lads had to go through cannot take any position other than to be willing to provide the comforts of life to those who were incapacitated to the extent that they are unable to provide a livelihood.

I know that there are some who feel that inasmuch as the acts performed under the economy bill had since been remedied or modified and that the President stated in his message that he was willing to restore, by Executive order, practically all that the measure called for—in fact, the difference in dollars and cents amounted to less than $90,000,000—that surely Members of Congress were justified in keeping their obligations to aid the disabled ex-service men wherever the opportunity presented itself.

Everyone knows that whenever the Nation is in the red that some method must be found to balance the Budget; also that those who make profits sufficient to pay any income taxes are the ones who, in a large way, support the Government. This being true, I propose, as a member of the Ways and Means Committee, that is charged with the responsibility of providing revenue, to lift the income-tax rates sufficiently high to take this money away from those who made enormous profits during the World War, and, in addition, I want to see Congress pass an authorization which will allow the people to vote on a constitutional amendment in order that interest on tax-exempt securities shall be subject to an income tax.

There may be those who will complain because of legislation favorable to the soldiers, yet when the Nation is confronted with a serious situation no thought, as a rule, is given to what may happen in the hereafter. Every citizen should be interested in adopting the kind of a measure that will prevent our Nation from entering into another war. There should be some measure which would make it possible to conscript incomes and wealth just the same as there will be to take our boys away from their mothers; and regardless of how others may view this subject, I am always going to carry out my campaign pledges, as I have felt that it was my duty to do on this occasion. I want it distinctly understood that in doing what I thought was right, it was intended in no way to cast a reflection on the great President, as I will continue to stand by him in sponsoring every measure that relates to the rehabilitation of the Nation.

DR. WIRT AND THE REVOLUTION

(Apr. 17, 1934)

Fellow Oklahomans, again through the courtesy of Station KASA at Elk City I bring you a message from Washington. At this same hour next week I hope to discuss topics of general interest to all of those who may be listening.

I am sure that every person listening in has heard of the charges made by Dr. William A. Wirt, of Gary, Ind., who is employed in that city as superintendent of public schools, which related to a plan to overthrow the Government, which he claimed was being sponsored by members of the President's so-called "brain trust." This subject was first given wide publicity by one James H. Rand, Jr., when testifying before the House Interstate Commerce Committee on March 23 of this year. According to the developments made by the investigating committee, it was shown that Dr. Wirt caused to be sent to a number of leading newspapers and others copies of his statements in this connection. The House of Representatives passed a special resolution creating a committee of five to make an investigation of the alleged charges, and Speaker RAINEY appointed as members of this committee Congressmen BULWINKLE, O'CONNOR, ARNOLD, LEHLBACH, and MCGUGIN; the 3 first Members named are Democrats and the last 2 Republicans.

The first hearing was held in the new Ways and Means Committee room, which is located in the New House Office Building. According to the information given to me, this apparently is the first hearing that has ever been held by a legislative body in the United States for the purpose of investigating a movement that some thought was launched for the purpose of overthrowing the Government, and, of course, every news-gathering agency in the United States and many representing papers abroad were represented for the purpose of advising those whom they represented as to all of the facts brought out.

On this date the largest crowd of spectators that ever assembled in this spacious room were present. In fact, there were two or three times more visitors on the outside trying to gain admittance than were on the inside.

The Ways and Means Committee room has a large rostrum on an elevated platform at one end of the building capable of seating 25 individuals, which is sufficient to take care of those who constitute this committee, and behind these elevated seats is sufficient room to accommodate a row of chairs, which were occupied on this occasion by Members of Congress and every other person who could squeeze his way in.

The photographers who represent the different newspapers and other agencies were there by the hundreds, and, in addition, the sound-recording instruments that supply Pathé and other similar agencies occupied one entire corner of the room with their instruments, which in some respects had the appearance of a battery of machine guns. The two major broadcasting companies caused to be placed in positions of advantage a sufficient number of microphones so as to catch every word that was spoken by the witnesses and the members of the committee.

It was my privilege to have a seat on the rostrum immediately behind Chairman BULWINKLE, who headed the investigating committee, and seated on each side of me were as many of the Members of Congress as could obtain a place where they could see what was going on.

When 10 o'clock arrived, the hour scheduled for the fireworks to begin, every person there received a thrill when the silver-haired ex-Senator from Missouri, the Honorable James A. Reed, walked into the hall, then came up on the rostrum for the purpose of shaking hands with his old colleague whom he had served with so long in Congress; and when it became known that he was there to act as counsel for Dr. Wirt everyone came to the conclusion that it would be a real battle before the hearing was concluded.

Chairman BULWINKLE rapped for order and the proceedings started. Dr. Wirt's name was called, and from the audience arose the individual whom all present came to see. Taking his position at the place reserved for the witness, every cameraman made a wild leap for the purpose of gaining a position of advantage in order that he might focus him, and for about 10 minutes the snapping of bulbs and the buzz of the different kinds of machinery very nearly disrupted the entire procedure. Senator Reed arose and addressed the committee, stating that he appeared as Dr. Wirt's counsel, and requested that a full examination be made and that his client be given complete authority to make a full statement concerning all of the alleged facts which had been given out by him to the press. It was at this point that the members of the committee clashed over procedure.

The Democratic Members, realizing that there were always certain individuals who would make a mountain out of a molehill, and that any statement made would be misconstrued by many, were determined that only the facts should be brought out, and the motion of Congressman O'CONNOR limited the hearings to such statements as had been printed. This action brought a severe protest on the part of the Republican Members, who were charged with desiring to play politics; however, the matter was soon settled and Dr. Wirt was placed under oath.

Senator REED protested against the decision of the committee when he was advised that it was not necessary for his client to have counsel, as the hearings were not held for the purpose of bringing out any information other than that which related to Dr. Wirt's charges that certain members of the so-called "brain trust" were ready to start a revolution, and Senator REED was advised that should he care to bring to the attention of the committee any particular information, he would be given the opportunity of presenting the same in writing to the chairman of the committee.

The sound-recording instruments and the Klieg lights again pretty nearly disrupted the proceedings as the witness began his testimony. Senator Reed finally complained to the chairman, stating that his eyes were a little weak and that he could not face the chairman until this part of the proceeding was stopped. The operators of the machines were on their knees begging the chair-

man and members of the committee not to put them out of the building, and for about 30 minutes they were allowed to continue, during which time Senator Reed kept his hands up to his face for the purpose of shading his eyes. The operating of these machines increased the heat within the room, and in addition it seemed that nearly every man and woman was either smoking a cigarette or a cigar, and had it not been for the person in charge of refrigeration filling the room with blasts of cool air, I am certain that the hearing would have had to be postponed, as conditions became pretty nearly unbearable.

The chairman of the committee read into the record a portion of Dr. Wirt's statement, calling attention to his charges, and then asked him to give his authority and all facts pertaining to the reason why he had given out such a statement to the press. Then Dr. Wirt told of a dinner that was given across the Potomac in Virginia, at which was the representative of the Soviet Government and five or six Government employees, stating that at this meeting information was given to him, principally by a woman, an employee of the Department of Agriculture, relating to those who held key positions in the Government and who were willing to join in the kind of planning that would establish a new order in this Nation, which, of course, was construed by many to favor Communism.

At each point in his testimony he was asked who made the statements referred to, and his answer in practically every instance referred to a Miss Kneeland. In his testimony he referred to Speaker RAINEY as having made a statement that could be construed as giving doubt as to how long this Government could stand, and such statement was promptly denied by the Speaker of the House. The name of Mrs. Roosevelt, the wife of the President, was also mentioned in connection with a colonization plan for the purpose of allowing deserving people to buy a small tract of land in order that they might have the opportunity of providing for themselves a livelihood, and Dr. Wirt stated that such a movement was the beginning of a plan which would depopulate cities and cause owners of the property to suffer losses. Mrs. Roosevelt promptly gave out a statement to the press ridiculing his viewpoint and, in addition, stated that the cost in money of what she was sponsoring was only a drop in the bucket when compared to the amount that is being expended for other humanitarian purposes.

Dr. Wirt laid great stress on different articles that had been published in a book by Dr. Tugwell. In fact, as I viewed the entire controversy, Dr. Tugwell's theories and pronouncements were the ones that seemed to inspire Dr. Wirt to make the charges with respect to the so-called "brain trust", although Dr. Tugwell was not present at the meeting held in Virginia. To say the least, Dr. Wirt, when called on to give the names of the members of the so-called "brain trust" who were fomenting a movement which might bring about a revolution, completely fell down, as the only names mentioned were a few employees of the Government who were carry-overs from the old administration in part and who held more or less minor positions with the Government, and it is the consensus of opinion that his charge was not substantiated.

It is interesting to know that practically all of the persons named by Dr. Wirt as being interested in a movement which might be termed communistic immediately gave out statements denying the testimony that referred to them, and in addition stated that Dr. Wirt at this meeting did practically all of the talking, discussing an entirely different subject, the same being the money question, and one person who was there described the meeting as a wash-out.

At 12 o'clock the meeting adjourned for the day. Dr. Wirt was asked if he could remain over until the next morning, and replied that he could. He returned to his hotel, and according to the press refused to answer the telephone or to admit anyone for a conference. In fact, the committee was not able to communicate with him for the purpose of advising that it had been decided that he could go home, and a telegram was sent him to this effect, thus bringing to a conclusion his part in this great melodrama.

It is always unfortunate for anyone to give out a statement alleging a fact which in truth is based on a rumor, and it is to be regretted that this educator apparently did not use good judgment in alleging statements which could not be proved to be true; anyhow, he can console himself in the thought that there never was a person in the United States who received as much free publicity as was given to him, and while his station in life was more or less obscure, he is now known to all our citizens as a person "who strained at a gnat and swallowed a camel."

The special committee will probably call the persons named by Dr. Wirt, who were present at the dinner, in order that they may under oath refute the testimony which has, more or less, placed them in an uncomfortable position, and if they make the same statements as have been printed by the press, the committee will conclude the investigation and the country will be saved. So much for Dr. Wirt, the "brain trust", and all others who have been named, which has resulted in clearing up a mystery which apparently was nothing but a myth.

RELIEF AND SUBSISTENCE HOMESTEADS

(May 1, 1934)

Fellow Oklahomans: Again, through the courtesy of station KASA at Elk City, I bring you a message from Washington. At this same hour next week I hope to discuss topics of general interest to all of those who may be listening.

During the first session of Congress under the Roosevelt administration, the Ways and Means Committee, of which I am a member, favorably reported the National Recovery Act, which made available more than $3,000,000,000 to be used as a fund to assist in the rehabilitation of the Nation. At that time no one could have a proper conception of the needs of our citizens, yet it was known that such a depressed condition was in evidence everywhere that it was necessary to change the order of the day by putting into effect new ideas with the hope the result would be an entire change in our economic situation.

The Nation was confronted with an overproduction of foodstuffs and other commodities of many kinds, and at the same time there was not a sufficient amount of employment to take care of the needs of our citizens, which resulted in millions being out of employment, to the extent that the morale of our people was at its lowest ebb.

In order to balance production and consumption in view of our decreased foreign business, it was necessary as one of the steps of recovery to curtail overproduction of various agricultural products in order that the price paid to the producer might be increased, and to bring this about at the earliest moment possible a policy was put into effect which would cause our farmers to take out of production a percentage of their tillable land and to bring about other forms of curtailment. This program at first was viewed with suspicion by many, as it was a wide departure in the way of an experiment from anything that had ever been tried out by Government agencies in the past. This program caused our farmers in 1933 to receive over $200,000,000 from the Government, and it is estimated that before the end of 1934 the amount they will receive for reducing acreage and production will be over $1,000,000,000. It will be interesting to know that the producers of corn and hogs will receive over $367,000,000; wheat growers, $148,000,000; tobacco growers, $35,000,000; cotton growers, $173,000,000; dairy farmers, $150,000,000; loans on corn, $111,000,000; loans on cotton, $110,000,000; and in addition $150,000,000 will be paid to dairy farmers and the producers of livestock.

It will be of interest to many to know that notwithstanding cotton acreage was reduced approximately 30 percent in 1933, because of the increased market price the total amount received by the cotton grower exceeded that which would have been paid him if there had been no reduction made in acreage, and when it is taken into consideration that corn sold as low as 15 cents per bushel and wheat at 25 cents per bushel prior to the time that this policy was put into effect, I am sure that the reduction program has had a corresponding effect upon other agricultural commodities.

The taking out of production a certain percentage of acreage will naturally cause some of the smaller farmers to seek other kinds of employment, and in many instances there will be those who will move to the cities with the hope of securing employment in factories and other kinds of industrial work. President Roosevelt, being intensely interested in the problem of providing an adequate living for every class of humanity, came to the conclusion that providing subsistence homesteads to those who were working in the mines, factories, and other occupations in or near industrial centers would take care of many who have left the farm and moved to the city; therefore, on October 21, 1933, he issued an Executive order as follows:

"EXECUTIVE ORDER

"By virtue of the authority vested in me by the act of Congress, entitled 'An act to encourage national industrial recovery, to foster fair competition, and to provide for the construction of certain useful public works, and for other purposes', approved June 16, 1933 (Public, No. 67, 73d Cong.), in order to effectuate the intent and purpose of the Congress as expressed in section 208 under title II thereof, I hereby authorize the Secretary of the Interior to exercise all the powers vested in me, for the purpose of administering all the provisions of section 208 under title II of said act, including full authority to designate and appoint such agents, to set up such boards and agencies, and to make and promulgate such regulations as he may deem necessary or desirable.

"FRANKLIN D. ROOSEVELT."

In order to provide the necessary funds for the establishing of subsistence homesteads, the sum of $25,000,000 was made available to be loaned to local organizations set up for this purpose, and a unit in the Department of the Interior was created to have full jurisdiction. In addition, an advisory committee was created with Senator JOHN M. BANKHEAD, of Alabama, as its chairman for the purpose of establishing a policy that would be suitable and fair to every section of the Nation.

Up to and including April 24, 1934, subsistence homesteads have been authorized to be established in groups at Birmingham, Ala.; Los Angeles, Calif.; Wilmington, Del.; Jasper and Putnam Counties, Ga.; West Frankfort, Ill.; Decatur, Ind.; Jasper, Ala.; Granger, Iowa; Austin, Minn.; Duluth, Minn.; Hattiesburg and 5 other cities in Mississippi; Hightstown, N.J.; Rochester, N.Y.; Wilmington, N.C.; Dayton, Ohio; Greenburg, Pa.; Youngstown, Ohio; and 6 in Texas. Applications have been received from every State in the Union, and as fast as local organizations are created it is proposed to continue the establishment of such agencies with the hope that this form of assistance will result in taking up the slack, anyhow to a large degree, caused by the general reduction program put into effect relating to agricultural commodities.

In the creating of subsistence homesteads it must be taken into consideration that the chief aim on the part of the Government is to enable the head of the family to have the kind of land

that will produce sufficient fruit and vegetables to take care of his own needs. Also, he must have the kind of part-time employment which will enable the land to be worked and a portion of his pay to be used to retire the initial indebtedness. As an illustration, there are many miners and factory employees who now work only 80 hours per week, and by providing a subsistence homestead such persons will be able to cultivate 2 or 3 acres of land and to produce a sufficient amount of fruits and vegetables to take care of the needs of the family all the year around.

Director M. L. Wilson, in commenting on subsistence homesteads, made the following statement:

"My own conception of it is best typified by the Mormon village. When Brigham Young settled his land on the plateaus between Great Salt Lake and the mountains he was compelled to settle them in a village as a means of protection against the Indians. In general, the typical Mormon village was laid out in blocks, the blocks not being cut into lots, and each householder instead of living on a 50-foot lot, which went back to the alley, lived on a plot 2.2 acres. This type of life exists in many of the agricultural Mormon villages in Utah today. About 20 or 30 years ago sugar-beet factories and milk condenseries began to appear in some of the Mormon villages, thus producing a wage-earning class.

"In some of the Mormon villages of Utah you can see the evolution of the subsistence homestead pattern of life. People are living on the 2.2 acres and are working in the industries a hundred days or a hundred and fifty days, as the case may be, at prevailing wage rates. I defy anybody to show me any place in the United States a higher social or aesthetic standard of living in relation to the cash income than can be found in these villages."

I am sure that everyone will be interested in the plan that has been established that relates to finance, and it is as follows:

Federal funds advanced will be loans; grants will not be made. Except in special cases preference will be given to projects toward which reasonable equity contributions are made from sources other than the Federal Government. Loans will be made to the local corporations, not to individual homesteaders. All loans must be adequately secured, and will be, at an interest rate of 4 percent to the corporation, amortized over a period not to exceed 30 years, with privilege of repayment at any time. The interest rate to the homesteader will usually be somewhat higher in order to provide a reasonable differential for the necessary annual management costs of the corporation. Amortization schedules will be adjusted to the character of project, prospective earning power of the homesteaders, quality and character of construction, etc. Homesteaders' payments may be made weekly, monthly, quarterly, or semiannually, as may best fit the case; payments to the Government by the corporation, however, ordinarily will be on a semiannual basis. Deferment of initial payments may be permitted where necessary, but such deferment will not exceed 2 years.

Loans for purchase of production equipment, tools and machinery, including livestock, seeds, trees, and fertilizer, will be made where necessary and where unobtainable from other sources. All charges and financial schedules, leases, contracts, and other stipulations and agreements, especially as between the local corporation and the homesteaders, will be subject to approval of the division. Cash income adequate to meet interest and amortization charges during the life of the loan necessarily must be assured. The source of this ordinarily will be employment in nearby industries, sale of products of home industry, in some cases work in nearby forests, or other source of wage employment off the homestead.

All projects necessarily must be planned in both establishment and operation as low-cost enterprises for persons of limited income.

The six subsistence homesteads located in Texas are at Arlington, Beaumont, Houston, Marshall, Three Rivers, and Wichita Falls, and anyone interested in this subject will notice that each one is adjacent to some industrial center, thus enabling individuals who have part or full-time employment to qualify in a satisfactory way.

The establishment of subsistence homesteads under the direction of a local organization will enable deserving heads of families to provide the kind of comforts in life for their families and at the same time enable each person to eventually own his home. The forming of such communities will provide a higher standard of living and cause each such community to take an interest in providing for their families conveniences and necessities such as schools, playgrounds, recreation centers, civic clubs, and other kinds of organizations which will have for their purpose the bringing about of a higher form of living.

The committee in charge of this new plan of providing assistance to various groups has made a careful study for the purpose of finding out the average yield made by farmers living on small tracts of land adjacent to industrial centers and has come to the conclusion that the financing of such projects by the Government will not work a hardship on anyone selected by the local organization to receive such benefits, and in addition the plan agreed upon will cause such money set aside for this purpose to be eventually repaid to the Government.

I feel that the plan relating to this subject will take care of a long-felt want, as the nation that is the most successful is the one that has the greatest number of home owners. Any step or movement that is put into effect which will result in a happier citizenship will always make our citizens more loyal and more appreciative of its form of government.

President Roosevelt and his cooperators are determined to take every step possible to relieve conditions throughout the Nation at the earliest date possible, and I am happy in the thought that it is my privilege to vote for the kind of humanitarian laws that have been created thus far.

THE HONORABLE HENRY T. RAINEY, SPEAKER

(May 6, 1934)

Fellow Oklahomans: Again, through the courtesy of Station KASA at Elk City, I bring you a message from Washington. At this same hour next week I hope to discuss topics of general interest to all of those who may be listening.

I feel certain that those who are listening in today will be interested in knowing something about one of our most distinguished public servants, who at present occupies the high position of Speaker of the House of Representatives, the Honorable HENRY T. RAINEY, whose home is at Carleton, Ill. As far back as history records, the citizens of every nation have been more or less hero-worshipers to the extent they are swayed by the influence and public record of those who are credited with outstanding accomplishments. During the early period of the United States no one ever dreamed that the men who played such an important part in establishing what was then a little Republic would be honored and held in high esteem as we view them today. It is for this reason that no person can tell with any degree of accuracy how important a figure any individual may be until after a person's work on earth has been finished. A striking example of this fact is the history of President Andrew Johnson, the tailor, who never went to school a day in his life. He, possibly, was criticized more severely than any other person that ever occupied a high position in connection with our Government, and on one occasion, when impeachment charges were brought against him, it was by a margin of one vote that he was found not guilty. Yet, within the last few years, the decisions which brought about his unpopularity and public criticism have been passed on by the Supreme Court of the United States and upheld, thus causing certain individuals to again make a search of the records, which has resulted in a number of the present-day historians proclaiming him as one of the greatest Presidents that ever ruled over this Nation.

Who knows but that in the days to come the subject of this discussion, Hon. HENRY T. RAINEY, the silver-haired Speaker, will occupy in the minds of the historians as high a place as many of those who have already gained fame in this Nation.

I remember in the years gone by that ex-Senator Joe Bailey, of Texas, the late Champ Clark and, now Vice President, John N. Garner, and others used to engage in deep and earnest conversations in the cloakroom for the purpose of discussing the habits and traits of many of our prominent citizens who have played an important part in the making of history in this country, and on one occasion I heard Senator Joe Bailey say that, in his opinion, a number of those who were then performing service in the House and Senate were as well qualified, if not more enlightened, than the framers of the Constitution in continental days.

I remember very distinctly my first visit to the House of Representatives, where I saw for the first time the present Speaker. I was attracted to his fine physique, well-shaped head, and his bushy white locks of hair. The thought came to me that he represented the most typical type of a statesman that I had ever seen, and from that day to this I have watched him grow in power as his constitutents returned him each election year to the Halls of Congress until he now occupies the highest position that can be assigned to him by this branch of the Government.

One of the most impressive speeches that I have a distinct recollection of was delivered by Speaker RAINEY on the subject "The return of the pelican flag", which was captured by northern troops from a Louisiana company or regiment during the Civil War. The words that came from his lips on this occasion portrayed as fine a sentiment as I have ever heard expressed from the representative of the victors to the vanquished.

I do not know very much about the Speaker's home at Carleton, Ill., other than the distinguished writers have said that there is no more beloved citizen than he—always courteous and willing to render a service to his fellow man. By occupation he is a farmer, and he maintains a lovely home, well improved, a few miles from the city. I do not have any information concerning the kind of crops he produces; yet he is a grower of livestock, the same being a species of deer imported from Japan. On one occasion he sold a carload to one of Oklahoma's most successful producers of oil and shipped the same to him by express, which must have been an expensive item—anyhow, they reached their destination without the loss of a single animal. I have always noticed that if a person were interested in wild life, he must be a lover of nature and the great out-of-doors. It has been said that Mr. RAINEY was never sick in bed a day in his life, and when it is taken into consideration that he is now over 70 years of age, this is a record that exceeds any other person of my acquaintance.

I can remember in the days gone by when the Ways and Means Committee brought in the tariff bill that Mr. RAINEY could always be counted on to make one of the principal speeches; and regardless of how many times he was interrupted by the opposition, he was always able to carry on a running fire of debate and maintain his position in a way that was pleasing to his associates on the committee. What a team he, the Hon. Cordell Hull, now Secretary of State, and Hon. John N. Garner, Vice President of the United States, made when all were serving on this committee! When they were teamed up solidly backing a tariff measure, it somehow

reminded me of a pack of hounds in full cry—and they usually accomplished success to their hearts' desire.

I am sure that no one has ever served in Congress who has taken more pains than Speaker RAINEY in caring for his constituents. Likewise his grace and ease are always apparent when contacting the public. Those whom he has the honor to represent realized a long time ago that if he were retained in Congress the day would come when his rank would be sufficiently high to the Speaker of the House. They knew that the Ways and Means Committee was the most powerful, and that as a member of the same he was bound to climb to success.

The Honorable HENRY T. RAINEY is of Irish ancestry, and we are told that one of his relatives in Ireland reached the age of 129. Those who have recorded his history tell us that he never smoked until he reached the age of 40, thus showing that he had the kind of self-control that caused him to be matured in a very fine way before he decided to participate in the luxuries of tobacco. Since that date he has enjoyed his pipe and cigars immensely.

Some of you who are listening in will remember the Great Commoner, William Jennings Bryan, who was born in the State of Illinois. It was my privilege to be an invited guest to his last birthday party, given in the city of Washington. I have also visited the town where he was born, and remained as a guest one night in his old home. He and Mr. RAINEY were crusaders together, fighting the battles of democracy, promoting the great silver plan, which was probably the most discussed subject ever entered into a campaign. Mr. RAINEY has carried on all during the years, favoring liberal legislation which would cause silver to occupy an important position in our monetary system. He realized that until this Nation gave to silver the kind of valuation that will be comparable with the value placed on the same by countries like China, India, and others throughout the world, our citizens cannot hope to export our surplus products in a satisfactory manner. The enactment of recent legislation relative to this subject is in accordance with some of the views of the Great Commoner and the present Speaker of the House.

As I view Speaker RAINEY, he is one of the youngest Members of the 300 Democratic legislators in the House of Representatives. It matters not what form of entertainment is provided by those who hold high position with the Government, Mr. RAINEY is always equal to the occasion and plays his part well. I remember the feast of watermelons furnished by the present Secretary of the Department of Commerce, Hon. Daniel C. Roper, and no one enjoyed the same more than he. On another occasion the Texas Cow Band from Amarillo came to Washington and put on a big barbecue. I furnished several 10-gallon hats for this occasion, and no one seemed to get more pleasure from this outing than our present beloved Speaker. Recently I attended a reception given in honor of Frank Buck, "Bring 'em back alive", who, by the way, is a Texan, and as I walked into the spacious dining room the first person to be seen was our beloved Speaker, mingling with those who had come together for the purpose of having intimate contact with the most successful capturer of wild animals in the world. I think I am warranted in saying that when it comes to clean sports, Mr. RAINEY obtains as much enjoyment when it comes to playing the games as anyone I have ever known.

When the National Recovery Administration was first set up I was requested to submit a list of prominent citizens in the various States of the Union who would be willing to help put over this great program, and, of course, Mr. RAINEY was one of those named for Illinois. He took to this work like a duck to water, using an airplane to visit many sections of the United States. It was my pleasure to meet his plane at Oklahoma City, and when he stepped out of the same he appeared to be enjoying this kind of transportation as much as I did my first ride on a train. I accompanied him in the car when we paraded in Oklahoma City, and those who heard him that night at the fair grounds when he gave in chronological order an account of the legislation he had sponsored while a public servant, realized that here was a party worker more than threescore and ten years of age who was willing to brave all kinds of weather and conditions in order that he might do his part for his party and the Government he loved so well.

I have enjoyed my association with this great, distinguished American. I am proud of the honor he conferred upon me 2 years ago when he volunteered to send to the people of the district a letter for the purpose of giving to my constituents his opinion of my standing and service in Congress. We may have differed on some of the important issues, yet there is not a person anywhere who has a higher admiration for the fine service he has given to the Nation than I; and it is my opinion that at some time in the future our section of the State can be honored with a visit from him in order that you who are listening in may know who guides the destiny of the House of Representatives in its present deliberations.

CURRENCY REFORM

(May 22, 1934)

Fellow Oklahomans: Again, through the courtesy of Station KASA at Elk City, I bring you a message from Washington. At this same hour next week, I hope to discuss topics of general interest to all of those who may be listening.

Congress can be compared to a race horse making the last lap, or coming in on the home stretch, as the thought uppermost in the minds of all the leaders is to conclude the legislative program which has been approved by President Roosevelt, and then go home.

I think it worth while to compare conditions that exist today with those that were so well known to every person prior to the time that this administration came into power. It will be remembered that cotton was selling at 5 cents per pound, wheat at 25 to 30 cents per bushel, and corn from 15 to 25 cents per bushel, which meant that farm products were bringing a price far below the cost of production. This situation meant ruination to those who till the soil, as the revenue derived from such crops was not sufficient to enable a person to pay taxes, much less anything on farm loans or other kinds of obligations.

The banking situation was terrible; many such institutions had closed their doors, and others were about ready to gasp and give up. In many of the States wholesale foreclosures of farm lands were in evidence, and the people were so disheartened and discouraged that many felt that it would be a miracle if conditions could be changed in such a way as to enable them to retain possession of their homes.

For 2 years prior to the time that President Roosevelt took charge of the reins of this Government an unofficial organization in the House of Representatives composed of approximately 100 Members had been holding night sessions for the purpose of preparing the kind of bills that would bring about the kind of relief that was so badly needed. This was called the "legislative forum", and I felt highly honored when my colleagues asked me to act as its secretary. Committees were selected and assigned to make a study of the banking situation, cost of production of farm commodities, relief for distressed mortgagors, inflation, and other subjects relating to the needs of the Nation.

Acting for this organization after our program had been completed, I arranged with the new leaders of the administration a number of conferences and, together with the chairmen of the respective committees, such bills as had been prepared were presented and fully discussed. We were consoled by the results obtained, as many of the ideas presented are now a part of the so-called "new deal."

When it is taken into consideration that the source of practically all wealth comes from the ground, it is a fair statement to say that unless the producers of the necessities and comforts of life are able to make a fair profit or to receive just compensation for their labor, no other occupations can be maintained in a healthy or satisfactory manner, and this fact is proved by what took place in 1929, when stocks on the big exchanges crashed in such a manner as to cause millions of our citizens to lose most of the money that they had invested in certain kinds of securities.

I do not believe that any administration ever came to power and was confronted with such a bad economic condition as existed 2 years ago. It is to the credit of President Roosevelt that he said in substance, "Some of the ideas and legislation that the administration is sponsoring may not work; however, if the new laws are unworkable I will be the first one to admit such a fact, and we will try something else." He realized that a nation with 10,000,000 people out of employment could not be happy and that something had to be done to give them an opportunity to provide for themselves and families food and clothing. To do this it was necessary that Congress appropriate large sums of money and in addition provide the kind of machinery that would bring about a reorganization of industry and the kind of Federal control that would cause all occupations to deal honestly with their employees. One of the first bills relating to this subject was the National Recovery Act, which was sponsored by the powerful Ways and Means Committee, of which I am proud to be a member, that set aside over $3,000,000,000 to be used for this purpose, and with lightning rapidity men of high integrity were assigned to the duty of setting up the kind of organizations that would quickly provide the necessary machinery to start the wheels of progress moving once more. Thus came into effect the C.W.A., P.W.A., and many other bureaus that have been designated by alphabetical letters that are now known so well to all of our people.

Human nature is so constituted that regardless of the kind of program that is put into effect there will be miscarriages of justice to the extent that some will not be dealt fairly with, and this result always brings about criticism. However, when it is known that President Roosevelt asked Members of Congress to take no action that would be construed as political when it came to dealing with humanity, one can readily understand why Members of Congress have kept their hands off and allowed the various county administrators to proceed with a free hand. There are those who feel that much of this money has been wasted in high salaries and that the various organizations set up have been topheavy, with some who have received more pay than should have been allowed. Yet, regardless of such criticism, the fact remains that in every county in the United States many of our deserving people have been given food and employment which has enabled them to be tided over until a new crop could be produced.

At present cotton is bringing more than 10 cents per pound, which is 100-percent increase over that which it sold for 2 years ago; wheat and corn and other farm products likewise are bringing a much higher price, and there isn't anyone who would be willing to go back and experience the same conditions that were in evidence 2 years ago.

The money situation is not satisfactory to all concerned and never will be; yet the guaranteeing of deposits in Government supervised banks has brought about the kind of stabilization and protection in financial affairs that is beneficial to every person in

the Nation. Over $2,000,000,000, according to a statement made by Mr. Black, Chairman of the Federal Reserve Board, has come out of hiding, and when it is taken into consideration that as long as this law remains on our statute books, there can be no more bank crashes, this result should be pleasing to everyone. I am very proud that our district can take the credit for introducing the first bill of this nature ever presented to either branch of Congress, and in addition sponsoring the hearing which finally resulted in the enactment of the law.

The next step that will have to be made relates to inflation, as unless conditions can be brought about so that capital will seek an investment many industries will be hampered because of their inability to obtain loans necessary to enable them to carry on in a successful way. At present the Nation is confronted with an inward cancer that is eating the very vitals out of our Government, and this is the issuing of nontaxable securities amounting to billions of dollars, which cause investors to place their money in such a way as to remove the same from normal channels.

At present I am having the drafting committee prepare a bill which would cause greenbacks to be printed or issued equal to two and one half times the amount of free gold and silver that the Government has on hand; also to print money against the securities held or owned by the R.F.C., Federal land banks, Farm Credit Administration, and other organizations that have loaned money to industry and accepted securities for the same. Such a law would enable this Government to take up billions of dollars of value in outstanding bonds and other forms of securities, thus putting to an end the policy of issuing tax-exempt securities.

The presenting of such a bill will, of course, bring a howl from those who are termed "big business." They are satisfied with the present policies of the Government, which enables them to invest their money in such a way as to escape the responsibility of paying income taxes. In other words, they are not interested in the welfare of our people, neither do they care what happens to the Nation, so long as it is possible to obtain profits in this manner. They assume the same attitude as the big international bankers did with respect to the law guaranteeing deposits in national banks. They realize that the old adage is true—"There is always good fishing in troubled water"—and that when times are bad and money is scarce those who have cash are able to derive a better bargain and to reap rewards in the way of profits clear out of reason. It is this kind of a parasite that is fastened on our Government that must be destroyed, if normal conditions are to be restored; and, while it may take a few years to arouse a sufficient amount of public sentiment to bring about the desired results, I propose to continue working along this line until a new situation will be brought about, so that capital heretofore invested in Government securities will be forced to go elsewhere for an investment, thus bringing about a situation that will cause every person who can give ample security to have the means of obtaining sufficient money to enable them to carry on.

I am sure that one of the most important laws that has been enacted during the present session is the one sponsored by the Ways and Means Committee called the "revenue bill." This legislation represented some 6 months' study on the part of our Committee for the purpose of stopping up the leaks which had enabled many of the big bankers and others kinds of capitalists to escape from paying into the Treasury that amount which was really due and was necessary to defray the expenses of running this Government. It is unfortunate that certain citizens of our Nation have adopted the policy of using many kinds of subterfuges, such as dummy stockholders, fictitious corporations, and other kinds of set-ups for participating in wash sales and other kinds of transactions in order to defraud our Nation, and this bill is a step in the right direction, as it will enable our Treasury to have more funds in the future to support the policies that have been put forth in the so-called "new deal."

Everyone realizes that since the World War the party in power put into effect the kind of legislation that was disastrous to our citizens and our Nation. Such errors of policy practically destroyed our foreign commerce; caused much of our capital to be invested abroad, and in addition made many nations angry, to the extent that they went elsewhere to purchase products that were needed for human consumption. Everyone should realize that when a bad situation is brought about because of bad legislation enacted over a period of years, that it isn't possible overnight to bring about a sudden restoration of better times, and it is going to be necessary for any new administration to gradually work out of such a bad situation and it will take some time to do so.

Therefore, I am hoping that our people who have suffered because of conditions that existed in the past will be willing to be as patient as they can and have confidence in our great President, who is doing everything within his power to reorganize the Government, rehabilitate the Nation, and put into effect the kind of policies that will bring about a new order of the day sufficient to enable those who till the soil and others to have a proper livelihood in the future.

I feel deeply honored because of the confidence that has been reposed in me by the splendid citizenship of the Seventh Congressional District. All during my term of office it has been my constant aim to render the best service possible to everyone who has brought any matter to my attention and, while I may have made some errors, my conscience is clear with the thought that I have cooperated with the President in his great humanitarian program, hoping that the time would not be far distant when our people could smile and be happy once more.

SOME EXPERIENCES IN EARLY OKLAHOMA

(May 29, 1934)

Fellow Oklahomans, again, through the courtesy of station KASA at Elk City, I bring you a message from Washington. At this same hour next week I hope to discuss topics of general interest to all who may be listening.

To me old Indian Territory, Oklahoma Territory, and the State of Oklahoma have a peculiar fascination; probably more so because it is the section of the United States that was set apart for the purpose of colonizing many Indian tribes. I remember very distinctly when a boy in Texas that the news was flashed to all of the towns on the H. & T. C. Railroad that a special train of wild Indians were being brought over this line from Florida to Indian Territory. Nearly all of our citizens rushed to the depot, and especially the youngsters, to get their first glimpse of wild Indians. These were a portion of the Apaches who had been captured by General Miles and taken to Florida as prisoners of war. They were being taken to Oklahoma Territory to remain as prisoners of war at Fort Sill in the hope that Chief Geronimo would be willing to adopt the ways of a white man and stop committing depredations. The train slowed down and we could see stationed between each car a soldier fully equipped with firearms to prevent anyone escaping.

I think this impression caused to be lodged in my memory a desire to see more of the Indians, for when I reached the age of 16 I signed up to accompany a trainload of cattle to Checotah, Indian Territory, being willing to ride on a freight train and, by the use of a prod pole, keep the cattle from injuring each other. On arriving at our destination we were taken to the ranch headquarters and there given one of the most wonderful feeds, which consisted of beef, sour-dough biscuits, and other kinds of camp cooking, which to me was quite a treat. I saw the old Indian bucks and squaws with blankets around their shoulders as they sat and looked on while the cowboys unloaded the cattle and moved them to their destination. There was no land in cultivation, the forest was virgin, and to me the surroundings had the appearance of the kind of wild life that was inviting from many standpoints.

A few years later the press announced that a great land drawing would be held in what is now western Oklahoma, at El Reno, and that every person of a certain age would be given the privilege of drawing for a home, thus enabling each successful person to file on 160 acres of land of his choice. This fact so strongly appealed to me that I could not resist the temptation of trying my luck, and, in company with a young man by the name of Black, we purchased tickets and started on one of the most eventful trips of my life. We left Fort Worth, Tex., on the Rock Island Railroad, in a train loaded down with citizens of every type, who were seeking a new home, which presented a spectacle that can never be erased from my memory. When night came many were so tired that they laid down in the aisles until every inch of space was occupied by sleeping men, women, and children. As one went through the train it was necessary to step over their bodies. The thought was impressed upon my mind that homeless people will suffer practically any kind of hardship to better their own situation.

When we arrived at El Reno the crowd in evidence everywhere made one feel that this was an outpouring of humanity that had come from the four corners of the Nation in order to begin a new civilization. There was to be seen every kind of "fly-by-night" construction one could think of, such as eating stands, beer joints, gambling institutions, side shows, and hastily constructed wooden buildings occupied with small stocks of merchandise. Hotel accommodations were not sufficient to take care of the people and the young man who accompanied me and I took time about watching each other as we slept on an open lot that night.

The next day we qualified and saw our certificates placed in the building where the drawing was to take place at a later date. Then, being convinced that no good could be accomplished by remaining here, we went to the depot for the purpose of going home. I remember a train coming into the depot loaded down with home seekers. As fast as it unloaded persons desiring to leave filled the cars. Then a strange thing happened; immediately hundreds of people began to pile on top of the train, crossing over from a string of box cars. The officer, with a big club, started from the top of the train down to the engine to remove those who had perched themselves on top, and when he reached the engine and looked back there was just as many on top as there was when he started. This clearance was repeated several times, and finally the officials in charge gave up and the train pulled out with as many on top of the cars as there was on the inside.

To make a long story short, the land number drawn was so far down the line I did not think it worth while to go back and try to find a piece of unoccupied land; however, the impression gained on this trip was so fastened on me that it was not possible to resist the temptation to go to Oklahoma Territory and cast my lot with those who were willing to suffer the hardships of a new country in order to begin life anew. Therefore, I bought a ticket to the last station on the Frisco Railroad, which was Snyder, Okla., and for over 30 years I have been proud to call this my home.

It was not an easy matter for anyone to make a success in Oklahoma Territory, for the reason the soil was poisoned with weeds and other forms of vegetation to the extent that it took a number of years before it would produce in a satisfactory way. This was a section of the United States which was subjected to

droughts and all kinds of peculiar weather conditions, which oftentimes brought about complete crop failures. Such conditions caused many to use up the small amount of surplus cash, and at least 75 percent of the early pioneers were forced to leave their new homes and go back to the place whence they came. I do not feel that myself or any other person is entitled to credit for having stuck it out, as there was a peculiar fascination in trying to inaugurate new plans relating to industry, town improvement, and other matters that kept one's mind occupied. It is true that this section was the collecting place for many of the so-called "misfits" in life, and there was also a congregation of some who were outcasts of society from other States in the Union, thus presenting a moral problem that in many instances was difficult to solve.

I remember distinctly the first visit of Carrie Nation, when she came to our little city with her hatchet in her hand, "hell bent" on breaking every saloon mirror and preaching the doctrine of opposition against those who used the filthy weed termed "tobacco." I was standing on the steps leading up to the hall where she was scheduled to make an address, and as she passed me I saw her forefinger flip a cigarette out of the mouth of a bystander, which amused me very much and left him as hot as a firecracker.

From a small beginning, which consisted of the breaking of furrows to lay out streets in straight lines, I saw, first, a tent town, then wooden shacks, afterward brick buildings. Then came the telephones, and what a thrill it gave to our citizens. Later came the cyclone, killing over one-fifth of all of our people. The telephone company abandoned our community; however, we were possessed with the kind of determination that could not be defeated, and we bought equipment and built a new system, being determined that our people were entitled to have as many conveniences as could be obtained.

Then it was my privilege to serve as president of the commercial club, and we went out after every kind of an industry that could be tempted to locate in our midst, thus obtaining a compress, oil mill, and what was at one time the largest railroad station and eating house in the State of Oklahoma. We participated in town-site fights, county-seat elections, and at times it looked as though we had matched more trouble than could be taken care of in an ordinary lifetime; however, the spirit of conquest intoxicated all of us in such a way that we persevered, hoping that we had the kind of brains and energy that would finally give to our people a great emporium in the way of a city. Our expectations, however, in some respects fell short, yet we were contented in the thought that no finer set of people ever assembled themselves together than those who blazed the way for civilization in the little town that I am proud to claim as my home.

The attempt to create a new county which was named after the present Secretary of the Navy provided a vehicle that caused me to become a member of the Oklahoma Legislature; and notwithstanding the fact that they abolished the county during this service, it brought about the kind of acquaintances and knowledge that made it possible to seek higher positions, and I have always been proud that the good people of this section made it possible for me to be elected to the Oklahoma Senate without opposition.

Then came the time to redistrict the State into congressional districts, and for the reason the Seventh District had no representation in Congress, the opportunity presented itself to aspire for this high honor. This campaign was one never to be forgotten, as but few, if any, figured my supporters had a chance to meet with success; yet, by making an extensive campaign, using their old horse and buggy and other primitive methods, I covered every section of the 11 counties as closely as possible, and to the surprise of many, secured the nomination and was elected to the position I now hold.

My first trip to Washington was an eventful one. Being unexperienced in congressional matters, it was necessary to depend entirely on men like Scott Ferris and Charlie Carter, who were at that time oldtimers in legislative experience. I want to say that there never was or will be any finer types of true, loyal, patriotic, and kind Representatives from our State than these two great citizens. One of them has passed on to the beyond and the other remains a loyal friend and a splendid citizen of the State. It was through their help that I was given sufficient aid to make a proper beginning and to find out much concerning legislative procedure.

A few years thereafter the world was turned upside down by the war which engulfed many of our civilized nations. The experience in legislative matters and handling the people during this public struggle gave to a Representative in Congress a fine conception of the many matters that affect humanity. Every Member of Congress who served during this period was called on by thousands to look after the boys who had been torn away from their homes through the selective draft and carried to the battle fronts to perform the kind of service that would make possible the preservation of our Nation. All during this terrible struggle my office rendered the best assistance possible to everyone who presented any matter relating to the welfare of the soldiers. When the war was over, being anxious to help cut the red tape that was holding our lads in Europe, at my own expense I crossed the ocean, visited the various camps, inspected the battlefields, crossed into Germany, and before leaving conferred with the high officials of the Army for the purpose of helping solve some problems that were so delicate in nature as to prevent me from even now stating the same.

I met the Oklahoma troops at New York and Norfolk when they returned, and from that date until this I have taken the position that any lad who was forced to leave his home and bare his breast to the enemy's bullet should not only be provided for in the future but likewise his needy dependents should receive aid and assistance from the Government.

During this terrible struggle there was a class of citizens who remained at home and engaged in every kind of commercial activity one can think of for the purpose of enriching themselves. Corners were had on the staple commodities and necessities of life to the extent that many of our poor people were forced to pay exorbitant prices for the things they had to eat and wear. The Government was literally held up by those who were able to corner certain supplies that were needed to carry on the war. Unheard-of contracts were secured, millionaires were made overnight, in fact, it appeared that there was a class of people who had no more regard for the rights of humanity than they would have for the crushing of a fly. It is for this reason that I favor a measure that will bring about a conscription of wealth in case our Nation is ever forced into another war. Wars do not just happen; as a rule they are the result of distorted propaganda. It would not be possible to fight and win a war unless the morale of the people had been aroused to a certain extent. Therefore, those who have profited by the war and have caused this Nation to shoulder unheard-of obligations, should be forced to disgorge enough of their ill-gotten gains to keep the wheels of progress moving until our Nation can be put back to where it was prior to the beginning of this struggle.

When the World War was brought to a conclusion President Wilson wanted to put into effect the kind of machinery that would make it impossible for a few foolish nations to ever again start a movement that would engulf or endanger the citizens of the world. It was a noble effort; yet the same element in each country that profits from a war used every influence to thwart his efforts, and the result was an organization, called the "League of Nations", that did not—and probably never will—have the whole-hearted support of the many powers that exist in the various nations of the world. Money has always dominated over humanity, and when the two interests conflict money always comes out on top. Therefore the saving of democracy for the world, as was preached to the various citizenships involved, may result in an idle gesture unless there can be found some way to prevent human greed on the part of profiteers who seek troubled conditions in order to further their personal financial interests.

In our beloved land a great campaign was put on to uphold the principles of the golden rule, as was advocated by President Wilson, but again gold won and the influences of money indirectly took his life and brought the cause to defeat.

Then came into power the representatives of those who would destroy the principles of the Golden Rule, and because of their wonderful victory, some took it as permission to vandalize the resources of this Government for the purpose of enriching themselves in unethical and dishonest ways. There never was such an upheaval as was brought about by the revelation of the Teapot Dome scandal, the California oil reserve, the Veterans' Bureau, the Alien Property Custodian, and others who dealt the cards under the table; yet, because our country was prosperous the people turned a deaf ear to those who were trying to steer the Ship of State on a safe course and the old crowd who continued in power year after year, until the firebrands of revelation were about to start a conflagration that might have wiped from this Nation its present form of government, had it not been for the courageous utterances made by Governor Roosevelt, of New York, when he laid out a program of recovery which he proposed to put into effect if elected to the Presidency.

Two years prior to his election a small group of about 100 Members formed an organization called the "Legislative Forum." It was my privilege to be the Secretary of the same. We knew that our country was headed for the rocks and that something had to be done in order to give to our people the kind of safeguards which would enable them to preserve and protect their homes.

This organization divided itself up into committees, each being charged with the responsibility of working out legislation such as aid for the distressed mortgagor, cost of production for agricultural products, financial aid to the producer of various commodities, safer banking legislation, inflation of currency, and other measures sufficient to make out a rounded program. Bills relating to these subjects were introduced. However, the party in power did not or would not allow the same to receive consideration and our efforts were like seed sowed upon stony ground. Then came the new President, Mr. Roosevelt, and what a consolation it was to the officials of the Legislative Forum that his representatives were willing to receive suggestions which were given at conferences which lasted in some cases long into the night. We are happy that some of the ideas presented are not a part of the so-called "new deal."

Oftentimes, when a citizen is brought to the brink of despair, they forget that it was through their votes in the past that individuals were kept in power who wrongfully put into effect laws that took away their liberties. Oftentimes they forget that the former policies put into effect so incensed certain nations as to cause them to place a boycott on the surplus commodities produced in this country, thus clogging up the channels of commerce and preventing those things that we have to sell to flow into the markets of the world.

Oftentimes our citizens forget that when a period of distress is gradually brought upon a country, covering a period of several years, that it usually takes a corresponding amount of time to climb the hill or to regain that which has been lost. We are all prone to criticize when unfortunate situations come upon us, even though we may be partly responsible for such a result. Two

years ago cotton was selling at 5 cents per pound and there was a condition of despair existing throughout our section that made the strong-hearted tremble as he looked into the future and realized that taxes could not be paid, installments on his home could not be met, and that ruin was looking him in the face.

I participated in the last campaign in Kansas. I saw millions of bushels of corn piled up in the fields. I heard of corn that was burned for coal in the various schoolhouses, it being cheaper and produced more heat units than coal, and the same could be purchased at 15 cents a bushel. Farm lands in Illinois, Iowa, Missouri, and other States sank to the lowest ebb. Foreclosure was the order of the day and it appeared to us in office that the time had arrived when the home owner might be turned out into the section lines, where he and his loved ones would be forced to be wanderers on the face of the earth. Then came the new deal, and from that moment to the present time, with lightning rapidity our great President has opened up the Treasury and poured money into domestic channels for the purpose of reestablishing the law of supply and demand, realizing that unless the producers of the commodities of life could have a fair price for the same, all other occupations would suffer in a like proportion and there could be no such thing as a restoration of normalcy in this Nation. I want to say to my radio audience today that everyone should be proud that President Roosevelt is at the head of this Government, and if we will all stick by him I believe everything will come out all right in the future.

HITLERISM

Mr. THOMPSON of Illinois. Mr. Speaker, I ask unanimous consent to revise and extend my remarks by including a radio address delivered by the gentleman from New York [Mr. SOMERS].

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. THOMPSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered over the radio by the gentleman from New York [Mr. SOMERS] on Thursday evening, May 17, 1934:

Ladies and gentlemen: During the 14 years preceding 1929, the American people literally poured vast fortunes into Europe. As everyone knows, these gestures of confidence have been met by repudiation. And, it now appears that the American investor in European securities can never hope to realize even a part of the interest on his loans. If this money, given so generously, had been used to rehabilitate our European neighbors, to feed their hungry, and to promote more tolerant governments, I think there would be no regret on the part of the American investor. But, when those in control of some of these governments not only repudiate their just debts but also employ what moneys they have to weaken our governmental structure by spreading among their nationals, within our doors, propaganda aimed at the destruction of our system, they are adding insult to injury and are pursuing a policy which is contrary to the best interests of the people of this Nation.

In the new government in Germany, for instance, we have a conspicuous example of irresponsibility which, in the final analysis, is malignantly antagonistic not only to our Government but also to the ideals of the worthy Germans who honor us by abiding with us. Hundreds of thousands of our citizens of German blood, when they felt their old country was in need, gave unstintingly and in full measure, large portions of the wealth they had accumulated here, in the hope that the fine traditions of old Germany might be preserved, and that she might quickly recover her rightful place among the leaders of advancement in every realm of human interest.

During the last year, however, it has become apparent to all that as long as the Hitler government is in control the dream of these old Germans can never be realized. For this new regime, instead of recognizing the sacrifice that the German people have made, has attempted to make them forget the debt the German Government owes to them by trying to instill in their hearts a contempt and an intolerance for the German Jew, whose only crime has been doing his part in war and in peace, at home and abroad, to carry aloft the high standard of German intellectuality of which he was so rightfully proud.

In order to foster this hatred against the Jew, the German ministry of propaganda of popular enlightenment during the last year has been authorized to appropriate in connection with its activities in foreign countries an amount varying from 30 million to 40 million reichsmarks, equivalent to about $16,000,000. Couple this sum with last year's increase in her military budget of 352,000,000 reichsmarks, or $140,000,000, and we get the total of $156,000,000, which is more than 15 times the annual interest requirements of the German Government's direct obligation to the American people, most of which, it so happens, is owed to Americans of German blood. And again, this sum represents more than 12 percent of all German obligations held by American investors who, in time of Germany's need, were friendly enough to lend. Thus are the American people placed in the position of paying for the very propaganda that is aimed at the overthrow of American institutions. If Germany were to put the money she is using to persecute the Jew into paying her debts to our citizens, she would have a better claim to our confidence.

Here, at this very hour, in Madison Square Garden, the Friends of New Germany, a Nazi organization, is making its first public test of strength in an effort to win sympathy for the Hitler regime in spreading a most insidious form of propaganda predicated entirely upon racial hatred.

As a Member of the House of Representatives, and as a citizen who cherishes a love for our institutions, I welcome this public meeting arranged by groups whose affiliations with nazidom cannot be doubted. I find it a curious and interesting paradox that the Friends of New Germany should, in seeking the right to hold its meeting, fall back upon the arguments of free speech and the arguments of free assembly to which our democratic society is dedicated while at the same time propose to set up officially and unofficially a regime which would abolish in practice and principle all the foundations of democracy. I welcome this meeting because it will bring into the open the Fascist and antidemocratic principles for which the Friends of New Germany stand. I welcome this meeting because it will present, I hope, an object lesson to all Americans who cherish and believe in the Constitution of our democracy and the liberal traditions which have been preserved through 150 years of progress. I welcome this meeting because I know it will make the real American people more firmly embrace the old sense of established order, the old confidence in constitutional Government, the old tolerance of our neighbor, and it shall make us determine that these things which we hold so dear shall not be swept away by prejudice's putrid presence.

For 8 years, the Nazi Party has made an effort to find a footing in the United States, but only in the last year, since the rise of Hitler to power, has it enjoyed any degree of success, for since that time, the Hitler Government has made a concerted effort to invade the United States by sending to our cities and towns thousands of secret-service agents and by dumping upon our people millions of dollars worth of literature with the immediate object to stir up racial discord similar to that which exists in Germany and with the ultimate object of creating sympathy in America and to make us forget the obligations that Germany still owes us.

I do not believe that the Nazi will ever succeed in controlling the National Government, but I do believe that if the Nazi are permitted to have their way in this country, they may succeed in stirring up racial and religious animosities, in infesting local governments in our country to such an extent that the practice of democracy will be trampled on in a way which will seriously affect our economic recovery. And I protest against permitting any foreign government to attempt to do these things, and I charge that, although the Hitler Government still ostensibly retains its status of a friendly nation, it is guilty of a deliberate betrayal of that friendship, despite the denial from Berlin that the local Nazi Party is in any way affiliated with the German National Socialist Party. The Hitler Government and the Nazi Party have set up in the League of the Friends of New Germany an organization whose aims and purposes parallel those of the Nazi Party. The dues from the American organization are returned in part to the treasury of the Nazi Party in Germany, and the work of the organization here is directed by the Nazi Party in Germany and the leaders of the organization here are responsible to the Nazi Party in Germany. One of the first tasks undertaken by the League of the Friends of New Germany is to divide the loyalty of Germans living in America and to divert it to the Fatherland. On January 13, 1934, a proclamation was issued by the Nazi organization outside of Germany, which was reproduced in the Nazi papers of America, declares in part—and I quote—"our work in foreign countries must be focused at the creation of a front of Germans abroad, a front which is not directed against any state or country, but as a front for Germany. The Germans abroad will know for the first time in history that only their bodies are abroad, their souls being with the Germans in the Reich, and that all Germans, abroad and at home, are united in the eternal communion of fate of German men, created by Adolph Hitler."

This is the proclamation issued by the Nazi Party of Germany, and I call your attention to the fact that by the later decree of February 19, 1934, officers of the Nazi Party and of the Government were declared to be on a parity. What this pronouncement preaches is deliberate treachery to the United States. The record of Nazi Germany has shown in the last year that it stands for the abrogation via terrorism, legal and physical, of democratic government in all that it implies, of the rights to free speech, free assembly, free press, equality and free development, free religion, free culture, and honest differences of opinion.

In Nazi Germany there is complete regimentation of population and all institutions. Conformance to the Nazi preachment or the concentration camps is the rule and that rule they want to establish in the United States, and to bring it about, the Friends of New Germany which constitutes the direct link with the Hitler Government and the Nazi Party, was organized.

The evidence at hand suggests that through its accredited representatives in this country, the Hitler Government is seeking control of our public institutions and that it is conducting a wide-spread espionage system on the activities of the United States Government and a section of the population of this country.

The League of the Friends of New Germany today has more than 20 centers throughout the United States. It has set up storm troops wearing the uniform of the Nazi storm troops of Germany and carrying out the same function. Through methods of terrorization it has seized control of German communal, sports,

musical, merchants', and workers' organizations in this country and reorganized them as subsidiaries of nazidom.

As a recent trial in California proved conclusively, Nazi agents affiliated at one and the same time with Silver Shirts, the League of the Friends of New Germany and the Nazi Party, have been seeking to discover the military secrets of the United States Government. More recently Nazi agents have been seeking to set up units in the National Guard throughout the country for the ultimate purpose of seizing control of our national defense. An attempt is being made to reach the Reserve Officers' Training Corps.

Our lecture platforms, our universities and schools, have been deluged with exchange professors and exchange students, whose function it has been to voice the Nazi principles. Our press has been flooded with Nazi propaganda. Our libraries have become the haven for the surreptitious distribution of the most libelous literature published by the International Propaganda Bureau of the Nazis.

There is reason to believe that some of our best-known promotion and publicity agents in this country have succumbed to the lure of Nazi gold and have become the agents for dissemination of Nazi propaganda in the American press.

The repeated disappearance of large volumes of mail dispatched from and to important Jewish organizations lends weight to the suspicion existing in the minds of these organizations that even the United States post office is not free from the Nazi invasion.

The Nazi espionage system has extended to private homes and servant girls are pressed into service to spy on their employers for the purpose of securing reprisals against relatives in Germany for any hostility to Nazidom.

To support and to give form to the movement against the Jew in America, the Friends of New Germany have organized the D.A.W.A. The D.A.W.A. is the abbreviated name for the German Protective Alliance and is the exact duplicate of the organization set up by the Nazi in Germany a year ago for the purpose of boycotting her Jewish inhabitants. Its purpose, openly expressed in the Nazi publications in America, and in the secular press of the country, is to boycott the Jews and other boycotters of products made in Nazi Germany.

In German societies, among German groups, the D.A.W.A. has deliberately created a false impression that the boycott against the products made in Nazi Germany which is today being practiced by such American organizations as the American Federation of Labor, is being persecuted against German-Americans. This is in direct defiance of the truth, in preachment and in practice of all groups, whatever their religious denomination, who are responsible for the boycott movement in the United States. Boycott against products made in Nazi Germany is a spontaneous act, the inevitable expression of condemnation of a policy of oppression and terrorism practiced by the Hitler Government against its own nationals. Contrary to being illegal as claimed by the D.A.W.A., boycott is a weapon recognized by international law.

As a matter of fact, I personally, would have nothing but contempt for any Jew who would knowingly trade with a nation that used the profit of that trade to help destroy his people. The D.A.W.A. in America follows its parent organization in Germany even to the extent of issuing what is known as the "German blue eagle" to all stores who refuse to patronize those who have business traffic with the Jews or other boycotters. This is a deliberate attempt to interfere with recovery in America and it is, in my opinion, a deliberate betrayal of the National Recovery Administration.

The meeting which is being held tonight in Madson Square Garden under the auspices of the Friends of New Germany and its subsidiary, the D.A.W.A., is an attempt to spread the virus of anti-Semitism in this country, and it is my belief and my earnest hope that the meeting will be met with a condemnation and the repudiation of all thinking Americans who value the democratic institution.

I believe the time has come for the Christian forces in the United States to recognize the danger of this movement and to unite for the purpose of conducting an organized and responsible campaign to counter the invasion of Hitler in this country.

To date the entire burden of countering Nazi propaganda has been met by the representative bodies of the Jews, who are the immediate victims of Hitlerism. I refer to such an important organization as the American Jewish Congress, which has done such a valiant piece of work in arousing the world to protest against the victimization of Germans by the Hitler Government.

Hitlerism today has come to our own shores. It threatens not only an important section of the American people but the foundations of American society. Its threat is to all America, and the safeguarding of America should be the undertaking of all Americans.

LABOR LEGISLATION NOW PENDING SHOULD BE ENACTED TO INSURE INDUSTRIAL PEACE

Mr. BEITER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. BEITER. Mr. Speaker, I receive complaints from all corners of my district concerning the hardships which follow increased prices for necessities when there is no corresponding increase in wages. I get complaints about the wide-spread and common disregard for the N.R.A. regulations. There are complaints, and justifiable ones, too, about the little fellows being squeezed by the big, "fat" boys.

It has been clearly recognized that men and women must be counted as persons, not as mere hands and that they must have some active part in the control of the industry to which their lives are given.

Trade unions, as I see it, were organized out of the necessities of a situation. A single employee was helpless in dealing with an employer. He was dependent ordinarily on his daily wage for the maintenance of himself and family. If the employer refused to pay him the wages that he thought fair, he was nevertheless unable to leave the employ and to resist arbitrary and unfair treatment. Unionization is essential to give employees opportunity to deal on an equal basis with their employers.

Governments must recognize the right of men collectively to bargain for human objects that have at their base the mutual protection and welfare of those engaged in all industries. Labor must no longer be treated as a commodity. It must be regarded as the activity of human beings, possessed of deep yearnings and desires. The business man gives his best thought to the repair and replenishment of his machinery, so that its usefulness will not be impaired and its power to produce may always be at its height and kept in full vigor and motion. No less regard ought to be paid to the human machine which, after all, propels the machinery of the world and is the great dynamic force that lies back of all industry and progress.

Mr. Speaker, I am proud to represent a State which has been brought from last to first place in the liberality of labor laws. Fifty-four, yes, fifty-four bills have been passed by the State legislature. Among them were the workmen's compensation act, wage and house laws for women and children, widows' pensions, and the law declaring that labor shall not be treated as a commodity or an article of commerce.

We in New York State are proud of the champions we have in the cause of labor. There is Al Smith, Franklin Roosevelt, Bob Wagner, Jimmy Walker, and last, but not least, my colleague, Jim Mead, who served in the State legislature with all four back in 1914 to 1918.

These men had nothing in common except a common cause—to make the old mossbacks of their party abandon their conservatism, to secure a new deal for labor and the man in the street.

They have been at it ever since 1910, and have done quite well. In their time they have been connected with the greatest labor reforms since the abolition of slavery. And the end is not yet.

I trust there will be no more struggles in futile opposition to the right of collective bargaining on the part of employees, and I recommend that destructive labor policies, encompassing the use of spies and deputy sheriffs as paid company guards and the contracting of individual agreements which are not free-will contracts, be abolished. The recognition of the right of representation and the prompt hearing of grievances provide the open door to reasonable and just settlements.

The employment of women and minors in trade and industry at wages unreasonably low and not fairly commensurate with the value of the services rendered is a matter of grave and vital public concern. Many women and minors employed for gain throughout the country are not as a class upon a level of equality in bargaining with their employers in regard to minimum fair wage standards, and freedom of contract as applied to their relations with their employers is illusory.

Since a very large percentage of such workers are obliged, from their weekly wages, to support themselves and others who are dependent upon them in whole or in part, they are, by reason of their circumstances, forced to accept whatever wages are offered them.

The constant lowering of wages by unscrupulous employers constitutes a serious form of unfair competition against

other employers, reduces the purchasing power of the workers, and threatens the stability of industry.

Social workers and officials of State labor departments are reporting from different parts of the country the reappearance and rapid growth of conditions in industry which it was thought had been definitely abolished by law and public opinion. Illegally long hours, low pay, violation of protective labor legislation, and direct cheating of employees are among the conditions reported as appearing in certain industries in which children and young workers are employed in large numbers. No locality has a monopoly of such conditions, but naturally they are most frequently reported from the industrial States. According to one authority, however, conditions have grown worse also in the beet fields of the West, an industry in which, it was noted some years ago, agriculture had taken on many of the aspects of factory work.

Concurrently with the general decrease in employment, there has been in certain industries an increase in the number of workers aged 16 and 17. Census figures show that while in general the number of youthful workers declined between 1920 and 1930, a few increases stand out strongly.

In several Southern States the percentage of textile workers of 16 and 17 years showed an increase since 1920; in the clothing industries in certain of the New England and Middle Atlantic States there has occurred a shift from older to younger employees. Thus in the clothing industry of Connecticut and Rhode Island the number of workers of 16 and 17 increased by 123 and 283 percent, respectively, whereas in New Jersey the increase was 81 percent; in Pennsylvania, 62 percent; and in Massachusetts, 52 percent.

Undoubtedly an increase in workers in this age group might exist together with the maintenance of good conditions and fair wage scales, but there is strong evidence that in many cases hours, wages, and working conditions are all far from satisfactory.

It is my hope that Congress will not adjourn until vital legislation, now pending, has been passed. If it does adjourn without considering such relief legislation as the 30-hour week bill, the Wagner disputes bill, the Crosser bill to provide a retirement system for railroad employees, the Wagner-Lewis unemployment insurance bill, the Crosser bill to establish a 6-hour day for employees engaged in interstate and foreign commerce, and the old-age pension bill, the workers may seek to obtain by strikes that which they hoped to receive by legislation.

Congress should realize the situation, with its attendant responsibilities, by passing this legislation or similar measures in order to prevent the riots, suffering, hunger, and misery that invariably follow in the wake of strikes.

Our efforts for recovery should include a program to secure and maintain industrial peace.

BANK-DEPOSIT INSURANCE

Mr. STEAGALL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 3025) to amend section 12B of the Federal Reserve Act so as to extend for 1 year the temporary plan for deposit-insurance, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 3025, with Mr. FULLER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. STEAGALL. Now, I want to discuss briefly another provision of the bill.

Mr. LUCE. Will the gentleman yield?

Mr. STEAGALL. I am glad to yield.

Mr. LUCE. May I suggest that the House and the public are greatly interested in the other part of the bill that the gentleman is about to discuss. We have been here over 6 hours, and I want to suggest that the gentleman resume his discussion tomorrow of that part of the bill relating to bank deposits.

Mr. STEAGALL. Mr. Chairman, in deference to the suggestion of my friend from Massachusetts, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. FULLER, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill (S. 3025) to amend section 12B of the Federal Reserve Act so as to extend for 1 year the temporary plan for deposit insurance, and for other purposes, and had come to no resolution thereon.

LEAVE OF ABSENCE

Mr. GAVAGAN, by unanimous consent, was given leave of absence for May 24, on account of important business.

ORDER OF BUSINESS

Mr. BYRNS. Mr. Speaker, when I made my request this morning that when the House adjourns tomorrow it adjourn to meet on Monday next, I was under the impression that it would only take an hour or two to finish the bill then under consideration, and that we would be able to close general debate on this bill and begin its consideration. The gentleman from Alabama, Chairman of the Committee on Rules, and I have made a promise to take up the rule making in order the bill for a national park in the Everglades of Florida tomorrow. The time is limited, but the situation is such that we shall have to consider that in the morning.

Mr. LUCE. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. LUCE. I want to inform the gentleman that I have had no requests for time on this side. My own judgment is that the bill can be considered with expedition.

Mr. BYRNS. I am gratified to have the gentleman say that, and sometimes it is best to settle these things while in the humor to do it. Will the gentleman from Massachusetts agree to limit or cut down the debate? The suggestion was made that possibly the gentleman might be willing to cut off half an hour of his time, with the understanding that the gentleman from Alabama will do the same and save us an hour of general debate.

Mr. LUCE. I think I can do it, but I will reserve the decision until morning.

Mr. BYRNS. I hope the gentleman will work to that end. Mr. Speaker, I ask that the order made this morning at my request be vacated. If we get through with the pending bill tomorrow, I shall renew the request. Of course, it will be subject to objection, but I hope the House will agree to rescind that order, because it is necessary that no chances be taken on the passage of this bill this week, because next week will be crowded with business.

Mr. SNELL. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. SNELL. If the gentleman is going to throw the "snake park" in, that is a different proposition, and I am not anxious to cooperate.

Mr. BYRNS. If the gentleman will agree to it, it will expedite business tomorrow, because we might have to stay all night to finish the bill rather than to adjourn over with this important bill pending.

Mr. SNELL. I want to cooperate, but there is no business of more importance than the bill that we are now considering.

Mr. BYRNS. That was the understanding that we had. It was expected to call it up several days ago, and the gentleman's insistence prevented it.

Mr. SNELL. I know, but we had made an agreement on a certain program for that day.

Mr. BYRNS. That is true. I must say in all fairness that the author of that bill is unavoidably away at the present time. He is going to be here tomorrow under the promise that it will be taken up. Of course, we are not in a position to disappoint him.

Mr. SNELL. The gentleman would not sidetrack an important measure like this for that, would he?

Mr. BYRNS. Having made this promise, not understanding that this condition would arise, we are bound by the promise. That is not going to take very long.

Mr. SNELL. Oh, it will take some time.

Mr. BANKHEAD. Mr. Speaker, if the gentleman will permit, le me refresh his recollection in this way: When we had this controversy up we had some private conference about it, and it was agreed that the rule for the consideration of the Florida bill should be deferred until tomorrow, and that that should be taken up and I have the right-of-way. That was the understanding, and I think the gentleman will recall it.

Mr. SNELL. I told the gentleman at that time that that was a privileged matter, and he could bring it up any time he wanted to.

Mr. STEAGALL. Mr. Speaker, I do not understand how there can be any obligation to set aside a bill which the committee is urged to take up and finish, in order that some bill that is scheduled and expected to be taken up following that may be reached.

Mr. BYRNS. Mr. Speaker, last week the gentleman from Alabama, Mr. BANKHEAD, and I gave our solemn promise to the gentleman from Florida, Mr. WILCOX, who is going to fly back here and be here tomorrow, to take that bill up.

Mr. STEAGALL. I am not going to object—I would not think of objecting—but I am suggesting to the gentleman that the bill we have is of sufficient importance that when we start upon it, it does seem to me that we should be permitted to finish it. I hope that will be allowed.

Mr. BLANTON. Mr. Speaker, I reserve the right to object. I think that when the Majority Leader Mr. BYRNS got the unanimous consent of this House today that this House should adjourn over tomorrow night until Monday he saved a hundred million dollars at least of the people's money in the Treasury.

There are some applications for rules in the Committee on Rules right now which are being favorably considered by some members of the committee, one to appropriate $12,000,000, when there is not a cent due, and on which the House has already, after debate decided against by a vote of nearly 3 to 1. We must kill that measure. The Rules Committee is now considering the advisability of bringing in a rule to make that bill in order. Delay will stop it. There is another bill that this morning by a close vote of 5 to 6 in the Rules Committee——

Mr. O'CONNOR. How would the gentleman know that?

Mr. BLANTON. One of my colleagues who knows told me.

Mr. O'CONNOR. Then he violated the rules.

Mr. BLANTON. Oh, that is done here every day. If the newspapers can find out things that happen in executive sessions, surely Members of Congress have the right to find out something about what is going on in Congress. By a close vote they are going to bring in a rule here to establish a bad precedent which Congress has not followed since 1878. It has not been in vogue since 1878. It is going to cost this Government in the ultimate many millions of dollars. The gentleman from Tennessee [Mr. BYRNS] performed such a great service to the country this morning in getting that unanimous-consent agreement to adjourn over until Monday that if he did not do anything else during all his valuable service here, for it he deserves to stay here for the rest of his life.

Mr. BYRNS. I take it the gentleman is excusing himself for making an objection.

Mr. BLANTON. I am going to object, and thus help our leader save a hundred million dollars.

Mr. BYRNS. Is the gentleman willing to stay here tomorrow night to complete this bill?

Mr. BLANTON. I am willing to come here in the morning at 9 o'clock and stay here continuously, if necessary, until half past 3 o'clock the next morning to finish this bill, and that is exactly what we ought to do. Let us stay here tomorrow and finish the Steagall bill. I think the gentleman will have enough of our Democrats to back him up to hold the House in session every minute until we pass the Steagall bill.

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 11 o'clock tomorrow morning.

Mr. BOILEAU. Mr. Speaker, I object.

The SPEAKER. Is there objection?

Mr. SNELL. Mr. Speaker, I reserve the right to object to inquire whether if we meet at 11 o'clock, will we go along and finish this bill first?

Mr. BYRNS. We will not, because I am under a sacred promise, and so is the gentleman from Alabama, and I am sure the gentleman does not want us to violate the solemn promise that we have made.

If the House wants to vote the bill down, all right and proper, but it will come up tomorrow, whether it is taken up first or last.

Mr. BLANTON. It will save staying here tomorrow night into the wee small hours of the morning.

Mr. SNELL. I consider the majority leader is responsible for the program.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. BOILEAU. Mr. Speaker, I object.

Mr. BYRNS. Very well. I serve notice upon the House now, and upon the gentleman from Wisconsin particularly, and I hope he will stay here, that we will endeavor to stay here tomorrow night until we get through.

Mr. BLANTON. And we will back up the gentleman and stay here tomorrow night until we do finish this bill.

Mr. BOILEAU. I will be here.

MEETING OF INTERSTATE AND FOREIGN COMMERCE COMMITTEE

Mr. BYRNS. Mr. Speaker, I ask unanimous consent, and I do so at the request of the chairman of the committee and the ranking minority member, that the Committee on Interstate and Foreign Commerce may have the permission of the House to sit tomorrow during the session of the House.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee.

There was no objection.

BRIDGE ACROSS RIO GRANDE RIVER AT LAREDO, TEX.

Mr. WEST of Texas. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill, H.R. 9185, authorizing the International Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Rio Grande at Laredo, Tex.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. WEST]?

Mr. BLANTON. Reserving the right to object, Mr. Speaker, I have a telegram from Mr. J. K. Beretta of San Antonio, Tex., who claims that this bill would be ruinous to his interests. He wants this bill held up awhile until he can write to the gentleman about it.

Mr. WEST of Texas. He has been before the committee already.

Mr. BLANTON. He asks that it be held up until he can communicate with the gentleman. The gentleman knows that he is one of the leading citizens of Texas. I hope the gentleman will not call up the bill until he can hear from Mr. Beretta.

Mr. WEST of Texas. I have had a half dozen telegrams and letters from him already.

Mr. BLANTON. Has the gentleman heard from him today?

Mr. WEST of Texas. No.

Mr. BLANTON. Mr. Beretta is such a good friend of mine that I am forced to object for the present until the gentleman from Texas [Mr. WEST] can hear from him.

MEMORIAL DAY CEREMONIES, GETTYSBURG NATIONAL PARK

Mr. HAINES. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. HAINES]?

There was no objection.

Mr. HAINES. Mr. Speaker, I have requested these few minutes of the time of the House today to extend a most cordial invitation from the people of my district to the Membership of both Houses of Congress to attend the Memorial Day ceremonies at our national park at Gettysburg, Pa., which district I have the honor to represent.

On May 30, at 4 o'clock p.m., the President, Mr. Roosevelt, will arrive in Gettysburg, and at 4:30 p.m. he will deliver an address in the national cemetery, where most of our Presidents since the great war between the States have gone at least one time during their administration and spoken to the people of the Nation, giving them a message that all of us should want to learn from the experiences of the past. This message will be delivered within a very few steps of the exact spot where the immortal Lincoln delivered his great classic that shall live in the hearts of the men of this Nation forever.

It would be most fitting indeed, Mr. Speaker, if the Membership of this House, my colleagues, would spend the day set apart to pay tribute to the memory of those who made the supreme sacrifice for a cause they believed to be just, upon this hallowed soil. Gettysburg is a beautiful small city of about 6,000 souls, and the national cemetery is a credit to this Nation and perhaps the greatest of our national shrines, for almost a million people each year visit this sacred spot. Here you will find a fine citizenship, proud of their historic community, anxious to extend the hand of welcome to all who come within their gates. It is no more than a 2 hours' drive from Washington to Gettysburg, and in that drive you will pass through some of the finest agricultural country in Maryland, passing through historic Frederick, over good roads, and with scenic beauty unsurpassed.

I should like to recommend that you leave here early in the morning and either motor in your own cars, taking your families with you for a day of recreation and solemn hour of sacrament and consecration, or you can go by bus that will likely arrange for your comfort and safe journey at a reasonable cost. I am most anxious, Mr. Speaker, to have you come with me to Gettysburg as my guest on this day, and trust that you will be able to do so. I should feel greatly honored, Mr. Speaker, if the entire Membership of this House would allow me to arrange for their comfort and have special courtesies extended to them in Gettysburg upon the occasion of the President's visit.

I should like to give each Member a special courtesy card and an "official sticker" for your car when you get into Gettysburg, and which will enable you to have special consideration given to you, for the people of my district, especially the citizens of Gettysburg, are anxious to have you as their guests on this occasion.

When you get to Gettysburg, you will find about 100 specially trained guides, who know the history of this field and who, for a very small sum, will guide you over the battlefield. You will find about 35 miles of improved highway on the battlefield and the field covering an area of about 40 square miles, with approximately 16,000 acres of land that is well kept. There are two C.C.C. camps that are doing a wonderful piece of work, making this place more beautiful and conserving for our posterity this historic spot.

Here you will find almost 850 monuments erected by the States and the National Government, monuments of stone, bronze, and marble, to perpetuate the memory of these heroic dead, erected by a grateful people both from the North and from the South. Last fall I spent a day with our brethren from Alabama at Gettysburg, where the wonderful women of that State have erected a most beautiful monument to the memory of the valiant men from that great State, and I was deeply impressed with the fine sentiment expressed by those who spoke upon that occasion.

Those of you from Alabama who have not seen this wonderful monument erected by the Daughters of the Confederacy in your State should by all means go to Gettysburg and see what honor and recognition are given to the men of 1861–65 who were willing to die in a cause that they believed to be right.

In addition to these monuments there have been erected five steel observation towers, 3 of them being 65 feet in height and 2 of them 75 feet high; also 464 bronze tablets, 37 bridges and culverts, 5 bronze equestrian statues, 30 bronze statues on pedestals, 417 cannons on carriages, 15 sets of farm buildings, 5 southern monuments, erected by the States of Maryland, Virginia, North Carolina, Texas, and Alabama. The Government owns more than 2,500 acres of the land and each year is making the necessary improvements and giving the care that I am sure a grateful people expect. I said to you that a million people each year visit this sacred shrine. These people come from every country in the world, and include every distinguished individual who visits our shores. These come to learn the story of that great conflict that gave to this Nation a rebirth, that gave to our people a realization of its unity and a vision of its united destiny. These valiant men of 1861–65 are rapidly being called to their last resting place, and we cannot perpetuate the memory of those who died unless we be interested in seeing that the unity then realized, the vision then seen, might be exemplified in us and the things that we do.

Come to Gettysburg on May 30. Get in touch with me as soon as possible so that I can arrange to have a seat reserved for you to listen to the address of our President. This invitation is to all of you, my colleagues, and I trust that I may have the pleasure of seeing you in Gettysburg upon this occasion.

It is believed that this will be the greatest event in the history of the national parks; more people are expected than upon any other occasion; and for this reason I am most anxious to arrange for your comfort.

Should any of you desire that I arrange for a guide for you, I shall be pleased to do so, making arrangements for that guide to meet you at a designated place and at a certain hour.

I should like all of you who can to take this beautiful drive to Gettysburg, by way of old Frederick, then from Gettysburg go to the beautiful small city of Hanover, where the first blood was shed above Mason and Dixon's line in the Civil War, and you will find a city bustling with industry and great in its civic pride and accomplishments. Then drive down to historic old York, on your way back to Washington. York you will find a city alive with industry, a city that ranks third in diversified industry in the great manufacturing State of Pennsylvania, a city that is noted for having been the seat of the Continental Congress during the darkest days of the American Revolution.

From York you will then drive down the historic old Susquehanna Trail to Baltimore, which will afford you a day of enjoyment because of the wonderful scenic beauty, good roads, beautiful fertile hills and valleys, inhabited by a fine American citizenry.

I stand ready to assist any Member of this body in arranging for his Memorial Day program at Gettysburg, and I hope that I may have the pleasure of seeing all of you at Gettysburg on Memorial Day, May 30.

HOUR OF MEETING TOMORROW

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. CONNERY. Reserving the right to object, in spite of the fact that we are adjourning from Thursday to Monday, which slows us up a little in our effort to get names on the 30-hour-week petition, nevertheless, I feel confident we will have those names by the first of the week, and I certainly will not object.

Mr. BYRNS. May I say in all sincerity that I had no idea in my mind of adjourning over Friday and Saturday on account of any petition upon the desk.

Mr. CONNERY. And I will certainly take the word of my distinguished leader.

Mr. BOILEAU. Mr. Speaker, reserving the right to object, notwithstanding the fact that the gentleman from

Texas [Mr. BLANTON] will not permit us to be in session on Friday and Saturday when we have no other business to take up, I shall not object to this request.

Mr. BLANTON. I want to help the gentleman from Tennessee [Mr. BYRNS] save a hundred million dollars to the country, which will be saved by adjourning this House over to Monday, as such action will stop many bad measures from being passed.

Mr. MARTIN of Colorado. Reserving the right to object, I am curious to know how the gentleman from Tennessee is saving the country a hundred million dollars. That is a lot of money.

Mr. BLANTON. By adjourning the House from Thursday night until Monday will keep numerous bad bills involving large sums from being passed this session, and I firmly believe that it will save at least $100,000,000. The House has its work practically finished, and it behooves us to adjourn sine die as soon as possible.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee [Mr. BYRNS].

There was no objection.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 3673. An act to amend the law relative to citizenship and naturalization, and for other purposes.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 2442. An act for the protection of the municipal water supply in the city of Salt Lake City, State of Utah;

S. 3114. An act to extend the times for commencing and completing the construction of certain bridges in the State of Oregon; and

S. 3355. An act to authorize the coinage of 50-cent pieces in commemoration of the two hundredth anniversary of the birth of Daniel Boone.

ADJOURNMENT

Mr. BYRNS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 29 minutes p.m.), the House, pursuant to its order heretofore entered, adjourned until tomorrow, Thursday, May 24, 1934, at 11 o'clock a.m.

COMMITTEE HEARING

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(Thursday, May 24, 10 a.m.)

Continuation of the hearings on H.R. 9689, amendments to the Railway Labor Act.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

481. A letter from the Secretary of the Navy, transmitting a proposed draft of bill to provide for the reimbursement of certain enlisted men and former enlisted men of the Navy for the value of personal effects destroyed in a fire at the naval radio station, Libugon, Guam, on April 15, 1932; to the Committee on Claims.

482. A letter from the Chairman of the United States Tariff Commission, transmitting copy of a report sent to the President by the Tariff Commission in an investigation, for the purposes of section 3 (e) of the Industrial Recovery Act with respect to matches; to the Committee on Ways and Means.

483. A communication from the President of the United States, transmitting supplemental estimates of appropriations for the Legislative Establishment, House of Representatives, fiscal year 1934, in the sum of $7,776.07 (H.Doc. No. 380); to the Committee on Appropriations and ordered to be printed.

484. A communication from the President of the United States, transmitting deficiency estimates of appropriations for the Navy Department for the fiscal year 1933 and prior years, in the sum of $824.52, and supplemental estimates of appropriations for the fiscal year 1934 in the sum of $917.04, amounting in all to $1,741.56, together with a draft of a proposed provision affecting an existing appropriation for the fiscal year 1933 (H.Doc. No. 382); to the Committee on Appropriations and ordered to be printed.

485. A communication from the President of the United States, transmitting a deficiency estimate of appropriation for the fiscal year 1933 in the sum of $139, and supplemental estimates of appropriations for the fiscal year 1934 in the sum of $87,500 and for the fiscal year 1935 in the sum of $45,656; amounting, in all, to $133,295, for the Department of State (H.Doc. No. 383); to the Committee on Appropriations and ordered to be printed.

486. A communication from the President of the United States, transmitting drafts of proposed provisions pertaining to the appropriation for collecting the revenue from customs, 1935, Bureau of Customs, Treasury Department (H.Doc. No. 384); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. SUMNERS of Texas: Committee on the Judiciary. H.R. 9437. A bill to amend an act of Congress approved February 9, 1893, entitled "An act to establish a Court of Appeals for the District of Columbia, and for other purposes"; without amendment (Rept. No. 1748). Referred to the House Calendar.

Mr. SUMNERS of Texas: Committee on the Judiciary. S. 1884. An act to prevent the use of Federal official patronage in elections and to prohibit Federal officeholders from misuse of positions of public trust for private and partisan ends; without amendment (Rept. No. 1749). Referred to the House Calendar.

Mr. SUMNERS of Texas. Committee on the Judiciary. S. 3041. An act to effectuate the purpose of certain statutes concerning rates of pay for labor, by making it unlawful to prevent anyone from receiving the compensation contracted for thereunder, and for other purposes; without amendment (Rept. No. 1750). Referred to the House Calendar.

Mr. McCORMACK: Committee on Ways and Means. House Joint Resolution 322. Joint resolution to provide for the disposal of smuggled merchandise, to authorize the Secretary of the Treasury to require imported articles to be marked in order that smuggled merchandise may be identified, and for other purposes; with amendment (Rept. No. 1751). Referred to the Committee of the Whole House on the state of the Union.

Mr. CHAVEZ: Committee on Indian Affairs. H.R. 5365. A bill providing for the recognition and enrollment as Cheraw Indians of certain Indians in the State of North Carolina; with amendment (Rept. No. 1752). Referred to the House Calendar.

Mr. KENNEDY of Maryland: Committee on the Disposition of Useless Executive Papers. House Report 1753. A report on the disposition of useless papers in the Department of the Interior. Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. O'BRIEN: Committee on the District of Columbia. S. 2580. An act to exempt from taxation certain property of the National Society United States Daughters of 1812 in the District of Columbia; without amendment (Rept. No. 1755). Referred to the Committee of the Whole House.

Mr. O'BRIEN: Committee on the District of Columbia. H.R. 6037. A bill to exempt from taxation certain property

of the National Society of the Sons of the American Revolution; without amendment (Rept. No. 1756). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HOWARD: A bill (H.R. 9740) to authorize the city of South Sioux City, in the State of Nebraska, to construct a bridge across the Missouri River between the States of Nebraska and Iowa; to the Committee on Interstate and Foreign Commerce.

By Mr. DOUGHTON: A bill (H.R. 9741) to provide for the taxation of manufacturers, importers, and dealers in certain firearms and machine guns, to tax the sale or other disposal of such weapons, and to restrict importation and regulate interstate transportation thereof; to the Committee on Ways and Means.

By Mr. CARY: A bill (H.R. 9742) to authorize the transfer of certain lands in Hopkins County, Ky., to the city of Dawson Springs, Ky.; to the Committee on Public Buildings and Grounds.

By Mr. McCORMACK: A bill (H.R. 9743) to establish boards in the Army, Navy, and Marine Corps for hearing and passing upon petitions for correction of records of persons discharged under other than honorable conditions; to the Committee on Military Affairs.

By Mr. RANDOLPH: A bill (H.R. 9744) to provide a preliminary examination of the Monongahela River and its tributaries in the State of West Virginia, with a view to the control of its floods; to the Committee on Flood Control.

By Mr. DIES: A bill (H.R. 9745) to authorize the Secretary of the Treasury to purchase silver, issue silver certificates, and for other purposes; to the Committee on Ways and Means.

By Mr. SUMNERS of Texas: A bill (H.R. 9746) to amend section 938 of the Revised Statutes to vest the courts with discretion to refuse to order the return of vessels seized for violation of any law of the United States; and to amend subsection (b) of section 7 of the Air Commerce Act of 1926, as amended, to provide for the forfeiture of aircraft used in violation of the customs laws; to the Committee on the Judiciary.

By Mr. McSWAIN: Joint resolution (H.J.Res. 353) to authorize the acceptance on behalf of the United States of the bequest of the late Charlotte Taylor, of the city of St. Petersburg, State of Florida, for the benefit of Walter Reed General Hospital; to the Committee on Military Affairs.

By Mr. COCHRAN of Pennsylvania: Joint resolution (H.J.Res. 354) to provide for the return to the United States and the interment in Arlington National Cemetery of the remains of Gen. George Pomutz; to the Committee on Military Affairs.

By Mr. HENNEY: Joint resolution (H.J.Res. 355) requesting the President to proclaim October 9 as Leif Erickson Day; to the Committee on the Judiciary.

By Mr. BLOOM: Concurrent resolution (H.Con.Res. 39) to print, with illustrations, the proceedings at the joint session of Congress in the House of Representatives on May 20, 1934, held in commemoration of the centennial anniversary of the death of Gilbert du Motier Marquis de La Fayette; to the Committee on Printing.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. GOSS: A bill (H.R. 9747) for the relief of Bertha E. Kowalski; to the Committee on Claims.

By Mr. GRAY: A bill (H.R. 9748) granting a pension to Everett P. Collins; to the Committee on Invalid Pensions.

Also, a bill (H.R. 9749) granting a pension to Florence A. Champ; to the Committee on Invalid Pensions.

By Mrs. KAHN: A bill (H.R. 9750) for the relief of Thaddeus C. Knight; to the Committee on Military Affairs.

By Mr. KENNEDY of New York: A bill (H.R. 9751) conferring jurisdiction upon the Court of Claims of the United States to hear, determine, and render judgment upon the claim of the executors of the estate of George F. Morgan against the United States; to the Committee on Claims.

By Mr. TAYLOR of Tennessee: A bill (H.R. 9752) granting a pension to Spurgeon C. Portwood; to the Committee on Pensions.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (S. 2585) authorizing and directing the Secretary of the Interior to cancel patent in fee issued to Victoria Arconge; Committee on the Public Lands discharged, and referred to the Committee on Indian Affairs.

A bill (H.R. 7466) granting a pension to Maria B. Thompson; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

4748. By Mr. BAKEWELL: Resolution of Star Council, No. 42, Sons and Daughters of Liberty, Old Greenwich, Conn., opposing the amending of the immigration laws so that present quotas may be enlarged; to the Committee on Immigration and Naturalization.

4749. By Mr. GOODWIN: Petition of the Parent-Teacher Association of the Greenville Central School, Greenville, Greene County, N.Y., expressing approval and urging support of the Patman bill (H.R. 8686); to the Committee on Interstate and Foreign Commerce.

4750. By Mr. HOEPPEL: Petition of the Board of Supervisors of the City and County of San Francisco, Calif., urging the enactment of legislation providing for immediate payment of veterans' adjusted compensation; to the Committee on World War Veterans' Legislation.

4751. By Mr. LINDSAY: Petition of the Oil Producers Sales Agency of California, Los Angeles, Calif., concerning Federal oil-control legislation; to the Committee on Interstate and Foreign Commerce.

4752. Also, petition of the East Texas Chamber of Commerce, Longview, Tex., concerning Federal control of the oil industry; to the Committee on Interstate and Foreign Commerce.

4753. Also, telegram from C. R. Palmer, president Cluett Peabody & Co., Inc., Troy, N.Y., opposing further limitation of hours for industry; to the Committee on Labor.

4754. By Mr. RUDD: Petition of the Oil Products Sales Agency of California opposing the passage of Senate bill 3495; to the Committee on Interstate and Foreign Commerce.

4755. Also, petition of C. R. Palmer, president Cluett Peabody & Co., Inc., Troy, N.Y., opposing shorter work hours; to the Committee on Labor.

4756. By Mr. SMITH of Washington: Petition containing approximately 425 names of residents of southwest Washington, supporting the Townsend old-age revolving pension plan; to the Committee on Labor.

4757. By the SPEAKER: Petition of Frank B. Althouse, of Clinton, Iowa, and numerous others, supporting Senate bill 3231 and House bill 9596, as sponsored by the Railroad Employees' National Pension Association, Inc.; to the Committee on Interstate and Foreign Commerce.

4758. Also, petition of the Catholic Daughters of America Study Club, Appleton, Wis., supporting the amendment to section 301 of Senate bill 2910, providing for the insurance of equity of opportunity for non-profit-making associations seeking licenses for radio broadcasting; to the Committee on Merchant Marine, Radio, and Fisheries.

4759. Also, petition of the Catholic Action Guild of All Saints Parish, Buffalo, N.Y., advocating the amendment of section 301 of Senate bill 2910, requiring a minimum allot-

ment of time to non-profit-making associations for radio broadcast; to the Committee on Merchant Marine, Radio, and Fisheries.

4760. Also, petition of the Council of the City of Portland, Oreg., recommending the earnest consideration by Congress of House bill 7598; to the Committee on Labor.

4761. Also, petition of St. Ignatius Holy Name Society, Los Angeles, Calif., supporting the amendment to section 301 of Senate bill 2910, providing for the insurance of equity of opportunity for non-profit-making associations seeking licenses for radio broadcasting; to the Committee on Merchant Marine, Radio, and Fisheries.

4762. Also, petition of the Illinois Manufacturers' Association, Chicago, opposing Senate bill 3285; to the Committee on Interstate and Foreign Commerce.

4763. Also, petition of several hundred residents of Pitcairn, Pa., favoring the McLeod bill to make available deposits of depositors in closed national banks; to the Committee on Banking and Currency.

SENATE

THURSDAY, MAY 24, 1934

(Legislative day of Thursday, May 10, 1934)

The Senate met at 11 o'clock a.m., on the expiration of the recess.

THE JOURNAL

On motion of Mr. ROBINSON of Arkansas, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day, Wednesday, May 23, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. HARRISON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	Johnson	Robinson, Ind.
Ashurst	Couzens	Kean	Russell
Austin	Cutting	Keyes	Schall
Bachman	Davis	King	Sheppard
Bailey	Dickinson	Logan	Shipstead
Bankhead	Dieterich	Lonergan	Smith
Barbour	Dill	Long	Steiwer
Barkley	Duffy	McCarran	Stephens
Black	Erickson	McGill	Thomas, Okla.
Bone	Fess	McKellar	Thomas, Utah
Borah	Fletcher	McNary	Thompson
Brown	Frazier	Metcalf	Townsend
Bulkley	George	Murphy	Tydings
Bulow	Gibson	Neely	Vandenberg
Byrd	Glass	Norbeck	Van Nuys
Byrnes	Goldsborough	Norris	Wagner
Capper	Gore	Nye	Walcott
Caraway	Hale	O'Mahoney	Walsh
Carey	Harrison	Overton	Wheeler
Clark	Hastings	Patterson	White
Connally	Hatch	Pittman	
Coolidge	Hatfield	Pope	
Copeland	Hayden	Robinson, Ark.	

Mr. ROBINSON of Arkansas. I desire to announce that the Senator from California [Mr. MCADOO] is absent because of illness, and that the Senator from Florida [Mr. TRAMMELL] and the Senator from North Carolina [Mr. REYNOLDS] are necessarily detained from the Senate. I ask that this announcement may stand for the day.

Mr. DIETERICH. I wish to announce that my colleague the senior Senator from Illinois [Mr. LEWIS] is absent from the Senate on important public business.

Mr. FESS. I announce that the Senator from Rhode Island [Mr. HEBERT] is absent on account of illness, and that the Senator from Wisconsin [Mr. LA FOLLETTE] and the Senator from Pennsylvania [Mr. REED] are necessarily detained from the Senate.

The VICE PRESIDENT. Eighty-nine Senators have answered to their names. A quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed the bill (S. 3487) relating to direct loans for industrial purposes by Federal Reserve banks, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed a joint resolution (H.J.Res. 347) to prohibit the sale of arms or munitions of war in the United States under certain conditions, in which it requested the concurrence of the Senate.

ANNOUNCEMENT OF THE DEATH OF HON. BRAND WHITLOCK

Mr. FESS. Mr. President, a message has just reached me announcing the death of Brand Whitlock, a very warm personal boyhood friend of mine, who achieved a great career as United States Ambassador to Belgium during the World War. Only last week he was pronounced by a high authority in Belgium the greatest Ambassador our country had ever sent to that country.

Mr. Whitlock was an independent thinker in religion and politics, the talented author of a great many books which were widely read by all classes of people, and with it all he was one of the most lovable characters I have ever known.

Mr. President, it is with a sense of profound sadness that I announce the receipt of this message from France, where Mr. Whitlock had lived for the past few years.

MARKETING OF GOVERNMENT SECURITIES (S.DOC. NO. 183)

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Treasury reporting, in further response to Senate Resolution No. 209, in relation to Government securities offered to the public during the present fiscal year, which, with the accompanying exhibits, was ordered to lie on the table.

Mr. COUZENS subsequently said: Mr. President, on March 15, 1934, the Senate adopted a resolution—No. 209—calling upon the Secretary of the Treasury for information concerning the issuance, the purchase, the sale, and the price of Government securities. A report addressed to the President of the Senate has now been furnished. I ask unanimous consent to have the report printed as a Senate document.

The VICE PRESIDENT. Is there objection to the request of the Senator from Michigan? The Chair hears none, and it is so ordered.

HOUSE JOINT RESOLUTION REFERRED

The joint resolution (H.J.Res. 347) to prohibit the sale of arms or munitions of war in the United States under certain conditions was read twice by its title and referred to the Committee on Foreign Relations.

REPORTS OF COMMITTEES

Mr. STEPHENS, from the Committee on the Judiciary, to which was referred the bill (S. 3075) to permit the appointment of special agents of the Division of Investigation as State officers, reported it without amendment and submitted a report (No. 1123) thereon.

He also, from the Committee on Commerce, to which were referred the following bills and joint resolution, reported them severally without amendment and submitted reports thereon:

H.R. 5312. An act to provide for the conveyance of the abandoned lighthouse reservation and buildings, including detached tower, situate within the city limits of Erie, Pa., to the city for public-park purposes (Rept. No. 1139);

H.R. 5665. An act authorizing the control of floods in the Salmon River, Alaska (Rept. No. 1140); and

H.J.Res. 340. Joint resolution to harmonize the treaties and statutes of the United States with reference to American Samoa (Rept. No. 1141).

Mr. STEPHENS also, from the Committee on Commerce, to which was referred the bill (S. 3526) to amend the Air Commerce Act of 1926 and to increase the efficiency of the Aeronautics Branch of the Department of Commerce with respect to the development and regulation of civil aeronautics, reported it with an amendment and submitted a report (No. 1142) thereon.

He also, from the Committee on Claims, to which were referred the following bills, reported them each with an amendment and submitted reports thereon:

S. 2343. An act for the relief of Herbert E. Matthews (Rept. No. 1148); and

S. 2613. An act for the relief of Jewell Maness (Rept. No. 1149).

Mr. STEPHENS also, from the Committee on Claims, to which was referred the bill (S. 2336) for the relief of the estate of Mrs. Donnie Wright, deceased, reported it with amendments and submitted a report (No. 1150) thereon.

Mr. WAGNER, from the Committee on Public Lands and Surveys, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

H.R. 7082. An act validating certain conveyances heretofore made by Central Pacific Railway Co., a corporation, and its lessee, Southern Pacific Co., a corporation, involving certain portions of right-of-way, in and in the vicinity of the city of Lodi, and near the station of Acampo, and in the city of Tracy, all in the county of San Joaquin, State of California, and in or in the vicinity of Galt and Polk, in the county of Sacramento, State of California, acquired by Central Pacific Railway Co. under the act of Congress approved July 1, 1862 (12 Stat.L. 489), as amended by the act of Congress approved July 2, 1864 (13 Stat.L. 356) (Rept. No. 1124);

H.R. 7098. An act validating certain conveyances heretofore made by Central Pacific Railway Co., a corporation, and its lessee, Southern Pacific Co., a corporation, involving certain portions of right-of-way in and in the vicinity of the town of Gridley, all in the county of Butte, State of California, acquired by Central Pacific Railway Co. under the act of Congress approved July 25, 1866 (14 Stat.L. 239) (Rept. No. 1125);

H.R. 7360. An act to establish a minimum area for the Great Smoky Mountains National Park, and for other purposes (Rept. No. 1155);

H.R. 7653. An act to authorize the establishment of the Ocmulgee National Monument in Bibb County, Ga. (Rept. No. 1156); and

H.R. 8779. An act to authorize the Secretary of Agriculture to adjust claims to so-called "Olmstead lands" in the State of North Carolina (Rept. No. 1157).

Mr. WAGNER also, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 2987) to restore homestead rights in certain cases, reported it with an amendment and submitted a report (No. 1158) thereon.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, to which were referred the following bills, reported them each with an amendment and submitted reports thereon:

H.R. 7212. An act to remove the limitation upon the extension of star routes (Rept. No. 1159); and

H.R. 7301. An act to authorize the Postmaster General to charge an additional fee for effecting delivery of domestic registered, insured, or collect-on-delivery mail, the delivery of which is restricted to the addressee only, or to the addressee or order (Rept. No. 1126).

Mr. McKELLAR also, from the Committee on Post Offices and Post Roads, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 2333. An act for the relief of John J. Moran (Rept. No. 1127);

S. 3407. An act authorizing the establishment and maintenance of an industrial plant at Reedsville, W.Va. (Rept. No. 1132);

H.R. 3214. An act to compensate the Post Office Department for the extra work caused by the payment of money orders at offices other than those on which the orders are drawn (Rept. No. 1128);

H.R. 5334. An act to amend the third clause of section 14 of the act of March 3, 1879 (20 Stat. 359; U.S.C., title 39, sec. 226) (Rept. No. 1129);

H.R. 6675. An act to authorize the acknowledgment of oaths by post-office inspectors and by chief clerks of the Railway Mail Service (Rept. No. 1130);

H.R. 7213. An act to provide hourly rates of pay for substitute laborers in the Railway Mail Service and time credits when appointed as regular laborer (Rept. No. 1131);

H.R. 7299. An act to authorize the Post Office Department to hold contractors responsible in damages for the loss, rifling, damage, wrong delivery, depredation upon, or other mistreatment of mail matter due to fault or negligence of the contractor or agent or employee thereof (Rept. No. 1160);

H.R. 7317. An act to provide for the final construction, on behalf of the United States, of postal treaties or conventions to which the United States is a party (Rept. No. 1133);

H.R. 7340. An act to authorize the Post Office Department to hold contractors or carriers transporting the mails by air or water on routes extending beyond the borders of the United States responsible in damages for the loss, rifling, damage, wrong delivery, depredations upon, or other mistreatment of mail matter due to fault or negligence of the contractor or carrier, or an agent or employee thereof (Rept. No. 1134);

H.R. 7343. An act to remove inequities in the law governing eligibility for promotion to the position of chief clerk in the Railway Mail Service (Rept. No. 1161);

H.R. 7711. An act to permit postmasters to act as disbursing officers for the payment of traveling expenses of officers and employees of the Postal Service (Rept. No. 1135);

H.R. 9046. An act to discontinue administrative furloughs in the Postal Service (Rept. No. 1136); and

H.R. 9392. An act to reclassify terminal railway post offices (Rept. No. 1162).

Mr. BARKLEY, from the Committee on Banking and Currency, to which was referred the bill (S. 605) authorizing national banks to establish branches in certain cases, reported it with an amendment.

Mr. HALE, from the Committee on Naval Affairs, to which was referred the bill (H.R. 5018) to correct the naval records of former members of the crews of the revenue cutters *Algonquin* and *Onondaga*, reported it without amendment and submitted a report (No. 1137) thereon.

Mr. WALSH, from the Committee on Naval Affairs, to which was referred the bill (H.R. 9063) to provide for promotion by selection in the line of the Navy in the grades of lieutenant commander and lieutenant; to authorize appointment as ensigns in the line of the Navy all midshipmen who hereafter graduate from the Naval Academy; and for other purposes, reported it with amendments and submitted a report (No. 1154) thereon.

Mr. SHEPPARD, from the Committee on Commerce, to which was referred the bill (S. 3640) granting the consent of Congress to the Tensas Basin Levee Board of the State of Louisiana to construct, maintain, and operate a free highway bridge across Bayou Bartholomew, at or near its mouth in Morehouse Parish, La., reported it without amendment and submitted a report (No. 1138) thereon.

Mr. VAN NUYS, from the Committee on the Judiciary, to which was referred the bill (S. 3237) to repeal certain provisions of the act of March 4, 1933, and to reenact sections 4 and 5 of the act of March 2, 1929, reported it with an amendment and submitted a report (No. 1143) thereon.

Mr. WHITE, from the Committee on Claims, to which was referred the bill (S. 2074) for the relief of James R. Mansfield, reported it without amendment and submitted a report (No. 1144) thereon.

He also, from the same committee, to which were referred the following bills, reported them each with an amendment and submitted reports thereon:

S. 2501. An act for the relief of Dr. R. N. Harwood (Rept. No. 1145); and

S. 3122. An act for the relief of H. N. Wilcox (Rept. No. 1146).

Mr. LOGAN, from the Committee on Claims, to which was referred the bill (S. 3160) for the relief of Charles E. Secord, reported it with amendments and submitted a report (No. 1147) thereon.

Mr. ASHURST, from the Committee on Irrigation and Reclamation, to which was referred the bill (S. 3657) authorizing the construction of a dam on the San Pedro River, Ariz., reported it with an amendment and submitted a report (No. 1151) thereon.

Mr. BAILEY, from the Committee on Claims, to which was referred the bill (H.R. 3992) for the relief of C. A. Betz, reported it without amendment and submitted a report (No. 1152) thereon.

Mr. PITTMAN, from the Committee on Foreign Relations, to which was referred the joint resolution (H.J.Res. 347) to prohibit the sale of arms or munitions of war in the United States under certain conditions, reported it without amendment and submitted a report (No. 1153) thereon.

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on the 23d instant that committee presented to the President of the United States the following enrolled bills:

S. 1328. An act to provide for the donation of certain Army equipment to posts of the American Legion;

S. 1882. An act to authorize the Secretary of the Interior to issue patents for lots to Indians within the Indian village of Taholah, on the Quinaielt Indian Reservation, Wash.;

S. 2042. An act to establish a department of physics at the United States Military Academy at West Point, N.Y.;

S. 2442. An act for the protection of the municipal water supply of the city of Salt Lake City, State of Utah;

S. 2794. An act to amend the Longshoremen's and Harbor Workers' Compensation Act with respect to rates of compensation, and for other purposes;

S. 3114. An act to extend the times for commencing and completing the construction of certain bridges in the State of Oregon;

S. 3355. An act to authorize the coinage of 50-cent pieces in commemoration of the two hundredth anniversary of the birth of Daniel Boone;

S. 3397. An act to amend the laws relating to the length of tours of duty in the Tropics and certain foreign stations in the case of officers and enlisted men of the Army, Navy, and Marine Corps, and for other purposes; and

S. 3436. An act limiting the operation of sections 109 and 113 of the Criminal Code and section 190 of the Revised Statutes of the United States with respect to counsel in certain proceedings against the Electro-Metallurgical Co., New-Kanawha Power Co., and the Union Carbide & Carbon Corporation.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. GEORGE:

A bill (S. 3675) to amend section 5 of the act of March 2, 1919, generally known as the "war minerals relief statutes" (with accompanying papers); to the Committee on Mines and Mining.

By Mr. STEPHENS:

A bill (S. 3676) to provide for a census of unemployment, employment, and occupations to be taken as of November 12, 1934, and for other purposes; to the Committee on Commerce.

By Mr. SHEPPARD:

A bill (S. 3677) to amend the National Defense Act of June 3, 1916, as amended; to the Committee on Military Affairs.

By Mr. FLETCHER:

A joint resolution (S.J.Res. 128) to authorize the acceptance on behalf of the United States of the bequest of the late Charlotte Taylor, of the city of St. Petersburg, State of Florida, for the benefit of Walter Reed General Hospital; to the Committee on Military Affairs.

RECIPROCAL TARIFF AGREEMENTS—AMENDMENTS

Mr. BARBOUR. Mr. President, I send to the desk an amendment intended to be proposed by me to the pending tariff bill, which I ask to have printed and lie on the table. It is my intention to call it up later.

The PRESIDING OFFICER. The amendment will be printed and lie on the table.

Mr. LONG submitted an amendment in the nature of a substitute intended to be proposed by him to the bill (H.R. 8687) to amend the Tariff Act of 1930, which was ordered to lie on the table and to be printed.

FINANCING OF HOME CONSTRUCTION AND REPAIR—AMENDMENT

Mr. SHEPPARD submitted an amendment intended to be proposed by him to the bill (S. 3603) to improve Nation-wide housing standards, provide employment, and stimulate industry; to improve conditions with respect to home-mortgage financing, to prevent speculative excesses in new mortgage investment, and to eliminate the necessity for costly second-mortgage financing, by creating a system of mutual mortgage insurance and by making provision for the organization of additional institutions to handle home financing; to promote thrift and protect savings; to amend the Federal Home Loan Bank Act; to amend the Federal Reserve Act, and for other purposes, which was referred to the Committee on Banking and Currency and ordered to be printed.

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES

Mr. SHIPSTEAD. Mr. President, I ask unanimous consent at this time that the Committee on Finance be discharged from the further consideration of the bill (H.R. 1) to provide for controlled expansion of the currency and the immediate payment to veterans of the face value of their adjusted-service certificates, now in that committee.

The VICE PRESIDENT. Is there objection to the request of the Senator from Minnesota?

Mr. HARRISON. Mr. President, much as I regret to have to raise an objection to any request submitted by the Senator from Minnesota, I feel constrained, while the tariff bill is under consideration by the Senate, to object.

The VICE PRESIDENT. Objection is heard.

Mr. SHIPSTEAD. Then I serve notice that in the next morning hour, or when the unfinished business, the tariff bill, shall have been disposed of, I shall move to discharge the Finance Committee from the further consideration of the bill to which I have referred.

AMENDMENT OF SECTION 233 OF THE CRIMINAL CODE

Mr. GORE. Mr. President, I desire to ask unanimous consent that the bill (S. 3319) to amend section 233 of the Criminal Code, as amended, be taken from the calendar and ordered to lie on the table.

Mr. BARBOUR. Mr. President, I do not want to object; I merely wish to mention the fact that the bill is one which I introduced, and I am entirely agreeable to the request just made by the Senator from Oklahoma.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. GORE. In connection with this matter I request that two telegrams may be printed in the RECORD.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

TULSA, OKLA., *May 22, 1934.*

Hon. THOMAS P. GORE,
United States Senate, Washington, D.C.:

Am informed Senate bill 3319, amending Criminal Code, section 233, so as to give Interstate Commerce Commission certain jurisdiction over "all persons, including corporations or partnerships, engaged in interstate or foreign commerce", as distinguished from common carriers, has been reported favorably by Senate Judiciary Committee. Effect of this bill will be to bring under jurisdiction of Interstate Commerce Commission all persons or corporations transporting gasoline or other refined products of petroleum in interstate or foreign commerce, including owners of private automobiles. I think bill is objectionable on many grounds: First, the police power of the States is sufficient and is being exercised to fully protect the public against improper handling or transportation of gasoline within the various States; second, the jurisdiction conferred on Interstate Commerce Commission by this bill would lead to a conflict of power between the Government and the various States; third, above all, the bill would subject private persons and corporations, and especially oil companies, to unnecessary and burdensome regulation by Interstate

Commerce Commission. I will appreciate your giving this matter your most careful consideration and opposing the measure, if you think it consistent with public interest.

J. C. DENTON.

OKLAHOMA CITY, OKLA., *May 22, 1934.*

Hon. T. P. GORE,
Senate Office Building, Washington, D.C.:

Advised Senate bill 3319—BARBOUR—attempts to restrict State jurisdiction over transportation of explosives, including petroleum products, when moving via motor vehicles. This imposes undue hardship on State regulation and doubly so in view of fact that Interstate Commerce Commission does not regulate motor-vehicle transportation. Bill should be recommitted for public hearing pending passage motor-vehicle legislation.

CORPORATION COMMISSION,
PAUL A. WALKER, *Chairman.*

PROCEDURE IN IMPEACHMENT TRIALS

Mr. ASHURST. Mr. President, I respectfully invite the attention of the Senator from Arkansas [Mr. ROBINSON] and the Senator from Oregon [Mr. MCNARY] to the request I am about to make. In view of certain proceedings which are now or may soon take place in another branch of Congress, I respectfully ask that Senate Resolution No. 242 be read and considered at this time.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceeded to consider the resolution (S.Res. 242), which had been reported from the Committee on the Judiciary with amendments, on page 2, line 3, after the word "report", to strike out "in writing to the Senate upon the completion of the taking of testimony, including therein a certified transcript of the same" and to insert "to the Senate in writing a certified copy of the transcript of the proceedings and testimony had and given before such committee"; on line 10, after the word "purposes", to insert "subject to the right of the Senate to determine competency, relevancy, and materiality"; and on line 12, after the word "Senate", to insert "but nothing herein shall prevent the Senate from sending for any witness and hearing his testimony in open Senate, or by order of the Senate having the entire trial in open Senate", so as to make the resolution read:

Resolved, That in the trial of any impeachment the Presiding Officer of the Senate, upon the order of the Senate, shall appoint a committee of 12 Senators to receive evidence and take testimony at such times and places as the committee may determine, and for such purpose the committee so appointed and the chairman thereof, to be elected by the committee, shall (unless otherwise ordered by the Senate) exercise all the powers and functions conferred upon the Senate and the Presiding Officer of the Senate, respectively, under the rules of procedure and practice in the Senate when sitting on impeachment trials.

Unless otherwise ordered by the Senate, the rules of procedure and practice in the Senate when sitting on impeachment trials shall govern the procedure and practice of the committee so appointed. The committee so appointed shall report to the Senate in writing a certified copy of the transcript of the proceedings and testimony had and given before such committee, and such report shall be received by the Senate and the evidence so received and the testimony so taken shall be considered to all intents and purposes, subject to the right of the Senate to determine competency, relevancy, and materiality, as having been received and taken before the Senate, but nothing herein shall prevent the Senate from sending for any witness and hearing his testimony in open Senate, or by order of the Senate having the entire trial in open Senate.

The VICE PRESIDENT. The question is on agreeing to the amendments reported by the committee. Without objection, the amendments are agreed to.

Mr. MCNARY. Mr. President, I have not had an opportunity to study the resolution carefully. It proposes a short route and has much to commend it, but let me ask the Senator from Arizona if it was considered by the full Committee on the Judiciary and whether hearings and discussion were had?

Mr. ASHURST. Mr. President, this resolution was not reported to the Senate on a poll of the committee. It was laid before the Senate Committee on the Judiciary and was discussed. Of course, not all the members of the committee were present, but a legal quorum in person were present. All those members present voted in favor of the resolution as amended.

The resolution provides that the Senate, if it desires, upon order, may retain its ancient practice such as we have always known, or if the Senate so desires and makes an order to that effect, the presiding officer may appoint a committee of 12 Senators, who would go into the country and take the testimony rather than bring the witnesses here. The attorneys for the respondent and the managers for the House would, of course, have the right to appear before the committee and interrogate all witnesses. The testimony would be taken and certified to the Senate. The Senate, under the terms of the resolution, has reserved to itself the right to pass upon all questions of competency, relevancy, and materiality, and the Senate specifically reserves the right to hear any one witness or all of the witnesses if it chooses.

After the testimony is printed and laid before the Senate sitting as a Court of Impeachment, the respondent may argue and the managers may argue before the entire body of the Senate, and a vote is then taken by the entire Senate in accordance with the Constitution and our present rules.

Mr. MCNARY. Have the able Chairman and members of the Committee on the Judiciary any doubt about the power of the Senate to proceed in this fashion?

Mr. ASHURST. I have no doubt. I am certain that it is constitutional. If I am permitted to speak of what may be the view of Members of another body of Congress, many of the lawyers of another body also take the view that this is not repugnant to the Constitution. No right of the respondent is taken from him. The testimony is taken by the committee if the Senate so chooses, and the committee selects its own chairman.

Mr. ROBINSON of Arkansas. Mr. President, I think it should be said in the consideration of the resolution that the procedure contemplated by it constitutes a departure from the practice which has heretofore prevailed in the Senate in the trial of impeachment cases. It has been the custom of the Senate to sit as a court and to hear the testimony while sitting as a court, the result being that long periods of time are required for the consideration of impeachment cases. Inasmuch as the question as to whether the Senate shall proceed in accordance with the resolution or under its former custom is reserved under the terms of the resolution, I believe the resolution should be adopted.

There has been raised by some a question as to the power of the Senate to proceed under the terms of the resolution. A brief study of that question has tended to convince me that there is no question of constitutionality involved in the resolution.

Mr. LONG. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Louisiana?

Mr. ROBINSON of Arkansas. I yield.

Mr. LONG. I may say, having studied the question for a number of months, that it is within the power of the Senate to impeach a man without any evidence at all. The Senate may convene, and a motion may be made that the charges of the House be sustained, and on a vote of the Senate the impeachment may be sustained. There is no question of the constitutionality of the method proposed in the resolution.

Mr. ROBINSON of Arkansas. I agree with the conclusion and had already stated the conclusion, but, of course, the statement of the Senator from Louisiana raises a question of propriety to which I would not give my assent. I think there should be an orderly trial upon the evidence in all cases of impeachment, because, while it is not a criminal procedure, it involves action and results which very seriously affect not only the public interest but the interest and welfare of those who are charged with misconduct in office.

The practice of the Senate in the enactment of legislation—in fact, the practice in all legislative bodies with which I am familiar—is to refer matters of legislation to the consideration of committees, and when the committees have made their report, the Senate, or other legislative bodies, proceed to legislate. As I understand, it is not expected that under the resolution the committee would report a recommendation, but that the committee would merely hear the evidence and return it to the Senate for such action as the Senate might choose to take.

Mr. ASHURST. Mr. President, the Senator's conclusion is correct. It is not expected the committee shall have any power to make any recommendation whatever.

Mr. ROBINSON of Arkansas. In any event, when a case of impeachment arises and the Senate has before it the obligation of proceeding in that case, it will then be for the determination of the Senate whether to conform to the custom to which I have already referred or to proceed under the terms of the resolution.

Mr. ASHURST. The Senator is correct.

Mr. JOHNSON. Mr. President, I think I understand the purpose, and I think I sympathize with the endeavor of the resolution, but there are some things in connection with it concerning which I am not entirely clear.

An impeachment is a trial of the very highest character, infinitely more important from my standpoint than a mere penal investigation. It is now sought by the resolution, as I follow it, to have the testimony taken by a committee which shall be appointed by the Senate or by the Presiding Officer of the Senate and to report subsequently the testimony thus adduced. A trial means, of course, a trial of the questions of fact which are involved. Not only does a written record enter into that trial, but a determination of the facts depends quite as much upon the witnesses who are called, their appearance on the stand, their mode of giving testimony, and the like. All of us who are familiar with trials understand that.

That the procedure we have at present is an irksome one, fatiguing to the Senate and disagreeable to us all, none will deny. We should like, if we could, to substitute some other method for it. But in a case of impeachment, a matter of such grave concern and importance, is it well for us to indulge in a trial, as it were, vicarious in character, which really will be conducted by a committee appointed by the Senate? I am not clear on that point.

I do not want to oppose the resolution. I should like it to go over for a day and have it taken up tomorrow or at any time that may be convenient to the distinguished Senator who presides over the Judiciary Committee. I should like to consider during that time and have those who listen to me here consider whether it is a wise provision, notwithstanding the annoyances which are attendant upon it so far as the Senate is concerned, for us to alter the procedure by which in reality—because after all in reality it will occur—the questions of fact shall be determined by a committee of the Senate rather than by the Senate itself.

Mr. ASHURST. The Senator from Arkansas [Mr. ROBINSON], and the Senator from California [Mr. JOHNSON], in language which well becomes them, have discussed some of the features of this resolution. Possibly a score of Senators during the past 6 months have urged the Chairman of the Judiciary Committee to study this question. I have examined all the English cases, and have read carefully all the American cases. As the Senator from Arkansas pointed out, an impeachment is not a trial in the sense of a criminal case. It is somewhat analogous to the English scire facias, or removal-from-office procedure.

I should be the last one to deprive the Senate, or to deprive the respondent, if I could, of the right to have the Senate hear all the witnesses.

Three days before our Constitutional Convention of 1787 met Warren Hastings was impeached at the bar of the House of Lords in England for misbehavior in office as the ruler of the people of India, whose numbers were counted by millions; and the mails coming across the Atlantic brought to the lawyers in the States here accounts of the accusations against the respondent, Hastings, particularly accounts of the eloquent speech of Burke and Sheridan's gorgeous denunciation. The trial of Warren Hastings lasted, I believe, 11 years, and of the more than 170 peers who commenced the trial only 29 sat and pronounced the verdict at the close; and some of the 29 were peers created since the trial began and who, therefore, had not heard either the opening or much of the evidence. During the trial of Hastings at times only three peers were present.

I cannot believe that the respondent, under our resolution, would have any vital right taken from him if a committee of 12 Senators were appointed merely to take the testimony and report a transcript of the testimony to the Senate. The able Senator from California will perceive that the resolution reserves to the Senate the right at any time to hear any one witness or all of them. The able Senator from California—one of the best lawyers the Pacific coast ever produced—is quite correct in his statement that juries and senates naturally wish to see the witness; they want to observe his manner; they can tell more about his approach to truth and accuracy by seeing him than they may by reading the transcript. This resolution protects that feature and reserves it to the Senate. I am sure that on the suggestion of any Senator at any time during a trial the Senate would at once send for the witness.

In view of the Senator's request—which he has a right to make—that the resolution go over, I cheerfully consent.

The VICE PRESIDENT. The resolution will go over.

SALE OF ARMS OR MUNITIONS OF WAR

Mr. PITTMAN. Mr. President, there is on the calendar a joint resolution (H.J.Res. 347) which has just been passed by the House, authorizing the President in his discretion to prohibit the sales of munitions of war in the United States for transportation to both of the warring countries in the Chaco. The joint resolution was first introduced by me in the Senate, was considered by the Foreign Relations Committee, which unanimously reported it, and that report is on the desk.

I have asked to have the House joint resolution substituted for the joint resolution of the Senate, which request has been granted. I now ask unanimous consent for the present consideration of the joint resolution, as it is a very important matter.

The VICE PRESIDENT. The joint resolution will be read for the information of the Senate.

The legislative clerk read the joint resolution (H.J.Res. 347) to prohibit this sale of arms or munitions of war in the United States under certain conditions, as follows:

Resolved, etc., That if the President finds that the prohibition of the sale of arms and munitions of war in the United States to those countries now engaged in armed conflict in the Chaco may contribute to the reestablishment of peace between those countries, and if after consultation with the governments of other American Republics and with their cooperation, as well as that of such other governments as he may deem necessary, he makes proclamation to that effect, it shall be unlawful to sell, except under such limitations and exceptions as the President prescribes, any arms or munitions of war in any place in the United States to the countries now engaged in that armed conflict, or to any person, company, or association acting in the interest of either country, until otherwise ordered by the President or by Congress.

SEC. 2. Whoever sells any arms or munitions of war in violation of section 1 shall, on conviction, be punished by a fine not exceeding $10,000 or by imprisonment not exceeding 2 years, or both.

Mr. McNARY. Mr. President, what is the request of the Senator from Nevada?

Mr. PITTMAN. The House joint resolution is identical with a joint resolution introduced by me in the Senate and referred to the Foreign Relations Committee. It was considered on yesterday by that committee and there was a unanimous report in favor of it. The joint resolution has just passed the House of Representatives by unanimous vote. It is considered a very important measure. The State Department has been in conference with representatives of South American countries for some time with regard to the matter. There has been some criticism from abroad because of our apparent delay in taking action.

Mr. McNARY. May I ask the Senator if the joint resolution has gone to the calendar?

Mr. PITTMAN. Yes.

Mr. McNARY. The Senator is now asking to take it from the calendar?

Mr. PITTMAN. I have asked unanimous consent for its immediate consideration.

Mr. McNARY. How long has it been on the calendar?

Mr. PITTMAN. The original Senate joint resolution has been on the calendar 2 days.

Mr. McNARY. I am quite in accord with the principle involved in the joint resolution. I do not know what emergency exists to pass upon it before a call of the calendar is had, when every Senator is notified of the measures that may be considered. The Senator is suggesting a practice which I do not like. No one has had notification of the matter, though I presume most Members of the Senate favor it.

Mr. PITTMAN. There was reported out and passed by the Senate a general munitions war embargo bill. That measure gave to the President of the United States discretion to determine to which countries he would apply the embargo. The Foreign Relations Committee amended the measure so that the embargo had to apply to both warring countries or to neither of them. The joint resolution is so drafted as to meet the objections made to the original measure and to conform to that principle. For that reason those members of the Foreign Relations Committee who insisted on the amendment of the former measure have approved of this one.

The emergency is simply that two South American countries are warring and have been for a long time. Nearby South American countries have been doing all they could to bring about peace. The joint resolution will probably not present the war which is going on but it will limit the field, because they are attempting to buy bombing planes, and if they get possession of bombing planes they will carry the warfare beyond its present territory to noncombatants, involving women and children. I think we all agree that the sooner we can stop the war the better it will be for all.

Mr. McNARY. Is the committee unanimous in its report?

Mr. PITTMAN. Absolutely unanimous.

Mr. McNARY. Very well.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution was considered, ordered to a third reading, read the third time, and passed.

TEACHERS' OATHS—ARTICLE BY DR. GEORGE J. RYAN

Mr. BORAH. Mr. President, I ask to have published in the RECORD an article written by Dr. George J. Ryan, president of the New York Board of Education, entitled "Teachers' Oaths", which appeared in today's Washington Herald.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Herald of May 24, 1934]

TEACHERS' OATHS

(By Dr. George J. Ryan, President New York Board of Education)

(The following article is of timely interest because of the recent controversy occasioned by the Ives bill, concerning teachers' oaths of loyalty, which was passed by the New York Legislature and which Governor Lehman vetoed on the ground that it duplicated existing laws.)

The American people for more than 150 years have enjoyed the greatest amount of liberty ever enjoyed by any people.

The guaranty of this liberty is contained in the Federal Constitution, which is the definition of the limits within which the American people consented to be governed by their representatives.

This Constitution provides for all of the freedoms that man has ever sought to achieve—freedom of speech, freedom of the press, freedom of assembly, and freedom to think and act in accordance with the dictates of his conscience and judgment.

This Constitution has ever offered to the American people the fullest opportunity to seek life, liberty, and happiness. No other constitution, no other form of government, has guaranteed as great an amount of individual liberty or as sure a guaranty of these freedoms.

When one is asked to take an oath of loyalty to this Constitution he is asked simply to reaffirm his loyalty to the principles embodied in it. I think that the superintendent of schools, Dr. Harold G. Campbell, has stated our position as clearly as it could be stated when, in his letter to the United Parents' Association, he said in substance what has been stated above, but I shall give his exact words:

"To my mind, a pledge of loyalty to the Constitution that has made possible the greatest amount of individual freedom in all history is a pledge to the continuance of this freedom and a safeguard against its restriction.

"All of the freedom that we hold sacred—freedom of speech, freedom of the press, and freedom of assembly—is guaranteed in this Constitution. To affirm one's loyalty to it is but to affirm loyalty to the maintenance of the rights, liberties, and freedoms that we Americans have ever enjoyed—to speak and act in accordance with the dictates of conscience and judgment.

"Without this Constitution, freedom of teaching might not exist, and freedom of speech and freedom of the press might be restricted. If we hold these things worth while, we must hold to this Constitution and be loyal to it."

The newspapers of William Randolph Hearst are to be congratulated for their enunciation of the American doctrine and for their clear statements of what the Constitution means and what loyalty to it should mean.

THE ADMINISTRATION OF FRANKLIN D. ROOSEVELT—ADDRESS BY POSTMASTER GENERAL FARLEY

Mr. COPELAND. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered over the long-distance telephone to the Richmond Hill (N.Y.) Kiwanis Club luncheon by Postmaster General James A. Farley, May 24, 1934.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

May I take this opportunity to give you a "long-distance" thank you for your kindness in listening to me today. I should like to be with you. Civic and social organizations such as yours perform a healthy and needful function in our Government. You in your way keep alive the spirit of service. You know, as do I, that there have been times in the history of our Government when the spirit of service to our country has been forgotten. Some of these periods of indifference, selfishness, and greed are so recent as to be familiar to all of us. I maintain the belief that we now have in this country given expression to a national policy and a national philosophy of unselfish service to the people—the mass of people—under the inspirational leadership of an unselfish President—Franklin D. Roosevelt.

If the national leadership has borrowed from your organization's own ideal, it betokens a kinship between you in New York and elsewhere and us in Washington. It is a kinship that seeks to find a common ground for service to our country. It is a kinship that finds reward in the good that can be done. There is an old Jesuit saying that more good could be done in the world if there wasn't so much dispute about who is to get the credit for it. Here in Washington, all of us are loyally serving under the humane and spiritual guidance of a great leader. We have not hesitated to follow President Roosevelt's banner; we have been proud to serve in his army—and with him we can rejoice today that the Nation is on its way to better days.

There are critics of government; there are critics of policy; there are critics of results—but I know you will agree with me that this is no place for critics of purpose. You may not see eye to eye with us as to the methods we have used and are using, but you cannot take us to task for the spirit and purpose of our efforts. We are trying; we are, it is needless for me to assert, imbued with a high purpose. And we have but to turn back the pages of the calendar to those dark days of early 1933, when gloom was everywhere, when business was prostrate, when banks were tottering, when the very fiscal system of the Government itself hung in the balance.

I can never forget the thrill that was mine, and I know must have been experienced by every American citizen who heard Franklin D. Roosevelt pronounce his fearless and forceful inaugural on that cold March day. "I promise you action", was what he said. And we got action—action that in less than 30 days replaced an unreasoning fear with a heart-stirring promise. Action that brought business back to sanity; that sobered an entire country; that gave us courage to turn our faces to the long, hard road that has led and is leading to better times for all.

With stout heart, intelligent foresight, patience, initiative, resourcefulness, and an abiding faith in divine Providence, he has kept up the fight that has slowly but surely enabled him to bring order out of chaos; given us time to take stock of our moral and material resources, and banished the fears of pessimism. It has been a hard road; but a confident, cheerful, and valiant leadership has brought us a long way on it, and now the way ahead seems easier and smoother.

So, I repeat, this is no time for criticism of purpose. The Roosevelt program is succeeding because it is based on the ideal of service to our country—real and definite service to the mass of our people.

You must admit that our pilot has a stout heart. He took the helm when every wave looked as though it might engulf the ship. To all practical purposes we were lost on an ocean, with even the compass not to be trusted. So, I say, every measure that was undertaken under President Roosevelt's leadership had as its chief aim the rebuilding of confidence of the people, confidence in themselves and confidence in our institutions.

The hot blasts of criticism are now blowing full force on some of these emergency measures. One of them is the National Industrial Recovery Act. Recently its operation has been assailed, not alone from one angle but from several. The left wing shouts "monopoly"; the right wing shouts "socialism." But between these two, the good ship N.R.A. has steered its course. It has done some things effectively. It has practically eliminated child labor. It has provided minimum wages. It has sought to reduce the hazards of illegal and unreasonable competition. It has, contrary to the assaults of its detractors, served to protect the "little man"

in industry. It has consistently fought monopoly. Its very organic act prohibits it. The very aim of the N.R.A. is, as quoted in its statement of policy, "promoting the organization of industry for the purpose of cooperative action among trade groups * * * under adequate governmental sanction and supervision."

The purpose of N.R.A. in seeking to ban sales below cost is for the benefit of the masses, because sales below cost eventually produce two certain results—reduced wages and lowered standards of living for labor. The Recovery Act requires N.R.A. to protect both. The job of N.R.A., therefore, is to strike a balance between the interest of the consumer on the one hand and the wages of labor and small business on the other. It must aim for a price structure high enough to maintain small enterprise and labor wages and yet low enough to protect the consumer.

There may be inequalities in some of the codes, but, generally speaking, in the major industries they have functioned to the advantage of both the industry and the employee. The lumber code, for example, is assailed because it is supposed to hurt the little fellow. In July 1933 there were 13,636 sawmills in operation. In March 1934 there were 15,170, an increase of 1,534.

It may be popular to attack and assail some features of this code, but I am certain much of this attack originates with the same self-centered persons who a short 14 months ago were calling frantically on the Government to come to their rescue. The N.R.A. has served to bring the Nation's industry and business back to its feet. The trade figures and the production statistics all prove the point.

Just as selfish greed in business and industry is being curbed by the N.R.A., just so will the greed and selfishness of many of the evil practices of stock promotion and speculation be curbed by the stock-exchange regulation bill which has passed both Houses of the Congress and will soon be reported from conference. Whatever agency is set up for the control of stock exchanges in the final form of this legislation, you may be sure of one thing—there will be no undue curb on legitimate and fair practices and business in the purchase and sale of securities. The Government is not seeking to destroy what is right; it is seeking to curb and stamp out only those practices and customs which have in the past caused terrific and frightful losses to the investing public.

These and other new recovery measures all have as their one main thought, their one main philosophy, the upbuilding of confidence; the recovery of business and industry; the stabilization of trade and finance; in short, the return to our common country of its heritage of a sane and substantial prosperity.

We are on the right road. We are on the safe road. The American people are with President Roosevelt. Make no mistake about that. They recognize in him a leadership of that rare quality which history gives us but once or twice in a century. The people have an abiding faith that their trust in the Roosevelt program is well placed.

Just as the Tory Whigs a hundred years ago assailed the new day of common liberty that Andrew Jackson brought with him, just so are the Tory opponents of President Roosevelt today assailing the new dawn that has broken for the American people. Just as Andrew Jackson brought to the people a new concept of public right over private privilege, so has President Roosevelt created a new picture in the rebirth of opportunity for the average man.

I thank you.

TAXATION OF THE OIL INDUSTRY—ADDRESS BY B. H. MARKHAM

Mr. GORE. Mr. President, I ask unanimous consent to have printed in the RECORD a speech delivered May 16, 1934, by Gen. Baird H. Markham, of my State, during the International Petroleum Exposition at Tulsa, Okla. It is an able and illuminating discussion of the double, treble, and quadruple taxation of the oil industry by the National, State, and local governments—the overtaxation of a single industry and the overtaxation of a single class of consumers. It is as conclusive as a mathematical demonstration.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

TAXES TO SUSTAIN OR TAXES TO DESPOIL?

I am pleased, indeed, to be granted the privilege of returning to Oklahoma, as "there is no place like home." I am doubly pleased on this occasion as I present the question of unjust, burdensome, and ruinous taxation—having assurance that I speak to those who fully appreciate and understand.

The American petroleum industry has been, and is being, victimized from a taxation standpoint in a manner and to a degree probably unparalleled in recent history.

The thought that there is no deliberate intention of destroying the industry is a source of scant comfort. It neither alters nor relieves the situation. Legislation and taxation which cause damage are no less destructive because they were intended to accomplish something else.

Government has accepted the responsibility for the present and future welfare of this and other industries. But, while one branch of the Government may be doing everything within its power to restore industry, another branch, largely due to a misunderstanding of this industry's problems, through punitive taxation, is very seriously handicapping this and other industries. Apparently some representatives in Government, both Federal and State, have not yet learned that the fundamental purposes of the National Recovery Act are the improvement of business and economic recovery.

The petroleum industry has withstood heavy punishment. It should take steps to make sure that future legislative psychology will not be based upon the argument that as this industry successfully weathered a depression under such handicaps, it will be able to absorb even more punishment under more prosperous conditions. Time and effort should be devoted toward making legislators and the public alike realize that this industry faces an era of high taxes, stern regulations, and narrow restriction that well might disrupt, if not destroy, any industry.

The situation, briefly, may be outlined as follows:

The tax bill of the industry now exceeds $1,000,000,000 a year. That is the equivalent of $1,000 taxes upon every worker.

The tax collector annually gets an amount of money exceeding 8 percent of the industry's $12,000,000,000 capital investment, regardless of whether the industry earns even the interest.

The annual tax upon gasoline, this industry's chief source of income, has increased from $1,000,000 to more than $700,000,000. That is the equivalent of $700 taxes upon every worker.

The gasoline tax rate has grown 7,500 percent, and the tax revenue has increased 6,000 percent in 14 years.

The average tax on the 24 gallons of gasoline extracted from a barrel of crude oil amounts, on the average, to $1.29. That is larger than the amount received from the sale of this commodity. It is equal to 100 percent, or more, of the wholesale price of the gasoline itself.

Federal taxes upon this industry provide nearly 20 percent of the total revenues collected by the Bureau of Internal Revenue, exclusive of income taxes.

The highway user, this industry's largest single customer, has been made the largest single taxpayer by most States and by the Federal Government.

The petroleum industry itself is one of the largest, if not actually the largest, of the Nation's industrial taxpayers. That means, also, that the workers of this industry and our customers are among the heaviest contributors to the support of government.

Every operation and product of this industry is taxed in some form or other. A total of 116 taxes are levied upon it, 24 by the Federal Government, 68 by State governments, 5 by county governments, and 19 by municipalities.

Taxes levied upon the operations, products, services, and upon the customers of this industry permit the tax collector to dip into the pockets of every customer, every investor, and every worker.

The motor vehicle and its owner represent the largest consumers of this industry's products. The fortunes of this industry depend largely upon the future of highway transportation. To handicap motor-vehicle operation is to injure this industry. That is the menace of excessive taxation and of unnecessary and restrictive regulation. Already some 27 types of taxes are levied upon the operator of the motor vehicle.

In 1933 the motor-vehicle tax bill reached a new all-time high, above $1,180,000,000. This represented more than 11 percent of all the taxes paid to all units of government—Federal, State, and local—in the entire country. The average tax per motor vehicle in 1933 has been estimated at $50.47, representing more than 25 percent of the value of the vehicle. In 4 years the average car is paid for over again in taxes. The Federal Government alone in 1933 took more than $257,000,000 in taxes from the motor-vehicle operator. That was three times the amount of such Federal taxes in 1932. In the past 2 years of taxation the Federal Government has collected, roundly, $350,000,000 from the motorist, of which more than $240,000,000 represented taxes on gasoline and $30,000,000 taxes upon lubricating oil.

Gasoline taxes alone have made motor-vehicle operating costs so expensive in some sections of this country that there has been for 2 years a drastic and discouraging decline in the registration and use of motor vehicles. Taxes upon gasoline are not only high in themselves, but they are duplicated by Federal, State, county, and local taxes. The average State and Federal gasoline tax in 1933 was, in effect, a retail sales tax of $43.59, a wholesale sales tax of more than 100 percent.

High gasoline taxes, first, because of their cost and then because of the tax evasion and other evils they create, are an absolute barrier to restoration of oil and gasoline prices to fair and satisfactory levels. Study of exactly comparable gasoline-consuming areas over a period of years definitely has revealed that every 1-cent increase in the gasoline tax rate reduces consumption by 5 percent. On that basis a 20-cent tax would abolish the use of gasoline as motor fuel. One State, with Federal, State, county, and city gasoline taxes reaching a total of 11 cents, already is better than half way to that maximum.

With gasoline tax rates at present exorbitant levels, fewer consumers can afford to consume. With tax evasion as prevalent as it has been, few marketers can hope to maintain a profitable price. History reveals that a sales tax of 10 percent is the highest that satisfactorily can be imposed and fully collected. The only possible method of ending the evils arising from gasoline taxation is to reduce tax rates to a level which makes tax evasion unprofitable and overcomes the sales resistance created by the additional cost represented by taxes.

The petroleum industry has supported the gasoline-tax method of financing highways. To the extent that these taxes, levied at reasonable rates, paid by all, and fully collected, bear a fair share of the cost of necessary and economically built highways, the full support of the industry is merited.

A study of the trend of gasoline prices and tax rates since 1919 reveals that while technical and other developments within the industry itself, and the effects of competition, have served to force prices to successively lower levels, the major influence for depression has been excessive taxation. You have only to compare prices, taxes, and oil company net profits in the past 15 years to realize that this industry largely has financed the building of the Nation's highways to its own financial detriment. I think you will agree with me that it is something less than advisable, so far as the financial welfare of this industry is concerned, to make possible the building of thousands of miles of good roads by taxing petroleum products, if the taxes become so heavy as to eliminate even the possibility of making a profit on the commodities sold in the expanded market created by those roads.

This is not a matter of selfishness. It goes deeper than that. It reaches down to that fundamental of fundamentals—self-preservation. As I see it, the basic reasons for the existence of the petroleum industry are, first, to render a service to the public, and, second, to make sufficient profit from that service to assure its perpetuation. Roads builded upon the wreckage of the American petroleum industry will be unsatisfactory to all concerned.

Another disturbing and serious factor in the gasoline-tax situation is diversion. In most States revenue from a reasonable gasoline tax, plus income from other reasonable motor-vehicle fees and taxes, would finance an extensive and adequate system of highways without taxing anyone other than highway users. However, with both Federal and State Governments using highway funds for other purposes, progress toward an adequate highway system is halted.

During the past 2 years there has been a noticeable advance in the unfortunate tendency on the part of the State governments to reduce or repeal the less costly taxes and place the entire burden upon motor fuel. This policy has had the support of unscrupulous politicians, as was to be expected, and of certain interests which fail or refuse thoroughly to understand the potential evils of taxing gasoline excessively. Reduction of these other taxes provides only a minimum of relief for taxpayers, perpetuates the excessive tax rates imposed upon motor fuel, and aggravates the evil of gasoline-tax evasion.

Still another depressing influence is destructive legislation. During 1933 more than 2,000 bills, inimical to the interests of the petroleum industry, were introduced in Congress and in State legislatures. The industry naturally expects a measure of regulation and restriction, but the industry's burdens are only augmented and its troubles aggravated by unnecessary curtailment, control, regulation, or restriction of its undertakings and quite without benefit to Government, industry, or public. Every session of Congress and of State legislatures produces hundreds of bills which would either increase the difficulty of doing business, reduce the possibility of making a profit, or both. Equally menacing are the attempts of various interests to disrupt or to destroy the industry's markets. The railroads particularly sponsor various proposals having as their objective the restriction of highway users. Their real aim is to impose burdens upon highway transportation and thus destroy what they call competition.

The public has, through the motor vehicle, acquired the means to travel when, where, how, and as it pleases over highways it pays taxes to build. It is highly probable that the public will be inclined to cherish and to protect that right. It is probable also the public will persist in enjoying that right, at least until the day when, by rendering superior service, with greater convenience, less cost, and better accommodations, the railroads shall win the public back to a greater use of their facilities. It would seem that in this case the interests of the public and of the petroleum industry are parallel.

Legislation cloaking attempts of other selfish interests to gain control of, or to invade, this industry's natural markets, still is menacing. Congress and several State legislatures have given serious consideration to the proposal to transfer a large part of this industry's motor-fuel market to the alcohol distillers. Many fail to see the significance of this blended fuel proposal. Legislation of this type would open the gates to a host of similar bills designed to make mandatory the consumption of certain favored products. Trading favors among industries may be good politics, but it is scarcely good government.

Certain State governments also have cast longing eyes upon this industry's markets, apparently in the belief that after they get through collecting taxes bountiful profits still are left. These States actually propose to use tax money paid by this industry as a subsidy with which to go into business as its competitor.

This industry should not accept the burdens which are the duty of others to bear and to share. It should fight for its industrial rights. It should present a united front on matters of unjust taxation.

This industry has the ability, the strength, and the opportunity to be a powerful influence for good government, and for sound government. Under existing sales-tax law Government has gone into partnership with industry and particularly with this industry. This industry can demand that, as a partner, Government observe the rights of all partners, adopt sound business principles, and follow sound business practices.

Therein lies a hope for the future salvation of this industry. Particularly, the field of taxation represents common ground upon which the industry can agree. It can build there a platform big enough for all.

Unless the petroleum industry decides to take such action, it cannot face the future with confidence. If it is disorganized, discouraged, and disinclined to do for itself that which it can depend upon no other to do, it need expect only further taxation, further restrictions, and further regulations. The choice is, "Shall we tax to sustain or tax to despoil?"

In closing, I wish to mention publicly the excellent work done in presenting the petroleum industry's picture to Congress relative to the proposal to change the depletion and depreciation provisions in the Federal Revenue Act. Although the decision to leave these sections in the law without change has been only in simple justice to those affected, I am frank to say that but for the effective work of the Mid-Continent Oil and Gas Association, under the masterful leadership of Mr. William N. Davis, serious damage would have been done to the petroleum industry through the change of these provisions. Particular commendation is also due Senator T. P. GORE for his statesmanlike presentation of this all-important subject to the Senate.

The American Petroleum Industries Committee and its State organizations fully realize that the problems involved in our work constitute a tremendous task, but I pledge to you our best efforts toward assisting in bringing about the day when this industry will not be subjected to the great amount of unfair taxation and discriminatory legislation now on the statute books. We ask your close and continued cooperation in this important work.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Latta, one of his secretaries.

NATIONAL INDUSTRIAL RECOVERY ACT

Mr. ROBINSON of Arkansas. Mr. President, it appears that the public interest and the public welfare are being obscured by bitter personalities with relation to the proceedings of the National Recovery Administration. Many writers and some speakers have pointed out the fact that the merits of the controversy have been almost overlooked, and the public have not been supplied the information that is essential to a fair determination of the questions that are involved in the so-called "Board of Review report."

Anyone who has heard the speeches of the Senator from North Dakota [Mr. NYE], and who has read the statements of Mr. Darrow and Mr. Johnson, will accord to those three gentlemen first place among persons who are able to employ sarcasm and irony. Such literature usually is read with very great eagerness, and in all probability those who read the speeches of the Senator from North Dakota as well as the statements and counterstatements issued by the Chairman of the Review Board and the Administrator of the National Recovery Act are likely to be forgetful of what is actually involved.

In spite of statements that have been made to the contrary, I maintain with confidence that the credible evidence shows that under the National Recovery Act, while it has been in existence, very substantial and gratifying progress has been made by the business of the Nation toward more normal conditions.

I need not point out to those who do me the honor to listen to me the very distressing and discouraging conditions that existed in almost every sphere of industry when the National Recovery Act was conceived and passed. I know there are some who in good faith think that under the administration of the law conditions have not substantially improved. Let me admit in the beginning that it is not possible to ascribe accurately the proportion of influence that has been exerted by the various factors and statutes which we have come to designate as the new deal or the recovery measures. The point I am making is that, in contradiction of statements to the contrary made here and elsewhere, the country is steadily and surely recovering.

Yesterday there was published in the Washington Evening Star a statement attributed to the president of the Metropolitan Life Insurance Co., Frederick H. Ecker, in which he declared, after having visited almost every section of the United States and made a personal inquiry and investigation, that conditions are greatly improved. To quote a portion of the article:

> Brisk and cheerful, the insurance-company executive appeared to be carried along buoyantly on a wave of the upturning tide in business as he recounted the conditions he has observed in the South, the Middle and Northwest. He said the railroads are better, the real-estate situation is better, the former evil state of industry has begun to respond to treatment.

I shall print in the RECORD as a part of my remarks the article from which I have just quoted.

In the Washington Post of April 17, 1934, is contained a declaration under the headline:

Industrial recovery is found advancing along wider front. Survey reveals first quarter's business moved forward vigorously; gains recorded in production, sales, prices, pay rolls, and employment.

I shall also print that article in connection with my remarks. It refers to almost every important form of industry in which our people engage.

On the same date and in the same newspaper was published another statement from the pen of Mr. Giles Findley, an Associated Press report, in which it was declared:

Trucks gaining in shipments of livestock. Twenty-one percent of slaughter animals ride to market on rubber tires.

This statement goes definitely into the figures, and is an illuminating review of the facts relating to the marketing of hogs, cattle, and sheep.

In the Washington Post of May 24, 1934, is another survey reported, the headline being:

Unemployed workers in Nation cut to 7,907,000 during 1 year.

And there is a detailed statement pertaining to the general subject matter which is interesting and believed to be important.

In the Washington Post of April 17, 1934, appeared three articles showing the same general trend of business. The first was under the headline:

Crude-rubber consumption is up in March. Use for month increases 163.8 over requirement in 1933 period.

The second article was headed:

Dollar sales of autos rise 22 percent.

The third was headed:

March cotton exports hit by seasonal cut.

I will print these statements in connection with my remarks.

In the New York Herald Tribune of April 26, 1934, appeared a statement under the following headline:

Westinghouse orders up 57 percent to $20,237,588 in first quarter. March bookings set mark for 2½ years; 3-month loss cut to $1,776,152.

I have also a statement which I think my friend the Senator from Iowa [Mr. DICKINSON] will find interesting. It is an Associated Press dispatch under the headline:

SCRIP GOING OUT OF USE IN IOWA—EASIER CONDITIONS LESSEN DEMAND FOR PAPER

DES MOINES, May 5.—Scrip, recognized by State legislation as depression money, is rapidly going out of circulation in Iowa.

Real cash from Federal C.W.A. and P.W.A. sources and improving business indices apparently have lessened desire for the paper certificates.

The little northwest Iowa town of Hawarden, which stirred up an international flurry among economists with its first $300 scrip issue, has retired all of it at no cost. In Des Moines, county officials have likewise retired most of a $100,000 scrip issue.

In the New York Times, on the 19th of April, there was published an article on the steel trade, the headline being:

Steel rate at 52 percent best since August. Heavy bookings, with higher prices near, make good outlooks, says Iron Age. Railroads' orders rise. Confusion on quotation results from conflicting views among the producers.

I will print that, as also an article from Youngstown, Ohio, under the headline:

Steel bookings rise. Business in Youngstown area this month 23 percent ahead of 1933.

The Washington Star of April 25, 1934, contained a statement under the caption:

Big gains shown in steel profits. Four companies all report striking increases over totals year ago.

Another article was carried under the Associated Press caption:

Faster pace set at steel plants. Production jumps 4 points to 56 percent of capacity mark.

The Washington Star of April 25 contained a number of articles relating to business conditions generally, advertising volume, auto production, and daily oil production, and there is at hand a statement published in the Sunday New York Times of April 22 under the caption:

Gains continuing in business lines. Retail trade reported moving according to the season in most cities. Wholesaling good here. Climb in Philadelphia. Pick up in industries, retail sales, and bank clearings. Chicago records gains. Wholesalers report unexpectedly high sales—jobs increase. Cleveland activity rises. Price jump brings wave of steel buying—drug sales increase. St. Louis activity livens. Small industries speed up, shoe plants busy, retail trade brisk. Kansas City buying rises. Retail trade improves and wholesale lines hold well. Atlanta business booms. Department store sales highest since 1930—many lines gain.

There was published in the New York Herald Tribune of April 26, 1934, a statement that the profits of the New York Central Railroad—

Jump in first quarter. Net operating income up to $8,211,195, against $3,536,067, with rise in March even sharper. Gains of 14 roads abrupt last month. Earnings show advance of 204.4 percent over 1933; gross only 35 percent higher.

In the New York Herald Tribune of Thursday, April 19, 1934, was a summary in the nature of industrial reports showing that in a large number of industries great improvements have been made in their condition.

Mr. President, I have on my desk a number of other articles and statements similar to those already referred to, but I will not take the time of the Senate to analyze them, asking the liberty of printing them at the end of my remarks as a part thereof.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

(The articles ordered printed on the request of Mr. ROBINSON of Arkansas appear at the end of his remarks.)

Mr. ROBINSON of Arkansas. Mr. President, of course, the question arises as to whether and to what extent the National Recovery Act has contributed to the very gratifying results I have in part described. Senators who hear me realize that many who are engaged in industry believe that the act has contributed very substantially to the improvement of business conditions in the United States.

Much has been said on the floor of the Senate respecting the subject of unfair competition. We all know that in the past the effect of unfair competition on small business units has been disastrous. We realize that practices of the kind described as unfair competition have not operated to the detriment of the powerful units in industry, but in many cases such practices, which have come to be recognized by business men generally as unfair and subversive, have resulted in the destruction of little business.

The suppression of unfair competition constitutes the underlying principle in the Federal Trade Commission Act and in many of the Commission's proceedings. In the Darrow report there is a declaration which shows that the thought in the minds of the authors of the report was very different from that which is usually held to apply in the business of the United States. The report said:

Fair competition is merely a resounding and illusory phrase. All competition is savage, wolfish, and relentless, and can be nothing else. One may as well dream of making war ladylike as of making competition fair.

So the authors of that report repudiate in principle all measures which are based on the suppression or prevention of unfair competition in trade, and I respectfully submit that that statement of itself constitutes a condemnation of any plan which has been recognized in the business of the United States in the years gone by. It looks to the plan which, in the supplemental report signed by Mr. Darrow and Mr. Thompson, contemplates the substitution of Government ownership or of Government sustained monopoly for trade under competition.

I do not believe that the Senators who find themselves unable to approve of the practices of the N.R.A. endorse the fundamental idea underlying the criticism which exists in the Board of Review report, and certainly in the minds of certain members of the Board, including Mr. Darrow and Mr. Thompson.

Mr. COUZENS. Mr. President, would an interruption disturb the Senator?

Mr. ROBINSON of Arkansas. Not at all. I yield to the Senator from Michigan.

Mr. COUZENS. I was wondering when the Senator was discussing the question of fair competition whether he believed that to assure fair competition it is necessary to have prices all alike on the part of all the competing companies?

Mr. ROBINSON of Arkansas. No; I have not thought so.

Mr. COUZENS. That is the point which concerns me. I have been very reticent about criticizing the N.R.A., and I have swallowed a great deal which I would not ordinarily have swallowed, because of the existing conditions; but it does concern me very much when I find that cement bids, furniture bids, and steel bids from all corporations are identical to a cent. That does not constitute my interpretation of fair competition. I wish someone in the administration or elsewhere would explain how that comes about. I wondered if the Senator from Arkansas in discussing fair competition could enlighten us on the subject.

Mr. ROBINSON of Arkansas. Of course, the Senator from Michigan is diverting me from the line of discussion which I intended to pursue, but I will say in reply to him that phase of the subject will be discussed a little later in my remarks.

I wish to add now to what I have already said that it seems to me inevitable that in any permanent system there must be recognition accorded to the natural advantages which exist in communities, there must be recognition accorded to the efficiency of management in production and in distribution. That is an essential part of any system of trade carried on under competition.

Mr. COUZENS. Mr. President, could the Senator tell us if he knows how these prices all come to be alike under the N.R.A. Administration?

Mr. ROBINSON of Arkansas. No; I do not know. I do not assume that all prices are alike, but such similarity as exists is probably due to the provision in the law that permits combinations. That would be my first and unstudied thought on the subject.

Mr. SHIPSTEAD. Mr. President, I do not want to interrupt the Senator from Arkansas, but, if he will permit, I could help explain that situation, because I have had an explanation of it from the code authorities in one of the industries.

Mr. ROBINSON of Arkansas. I will yield to the Senator from Minnesota for that purpose.

Mr. SHIPSTEAD. In the paper industry, for instance, we had this experience: In response to advertising on behalf of the Joint Committee on Printing for approximately $1,000,000 worth of paper there were 47 bidders. Ninety percent of the bids were identical. The prices were from 10 to 40 percent higher than they were in 1929. We asked the bidders how it happened that so many of these bids were identical. They said that under the code every bidder must publish his bid at least 5 days before the bids are opened. Having published the bids, another bidder is then permitted to adjust his bid to meet the bids which have been published. That is under the so-called "open price-fixing provision" of the various codes. That was the explanation we got for the identical bids which we received.

Mr. ROBINSON of Arkansas. Mr. President, I thank the Senator from Minnesota for his contribution.

The general press opinion respecting the so-called "Darrow report" is, in my judgment, that the report has contributed little or nothing of helpfulness to the country or to the National Recovery Administration.

I desire to proceed now for a few minutes to discuss the question raised primarily by the remarks of the Senator from North Dakota [Mr. NYE], and which is also an important feature of the Darrow report. The outstanding declaration in the report and in the speeches of the Senator from North Dakota is that the N.R.A. fosters monopoly and oppresses the little man in business. If that statement is supported by the record, it demonstrates the necessity of changes in the method of administration. But, Mr. President, I do not believe that anyone who studies the record will reach the conclusion that the general effect of the N.R.A. administration has been to foster monopoly or that it has been to subvert the interests of the little man in business or to destroy him, and I propose to produce evidence in substantiation of my statement.

In the first place the Federal Trade Commission, studying the subject, as I understand, particularly with reference to the lumber industry, found that the effect of the N.R.A. administration on the whole had been to assist little business in the lumber industry, rather than to oppress or to destroy it. This contention of the Senator from North Dakota and of the Darrow Board is in conflict with the views of the people who themselves are engaged in the small industries.

Undeniably, there have been cases of hardship; there have been and there will be instances in which so-called "small-business men" will suffer. It was not possible, Mr. President, to stamp out that ruinous phase of American business called the "sweatshop" without injuring some small businesses, and it has not been possible to raise wages and shorten hours without increasing the cost of production to both small business men and big business men. If there is anyone who can find a way in which to give the benefits presumed to grow out of the National Recovery Act without imposing the charges and the disadvantages that inhere in the policy of the act, I have been unable to contact him.

Necessarily, when hours are reduced from 10 to 8 or to 7, and when wages are raised, there is imposed on all industry an increase in cost, and it makes necessary an increase in prices. That is the fundamental principle of the National Recovery Act.

In thousands of places which we have come to know as sweatshops there were, when this act went into effect, women and children who were toiling by night and by day, working arduously for a compensation which was inadequate to provide them with the necessities of life; and it took courage in the lawmaker, and it takes courage in the Administrator, to drive out of business those who prosper by the blood and unhappiness of helpless women and children. If we are not willing to pay the price that natural laws impose for such a reform, then we had as well abandon all effort to promote recovery through national legislation.

The Senator from North Dakota yesterday in his forceful address credited the National Recovery Administration with the abolishment and the destruction of the sweatshop and with the abolishment of child labor. I respectfully submit that if there is nothing else on the credit side of the account these two achievements would of themselves be sufficient to justify the administration of the act.

I said a moment ago that those engaged in little industry approved the act and approved its administration. When the storm of wrath and vituperation broke a few days ago, and big men were calling one another little names [laughter], hundreds and hundreds of telegrams were sent in to the Administrator by small men in industry.

While I think of it let me refer to a particular case. Senators have all heard about the New Jersey man who was engaged in the dyeing and cleaning business and who was sent to jail for the infraction of a code. I never knew until I investigated the matter and ascertained the facts how unjustly that incident has been used. Senators have heard it repeated here as an illustration of the callousness of General Johnson and his subordinates, as an illustration of the absurdity of the policy underlying this statute and the method by which it is enforced, that a small business man over in New Jersey by the name of Maged was arrested and thrown into jail because he had violated a code. But you were not told what you ought to have been told and which honesty would prompt anyone to tell, that the action was not taken under the National Recovery Administration; it was taken strictly under a State law, and the National Recovery Administration had neither approved nor acquiesced in the regulation referred to.

Mr. LONG. Mr. President——

The PRESIDING OFFICER (Mr. OVERTON in the chair). Does the Senator from Arkansas yield to the Senator from Louisiana?

Mr. ROBINSON of Arkansas. I yield.

Mr. LONG. I understood some time ago that General Johnson called the Governors here and asked them to have State laws passed to carry into effect the N.R.A. I was wondering if this was not pursuant to that kind of a movement.

Mr. ROBINSON of Arkansas. I do not know, of course, what General Johnson said to the Governors, any more than I know what he has said to the Senator from Louisiana; but the point I am making is that this case occurred under a New Jersey statute; it was purely an act of the State of New Jersey, and that the rules and regulations under which it occurred had never been approved by the National Recovery Administration. I think that those who sit in the press gallery, who have carried the story that a tailor was arrested and thrown into jail for violating a national code, should correct the story and make it plain, as I have stated here, that that action was not taken under the National Recovery Act or under the national authority, but was entirely under State authority.

Mr. LONG. Mr. President, I do not want to interrupt the Senator, but if he will permit me to say so, I now remember that this was a matter given considerable publicity in the newspapers. General Johnson asked the States act, in order that they might place offenders in jail in cases where he could not do so under interstate authority, to adopt similar statutes; and I understood that the New Jersey statute was a provision along that line.

Mr. ROBINSON of Arkansas. Mr. President, General Johnson advises me in writing that the National Recovery Administration was entirely ignorant of the case until after the prosecution had taken place, and was not in sympathy with the prosecution, but, on the contrary, distinctly disapproved it.

Among the messages to which I have already referred are some telegrams addressed to General Johnson, which I am going to ask to have inserted in the RECORD. I have had copies made from the telegrams themselves. They are, without exception, from the heads of small industries, and express indignation at the course taken by the Review Board, affirming allegiance to the codes under which they are operating their respective businesses.

I do not feel justified in taking the time of the Senate to read them all, but will read one or two by way of illustration. I read one from Wauwatosa, Wis., as follows:

WAUWATOSA, WIS., *May 23, 1934.*

HUGH S. JOHNSON,
National Recovery Administrator, Washington, D.C.:
Drug code has already helped little fellow tremendously here. Saved 50 percent from bankruptcy. Independents backing you up 100 percent. Business greatly improved.

CURLEYS PHARMACY.

Another, from Washington, D.C., I read as follows:

WASHINGTON, D.C., *May 22, 1934.*

Gen. HUGH S. JOHNSON,
National Recovery Administration, Washington, D.C.:
We are back of you 100 percent as a concern under one of the smallest adopted codes. We are glad to go on record as stating our business is showing a very satisfactory improvement over a year ago and wish you every success in your encounter with Darrow.

WASHINGTON TENT & AWNING CO., INC.

I read the following telegram from Kansas City, Mo.:

KANSAS CITY, MO., *May 22, 1934.*

Gen. HUGH S. JOHNSON,
National Relief Administration, Washington, D.C.:
As member of flour-milling code committee I wish to congratulate you on your recent statements answering N.R.A. and code critics. The proposed millers' code is almost unanimously endorsed by small units of the industry, while the large units are all opposed for purely selfish reasons.

GEORGE E. HINCKE.

I ask that the remaining telegrams, along with excerpts from some letters of similar import, may be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The telegrams and excerpts are as follows:)

LOS ANGELES, CALIF., *May 22, 1934.*

Gen. HUGH S. JOHNSON,
National Recovery Administration, Washington, D.C.:
It is extremely regrettable that any man intrusted by the President with an important mission should, especially at this time, use this high trust and the public moneys to air his personal grievances against you and his well-known preconceived opposition to the recovery program. Why not ask a vote of us small business men who are working under codes as to whether or not we want to go back to the old system instead of taking so seriously the report of this publicity seeking lawyer who has appointed himself our champion? Ask us and get the majority views instead of the notorious 10 percent who have evidently cunningly hoodwinked him.

A. L. BOBRICK,
President Bobrick Manufacturing Corporation.

NEW YORK, N.Y., *May 23, 1934.*

Gen. HUGH S. JOHNSON,
National Recovery Administration:
Mr. Darrow's view of the hole in the doughnut is wonderful. He is reputed to be a great criminal lawyer but maybe the case was not as bad as that.

A. S. BROWN, JR.,
President Bronsletters, Inc.

HOUSTON, TEX., *May 21, 1934.*

Gen. HUGH S. JOHNSON,
National Recovery Administrator, Washington, D.C.:
Congratulations on your public statement on the Clarence Darrow Review Board report. You and the President are the outstanding patriots of the day. You have a hard job and the people have faith in and sympathy for you.

J. L. BLOCK.

KNOXVILLE, TENN., *May 22, 1934.*

Gen. HUGH S. JOHNSON,
National Recovery Administrator,
Washington, D.C.:
We have just noticed report of Darrow committee investigating National Recovery Act. We recognize your extreme responsibility in administration of the National Recovery Act. We realize its departure from conventional business methods, and after 4 months' experience as executive committee for code enforcement of retail automobile dealers code wish to express our confidence in your judgment and our appreciation of your untiring efforts in establishing and enforcing what we believe to be timely relief for chaotic conditions in our industry.

CHARLES BRAKEBILL,
Commissioner for the Executive Committee of the Knoxville Automotive Trade Association.

JACKSONVILLE, FLA., *May 21, 1934.*

Gen. HUGH S. JOHNSON,
Washington, D.C.:
Stand firm in back of N.R.A. as its principles are sound if carried out. It is the only friend the small business man has if chiseling can be stopped. Its greatest faults, as I see it, is lack of sharp teeth and compliance and I feel sure you are striving to accomplish those things. Any person who says N.R.A. is a foe to the small business man I suggest he drop down and see some small business heads and get their idea of it.

L. J. FITZPATRICK.

WAYNE, NEBR., *May 21, 1934.*

Gen. HUGH S. JOHNSON,
Washington, D.C.:
Kick Darrow out; only 6 months more under his cutthroat competition price system all small and many large business enterprises would now have their doors closed, and the crepe of financial death written thereon. National Recovery Act and price fixing brought salvation; it must remain.

Yours truly,

R. H. JACQUES.

WASHINGTON, D.C., *May 22, 1934.*

Gen. HUGH S. JOHNSON,
National Recovery Administration,
Washington, D.C.:
After reading Clarence Darrow's criticism of the N.R.A., pointing out the many injustices that he claims exist in the codes for the small business man, we are wiring you to inform you that our business today is far better than it was a year ago. As a member of the canvas-goods industry, which is one of the smallest, we respectfully request that our code remain in effect by all means.

JOHN F. MORRISON AWNING CO.

CHATTANOOGA, TENN., *May 21, 1934.*

Gen. HUGH JOHNSON, *N.R.A. Administrator:*
The Associated Master Plumbers of Tennessee in convention assembled thank and commend you for your untiring efforts and

work for the benefit of our membership and the people of the United States.

ASSOCIATED MASTER PLUMBERS OF TENNESSEE,
By J. L. PEEBLES, *State Secretary.*

WASHINGTON, D.C., *May 23, 1934.*

Gen. HUGH S. JOHNSON,
N.R.A., Commerce Building:

In spite of Mr. Clarence Darrow's criticism, directed at the injustice of the N.R.A. to small industries, we find our business much better this year than last year. We want the code for the canvas-goods industry which is one of the smaller groups to stay in effect by all means.

WM. C. BROOKS AWNING SHOP.

BOSTON, MASS., *May 22, 1934.*

Gen. HUGH JOHNSON,
National Recovery Administration:

Am in full sympathy with your stated position with respect to Review Board, believe original purpose of Board, if carried out, would have resulted in constructive action, but selection of personnel was unfortunate. Have sympathetic understanding of your colossal undertaking under great difficulties, and pledge cooperation in everything that I can conscientiously support. Will be glad to offer constructive criticisms, with a desire to be helpful, but do not relish being labeled as a heaver of dead cats when criticism is given in good faith.

SUMNER C. REYNOLDS,
President American Dental Trade Association.

NEW YORK, N.Y., *May 22, 1934.*

Gen. HUGH S. JOHNSON,
Administrator National Recovery Administration,
Washington, D.C.:

The steel casting industry, comprised of 179 units, normally doing a business of $200,000,000 per year, challenges Mr. Darrow to take poll of this industry as to whether the code of the steel casting industry has been oppressive to the small fellow. It will furnish a complete roster of the entire industry and will pay the expenses of a telegraphic answer to any questionnaire that he may be disposed to frame. We support you 100 percent in a showdown of his accusations.

Col. MERRILL G. BAKER,
Executive Vice President Steel Founders Society of America.

PITTSBURGH, PA., *May 22, 1934.*

Gen. HUGH S. JOHNSON,
N.R.A. Administrator:

The members of the code authority of western Pennsylvania subdivision express their sincere appreciation of your prompt and convincing reply to the unjustified conclusions contained in the report of the Darrow committee. We pledge ourselves to continued whole-hearted support of the policies of the President and of the National Recovery Administration and your efforts to accomplish stabilization of our industry.

J. D. A. MORROW,
Chairman Code Authority of Western
Pennsylvania Subdivision No. 1.

EXCERPTS FROM LETTERS RECEIVED BY GENERAL JOHNSON IN REGARD TO THE DARROW REPORT

From Mr. J. H. Clements, of the Clements Co., Greensburg, Pa., May 21, 1934:

"We are writing in reference to the Darrow report upon the N.R.A. We heartily approve, on the whole, of code regulation of our business. * * *

"Before the code any business man could be forced to the wall by any competitor who possessed double his capital. We do not see how intelligent price fixing can harm the consumer in any way. * * *"

From Mr. A. L. Alexander, with the Marus Marble & Tile Co., Memphis, Tenn.:

"Read excerpts from Mr. Clarence Darrow's review board. They apparently have no practical apprehension of the business conditions which existed prior to the effectiveness of the N.R.A. and codes of fair competition therefrom. The standards of living justly due the American people cannot be maintained with the sweatshops, with the exploiter, and the chiseler if allowed to wield their unfair methods in operating their business. There is no additional experiment needed. A large percentage of the workmen and their families were reduced to practical starvation in a nation having a surplus of necessities. The condition was enormously unbalanced. It would seem that the members of the Review Board had not lived in the United States for the past 4 years, as they appear very ignorant of the true facts which the American people and American business have faced and experienced during the last few years. I am for the N.R.A., the codes of fair competition, and there are 'a hundred million others like me'."

From Mr. J. E. Stocker, manager of the Myrtle Theater, Detroit, Mich., May 21, 1934: "Having been an independent exhibitor for over 20 years I am somewhat in a position to judge the pros and cons of the motion-picture code. Having read Darrow's criticism of this code, my reply to that criticism is that it is greatly misleading to the average citizen who is not familiar with the general problems of production and exhibition of motion pictures. While the code is not perfect, I would rather operate the Myrtle Theater under the code provisions than without it. The handicaps of the independent exhibitor that Darrow's report enumerates existed before the code was enacted only to a far greater extent. I could write in great detail about the problems of the industry—the problems of the smaller independent exhibitor like myself—what I had to contend against before the code and what we have to contend against today. Suffice to say, my investment is more safeguarded today with the provisions of the code than before the code. The code is not perfect, but without the N.R.A. code conditions would be far worse, and I have no doubt but that serious faults in the motion-picture code will be corrected as well as those in other codes. I dread to think what would happen to industry as a whole if N.R.A. rules are entirely done away with and the chaos that would result with unregulated cutthroat competition. Wishing you success in your work of recovery."

From Mr. Harry R. Marlowe, Warren, Ohio, May 21, 1934: "I commend the reply to the Darrow report. I know the standpoint of Darrow, and it is not of practical use at the present time. Keep the good work of the N.R.A. going, you have the worthwhile people with you. I would urge that consumers' interest be supported by a more active organization, but keep the good work going."

Mr. ROBINSON of Arkansas. Now, Mr. President, I wish to recur to the question of the effect of the N.R.A. on little business. I have already pointed out that some little businesses have been put out of existence, such as sweatshops and those which depend for their prosperity or success on the employment of child or woman labor, particularly at excessive hours. Undoubtedly there are other cases where the economic conditions are such that it has been found impracticable to reduce hours and raise wages without imposing a hardship on certain small businesses. That, as I said or implied, is inevitable if you accept the policy of improving living conditions among laborers by reducing hours and raising wages. There are some businesses which barely existed, under conditions permitting them to pay unreasonably small wages and permitting them to work their labor at unreasonably long hours; but if you are in sympathy with the policy of reducing the hours of labor, if you believe in the policy of paying a living wage, there is no way known to the human mind to avoid those results in some instances.

With respect to the subject of monopoly also, both the antitrust acts and the National Industrial Recovery Act forbid monopolies. The National Industrial Recovery Act forbids monopolistic tendencies. The antitrust acts forbid combinations in restraint of trade, while the National Industrial Recovery Act authorizes combinations. The stated policy of the National Industrial Recovery Act is—I quote from the act:

> Promoting the organization of industry for the purpose of cooperative action among trade groups * * * under adequate governmental sanction and supervision.

This is to be accomplished by codes of fair competition. The Darrow report says there is no such thing as fair competition; that all competition is unfair and destructive; and if you recognize that as true, if you support that assertion and conclusion, it is, of course, impossible under this or any other act based on an analogous principle to revive or revitalize industry.

There is a provision in the National Industrial Recovery Act that any action complying with the provisions of the code shall be exempt from the provisions of the antitrust laws of the United States. That was the subject matter of much discussion while the bill was pending in the Senate, and I think also while it was under consideration in the House of Representatives. The question was raised then as to what would be the effect of the incorporation of such a provision in the law, plainly modifying the antitrust statutes and permitting combinations for the suppression of unfair competition, and for the promotion of fair competition; and it was decided by the legislative body, after prolonged consideration, that, if units in industry were to be permitted to combine for the purpose of preventing unfair competition, it would be unfair and ineffective to hold them liable under the antitrust laws for so doing.

Monopolies are forbidden under both the antitrust laws and under the National Industrial Recovery Act. Restraints of trade by codes approved by the President are permitted so long as they do not have monopolistic tendencies. A

monopoly, as all Senators understand, is an exclusive right or privilege of engaging in particular business or traffic.

Therefore, any act or combination under a code which does not tend to an exclusive right to engage in a particular traffic, when approved by the President, is lawful under the National Industrial Recovery Act. It is to be seen, therefore, that the difference between the National Industrial Recovery Act and the antitrust laws is that while both prohibit monopoly, the National Industrial Recovery Act amends the antitrust acts to permit combinations approved by the President.

To allege monopolistic tendency in a code it is not enough to show that the code authority does not include representatives of all groups or that it provides for price stabilization to prevent cutthroat competition. It must also be shown that such provisions as price control tend to create an exclusive privilege of engaging in a particular traffic. Price control in combination which tends to keep prices up does not tend to wipe out competitors. It tends to sustain them. It is price control in combination which tends to cut down prices that is monopolistic, for the manifest reason that the little operator is at a disadvantage in competing with the large operator.

I recall that some years ago one of the great oil companies, in a desire to assert its monopoly or to acquire a monopoly in a certain territory, reduced the prices of its products so low that the small operators could not compete with them and were compelled to go out of business. Then, of course, when that had been accomplished, the prices of oils went even higher than they had been before. So it is cutthroat competition which creates monopoly. There can be no monopoly under the N.I.R.A. unless it is favored by law as under the copyright and patent laws of the United States.

There is not one complaint before the Review Board or before the N.R.A. that the codes tend to put prices down nor an attempt to show that the effort is to create a condition favorable to monopoly through the reduction of prices. On the contrary the intention is, and it is well supported, that the tendency is to raise prices. Therefore, price stabilization cannot be an instrumentality of monopoly.

Price stabilization, whatever mistakes of judgment may have been made, has saved thousands of little fellows under the N.R.A. Every complaint that N.R.A. fosters monopoly through price stabilization is ill-taken. The price provisions are not objectionable as monopolistic. They may be objectionable from the standpoint of the consumer on grounds of policy but not of statute.

Price stabilization may be productive of hardship to the consumer, but it cannot promote monopoly. The way the great business units obtain their monopolies is by a directly reverse process, by adopting a plan and pursuing a policy behind which they move all their vast resources—resources which are not available to the small man and against which he has no power of resistance whatsoever.

Therefore, the price provisions in the N.R.A. codes are objectionable only to the consumer. It is the consumer, and not the small business man, who is interested in low prices. Sales below cost immediately or eventually produce two certain results, to lower the wages and living standards of labor and to destroy small enterprise. The National Recovery Act requires N.R.A. to protect living standards of labor and to conserve small enterprises. The task of N.R.A. is to strike a balance between the interests of the consumer on the one hand and the wages of labor and small business on the other. It must aim for a price structure high enough to maintain small enterprise and labor wages, and yet low enough to protect the consumer against extortion.

The Senator from North Dakota [Mr. NYE], in an article published in the June issue of Current History, presented his views under the heading Squeezing the Consumer. I have already shown that complaints as to raising prices lie in the mouth of the consumer and not in the mouth of the little business men in industry. But while the Senator from North Dakota has so much to say about "squeezing the consumer", on the other hand, and inconsistently, I believe, he champions the little fellow in business against the N.R.A., as if the action of the N.R.A., in raising prices to meet the increased cost of labor, the increased cost of materials, and to reduce hours of labor, did not have the inevitable effect of promoting his interests rather than destroying or thwarting them. He cannot be right about both. He must choose. Either he must want cutthroat competition, which will destroy the little fellow, but temporarily help the consumer, or he must want stabilized prices, which will cause the consumer to pay more, but which will save the little fellow. The Senator from North Dakota cannot with consistency take both sides of the argument.

There is another choice which must be made. N.R.A., as I have already said, and as the Senator from North Dakota said, has abolished the sweatshop, child labor, and intolerable wages and hours in various economic areas. Furthermore, wages in all industries and trades have been raised. These wage raises have made it cost the little fellow—and incidentally the big fellow also—more to do business. In fact, higher wages constitute between 75 and 90 percent of the little-fellow complaints. They have never mentioned this fact, the only real fact underlying the whole trouble.

For what particular little fellow are those who denounce the N.R.A. working? Are they interested in women and children in sweatshops, laborers working 12 hours a day for 5 cents an hour, or do they speak for the small operators who claim they can stay in business only if those disgraceful conditions continue? They cannot with consistency take both sides of the argument. They cannot blow hot and cold on the proposition.

If we are to elevate the standard of living among laborers in whatever sphere they may toil, we must accomplish that purpose by raising their wages and shortening their hours of labor. If we accept that policy, if we want to place the laboring man permanently upon a plane where he may live and move and have his being in comfort and hope, it must be paid for. It cannot be done by the mere adoption of resolutions or by the mere declaration of good intentions. If we raise wages and shorten hours, we must also raise prices in order to obviate the necessity of industry's operating at a complete loss.

Did you know that in spite of all that has been said to the contrary, 90 percent of the code provisions are designed for the protection of small enterprise?

The lumber code is charged with hurting the little fellow. There are cases where sawmills were found so unprofitable in operation that to raise the wages or to shorten the hours of their workers meant closing down; but instead of hurting the small sawmill business the general effect of the N.R.A. administration has been to improve it. That statement is evidenced by the fact that in July 1933 there were 13,636 sawmills in operation in the United States. In March 1934 there were 15,170, an increase of 1,534 in that short period. There are now pending requests for allocation for 2,200 additional mills.

The bituminous coal code revised and stabilized prices. It had to if labor's wages and hours were to be improved. Before the coal code, most mines were selling at a loss. This drove out thousands of small mines, and threatened thousands more. Since the code, 4,330 small mines reporting to the N.R.A., and probably many thousands more, have resumed operations; and, of course, thousands of small operators of coal mines were saved.

The entire structure of the retail tire business was threatened by combinations between several gigantic corporations, resulting in such ruthless price cutting that these little fellows were being slaughtered at the astonishing rate of 10,000 a year. N.R.A. entered the situation, requiring first a truce on these truly monopolistic price cutters and then a code to stabilize wholesale prices at a level high enough to save the little fellow. Before the truce, the National Recovery Administration was receiving thousands of telegrams complaining of the slaughter of little fellows. Since the truce and the code, this complaint has disappeared.

Before the motion-picture code, small exhibitors were helpless. The code set up grievance boards with very broad powers. The evils of block booking are not due to the code. They are due to the copyright laws. The National Recovery Administration, however, obtained 25-percent relief of the rigors of block-booking contracts. The National Recovery Administration could not change the law, but through its intervention 25-percent relief was secured from the rigors of that system.

The National Recovery Administration has been blamed for the results of patent laws and copyright laws. It has been appealed to to take away from the patentee or the holder of a copyright his benefits under authority of national statutes. Quite manifestly, that was an impossibility, and it is unjust to criticize the National Recovery Administration in that way.

H. A. Cole, president of the Allied Theater Owners of Texas, at first complained of the code to the Darrow board. When he saw the operation of the local grievance board, he sent a circular to his association, saying, among other things:

> Here is the first piece of really good news the independent exhibitor has heard in many years. * * * Prels was forced to close his theater—

Before the code. After the code, he appealed to the grievance board and got a favorable decision.

> Do you know what this means to you? If that principle is accepted in this business, it means that you can go home and sleep at night without the nightmare that a chain can come into your town and take it away from you. * * * This is the first ray of sunshine in the years of the battles of independents.

There is not one single complaint of an independent or small picture exhibitor closed on account of the code, while thousands telegraph and write to N.R.A. that it has saved them.

Every well-informed person knows the mortality in small retail establishment due to chain- and mass-distributing operations. The retail code has practically averted this economic slaughter of the little fellows by eliminating "loss leaders" and preventing cutthroat competition by powerful competitors. It has saved thousands of small bookshops by provisions preventing large stores and chain drug stores from selling books practically at cost. It has saved small independent druggists all over the country by preventing wholesale sales to big fellows at less than the wholesale list price in dozen lots.

So certain were the little fellows in trade that the retail code was their salvation that over 85 percent of the small retail stores of the country have voluntarily gone under the code and sought its protection. As a matter of fact, the sole purpose of this vast code was to protect small enterprises in their field against a force that had almost destroyed them.

It has been said that there are too many codes. Probably that is true; but I point out the fact that in many instances, if not in most instances, the codes for small business were devised and formulated at the request of the men engaged in the business, in the belief that the codes would result in their protection, and they express themselves as pleased and gratified. Indeed, the man to whom I referred a while ago as having been sent to jail under a State law for violation of some provision of a code wired to General Johnson expressing his entire satisfaction with the operation of the national code. He said:

> JERSEY CITY, N.J., *May 14, 1934.*
>
> Gen. HUGH JOHNSON:
>
> I am Jacob Maged, the tailor who was sentenced to imprisonment for violating the cleaners and dyers' code. I am heartily in favor of the code. It is protecting me in my business from price cutting, and I know that without it our living would be seriously hurt. The code must be maintained.
>
> JACOB MAGED,
> *138 Vesey Street, Jersey City, N.J.*

Mr. LONG. Mr. President, will the Senator yield?

Mr. ROBINSON of Arkansas. I yield.

Mr. LONG. I understood that that tailor, upon being sentenced to jail, was released after serving about 12 hours of the sentence, and that he signed the statement that he was happy to approve the N.R.A.

Mr. ROBINSON of Arkansas. Oh, no, Mr. President!

Mr. LONG. That is my understanding.

Mr. ROBINSON of Arkansas. That, in my judgment, is an unjust and an unfair insinuation.

Mr. LONG. I read that very reliably.

Mr. ROBINSON of Arkansas. Very well. The Senator may read what he chooses; but this telegram was voluntarily sent by Mr. Maged to General Johnson under date of May 14. The incident to which he refers happened many weeks ago.

Mr. LONG. Mr. President——

Mr. ROBINSON of Arkansas. I must decline to yield if the Senator is going to continue along that line.

Mr. LONG. Will the Senator allow me one further statement?

Mr. ROBINSON of Arkansas. Yes.

Mr. LONG. There will be found a parallel to this in the book by Victor Hugo called "Ninety-three."

Mr. ROBINSON of Arkansas. Mr. President, I do not think that reference by the Senator from Louisiana has either pertinence or intelligence in it. [Laughter.]

Mr. President, in view of what has been submitted here this morning I do not believe the attack on the N.R.A. on the ground that it is destructive of little business can be justified. I do not believe it can be justified on the ground that the N.R.A. has tended toward the promotion of monopoly. The textile code literally snatched a moribund industry from destruction. Hundreds of small mills, shut tight before the code, have opened, and thousands more have been rescued from destruction. One could continue this list almost indefinitely. If it were so continued, the same conclusion could be reached.

I must put on the spot, so to speak, those who stand in opposition to the National Recovery Act on the theory that it promotes monopoly by causing increases in prices, and thus subverts the interest of the small men. I think it has been shown that the object of price raising has been to meet the increased cost incident to rises in labor wages and in the shortening of the hours of labor. If we are to proceed with national recovery, we must continue to administer this law solely with regard to the best interests of the public, with regard to the general welfare, and we must be charitable and recognize the fact that the task is a very difficult one, one which involves the reversal of long-established customs and precedents and the adoption of new methods and processes.

I thank the Senate for the attention it has given me.

I ask leave to have printed in the RECORD the various newspaper items and other matter to which I have referred.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBINSON of Arkansas. Mr. President, I had intended to incorporate in the RECORD, among other papers, a very important statement reported in the press this morning as issued by Mr. William Green and others of the National Labor Advisory Board, expressing the opinion that the Darrow report does great injustice to the National Recovery Administration and to the Administrator, and asserting that the law is being administered in the interest and for the benefit of labor as well as for the public generally. I ask to have that printed in the RECORD also.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The articles and statements ordered, on request of Mr. ROBINSON of Arkansas, to be printed in the RECORD are as follows:)

[From the Washington Post of Thursday, May 24, 1934]

LABOR CHIEFS CONDEMN DARROW BOARD REPORT AS BLOW TO RECOVERY—CONDEMN CRITICISM OF N.R.A., ASK BOARD BE ABOLISHED—ATTACK ON JOHNSON IS RESUMED BY NYE—WAGNER SAYS FINDINGS SHOULD PROVE AID TO PROGRAM

By Raymond Clapper

N.R.A. staged its counterattack in the Darrow Board controversy yesterday, interrupted only by a brief cocktail-hour armistice while the two colorful principles, Gen. Hugh S. Johnson and Clarence Darrow, went for an automobile ride together.

N.R.A.'s Labor Advisory Board, including President William Green, of the American Federation of Labor; John L. Lewis, president of the United Mine Workers; and other headliners of the labor world, unanimously voted condemnation of the Darrow Board and urged the President to terminate its "unhappy existence" at once.

Senator ROBERT F. WAGNER (Democrat), New York, who introduced the National Recovery Act in Congress just about a year ago, in a Senate speech said some criticisms of N.R.A. were well founded, but insisted that the Recovery Administration should be allowed to profit by them and not be abolished in view of the great good it had done.

CONFER WITH ROOSEVELT

Leon Henderson, Chief of the Division of Research and Planning of N.R.A., came to his chief's defense in a statement denying General Johnson had ignored his recommendations and sought to abolish his division, as charged by Senator GERALD P. NYE (Republican), North Dakota.

General Johnson and Donald R. Richberg, N.R.A. counsel, conferred with President Roosevelt regarding revision of the steel code and new plans for handling the troublesome service codes and small industries. No decisions were reached, Johnson said.

President Roosevelt refused to mix into the Darrow controversy, declaring—in a Latin phrase, res ipsa loquitor—that the Darrow report spoke for itself. He said his latest information from Darrow was that the Board would finish its work by the end of the month.

Senator NYE renewed his attack on N.R.A. and General Johnson, declaring a complete shake-up was imperative and urging that Congress refuse to go home until it was accomplished.

Richberg, in a radio speech, suggested a little more humility "to political critics who assume to solve these problems after a few days of second-hand investigation."

The Darrow Board, in its hearing of complaints from the garment industries, broke into a bitter internal row and recessed while members calmed down in private.

In view of Darrow's long record as a champion of labor, the sharp denunciation of his work by the N.R.A. Labor Advisory Board came as a surprise. The labor leaders were even more denunciatory of the Board than General Johnson and Donald Richberg have been.

In the resolutions, the labor leaders represented on the Advisory Board said it was especially unfortunate that the Darrow Board had reached its conclusions without consulting representatives of labor and without thought of the consequences to millions of workers in coded industries.

INFORMERS CRITICIZED

"Obviously", the resolutions continued, "the Darrow Board has secured its information regarding specific codes from the rag-tag and bobtail elements of industry. Irresponsible malcontents, sweatshop employers, and business interests which had lost special privileges found the latchstring out and a warm welcome awaiting them before the National Review Board.

"Representatives of the organized workers were not invited to the Darrow feast, and approved codes of fair competition were savagely attacked without any member of the Darrow Board stopping to inquire from any authoritative source the effect of such attacks upon the economic well-being of the Nation's wage-earners."

The resolutions said that the Board sought to glorify the small business man and the consumer both, whereas their interests were in conflict, one wanting high prices and the other low prices.

"The Darrow Board should decide which of these groups it elects to serve", the resolution continued. "Certainly it cannot ride horses going in opposite directions."

URGE END OF BOARD

"The Darrow Board has rendered a disservice to the Nation and its citizens in a time of great economic stress. It has pandered to the worst elements in our political and economic life. If its members are not conscious of these facts, they are victims of arch stupidity and have forfeited their right to continue to function as a Government agency."

The resolution added "unhesitatingly" that the Board should have its "unhappy existence promptly terminated by Executive order of the President."

As the man who sponsored the Recovery Act, Senator WAGNER sought to step in between the belligerents to halt the brawl-like exchange of sarcastic personalities and to lift the discussion back to the plane of calm reason.

"The new deal", he said in a Senate speech answering criticisms of N.R.A., "has accomplished too much to fear destruction by its enemies. It can only suffer if its friends clothe it in perfection and scorn the advocates of improvement.

SAYS PROGRAM IS SOUND

"I do not mean to deny that some prices are too high today. Nor do I deny that there are some industries which are engaged in price-fixing to the detriment of the public welfare. But despite this, the general tendency is favorable, the underlying method of approach of the recovery program is sound, and the need today is to make that program even more effective and to prevent its instrumentalities of control from falling into the hands of selfish groups.

"It is true, and many able Senators and Mr. Darrow's Board have rendered a great service by bringing it to light, that the small man still suffers from many of the monopolistic tyrannies that have persisted for half a century.

"How may these evils be remedied? Certainly not by repealing the sections of the Recovery Act which modify the antitrust laws, for all of these evils existed when those laws were in full force. It is not the code idea that promotes monopoly."

Senator WAGNER said that sections of the Darrow report recognizing that there could be no return to unregulated competition might have been plucked from the plea he made for enactment of the Recovery Act a year ago.

PRAISES JOHNSON

"The immediate problem before us", the Senator added, "is to prevent the production-control devices of the new deal from being turned into an old-deal instrument for the profit of the few and the denial of the many. It is at this crucial stage that forceful and careful and patriotic criticism such as has been forthcoming during the past few months is necessary.

"General Johnson and the men under him have faced a superhuman task with superhuman efforts, with vision, fairness, and courage. They deserve the highest tribute.

"The able critics of the recovery program have said that it is fatally defective, because it is advised by the very leaders who brought about disaster in 1929. I do not believe that our troubles were brought on solely by improper leadership; many of them were caused by an outworn economic system. The same men, when given an opportunity to cooperate and to receive the advice of government, may achieve far better results. Nevertheless, there is a good deal of force in this thoughtful criticism."

CITES BUSINESS GAINS

Senator WAGNER said the employment index is 37 percent higher than a year ago. Hours of labor have been reduced 16 percent. The factory pay-roll index has gained 73 percent in a year and is the highest in 3 years, he said. Basic industrial output, by the index, is up 34 percent above a year ago.

"The back of the depression is broken", he said, adding that some who see their own scalps saved want to return to the old regime.

The purchasing power of wage-earners, Senator WAGNER said, has risen 23 percent in a year. In April, he added, only 2 out of 90 manufacturing industries failed to show gains in employment, and all showed pay-roll gains. These figures, he said, covered industries many of which are mostly composed of small units.

MONOPOLISTIC TENDENCIES

Senator NYE spoke before WAGNER, concluding his attack on N.R.A. begun Tuesday, and renewing his theme that the small business man was being injured by monopolistic tendencies in N.R.A. He insisted that a complete shake-up in N.R.A. was essential.

"It seems to me an obligation upon us as a Congress to decline to leave until assured these infamous abuses will be eliminated", Senator NYE said.

Again, he dealt roughly with General Johnson, whom he accused of being so intolerant of criticism and supervision that he would like to be rid of not only the Darrow Board but some of his own insurgent divisions and the Consumers' Advisory Board. NYE said he believed Johnson also would like to hasten the departure of President Roosevelt for Hawaii.

"What a delightful opportunity then would exist for General Johnson, Mr. Richberg, and their associates within N.R.A. to demonstrate what 'cracking down' can really mean", Senator NYE continued.

"Under such favorable conditions, General Johnson could perform for the interests of monopoly a much finer service than he has been able to perform thus far with the boards, commissions, Congress, and the President himself on the ground, watching to see what was going on. What a summer for the American plunderbund!"

SAYS NEW REVIEW PLANNED

Senator NYE asserted Department of Justice agents have been sent to northern West Virginia to investigate charges that the bituminous-coal code authority there was guilty of malfeasance in office. The Darrow report charged this. Attorney General Cummings said no agents had been sent, but that it was being considered.

Leon Henderson, chief of the N.R.A. division of research and planning, disputed Senator NYE's assertion that his office was in ill-favor with General Johnson. In a formal statement, which Henderson described as "just a plain country boy's personal statement", and issued on his own initiative, he declared that his recommendations had been accepted in the main and that he had been given increasing responsibility.

"I got my job by hollering—and no day passes but what I holler about something", he said. "And General Johnson never yet has ever attempted to restrain me."

Henderson was drawn into N.R.A. after he had made severe criticisms of its operations as a consumers' representative, some months ago.

Senator NYE said he understood President Roosevelt was planning to set up another group to study the effects of codes on small businesses, consumers, and wage-earners, and that it would include representatives of the N.R.A. consumers' board, the N.R.A. statistical and planning division, the Federal Trade Commission, and the Darrow Review Board, probably after the Review Board had finished its work.

[From the Washington Evening Star of Wednesday, May 23, 1934]

BIG IMPROVEMENT IN BUSINESS IS REPORTED BY INSURANCE HEAD—RAILROADS AND REALTY PARTICULARLY FOUND IN BETTER SHAPE—F. H. ECKER STOPS HERE IN TOUR THROUGHOUT COUNTRY

On a tour of the United States and Canada to confer with his organizations field representatives, Frederick H. Ecker, president of the $4,000,000,000 Metropolitan Life Insurance Co., tarried in Washington today long enough to loose a refreshing wave of optimism anent economic conditions.

His principal business here is a meeting of company representatives from the Virginia, Maryland, and West Virginia districts. Mr. Ecker nevertheless took time out this morning to receive reporters in his suite at the Mayflower Hotel and give them fresh impressions gathered during recent visits to every section of the country except the west coast. He expects to complete his travels in Canada and the West in the near future and seemed hopeful of finding vast improvements in business there as, he said, he has everywhere else throughout the Nation.

Brisk and cheerful, the insurance-company executive appeared to be carried along buoyantly on a wave of the upturning tide in business as he recounted the conditions he has observed in the South, the Middle and Northwest. He said the railroads are better, the real-estate situation is better, the former evil state of industry has begun to respond to treatment.

NONCOMMITTAL ON CAUSE

Just what has brought about the brighter turn of affairs, Mr. Ecker did not wish to say. Did he think the policies of the new deal responsible?

"I report to you conditions as I have found them, without drawing conclusions", he replied.

He was equally wary of comment on specific phases of new-deal activity or the critics who have beset the N.R.A. recently.

Of railroads, farms, and urban real estate he had more definite things to say. The railroads are in a much better state than they have been in the last few years, he believes. Business is picking up and, consequently, the use of railroads as freight and passenger carriers. If there existed enough business to use the facilities of the rails to their full extent, the transportation companies would be on easy street once again.

Meanwhile, he regards the underlying bonds of the companies as good investments today, even for the conservative life-insurance companies. This conclusion is based on the theory the underlying securities represent such a small portion of the values involved and are so close to the top claim that they will always be redeemable. He said in many respects the rails have suffered by their own failure to develop their services to meet the competition of trucks and passenger cars and airplanes. Faster freight and passenger trains, air-cooled cars for comfort, and other conveniences now being evolved to catch the fancy of shippers and travelers will lend new strength to the roads. He predicted that for some of them the inevitable difficulty, however, will lie in the location of new capital to aid them.

REALTY SHOWS UPSWING

Mr. Ecker, who worked his way up from office boy to president of Metropolitan Life in 45 years of continuous service and has headed the vast organization for about 5 years, was once the company's real-estate manager, and naturally has kept his interest in that branch of its broad investments. He said real estate now is beginning to reflect the upswing, showing a much better record on the books than it has in many months.

As for the farmers, he admitted his visits had been confined to the cities, but some of those were in regions where urban prosperity or lack of it is more or less a reflection of the state of agriculture in the surrounding area. Here again he found things looking up, completing a relatively rosy picture of the economic whole.

Diverted again into the fields of governmental topics, Mr. Ecker expressed his belief unemployment reserves could be set up effectively to take care of emergencies and seasonal reductions, but he did not set forth precisely what part the Federal or State Treasuries should play in creating these reserves. He said the question of plain Federal unemployment insurance was rather too complex and lengthy to discuss in a brief session, but cast forth a possible indicator of his opinion in remarking that from the business standpoint unemployment is uninsurable.

RATE TABLES NECESSARY

Rate tables, such as the mortality figures used by life-insurance companies, are necessary to fix insurance premiums, he pointed out.

It would be unjust, therefore, to set the costs for businesses employing men steadily throughout the year at a figure balancing the losses suffered through occupations subject to seasonal unemployment.

Nevertheless, he said, by the cooperation of employers and employees (and perhaps the Commonwealth) it would be possible to create funds to tide over the workers in periods of idleness.

Mr. Ecker will leave here tonight to continue northward on his journey, and thence to the final western territory in Canada and the United States.

[From the Washington Post of Tuesday, Apr. 17, 1934]

INDUSTRIAL RECOVERY IS FOUND ADVANCING ALONG WIDER FRONT—SURVEY REVEALS FIRST QUARTER'S BUSINESS MOVED FORWARD VIGOROUSLY—GAINS RECORDED IN PRODUCTION, SALES, PRICES, PAY ROLLS, AND EMPLOYMENT

NEW YORK, April 16.—Industry moved ahead vigorously in the first quarter of 1934. Increased activity, visible in a number of lines late in 1933, was extended to all major industries in the first 3 months of 1934, with gains in production, sales, prices, employment, and pay rolls recorded on a far greater scale than in the corresponding period of any recent year, according to a survey of industry for the first quarter of 1934, which has just been completed by the research department of Dun & Bradstreet, Inc.

"The extent of the industrial gains is shown in the trends of seven primary factors", the survey points out, "all of which point to but one conclusion: That American industry enters the second quarter of 1934 with recovery in full swing.

"The preceding months have been a period of steady progress and outstanding achievement emphasized, and made more striking, by the low level from which the forward movement began. Fundamental conditions not only have improved greatly but the momentum of industry has been accelerated sharply.

PRODUCTION UP 10.8 PERCENT

"The extent of the industrial improvement in the first quarter of 1934 is shown in the movement of the Index of Industrial Activity during that period. The December index figure was 71.6. In the 3 following months it advanced successively to 72.5, to 73.2, and finally, in March, to 79.3. The gain over the December level of activity was 10.8 percent. This is the most impressive first-quarter activity increase recorded in any recent year.

"A continuance of the expansion of the volume of industrial sales also was a feature of the first 3 months of the year. For the first time in a number of years the sales of each one of the 25 industries charted was higher than in the corresponding quarter of the year before.

"In the third quarter of 1933 the sales averages of 16 of the 25 industries were over 100 percent. In the fourth quarter 100 percent or more was shown by 23 of the 25. Among the most outstanding gains were those of steel, automotive, chemical, and household products industries.

EMPLOYMENT AND WAGES GAIN

"First-quarter wage increases were of striking proportions, manufacturing pay rolls in February reaching a new high in a gain of 12 percent over the January figures, restoring a peak untouched since early in 1931, and making the greatest 1-month improvement in 15 years. The increases affected workers practically in all industries and applied both to salary and to wage-earners. The average increase in wage scales was slightly greater than the average increase in salary scales.

"The gains in employment in the first quarter of 1934 were equally as impressive as the wage increases. The average total of unemployed in the period was a little more than 8,000,000, whereas the total for the corresponding period of 1933 was over 13,000,000. The decrease in unemployment shown by these two totals is nearly 39 percent. The same totals, on the basis of 50,000,000 normally gainfully employed, show a gain in employment of 14.2 percent."

TRUCKS GAINING IN SHIPMENTS OF LIVESTOCK—21 PERCENT OF SLAUGHTER ANIMALS RIDE TO MARKET ON RUBBER TIRES

By Giles Findley

CHICAGO, April 16.—Livestock headed for slaughter pens rode to town in rubber-tired hacks in vastly increased numbers last year.

A survey of the receipts in Chicago, the largest livestock market in the world, revealed 21 percent of the 1933 arrivals rode to market in motor trucks. The year previous, 1932, the total was slightly less than 14 percent.

Total receipts of livestock in Chicago last year were 13,834,856 head. The year previous the total was 12,977,009. The motor-truck shipments in 1933 totaled 2,893,002 head, more than a million head over the 1,738,997 animals trucked in during 1932.

HOGS SHIPPED ON TRUCKS

The number of hogs shipped on rubber tires increased 80.32 percent, compared with 1932; cattle, 55.61; sheep, 30.11; and calves, 41.61. The average increase in shipments was 51.91 percent.

The livestock shipped on trucks was the equivalent of 47,318 standard carloads, if shipped by rail. This would make 789 standard 60-car trains, or an average of more than 2 trainloads daily for each day of the year.

Receipts of hogs in 1933 were 7,791,626 head, including 58,617 sows and 904,252 pigs purchased by the Government to reduce supplies. Of this amount, 1,953,777 hogs were trucked in, or 26 percent of the total.

This compared with receipts of 6,602,237 in 1932 with 1,083,487 on trucks.

RECEIPTS OF CATTLE

Cattle receipts were 2,066,659, with 464,142 by truck. The 1932 figures were 2,005,745 and 298,259, respectively. The 1933 truck movement was 22.5 percent.

Calves were figured separately and arrivals were 440,394, with 126,000, or 29 percent, by truck. The previous year saw arrivals of 446,842, with 89,093 in trucks.

Sheep producers apparently, however, saw little in the trucking idea. Receipts in 1933 were 3,536,177, with only 248,917, or 9.8 percent trucked. The previous year arrivals were 3,922,185, and trucks brought in 268,158.

BANK DEPOSITS INCREASE

NEW YORK, April 16.—An increase of $24,371,704 in deposits during the first quarter of 1934 was reported today by mutual savings banks in New York State, the total reaching $5,110,649,204 on March 31. There were 5,792,203 depositors, a gain of 72,384 for the period.

[From the Washington Post of Thursday, May 24, 1934]

UNEMPLOYED WORKERS IN NATION CUT TO 7,907,000 DURING 1 YEAR

NEW YORK, May 23.—The total number of unemployed workers in April 1934 was 7,907,000, according to an estimate of the National Industrial Conference Board issued today. This is a decline of 114,000, or 1.4 percent from the March total, and a decline of 5,296,000, or 40.1 percent, as compared with March 1932, when unemployment was at its highest point.

Unemployment increased 32,000 in mining, but this was overcome by decreases of unemployment in other industries as follows: Manufacturing and mechanical, 99,000; transportation, 7,000; trade, 59,000; domestic and personal service, 5,000; and 3,000 in miscellaneous occupations. In addition, it is estimated that 27,000 new workers became available for employment during the month.

Unemployment has decreased since March 1933 in all industrial groups for which figures are available. Decreases were especially marked in manufacturing and mechanical industries. The number unemployed in this group of industries in April 1934 was 2,500,000, a decline of 3,923,000, or 61.1 percent from the peak of unemployment in this group in March 1933. From March 1933 to April 1934 the number of unemployed workers in other groups decreased as follows: 54.8 percent in trade; 29.7 percent in domestic and personal service; 14.8 percent in the extraction of minerals; and 11.1 percent in transportation.

In this estimate the workers employed through the Public Works Administration are counted as employed. Emergency workers employed under Government auspices, usually part time, in lieu of direct unemployment relief are counted as unemployed.

UNEMPLOYED WORKERS IN GROUPS

The following table shows the number of unemployed workers in the various industrial groups in March 1933, March 1934, and April 1934:

Industrial group	Number of unemployed		
	March 1933	March 1934	April 1934
Extraction of minerals	576,000	459,000	491,000
Manufacturing and mechanical	6,423,000	2,599,000	2,500,000
Transportation	1,591,000	1,422,000	1,415,000
Trade	2,126,000	1,020,000	961,000
Domestic and personal service	607,000	432,000	427,000
Industry not specified	539,000	420,000	417,000
Other industries [1]	296,000	296,000	296,000
All industries	12,158,000	6,647,000	6,506,000
Allowance for new workers since 1930 census	1,045,000	1,374,000	1,401,000
Total unemployed	13,203,000	8,021,000	7,907,000

[1] This group includes agriculture, forestry, and fishing, public service, and professional service. The number given is that of the unemployed in 1930, no figures being available from which later changes in employment can be computed.

[From the Evansville (Ind.) Courier, Apr. 6, 1934]

JOBS MULTIPLY

One of the cheering bits of news lately is that young men are leaving the Civilian Conservation Corps at the rate of 7,500 a month to accept jobs. This competition of private employment began last October, continued through the winter at the rate of 5,000 or 6,000 a month, and rises higher as spring comes on.

The C.C.C. projects are recognized as worth while in themselves, for their contribution to the value of forests and eroded lands and for their wholesome building of the young manhood enrolled. But there are always new candidates available for the C.C.C. ranks, and there is all-round satisfaction when trained and toughened forest workers can be absorbed into private enterprise. They will be better workers for their experience, they will make more money, and they can be, for the most part, at home with their own people again.

It is still a big task for private business to absorb the millions squeezed out by the great depression. It may be years before all those who want and need work have regular jobs again. But the process is more rapid now, and may continue accelerating for months.

As the ranks fill up, people learn over again the old truth that there is not merely a fixed quantity of work to pass around. Work makes work. People work for each other in a thousand ways, jobs making more jobs, and total employment rolling up—as long as earnings keep pace with production and provide consuming power accordingly.

[From the Terre Haute (Ind.) Tribune, May 24, 1934]

SOMEONE HAPPY

When retail trade and mail-order business began to jump early this year the Jeremiahs said, "Oh, yes; it is not so bad, but wait until this C.W.A. spending stops."

Well, the C.W.A. spending has stopped and the retail trade keeps right on booming. The latest Dun & Bradstreet survey of merchandising conditions throughout the Nation finds "retail sales in nearly all lines at the best of any spring season of the last 3 years, with gains averaging 20 to 40 percent above last year."

Even more striking are the March and first-quarter reports of the mail-order houses, whose customers are mainly farmers. And here again the familiar explanation that this is all the result of Government money falls down badly. During March the cash loans of American farmers was $417,000,000, the Bureau of Agricultural Economics estimates. In March 1933 it was only $275,000,000. Only $9,000,000 of the $417,000,000 was from rental and benefit payments for acreage reduction. For the first quarter of 1934 the farmers' cash income was $1,312,000,000, up from a 1933 figure of $873,000,000. Only about 7 percent was from benefit payment. The Cleveland Plain Dealer remarks:

"It is genuine recovery, not mere disbursement of Federal money, which causes this continued uptrend in retail business.

"The Nation is on its way out of depression, and the increase among the dividend payers on the financial pages of the newspapers certainly must be heartening to the holders of stocks and bonds in this country. And these number 44,000,000 investors. That is one reason gloom in this country has been dispersed."

[From the Charleston (W.Va.) Mail, Apr. 2, 1934]

THE BUSINESS PICK-UP

Larger bank debits and postal receipts offer conclusive evidence of a business pick-up in the Charleston area. Further visible evidence can be found in the crowds on the streets and in the stores. Especially impressive was this last Saturday and Saturday night.

Bank debits show an increase of 14.96 percent over this time last year, according to the clearing-house association. They also are 4.63 percent above those for the first 3 months of 1932. Postal receipts for January, February, and March of this year increased $7,371.73 over those for the same period in 1933. This increase took place in spite of the fact that the rate on local mail had been reduced from 3 to 2 cents.

The significance of these figures cannot be ignored or overlooked. Business here is increasing and at a rate that must be regarded as highly encouraging. More money is in circulation. Wage earners and others are keeping their dollars—or a fair share of them—moving. This means increased business generally.

[From the Evansville (Ind.) Courier, Apr. 17, 1934]

SALES UP

Department-store sales are as good an index as any for the general trend of business, because they register consuming power over so broad a field of merchandise. The figures for last month are impressive. As compiled by the Federal Reserve Board for the whole country, they show a gain of 44 percent over March of last year and the highest level since April, 2 years ago. They surpass the record for the brief boom that came early last summer and are still mounting.

These figures agree with those of the American Federation of Labor for the estimated buying power of workers. They evidently represent the buying power of all classes. That is the way business should advance—as uniformly as possible on all fronts.

There is special assurance now of continued progress because of the widespread raising of wages in compliance with the President's request. We may be coming again into a period when it will not be necessary to make such wage requests, because greater demand for labor and rising profits will bring good wages by natural processes.

[From the South Bend (Ind.) News-Times, Apr. 20, 1934]

ON THE WAY UP

One of the brightest spots in the business picture right now is being contributed by the department stores. During March there was a record-breaking 44-percent gain in the Nation's department-store sales, and there are excellent reasons for believing that this reflects a substantial rise in the general level of prosperity.

The gain is coming hand in hand with a rise in national income. Figures compiled by the American Federation of Labor show that the workers' total income has risen 41 percent in the past year—from $1,784,000,000 in March 1933 to $2,520,000,000 in March 1934.

These figures indicate pretty conclusively that the Nation is rapidly gaining its health. People have more money to spend, and they are spending it. The industrial pump is getting primed at last; the pick-up ought to go forward now rapidly.

[From the Huntington (W.Va.) Advertiser, Apr. 18, 1934]

INDEX TO BUSINESS IMPROVEMENT

Increases in both circulation and advertising space for newspapers throughout the country during recent months tell an impressive, convincing story of the rapid upward trend of business.

S. P. Weston, recognized expert newspaper analyst, is authority for the information that many newspapers during the past 6 months have made an all-time high record in circulation. The average increase in circulation for the country, according to this authority, is about 10 percent above the level of March 1933.

Retail-advertising lineage, an unfailing barometer of general business conditions, shows a gain over last year of 37.6 percent.

The gain of last month alone over the preceding month was 9.7 percent, and there has been a steady month-by-month gain since recovery got under way shortly after President Roosevelt's inauguration.

The increase in "help wanted" advertising—a gain which mounted in New York City from 34 percent in January to 45 percent in February and 78 percent in March over the same month last year—indicates that increased employment is preceding the trade upturn and clearing the way for the business advance.

The "help wanted" lineage in New York has shown a steady pick-up from November 1933 through March.

Here are the March retail-advertising gains in five key cities for March over the same month last year, as reported by Media Records:

New York, 28.1 percent; Chicago, 35.9 percent; St. Louis, 31.1 percent; Los Angeles, 30.4 percent; New Orleans, 56.9 percent.

No better index to improving trade conditions, industrial activity, and the reemployment of workers long idle could be had than these striking advances made by newspapers in the circulation and advertising fields.

[From the Wheeling (W.Va.) Register, Mar. 31, 1934]

DOWN IN BLACK AND WHITE

Things are certainly better than they were a year or so ago. If anybody has any doubt on this point, let him look at the figures made public by the Treasury Department as to income taxes. In the week after March 15 this year the Treasury had collected nearly $190,000,000 in income taxes, as compared with $131,000,000 in 1933 and $147,000,000 in 1932. That shows an increase of over 40 percent.

It may be that the income-tax payers have indulged in 40 percent more grumbling than they did in the year before. But these increased tax payments prove that incomes have increased, and the fact that incomes have increased proves that things really are getting better. There is every reason to believe that next year's figures will show a much larger percentage of increase. And if so, that will mean that it is not going to be so very long until the depression is really a thing of the past.

[From the Davenport (Iowa) Democrat, Apr. 24, 1934]

IOWA BANKS IN FINE SHOWING

Iowa banks are today in better condition than they have been in since 1917, according to L. A. Andrew, former State superintendent of banking. That is a most encouraging report.

Mr. Andrew bases his conclusion on the fact that all Iowa banks are free of debt to the Federal Reserve System for the first time since 1917. No Iowa bank, either State or national, has any money borrowed from the Reserve System. At the peak of Federal Reserve borrowing, in 1921, Iowa banks owed the Federal Reserve $98,700,000.

Freedom of debt means much to these banks. It assures the public that they are in a healthy condition, that they are strong enough to function without borrowing, that their cash reserves are sufficient to meet all demands made upon them for their successful operation. A bank without debt is a safe and sound institution. This improved condition of Iowa banks also reflects a returned confidence, and that is a bank's greatest asset.

Improvement in business, in employment, in manufacture, and in lines of trade will keep pace with that of the banks, for after all banks are the mainstay of business. It is one of the best signs of returning prosperity.

[From the Davenport (Iowa) Times, Apr. 14, 1934]

THE BUSINESS UPSWING

The business survey for the country as a whole, carried on the first page of the Times yesterday, showed a continuation of the upswing in trade, particularly that of retail establishments. A significant factor was that the tapering off which usually comes after Easter failed to materialize this year.

"In the industrial divisions", the Dun-Bradstreet report continued, "operating schedules are rising at a more rapid rate than they did in March, unaffected to any major degree by the labor difficulties still unsettled in some districts."

As reported from day to day, the labor difficulties appear to be formidable, but apparently they have not appreciably reduced the output of our major plants. In spite of strikes the automobile manufacturing companies that are members of the National Automobile Chamber of Commerce produced last month a larger number of cars and trucks than in any other month since September 1929. In addition, the chamber reported that more men were employed during the month than in any other month in the same period.

The output by chamber members was placed at 262,156 units for March, more than three times, or 209 percent above the corresponding month of 1933 and 49 percent above February of this year.

This brought the estimated production for the first quarter to 539,128, a gain of 84 percent, as compared with last year.

Despite increased production, "nearly every automobile company is reporting heavy lists of unfilled orders", the chamber reported.

The production figures, which include the output of every manufacturer except the Ford Motor Co., were summarized as follows:

Month:	*Output*
March 1934	262,156
February 1934	173,386
March 1933	84,983
3 months, 1934	539,128
3 months, 1933	292,176

The Ford Co. reported an output of 80,000 for March with an estimated output of 100,000 for April, if bodies and parts are available. The company said its retail sales in the last 10 days of March were the highest since May 1931.

[From the Davenport (Iowa) Democrat, Apr. 2, 1934]

RETURNING PROSPERITY REFLECTED IN INCREASED WAGES

There is no better criterion of returning prosperity than increased wages, and that seems to be the order of the day with a number of the larger manufacturing industries of the country.

The giant auto industry is operating at full speed on substantial wages to its hundreds of thousands of employees.

Now comes the United States Corporation and the General Electric Co. with announcements of wage increases of 10 percent.

Between 30,000 and 40,000 employees will benefit by the new General Electric increase, and the extra pay will total between $3,500,000 and $4,000,000 annually. United States Steel employs more than 190,000 wage earners and salaried men. Subsidiary companies of the United States Steel are joining in the increased-pay movement. Pay increases throughout the entire steel industry, it is estimated, would total between $35,000,000 and $40,000,000 annually.

From various parts of the country come announcements of wage increases in many industries. Most of these advances range from 10 percent up.

Certain it is, business conditions are improving, and prospects for a continuation of this improvement are most encouraging. Otherwise there would be no advance in wages at this time. Business creates wages; and the better business becomes, the higher wages may be expected by employees. No firm or corporation operating in the red will hardly increase wages. So it seems assured that many of our industries are again returning to a paying basis. That is most encouraging and the best sign that we are again on the upgrade and headed for a returned prosperity.

[From the Columbus (Ohio) Dispatch, May 10, 1934]

A FAVORABLE POSITION

The increase in the aggregate sum of deposits in Ohio banks shows a healthy progress toward economic recovery in this area.

The swelling volume of bank deposits, which are nearly 60,000,000 over the close of 1933, cannot be appraised otherwise than as revealing that confidence is widely restored in the financial institutions of this territory, which have ridden out the storms of the past 3 years.

Despite the strain of 4 years of depression, the State's banks now have combined resources of more than $1,600,000,000. Ohio still ranks high in the list of favored States and promises to retain its position.

[From the Hamilton (Ohio) Journal, Apr. 12, 1934]

CONDITIONS ARE IMPROVING

That business conditions are improving in Hamilton and throughout the country cannot be denied. The improvement seen in the country as a whole is evidenced by the fact that automobile production is reaching a peak higher than in any other year since the depression swept the Nation; there is a decided increase in steel production; bank deposits show a gain; car loadings are increasing; industrial output is greater and in many parts of the country workers who were released by the C.W.A. are finding jobs in the factories.

There is no denying the very evident fact that the trend is toward a betterment of conditions generally. Optimism and confidence have now taken the place of uncertainty, pessimism, and the tendency to simply drift along with the tide of events.

[From the Wheeling (W.Va.) News, Apr. 28, 1934]

B. & O. IMPROVEMENT

The report of the Baltimore & Ohio Railroad for the first 3 months of 1934 shows a highly gratifying increase in business. Operating revenues for the 3 months were $33,985,952, an increase of $7,969,391, or practically 30 percent.

Net revenue from railway operations increased $1,214,071 and reached the comfortable total of $7,999,419.

The prosperity of the Baltimore & Ohio Railroad means much to West Virginia. The increase in business enjoyed by this great property is a fair measure of the increase in business throughout this section and throughout the territory which it serves. The substantial recovery which has been recorded during the first 3 months of 1934 must be gratifying to the general public, and particularly to the citizens of northern West Virginia.

[From the Huntington (W.Va.) Herald Dispatch, Apr. 25, 1934]

PROGRESS

Business continues to get better.

Revenue freight-car loadings in the week ending April 14 were reported at 17 percent above those of the corresponding week of 1933, and, contrary to the usual seasonal trend, 3.7 percent higher than the week preceding. This barometer of business showed a gain in almost every class of freight.

Dun & Bradstreet reported "a continuation of expanding sales in virtually all classes of merchandise", with totals rising 15 to 49 percent above last year's. The agency noted more activity in wholesale markets.

Here in Huntington the Owens-Illinois Glass Co. announces a 10-percent pay increase; the Kerr Glass Co. re-calls 72 workers; the

American Car & Foundry Co. will soon begin building Chesapeake & Ohio cars; a chamber of commerce survey of industrial-gas and electric-power consumption shows a definite upturn—all in 1 day's news.

[From the Huntington (W.Va.) Advertiser, May 8, 1934]

HAPPY DAYS

The Clarksburg Telegram is another West Virginia institution that finds happy days are here once more.

Of its recent success it observes:

"It is with gratitude and pardonable pride that the Telegram announces that more advertising was published in its three editions last Friday than in any other single day in more than 4 years. The total number of inches carried in the 26 pages was 2,403. On April 18, 1930, a total of 2,472 inches was published in this newspaper, or only 69 more inches than were published Friday.

"Everyone knows the story of the depression that started 4 or 5 years ago and what happened during that distressing period, so little need to be related here. Suffice to say, newspapers, like all other lines of business, suffered heavy losses, for every branch of business is correlated and dependent on others.

"Not only is the Telegram showing large gains in advertising but in circulation as well."

The Telegram, strong adherent to G.O.P. leadership and principles, is one of the most consistent defamers of the Roosevelt recovery plans in the State, despite this frank, enthusiastic acknowledgment of the business success it is enjoying under the new deal.

[From the Savannah (Ga.) Press, May 21, 1934]

THE DARROW ABUSE

It seems that the Darrow Board to investigate the N.R.A. had a great opportunity in suggesting amendment to that important movement.

Instead of that, as a Republican paper in New York says, it seems that Mr. Darrow was out to make a case against the N.R.A., not to suggest its improvement. The whole report reads like an indictment probably arrived at long before the N.R.A. was conceived. It is merely a sweeping condemnation of the whole system; it thinks that the N.R.A. should be scrapped as a whole. For this reason it falls short of its opportunity, which was to cooperate with the Government and recommend changes and improvements if necessary. The report gives General Johnson a chance to reply and leaves the whole matter in controversy; instead of a dignified statement their report is merely an indictment.

How it ever occurred to anybody to put Clarence Darrow at the head of such an investigation is not easy to see. Mr. Darrow used to be an able lawyer. He might have been selected to prepare an excellent brief for the manufacturers, but no one trusted his experience in economic matters. Instead of clearing the atmosphere, the report, which recommends that the N.R.A. ought to be done away with, simply muddies the waters, if one can use a mixed metaphor. Instead of scrapping the N.F.A. it looks as if the Board, which has rendered such an absurd report, should itself be done away with. The object of the appointment of this Board must have been enlightenment. Instead of that the board has returned only abuse.

[From the Buffalo (N.Y.) Times, May 21, 1934]

DARROW DISAGREES

The Darrow Board report is disappointing. Most of its sound criticisms have been anticipated by N.R.A., and remedial action started, particularly in the temporary steel code. Records of business failures show that the codes in general have aided rather than harmed the little fellows.

But the National Recovery Review Board's report is a tremendously important document despite its weaknesses. It sums up the attacks on N.R.A.—contradictory as they are—and winds up with Clarence Darrow's own sincere diagnosis of the ultimate fate of our industrial civilization.

Darrow says our choice is between "monopoly sustained by government" and "a planned economy which demands socialized ownership and control." General Johnson says these alleged alternatives really are "fascism and communism."

N.R.A. from the beginning has been designed as a "half-way house" between these two, which could be fitted to democratic political government and a democratic people. It is also a framework in which future planned economy is possible. Darrow's conclusion, therefore, attacks the fundamental aim of N.R.A. He says in effect that public supervision without "ownership and control" cannot cure us of mohopoly and other business evils.

Maybe not, but the experiment is still in process, and it is too early for dogmatic predictions. The Recovery Act in effect is a blueprint of a plan for industrial democracy. Under it, or something better along similar lines, stand our hope and chance for a happier, more abundant, and efficient industrial life. It has had less than a year's trial, and N.R.A. is trying hard to improve the structure it has built.

The Darrow Board's finding of monopoly tendencies under code operations is more to the point. Analysis, however, shows that monopoly practices have prevailed in business for many years. N.R.A. embodies some of these accepted practices in codes and sought to regularize them to avoid business crookedness.

The report makes the charge that big business dominates the code authorities, and that business has its own men in N.R.A. This is a trend deserving serious consideration. It is one of N.R.A.'s weak spots, where a break might do irreparable damage to N.R.A.'s fundamental aim and principles.

The answers by Johnson and General Counsel Donald R. Richberg, as sharp in tone as Darrow's complaint, might well have been more temperate. Richberg's separate reply concerning the steel code is an able defense, admitting shortcomings due to the mad code-making scramble of last fall and outlining plans for more safeguards.

It is unfortunate that the Darrow criticism is not better based; there is plenty of room for improvement in N.R.A. and its codes.

But it will be equally unfortunate for N.R.A.'s enemies if they try to use the Board's findings as a basis for political attack on the Recovery Act; N.R.A.'s defense is more than adequate.

[From The Journal of Commerce, New York, May 21, 1934]

AN ATTACK FROM THE LEFT

Recent meetings of business and banking groups have heard a great deal of criticism of Government regimentation of industry and the dangers of excessive Federal intervention through the N.R.A. As a result, to superficial observers it appeared that the battle over the future of the National Industrial Recovery Act was to be fought with radical and progressive elements lined up in favor of it, and conservatives generally opposed. The Darrow Review Board report made public today brings a new element into the situation.

This remarkable document was prepared by a body appointed to hear complaints from small business men and to evolve ways and means of protecting them from oppression by large concerns. The minority report of John F. Sinclair does precisely this, suggesting speedy consideration of minor complaints by the N.R.A. itself, and fuller analysis of protests involving fundamental policy by technically qualified review boards to be established apart from the present N.R.A. organization.

The Darrow report proper, on the other hand, merely pronounces a sentence of utter doom upon the small business man. It finds that he is generally oppressed and faced with utter extinction under many of the codes of fair competition. However, it holds at the same time that a return to unregulated competition and the regime of the antitrust laws "is not possible in a situation where technological advance has produced a surplus so that unregulated competition demoralizes both wages and prices, and brings on recurrent and increasingly severe industrial depression." We thus have left only Hobson's choice between monopoly under the N.R.A. and collectivism.

Clarence Darrow thus throws his hat into the ring as a candidate for the post of the American Lenin who, as Dr. Wirt predicted, has been quietly awaiting an opportunity to succeed Mr. Roosevelt.

This startling conclusion in favor of the socialization of industry, which can hardly help the small business man any more than the large monopolist as the Russian "kulak" discovered, is not based upon the detailed data contained in the Darrow report. It is evidently an "a priori" conclusion, probably arrived at by the members of the board long before the N.R.A. was even conceived. The report itself, as a matter of fact, is a long recital of the practical complaints received against various codes and contains specific suggestions generally designed to give small enterprises greater representation in code authorities.

The problem of the small business under the N.R.A. is a real one and deserves careful and serious study rather than the amateurish type of analysis made by the Darrow Board. Small enterprises have survived and prospered in various industries for quite different reasons. Sometimes it is because of numerous style changes or other factors that create a need for flexibility, as in the case of textiles. Sometimes it is because of the service element involved, as in many branches of retail trade. In still other instances, it may be largely because of excessive wage-cutting or unethical business practices, as General Johnson and Mr. Richberg love to state.

Since the persistence of the enterprise reflects so many diverse factors, there is no room for any magic formula to solve its problems. If the N.R.A. standardizes wages and other costs, and then seeks to bar selling below cost, enforcement of the codes will spell the doom of many small and also some large concerns. Even if this happens, however, there are very many small businesses that will remain firmly entrenched, due to basic advantages they possess apart from wage cutting. Among these, the Darrow plea for the immediate introduction of the Communist State will hardly meet with a hearty response.

The callow character of the Darrow report, events may show, will do serious injury to constructive improvement of the N.R.A., because it will tend to reflect discredit upon criticism of the movement in general.

[From the Union City (N.J.) Hudson Dispatch, May 22, 1934]

DARROW'S ONE-SIDED CRITICISM

Commenting on the Darrow report on the workings of the N.R.A. the Cleveland Plain Dealer says:

"No honest picture of N.R.A. can be all whites or blacks. The grays and other middle tones cannot be ignored. Yet Clarence Darrow, the incorrigible advocate, ignores them. He has no taste for anything but splash colors. One is moved to the belief that he set out to convict N.R.A."

Even Ogden L. Mills, one of the bitterest critics of the administration, refuses to condemn N.R.A. as all bad.

Clarence Darrow, as chairman of the National Recovery Review Board, named by President Roosevelt, would junk the whole alphabetical list of recovery measures that sprang from the National Industrial Recovery Act. He would also annihilate the profit system with it.

General Johnson pointedly remarks that Darrow gives "the United States a choice between fascism and communism."

The Roosevelt administration has steered a course midway between the old profits system of special privilege in the past and socialism or fascism of the present.

The Roosevelt policies attempt to maintain democracy in such a liberal form that its benefits will be more wide-spread than ever before. The old capitalistic system collapsed under its own weight. The unsteady props were wiped away by the floods of depression.

A change was necessary. Was the country to be swept into fascism, nazi-ism, communism, or socialism? Not if Franklin D. Roosevelt could save it for democracy. The N.R.A. and all the other recovery measures, many of which would have been denounced as socialism years ago, were introduced.

Recovery began to show signs of life. Business got better. Car loadings doubled. Credit was loosened up. Normal conditions came into sight after 4 dark years of ever-increasing depression.

The voice of a Darrow can only serve to call attention to the good points of the N.R.A. as well as its demerits. Out of the seething fire unloosed by the Darrow Board will come a greater N.R.A. It is well that the worst has been said. One feels always stronger when he knows the worst. For he knows that what lies ahead will be better.

No great changes, as complicated as the recovery measures that reach to every nerve and fiber of a sensitive economic system, can be wrought with perfection.

Criticism, even though unjust, will serve only to perfect the policies laid down by President Roosevelt that have brought this country from the doldrums of despair to the point where the dawn of a new day is breaking gloriously over the economic horizon.

When Herbert Hoover selected a board to pass upon prohibition, he choose men whom he knew to be almost as one with him. The majority report made by Wickersham reflected the view of the President who had made the appointments.

President Roosevelt did not select any "yes men" to review the acts of the N.R.A. He selected one of its severest opponents in choosing Darrow. That shows the President was not afraid of any just criticism.

[From the Washington (D.C.) Herald, May 23, 1934]

THE DARROW REPORT

The report of the Darrow committee on the N.R.A. need not have been withheld from publication until the Recovery Administration's reply was ready for simultaneous issue.

The report answers itself.

It is a frantic, fanatical, socialistic, and almost anarchistic attack upon the administration and its purposes.

An important and needed inquiry has been perverted to the service of Clarence Darrow's hates, prejudices, and long-trumpeted hostility to the ways of ordered society.

In the operation of the N.R.A. there is undoubtedly an impact upon the small producer and the independent merchant which should be lightened and, if possible, removed. It is a real defect in the National Recovery Act and calls for dispassionate approach and correction if possible.

Darrow, as the chairman of the committee appointed to examine this question, has used his position to arraign the measures of the administration generally and with such bias, exaggeration, and distortion that he has discredited himself and all the things he stands for.

As a matter of fact, instead of injuring the administration, which was his obvious desire, he has conferred a distinct benefit upon it.

He has made its policies, some of which are disquieting enough, more acceptable in the minds of the sane and sober citizens of the Nation. Even the most disturbing of the administration's proposals seem sound and conservative by comparison.

This so-called "Board of Review", which is nothing less than a board of defamation and detraction, has done a service to the Nation as well.

Mr. Darrow will gain no commendation or support for his fantastic theories among the vast majority of our judicious people.

The administration should learn one thing from this incident, and that is not to create a lot of boards to formulate opinions which the administration should possess for itself.

Mr. Roosevelt was elected to be President of the United States to carry out the provisions of the Democratic platform, to put his own progressive ideas into operation, and not to learn from or listen to the freaks and fanatics of politics.

No one cares what Mr. Darrow's opinions are. No one wishes to hear them.

He is known to be an unbalanced extremist, a violent and erratic person.

Why should the administration desire his views when the public does not desire his opinions or have any confidence in them?

Why should the administration appoint boards and commissions of this kind?

Why should it depend in any way on Socialists and Communists and anarchists?

The people did not elect them to put their ideas into operation and never will elect them.

The people have no patience with these fanatics.

The people are disgusted that they should be allowed to encumber the columns of the newspapers with their propaganda.

It is, after all and to some degree, Mr. Roosevelt's own fault that these extremists are in a position to speak as dignified advisers of the administration.

Fortunately their violence deprives them of all credence and authority.

Fortunately this report on the Board of Review will have no effect except to discredit its signers and strengthen its opponents.

But the President should learn from this incident not to depend on people of this unbalanced character.

Let him exercise his own judgment, pursue his own policies.

It was for that he was elected President of the United States.

[From the Washington (D.C.) Star, Apr. 25, 1934]

BUSINESS NOTES

NEW YORK, April 25.—Reorders in the wholesale markets here continue good. Indications are that April retail volume, despite the drop in the first half will run ahead of the same month last year. Sportswear, summer dresses, linen and pastel coats are in current favor.

A price of 6 percent on felt-base floor coverings manufactured by Congoleum-Nairn, Inc., has been announced. Other mills are expected to announce advances later this week.

With orders for popular shades of dress linens still coming into the wholesale market here, importers have resorted to the dyeing of other shades of linen piece goods in order to fill the demand. Calls for navy, black, and some shades of brown have exhausted stocks on hand.

The gray-goods market has continued dull with buyers restricting orders to small quantities of goods for immediate delivery.

Reorders on sports fabrics are reported heavy both from retailers and cutters-up. The laces, of crash, are featured in solid color all-over figure and drawn-work types and also in multi-color effects.

ADVERTISING VOLUME CONTINUES TO CLIMB

NEW YORK, April 25.—Advertising volume in March not only maintained but surpassed the record of gains which have been recorded during the past 9 months, Advertising Age reports. Newspaper advertising in 77 cities last month totaled 144,451,000 lines, a gain of 30 percent over the corresponding month of 1933.

Automotive advertising continued to lead the way with a smashing increase of 141.7 percent. The total for March 1934 was 8,261,796 lines, while a year ago it was 3,418,000 lines.

Other general advertising gained 37.7 percent, rising to 27,480,000 lines. Store sales increases were reflected in a jump of 21,268,000 lines in retail advertising to 84,717,000, a gain of 33.5 percent.

AUTO PRODUCTION CONTINUES TO RISE—YEAR'S PEAK BELIEVED CLOSE AT HAND, WITH 400,000 MARK LIKELY FOR APRIL

NEW YORK, April 25.—Automobile production has continued to gain, reaching the highest level since the spring of 1930. With 400,000 cars and trucks indicated as a possible attainment for April, including both United States and Canada, the 1934 peak of vehicle output is believed to be close at hand.

Dealers' stocks, unusually low during the early weeks of the year, doubtless have been built up materially in recent months and, in the majority of cases, probably are ample.

A tapering of factory operations would not be unexpected during the ensuing weeks of this quarter, but no drastic curtailment is believed to be in immediate prospect, in the opinion of the Standard Statistics Co., of New York.

While a close estimate of production is difficult in view of uncertain demand and labor conditions, out-turn for the entire first half of 1934 should be well above the 1,640,000 units constructed in the initial 6 months of 1931. A figure not far from 1,750,000 cars and trucks may, in fact, be attached in the current half year, whereas 1,045,000 units were built in the like 6 months of 1933.

DAILY OIL PRODUCTION MOUNTS 4,987 BARRELS

TULSA, OKLA., April 25.—Crude-oil production of the United States increased 4,987 barrels in daily average last week, from 2,472,906 to 2,477,893 barrels, the Oil and Gas Journal says.

A sharp increase in east Texas production, accounting for most of Texas' rise from 1,008,879 to 1,039,549 barrels daily, was the deciding factor in the week's statistics. Most other areas cut production. Eastern fields, including Michigan, had an increase from 127,122 to 128,904 barrels.

[From the Herald Tribune, Thursday, Apr. 19, 1934]

INDUSTRIAL REPORTS

American Hide & Leather shows for 9 months ended March 31 net profit of $455,840 after depreciation, reserves, and Federal taxes, equal to $4.56 a share on 100,000 shares of 7-percent preferred stock. In the preceding fiscal year the company reported for 36 weeks ended March 4 profit of $313,708 before Federal taxes. Net profit for the quarter to March 31 was $68,232 after depreciation and Federal taxes, equal to 68 cents a share on the preferred stock. For 12 weeks ended March 4, 1933, profit was $31,874 before Federal taxes.

Auburn Automobile and subsidiaries for the quarter to February 28 report net loss of $857,395 after depreciation, interest, taxes, minority, interest, etc., compared with net loss of $577,466 in the quarter ended the like date in 1933.

Beech-Nut Packing reports for the 3 months ended March 31 net earnings of $444,192 before Federal taxes. This compares with $403,050 for the same period of 1933. After deduction of estimated Federal tax and providing for preferred dividends on 45 shares of class A stock outstanding, a balance of $382,531 was left applicable to the common stock, equal to 87 cents a share for the first quarter on 437,524 shares of common outstanding.

Atlantic Refining and subsidiaries report profit of $613,000 for the first quarter of 1934, compared with loss of $3,127,000 for the like first quarter of 1933. The figures allow for interest, depreciation, and taxes. In the first quarter of 1933 loss of $3,127,000 included merchandise inventory write-down of $1,879,000, while profit reported in the first quarter of 1934 reflected only a minor inventory adjustment. Per share profit on the common for the first quarter was 23 cents against loss of $1.16 a share for the first quarter in 1933.

Bowman Biltmore Hotels reports income of $1,754,608 from room rentals, restaurants, concessions, etc., for the initial quarter of 1934. After deduction of interest, provision for depreciation and amortization, and Federal income taxes, net loss was $310,451.

Edison Bros. Stores and subsidiaries report for 11 months to December 31, 1933, net profit of $484,186 after depreciation, Federal taxes, etc., equal, after 7-percent preferred dividends, to $4.15 a share on 106,435 shares of common stock. For the year ended January 31 net profit was $77,295, or 26 cents a common share.

Gibson Art and subsidiary, Gibson Playing Card Co., report for the fiscal year to February 28, as certified by independent auditors, net profit of $136,094, after depreciation, interest, taxes, etc., equal to 74 cents a share on 182,739 shares of stock. This compares with net loss of $134,927 in the preceding fiscal year.

Indian Motorcycle and wholly owned subsidiary, Indian Acceptance, through E. Paul du Pont, report for the quarter ended March 31 net profit of $31,256, after depreciation and reserve of $22,078 had been deducted, compared with net loss of $46,826 for the like quarter of 1933, loss of $40,882 in the first quarter of 1932, and net loss of $21,336 in the fourth quarter of 1933. Mr. du Pont, speaking for the company, said: "From our present sales and production it appears certain the current year will be the best since 1929 for our company as well as the entire motorcycle industry and sport."

Interlake Iron shows for the quarter to March 31 net loss of $68,956, after interest, depreciation, taxes, etc., compared with net loss of $211,562 in the first quarter of the previous year.

Martin (Glenn L.) Co., in its statement for 1933, as audited by independent accountants, shows net loss of $140,341, after taxes, depreciation, interest, amortization, and other charges, compared with net income of $1,528 in 1932.

Mountain & Gulf Oil shows for 1933 net profit of $51,190, after taxes, depreciation, depletion, etc., equal to 1 cent a share on 4,000,000 shares of capital stock. This compares with net loss of $10,222 in 1932.

Conde Nast Publications, for the quarter to March 31, shows net profit of $35,774, after charges and taxes, compared with net loss of $69,998 in the first quarter of 1933.

National Biscuit reports for the quarter ended March 31 net income of $3,066,620, after charges, taxes, etc., equivalent, after dividend requirements on the 7-percent preferred stock, to 42 cents a share on 6,289,263 shares of common stock. This compares with $3,082,828, or 42 cents a share, in the first quarter of 1933.

New Bradford Oil reports for 1933 net loss of $199,948 after taxes, depreciation, depletion, minority interest, etc., but exclusive of a loss on sales of assets amounting to $204,110. This compares with net loss of $175,080 in 1932.

Pennsylvania-Dixie Cement shows for 12 months, to March 31, profit of $396,528 before depreciation, depletion, and interest, compared with $144,314 for the 12 months ended March 31, 1933. After provision for depreciation, depletion, and interest net loss was $1,549,736, against net loss of $1,819,538 in the preceding 12 months.

Pittsburgh United reports for 1933, as certified by independent auditors, net loss of $89,987 after taxes, interest, etc., compared with net loss of $81,382 in 1932.

Plymouth Oil and subsidiary, Big Lake Oil, show for the quarter ended March 31 net income of $210,314 after depreciation, depletion, Federal taxes, etc., equivalent to 20 cents a share on 1,050,000 shares of stock, including shares held by the company. This compares with $7,787, or less than 1 cent a share, in the first quarter of 1933.

Salt Creek Consolidated Oil reports for 1933 net loss of $62,498 after taxes, depreciation, depletion, and other deductions, compared with net loss of $51,581 in 1932.

Seeman Bros. reports for the third quarter ended March 31 net profit of $108,224 after all charges, including Federal tax, equal to $1 a share on 108,000 shares outstanding, as against $65,468 last year, equal to 60 cents a share on 108,400 shares then outstanding.

United Biscuit of America and subsidiaries report for the quarter ended March 31 net profit of $260,317 after depreciation, interest, and Federal taxes, equal after dividend requirements on the 7-percent preferred stock to 52 cents a share on 450,325 shares of no par common stock. This compares with $209,125, or 41 cents a common share, in the first quarter of 1933.

United States Realty & Improvement and subsidiaries, exclusive of George A. Fuller Co. and subsidiaries and Plaza Operating Co. and subsidiary, report for the quarter to March 31 net loss of $65,472 after taxes, depreciation, interest, etc. Consolidated net income of George A. Fuller Co. and subsidiaries for the quarter to March 31 was $33,958 after depreciation, Federal taxes, etc. Consolidated net loss of Plaza Operating Co. and subsidiary for the same quarter was $209,221 after taxes, depreciation, interest, etc. For the quarter just closed United States Realty & Improvement and subsidiaries, including George A. Fuller & Co. and Plaza Operating Co., reported let loss of $130,899 after taxes, interest, depreciation, etc., but before providing for subsidiary dividends.

Waldorf system reports first quarter net profit of $41,636 after depreciation, amortization, Federal taxes, etc., equal to 9 cents a share on 433,719 no par shares of common stock. This compares with $22,926, or 5 cents a share on 438,219 shares in the first quarter of 1933.

STUDEBAKER CREDITORS PLAN REORGANIZATION—DETAILS OF PROPOSAL LACKING—COMPANY IN RECEIVERSHIP

Although official confirmation was not forthcoming, it was reliably reported yesterday that plan of reorganization for the Studebaker Corporation, at present in receivership, was being discussed by leading creditors. Attorneys at the law office of Paul Cravath, counsel for the Studebaker Corporation, refused either to affirm or deny the report. Mr. Cravath is in Europe.

Improvement in the financial outlook of the corporation under the administration of the receivers—H. G. Vance, Paul G. Hoffman, and A. G. Bean—has led to expectation that some plan would be developed. According to the report, the plan is in a preliminary stage, and there is no indication of the date when its details may be made public.

In the report of receivership made public last week a definite statement was made that completion of consolidation with the White Motor Co., of which Studebaker owns 95 percent of the stock, would not be made. On this basis, it is expected that the plan provides for an arrangement for separation from White.

Studebaker during the first quarter of this year reported sales at 14,500 units, which compares with about 9,000 units for the first quarter of 1933 and 18,705 units during the first 3 months of 1932. Although it cannot be exactly determined if the corporation is now operating on a profit, because present operations exclude depreciation, property, and interest charges, the automobile trade is confident that operations are in the black. The annual report showed net working assets at about the same level as a year ago, when the receivership began.

SUGAR PRICES REDUCED

The Great Western Sugar Co. has reduced the price of beet sugar 20 points to 4.10 cents a pound in territory west of Chicago, it was announced yesterday. The California & Hawaii Sugar Co. yesterday reduced the price of refined sugar in guaranteed territory 20 points to 4.30 cents a pound.

C. & O. UNIT BUYS $1,017,000 IN NICKEL PLATE—VIRGINIA TRANSPORTATION CO. REVEALS PURCHASE OF NOTES IN I.C.C. REPORT

The Virginia Transportation Co., investment subsidiary of the Chesapeake & Ohio, acquired $1,017,000 6-percent notes of 1935 of the New York, Chicago & St. Louis Railroad last year. This was revealed in the Interstate Commerce Commission report of the Chesapeake & Ohio, which controls the New York, Chicago & St. Louis, known as the Nickel Plate road.

Refunding a maturity of $20,000,000 6's, due October 1, 1932, the Nickel Plate issued 6's of 1935 at the rate of 75 percent new notes and 25 percent cash for the old issue. At the end of 1932 the report showed no Nickel Plate notes held by either the Chesapeake & Ohio or the Virginia Transportation.

Investment of the Virginia Transportation in Erie, Chicago & Eastern Illinois and Pittston remained unchanged last year. The subsidiary and the Western Pocahontas Corporation and the Western Pocahontas Fuel Co., also C. & O. subsidiaries, held a total of $1,170,000 Chicago & Eastern Illinois bonds. These were obtained at a cost of $351,421.

In order to provide general mortgage bonds for the refunding of the Fremont, Elkhorn & Missouri Valley Railroad consolidated 6s, the Chicago & North Western, according to its commission report, entered the market. The Fremont issue was covered by the first and refunding mortgage.

The road bought $157,000 general 5's of 1987 at $110,460 and acquired $225,000 6½ percent secured bonds of 1936 at a cost of $201,392. Cancelation of the latter released $268,000 of the general mortgage bonds, making a total of $425,000 obtained through the market for delivery under the refunding exchange plan. The remainder of the general mortgage issue was received on retirement of $6,355,000 5-percent debentures in May.

NEW HAVEN REVENUE UP 18.8 PERCENT OVER LAST YEAR—PELLEY TELLS HOLDERS EXECUTIVE PAY WAS CUT 51.7 PERCENT

NEW HAVEN, CONN., April 18.—A definite improvement in the operating revenues of the New York, New Haven & Hartford Railroad was reported by John J. Pelley, president, today at the annual stockholders meeting.

Mr. Pelley said revenues have increased over $2,850,000, or 18.8 percent, compared with the same period last year. Of this total, $2,150,000 is represented by increased freight revenue.

According to President Pelley, the amount of compensation paid New Haven executives, officials, and staff assistants for 1933 was 51.7 percent less than for 1929; whereas this same class of supervisory employees for all class I railroads decreased in the amount of compensation received, compared with 1929, only 35.6 percent.

Paul Shoup, vice president, said March earnings of the company were above the same month of 1933 and also higher than February 1934, adding that the upward trend had continued in the first half of April.

"PENSY" SHOWS 2 MONTHS' NET OF 11 CENTS A SHARE—COMPARES WITH LOSS LAST YEAR—CHESAPEAKE & OHIO PROFIT UP TO 92 CENTS IN FIRST QUARTER

The Pennsylvania Railroad reports for the 2 months ended February 28 net income of $1,518,080 after taxes and charges, equal to 11 cents a share on 13,176,696 shares of par $50 capital stock. This compares with net loss of $979,949 for the like 1933 months. Net income for February was $474,601, against a loss of $939,334 in February last year.

Chesapeake & Ohio: Reports for the quarter ended March 31 net income of $7,040,496 after taxes, charges, and sinking-fund requirements, equal after preferred-dividend requirements to 92 cents a share on 7,653,394 par $25 shares of common stock. This compares with $4,487,470, or 59 cents a share, on 7,652,813 common shares in the first quarter last year. Net income for March after all charges and reserves was $3,087,592, against $1,220,955 in the like 1933 month. For the first time since March 1930 gross income exceeded $10,000,000.

Lehigh Valley: Reports to the New York State Public Service Commission total assets as of December 31, 1933, of $243,824,743, compared with $244,843,819 at the end of the previous year. Profit-and-loss surplus was $40,872,738, against $46,217,024; current assets, $7,874,113, against $7,484,251; and current liabilities $10,471,419, against $8,926,429.

Louisville & Nashville: Reports for the 2 months ended February 28 net income of $1,142,362 after taxes and charges, equal to 97 cents a share on 1,170,000 shares of capital stock. This compares with net income of $202,036, or 17 cents a share on common, in the like 1933 months. February net income was $555,661, against $178,342 in the same month a year ago.

Ann Arbor Railroad: Reports net loss for February of $20,660, against net loss of $56,431 in the same month a year ago. Loss for the 2 months ended February 28 was $47,812, against loss of $114,507 in the like 1933 months.

Chicago & Eastern Illinois: Reports as of February 28 current assets of $2,114,114, compared with $2,359,359 on the same 1933 date. Current liabilities increased to $12,363,108 from $10,535,802. Investments in stocks and bonds totaled $56,122, against $9,538.

Mobile & Ohio Railway: Reports February net loss of $144,023, against loss of $210,356 in the same month a year ago. Loss for the 2 months ended February 28 was $280,981, against loss of $452,721 in the like 1933 months.

Wabash Railway: Reports February net loss of $259,704, against loss of $703,517 in February last year. Loss for the 2 months ended February 28 was $741,540, against loss of $1,560,888 in the same 2 months last year.

Chicago & North Western: In preliminary estimates places its deficit for the first quarter at slightly more than $2,500,000 after charges, it was stated yesterday by Fred W. Sargent, president. The figure given would be about $2,300,000 less than the loss reported by the road for the first quarter last year.

[From the Washington (D.C.) Post, Apr. 17, 1934]

CRUDE RUBBER CONSUMPTION IS UP IN MARCH—USE FOR MONTH INCREASES 163.8 OVER REQUIREMENT IN 1933 PERIOD

NEW YORK, April 16.—Consumption of crude rubber by manufacturers in the United States for the month of March amounted to 47,614 long tons, which compares with 40,609 long tons for February.

March consumption shows an increase of 17.2 percent over February, and 163.8 percent over March a year ago, according to statistics released by the Rubber Manufacturers Association today. Consumption for March (1933) was reported to be 18,047 long tons.

This organization reports imports of crude rubber for March to be 44,605 long tons, an increase of 43.7 percent over February and 60 percent above March 1933.

This association estimates total domestic stocks of crude rubber on hand March 31 at 351,064 long tons, which compares with February 28 stocks of 357,094 long tons. March stocks show a decrease of 1.7 percent as compared with February and were 10.1 percent below stocks of March 31, 1933.

The participants in the statistical compilation report 54,722 long tons of crude rubber afloat for the United States ports on March 31, compared with 53,063 long tons afloat on February 28 this year, and 29,531 long tons afloat on March 31, 1933.

March reclaimed rubber consumption is estimated to be 9,683 long tons, production 11,479 long tons, stocks on hand March 31, 25,113 long tons.

DOLLAR SALES OF AUTOS RISE 22 PERCENT

The annual dollar sales of new passenger automobiles declined 75 percent from 1929 to 1932 and recovered by 22 percent during the year 1933, according to the new monthly index of automobile sales appearing in the April issue of the Survey of Current Business published by the Bureau of Foreign and Domestic Commerce.

The trend of sales was sharply downward from 1929 through 1932 and the first 4 months of 1933, but the greatest drop occurred between 1931 and 1932, when sales decreased 43.5 percent. The decrease between 1929 and 1930 was 35.5 percent and between 1930 and 1931 was 32.5 percent.

The largest months' sales shown by the index, which is based on the 1929–31 average as 100, occurred during the peak season of 1929, when the index numbers were 168.8 for March, 232.7 for April, and 205 for May. Even after allowance is made for usual seasonal fluctuations, the same 3 months of 1929 are still the largest, with adjusted index numbers of 153.5, 154.5, and 146, respectively. The lowest index numbers recorded are 17.3 for December 1933, 22.3 for October 1932, 17.6 for November 1932, and 19.3 for December 1932. But on a seasonally corrected basis October and November of 1932 become the lowest months, at approximately equal level, with adjusted index numbers of 28 and 28.5, respectively.

MARCH COTTON EXPORTS HIT BY SEASONAL CUT

Exports of raw cotton from the United States during March amounted to 550,000 bales, valued at $34,219,000, compared with 628,000 bales, valued at $37,280,000, in February and 486,000 bales, valued at $17,957,000, in March 1933, according to an analysis of the export figures by the Textile Division, Bureau of Foreign and Domestic Commerce.

The March figures show a decline of 78,000 bales from the February total, which is seasonal. The decline in value was $3,061,000 from the value in February. On the other hand, the March figures showed an increase of 62,000 bales and $16,262,000 over the exports during March 1933.

For the 8 months of the cotton season, August to March, inclusive, the shipments aggregated 6,098,000 bales, valued at $331,831,000, compared with 6,085,000 bales, valued at $234,715,000, for the corresponding 8 months of 1932–33, representing a slight increase of 13,000 bales in quantity but a substantial increase of $97,116,000, or 41 percent, in value.

[From the New York Herald Tribune, Apr. 26, 1934]

WESTINGHOUSE ORDERS UP 57 PERCENT TO $20,237,588 IN FIRST QUARTER—MARCH BOOKINGS SET MARK FOR 2½ YEARS—3-MONTH LOSS CUT TO $1,776,152

Orders received by the Westinghouse Electric & Manufacturing Co. for the first quarter of 1934 totaled $20,237,588, compared with $12,847,801 for the corresponding quarter of 1933, an increase of 57 percent, according to a statement made public today. At the same time it was reported that March bookings were in excess of any month since September 1931.

George H. Bucher was elected president yesterday of the Westinghouse Electric International Co. Mr. Bucher, who is also general manager of the company, has been with the Westinghouse organization since September 1909. R. B. Mildon was yesterday elected vice president in charge of marketing, engineering, manufacturing, and service of Westinghouse Electric & Manufacturing Co.

Sales billed by the manufacturing company for the first quarter of 1934 totaled $17,994,045, compared with $13,161,721 for the corresponding 1933 quarter, an increase of 36 percent. March sales billed were higher than in any month since April 1932.

Net loss for the quarter was $1,776,152, compared with $3,491,572 net loss for the first quarter of 1933. There were approximately 35,300 employees on the company's pay roll at the end of March, compared with 26,500 in March 1933.

"The improvement in business", continues the statement, "is most encouraging, but we would view the future with more optimism if the present restrictions curtailing and almost preventing the use of long-time credit were removed. The business of the Westinghouse Co. consists primarily of durable or capital goods which are paid for in normal times by money obtained by our customers from the sale of securities.

"At the present time little, if any, money is moving into industry from this source, due not only to restrictions on loans but also to a psychology which tends to discourage investment in improvements and betterments.

"It is a strange but significant fact that we are living in an age when any reputable citizen can borrow money with which to buy an automobile, but cannot borrow money with which to buy or build a home. Such conditions are abnormal. It is our opinion that credit conditions would greatly improve if the legislation affecting the sale and marketing of securities were handled in a manner conducive to stimulating the flow of credit from savings institutions to legitimate borrowings."

SCRIP GOING OUT OF USE IN IOWA—EASIER CONDITIONS LESSEN DEMAND FOR PAPER

DES MOINES, May 5.—Scrip, recognized by State legislation as depression money, is rapidly going out of circulation in Iowa.

Real cash from Federal C.W.A. and P.W.A. sources and improving business indexes apparently have lessened desire for the paper certificates.

The little northwest Iowa town of Hawarden, which stirred up an international flurry among economists with its first $300 scrip issue, has retired all of it at no cost. In Des Moines, county officials have likewise retired most of a $100,000 scrip issue.

[From the New York Times, Apr. 19, 1934]

"STEEL RATE AT 52 PERCENT, BEST SINCE AUGUST—HEAVY BOOKINGS, WITH HIGHER PRICES NEAR, MAKE GOOD OUTLOOK," SAYS IRON AGE—RAILROADS' ORDERS RISE—CONFUSION ON QUOTATION RESULTS FROM CONFLICTING VIEWS AMONG THE PRODUCERS

Production of raw steel has been increased this week to 52 percent of capacity, compared with 49½ percent a week ago. The present rate is the highest since the middle of last August. "Iron and steel makers", says the Iron Age, "are heavily booked for the second quarter, and with higher prices about to go into effect on most products the outlook in the industry is most favorable."

The review of this publication continues, in part, as follows:

"Some mills have such heavy commitments that they will be pressed to turn out the tonnage if buyers specify fully against

their contracts. To prevent an accumulation of releases toward the end of the quarter a number of producers are already pressing their customers for shipping instructions. Under the most popular form of contract, buyers are required to order out material in approximately equal monthly quantities.

CONSUMERS ATTEMPT TO STOCK UP

"The anxiety of the mills to obtain releases is matched by the desire of most buyers to build up maximum stocks of materials at preadvance prices. Without doubt much of the pig iron and steel that will be made in the next 3 months will supply buyers' needs part way through the third quarter, barring a further acceleration of industrial activity.

"The increase in business coming from regular contract sources has been augmented by heavier releases from the railroads. Orders for car material are growing in number and tonnage, and purchases of track material have been large. Rail contracts placed in the final week before the expiration of the code provision permitting deliveries until August 31 called for 75,250 tons.

"The New Haven closed for 25,000 tons, the Baltimore & Ohio for 35,000, the Norfolk & Western for 10,000, the Maine Central for 4,200, and the Pere Marquette for 1,050. Total purchases since Transportation Coordinator Eastman first proposed Government financial aid amount to 627,000 tons, compared with his original estimate of 850,000. Only one large prospective order remains unplaced—35,000 tons for the Chesapeake & Ohio.

OPERATIONS RISE IN ALL DISTRICTS

"Operations are up 4 points to 54 percent at Chicago, 3 points to 40 percent at Pittsburgh, 3 points to 59 percent in the valleys, 2 points to 60 percent at Cleveland, 5 points to 59 percent at Buffalo, and 2 points to 70 percent in the Wheeling district. The Detroit rate continues at 100 percent, the average for the Philadelphia territory at 40 percent, and that for the South at 54 percent.

"Price advances are slow in taking effect. Under the code a price at a given basing point is considered effective until it is withdrawn. Since various producers have delayed following the lead of mills that first announced advances, the effective dates for price changes have been moved ahead, in some instances until next week. Part of the confusion growing out of the advances has been due to conflicting views of the mills."

STEEL BOOKINGS RISE—BUSINESS IN YOUNGSTOWN AREA THIS MONTH 23 PERCENT AHEAD OF 1933

YOUNGSTOWN, OHIO, April 18.—Steel bookings by district producers for the first half of April are 23 percent higher than for the corresponding period in April 1933, sales managers advise.

The Youngstown Sheet & Tube Co. on Monday of this week received a larger volume of pipe orders than for any day in 3 years. Most of this tonnage is coming from jobbers who are building up their stocks in anticipation of larger consumer demand.

Both Republic Steel Corporation and Youngstown Sheet Tube have advanced pipe prices an average of $7 per ton. This action is expected to drive in considerable tonnage before April 24, when the increase becomes effective.

[From the Washington Star, Apr. 25, 1934]

BIG GAINS SHOWN IN STEEL PROFITS—FOUR COMPANIES ALL REPORT STRIKING INCREASES OVER TOTALS YEAR AGO

NEW YORK, April 25.—Several steel companies, reporting their earnings for the first quarter of 1934 yesterday, showed striking gains over the comparable period of 1933.

Most companies showed better earnings than in the fourth quarter of last year but, with one exception, none of them did as well as in the third quarter of 1933, which included the sharp but short-lived summer boomlet.

The Inland Steel Co. reported first quarter net profit of $1,104,537, compared with net profit $529,373 in the preceding period, and a net loss of $1,012,053 in the corresponding period of 1933. It actually did better than in the September quarter of last year, when net of $623,612 was reported.

The United States Steel Corporation reported a net deficit of $6,989,965, compared with a deficit of $7,945,445 in the preceding quarter, and of $16,730,271 in the first quarter of 1933. In the third quarter of 1933 United States Steel's net deficit was only $2,717,014.

The Republic Steel Corporation reported a net loss of only $58,682 for the first quarter, compared with a loss of $1,268,472 in the preceding 3-month period, and a loss of $2,521,568 in the like period of last year. In the third quarter of last year, however, the company showed net income of $148,239.

Jones & Laughlin Steel Corporation reported March quarter net loss of $1,924,524, or somewhat less than in the like period of last year, when the loss was $2,060,645. Its first quarter loss was larger than in either of the two preceding quarters, however. In the December quarter it was $626,418, and in the September quarter, $997,133.

FASTER PACE SET AT STEEL PLANTS—PRODUCTION JUMPS FOUR POINTS TO 56 PERCENT OF CAPACITY MARK

NEW YORK, April 25.—Steel production has jumped four points to 56 percent of capacity, and another week promises to put the rate above the 59-percent level of last July, which was the 1933 top, Iron Age says.

Increasing specifications against low-priced contracts have brought such a heavy rush in some products that mills fear they will not be able to clear their books by the end of the quarter, as required by the code, the review states.

"Recognizing the possibility of excessive pressure on the mills for shipments in June, an increasing number of consumers are anticipating their requirements. In other cases mills are now rolling material prior to the receipt of actual shipping orders.

"The rush to accumulate tonnage on the part of consumers is, no doubt, prompted in part by speculative motives. Besides the impetus that buying has received from recent price advances, the fear of railroad labor trouble and consequent hampering of transportation has also been a factor.

"The accelerating movement of material from producers to consumers has been sweeping in scope. May and June shipments of pig iron will be the largest in fully 2 years.

"The only developments out of step with the pronounced upward trend of business are a fresh outbreak of labor trouble in the automobile industry and further weakness in scrap prices."

The Iron Age scrap composite price has fallen to $12.42 a ton from $12.58 a week ago due to recessions at Pittsburgh and Chicago.

WRIGLEY NET IS $1,875,956

CHICAGO, April 25.—The William Wrigley, Jr., Co., manufacturers of chewing gum, reported net profit, after deducting taxes, of $1,875,956 for the 3 months ended March 31.

[From the New York Times, Sunday, Apr. 22, 1934]

GAINS CONTINUING IN BUSINESS LINES—RETAIL TRADE REPORTED MOVING ACCORDING TO THE SEASON IN MOST CITIES—SALES OF AUTOS HOLD UP—STEEL INDUSTRY OPERATING AT HIGH RATE—CONDITIONS IN FEDERAL RESERVE DISTRICTS

Reports from most of the leading cities throughout the country continue to indicate rising activity and improving economic conditions, although there is occasional reference to post-Easter dullness.

Retail trade, as a whole, appears to be moving in accordance with seasonal trends. Summer wear is constituting the bulk of the department-store business, with demand for such heavier goods as furniture tapering off. There is also a good demand for paints, varnishes, and other requisites of seasonal household rejuvenation.

Sales in the automobile industry are still running at a high level, and manufacturers appear confident that they will be able to get over the bump of increased prices soon. There was some fear that the public might resist the higher prices, but that fear has vanished.

Larger shipments to automobile manufacturers, coupled with an improved volume of buying by railroads and equipment manufacturers and better structural activity, once again pushed the rate of steel-mill operations to the highest level since last July well above 50 percent of capacity.

WHOLESALING GOOD HERE—BUT RETAIL TRADE IS CHECKED BY WEATHER CONDITIONS

Weather conditions continued to exert a restrictive influence on retail trade here last week. Women's apparel and accessory departments made a better showing than in the previous week, but a slower pace developed in home furnishings. Indications are that dollar sales volume for the month thus far is about 4 to 5 percent less than in the same period a year ago, inclusive of liquor sales.

Activity in the major wholesale lines was well maintained, with merchandise for the summer season in strong request. The call for millinery was particularly heavy. Activity in the dress trade was curbed by the contractors' stoppage. The demand for grocery specialties and other foodstuffs was good. Prospects of further price increases stimulated buying of rugs. Furniture lines were quiet.

Retail sales of automobiles continued notably good. Building material lines showed increased effects of the public-works program, while the call for hardware and paints for spring refurbishing of homes was described as much ahead of a year ago.

In preparation for National Cotton Week, retailers placed a heavy volume of orders for cottons of all types. The silk and rayon markets were featureless.

Security prices were improved, largely as a result of a good rally on Friday. There had been some unsettlement on the preceding days because of weakness in the commodities, which also disappeared at the end of the week. Bonds advanced in all classifications except United States Governments, which were easy. The dollar dropped below the new parity with the franc. Bank clearings were at an unusually high level.

CLIMB IN PHILADELPHIA—PICK-UP IN INDUSTRIES, RETAIL SALES, AND BANK CLEARINGS

PHILADELPHIA, April 20.—Latest reports for the first quarter in this district indicate an increase in factory employment and a greater volume of products. Monthly progress has been made this year by many corporations, despite labor troubles.

The second quarter has started auspiciously in such industries as iron and steel, storage batteries, oil and gasoline, which report profits instead of heavy losses sustained last year. Moderate improvement is shown in the cotton, wool, and leather industries. Car loadings have increased.

There are numerous inquiries for New Jersey seashore properties for summer use.

The current week's large bank clearings are taken to reflect the improved condition of the district.

Owing to the increase in retail sales, local department stores are reporting profits instead of losses such as some important houses suffered last year.

Another indication of improvement is a shrinkage in the volume of sheriff sales, partly ascribed to the active work of the Home Owners' Loan Corporation. Real-estate transactions are more numerous, but work is largely centered in alterations.

For the first 2 months this year deposits of the Philadelphia Saving Fund Society increased $2,171,400 to $313,764,605. Among the 69,215 new depositors are 11,175 wage earners, 5,175 salaried employees, and 13,911 female wage earners, of whom 10,100 are wives of wage earners. In 1933 there was a $7,690,000 decrease.

NEW ENGLAND KEEPS GAINS—COTTON MILLS ARE FAIRLY ACTIVE—BUILDING CONTRACTS SPURT

BOSTON, April 20.—Industrial activity in New England is being maintained in general at about the same rate as in recent weeks. Cotton mills are fairly active. The industry as a whole has been in receipt of substantial additional orders during the last fortnight.

The woolen and worsted end of the textile industry is quiet. The better grades of worsteds have encountered distinct sales resistance. The local wool market is dead, but prices are being fairly well maintained; tops have been sagging lately.

The leather market here is strong, and buying is fairly active; shoe manufacturers are doing well for this season of the year.

Retail trade is fair; sales of furniture have been reported much improved of late. There has been a considerable increase in demand for electrical appliances.

Metal and machine plants are somewhat more active.

New building contracts for last week were the largest in some months.

CHICAGO RECORDS GAINS—WHOLESALERS REPORT UNEXPECTEDLY HIGH SALES—JOBS INCREASE

CHICAGO, April 20.—Although retail trade in the Middle West has gone below the pre-Easter totals, wholesalers reported unexpectedly high sales totals in the week just ended. Women's ready-to-wear and textile items moved in the biggest volume. Local dry-goods houses attributed the better than normal activity to restocking in preparation for May, which is always a big retail sales month.

The State Street department-store sales were reported averaging about 35 percent above last April. Sales of a large mail-order house through its retail outlets increased sharply in response to a well-advertised feature week.

Building continues to improve.

Employment is showing small increases in the State, contrary to the seasonal trend.

Steadily increasing steel orders promise an increase over the 54 percent local ingot operating ratio. Sales of a large iron jobbing company, it was announced, were nearly double those of the first quarter of 1933.

CLEVELAND ACTIVITY RISES—PRICE JUMP BRINGS WAVE OF STEEL BUYING—DRUG SALES INCREASE

CLEVELAND, April 20.—Industrial activity in this section continues to increase. The advance in steel prices has brought a wave of buying in anticipation of future needs.

Commercial failures in the area were down 72 percent in March as compared with March 1933, and in the first quarter when the drop from the 1932 period was 71 percent.

Dollar value of wholesale drug sales in the district in March was 70 percent larger than a year ago and the increase in the first quarter was 47 percent. Liquor sales were a factor in the increase.

Savings deposits at selected banks increased about 1 percent in March and at the month end were 2.1 percent larger than a year ago.

ST. LOUIS ACTIVITY LIVENS—SMALL INDUSTRIES SPEED UP, SHOE PLANTS BUSY, RETAIL TRADE BRISK

ST. LOUIS, Mo., April 20.—The starting of the furnaces in the American Steel foundries plant this week, recalling of a large number of workmen, was regarded as a striking illustration of the improvement in the eighth Federal Reserve district.

Shoe plants are busy and most of them are on full schedules. Reports from numerous small enterprises indicate a steady speeding up. Retail trade shows wide gains over last year and wholesale houses have satisfactory orders.

The banking situation is clearing up. A large bank has moved into new quarters and throughout the district there are frequent reports of openings.

Bank clearings are well ahead of last year and compare favorably with the year before.

Carloadings of southwestern lines gain over the previous week, from present indications, and are far ahead of last year's totals. Reports indicate a steady reduction in unemployment.

Real-estate dealers state that the supply of rental property is rapidly decreasing and a building revival is in prospect.

Farm-product prices are steadily advancing.

Zinc and lead quotations are at fair levels and most properties are being operated.

KANSAS CITY BUYING RISES—RETAIL TRADE IMPROVES AND WHOLESALE LINES HOLD WELL

KANSAS CITY, April 20.—Retail trade in the tenth district improved over last week and wholesaler lines held up well, with the possible exception of fall clothing and furniture. The weekly statement of the Federal Reserve bank showed the first increase since March 7 in total reserves. The total had shrunk $20,000,000. The increase of $12,000,000 brought the total to $174,000,000. This is $50,000,000 above the figure for a year ago.

Bills discounted showed a decrease of $40,000, but the continuous accumulative losses since the first of the year amounted to $1,250,000 and since a year ago nearly $21,000,000. The total was only $267,000.

The reserve ratio rose a point to 65, compared with 60.5 a year ago.

Total clearings through the bank were $174,500,000, a gain of $16,000,000 over the preceding week and of $44,000,000 over a year ago.

ATLANTA BUSINESS BOOMS—DEPARTMENT-STORE SALES HIGHEST SINCE 1930—MANY LINES GAIN

ATLANTA, April 20.—General business conditions in the sixth Federal Reserve district continued on the upswing.

The volume of department-store business was about 40 to 50 percent greater than that for the 1933 week and considerably above that for any similar time since 1930.

Construction activity was brisk, with the awarding of new contracts showing only a slight let-down.

Further increases in pay rolls and lessening of relief rolls were reported.

Sales of furniture, automobiles, and building materials have exceeded expectations in recent weeks, according to a majority of leading dealers, and demands indicate increased activity in these lines.

N.Y. CENTRAL PROFITS JUMP IN FIRST QUARTER—NET OPERATING INCOME UP TO $8,211,195, AGAINST $3,365,067, WITH RISE IN MARCH EVEN SHARPER—GAINS OF 14 ROADS ABRUPT LAST MONTH—EARNINGS SHOW ADVANCE OF 204.4 PERCENT OVER 1933; GROSS ONLY 35 PERCENT HIGHER

The New York Central Railroad Co. reports net operating income for the first quarter of 1934 of $8,211,195, compared with $3,536,067 for the corresponding period of 1933. Gross revenues of the system for the quarter amounted to $75,532,887, compared with $62,189,249.

March net operating income of the system was $4,391,085, compared with $961,089 for the like month of 1933. Gross revenues for the month totaled $27,965,563, compared with $19,837,959.

Operating ratio lower

Operating expenses for the quarter were $56,253,325, compared with $47,987,258. March operating expenses were $19,846,446, compared with $15,456,854. Operating ratio of the system for the quarter was 74.5 percent, compared with 77.2 percent. March operating ratio was 71 percent, compared with 77.9 percent.

The first 14 railroads to report March net operating income had an aggregate of $14,920,000, compared with net operating income in March 1933, of $4,902,000, an increase of 204.4 percent. Gross earnings of the same roads in March amounted to $68,421,000, compared with $50,454,000, an increase of 35.6 percent.

March net far above February

In February the same carriers had net operating income of $10,034,000 and gross revenues of $58,583,000. March net operating income of these roads was 43.7 percent above the preceding month, and gross revenues were 16.8 percent above those reported for February.

Earnings reports of individual carriers follow:

	1934	1933
Ann Arbor Railroad:		
March gross	$278,271	$232,494
Net operating income	40,209	1,430
3 months' gross	773,631	645,978
Net operating income	63,008	[1] 38,571
Central Railroad of New Jersey:		
February net income [2]	115,803	3,250
2 months' net income [2]	394,848	[2] 83,328
Delaware & Hudson R.R. Corporation:		
March gross	2,275,593	1,626,971
Net operating income	358,991	[1] 139,913
3 months' gross	6,451,372	4,850,462
Net operating income	811,520	[1] 481,764
Gulf Coast Lines:		
March gross	1,020,748	682,284
Net operating income	173,916	[1] 14,414
3 months' gross	2,794,969	2,193,598
Net operating income	495,363	129,527
Gulf, Mobile & Northern R.R.:		
February net loss [2]	49,033	91,143
2 months' net loss [2]	65,871	170,434
Minneapolis, St. Paul & Sault Ste. Marie:		
March gross	913,960	765,719
Deficit after charges	603,014	674,807
3 months' gross	2,643,782	2,216,736
Deficit after charges	1,735,818	2,073,749
Missouri-Kansas-Texas Lines:		
March gross	2,116,222	1,652,518
Balance before interest	731	[1] 167,069
Interest, fixed charges	347,375	347,796
Adjusted bond interest	56,573	56,573
Net loss	403,217	571,438
3 months' gross	6,201,544	5,119,219
Balance before interest	98,187	[1] 402,263
Interest, fixed charges	1,032,337	1,043,598
Adjusted bond interest	169,719	169,719
Net loss	1,113,869	1,615,581
Missouri Pacific R.R.:		
March gross	6,436,808	4,624,691
Net operating income	854,790	93,632
3 months' gross	17,648,071	14,349,526
Net operating income	1,970,873	583,341

Footnotes at end of table.

	1934	1933
New York, New Haven & Hartford:		
March gross	$6,607,206	$5,025,082
Net operating railway income	873,639	157,452
Net income	[4] 147,306	[1] 880,206
3 months' gross	18,099,731	15,196,923
Net railway operating income	1,761,467	755,171
Net loss [4]	1,094,777	2,369,599

	Dec. 31, 1933	Dec. 31, 1932
New York, Ontario & Western assets:		
Road and equipment	$87,941,562	$87,691,987
Improved leased property	830,949	815,051
Other investments	11,801,585	11,375,510
Current assets	2,500,440	1,949,287
Deferred assets	169,227	169,253
Unadjusted debits	473,685	497,169
Total	103,717,448	102,498,257
New York, Ontario & Western liabilities:		
Capital stock	58,117,983	58,117,983
Funded debt	29,990,793	30,129,850
Current liabilities	2,877,882	2,222,241
Deferred liabilities	8,017	7,734
Accrued depreciation	4,540,272	4,307,704
Unadjusted credits	378,740	193,295
Approximate surplus	80,532	78,809
Profit-and-loss surplus	7,723,229	7,440,641
Total	103,717,448	102,498,257

	1934	1933
Rutland R.R.:		
March gross	$291,288	$255,351
Net operating income	[1] 4,933	[1] 10,084
3 months' gross	800,973	737,877
Net operating income	[1] 39,416	[1] 10,870
St. Louis-San Francisco Ry. system:		
March gross	3,574,907	2,954,701
Net operating income	307,527	[1] 139,685
Balance for interest	340,061	[1] 91,220
3 months' gross	10,342,129	8,940,305
Net operating income	900,501	[1] 340,136
Balance for interest	1,001,622	[1] 233,049
Wabash Railway:		
March gross	3,515,272	2,690,262
Net operating income	603,010	[1] 164,907
3 months' gross	9,464,704	8,006,576
Net operating income	1,140,043	[1] 501,624
Western Pacific R.R. Co.:		
March net loss [1]	165,000	841,199
3 months' net loss [2]	620,000	1,069,231
Wheeling & Lake Erie Ry.:		
March gross	1,121,720	579,712
Net operating income	262,979	[1] 18,146
3 months' gross	2,898,262	1,940,694
Net operating income	570,174	113,193

[1] Deficit.
[2] After taxes and charges.
[3] Loss.
[4] Before guaranties on separately operated properties.

WESTERN PACIFIC

The annual report of the Western Pacific Railroad Co. reveals that there are three notes outstanding in favor of the A. C. James Co. totaling $4,999,800. As security for the loans the railroad has pledged $6,249,500 general and refunding mortgage bonds.

The loan of $1,303,000 obtained by the railroad from the Railroad Credit Corporation has been reduced $22,699 through the application of distribution and tax refunds of the road and subsidiary companies, leaving a balance due of $1,280,300. During 1933 the railroad deposited $58,653 with the corporation, representing revenues accruing from emergency freight rates.

Western Pacific Railroad Corporation reports net income for 1933 of $607,594 compared with $803,128 in 1932. Combined statement of the corporation and subsidiaries shows net deficit for 1933 of $2,833,277 compared with $3,002,423 in 1932.

[From the Allentown (Pa.) Call, Apr. 17, 1934]

ADVERTISING EVIDENCE OF BUSINESS UPTURN

Continuing reports indicate upward swing in American business and sound hopeful notes for spring and summer improvement that will be most substantial.

Dun & Bradstreet report that 226 business failures throughout the United States during the week ending April 5 was the smallest number for any 1 week since the year 1920. In the same week a year before there were 418.

But the millions of readers of that popular magazine the Saturday Evening Post recently had presented to them the most satisfactory and most concrete evidence possible of the upturn. That magazine a week ago was the most bulky affair that it has been in 2 years. It was so because advertising by national concerns which use it as a medium for publicity had very substantially increased. In fact, the increase was about 70 percent over the best earlier issues.

But the spurt is noted not only by the Post but also by its brethren, the Ladies' Home Journal and the Country Gentleman. All reflect increased national business, and the story is brought home to every reader or handler of those magazines.

[From the Fort Wayne (Ind.) News-Sentinel, May 15, 1934]

BOOST PAY IN WABASH PLANT—INCREASES OF 10 AND 5 PERCENT ANNOUNCED—MOVE TO AFFECT 225—MONTHLY PAY ROLL $1,400 HIGHER

WABASH, IND., May 15.—Lowell E. Longstreth, manager of the plant here of the Container Corporation of America, today announced a 10-percent wage increase for all workers getting 49 cents an hour or less and a 5-percent increase in wages for those receiving 50 cents an hour or more.

The increase will affect 225 workers in the plant, and will add approximately $1,400 to the monthly pay roll.

Previously the workers were paid the code scale of 38 cents an hour for men and 30 cents an hour for women. The increase makes a minimum of 44 cents an hour for men and 33 cents for women.

Longstreth said the increase is general in all places where the company operates plants, and brings wages in each plant up to the average wage in the territory served.

[From the Milwaukee (Wis.) Leader, May 14, 1934]

FACTORY JOBS SHOW INCREASE IN WISCONSIN

The volume of factory employment in Wisconsin is now larger than for any month since July 1931 except for September and October last fall, according to a report by the industrial commission of Wisconsin.

Other outstanding facts in the report follow:

PAY ROLLS SHOW INCREASE

"A preliminary tabulation of the pay-roll reports received from 1,066 factories in Wisconsin shows that the number of employees on pay rolls increased 2.7 percent and the aggregate amount of such pay rolls increased 3 percent between March 15 and April 15, 1934. The 1,066 reporting factories referred to above accounted for a total of 109,266 employees and a total of $2,066,606 of pay roll in 1 week of April 1934.

"Factory employment in Wisconsin is definitely on the increase. The gains appear in more employees on pay rolls, employees averaging more hours of work per week, employees getting larger weekly earnings, and industrial plants operating more hours per week.

"In Milwaukee County a group of 367 identical factories had 47,328 employees on March 15 of this year, as against 33,752 employees on March 15 last year. The operating time of these 367 identical factories has increased 3.6 percent over a year ago, while the number of persons employed by them has been increased by 40.2 percent.

AVERAGE WAGE $18.45

"Factory employees averaged $18.45 per week during March 1934, in comparison with $13.24 in March 1933, $17.47 in March 1932, $22.69 in March 1931, $25.75 in March 1930, and $26.95 in March 1929.

"Present earnings are higher than for any month since August 1931."

[From the Chattanooga (Tenn.) News, May 17, 1934]

UTILITY FIRMS HERE REPORT SUBSTANTIAL GAINS IN BUSINESS—POWER OUTPUT FOR APRIL 40 PERCENT GREATER THAN 1933 MONTHLY AVERAGE—GAS USE INCREASES—MORE TELEPHONE AND WATER CONNECTIONS MADE REFLECT IMPROVEMENT HERE

Substantial improvement in conditions in Chattanooga is reflected in the records of the utility companies which supply electricity, gas, water, and telephone service here. The companies find that a number of new customers have been added to their books, and in the case of several of the companies the use of the service has been greater.

The Chattanooga Gas Co., for example, for the period from May 1 to May 15, added 178 customers, Manager A. J. Goss said Thursday. April, with one exception, was the biggest month from the standpoint of new customers of any month in the past 15 years. For the first 4 months of the year, with exception of one period, was the best in 15 years, he said.

POWER OUTPUT GAINS

The power output, domestic and industrial, by the Tennessee Electric Power Co. for the Chattanooga district during April showed an increase of approximately 40 percent as compared to the monthly average for 1933, J. A. Longley, vice president and general manager of the power company, said. Mr. Longley did not compare April with April of last year for the reason that April 1933 was an abnormally low month, and a comparison would hardly give an accurate picture.

During the year ending with April, domestic customers of the power company here increased the use of current by an average of 107 kilowatts. They used on an average of 16 percent more current, for which they paid $6 less. The average price fell from 5.59 cents per kilowatt-hour to 4.05 cents per kilowatt.

During the first four and a half months of the year there was a net increase in the number of telephones in service here of 628, L. L. Billups, local manager of the Southern Bell, announced. The net increases by months were as follows: January, 165; February, 115, March, 129; April, 135; and through May 15, 84. The increasing number of subscribers to telephone and gas service and the increasing use of electricity strikingly reflect the better financial condition of the people.

TELEPHONES RESTORED

Chattanoogans who had their telephones taken out when they felt the pinch of the depression are now having them restored. Families "doubling up" are moving into homes and apartments of their own, with the result that the number of vacant houses is rapidly diminishing and there are few vacant desirable moderately priced homes and apartments, real-estate men report.

Records of the City Water Co. also reflected gains. Since the first of the year 53 new services have been connected to the system. Of these, 27 represent new services where there were two or more houses or apartments on the same meter. The remaining 26 installations represent new homes and businesses of various kinds.

Manager Goss, of the gas company, attributed the increase in the number of gas customers to two things—the new lower rates and general improvement in conditions. In April the domestic and commercial gas consumption ran ahead of last year, although the industrial consumption showed a slight reduction.

[From the Buffalo (N.Y.) Courier Express, May 16, 1934]

EMPLOYMENT, PAY ROLLS HERE RISE STEADILY—FIGURES FOR BUFFALO FAR ABOVE GENERAL AVERAGES FOR ENTIRE STATE

Employment in New York State factories increased 1.4 percent from the middle of March to the middle of April, continuing the upward movement apparent during the previous 2 months, according to a statement issued yesterday by State Industrial Commissioner Elmer F. Andrews. Total wage payments showed a rise of 1.2 percent during the same period. These gains raised the State labor department's index number of factory employment to 73.2, the highest point reached since September 1931, and the index of total factory pay rolls to 59, the highest level since November 1931.

Compared with a year ago, employment and pay rolls during the middle of April were 32.4 percent and 47.1 percent greater, respectively. The normal seasonal course of employment and pay rolls is downward during April.

METAL AND MACHINERY GROUPS GAIN

The metal and machinery groups continued to record sharp gains in employment, with reporting manufacturers adding 5,828 persons to their working forces, a gain of 5.4 percent over March. The slowing up of manufacturing for the spring and summer trade was reflected in reports from the clothing and millinery industry group. Reporting concerns were operating with 1,225 fewer persons in April than in March, a decrease of nearly 2.5 percent. Employment gains in the textile industry continued to be registered during April, due principally to further large increases at knit-goods mills. For all textiles combined, the rise in employment amounted to about 1 percent. Many industries in the food and tobacco group had larger working forces in April than in March, but reductions in a few divisions caused the group as a whole to show a net loss of 1.2 percent.

Factory employment and pay rolls in the Buffalo area continued to show increases during the period from the middle of March to the middle of April. The number of persons employed rose 5.3 percent and wage payments increased 8.3 percent, advancing the index numbers, which are computed with the averages for the 3 years 1925–27 taken as 100, to 71.5 for employment and 56.7 for pay rolls. Compared with a year ago, employment and pay rolls this April were approximately 60 percent and 85 percent greater, respectively. Average weekly earnings were $24.53 this month, against $23.85 in March and $21.02 a year ago.

The principal gains again were registered in the metal industries. In the metal group as a whole, reporting firms added 2,780 persons to their working forces, and paid out nearly 17 percent more in weekly wages than in March. The automotive division, which had reported a sharp decline last month, showed the largest gains this month, increasing employment and pay rolls to approximately one and one half times the March figures. Pig iron and steel plants and railroad equipment and repair shops again showed substantial increases. Smaller gains occurred in brass, copper, and aluminum, and sheet-metal and hardware concerns. Makers of heating apparatus and of machinery were slowing up operations somewhat and were letting go help.

Increases in employment and pay rolls were reported by the stone, clay and glass, leather and rubber products, and printing groups. Textile mills, water, light, and power plants, and food-products concerns had about the same number of employees as in March, but paid out more in wages. Manufacturers of wood products, paper and paper goods, and clothing showed reductions both in working forces and in pay rolls. The chemicals-and-oils group suffered sharp losses, due almost entirely to curtailment in a large plant.

The report of the Buffalo office follows:

	April 1934	March 1934	April 1933
Number of—			
Applications for work	5,135	[1] 18,986	5,234
Openings	1,613	1,113	751
Workers placed	[2] 1,022	1,037	613
Applications for work for each 100 workers placed	318	[1] 1,705	696

[1] Revision to active reinstatement of C.W.A. workers.
[2] The unusual difference between openings and placements is due to the fact that many referrals to public-works openings have not been verified as placements.

[From the Chicago (Ill.) Herald and Examiner, Apr. 14, 1934]

BUSINESS GAINS CONTINUE, DUN REPORT SHOWS—AGENCY SURVEY FINDS SENTIMENT AGAINST RESTRICTIONS—RETAIL SALES AT NEW PEAK

Reports from every part of the country during the past week brought uniform proof of a further definite upswing in business and industry, the Dun & Bradstreet Trade Review said yesterday.

The review commented:

"While full credit is accorded the emergency legislation enacted last year for the wholesome betterment provided by the strong foundation laid for business recovery as well as for the strengthening of the Nation's banking structure, considerable stress is now being placed on the need for allowing the forward movement to proceed unhampered by new and unnecessary restrictions."

VOLUME ADVANCES

Regarding the movement of retail trade, the Review asserted:

"Almost without exception, leading retailers of the country find that the tapering off in business, which usually is apparent after Easter, has not developed, as volume last Saturday in some centers was the heaviest for any single day in 3 years, with the gain reaching 40 to 50 percent over the comparable period last year when Easter buying was at its peak.

"As the month advances gains will become larger, as spring requirements have been covered only partially thus far, and the larger income of workers, when compared with a year ago, will carry the totals to more advanced levels than appeared likely a month ago.

OPERATING SCHEDULES RISE

"In the industrial divisions, operating schedules are rising at a more rapid rate than they did in March, unaffected to any major degree by the labor difficulties still unsettled in some districts.

"The leading wholesale markets became unexpectedly active this week, as many buyers were forced to replenish spring goods, which had been ordered too sparingly."

The volume was not composed entirely of fill-in requirements, however, as many new orders were placed for merchandise needed during the next 2 weeks, the agency said.

[From the Detroit (Mich.) Free Press, May 20, 1934]

FIGURES PROVE RECOVERY HERE—NEW DIRECTORY SHOWS BUSINESS GAINS

A "Dynamic City" definitely on the way to economic recovery is reflected in R. L. Polk & Co.'s 1934 Detroit City Directory, now off the press and being delivered to subscribers. Gains in population, gains in diversity of activities, gains in employment, and gains in numerous other angles of the city's life were encountered in the drive for directory data, the publishers said:

"In its 2,440 pages the directory lists 760,912 names, as against the 734,856 represented in the 1932–33 edition. The eligibility age limit for listing in the directory, 17, was maintained."

For the first time since the 1930 United States census, the Polk organization estimates the population of the area covered by the directory, placing it at 1,624,527. This takes in Detroit, Highland Park, Hamtramck, the Grosse Pointe communities, and Lochmoor. The publishers declined to say how much of an increase from the ebb tide of population during early 1933 this represents, but ventured the opinion that the recovery has been large.

Significant among the observations of the Polk Co. on their directory canvass were:

Longer pay-roll lists at industries than for several years past.

Thousands of reoccupied stores, offices, homes, and apartments, with a vast reduction in vacant property and a decided reversal of the doubling-up tendency of depression days.

A marked revival of hope and morale on the part of housewives interviewed, and a forward-looking feeling among business men of all classes.

A wide-spread effect in industry and trade from repeal of the eighteenth amendment.

Reconditioning and modernization of homes under the Government loan plans.

Glancing over the directory one may note the new addresses of Government offices in the Federal Building; the frequency of the occupation "bartender", gone for these many years; and the return of brewing and distilling classifications and terminology in the classified and advertising sections.

[From the Bridgeport (Conn.) Post, May 11, 1934]

APRIL PAY ROLL HIGHEST IN YEARS—UP 7.18 PERCENT FROM MARCH AND 77.18 PERCENT FROM 1933 MONTH

The greatest increase in years is noted in the average weekly pay roll for April for the city, according to figures gathered by the chamber of commerce from the banks making up the pay lists for the commercial and industrial concerns of the city. The weekly pay roll was $768,615, against $717,079 for March, an increase of 7.18 percent. The April 1933 pay roll was $433,781, showing a 77.18 percent increase.

The report today also shows a gain of 4.73 percent in postal receipts, a gain of 31.86 percent in bank debits, a gain of 67.27 percent in bank clearings, a gain of 4.20 percent in gas consumption, and a gain of 37.81 percent in electrical consumption—all indicate improved conditions.

The actual figures for these items for April of this year and April of last year, respectively, are:

Postal receipts $75,813, against $72,388; bank debits $41,019,717, against $31,108,109; bank clearings $8,422,846, against $5,035,405; gas consumption 88,517,000 cubic feet, against 84,944,900 cubic feet; and electrical consumption 12,391,000 kilowatt-hours, against 8,991,000 kilowatt-hours.

[From the Star, Minneapolis, Minn., May 16, 1934]

REPORT REFLECTS EMPLOYMENT GAIN

Increased activity in private industry and Public Works projects is reflected in the April report of the National Reemployment Service in Minnesota, issued today by Dreng Bjornaraa, State director.

Placements for the month numbered 15,074, of whom 13,490 were men and 1,584 women. The report included 3,929 placements on C.W.A., R.W.A., and E.R.A.; 2,752 with P.W.A. and 8,393 with private employers and local governmental units.

Veterans with dependents are given preference on Public Works projects, and 1,532 of those placed in April are from this group.

National Reemployment offices serve the State, except for the counties of Hennepin and Ramsey and the city of Duluth. Activities are centered in 12 district offices.

[From the Tulsa (Okla.) World, May 18, 1934]

PLANT MACHINERY HUMS TO OLD TUNE—BRINGS BUSINESS TO OIL WELL IMPROVEMENT CO.

The machinery is humming to the tune of increasing business in the plant of the Oil Well Improvement Co. on the Sand Springs Road, it was reported yesterday. Alf G. Heggem, Tulsa industrialist, is president of the company.

During the depression the plant operated with a skeleton force of about 10 men. Now 40 men are employed there and Heggem stated yesterday that he expects to be employing a total of 100 men within the next 3 weeks.

Orders already received insure a continuous plant operation for an indefinite period, Heggem said.

[From the Harrisburg (Pa.) News, May 18, 1934]

FIFTY-PERCENT CUT IN STATE'S JOBLESS ARMY IN YEAR

Pennsylvania's jobless army was reduced by almost 50 percent in the year from March 1933 to March 1934 the department of labor and industry reported today.

The department's bureau of accounts and statistics reported unemployed persons in the State in March totaled 699,482, as compared with an unemployed total of 1,379,351 a year before.

None of these figures include persons temporarily employed on C.W.A. or works-relief projects.

"The trend of industrial employment in Pennsylvania continued upward in March, registering a 4 percent gain over February," the report continued. "Employment increases were shown for 47 of the 66 industries represented in the survey."

Schuylkill County, the report showed, has the largest percentage of unemployment in relation to working population, the figure being 26.7 percent. Eight other counties where the percentage exceeded 20 were Carbon, Beaver, Northumberland, Allegheny, Washington, Luzerne, Philadelphia, and Westmoreland, most of them coal-producing localities.

[From the Cincinnati (Ohio) Post (Kentucky edition), May 4, 1934]

FOUR HUNDRED AND TWENTY-SEVEN GIVEN JOBS IN PAST MONTH—PLACEMENTS FOR APRIL REPORTED BY LOCAL OFFICE OF RE-EMPLOYMENT SERVICE

There was a total of 427 placements made by the Kenton County office of the National Reemployment Service, Covington, during April, it was stated Friday in the monthly report of the activities of the office, sent to Louisville by Ralph Moser, district manager.

The figures include 225 men working on the P.W.A. road project at Ryland, Mr. Moser said.

"The new district plan of the Reemployment Service has necessitated a complete change in the method of keeping records", Mr. Moser declared. "This has kept the entire force busy and prevents temporarily the usual contracts with business houses and private industries. The clean-up campaign this week had given an added impetus to employment, but these placements, of course, are only temporary.

"The difficulty now lies not in placing laborers and mechanics, but in obtaining openings for the 'white collar' class. Employers requiring store clerks, salesmen, male and female stenographers, bookkeepers, and clerks are urged to place their orders with this office at 116 West Fifth Street, or phone Hemlock 5241. Competent help is available instantly."

[From the Los Angeles (Calif.) Herald and Express, May 11, 1934]

CALIFORNIA EMPLOYMENT CLIMBS IN APRIL

The number of employees on the pay roll of 1,146 representative manufacturing establishments in California employing more than 50 percent of the State's wage earners totaled 160,964 during April, an increase of 24.6 percent over April last year. During the month aggregate weekly pay rolls of the reporting firms increased 32.4 percent, but the amount of the average weekly pay check gained only 6.3 percent.

Wholesale and retail establishments, not included in the foregoing, reported an increase of 12.1 percent in the number of workers employed during April as compared with April of last year, and the public utilities as a group reported a decline of six tenths of 1 percent in the number of employees.

The telephone and telegraph companies reported a 3.3 percent reduction in number of workers, while the water, light, and power and electric railway and bus operators of the State reported an increase of 2 percent.

Figures on California employment are furnished by the State division of labor statistics.

[From the Salt Lake City (Utah) Tribune, May 11, 1934]

DENVER & RIO GRANDE WESTERN RAILROAD PUTS FORCE TO WORK—RAILROAD EMPLOYS 200 ON MAINTENANCE SINCE MAY 1

Approximately 200 maintenance workers have been employed by the Denver & Rio Grande Western Railroad Co. since May 1, announced A. J. Cronin, assistant traffic manager, Thursday.

One hundred and fifty of the men have been put on in the back shops, for locomotive and other heavy repairs, while two extra gangs of maintenance workers also have been hired, Mr. Cronin said.

"Traffic into Salt Lake is 50 percent greater than for this period last year. It is to take care of this increased traffic and to meet an expected additional increase this fall that we are putting all equipment into first-class condition", he said.

Much heavier traffic is anticipated in Utah fruits and vegetables this year than last, Mr. Cronin said. Larger acreage of vegetables have been planted and the outlook for Utah fruit, last year practically a total failure, appears good, he said.

"Although drought conditions are general throughout the region, according to reports we have received, the season is approximately 1 month advanced over the normal year, and many of the crops are expected to mature before the water supply is used up."

[From the Harrisburg, (Pa.) News, May 21, 1934]

OUT OF THE DEPTHS

Just half as many Pennsylvanians were out of jobs in March of this year as in March a year ago, official figures of the State department of labor and industry show. To many persons who have been accustomed to think that America is still in the depths of the depression, this reduction in unemployment comes as a pleasant shock.

There is only one explanation for this gratifying shrinkage in the army of the unemployed. Times are better. Jobs have been opening up. Industry and business are moving upward. How else can the absorption of 680,000 persons in jobs be interpreted?

Announcement is made that in the reduction of the unemployed from 1,379,351 in March of last year to 699,482 this year persons employed on C.W.A. projects are not included. That means that the ordinary channels of trade took on the unemployed who in March of this year were getting back to their jobs at a 4 percent faster pace than in the preceding month. Increased employment was reported from 47 of 66 industries.

The mere dissemination of such figures ought to be helpful. The American people are beginning to shed their mantles of gloom. The defeatist attitude which slowed up recovery at one time is vanishing. The conviction grows that the country is pretty much out of the marshland and little more is required than a constantly growing conviction that this is true. Such figures as have just been made public are tremendously stimulating.

[From the Hoboken (N.J.) Jersey Observer, May 17, 1934]

JERSEY CITY REPORT SHOWS GAIN IN BUILDING BOOM—FIRST 4 MONTHS OF YEAR FIND CONDITIONS ON ROAD TO RECOVERY—A MARKED INCREASE IN BUILDING OPERATIONS IN JERSEY CITY IS REVEALED BY THE RECORD OF THE BUILDING DEPARTMENT COVERING THE FIRST 4 MONTHS OF THIS YEAR

According to figures released by Superintendent of Buildings Edward A. Spoerer this morning, there is an increase of $63,115 in cost of building operations over the same period last year.

From January 1 to April 30 last, the estimated cost of new buildings, some completed and others under course of construction, was $289,728. The amount in 1933 for the same time was $226,613.

"The increase is an indication that building operations are on an upward trend", stated Superintendent Spoerer. "In addition, our office activities have also increased."

"Jersey City", continued Mr. Spoerer, "enjoys the distinction of being the first city in New Jersey, since the beginning of the year, where an apartment dwelling is being constructed. My authority is the tenement-house commission.

NEW APARTMENTS

"Two apartment houses are in the course of construction at 166–172 Jewett Avenue. The builders are the Unix Holding Co. They are three-story structures and are being erected at an estimated cost of $80,000. When finished, the dwellings will house 16 families each. Their design and construction are the last word in apartment buildings. Located a short distance from the Hudson Boulevard, the new apartments will be within easy accessibility from every transportation line.

"Another outstanding new structure is the three-story apartment and office building at 902 Bergen Avenue. The finishing touches are being applied. When completed, the building will cost in the neighborhood of $65,000. The owner is Joseph Ellman, of Jersey City.

"Since January 1", added Mr. Spoerer, "a number of one- and two-story frame and brick dwellings have been erected.

"Many industrial companies and property owners have filed plans for the renovating and altering of their buildings. This is, indeed, a good sign, proving conclusively that real-estate values are bound to increase. People are again displaying confidence. This is evident in the money being expended for the repairing and redecorating of their properties.

HAS COME-BACK

"As a result of the property owners' activities, architects and builders are beginning to be kept busy.

"The time is not far off when building operations and real-estate activities will be on a par with conditions prevalent before the depression."

[From the Toledo (Ohio) Times, May 10, 1934]

2,250,000 SHARE IN PAY ADVANCES—18,000 FIRMS REPORT TO CREDIT BUREAU

More than 2,250,000 workers have shared in wage advances in the last 15 months, it was reported by the Merchants' Credit and Adjustment Bureau in its weekly bulletin to merchants here issued yesterday.

Reports were gleaned from 18,000 firms, and while the reports indicated only 300 were in the group of those receiving increases as of January 1, 1933, the number has risen in the last month.

Most of the companies also earned a fair profit in the same period.

Merchants figure this movement has greatly expanded purchasing power and restored confidence to workers.

[From the Springfield (Ohio) News-Sun, May 13, 1934]

IMPROVEMENT IN BUSINESS SHOWN—SPRINGFIELD WORKS OF OLIVER CO. HAS SUBSTANTIAL GAIN

Substantial increase in the business of the Springfield works of the Oliver Farm Equipment Co. in recent months was reported Saturday by E. B. McDonald, plant manager. During April, Mr. McDonald said, the local works employed more persons than at any other one time since 1930.

While some seasonal decline during May prior to the annual inventory period, starting June 1, is anticipated, "there is every reason", Mr. McDonald said, "to anticipate that the Springfield plant will enjoy an even better fall and winter this year than was the case last year."

Mr. McDonald's statement was as follows:

"The Springfield works of the Oliver Farm Equipment Co. has experienced a substantial increase in business during recent months. The peak was reached during the month of April, just prior to the spring seeding season, and at that time, according to company officials, there were more people employed at the Springfield works than at any other one time since early in 1930.

"In accordance with usual yearly trends, operations will taper off somewhat during May prior to the annual inventory period which starts June 1.

"In spite of the fact that the last 3 years have been exceedingly difficult ones for farmers generally, the Oliver Springfield works has done a considerable amount of engineering and development work. A number of new products have been designed and tested in the field. These products have recently been released for sale by the dealer organization and an active demand is anticipated.

"The Oliver Co. operates four large factories, at Charles City, Iowa; Battle Creek, Mich.; Springfield, and South Bend, Ind. At South Bend the company has a particularly large foundry, and it has been found economical to make a considerable tonnage of castings used at Springfield and other plants in that foundry. With business growing better there is every reason to anticipate that the Springfield plant will enjoy an even better fall and winter this year than was the case last year."

[From the Davenport (Iowa) Times, Apr. 17, 1934]

CONTINUED IMPROVEMENT

The Dun & Bradstreet review for the week forms another record of business recovery. Despite the release of several million workers from the C.W.A. rolls, trade during the last week continued to show a gain. The tapering off in business which was looked for in many lines after Easter failed to develop this year.

The many new shiny cars on the streets and highways is another index of buying power being exercised. April sales are expected to match those of March, despite the fact that deliveries during the last 10 days of that month were the highest since May 1931, while the month as a whole exceeded any in 1931.

With steel production approaching 50 percent of capacity, it may be felt that this pivotal industry is nearing a normal production. Building, which has been lagging badly, gave most encouraging evidence of definite improvement, when contracts for the month were almost 200 percent above those of March of last year.

The progress is slow and steady and it is the absence of a spurt, such as that which came last July, which extends assurance that it is more or less of a permanent nature.

While the heavy industries are still 50 percent below normal production, the so-called "consumer industries"—those which turn out food, clothing, and other things which are used by the masses—are now within 15 percent of normal. It is corporations and larger business units which support the capital-goods trade. Naturally there has been a reluctance during this period of flux to embark upon expansions and plan rehabilitations which form so much a part of the demand for heavy machinery and other heavy products. As a matter of fact there has been little need of improvements of this sort, since the productive capacity of industry remains far in excess of demand.

The hue and cry which has been raised about the baneful effect of the Securities Act disregards conditions which would have discouraged investment along this line during the past year, even in the lack of legislation which sought to eradicate evils which were all too prevalent in the past.

With the demand for short-term gilt-edge bonds exceeding the supply at present, money must flow soon to solid capital financing.

The most encouraging change which has come about in the past 12 months is that money is again seeking investment, whereas this time last year found everyone converting whatever he could into money.

[From the Cleveland (Ohio) Plain Dealer, May 17, 1934]

NOT SO SICK

It is current fashion for the foes of Roosevelt recovery to beat their breasts on behalf of the little man. One is told that N.R.A. has become the handmaiden of monopoly and that its codes are putting a millstone around the neck of all the little businesses of all the little men.

Yet an erroneous report from Washington that the codes for the service industries will be abandoned brings several thousand protests to the National Recovery Administration, mostly from the dry-cleaning industry, admittedly one of N.R.A.'s problem children. Manifestly most of them must have come from little men, for there are not that many big ones.

Another index of the business health of the little man is the steady decline 'n commercial failures. Last week, reports Dun & Bradstreet, failures were fewer than for any similar period in 14 years. They numbered 222 against 437 a year ago, and a weekly average of over 400 in predepression years.

Still another indication that all the little men are not dead or dying is the substantial decrease in the number of vacant stores, noted in Cleveland and almost every other city. They should be increasing if one is to believe the recovery critics' tales of woe, for in the main it is the little men who do business in the little stores.

Many little men in business have been having their troubles, even as have the big men. But many of them seem to be convalescing very successfully.

[From the Little Rock (Ark.) Democrat, May 18, 1934]

ROADS REPORT BIG INCREASE IN BUSINESS—PASSENGER TRAFFIC UP 20 PERCENT, CARLOADINGS 26 PERCENT

Railroad freight and passenger business in Arkansas for the first 4 months of the year show a substantial increase over the figures for the corresponding period last year. Passenger traffic has increased about 20 percent, number of passengers almost half, and freight carloadings slightly more than 26 percent.

Officials of the Missouri Pacific and Rock Island systems Friday said not only has there been an increase in business here but at most points served in Arkansas by the two roads. Business of last summer was considerably over that of the previous summer, and officials anticipate a heavy summer tourist business this year.

Some stations on the Missouri Pacific have reported number of passengers doubled over that of the same period last year, while at Little Rock the number of passengers has been about 50 percent greater each month since the first of the year over corresponding months last year. The Rock Island reported an average of about 45-percent increase in number of passengers.

Passenger revenues of the two systems is reported considerably greater than last year, while in Arkansas the increase averages about 20 percent. Little Rock passenger revenue to the Missouri Pacific has run from 5 to 20 percent greater than the same month last year, while on the Rock Island the average is about the same. Each month since December the Rock Island has had more passenger revenue here than last year.

For the first 15 days in May the Rock Island reported about an 18-percent increase in passenger revenue.

CARLOADINGS INCREASE

Figures compiled by J. C. Murray, chief of the traffic department of the Little Rock Chamber of Commerce, show a 26-percent-plus increase in carloadings in Little Rock and North Little Rock from

January to April, inclusive, in 1934, over the loadings of the corresponding 4 months of 1933.

Mr. Murray's figures on cotton shipments for this period in 1934 show a decrease under the first 4-month period of the preceding year. He explained that this was not significant of a decrease in cotton business, but that the difference is due to an enormous stock of cotton being held on account of Government loans.

Carloads of general merchandise and commodities received and forwarded here during the first 4 months of this year totaled 23,301 as compared to 18,477 during the corresponding period in 1933. This is an increase of 4,824 carloads, or slightly more than 26 percent. Cotton shipments, which are measured in bales rather than carloads, were 71,563 bales during the first 4-month period in 1934 compared to 84,753 bales during the corresponding period in 1933.

[From the Baltimore (Md.) Sun, May 24, 1934]

JOBS, PRODUCTION, PAY ROLLS INCREASE—FEDERAL RESERVE REPORTS UPWARD CURVE WHILE PRICES MARK TIME—STEADY GAINS SHOWN—FOUR MAJOR INDUSTRIES ENLARGE OUTPUTS—STORE SALES AHEAD OF LAST YEAR

WASHINGTON, May 23.—Employment, pay roll, and factory production increases were reported today by the Federal Reserve Board in a review which showed the general commodity price level marking time.

"Volume of manufacturing production increased during April, while the output of mines declined", the Board said in its monthly summary.

EMPLOYMENT LEAPS

"Employment and pay rolls continued to increase. The general level of commodity prices remained substantially unchanged during April and the first 3 weeks of May, although prices of individual commodities showed considerable changes."

Adjusting the increase in manufacturing and the drop in mining activity, the Board found its combined index of industrial production remained unchanged at 85 percent of its 1923–25 average. Analyzing the important factors, the Board said:

"The growth in manufacturing reflected increases in iron and steel, automobiles, and meat packing. Lumber production declined in April and activity at wool and silk mills was considerably reduced, while cotton consumption by mills showed little change.

PETROLEUM OUTPUT RISES

"Crude petroleum output continued to increase, but there was a more than seasonal decline at the beginning of April in the mining of both anthracite and bituminous coal. During the first 2 weeks of May steel operations increased further, but declined somewhat in the third week. Output of automobiles decreased considerably in May.

"The volume of employment and wage payments continued to increase in April, and employment in factories, according to the new index of the Bureau of Labor Statistics, was larger than at any time since the end of 1930.

"There was a substantial seasonal increase in the number of workers employed in private construction, as well as in those engaged in projects financed by the Public Works Administration.

MORE JOBS REPORTED

"Employment on railroads, in metal mining and quarrying, and in various service activities also increased further, while in coal mining there was a considerable decrease."

The Board said April showed a substantial decline in Public Works contracts and a "slight increase" in contracts for privately financed projects.

Department store sales, while larger than a year ago, showed little change from March to April.

SOME COMMODITIES DECLINE

Grains, cotton, silk, and silver were named by the Board as commodities which showed sharp price declines in April, only to rise during the first 3 weeks of May. Textile products went down in recent weeks and rubber prices, after an early May advance, dropped off. While steel scrap declined, finished steel products, such as automobiles and building materials, advanced in April. Cattle and beef prices rose during April and early May, but hogs declined.

UNEMPLOYMENT CUT 40 PERCENT

NEW YORK, May 23.—The National Industrial Conference Board, in a survey issued today, estimated the total number of unemployed workers in April at 7,907,000. This figure, said the Board, represented a decline of 114,000 from the March total and a reduction of 5,296,000, or 40.1 percent, as compared with March 1933, when unemployment was at its highest point.

[From the Binghamton (N.Y.) Press, May 11, 1934]

BINGHAMPTON—INDEX HIGHEST IN STATE; WAGE TOTALS ALSO UP—BOTH E.J. AND I.B.M. PAY ROLLS LARGER THAN AT HEIGHT OF BOOM—RATED AT 117.6—INCREASE OF 2 PERCENT IN PLANT FORCES FROM FEBRUARY TO MARCH SHOWN

Climaxing a steady increase which began in March 1933, factory employment in the Binghamton industrial district, which includes Endicott and Johnson City, during March 1934 reached a peak which exceeded the high level established in 1929, according to the industrial bulletin just published by Elmer F. Andrews, State industrial commissioner.

Substantiating the State bulletin are statistics of Endicott Johnson Corporation and International Business Machines Corporation, which reveal a decided increase for March over the 1929 peak month, September, in both factory employment and total pay rolls. For the entire district the pay-roll level for March 1933 was approximately 10 points below the 1929 peak.

State computations show that the Binghamton district, leading all other State districts during March, had an index rating of 117.6, as compared with 117 for September 1929. The average for the years 1926–27 is taken for the index base of 100.

Endicott Johnson Corporation in March had on its factory pay rolls 17,874 employees, according to Bruce L. Babcock, treasurer. At the peak of employment in 1929—September—E.J. had 15,321 factory employees, Mr. Babcock said today. He explained that these figures do not include executives and others employed outside the factories. This is an increase of 2,553 employees, or 16.6 percent.

The high E.J. weekly pay roll for factory employees in March was $457,487.41, as compared with the high weekly pay roll of $430,090.62 during September 1929. This is a total increase of 6.1 percent.

Although the total weekly pay roll was increased, the average weekly earnings per factory employee decreased, Mr. Babcock explains, pointing out that the average for September 1929 was $28.07, as compared with the weekly average of $25.60 in March 1934, a difference of 8.8 percent.

Although Frank C. Venner, resident manager of the I. B. M. factories in Endicott, was unable to give detailed figures on his firm's pay rolls and employment, he estimated that employment had increased "at least 30 percent since 1929", and that total weekly pay rolls increased in a slightly smaller proportion.

Commissioner Andrews, in the Industrial Bulletin, explains that employment in Binghamton district factories increased 2 percent from February to March 1934, and total wage payments advanced 2.7 percent. Average weekly earnings for the entire district, he points out, were $24.55 in March, as compared with $24.38 in February and $17.62 in March 1933.

The commissioner's comment follows:

"Employment in Binghamton factories rose 2 percent from February to March, and wage payments increased 2.7 percent, advancing the employment index to 117.6 and the pay-roll index to 112.6. The gains since a year ago were extended to 15.1 percent employment and to 60.4 percent for pay rolls. Average weekly earnings were $24.55, against $24.38 in February and $17.62 a year ago.

[From the Johnstown (Pa.) Evening Democrat, May 18, 1934]

UPSWING SEEN IN EMPLOYMENT FIGURES HERE—CITY ASSESSOR SAYS MANY MORE REPORTED BACK ON REGULAR JOBS

That employment is showing a steady upswing in Johnstown is the opinion of M. M. Chudy, city assessor, who is at present making the occupational-tax assessment of all residents here.

Chudy stated that many persons who last year were carried on his books as day laborers because they could find no work at their trades, have again secured employment as skilled workers. "This", Chudy said, "indicates that jobs are more plentiful than they were a year ago." The assessor said that scores of instances of this nature were found.

Chudy also was of the opinion that as prosperity returns here a great deal of money will be expended repairing homes. "The building survey conducted as an R.W.D. project indicated that many homes are in need of repairing", he said.

[From the Boston (Mass.) Globe, May 17, 1934]

JOBS AND WAGES GAINED IN APRIL—EMPLOYEES INCREASED 3.2 PERCENT OVER YEAR AGO

Commissioner Edwin S. Smith, of the State department of labor and industries, said yesterday that, based on reports from 1,391 manufacturing establishments in Massachusetts, the number of wage earners employed in April, compared with March, increased 1 percent and the total of weekly pay rolls increased 0.2 percent.

"The records show", said Mr. Smith, "that for 9 prior years the averages of the percentages representing the March-to-April changes in each year were decreases of 2.1 percent in employment and 3.3 percent in the amount of weekly pay rolls.

"It is noteworthy that there was an increase of 32.6 percent in the number employed, and an increase of 59.7 percent in the amount of pay rolls in April 1934, compared with April 1933.

"In 20 of the 37 industries there were increases in employment. There were increases in the amount of the weekly pay rolls in 21 of the industries.

"The combined returns for the 115 boot-and-shoe establishments reporting showed increases in employment of 4.7 percent and in the amount of the pay rolls of 1.7 percent. The 58 cotton-goods establishments throughout the State reported a 2.5-percent gain in employment and a gain of 1.4 percent in weekly pay rolls.

"In electrical machinery, apparatus, and supplies (including radio), employment increased 7.5 percent and the wages paid increased 14.1 percent. The decreases of 8.3 percent in employment and 10.4 percent in pay roll in the 56 woolen and worsted goods mills were largely due to curtailment of production in Lawrence."

[From the Helena (Mont.) Independent, May 12, 1934]

CARLOADINGS IN STATE SHOW HEAVY INCREASE FOR INITIAL QUARTER 1934 OVER YEAR AGO

Heavy increases in revenue freight carloadings during March 1934 over those for the corresponding month of 1933, are shown for most commodities in the monthly report of loadings compiled in the office of H. B. Schaefer, traffic expert of the Montana Railroad Commission.

During the month 10,092 cars were loaded with revenue freight, an increase of 3,678 cars, or 57 percent, over those for March 1933.

For the first 3 months of the present year Montana loadings of revenue freight totaled 29,974 cars, an increase of 9,307 cars, or 45 percent, over such loadings for the first 3 months of 1933, and an increase of 7,977 cars, or 36 percent, over those for the corresponding 3 months of 1932.

BUILDING MATERIALS

Indicative of a revival of building activities, the month showed increases over March 1933 in building materials as follows:

Lumber and lumber products, 160 cars; brick and clay products, 18 cars; lime rock, crushed rock, stone, sand and gravel, stucco and cement plaster, 479 cars.

In manufactured articles or raw materials for manufacture increases were:

Logs, 383 cars; copper, 217; concentrates, 268; slag and tailings, 57; ore, 1,240; crude oil, 400. Commercial coal increased 149 cars.

In movement of livestock, horses and mules showed an increase of 128 cars and cattle 118. Loadings of potatoes increased 24 cars.

Decreases were shown in flour and mill stuffs, wheat, canned goods, sheep and goats, hogs, and refined oil.

GENERAL SUMMARY

Movement of company freight, or railroad property, accounted for 2,296 carloads, in addition to the revenue freight loadings, as compared with 1,949 cars in March 1933.

Total commodity loadings, car lots, for March 1934 were as follows:

Canned goods 26, commercial coal 1,039, poultry and poultry products 1, household goods 11, farm implements 21, fruit and vegetables 1, dried peas and beans 90, potatoes 68, flour and mill stuffs 556, barley 3, flax 8, oats 34, rye 2, wheat 679, hay 77, straw 1.

Horses and mules 306, cattle 319, sheep and goats 235, hogs 33, wool 2, logs 948, lumber and products 410, poles and piling 134, wood 28, brick and clay products 20.

Copper 321, concentrates 292, slag and tailings 115, ore 2,040, lime 6, lime rock 109, crushed rock 22, stone 183, sand and gravel 234, stucco and cement plaster 123, scrap iron 7, sugar 130, crude oil 474, refined oil 342, miscellaneous 642.

[From the Davenport (Iowa) Democrat, May 17, 1934]

EMPLOYMENT IN FACTORIES STILL GAINING—TOTAL NUMBER EMPLOYED IN QUAD-CITY PLANTS MAY 1 WAS 15,238

For the twelfth consecutive month employment in Quad-city factories showed an increase over the preceding month, according to a survey completed since May 1. On that date a total of 15,238 men, not including office employees and those in supervisory positions, were working in 73 factories, including all of the major plants of the four cities, the survey showed.

That total is the largest since January 1930, records show, when 18,000 were employed, the greatest number in several years. The increase over the same period in 1933 was 109 percent, showing that approximately 8,000 men had gone back to work in Quad-city factories in the last 12 months.

The total employment May 1 represented an increase of 814 over the preceding month, the survey disclosed. While Rock Island arsenal accounted for a good portion of the increase, every major factory in the four cities showed a substantial gain in employment.

[From the Boston (Mass.) Globe, May 20, 1934]

BUSINESS GAINS IN NEW ENGLAND—FIRMS ARE EXPANDING IN MANY COMMUNITIES—GREATER EMPLOYMENT, LARGER PAY ROLLS AIDING SECTION

While the tide of recovery is not running in as heavily as it was a few months ago in New England, there is some evidence that it is still on the rise and that confidence in the future has been restored in many communities.

Fitchburg takes its place with Clinton and Peterboro, N.H., among the industrial communities that have hit the come-back trail and are making good progress toward better times. Fitchburg was one of the many New England textile manufacturing centers that suffered from adverse conditions long before the actual depression came along. Mills were closed, and there were those who predicted that they never would be reopened. This prediction is being proven far wrong.

Two new shoe factories have taken space in one building formerly devoted to the manufacturing of textiles. The Fitchburg Shoe Co. already is running on the second floor of Parkhill Mill Co., and the Corcoran-Gleason Co., formerly of Brockton, has taken 20,000 square feet of floor space on the third floor of the same plant.

Both concerns expect to employ at least 150 persons when running at capacity. While most of the skilled labor will be brought to Fitchburg from other shoe-manufacturing centers, the managements have promised that local residents will be given jobs wherever possible.

SEEK OTHER FIRMS

Several other concerns are said to be considering taking space in the mill building, and local workers for increased industrial activity in Fitchburg are hopeful of building up a shoe-manufacturing community whose value will more than offset the loss of the textile business.

In addition to these excellent signs of better business and more employment, the figures compiled by the chamber of commerce from the two commercial banks in Fitchburg show that pay rolls have been rising steadily since last June, when weekly reports were first collected. For the week ending June 5, 1933, the industrial pay roll in the city was $87,000. Last week it amounted to $119,000, and has been averaging a little less than that for sometime.

The Plymouth Chamber of Commerce this week made a report of progress in its campaign to obtain new businesses for the historic town. Two new concerns have announced their intentions to locate in now vacant industrial buildings, one in the Standish Mills factory and the other in the rivet-works building of the old Plymouth Mills. The chamber of commerce also believes that it has good prospects of inducing other concerns to use the Bradley Rug Mill.

SPURT IN TURNERS FALLS

Out in Franklin County, Turners Falls reports that the marked improvement in industrial conditions which began several months ago has struck the high-water mark for more than 2 years. Payroll figures for the first week in May showed a gain of 53 percent over the same period a year ago. At present manufacturers there say that business prospects are so favorable that increased production probably will continue for a considerable period.

Renewed activities in the Wyandotte Woolen Mill and the Maine central repair shops, together with a $31,000 public-works improvement allotment, have greatly relieved unemployment in Waterville, Maine, and officials there believe that with the coming of warm weather and resumption of strictly summer business the number of jobless will be reduced to a number not seen there in several years.

Mr. DICKINSON obtained the floor.

Mr. LONG. Mr. President, will not the Senator from Iowa yield to me for a few minutes?

Mr. DICKINSON. For what purpose?

Mr. LONG. I just wish to make a few remarks to correct one or two little matters which I think are not plain in the statement of the Senator from Arkansas. It will take but a minute or two.

Mr. DICKINSON. With reference to the N.R.A.?

Mr. LONG. Yes.

Mr. DICKINSON. I yield.

Mr. LONG. Mr. President, I simply want to connect up a few little matters relating to the N.R.A. which the Senator from Arkansas no doubt has not had the time to review as I have. I probably took a little bit more care in presenting some amendments and had some knowledge of the act, perhaps, which the Senator from Arkansas has not had.

To begin with, I offered an amendment to the industrial recovery bill, after I had made a statement on the floor of the Senate, which was pronounced ridiculous. I stated that the N.R.A. was going to be used, in my opinion, and that it could be used, in such a way that a man could not hack a crosstie without getting a permit from Gen. Hugh Johnson in Washington, D.C. That was pronounced to be ridiculous.

I thereupon drafted an amendment, which was placed in the act, to the effect that the act should not be used under any order or under the administration of the act so as to prevent a man from selling what he raised with his own hands or what he made with his own hands on a farm or as a laborer in industry. I stated on the floor of the Senate that they would even try to stop a man from hacking crossties—a little man with a jug of water and a little ax hacking crossties—and notwithstanding the fact that it was pronounced by the administration spokesman as being absurd and ridiculous to think that the administration would consider doing anything like that, actually, in the teeth of my amendment, they tried to foist on the crosstie hackers a code, on the ground that those making them in the sawmills were subject to regulation and the others were not.

I do not know what they finally did about the matter. I waited to see whether or not they would make the encroachment I anticipated, and I heard nothing further,

though it was in the air that they were proceeding along that line. Later, however, a report appeared in the papers to the effect that the amendment I had offered had prevented them from extending the benevolent effect of the act to some laborers and farmers who needed protection. Thank God, they could not give them that kind of protection.

I had nothing to do with the appointment of any review board. That was attended to by the President of the United States, and certainly, everyone knows, without any consultation with me. There may be some Senator here who might be suspected of having suggested someone whom the President appointed on the Review Board, but there is one man in the Senate toward whom the finger of suspicion will never be directed, and that is the present senior Senator from the State of Louisiana. I had nothing whatever to do with the President's deciding to embellish the Review Board. He went ahead and appointed the members and, as the record will amply demonstrate, those of his choosing.

Mr. President, I do not believe the Senator from Arkansas means to indict any of us, if Mr. Hugh Johnson is unable to find anyone they can name who, after study, will say something good about them. I hope that no one who is a Member of this body, having nothing to do with these appointments, will be castigated because Mr. Johnson cannot find someone who, after investigating his board, sees fit to say something good about it.

I will say this, however, that had I been left to name someone for Mr. Johnson, either among my friends or among my enemies, who had had experience under some code, and who I could have said would have reported something good about it, I could not have named a single soul in the length and breadth of my acquaintance I could have relied upon to do it. I have never yet met a man, in my entire acquaintance in the Southern States, who has anything good to say about the N.R.A., not one single one. We admit it has been alleged it has a good purpose, namely, to shorten hours, but that was a forgery upon an effort made here to accomplish that object by direct law.

We had before us a bill here which had for its purpose the limiting of the hours of work to 30 hours a week. That bill passed the Senate. We adopted amendments and rejected amendments, over the protest of the administration, in order that the bill might have teeth in it. When the bill had passed the Senate, lo and behold, a big hurly-burly was raised, and something had to be done to sidetrack that piece of legislation, and the N.R.A. was established. That is why we have the N.R.A. They did not say a word about the iniquitous means by which things were done which no one had ever heard of being done under any preceding administration. That is why the N.R.A. was founded, for the simple reason that there was a bill here decisively, unequivocally limiting the hours of labor to 30 hours a week, and under that bill there would not have been any bureaucrat authorized to hold the sword of Damocles over the people of this country night and day, keeping them in terror lest they might violate some technical provision of one of these multifarious codes. I believe the number has run up to 537 by this time, not including codes which have been adopted by the various States.

Now we come to the case of the little New Jersey tailor. I am sorry the Senator from Arkansas has left the Chamber, because I regret that he took offense at the remark which he permitted me to make. If he were here I believe I could explain the matter in such a way that the Senator would feel more kindly toward what I wish to say.

I merely wish to make a little historical statement, based on fiction, as I recall—though I have not read the work in a number of years—appearing in a volume by Victor Hugo styled either "Notre Dame" or "Ninety-three."

We are told that when the particular character in this story, in the midst of the testimony when he was not testifying according to what the judge wanted him to say, was taken away by one of the bailiffs of the court, who beat him from head to foot, kicked him and buffed him, until he had little breath left in him, and then the bailiff returned and, said he, "This gentleman is ready to tell you, Your Honor, that he confesses, and he will also tell you that he does it voluntarily, and of his own free will and accord."

Here is the case of a little old tailor, with a flatiron and zinc tub, probably—that is about all some of such men have—a little old smoothing iron, pressing a pair of breeches, when he could find someone who had money enough to pay to have a pair pressed. They yanked him up by the collar and dragged him into court, and said to him, "You charged 35 cents for pressing that pair of breeches, when you ought to have charged 40 cents, and now you are going to jail for 30 days, and will have to pay a fine of $150, and in default of the $150 fine, you will get 6 more months in jail." That is about the way I would guess it goes, a dollar for a day, which would give him about 7 months altogether.

Lo and behold, the next thing we know they come into the United States Senate; the little man is out of jail, and we have a statement from him that he is in favor of the N.R.A. Is not that a marvelous performance to have taken place in the great deliberative body called the United States Senate? Poor little two-by-four, smoothing-iron presser, sent to the penitentiary for 30 days, and fined $150, when $150 is more money than he has heard about in the last 5 years. And now he comes out, after being released from jail, after serving a day and a night in jail, with the statement that he is in favor of the N.R.A. [Laughter.]

I hope the Senator from Arkansas, if he takes occasion to ask someone what I say, will understand that I mean no reflection whatever. I am simply connecting the case up with a comparison in history. Perhaps I have not given the exact title of the work of Hugo, perhaps it was another volume, but the incident was given by Victor Hugo about as I have repeated it, and is in line with what has happened in the case of this tailor.

Mr. President, the Senator from Arkansas said he did not know what General Johnson had said to me. Perhaps it may be thought General Johnson has called me up and given me some of the kind of language he has given to others. The general has not done that. While I understand that the bureaucrats in Washington assert the privilege of "cussing out" most anybody when they want to, the general has been kind to me up to this time and has not done that. I want to thank him for that. [Laughter.]

Mr. President, I did not start out here with any intention of criticizing the N.R.A. I know that we Democrats want it to die as fast as it can die, with the least possible said about it. I am not in agreement with the Senator from North Dakota [Mr. NYE]. He wants to reinstate the license provision, which he says they are going to let die. I do not agree with him in that. I am not in favor of reviving any limb of this creature when it dies. When the license part dies, Mr. President, let it die and remain dead. Never again, I hope, will there be anything breathed into this dying carcass of iniquity that will cause it to have another existence such as it has had since I have known about it.

As to the little tailor's case, which Mr. Johnson says he did not know anything about, I am glad he did not know anything about it, because the tailor got out of jail in 24 hours. I imagine that if my friend Johnson had known about it he would probably have let him serve out his sentence.

I admire Mr. Johnson for the direct way of performing his job. He was put there to do what he is doing. There has not been any mistake about this thing. Do not let any one tell you that there has been any mistake about what Mr. Johnson is doing on the N.R.A. He is doing just what he was put there to do. He was recommended for the place by Barney Baruch, and before Barney Baruch recommended him to be put there, Barney Baruch wrote an article in the American Magazine in which he favored regimenting and chaining up the business of this country so that it would be owned by the big masters, and directed from one big fountainhead, and the little men thereby be put out of business.

Barney Baruch wrote that letter before he was sent for to come here and to recommend anyone for the job that Mr. Hugh Johnson has. I have put a portion of that article in the CONGRESSIONAL RECORD, in which Mr. Baruch spread his philosophy that the day of the little man was gone. That is what Mr. Baruch said. He said that if anyone wanted to stay in business in this country he ought to invest his money in chain enterprises and buy stock in them, and allow the chain business to go on in this country, or words to that effect. When Mr. Hugh Johnson came out of the office of Bernard M. Baruch, the reincarnation of the prophet himself, and came here to Washington, he came here with the philosophy that the day of the little man in business was past, and he has performed in accordance with that philosophy to the queen's taste.

I am not unmindful of the few favorable letters which have come to the N.R.A. It seems that out of the several hundred thousand men who are in business in this country some 40 or 50 have sent in telegrams saying that they favored the N.R.A. That is rather spontaneous applause. Some 40 or 50 or maybe 100 or so people out of the fifteen or twenty or thirty or forty thousand that might have been heard from, or maybe 100,000, I would think at least, have said that they favored the N.R.A. Why not? The sword is over their heads. The sword of Damocles is right over them all the time.

Newspapers have been scared to death that a code was going to be put over them that they could not work under, and they have been beating the drum pretty slowly until the day of election comes close to hand, and then they will spring out like the mountain lion and do what they please. Everyone does not have to eat a whole beef to see that it is tainted. One can see what is coming from what has gone before. They can slip up on this thing quite easily, because General Johnson asserts that he has the power by which he can stop any business that he wants to stop over night.

There is not now such a thing as the Congress of the United States to deal with. There used to be a time when people feared the Congress' staying in session, because they did not know what kind of laws Congress was going to pass, and if that fear is enough to disturb business, then what more fear can be pictured, when this one gentleman holds in his hands the scepter with which he can cause wreck and ruin to the fortunes and fame of businesses and men at any time.

Mr. President, no one in the whole country today stands free from arrest under the N.R.A. The law, and the codes under the law, provide that whoever is a party to the violation of a code requirement is a criminal. In other words, it effects not only the man running the business, but if one participates in violating the code, or a provision of the code, he is guilty of a violation of the law as much as the man who violates it directly. According to that they will finally get it down, Mr. President, to the point where every man dealing with all these businesses will be presumed to know the entire contents of the 535 codes, containing all the way from 100 to 750 pages to the code. Every man before he may buy a sack of salt will have to sit down and read 533 books of 500 pages to the book in order to see what he can do before he goes and buys a sack of salt. It is getting down to that kind of business; and they know it. Why do they do that? They know that every man in business cannot know all these provisions. But they want it so that every man in the United States is a prospective law violator. They want it so that every man who is going to the polls tomorrow morning can be arrested if the powers want to arrest him. They want that kind of law. They want laws so that every man in the United States is guilty of a criminal offense every time he goes across the street, if they can make it so, and so that they can enforce the law against whomever they want to.

Mr. President, when I was Governor of the State of Louisiana there was a certain city in my State which was affected by a long list of laws and ordinances. They had a law against this, and a law against that, and I looked at the list and said, "Why, we ought to repeal these laws. There is hardly a man in this city", I said, "who does not violate one of these laws from 1 to 10 times a day." "Oh, no", said a gentleman down there, "we do not want to repeal those laws. That is how we get the chance to grant people favors. That is how we make our friends in politics. So long as we have a thousand laws here, that everyone in the city of New Orleans is violating every day, then we have a right to arrest anyone we want to arrest, and they must all stand in with the police and the recorder's court, because we can arrest every "dad-gum" one of them if we want to."

That is the old police skullduggery, the rotten political system that we have been trying to root out of every city in this country, by which everyone is made a violator of the law, so that every man who has to depend upon the law must stand in with the authorities.

Mr. President, we have that same thing extended here in this system. This N.R.A. code system is the same old system. They have 537 codes. And I understand that there are 2,000 more awaiting for final approval and compilation and publication, and other necessary formulas before they can have the effect of law. But we have 537 of them now, as I understand, with all these pages and all these provisions. Every little man in the country is subject to the N.R.A. No man knows where he is today.

The authorities have gone further than that. They have started in this country on one of the most notorious means of terrorism that has ever been known. Everyone knows how terrible it is to try a man in the United States court. He feels like he is on foreign soil when he is taken out of his little home community and carried 200 miles away to be tried. But at least the United States had accepted the principle that it would always try the man in the jurisdiction wherein he had committed his offense and wherein he lived. They have now begun the system in the States of indicting the men in districts in which they do not live if they can find that they have mailed something to another district. In my State they pulled off this rotten, low-down kind of a thing under the auspices of the Government, where a good, decent, United States citizen never was told he was violating the law, never was called upon to do anything, never was warned of anything. They did not indict him in the district in which he lives; they went 300 miles away, down to the city of New Orleans, and indicted him there, on the ground that he mailed a letter down there, taking that man 300 miles away from his home to try him down there under this kind of condition, when always that indictment should have been in the district where he lived and did the main act.

That is the kind of terrorism that Barney Baruchism has carried on in this country, and they have nearly everyone scared to death.

My God, let us scare them all. It cannot be done any worse than it has been done. The Constitution of the United States has been wrecked. Somebody has to speak the truth in the presence of the king. Here is the kind of thing we are going through here. Do we call this good government? Look at this:

> Silver money issue optional with the Treasury. Billion and one half, or none, would be permitted new measure.

That is from the Washington Post, May 24, 1934, page 2.

This is from the New York Herald Tribune of today, page 5:

> Silver uprising held beaten by Roosevelt coup. Congress expected to pass President's draft despite dissatisfaction with it. Critics need fall votes. Any kind of measure welcomed by westerners.

Mr. President, the distinguished Senator from Nevada [Mr. PITTMAN] was deceived into believing he had a bill which meant something, and when the bill came in here he was so much pleased with the fact that it had come in here that he stood on the floor of the Senate giving praise; he was glad in his heart over the fact that this bill had been sent, and this message had come here accompanying

that bill, and, lo and behold, when the market falls out on silver, when silver goes down considerably instead of going up, he wakes up this morning and reads an interview with the Treasury Department itself, saying that the bill does not amount to a tinker's dam, and they do not have to do anything, and that they just merely led the boys into a blind alley, and gave them a sack and sat them down to wait there until they drive the snipe by.

It reminds me of the way the country boys used to treat the city boy when he went to the country. They would take him out in a brush heap 4 or 5 miles away from town, give him a sack, and stand him up there holding that sack in the dead dark hours of the nighttime until they could go up and drive the snipe into the sack. Some city boys would stand there and hold the sack all night long. They took in some of the boys here on the silver question in somewhat a similar way. They did not take me in; I was not selected by my bloc to go to the White House to discuss the matter with the President of the United States nor with the Treasury Department. I am just one of the willing workers of the bloc. I have introduced several silver bills here and voted for all silver legislation which has been proposed; but when they brought the bill back here, ignorant as I was on the question, I did not have to take two looks at it to see that it did not amount to a dad-gummed thing.

I have not studied the silver question all these years as has the Senator from Nevada; but instead of making a 2-hour speech approving it, and then being met here by the newspaper reports that the Department had pulled off a very clever ruse and had frustrated the silver movement and left them with nothing—instead of being met with that kind of declaration—at least I can go back to the people of the State of Louisiana and say to them that the wool was not pulled over my eyes when they sent this last baby rattle in here for me to play with. That is the kind of way we are to legislate, apparently.

I want to beg pardon of the Senator from Iowa [Mr. DICKINSON]. I did not intend to take so much time, because I do not want to delay the consideration of the bill that is now before the Senate. If, Mr. President, I should consume anything like the time in expressing my views that is consumed by these statesmen in expressing their views; if I dared to take so much of the Senate's time as they take, it would be heralded from one end of the corridor to the other that I was undertaking to conduct a filibuster. Therefore, limiting my time because of the desire of the Senator from Mississippi to speed this bill along, I am going to beg pardon of the Senator from Iowa, and not express any further views which I had expected to make known on the floor of the Senate at an earlier date.

Mr. FESS. Mr. President, will the Senator from Iowa yield to me in order that I may insert one or two letters in the RECORD?

Mr. DICKINSON. I yield.

Mr. FESS. Mr. President, after listening for a little while to the Senator from Arkansas [Mr. ROBINSON], and especially to the reading of the telegrams of approval of the N.R.A., I sent to my office for a sample of the sort of letters coming to my office in reference to the N.R.A. I think I can say truthfully that I have had no letters of endorsement, but I certainly have had an avalanche of letters in opposition. I take three that came on the same day. From the first one I read as follows:

> I am enclosing herewith copy of record of my dealings with N.R.A., which shows conclusively that N.R.A. has ruined the small employer and betrayed the little fellow in the employee class, who does not have the backing of a powerful organization.

That letter does not come to me because of any solicitation, or in reply to any letter written by me. The writer gives me the record of his efforts to get relief, running from November 9, 1933, up to the present time, and finally ends with the statement that the result is complete destruction of his business. I should like to have the record to which he refers inserted in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

RECORD OF CASE FILED WITH N.R.A. COMPLIANCE AUTHORITIES, NOVEMBER 9, 1933, SHOWING THE FAILURE OF SAID AUTHORITIES TO CARRY OUT THEIR PROMISES, AND THEIR ATTEMPTS TO JUSTIFY SUCH FAILURES. SHOWING THAT N.R.A. HAS RUINED THE LITTLE FELLOW, BOTH EMPLOYER AND EMPLOYEE

[Telegram]

BETHESDA, OHIO, *August 28, 1933.*

M. E. WOODS,
State Director, N.R.A., Cleveland, Ohio:

We have been requested to work nights in addition to 11 hours regular day. Average wages less than 15 cents hourly. Advise whether to continue after September 1. Answer collect.

EMPLOYEES ORRISON CIGAR CO.,
By O. S. HOLLOWAY.

[Telegram]

CLEVELAND, OHIO, *August 29, 1933.*

O. S. HOLLOWAY,
Care of Orrison Cigar Co., Bethesda, Ohio:

No record Orrison Cigar Co. signing President's agreement. Letter follows.

M. E. WOODS.

Telephoned from Wheeling, W.Va. Taken by Gundlach.

[Letter]

DISTRICT MANAGER, N.R.A., 1803 TERMINAL TOWER,
Cleveland, Ohio, August 30, 1933.

Mr. O. S. HOLLOWAY,
Orrison Cigar Co., Bethesda, Ohio.

DEAR SIR: Our wire stated that we had no record that the Orrison Cigar Co. had signed the President's reemployment agreement.

Would suggest that employees obtain definite information from the company as to its intentions concerning the agreement, or toward any of the industrial codes which are now being drawn up before carrying any drastic action. You might then advise us as to the information given you so that we may know what course to follow.

Yours very truly,

M. E. WOODS, *District Manager.*

BETHESDA, OHIO., *September 2, 1933.*

M. E. WOODS,
District Manager N.R.A.,
1803 Terminal Tower, Cleveland, Ohio,

DEAR MADAM: Replying to your letter of August 30 with reference to employees working for the Orrison Cigar Co., beg to advise that we are merely seeking advice as to the attitude we should take in the absence of either a definite code or the President's agreement.

At the time we sent the telegram we had just been requested by Mr. D. V. Orrison to work at night in addition to the regular working day of 11 hours. We flatly refused to do any night work, but were uncertain as to the proper course to pursue in the matter of continuing after September 1 under the old wage scale and working conditions.

On August 31 Mr. Orrison stated that he had a considerable amount of tobacco stock cased, and that failure to work it up would entail a considerable loss, and requested us to continue working until not later than one day next week. We met this proposal with a request for an increase of 20 percent in wages, which was granted.

Again this Saturday morning Mr. Orrison stated in substance that he could secure the Blue Eagle and continue to work under the old conditions so long as he confined operations to the filling of orders already on file. He also proposed that we continue to work after the expiration of the arrangement to work up stock at the old wages with a possible 10-percent increase.

Mr. Orrison states that it is impossible for him to operate under the President's reemployment agreement because of competition of others who have not signed.

We have arranged to hold a meeting to discuss and decide the matter of continuing after working up the present stock. We are not radical in our views, nor are we seeking to take advantage of our employer. We are only trying to do our part in making N.R.A. a success and to secure for ourselves a fair deal, which we have not had in the past.

As to wages and hours, we are working under worse conditions than existed 30 years ago, and for practically the same wages, except that decidedly better workmanship is required. The average wage is less than 15 cents per hour, and possibly not in excess of 10 cents, and the total hours per week permissible is 61. It is all piecework, and, of course, the only possible way to earn maximum wages is to work the maximum hours.

If desirable, we will undertake to keep you advised as to developments locally, and in the meantime we would appreciate some advice as to the proper attitude to assume and course to pursue.

Yours for success of N.R.A.,

EMPLOYEES ORRISON CIGAR CO.,
By O. S. HOLLOWAY.

DISTRICT OFFICE NATIONAL RECOVERY ADMINISTRATION,
1803 TERMINAL TOWER,
Cleveland, Ohio, September 6, 1933.

Mr. O. S. HOLLOWAY,
Orrison Cigar Co., Bethesda, Ohio.

DEAR MR. HOLLOWAY: I would like to take this occasion to thank you and the other employees of the Orrison Cigar Co. for your spirit of cooperation and moderation in attempting to obtain a satisfactory arrangement with your employer.

As you probably know, it is sometimes difficult for an employer to change his methods of doing business for the sale of merchandise, and where it would be necessary for him to raise the price in order to handle extra costs of putting the plan into effect.

I have written Mr. Orrison a letter explaining the procedure to be followed in obtaining the Blue Eagle and have also given him the terms of the cigar manufacturers' code as it applies to hand cigar manufacturers.

I am enclosing a copy of the terms of the code for your information.

May I suggest that both employees and employer attempt to work out a satisfactory arrangement, and if at any time you wish further advice we shall be very glad to be of assistance to you.

Yours truly,

M. E. WOODS, *District Manager.*

BETHESDA, OHIO, *October 18, 1933.*

Mr. BOAZ LONG,
Blue Eagle Division N.R.A., Washington, D.C.

DEAR SIR: I was named as an employee member of the local compliance board nearly a month ago, and am willing and anxious to do my part in that connection. However, the board is not completely organized and is not functioning.

I am myself not being fairly treated by my employer. In point of seniority I am much older than any of several who are at this time working, and not one of them are solely responsible for the maintenance of a home. I have a family to support, and after long months of starvation wages, idleness for even a few days is a serious matter. Have been idle for over a month, and following its usual practice, the Orrison Cigar Co. (my employer) has given me no information as to when I may expect to be recalled.

Will you please send me a copy of Bulletin No. 5, and any other available literature concerning the functions and duties of compliance boards?

Thanking you in advance for the above favor, I am,

Yours very truly,

O. S. HOLLOWAY.

BETHESDA OHIO, *November 8, 1933.*

The ORRISON CIGAR CO., *City.*

GENTLEMEN: This is to notify you that I intend to file a complaint with the N.R.A. compliance board at 5 o'clock p.m., November 9, and if I am unable to get justice by this means, I shall feel compelled to resort to other methods.

In view of the fact that commodity prices are rising and that winter is rapidly approaching, and the further fact that I have just earned $19.12½ since September 16, while others who seem to be more favored, have worked almost continuously since that date—and in point of seniority, I am one of the oldest employees—I feel that I have just grounds for complaint.

This notice is being given in the spirit of fairness and with the hope that calling your attention to some of the facts will be sufficient.

Yours truly,

O. S. HOLLOWAY.

NOTE.—The only answer to the preceding letter was the sending home of my tools at 4:45 p.m., November 9. I was aware of the fact that I did not need to give notice of my intention to file complaint. What I meant by resorting to other methods will presently appear in the letter to Orrison under date of December 4, 1933.

BETHESDA, OHIO, *November 9, 1933.*

N.R.A. COMPLIANCE BOARD
(Mr. Clyde Platt, chairman),
Bethesda, Ohio.

GENTLEMEN: Complaint is hereby made that the Orrison Cigar Co. is violating the terms, purposes, and spirit of the President's reemployment agreement.

The said the Orrison Cigar Co. is failing to pay the required wage scale and is unfairly discriminating against older employees without regard to fairness, justice, or the rights of said older employees.

The complainant, in point of seniority, is one of the oldest employees of said company, and has worked 2 weeks since September 16, 1933. The said company has had its plant in almost continuous operation since September 16, 1933.

The complainant therefore prays that your honorable board at once take the necessary action to cause the immediate discontinuance of the unlawful practices complained of.

Yours truly,

O. S. HOLLOWAY.

BETHESDA, OHIO, *November 13, 1933.*

N.R.A. COMPLIANCE BOARD,
Bethesda, Ohio.

GENTLEMEN: In addition to complaint now on file with your honorable board, further complaint is hereby made that the complainant notified the Orrison Cigar Co. in writing of his intention of filing a complaint at 5 o'clock p.m., November 9, 1933, and that said Orrison Cigar Co. caused the tools of complainant to be sent home at 4:45 p.m., November 9, 1933, without just cause and without explanation. This can only be construed as an act of arrogant defiance of your honorable board and the N.R.A. and an attempt to intimidate the complainant, because every employee of an N.R.A. member has the right to file such complaints, and this complainant hereby claims the right to demand and does demand that it be so construed.

Complaint is further made that the said Orrison Cigar Co. is causing its employees to work in excess of the limitation of hours per week provided in code 1615–13.

Yours very truly,

O. S. HOLLOWAY.

NATIONAL RECOVERY ADMINISTRATION,
Washington, D.C., November 16, 1933.

Re: Complaint board.
Mr. O. S. HOLLOWAY,
Bethesda, Ohio.

DEAR MR. HOLLOWAY: I wish to acknowledge receipt of your letter of October 18, and regret the delay in replying, which has been due to the tremendous volume of correspondence received in this office.

According to records now in this office, a compliance board has been organized and is now functioning in Bethesda, Ohio.

I feel sure that if you will present your complaint to this board your difficulty can be handled satisfactorily.

Under regulations which have been issued, it is quite proper for a member of the compliance board to file a complaint to the board.

Thanking you for your continued cooperation, I am,

Yours very truly,

JOHN SWOPE,
Assistant to Chief, Blue Eagle Branch,
Compliance Division, N.R.A.

BETHESDA, OHIO, *December 4, 1933.*

CHIEF, BLUE EAGLE DIVISION, N.R.A.,
Washington, D.C.

DEAR SIR: I am filing herewith correct copies of complaints I have filed with the local compliance board, which I am quite sure are in accordance with your instructions of November 16.

The local board has been extremely dilatory and my urgent request that they try to get an amicable adjustment has had no effect and my family is now facing want.

I am, myself, a member of the local board and have tried to post myself and be a capable member. Now the board, after having consulted an attorney, Cummings, of Wheeling, W.Va., have decided that they cannot function, since this is a town of less than 2,500 population.

There are seven cigar factories here, employing 200 or 300 persons under normal conditions, and I have insisted that it is altogether right and proper as well as important that we have a compliance board.

The Orrison Cigar Co., which employs from 30 to 75 people, is under the control and management of D. V. Orrison, who dictates every act of the company.

He has never complied with the terms, intent, or spirit of the President's reemployment agreement, which he signed in September, and never intended to. He claims to be operating under an exception, but he is displaying the Blue Eagle without the required white bar and has not filed a petition in the form of a sworn statement for such exception. By displaying the Blue Eagle he is advertising that he is complying fully. In other words, just plain fraud and false pretense.

On August 26, the Orrison employees sent a telegram to M. E. Woods, at State N.R.A. headquarters, Cleveland, Ohio, asking for advice. (A copy is enclosed, together with a copy of the answer, which came through the Orrison office.) My name was signed to the telegram, and the answer seemed to indicate that I had made a strong complaint against the company. On September 4 the Orrison employees met at my home to discuss the situation and decide the proper course to pursue, and, acting on my advice, they decided to continue working.

It is quite evident that Mr. Orrison, ignorant of the real facts, has marked me for a dangerous and undesirable agitator who must be destroyed. He is not aware of the fact that my conservative counsel prevented a strike about 3 months ago. He is not aware of the fact that feeling was running high under the surface at that time and that there was even covert threats of violence. Nor does he know that I quietly worked with the more conservative employees to prevent such an eventuality. The credit I have gotten for this, is to be kicked out without any explanation. He has even stooped to falsehood as to my workmanship to prevent other employers from employing me.

Before the local board decided to cease to function, a committee of the board called on him and the net result was a series of honeyed lies and the statement that there is no law to compel him to employ anyone he doesn't want to. Besides, according to the report of the committee, they discussed me personally with him, which they had no right to do. As I understand it their duty was to explain the situation to the employer and ascertain whether or not there had been any violations, or get the facts in order that the board might decide the question.

Any statement he may make as to my workmanship, will only convict him of being a liar or of unfair arrogance, because no

word has been spoken to me about it. I am physically unable to work on C.W.A. or other public work and for this reason the loss of my job as a cigarmaker, at this time, is extremely serious.

Therefore, I am demanding that the Orrison Cigar Co. at once right the wrong it has done me and restore my job or that its Blue Eagle privilege be revoked.

Thanking you in advance for your interest in this matter and hoping for prompt action, I am

Yours very truly,

O. S. HOLLOWAY.

BETHESDA, OHIO, *December 4, 1933.*

Mr. D. V. ORRISON,
Orrison Cigar Co., Bethesda, Ohio.

MY DEAR MR. ORRISON: Just a few pertinent questions: Did you ever soak stamps off in the casing tub and reuse them? Did you ever use various factory numbers other than your own? Did you ever use any district number other than the eighteenth? Did you ever unlawfully cancel stamps, showing thereon factory and district number other than your own? These are just a few and you may deny them just as you denied any knowledge of my being out of work or that you had sent part of my tools and belongings home, but nevertheless I am going to inform the Internal Revenue Department, under oath, that you have done all these things and several others, unless you want to talk to me within 24 hours.

Yours most graciously,

O. S. HOLLOWAY.

NATIONAL RECOVERY ADMINISTRATION,
Washington, D.C., December 7, 1933.

Re: Complaint against Orrison Cigar Co.
Mr. O. S. HOLLOWAY,
Bethesda, Ohio.

DEAR MR. HOLLOWAY: I wish to acknowledge receipt of your letter of December 4, together with copies of complaints filed with the Bethesda compliance board against the Orrison Cigar Co.

This office has not been notified that the compliance board of Bethesda has ceased functioning. You state in your letter that "the board, after having consulted an Attorney Cummings, of Wheeling, W.Va., have decided they cannot function, since this is a town of less than 2,500 population." Because a town has a population of less than 2,500 population, compliance boards are not necessarily to cease functioning. I am enclosing herewith the President's Executive order, which releases certain employers in towns of less than 2,500, together with General Johnson's interpretation of this order.

I have written the chairman of the compliance board to this effect. I have also requested a report of the exact action taken in your complaint against the Orrison Cigar Co. I enclose for your information the approved substitutions to the President's agreement for the cigar-manufacturing industry.

If I can be of further assistance to you, do not hesitate to call upon me. As soon as I have had a report from the chairman of the board in regard to your complaint shall communicate with you again.

Yours very truly,

JOHN SWOPE,
Compliance Division, N.R.A.

NOTE.—Entered into verbal agreement with D. V. Orrison on December 9, 1933, wherein Orrison agreed to put me to work or order that I be put to work and kept working. In return for this concession I agreed to drop any criminal prosecution based on facts and evidence in my possession.

Was called to work on December 14, 1933, and worked 7 days, earning $13.20 (several dollars less than the N.R.A. minimum). The Orrison plant has been in operation almost continuously since January 1 and I have been left at home to fry in my own fat.

Have earned $32.32 in 27 weeks and am demanding the difference between that sum and what I should have earned, based on N.R.A. minimum, or $291.68, and at the same rate until paid. If this is not done promptly, I shall file an information with the Internal Revenue authorities, which will end the Orrison Cigar Co. and put the management in Federal prison.

O. S. HOLLOWAY.

(Copy of above was delivered to Chairman Clyde Platt, of the local board, Mar. 16, 1934, together with copies of the original complaints, which copies he requested at that time.)

BETHESDA, OHIO, *February 5, 1934.*

Mr. JOHN SWOPE,
Compliance Division, N.R.A., Washington, D.C.

DEAR MR. SWOPE: Referring to my several letters in reference to complaints against the Orrison Cigar Co., and particularly your letter of December 7, beg to advise that, after waiting 2 months for the expected advice from your office, nothing has appeared.

In the meantime, I am still unemployed and, having fought for 2 months to get it, am now on relief and compelled to live on a level which would be scorned by a Chinaman. Last week I was given an order for $1 groceries, which, on the basis of three meals a day, is less than 5 cents per meal for a family of three for a week, or less than 1⅔ cents per person. I was also left without coal for a week in subzero weather.

The Orrison Cigar Co. is more arrogantly violating the N.R.A. provisions, as well as all laws of decency, than ever.

They are still exceeding 40 hours per week, and few, if any, are receiving the minimum wages. One employee earned $2.70 for the week ending February 3. Another earned 30 cents one day and 40 cents another day. These may be extreme cases, but no employee in their department is earning half of the minimum wage.

I have been discriminated against and marked for destruction because I dared to exercise the rights of an American citizen as well as the rights guaranteed me by N.R.A.

Now, Mr. Swope, I am demanding that the Orrison Cigar Co. be thoroughly investigated and dealt with according to the facts and if it is not done I shall file affidavits with the United States district attorney concerning violations of certain statutory laws which will mean the end of the Orrison Cigar Co. and terms in Federal prison for its management on conviction. I am very reluctant to do this because it will only aggravate the local employment situation, but I have arrived at the place where patience has ceased to be a virtue.

Hoping that something can be done without further delay, and without my resorting to the above measures, I am

Yours very truly,

O. S. HOLLOWAY.

NATIONAL RECOVERY AMINISTRATION,
Washington, D.C., February 8, 1934.

Mr. O. S. HOLLOWAY,
Bethesda, Ohio.

DEAR SIR: This will acknowledge your communication which is receiving attention.

We would advise you for immediate assistance to contact your State or local Civil Works Administration office.

We are assured that these recovery agencies will give your case immediate attention.

Very truly yours,

T. G. EARLY,
Chief Executive Section, Compliance Division.

P.S.—You may contact your local Federal Emergency Relief Administration, or Maj. E. O. Braught, executive director, State relief commission, State House, Columbus, Ohio.

NOTE.—Rather elaborate instructions for the accomplishment of a thing I had just advised had been done, after a fight covering 2 months, during which I might have starved or frozen for all anyone cared.

NATIONAL RECOVERY ADMINISTRATION,
Washington, D.C., February 10, 1934.

Mr. O. S. HOLLOWAY,
Bethesda, Ohio.

DEAR SIR: We acknowledge receipt of your recent complaint of noncompliance with the President's reemployment agreement.

All complaints of noncompliance with the President's reemployment agreement shall be brought before your local compliance board in the first instance. After the board acts on them, they are referred to us in Washington for final decision.

We are returning your complaint to you herewith with the suggestion that you bring it before Mr. Clyde Platt, chairman of the N.R.A. compliance board in your town. You may rest assured that your name will not be involved in any proceedings taken by the board unless you consent to its use.

Very truly yours,

T. G. EARLY,
Chief Executive Section, Compliance Division.

BETHESDA, OHIO, *February 12, 1934.*

Mr. T. G. EARLY,
Chief Executive Secretary, Compliance Division,
Washington, D.C.

DEAR SIR: Your letter of the 10th instant just received and to say that it was an amazingly painful surprise is putting it mildly indeed.

This entire matter has been mishandled since the first letter was written by me to Mary E. Woods, district manager, Cleveland, Ohio, early in September, in an effort to secure some information. I have received many courteous letters which told me nothing I wanted to know.

Your instructions to file a complaint with Mr. Clyde Platt would be laughable if my situation were not so desperate. The files in your office should disclose the fact that this was done early in November, and that the local board (of which I was a member), after a lot of heart-breaking delays, just simply quit and refused to function. Your office has long since been advised of all these facts and furnished with copies of all papers with a bearing thereon.

I have carefully followed the instructions contained in bulletin no. 5, as well as instructions and advice from your office, and the net result has been to bring my family to a destitute condition and to place me in a situation which will probably cause me to lose several hundred dollars, because I cannot protect my interests.

D. V. Orrison, who is the head of the Orrison Cigar Co., has repeatedly lied to me, and about me, and forced me into my present situation without reason or justification. I have endeavored to adjust differences with him, without the aid of N.R.A., which I had a right to expect, only to be given promises which are unfulfilled.

Now, after having done more than my part in the matter, I am advised to file a complaint, as though nothing had been done. N.R.A. has thus far utterly failed and refused to protect me in the rights guaranteed to every employee of an N.R.A. member, and the result has been my ruin.

I am again demanding immediate action in this matter and shall leave no stone unturned to get it. And if I am unable to get it at once I shall, among other things, turn over to the national Republican organization for publicity purposes certified copies of all letters and papers bearing on the case, together with a full statement of the facts.

Trusting that I may at last receive something more than a courteous but meaningless reply, I am,

Yours truly,

O. S. HOLLOWAY.

NATIONAL RECOVERY ADMINISTRATION,
Washington, D.C., February 16, 1934.

Re: Complaint against the Orrison Cigar Co.
Mr. O. S. HOLLOWAY,
Bethesda, Ohio.

DEAR MR. HOLLOWAY: I have received your letter of February 12 with regard to the above-mentioned subject and have referred the entire matter to Mr. Benedict Crowell, State Director of the National Emergency Council, 1803 Terminal Tower, Cleveland, Ohio, with the request that he take charge of this case.

Very truly yours,

JOHN SWOPE,
Chief Field Section, Compliance Division, N.R.A.

BETHESDA, OHIO, *February 17, 1934.*

Gen. HUGH S. JOHNSON,
National Recovery Administrator,
Washington, D.C.

DEAR SIR: I am one of the oldest employees of a local concern, the Orrison Cigar Co., in point of seniority and have been discriminated against by this concern because I dared to exercise the rights of an American citizen and the rights guaranteed by N.R.A. I have been robbed of the right to earn a living for myself and family, and because of my inability to meet certain obligations I stand to lose from $700 to $1,000. Am now on relief and involved in debt, and all for no reason whatever, so far as I am aware.

I have filed complaints with the local compliance board (of which I was a member), and the board, after repeated and unnecessary delays, finally quit and refused to function. I then filed copies of complaints, together with all papers having a bearing on the case, with the Compliance Division at Washington, and was promised action. Then, after waiting 2 months, I again wrote to the Compliance Division and demanded action without further delay and was courteously advised to file a complaint with the local board.

The Orrison Cigar Co. signed the President's reemployment agreement nearly 6 months ago, but has never complied, and very evidently never intended to. They are exceeding the maximum hours and few, if any, of the employees are receiving the minimum wages. One employee recently earned $2.70 for 1 week and another earned 30 cents 1 day and 40 cents another day that same week.

Full details of my particular case should be on file in the office of the Compliance Division, and I feel that I am entitled to some action in the matter. I have carefully followed the instructions contained in bulletin no. 5, as well as direct instructions from the Compliance Division, and the net result has been to place me in a desperate situation.

D. V. Orrison, who controls and manages the company, is absolutely unscrupulous and his attitude toward my case has been one of indifference and arrogance. He has lied to me and about me. He has made promises to me, with no intention of keeping them, and at the same time lied about me to prevent my securing work with other local employers. He has no regard for his word and no conception of the meaning of honor. He will violate any law, if it suits his purpose to do so, if he thinks he can get by. I have in my possession facts and evidence by which I can prove repeated violations of certain statutory laws, and if something is not done quickly in my behalf I shall file affidavits with the United States district attorney, which will mean the end of the Orrison Cigar Co. and terms in Federal prison for its management, on conviction. I am reluctant to do this because it will mean the loss of jobs of my friends and neighbors. However, patience has ceased to be a virtue and something must be done at once. This is the last appeal I shall make to N.R.A., and if it will not protect me in my rights as an employee of an N.R.A. member I can only fight my own battle in my own way.

Trusting that N.R.A. will see to it that I get justice at once, including the wages I have been cheated out of, I am,

Yours very truly,

O. S. HOLLOWAY.

NATIONAL RECOVERY ADMINISTRATION,
Washington, D.C., February 19, 1934.

Mr. O. S. HOLLOWAY,
Bethesda, Ohio.

DEAR MR. HOLLOWAY: I have your letter of February 17, and by this time you must have had my letter of February 16, in which I advised you that the entire matter had been referred to the State N.R.A. compliance director in Cleveland.

I am also referring your letter of the 17th to the Director.

Yours very truly,

JOHN SWOPE,
Chief, Field Section, Compliance Division, N.R.A.

NOTE.—The above letter refers to my letter addressed to General Johnson. The General was evidently too busy being hard-boiled and with his propaganda and ballyhoo to be bothered with the sufferings and humiliation of a little fellow who has been ruined by his N.R.A.

BETHESDA, OHIO, *March 1, 1934.*

Mr. BENEDICT CROWELL,
State N.R.A. Compliance Director, Cleveland, Ohio.

DEAR SIR: On February 16 and also February 19 the N.R.A. compliance division at Washington advised me that my case against the Orrison Cigar Co. has been referred to you.

If the complaints and other papers and letters have been turned over to you, it will be quite apparent that this case has been pending for over 4 months, and that the Orrison Cigar Co. is not only arrogantly failing and refusing to comply with the President's reemployment agreement which it signed 6 months ago.

Surely if N.R.A. has any intention of protecting me, as an employee of an N.R.A. member, it is time to do it. I have been permitted to earn just $32.32 in 24 weeks, which means that I have been robbed of $255.68 on the basis of the $12 minimum.

In asking that this case be pushed to a settlement promptly and that the company be required to right the wrong it has done me, including payment of the wages it has cheated me out of, I feel that it would fall far short of compensating me for the worry, self-denial, and humiliation forced upon me and my family.

May I ask what steps, if any, are being taken in the matter? A prompt settlement such as I have suggested above is of vital importance to me, and any further delay in securing such settlement will cause me irreparable loss.

Thanking you in advance for a prompt reply and assuring you of my appreciation of your good offices, I am,

Yours very truly,

O. S. HOLLOWAY.

NATIONAL RECOVERY ADMINISTRATION,
Cleveland, Ohio, February 28, 1934.

Re: Complaint against Bethesda Compliance Board
Mr. O. S. HOLLOWAY,
Bethesda, Ohio.

DEAR SIR: Your letter of February 17 addressed to General Johnson has been forwarded to this office for attention.

We have already taken steps to investigate the complaint which you have registered and will keep you advised of our findings.

Very truly yours,

M. E. WOODS, *Executive Assistant.*

BETHESDA, OHIO, *March 5, 1934.*

STATE N.R.A. COMPLIANCE DIRECTOR,
Cleveland, Ohio.

DEAR SIR: I am in receipt of your letter of February 28, headed: Re: Complaint Against Bethesda Compliance Board. Let me state emphatically that my complaint is not against the local board. I am not even interested in it. My complaint is against the Orrison Cigar Co., an N.R.A. member, and said complaint has been pending for 4 months, and as I have told the compliance division at Washington, I am demanding prompt action on the complaint.

If N.R.A. is going to permit an arrogant, unscrupulous chiseler and racketeer to ruin me without cause I want to know it at once and I shall certainly do just as I said in my letter to General Johnson. I shall fight my own battle in my own way. It may mean the breaking up of my home; it may mean that I shall lose my property, which is in bad shape financially; it may, in fine, utterly ruin me, but I shall in turn ruin the local modern industrial Moloch, against whom I can bring charges which will put him in Federal prison. Besides, I am making plans to get full publicity on my case, or rather the failure of N.R.A. to protect me in the rights it has guaranteed me as an employee of an N.R.A. member.

I have certainly been patient in this matter, but my situation is desperate and I cannot afford any further delay.

Please do not confuse the issue. The local compliance board has ceased to function long ago, and I filed my complaints with the Compliance Division at Washington and was promised action, but the matter has continued unsettled and no nearer a definite decision than it was at the start.

Hoping that this matter may be promptly brought to a conclusion and that the wages I have been cheated out of may be ordered paid to me, I am

Yours very truly,

O. S. HOLLOWAY.

NATIONAL RECOVERY ADMINISTRATION,
Cleveland, Ohio, March 7, 1934.

Re: Complaint against Orrison Cigar Co. Filed November 9, 1933.
STATE N.R.A. COMPLIANCE DIRECTOR,
Cleveland, Ohio.

DEAR MR. HOLLOWAY: I regret that our letter of February 28 was headed, "Re complaint against Bethesda compliance board. It should have read "Complaint against Orrison Cigar Co." Please understand we have taken this matter up direct with the above company and are making a thorough investigation.

Very truly yours,

M. E. WOODS, *Executive Assistant.*

BETHESDA, OHIO, *March 27, 1934.*

Re: Complaint against Orrison Cigar Co.
Mr. O. S. HOLLOWAY,
Bethesda, Ohio.

DEAR SIR: Referring to above matter, you advised me February 28, 1934, that it was being thoroughly investigated and that I

would be kept advised as to findings. You also advised me on March 7, 1934, that a thorough investigation was being made.

Now, Mr. Director, this case is nearly 5 months old, and I have been forced to live on relief or public charity on the basis of from 3 to 5 cents per meal for three persons in my family, and no provision is made for rent and other necessary expenses, with the result that I am being forced hopelessly into debt, to say nothing of the fact that I stand to lose several hundred dollars because of the fact I cannot meet certain obligations.

There can be no question that I have been unfairly discriminated against, and, according to the President's own interpretation of N.R.A. section 7a: "No employer shall unfairly discriminate against an employee."

I have been permitted to earn $32.32 since September 16, 1933, and, based on N.R.A. minimum, I have therefore been cheated out of $303.66 in wages for which I was entirely willing to work, and I am demanding that this amount be paid to me and that N.R.A. see to it that it is paid.

I can see no justification for any further delay in this matter, and I am demanding an unequivocal answer as to whether or not N.R.A. intends to enforce justice in this case, and if so, when. If the promises made by N.R.A. on behalf of workers such as I were merely propaganda and meaningless and without force, I want to know it now.

D. V. Orrison, who heads and manages the Orrison Cigar Co., is an unscrupulous sneak and liar, and will not hesitate to tell any lie, even under oath, to justify himself and to avoid the consequences of his violations of his word, law, or anything else. If given an opportunity to do so, I will not only make these statements in his presence but will prove them.

Insisting upon and expecting prompt action, I am,

Yours very truly,

O. S. HOLLOWAY.

NOTE.—The above letter has not been answered, and if it were, it would probably contain nothing definitely concerning the subject matter of the letter. It has been almost impossible to get any N.R.A. official to give a direct and unequivocal answer to any question or to stick to the issues and facts. They quite apparently recognize only such facts as suits their purposes.

OFFICE OF STATE N.R.A. COMPLIANCE DIRECTOR,
Cleveland, Ohio, April 10, 1934.

Subject: Your complaint against the Orrison Cigar Co., Inc.

Mr. O. S. HOLLOWAY,
Bethesda, Ohio.

DEAR SIR: On Thursday, April 5, Mr. Orrison called at this office for the purpose of discussing the difficulties of the cigarmakers of Bethesda and vicinity. While he was here we took up the matter of your complaint, and we attempted to see what arrangement could be made to settle this dispute.

Mr. Orrison informed us that his business had been gradually getting lower and that he has been forced to reduce the number of employees working, and that due to the fact that it is necessary for him to guarantee a higher wage than many employees earn or could earn with the shorter hours, he has been compelled to keep those who were the fastest and best workmen. He further stated that his plant has been closed down entirely for the past 2 weeks and that the majority of the workers are now on charity.

Mr. Orrison has informed us that you were not fired, and that when your tools were sent home this was done as a matter of kindness by the foreman and without Mr. Orrison's knowledge. He cited as evidence of the fact you were not discharged but laid off, the fact that you did do some work for him in December.

We have asked Mr. Orrison to discuss this matter with you and see if there is not some possible arrangement that could be worked out whereby the two of you could work together for the purpose of reviving the industry and not work at cross-purposes to each other. We are awaiting a report from him relative to your meeting and we hope that such discussion will be carried on with an appreciation of the difficulties which both of you are facing.

We shall be glad to hear from you.

Yours very truly,

M. E. WOODS,
Executive Assistant.

BETHESDA, OHIO, *April 12, 1934.*

M. E. WOODS,
Executive Assistant, State N.R.A. Compliance Director,
Cleveland, Ohio.

DEAR MADAM: I have for acknowledgement your letter of the 10th instant, with reference to complaint against Orrison Cigar Co. and advising me that Mr. Orrison had called at your office.

I am quite well aware of the fact that the cigar manufacturers have been hard hit by the new deal and that they have plenty of problems, but that does not change the facts in my case, nor give Mr. Orrison any excuse for unfair treatment or misrepresenting the facts. He has very cleverly handled the truth in such a way as to obscure the facts without actually telling but two or three lies. I know that when I make a statement like this, I am liable to be accused of being stubbornly narrow-minded, but I do not intend to let Mr. Orrison get away with any of his slippery tricks if I can avoid it.

It is true that he has been operating with reduced force, but that does not change the fact that I have been discriminated against unfairly. He may have guaranteed a higher wage than many could earn, but very few ever benefitted by that guaranty to the extent of receiving the minimum wages. Mr. Orrison might support his claim of increased costs due to meeting the minimum wage, by producing true records. His inference that I am both slow and a poor workman is in perfect character with his usual methods. I am not the fastest roller, but I am faster than the average. As to being a poor workman, does it not seem rather strange that he has been 9 years finding it out? And if my work was unsatisfactory, would it not have been the honest and decent thing to have told me about it, rather than everybody else? The fact that he has recently closed down his plant, does not alter the fact that I filed complaints 5 months ago, and that said complaints are still pending and unsettled. The fact that the majority of the workers may be on charity does not excuse his unfair and inhuman treatment of me nor justify N.R.A. in its failure or refusal to back up its promises.

I do not quite understand the statement that the foreman sent my tools home as a matter of kindness. If it was an act of kindness, would it have been done without explanation, and just when I had notified the company in writing of my cause of complaint and that I intended to file a complaint? His statement that it was done without his knowledge is absolutely untrue. He acknowledged to me on December 9, 1933, that he had discussed it with the foreman and that he had concurred with and consented to the foreman's action. It is true that I worked for him 7 days in December. But did he tell you why? Did he inform you that I had let him know that I had the goods on him and could cause him serious trouble because of many violations of certain statutory laws? Did he inform you that he had agreed to put me to work and keep me working if I would drop any such prosecution? Did he inform you that the 7 days I worked in December was his sole contribution under that agreement, and that as soon as he thought he had me silenced he violated his agreement?

Mr. Orrison has carried out your request that he discuss matters with me in a very characteristic manner. He told me that he had called at your office and discussed the local situation and that he had been advised to see if he could get the defunct compliance board together in order that he might file a petition for certain exceptions to the present N.R.A. provisions. He did not mention my case having been discussed. He stated that he had been told (by whom he did not say) that there would probably be no difficulty about it except that I (being a member of the board) would block his proposition. He carefully explained that if his petition were approved it would enable him to put a number of people to work. He gave many reasons and details to show that a reduction of already inadequate wages and an increase of tolerance ought to prove a blessing. A meeting of the board was called for Monday, April 9, and the record should show that I moved that his petition be recommended for approval. The board's report should be in your office by now. My own case was not mentioned in the meeting.

I am quite willing to cooperate with Mr. Orrison or anyone else for the purpose of reviving the industry. But I am not willing that my case, which should have been definitely settled many weeks ago, shall be dropped or die of inertia. I have worked for the last 3 days with a borrowed typewriter preparing copies of all papers and letters concerning the case, and am mailing the whole mass to my Representative in Congress, with the request that he insist upon a prompt decision of the case, based on the regulations, evidence, and its merits. I have written a complete history of the case, in narrative form, which I propose to publish if N.R.A. refuses to render a just decision.

I have now been unemployed almost continuously for 30 weeks, during which time I have earned $32.32. Based on N.R.A. minimum, that means the loss of $327.68. My past experience with Mr. Orrison is such that I cannot depend on any adjustment or agreement made with him, and I can expect him to violate any proposal which might be agreed upon mutually. I am quite willing to discuss the matter with him as you suggest, but I am not willing to accept any proposal which is not in a form that can be enforced. I went to him in December and accepted his proposition, which he promptly violated when it suited his purpose to do so, whatever that purpose may have been.

I am awaiting with no little interest Mr. Orrison's report as to the discussion of the matter with me, and assure you that I will acknowledge and verify any true statement he may make.

Yours very truly,

O. S. HOLLOWAY.

BETHESDA, OHIO, *April 12, 1934.*

Hon. L. E. IMHOFF, M.C.,
Washington, D.C.

DEAR SIR: I am enclosing herewith correct copies of letters and papers dealing with complaints I filed against the Orrison Cigar Co. on November 9 and 13. I am also enclosing a draft of the story I have written covering the case from the beginning to the present time. I have been very careful to avoid making any statement which the facts will not sustain.

If no satisfactory and prompt settlement of this case can be secured, it is my intention to release this story for publicity purposes. It is not my desire to make trouble, but I have been unjustly and maliciously wronged, and I am thoroughly determined to use every available weapon to fight this thing out from any and all possible angles.

I am sending you these copies of letters and papers with the request that you call on the N.R.A. authorities and insist that they immediately take the action which should have been taken nearly 5 months ago. Since their failure to take any decisive action has caused me to lose $327.68 in wages, based on N.R.A. minimum, I am insisting that they see to it that this amount be paid to me, together with any amount accumulating between now and the time it is paid.

Now, Mr. IMHOFF, the prompt and successful conclusion of this case is of vital importance to me, and I ask that you use your best endeavors to that end. The State director at Cleveland seems to be using the same dilatory methods which were used at Washington, and I am not willing that there shall be any further delay or that the case shall die of inertia.

Thanking you in advance for your interest in this matter and hoping that you will be able to get prompt and desirable results, I am,

Yours very truly,

O. S. HOLLOWAY.

OFFICE OF STATE N.R.A. COMPLIANCE DIRECTOR,
Cleveland, Ohio, April 23, 1934.

Subject: Your complaint against the Orrison Cigar Co.
Mr. O. S. HOLLOWAY,
Bethesda, Ohio.

DEAR MR. HOLLOWAY: We have received a letter from Mr. D. V. Orrison, stating that he had had a very pleasant and lengthy talk with you relative to the matter regarding which you complained, and he informs us that you now thoroughly understand that it is impossible for him to reemploy you at present.

He stated that if you were unable to get employment elsewhere, he would be very glad to give you work just as soon as possible, or as soon as the company obtained orders for stogies of the type such as you make.

This letter states further "He understands this and I believe he understands that this complaint was really settled and terminated at the time last fall, when a committee from the local compliance board came to him with his complaint at which time I explained to the committee all conditions surrounding his being laid off, together with a number of others that were laid off at the same time.

The respondent informs us that the committee accepted these statements as facts, and informed the respondent that they could not see any reason for the complaint.

Yours very truly,

M. E. WOODS,
Executive Assistant.

BETHESDA, OHIO, *April 25, 1934.*

STATE N.R.A. COMPLIANCE DIRECTOR,
Cleveland, Ohio.

DEAR SIR: I have for acknowledgment your letter of the 23d instant, advising me of Mr. Orrison's letter and its contents.

I thoroughly understand that he has not reemployed me, but I do not understand the impossibility of such employment. As I have contended for nearly 6 months, I am one of the oldest employees and am capable of making any product he puts out. The factory has been in almost continuous operation during all of the time since my complaints were filed and only one of the rollers working is as old as I, in point of seniority. I am quite well aware of the fact that business has fallen off badly, but I do not admit that as a justification for the treatment I have had.

It is quite true that Mr. Orrison promises to give me work as soon as possible, but he has made like promises before, and besides I should never have been unemployed for more than short periods.

I certainly did not understand that my complaints were really settled and terminated last fall. Nor do I understand that an explanation made by an employer, satisfactory to himself need necessarily be satisfactory to me.

I thoroughly understand that so far as a lone employee, not backed by a powerful organization, is concerned, N.R.A. is impotent and a fraud. I thoroughly understand that better-known persons than I are accusing N.R.A. of having betrayed the worker—the little fellow—such as I. I thoroughly understand that N.R.A. has done nothing for me but get me into a serious situation. I thoroughly understand that the local compliance board's committee who called on Mr. Orrison last fall, betrayed its trust in discussing me personally with him and your office did exactly the same thing on April 5. Mr. Orrison repeated to me statements I had made in letters which he could have learned nowhere else. What right had the local committee to inform the respondent that they could not see any reason for the complaint? It was their duty to ascertain facts and report—not to render one-sided decisions. I thoroughly understand that N.R.A. has utterly failed and refused to take any definite action or render any decision in my case and that it does not intend to do so.

I thoroughly understand that although I had a pleasant and lengthy talk with Mr. Orrison, neither pleasantries or talk will pay my debts and I am in no manner convinced that N.R.A. has not betrayed me.

N.R.A. published the rules and methods by which the individual worker was supposed to secure speedy redress for any wrong on the part of his employer and I followed those rules carefully and the net result has been my betrayal by that division of it which was designed and created for my protection. Or was it created to furnish nice jobs for an army of administrative white collars?

I have carefully preserved all papers and letters—or copies—connected with this case and I intend to use them for publicity purposes. I have furnished my Congressman with a complete record of the case. I have also placed a copy of said record in the hands of Mrs. Cornelia Bryce Pinchot, of Pennsylvania, who is a militant worker in behalf of just such little fellows as I. It is my intention to place the facts in the hands of any person or organization who will use them. It is also my intention to publish the story in a certain paper of national circulation. I have fought a good fight, but I have not yet finished my course.

Now Mr. Director, the crux of the whole matter is just this: On November 9 and 13, 1933, I filed complaints against the Orrison Cigar Co., definitely charging certain things. The said company was either guilty or not guilty of the charges against them, and I had a right to a definite decision, one way or the other. N.R.A. has persistently refused to stick to the issue, locally, at Washington, or at Cleveland. This seems so plain that a wayfaring man, even though a fool, need not err therein.

Yours very truly,

O. S. HOLLOWAY.

NATIONAL RECOVERY ADMINISTRATION,
Washington, D.C., April 28, 1934.

Re: Complaint against Orrison Cigar Co.
Mr. O. S. HOLLOWAY,
Bethesda, Ohio.

DEAR MR. HOLLOWAY: Your complaint against the company mentioned above has been brought to our attention again by your Congressman, LAWRENCE E. IMHOFF.

In reviewing the file we have on your complaint, we have had in mind your personal circumstances, and we regret exceedingly to advise you again that this administration has not been in a position to take action on your complaint. When you made your original inquiry August 26, to Miss M. E. Woods, State N.R.A. director, Cleveland, your employer had not signed the President's agreement, and therefore was under no obligation under that agreement. The Orrison Cigar Co. signed the President's agreement on September 6. You state that after September 16 you worked part time for a brief period, and that for most of the time since September 16 you have not been employed by the Orrison Cigar Co.

As you are fully advised, local N.R.A. compliance boards were established for the convenience of workers and employers, and were charged with the responsibility of securing compliance with the President's agreement through adjustment of complaints. Many complaints, of course, come to us direct, but these were uniformly sent back to the complainant with the suggestion that the alleged violation be called to the attention of the appropriate N.R.A. compliance board. In other instances, if it seemed advisable, we wrote the appropriate boards direct, advising them with respect to the details of complaints, but, of course, withheld the name of complainant.

We mention this procedure with which you are familiar, as because of our distance from the scene of complaints it was necessary that we have boards constituted according to the plan outlined in Bulletin No. 5 and on which we could rely for the determination of facts in connection with complaints. As you have studied Bulletin No. 5, we feel certain that you will agree with us that action by the National Compliance Board at this headquarters could not be taken on alleged violations. The National Compliance Board has required that violations of the President's agreement be definitely established before action could be taken by that Board.

In your letter of December 4 you state that your local board considered your complaint and called on your employer. We have never received any statement from your board that you were discharged because of your complaint, or that your employer was not complying with the President's agreement.

We are making these references to explain why action by this headquarters could not be taken, merely on your charges that the Orrison Cigar Co. was not complying with President's agreement.

As we have gone over your file again, we do not find it is established that you were let out of employment by the Orrison Cigar Co. because you made a complaint, or that at the time you were let out that the Orrison Cigar Co. was violating the President's agreement.

Yours very truly,

ANALYSIS BRANCH COMPLIANCE DIVISION,
By JAMES E. PEEBLES.

BETHESDA, OHIO, *April 30, 1934.*

Re: Complaint against Orrison Cigar Co.
Mr. JAMES E. PEEBLES,
Analysis Branch Compliance Division, N.R.A.,
Washington, D.C.

DEAR SIR: Your letter of the 26th instant, concerning above matter, is very logical and convincing if one does not insist upon sticking to the issues and to the facts.

You say in your letter, "We regret exceedingly to advise you again that this administration has not been in a position to take action on your complaint." May I ask just when I was so advised? If it is sufficiently important for N.R.A. to justify itself now, why was it not equally important 5 months ago, when the case was turned over to your headquarters, because of the failure and refusal of the local board to continue to function? Your letter was obviously designed, and its logic intended to silence a moron. Your reference to our inquiry to Miss M. E. Woods in August has no bearing on the case and is just so much dust to obscure the issue. We asked the State director for some advice and received a very courteous reply which told us nothing. We sent a rather lengthy telegram to this same Miss Woods at that time, stating

our situation and asking advice. Her wire in reply was delivered by phone to the Orrison office, because it was so addressed, thus ignoring the confidential nature of the communication and beginning the series of betrayals at the hands of N.R.A., covering a period of 8 months. These communications were not personal on my part, but were written with the full knowledge and approval of the other employees. I have not in any letter stated that I had been employed on a part-time basis. I was employed very briefly on a full-time basis but did not earn the minimum wage. I mention this merely for the purpose of showing how utterly impossible it has been to maintain the issue clearly and to prevent perverting and misconstruing the facts.

In spite of all explanations and attempts to justify the shameful manner in which this case has been mishandled, the fact remains that I did my part and in accordance with the rules of procedure published by N.R.A. Your Administration was promptly and fully advised of the facts when the local board refused to carry out the part for which it was responsible, under those rules, 5 months ago. N.R.A. made absolutely no effective move to correct the situation created by this debacle. Your letter strongly intimates that the responsibility for failure to establish the facts charged is mine. Was it within my power and authority to compel the local board to act, or to replace it with a board which would act? That is why I sent the whole matter to Washington 5 months ago.

An analysis of the facts, which does not consider all the facts, may lead to a wholly incorrect conclusion and to a false and untenable position. You have apparently most carefully overlooked some very important facts in analyzing this case. It may not have been the proper procedure for the National Compliance Board to take action on alleged violations, but it was certainly up to someone to provide the opportunity to prove those allegations. I accepted the rules and provisions laid down in Bulletin No. 5 in good faith and acted accordingly and have been betrayed and thwarted at every point.

The committee of the local board who called upon Mr. Orrison last fall not only betrayed their trust (according to their own report) by discussing me personally with him but, according to a recent statement made by Mr. Orrison, in writing to your State headquarters at Cleveland, Ohio, they further betrayed their trust by rendering a secret, unreported, and unauthorized decision that they saw no reason for complaint. On April 5 the State headquarters also played the part of Judas and violated the dictums and rules of N.R.A. by disclosing to Mr. Orrison certain statements I had made in letters, and which he innocently repeated to me without knowing that he was exposing anyone.

Your admission that your office has "never received any statement from your board", proves my contention completely that N.R.A. authorities have betrayed me, either passively or purposely, because you were advised of the defection of the local board. I, being a lone and unknown individual and without the backing of a powerful organization, N.R.A. just could not be bothered with carrying out its promises and enforcing its rules, since my case had no news value for ballyhoo purposes.

To advise me, in the circumstances, that my charges have not been established is merely adding insult to injury. The basis of my fight, covering 6 months, is just that. The failure and refusal of N.R.A. to provide the means of establishing the facts is the real bone of contention. It seems to me that a lengthy and analytical explanation now is somewhat belated and ill-timed. Why not have admitted 5 months ago that nothing would be done?

I can see no way by which I can compel N.R.A. to extricate me from the desperate situation into which it has led me, both through the published rules contained in Bulletin No. 5 and by direct instructions and assurances from headquarters. Neither can I see any means by which N.R.A. can prevent me from exposing its failures and betrayals.

I am not an analytical expert, but I can marshal the facts and prove them by the record, and the record will bear out my assertion that I have been betrayed and that N.R.A. is impotent or has perpetrated a cruel fraud. I can see no reason why I should not, if I so desire, cast this thing into the maelstrom of the oncoming political campaign, so long as I stick to facts and the record.

Yours very truly,

O. S. HOLLOWAY.

BETHESDA, OHIO, *April 30, 1934.*

Hon. LAWRENCE E. IMHOFF,
Member of Congress, Washington, D.C.

DEAR SIR: I am enclosing herewith copy of a letter from N.R.A. headquarters, together with a copy of my reply thereto for your information.

Yours very truly,

O. S. HOLLOWAY.

NOTE.—No acknowledgment of above letter has been received.

Mr. FESS. Then, Mr. President, I have other letters of the same date that deal with the clay-products industry, showing the effect of the N.R.A. upon a small unit. These letters are very informing as to the definite effect of the operation of the N.R.A. on this particular industry, and I should like to have the letters inserted in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The letter referred to is as follows:

MOWRYSTOWN BRICK & TILE CO.,
MOWRYSTOWN, OHIO, *May 18, 1934.*

Mr. SIMEON D. FESS,
Senator, Washington, D.C.

DEAR SIR: I notice in the daily paper that you are one of the champions of the N.R.A. opponents, and since we have been unable to get any satisfactory adjustment with the code authority I thought I would write you encouraging you to go ahead with your work and that the great majority of the people are with you, the newspaper propaganda notwithstanding.

Anyone with any common sense knows that a plant or business employing 20 to 50 men cannot operate on the same basis as the plant or business employing up in the thousands of men, and, of course, this was one of the objections pointed out at the beginning, and the administration promised that the conditions would be adjusted for any small business that was oppressed, but of course events have proved that this was all bluff and that the little business man and manufacturer are being forced out of business every day.

My business is the poorest this spring that it has been in 25 years, and people in other lines tell me the same story, so you can be assured that this newspaper prosperity is all propaganda. As the automobile business is the only one that is greatly improved and, of course, that will slacken in a few weeks when their spring rush is over.

The building business, with all its branches, employs more people than any other one line, as you possibly know, and this business is so dead that there is scarcely a kick left in it. Since we have failed to get any adjustment from the code authorities we are living in hopes of a strong Republican victory for Congressmen this fall so that these idiotic laws may be repealed next January as soon as Congress meets.

I have talked to many hundreds of people, and I believe that 80 percent of them feel as I do about the N.R.A., and the farmers are especially bitter about the treatment accorded them.

I am enclosing copy of a letter sent to Gen. Hugh S. Johnson on January 10, and have received the first answer January 22 from R. J. Fogg, Assistant Deputy Administrator, who says that he cannot see how relief can be offered, but that he would refer it to the code authority. On May 1, I received another letter from Mr. Fogg, in which he says that he does not see how a wage exception can be made; therefore, we are shut down indefinitely, the first time this has happened in 25 years.

I feel sure that if the whole N.R.A. was scrapped we would have much faster recovery, as at the present but few people have confidence in the Government.

Yours very truly,

W. L. BELTZ.

MOWRYSTOWN BRICK & TILE CO.,
Mowrystown, Ohio, February 10, 1934.

Gen. HUGH S. JOHNSON,
Administrator, Washington, D.C.

DEAR SIR: As you will see by this letterhead I am the sole owner of the so-called "Mowrystown Brick & Tile Co.", and have been for 27 years. This is the only plant left in this part of the State out of about 20 plants that were in this district about 25 years ago. Possibly my being able to stay in the business and stand the competition of the larger eastern producers is on account of hard work and economical management, and being in a little country town where living expenses are the very lowest, so that my men could afford to work for a lot less money than some of the big plants were forced to pay, yet were able to live very comfortably and own their own property and be as independent as any of us.

Every location for any kind of business has its natural advantages and natural disadvantages. Our natural disadvantages have been high freight rate on coal and of late years distance from market and our natural advantage has been low price of labor. If the Government by the use of codes leaves me all the natural disadvantages and takes away all the advantages, that automatically puts me out of business, and all my force, which I have employed through the depression, out of jobs for an indefinite period.

Twenty years ago 80 percent of our market was within a radius of 25 miles, with an average of about 12 miles. Today 80 percent of our market is over 40 miles, with an average of about 35 miles. This, of course, applies to delivery direct by truck from the plant. Of course the rail haul would be greater.

I think that in keeping my men working 9 to 10 months per year through this hard time that I have done far more than my competitors in keeping things going, although I had to sacrifice practically all of my profit, but it has enabled a lot of people to get some good, cheap houses which otherwise they would not have been able to build.

I understand, of course, that all of the codes were written by the big men of the industry, and of course they wrote it to suit themselves and their own conditions just as far as they could, and that all of the officers in charge are city men and cannot understand how a man in a little town of 372 people can live well on $8 or $10 per week.

In talking with a number of the people in the cities I find that the average working man expects to pay a week's work for a month's rent. In this small village my men have been able with 1 week's pay to pay 2 months' rent; and since all of them have gardens and can buy produce direct from the farms without any

middleman's profit, they can live well on a fraction of what it costs a man under like conditions to live in any city.

I am enclosing a chart showing prices we got for drain tile and brick and price we paid for common labor and coal delivered at the plant each year, beginning 1914, up until the present time. You will note that the highest price I paid was 30 cents per hour, when common labor in the city was getting from 60 cents to 80 cents per hour. Many of the men that worked here during the boom period of 1917–20 and from 1925 to 1930 left me and went to the cities to get those high wages, but the large part of them returned, saying they could live just as well here at half the price they were getting in the city.

In a small town like this, and a small business where not more than 25 men are ever employed, the employer and employee are nearly always friends and neighbors, and for the employer to work the sweatshop principle is utterly impossible. I have several men who have been here for from 10 to 18 years, so that if the wage and working conditions were not fair no sensible man would stay that long.

Some of our competitors have their own coal mines, and, of course, practically all that it would cost them for coal is to mine it, which possibly runs around $1 per ton, while I have to pay a high freight rate and a commission in addition to the price of coal, which gives my competitors east of us 100 miles quite an advantage; in fact, our coal at the present price delivered to the plant is $3.77 a ton on car, besides the unloading charge.

We usually work every day through the summer, or beginning about March 1 to 15, and operate till about the 1st of December (this last year we quit Nov. 15), and use the same men during the colder months for extensions or repair work. We do not intend to make any extensions, but there is some repair work to be done, and my men are anxious to get to work, and I am ready to put them to work, but not at 37½ cents per hour. By paying 25 cents per hour my pay roll will be increased just 33 percent, and that is all that I can possibly stand with the selling price anywhere near what it is now.

As mentioned before, I have been operating at 60 to 80 percent of capacity and operating many weeks just to give my men work, and, of course, being a small concern, had to sell the product largely as it was made; therefore, I do not have many millions of brick piled up like lots of my competitors. If I sell brick now, I will have to make them, and, of course, that means employment; while many of my competitors have many millions in stock, and when they sell a carload or a dozen carloads, all that labor gets out of it is the loading in the cars, and, of course, these were produced in many cases with labor at less than 37½ cents per hour. So that I do not see how a small manufacturer located as I am can work under the code and survive. This is the only industry in this small town, or, in fact, for several miles around, that employs more than five men, and to shut this plant down indefinitely is a blow to the community, especially the merchants say they can tell quite a difference when the plant is operating and when it is not.

In 1932 I paid 20 cents per hour and lost just a little money, and in 1933 I paid 15 cents per hour the first half of the year and 20 cents per hour the last half and made a little money. So you see that labor is getting their share, as I am getting all that I can get for the product as demands and competition sets the price, and I want to state again that the competition from the larger plants who have their own coal mines are the ones that are holding the price down.

My men are reasonably satisfied and can make a nice living at 20 cents per hour, but I am willing to make a try on 25 cents per hour if you will give me the authority to do so.

Hoping to hear from you promptly so that I can put these men to work on a repair job, I am,

Yours very truly,

W. L. BELTZ.

Year	Products	Wage and coal
1914	Common brick, $7.50 per M; 4-inch drain tile, $0.24 per rd	14 cents per hour, 10-hour day; coal, $2.20 per ton delivered.
1915	do	Do.
1916	Brick, average, $8 per M; 4-inch drain tile, $0.24 per rd	15 cents per hour, 10-hour day; coal, $2.40 per ton delivered.
1917	Brick, average, $12 per M; 4-inch drain tile, $0.26 per rd	20 cents per hour, 10-hour day; coal, $3.10 per ton delivered.
1918	Brick, average, $15 per M; 4-inch drain tile, $0.32 per rd	24 cents per hour, 10-hour day; coal, $5.44 per ton delivered.
1919	Brick, average, $19 per M; 4-inch drain tile, $0.40 per rd	27½ cents per hour, 10-hour day; coal, $5.24 per ton delivered.
1920	Brick, average, $22.50 per M; 4-inch drain tile, $0.48 per rd	30 cents per hour, 10-hour day; coal, $8 per ton delivered.
1921	Brick, average, $19 per M; 4-inch drain tile, $0.45 per rd	24 cents per hour, 10-hour day; coal, $6 per ton delivered.
1922	Brick, average, $14 per M; 4-inch drain tile, $0.32 per rd	24 cents per hour, 10-hour day; coal, $7.25 per ton delivered.
1923	Brick, average, $20 per M; 4-inch drain tile, $0.40 per rd	24 cents per hour, 10-hour day; coal, $5.25 per ton delivered.
1924	Brick, average, $19 per M; 4-inch drain tile, $0.36 per rd	25 cents per hour, 10-hour day; coal, $4 per ton delivered.
1925	do	30 cents per hour, 10-hour day; coal, $3.75 per ton delivered.
1926	do	30 cents per hour, 10-hour day; coal, $4 per ton delivered.
1927	Brick, average, $16 per M; 4-inch drain tile, $0.36 per rd	30 cents per hour, 10-hour day; coal, $4.25 per ton delivered.
1928	Brick, average, $17 per M; 4-inch drain tile, $0.36 per rd	30 cents per hour, 10-hour day; coal, $3.75 per ton delivered.
1929	do	Do.
1930	Brick, average, $15 per M; 4-inch drain tile, $0.36 per rd	Do.
1931	Brick, average, $12.50 per M; 4-inch drain tile, $0.32 per rd	22 cents per hour, 10-hour day; coal, $3.50 per ton delivered.
1932	do	22 cents per hour, 10-hour day; coal, $3.10 per ton delivered.
1933	Brick, average, $11 per M; 4-inch drain tile, $0.32 per rd	17½ cents per hour, 10-hour day; coal, $3.20 per ton delivered.

Mr. FESS. Then, Mr. President, in respect of the effect of the N.R.A. upon the small newspaper, I have a letter here which begins in this fashion:

As a printer and employer of labor for 38 years, having in our employ an average of 10 persons, paying wages in full every Saturday night for that period, I desire to call your attention, and that of the United States Senate, to the impending results of the graphic-arts code, to which we have never subscribed.

This is a most informing letter, from the owner and publisher of one of the small newspapers in Ohio, dealing with the business side of that industry in its relationship to the N.R.A. I should like to have that letter inserted in the RECORD, at the same time letting it be understood that the letters I have submitted are just general selections from a day's receipt of mail as to the opinions of the writers on the operation of the N.R.A. as it applies to small industries. I thank my friend the Senator from Iowa.

The PRESIDING OFFICER. Without objection, the letter referred to by the Senator from Ohio will be printed in the RECORD.

The letter is as follows:

THE JEFFERSON GAZETTE,
Jefferson, Ohio, May 18, 1934.

In re: The little man and the printers' code.
Senator S. D. FESS,

DEAR SIR: As a printer and employer of labor for 38 years, having in our employ an average of 10 persons, paying wages in full every Saturday night for that period, I desire to call your attention, and that of the United States Senate, to the impending results of the graphic arts code, to which we have never subscribed.

We signed the President's blanket code, right or wrong, and have complied with it, although the reduction in hours did not add to our employment but did add to the difficulties of maintaining what for years has been a profitable business, and satisfactory to our employees. We never have had any labor trouble, and have one man with us for 38 years and none with us now less than 5 years. We carried employees during the depression at a loss to ourselves of several thousand dollars rather than dismiss them.

We were informed by the Employing Printers of Ohio, "Your code has been signed", and were urged to attend a code meeting, after the code was signed, held at Columbus on March 16, 1934. The Employing Printers announced themselves as State regional code authority. Knowing the head of this organization we neither protested nor assented.

TAXED BY NATIONAL ASSOCIATION

About a month ago we received a letter from a gentleman—God save the name—residing in Chicago, demanding that we remit within 7 days the sum of $13 as a code assessment. On the demand was the intimation that inability or refusal, as the case might be, to remit would result in a fine and imprisonment. Therefore, in this once Republic of the United States we now have code authorities having all the power of taxation and of making rules and regulations having the force and effect of law. By what constitutional authority have there been established some 400 governments within the National Government, which the citizen has no opportunity to question and act against any expenditure, any rule, any order, and no longer has any control of his own business?

General Johnson asks where are the little men that these codes affect, and further says that if there be such who cannot comply with the terms of their codes there is no place for them in these United States. I regret that a similar statement has been made by the President of the former Republic of the United States of America.

Within a few days we have received a "black book" with white lettering, which I suppose is the code for mourning, in which we are informed as to the minimum prices we may charge for printing, and that to charge any lesser price subjects one to fine and imprisonment. These prices are supposed to be uniform in the United States, with certain reductions if permission be applied for and be granted. As job printing is usually of a rush-order business, I suppose Rip Van Winkle would now be a successful printer.

UNFAIR PRICES IN THE CODE

That the code is manifestly unfair to small print shops can be seen from examining the code price book—the book of mourning.

For instance, this letterhead is printed on a paper ordinarily costing about 15 cents per pound delivered, 20-pound stock, making the paper cost for 1,000 copies $1.50. A fair cost of composition is 50 cents to $1, and a fair cost of presswork is $1 for 30 minutes' presswork. We would make a fair profit at $5.50. Under the code we must charge $9.50 for 1,000 copies or $17 for 3,000 copies. It is needless to state that the average rural print shop order is less than 1,000 copies of any item it produces.

The prices on envelops have not been increased enough to greatly concern us.

The price of a cardboard farm auction sale bill is fixed at $12 for 100, whereas we have charged $6 per 100 for several years, and consider the gross cost to us as about $3, assuming we can produce a fair number of orders in the auction season.

The result of this price fixing is that farmers will refuse to buy sale bills and country merchants and professional men will refuse to buy printed stationery. This may mean little to some people, but it means life or death to thousands of small printers in the United States, who in few instances are competitors with the larger shops.

Prior to 1932 this shop paid for 48 hours' work one $50, two $35, one $32, one $25, three $22, one $18, and one $12. It is needless to say we cannot survive on that scale these days with business at 50 percent of the average for 15 years. This does not include anything to the two proprietors for their labor—usually more than 8 hours a day—who in fact were as much laborers as any employee.

PAMPHLET WORK

We have one customer who orders three times a year a pamphlet 6 by 9 inches, about 135 pages. The composition is known as "phat", not much to a page. For this work we receive $175 each time. Under the code we must charge $556 per job, as near as we can figure from the black book. It is needless to say the customer will drop the work (100 copies only).

We have another customer for whom we printed 3,500 copies 64 pages tabular work and advertising, price $330, which was a close figure and should have been more. The job was taken to give employment rather than profit.

But the black book proposes to send us to jail and fine us for giving employment unless we charge therefor $443 plus $31.80 for covers—a price we cannot obtain.

WHAT THE CODE MEANS

That the code is merely an effort to make it difficult for a small printer and easy for the large printer may be seen from the following on page 2 of the said black book:

"No establishment shall sell or offer to sell any product listed in the price-determination schedule issued by the National Graphic Arts Coordinating Committee of the Graphic Arts Code attached hereto and made a part hereof at a price less than 10 percent below the price for such product contained in said price-determination schedule.

Provided, that this prohibition shall not apply to any single order exceeding $500 in amount nor to any combined order exceeding $5,000 in amount, nor to any order actually contracted for and exceeding $5,000 in amount per year.

Under the second paragraph a large city printing plant can contract with the county commissioners to do all of the county printing, because it will exceed $5,000 in a year, and make prices per item as it sees fit, but the country printer, being unable to supply every county requirement, may thus be automatically barred from obtaining any printing whatever, because he must charge the utterly absurd code prices or go to jail.

Under this exemption a canvasser can come into our territory and secure all of the local printing from regular customers of this shop at prices below our ability to meet because the prices in the code on orders of 5,000 or more are low prices, and thus completely eliminate all local competition for all printing.

And this, Senator Fess, is in the United States of America called the "new deal." This is known as "revolution without the r." If this be evolution, then, Senator, I can easily understand why in evolution there has been so much monkey business.

Respectfully yours,

E. C. LAMPSON,

One of the little men for whom there is no place left in the United States, where several of his direct ancestors fought in the American Revolution—that was not monkey business.

MESSAGE FROM THE PRESIDENT—APPROVAL OF BILLS

A message in writing from the President of the United States was communicated to the Senate by Mr. Latta, one of his secretaries, who announced that the President had approved and signed the following acts:

On May 21, 1934:

S. 2825. An act to provide for an appropriation of $50,000 with which to make a survey of the old Indian trail known as the "Natchez Trace", with a view of constructing a national road on this route to be known as the "Natchez Trace Parkway."

On May 22, 1934:

S. 2845. An act to extend the provisions of the National Motor Vehicle Theft Act to other stolen property; and

S. 3364. An act for the relief of G. T. Fleming.

On May 23, 1934:

S. 1807. An act to provide for the exchange of Indian and privately owned lands, Fort Mojave Indian Reservation, Ariz.

RECIPROCAL-TARIFF AGREEMENTS

The Senate resumed the consideration of the bill (H.R. 8687) to amend the Tariff Act of 1930.

Mr. McNARY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	Johnson	Robinson, Ind.
Ashurst	Couzens	Kean	Russell
Austin	Cutting	Keyes	Schall
Bachman	Davis	King	Sheppard
Bailey	Dickinson	Logan	Shipstead
Bankhead	Dieterich	Lonergan	Smith
Barbour	Dill	Long	Steiwer
Barkley	Duffy	McCarran	Stephens
Black	Erickson	McGill	Thomas, Okla.
Bone	Fess	McKellar	Thomas, Utah
Borah	Fletcher	McNary	Thompson
Brown	Frazier	Metcalf	Townsend
Bulkley	George	Murphy	Tydings
Bulow	Gibson	Neely	Vandenberg
Byrd	Glass	Norbeck	Van Nuys
Byrnes	Goldsborough	Norris	Wagner
Capper	Gore	Nye	Walcott
Caraway	Hale	O'Mahoney	Walsh
Carey	Harrison	Overton	Wheeler
Clark	Hastings	Patterson	White
Connally	Hatch	Pittman	
Coolidge	Hatfield	Pope	
Copeland	Hayden	Robinson, Ark.	

The PRESIDING OFFICER (Mr. GEORGE in the chair). Eighty-nine Senators having answered to their names, a quorum is present.

Mr. BAILEY. Mr. President——

The PRESIDING OFFICER. The Senator from Iowa [Mr. DICKINSON] is entitled to the floor. Does he yield to the Senator from North Carolina?

Mr. DICKINSON. I yield.

Mr. BAILEY. Mr. President, I rise to submit a few remarks in view of the agitation and discussion concerning the N.R.A. and the report of the Review Board and the animadversions arising between the parties.

I listened with a great deal of interest to the very able and convincing exposition of N.R.A. operations by the senior Senator from Arkansas [Mr. ROBINSON]. If I am not mistaken, he described recent events as "a storm of wrath and vituperation." I think the description states the case. I shall address myself just to that aspect of the matter.

Mr. President, why should there be a storm of wrath and vituperation in view of a report of a Board of Review appointed by the President seeking, as I take it, to discharge its duties? Why should petitioners before a bureau or department of our Government, undertaking to describe their situation in view of the Government's operations, be subjected to wrath and vituperation? How can we reconcile with any understanding of civilization, not to say Americanism, but mere civilization, the response of men in authority to criticism by way of wrath and vituperation? It is my understanding that the humblest citizen of America may criticize his Government, may file his petition, may state his case, may set forth his wrongs and demand his rights without paying to anybody anywhere any penalty whatsoever.

I will grant the Board of Review was all wrong, though I do not know whether it was or not. I am not going to discuss the merits of its report. But the Board of Review, upon filing its report, was pilloried before the American people as having acted in bad faith. One of the officials not directly criticized responded by way of intimating that they were insane, and suggested that an examination be had as to their sanity. Is that becoming a free government? It does not even become a despotism. Mr. President, that is of the essence of intolerance, and I hope we still may feel that

the air of our land is too pure for intolerance to be breathed into it.

What may we say with respect to those authorities, concerning whose operations a board appointed by the President filed a report containing some criticism and some suggestions, responding thereto not with facts but with wrath and vituperation? What shall we say of public officials, public servants—not masters in America, but servants—who, upon reading a report containing testimony of American citizens concerning their relation to operations of the Government, denounce those citizens as chiselers, charging them with bad faith, and, if I read aright, describing them as ragtags and bobtails? That is intolerance.

It is this feature of this matter that arouses me and demands my appearance here on this floor.

I am perfectly willing to give the N.R.A. the fairest opportunity conceivable, since it is the public policy. I am perfectly willing to pursue, with respect to it, the course of patience and of tolerance and of constructive helpfulness. I am perfectly willing to pay tribute to General Johnson. I believe I will. I think General Johnson has labored at his task with all diligence and with great earnestness and devotion. I give him credit for patriotic self-sacrifice; but I deny his right and I resent his course as I would resent the course of any other public servant whatsoever, no matter how high his station; I would resent the course of any Senator who responded to legitimate criticism with abuse and denunciation.

America must be free. The American man must be free. This is not the land of suppression of opinion, even of wrong opinion, by means of the intolerance of a public opinion aroused by means of public servants; and I may add here that that sort of suppression can be made more effective and more destructive of our Government than the jails of Russia or the castor oil of Italy.

I stand here, Mr. President, to maintain just one thing: Let the N.R.A. go on. Let us be helpful toward it; but, even more, let the freedom of the American man be preserved; and that means that he may stand anywhere and at any place, he may assert and seek to maintain his cause, and he must not be subjected to the restraints of official denunciation; and if we permit it by way of denunciation and wrath and of vituperation it will be but a short step to the inquisition, the rack, and the wheel.

So I protest against what appears here to have cropped out as something in the nature of the intolerance of a despotic state of mind. I stand here to say that for my part, regardless of whomsoever may be involved or whatsoever may be the cause or the law or the policy, I hope the time never will come in America when the freedom of the humblest American man, be he ever so wrong, be he ever so mistaken, will be hindered in the slightest degree by any public official. It is of the very essence of things that we shall remember that every public servant in this land is a servant, not a master. While he may respond to criticism, let him respond with the facts. Let him give us the truth and let him by all means take warning that, whether he thinks he can get away with it or not, no one will ever get away in America with the effort to suppress opinion or suppress criticism by official intolerance exercised in a policy of personal abuse.

I thank the Senator from Iowa.

Mr. DICKINSON. Mr. President——

Mr. FESS. Mr. President, will the Senator yield?

Mr. DICKINSON. I yield to the Senator from Ohio.

Mr. FESS. After listening to the statements of the Senator from North Carolina, which are always edifying, I wish to ask him whether he recalls the classical statement of Voltaire when he said, speaking of the right of someone to say what he had in mind: "I do not believe a word you say, but I am willing to give my life to secure your right to say what I do not believe"?

Mr. BAILEY. And, if I may interrupt the Senator, while that should obtain between man and man devoted to tolerance and freedom, it is of the very essence of government that men in the Senator's position and mine shall see that it is maintained as between the public servant and the citizen.

Mr. FESS. I agree with the Senator.

Mr. DICKINSON. Mr. President, as stated on the floor yesterday, the right to tax is the right to destroy; and we have had grounded in the fundamentals of our Government by our forefathers that taxation without representation is unjust. Yet we see here a general tendency all along the line to disrupt the fundamentals of our Government, and, in my judgment, to strike at the very vitals of our governmental organization.

Mr. LOGAN. Mr. President, will the Senator yield?

Mr. DICKINSON. Yes.

Mr. LOGAN. Do I understand the Senator to agree with the statement that the power to tax is the power to destroy?

Mr. DICKINSON. It is.

Mr. LOGAN. Then what are our courts for, if not to prevent unjust taxation, thereby always protecting the taxpayer from a tax which would destroy?

Mr. DICKINSON. Suppose we had a Government which imposed a tax that did destroy, and yet it came within the legal purview of the taxing laws?

Mr. LOGAN. Let me say to the Senator that I have had some experience in tax matters and in tax legislation. If there is any statement that was ever made by the Supreme Court that is wholly untrue, it is the statement that the power to tax is the power to destroy, because all other courts everywhere protect the taxpayer against the imposition of taxes which are confiscatory. There is no law better settled than that.

Mr. DICKINSON. The point here is, however, that if we give this power to the President he will have the right to levy a tax. It will not be levied by the representatives of our Government.

Mr. LOGAN. That is very true.

Mr. DICKINSON. It will be levied by the Chief Executive of this country. He can levy that tax in a way that will destroy an institution, and for it there will be no recourse.

Mr. LOGAN. But the Senator is talking aside from the question of the power to tax being the power to destroy. This is not, as I view this bill, the power to tax at all, but it is the power to regulate commerce; and regardless of what the Senator from Iowa or any other Senator may think about it, nowhere has a single right been taken away from any citizen which he enjoyed under the Constitution by reason of any law that has been passed by this Congress during the present administration, or any other, so far as I know.

Mr. DICKINSON. I do not concur in the judgment of the Senator from Kentucky; and in a little while I shall cite to him the powers which have been taken away from Congress and from the citizens of this country and from their representatives, and I shall detail the statutes that have done it.

Mr. LOGAN. I do not want to interrupt the Senator further, and I will not do so; but I reserve the right, after he shall have concluded, to take up his mistaken views about the matter and attempt to instruct him regarding it.

Mr. DICKINSON. With my high regard for the Senator from Kentucky, I assure him that I shall listen to his views with keen interest.

Mr. FESS. Mr. President, will the Senator yield?

Mr. DICKINSON. I yield.

Mr. FESS. Referring to the astonishing statement of the Senator from Kentucky [Mr. LOGAN] denying the statement of John Marshall that the power to tax carries with it the power to destroy, how can he reconcile his view with the actual fact that, while States can issue currency, and did so up to the Civil War, and could do so now, the Federal Government has taxed State currency 10 percent, thereby killing it? There has not been a single State currency issue since that day, and yet the State has the authority to make

such issues, just as it always had. Is not that a case where the power to tax was the power to destroy? Let the Senator consider that when he comes to discuss the matter.

Mr. LOGAN. I beg to say to the Senator that I shall consider that, and I shall try at some time to explain it; but the statement made by the court has been quoted hundreds of times by able lawyers like the Senator from Iowa, and quoted in connection with tax questions, when it had no application.

The power to tax is the power to destroy where there is no protection in the courts against the taxing authorities; but in America, in this Republic of ours, the fathers who promulgated and adopted our Constitution specifically provided that that should not be done which would confiscate the property of a citizen. If the power to tax leads to the confiscation of property, the citizen has a plain, adequate remedy at law that will prevent such confiscation.

So no industry can be destroyed by taxation; and what the Senator from Ohio refers to was not an industry. It was the exercise by the Congress of a police power—not the power to tax, but a police power that was incidental to the power to tax.

Mr. DICKINSON. Mr. President, I think the philosophy beneath this bill is entirely wrong, and I was amazed yesterday at the statement of the senior Senator from Tennessee [Mr. MCKELLAR] when he said:

> Mr. President, may I answer the Senator from Louisiana? When this power was given the Republican President it was given to him for the purpose of raising the tariff duties, and we all know it. There is not any doubt about it. We all know exactly the purpose for which the power was given him. The power which is given the present President is to decrease tariff duties.

It has been my understanding all the while, it is my understanding now, that the President, under the existing law, has the right either to raise or lower tariffs, under certain machinery, and if this bill shall be enacted, he will have the right to either raise or lower tariffs. If this philosophy is the philosophy that is being carried out, and if it is the intention of this administration to work along this line, then I say it casts a greater fear over industry and business in this country than has heretofore been predicted.

In the general statement as to what has transpired under the new administration, I wish to quote, first, Virgil Jordan, who I think is one of the leading economists of the country, an economist for the Industrial Conference Board. He said:

> I regard what has occurred in the United States during the past year as perhaps the greatest catastrophe in the history of civilization, and certainly the most profound that has happened to us in America. Accidentally and unconsciously in this catastrophe much of the essential and unique virtues of the American system have been destroyed.

I wish to go a little further than that. A day or so ago Frank Kent, in the Baltimore Sun, under the heading "Ebbing of the Tide", published an article from which I wish to quote.

Mr. HATFIELD. Mr. President, referring to what the Senator said just a moment ago, what is the cause of the destruction?

Mr. DICKINSON. The type of legislation enacted, the character of program adopted, and the effect of that program upon the economic, financial, commercial, industrial, and agricultural interests of this country.

Frank Kent, in yesterday's Baltimore Sun, said:

> Within recent weeks there has been a rapidly increasing belief that he—

Referring to the President—

> has started a great many unsound, unnecessary, unmanageable, and terrifically expensive things, which cannot work out. The general confusion, which in the N.R.A. has almost reached the point of demoralization, is sensed by the people. There is a hint of disintegration in the air. Through personal appeal it is possible the President may rally popular support and reassure the people that we are still "on our way." It is possible, too, the administration propaganda can keep up the illusion that criticism comes exclusively from the wicked.
>
> It is doubtful, however, that anything can restore the unrestrained enthusiasm of a year ago, which enabled the administration to launch its program with almost united support. Six months ago public opinion and private opinion were identical and almost entirely favorable. Today public opinion is still to a large extent supporting, but private opinion has swung the other way. This is evident, not only among business men but in Congress and within the administration itself.

Then Frank Kent goes on to cite, first, the cancelation of the air-mail contracts; second, the effort to prosecute Mellon criminally; third, the effort to commit the Senate, including such a man as the senior Senator from Virginia [Mr. GLASS], to a commission and stock exchange bill; and then, in the end, have a reversal of the policy.

Next he refers to the treatment of the Darrow report in the N.R.A., where it was concealed for a week or more, and its authors were accused of bad faith, and so forth. Last he names the silver question, which we have had both pro and con here all winter long; and he suggests that all this leads to uncertainty in the mind of the American citizen as to what he will be able to do on the morrow to prevent the kind of collapse which inevitably will come unless something can be started on the upgrade.

Following out the same suggestion with reference to the transferring of legislative power to the Executive, I wish to suggest that the first time that question was brought up under the present administration was in the inaugural address. I shall now quote from the address of President Roosevelt, delivered at the time of his inauguration, when he said, as appears on page 4:

> But in the event that the Congress shall fail to take one of these two courses, and in the event that the national emergency is still critical, I shall not evade the clear course of duty that will then confront me. I shall ask the Congress for the one remaining instrument to meet the crisis—broad Executive power to wage a war against the emergency, as great as the power that would be given to me if we were in fact invaded by a foreign foe.

Let me suggest that no legislation was ever asked that was refused, and no proposed legislation was ever sent to the Congress that did not have embodied in it a request for the transfer of legislative power; and, of course, I refer to major pieces of legislation.

We started with the Economy Act, wherein we gave all the power to the President to fix pensions, undoing legislation which had been on the statute books for 75 years.

Then we took up the other measures, all of which implied the transfer of legislative power to the Executive.

If the Executive were carrying out the platform on which he was elected, I would not feel so bad; but I find that he is not carrying out the platform upon which he was elected, and therefore it is essential for us to know whether or not there is a tendency toward a dictatorship or an Executive assumption of power that was not intended by the electorate when they voted for the present incumbent.

First let us take the Industrial Recovery Act. It is stated in section 1:

> It is hereby declared to be the policy of Congress to remove obstructions to the free flow of interstate and foreign commerce which tends to diminish the amount thereof; and to provide for the general welfare by promoting the organization of industry for the purpose of cooperative action among trade groups, to induce and maintain united action by labor and management under adequate governmental sanctions and supervision, to eliminate unfair competitive practices, to promote the fullest possible utilization of the present productive capacity of industries, to avoid undue restriction of production (except as may be temporarily required).
>
> * * * * * * *
>
> To effectuate the policy of this title, the President is hereby authorized to establish such agencies—

And so forth. That is the basis of the Executive orders which have made up the industrial recovery administration.

Let us go a little further: Who was there in the Senate or in the House of Representatives who expected, when the National Recovery Act was passed, that we were going to have 75 or a lesser number—I have forgotten; the last time I counted the number was somewhere around 45—new bureaus, of different kinds, various councils and boards, all for the purpose of doing a particular thing, and most of them for the purpose of interfering with private business? Yet they grew up under the National Recovery Act, purely

under the authority conveyed to the President by that legislation.

Mr. HATFIELD. Mr. President——

The PRESIDING OFFICER (Mr. BROWN in the chair). Does the Senator from Iowa yield to the Senator from West Virginia?

Mr. DICKINSON. I yield.

Mr. HATFIELD. The Hoover administration was very much criticized for the boards brought into existence by it, was it not?

Mr. DICKINSON. The Democratic Party made an issue in the campaign the fact that there were useless bureaus which should be eliminated, and that Government expenditures should be curtailed.

Mr. HATFIELD. Does the Senator know the number of additional bureaus in this administration over the number in the Hoover administration?

Mr. DICKINSON. It is my understanding that it is somewhere around 40; some have put the number as high as 60, but I do not know of anyone who can make an accurate inventory. I understand that the last one was named to give out information along that line, a man by the name of Walker, resigned because he could not keep up with the procession.

Mr. FESS. Mr. President, any figure given today would be out of date tomorrow.

Mr. DICKINSON. It would be out of date tomorrow because if something happens, another professor is called in, another million dollars is allocated, and a new bureau is set up.

Mr. HATFIELD. Does the Senator happen to know the number of laboring people out of employment at the beginning of the present administration?

Mr. DICKINSON. My recollection is that it was somewhere around ten million.

Mr. HATFIELD. Does the Senator know how many are out of employment now?

Mr. DICKINSON. The last report, as I recall, showed that 10,800,000 were out of employment.

Mr. HATFIELD. And that, notwithstanding all the power that has been given by Congress to the Executive?

Mr. DICKINSON. Yes; notwithstanding all the power that has been given by the Congress, and notwithstanding the expenditure of some five or six billion dollars of borrowed money, at the expense of the people of the United States.

Mr. HATFIELD. The borrowed money to which the Senator has reference comes from the Tresaury of the United States and must be repaid by the taxpayers some day?

Mr. DICKINSON. Yes; they must foot the bill.

Mr. HATFIELD. But what would the Senator say as to the amount of money that has been collected from the industries to carry on the National Industrial Recovery Act?

Mr. DICKINSON. I have some data with reference to the trucking code. It was estimated that over $3,000,000 was collected from the trade to pay the expense of the board of managers for that one code alone; and it has been estimated that if we could get together all the codes and show the expenses that are levied on the various business enterprises of this country, it would run up to a half billion dollars a year.

Mr. HATFIELD. I think the Senator underestimates the amount, Mr. President. For instance, in the bituminous-coal industry, which is a very large one, some groups of that industry pay 2 percent; other groups pay 5 percent; others pay 3 percent. I think the Senator from Iowa would be well within a safe estimate to put the figure at least at $1,000,000,000 a year. None of these collections are made upon the basis that the amounts have been paid. They are simply requests for a contribution over a certain period of time—say, 1 month or 3 months—with the books left open to make additional collections if it becomes necessary in the estimation of those who are responsible for the administration of the act.

Mr. DICKINSON. As a matter of fact, they are simply direct levies on all business.

Mr. HATFIELD. Absolutely.

Mr. DICKINSON. I understand that in the automobile business every retailer is charged 0.1 of 1 percent on the total amount of his sales. If he sells a car for $1,000, 0.1 of 1 percent, or $10, goes to the code authorities to maintain their existence.

I think the vicious feature is the fact that we know of specific instances where certain assistant directors who have been working in the N.R.A. have been taken out of their particular positions and put in charge of code authorities, and given very large salaries. That situation ought to be investigated by the N.R.A., or by a Senate committee, or by someone, so as to find out how much the poor public is being imposed upon.

Mr. HATFIELD. Of course, Mr. President, the Senator understands that all these items go into the cost of production.

Mr. DICKINSON. Oh, yes; but the consumer pays the bill. There is no question about it. He is the victim in all these enterprises.

Mr. HATFIELD. The Senator is aware of the fact that the prices paid today for commodities, for instance, of the staple industries such as the coal business and, possibly, the automobile business, are higher than at any time since the war.

Mr. DICKINSON. Yes; and on top of that, competition has absolutely ceased. For instance, I heard of a situation where 400,000 barrels of cement were being contracted for. There were four or five or six companies bidding, and every one of them bid exactly the same price to a nickel.

Mr. HATFIELD. Mr. President, is it not a fact that those who are operating under the codes are penalized if they dare to sell for one cent less than the price prescribed under the code by the code authorities?

Mr. DICKINSON. That is absolutely true; and it is a part of the whole machinery.

Mr. HATFIELD. And the penalty is $500 fine, with 6 months in jail, and each individual day of offense is an individual crime.

Mr. DICKINSON. That is correct.

Mr. FESS. Mr. President, the Senator will not overlook the fact that the increase of the price of commodities is the major purpose of the present administration, on the ground that prices have become too low, and that there can be no prosperity without an increase in prices; so the administration has started on an artificial method of insuring increased prices. The danger is that there is no control over the increases, and after a while there will be a cry that prices are too high instead of being too low.

Mr. DICKINSON. The new slogan is going to be to reduce the cost of living, and the consumer is the one who will have to be protected.

Let me proceed a little further on the subject of the delegation of legislative power.

We find in the Agricultural Adjustment Act, title III, section 43, that—

> The President is authorized, in his discretion to direct the Secretary of the Treasury to enter into agreements with the several Federal Reserve banks and with the Federal Reserve Board whereby the Federal Reserve Board will * * * purchase directly and hold in portfolio, for an agreed period or periods of time, Treasury bills or other obligations of the United States Government in an aggregate sum of $3,000,000,000.

We find this delegation of power in practically every piece of legislation we have been passing.

What will be the next thing? The President will ask to have executive authority to authorize and direct the purchase of silver, and to maintain its value at a certain ratio. That is the new silver bill which is coming before the Senate.

The next bill that is coming in is the one from the Committee on Mines and Mining, which has to do with absolutely putting the coal business and the price of coal in the hands of the President to direct and fix the prices all along the line.

I wonder how much further we have to go, and whether or not we are going to Hitlerize this Government by saying that Congress is not capable of performing its functions any more, that it ought to turn everything over to the Executive, and go home and give him a drawing account on the Public Treasury to see how much he can spend.

Next, we have an innocent statement with regard to amendments to the A.A.A., which is the Agricultural Adjustment Act. Every time I suggest anything against the grant of authority now proposed I am asked, "How did you vote on the Agricultural Adjustment Act?" I will say that I voted for it, and I voted in favor of it for only one reason, which was my hope that under part 2 we might be able to readjust farm mortgages and make an adjustment of the credit of the farmers of this country to their benefit. I do not find that we have made as much progress as should have been made, and I do not know that I was justified in voting for that law on account of that provision. I do say, however, that under the Agricultural Adjustment Act we put the authority in the Secretary of Agriculture and not in the President. Now we find that a new bill is brought in under which the food processors are to be licensed. It is now on the calendar. I hope the Senate will be able to arouse itself to the point where it will at least stand up and determine the question as to whether it is going to transfer all its powers to the administration at its request.

Let me suggest further that the most vicious example of the transfer of authority of which I have spoken is found in the pending tariff bill. We have not had any piece of legislation which transferred so much direct control over the private interests of the people of this country as does the alleged tariff bill which is now before us for consideration.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. DICKINSON. I yield.

Mr. VANDENBERG. The Senator has been referring to delegations of power to specific and identified authorities. That is bad enough; but it is infinitely worse to find power delegated to unidentified administration agencies which were never contemplated at the time of transfer.

If the Senator will permit me to make a comment in his time which is particularly pertinent in connection with the pending bill, it appears that there is a so-called "executive-policy committee." It further appears that this committee is serving without congressional authority as a sort of super-tariff commission, receiving from the Tariff Commission reports of investigations under the flexible-tariff laws and under section 3 of the N.R.A., and determining what disposition is to be made of them and what action is to be taken on them. I do not know whether or not the Senator from Iowa ever before heard of the executive-policy committee.

Mr. DICKINSON. I never heard of it before.

Mr. VANDENBERG. It is at the moment one of the most powerful agencies at work in respect to the policies of the Government. Inasmuch as the pending bill contemplates a certain grudging allowance of hearings before the final sentence of death is passed by the President upon the industries which are marked for slaughter, I take it as a matter of reasonable deduction that it will be this executive-policy committee which will be called in under this further delegation of power to pass upon these tariff questions. So that the country and its industries and its agriculture may have some casual understanding of who it is who is to be its supreme court in this aspect, I should like to state for the RECORD that this executive-policy committee consists of the following gentlemen:

Mr. Francis B. Sayre, chairman, representing the State Department.

Mr. M. S. Eccles, representing the Treasury Department.

Mr. Jacob Viner, representing the Treasury Department.

Mr. John Dickinson, representing the Commerce Department.

Prof. Rexford G. Tugwell, representing the Agricultural Department. I am sure that name is familiar to the Senator.

Mr. H. R. Tolley and Mr. L. R. Edminster, representing the A.A.A.

Mr. Oscar B. Ryder, representing the N.R.A.

Mr. Robet L. O'Brien, representing the Tariff Commission—the same Mr. O'Brien who testified that he would be glad to do anything the President wanted him to do.

Mr. DICKINSON. Whether he thought it was right or not.

Mr. VANDENBERG. With respect to the administration of the tariff law, regardless of the obligation of the law itself.

Mr. Thomas Walker Page, of the Tariff Commission, and Mr. George N. Peek, who is now running the export and import bank.

These are the members of the executive-policy committee, existing without warrant of law, exercising powers unidentified in any statute, and, so far as I can deduce, the probable outfit which will have the economic life and death of America in its hands after we shall have concluded this final delegation of power upon which we are now embarked.

Mr. DICKINSON. I thank the Senator for the contribution. I had not heard of that, and the personnel is intensely interesting, in view of the fact that apparently everyone whose name is on the list is connected with, or is at least an applicant, for membership in the "brain trust."

Mr. LONG. Mr. President, I entered the Chamber a little bit late. Will the Senator allow me to ask him how many were named by the Senator from Michigan in this list of superficial council?

Mr. VANDENBERG. There are 11 names on the list.

Mr. DICKINSON. Mr. President, there is one name on there that is of considerable interest—Francis Bowes Sayre—who has been sitting here beside the Chairman of the Finance Committee on the floor of the Senate, and who, I understand, is the one who has been collecting most of the data and doing most of the work, and who undoubtedly will have a great deal to do with the State Department policy under this bill if it shall be passed.

I thought I should like to find out who he was, and so I consulted Who's Who in America. Of course, I knew that he was Woodrow Wilson's son-in-law, and a very estimable gentleman, but I wanted to know something about his experience, because, Mr. President, I say to you that the State of Iowa is interested in the agricultural schedules, and we know that if we cannot have the agricultural schedules exempted from the operations of this bill, those who will be in charge of the administration of this measure will be in a position to ruin the dairy interests of Iowa, the beef interests of Iowa, and the poultry interests of Iowa.

I find that Mr. Francis Bowes Sayre was born April 30, 1885; that he graduated from various institutions. Who's Who goes on to tell about him as follows:

Deputy assistant district attorney, New York County, N.Y., 1912–13; assistant to president of Williams College and instructor in government in the college, 1914–17; Thayer teaching fellow, Harvard Law School, 1917–18; assistant professor law, Harvard University, 1919–24, professor since 1924; lecturer, University of Southern California, summer session, 1923; leave of absence, 1923–25; director, Harvard Institute Criminal Law, 1929; trustee, Massachusetts State training schools, with supervision of juvenile delinquents of State, since 1932.

Here is a feature of the statement in Who's Who, which I should like to have the Senate note:

Adviser in foreign affairs to Siamese Government, 1923–25; appointed Envoy Extraordinary and Minister Plenipotentiary from Siam, 1925; juris consult to ministry of foreign affairs, Siamese Government, since 1925; negotiated on behalf of Siam new political and commercial treaties with France, Great Britain, the Netherlands, Spain, Portugal, Denmark, and Sweden, 1925; Norway and Italy, 1926; abolishing extra territoriality in Siam; also treaty of arbitration with Great Britain, 1925. Created Phya Kalyan Maitri by the King of Siam, 1924—

I do not know what that is, but presume it is some kind of recognition or honor—

awarded the Grand Cross of Crown of Siam, 1924; Grand Cross of White Elephant (Siam), 1925; Grand Officer Order of Orange-Nassau (Netherlands), 1925; Knight Grand Commander, Chula Chom Klao (Siam), 1926; Commander Order of the Dannelbrog, first class (Denmark), 1926; Grand Cross Royal Order of Isabel la Catolica (Spain), 1926; Grand Cross of Order of Christ (Portugal), 1926; Commander Order of Saint Olav, first-class (Norway), 1927—

Of course, I do not know what he would do if it were third-class, but "first-class" seems to be all right—

Grand Cross Order of Crown of Italy, 1927; Grand Officer de la Legion d'Honneur (France), 1920. Y.M.C.A. work, Mexican border, summer 1916.

Of course, he might get down to earth on the Mexican border; but he would not have much chance of getting down to the economic questions of this country while he was around gathering up decorations from the King of Siam, and so forth, and so on.

The point I want to impress upon the Senator is that this man is going to be sitting in a controlling position, as I shall show by his testimony before the Ways and Means Committee before I conclude my remarks.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. DICKINSON. I yield.

Mr. VANDENBERG. In view of the disclosure respecting this executive-policy committee, I wonder if the Senator would not agree that it would be quite appropriate for the Senate to inquire by resolution just what this instrumentality is, and why it is, and what its powers are?

Mr. DICKINSON. I should like to see the Senator from Michigan sponsor such a resolution, and, in case he does not want to do so, I should like to sponsor one myself, because I think it would be well worth while.

Mr. FESS. Mr. President, will the Senator yield?

Mr. DICKINSON. I yield.

Mr. FESS. The Senator from Michigan in reading the roster mentioned Mr. Tugwell's name, did he not?

Mr. VANDENBERG. That is correct. Of course, that is not any novelty, because the Senator will find his name on any important document of this particular dispensation.

Mr. FESS. If the Senator from Iowa will permit me, I have a bit of information here which I think will throw light on the background of what is going on at the White House, so far as Mr. Tugwell is concerned.

Mr. DICKINSON. I should be glad to have the information put in the RECORD at this point.

Mr. FESS. I hold in my hand a volume containing the issues of the American Economic Review for 1932 with the supplement, printed in March 1932, containing the "papers and proceedings of the forty-fourth annual meeting of the American Economic Association." That meeting was addressed, among others, by Dr. Tugwell. His address is on the Principle of Planning and Laissez Faire. From page 88 of this volume I read this statement, which I think all Senators, as well as the country, will be very glad to have, because it evidently is the explanation of what is going on, so far as Mr. Tugwell is concerned. Speaking of our present economic system, and indicating that there must be a change, he makes this statement:

The setting up of even an emasculated and ineffective central co-ordinating body in Washington will form a focus about which recognition may gradually gather.

He then indicates the changes that must be effected.

The first series of changes will have to do with statutes, with constitutions, and with government.

Remember that he has in mind a change in the Constitution.

Mr. DICKINSON. In other words, that goes to the very fundamentals of government as laid down by the forefathers.

Mr. FESS. Precisely. I quote further from Dr. Tugwell:

The intention of eighteenth and nineteenth century law was to install and protect the principle of conflict; this, if we begin to plan, we shall be changing once for all, and it will require the laying of rough, unholy hands on many a sacred precedent, doubtless calling on an enlarged and nationalized police power for enforcement.

Read that in the light of the A.A.A. as well as the N.R.A.

We shall also have to give up a distinction of great consequence, and very dear to many a legalistic heart, but economically quite absurd, between private and public or quasi-public employments. There is no private business, if by that we mean one of no consequence to anyone but its proprietors; and so none exempt from compulsion to serve a planned public interest.

I want the Senator especially to notice this next statement:

Furthermore, we shall have to progress sufficiently far in elementary realism to recognize that only the Federal area, and often not even that, is large enough to be coextensive with modern industry, and that consequently the States are wholly ineffective instruments for control. All three of these wholesale changes are required by even a limited acceptance of the planning idea.

I should like to have the Senator also notice the third statement here:

The next series of changes will have to do with industry itself. It has already been suggested that business will logically be required to disappear.

What does that mean?

Mr. DICKINSON. I should say that if he shall be on this tariff advisory council it would mean that business will disappear.

Mr. FESS. And he further goes on to say:

This is not an overstatement for the sake of emphasis; it is literally meant. The essence of business is its free venture for profits in an unregulated economy.

This is the statement of the keyman in this administration along the line of reforms that are going on down here. Why should anybody be surprised at what is going on, in view of such statements as to fundamentals?

Mr. DICKINSON. And let it also be remembered that in the statement I made on the floor of the Senate sometime since I quoted from a textbook written by Mr. Tugwell, in which he said that national planning means the final ownership and acquirement of all property in the United States.

This simply indicates the trend of the day. I am going to give just a few more illustrations before I leave this particular phase of the subject.

Many of the administration's legislative measures have met with the criticism that they are unconstitutional; that they are destructive of traditional individual liberties; or that they contain fascistic, socialistic, or communistic implications incompatible with fundamental American political doctrines. That is exactly the point made by the Senator from Ohio.

In defense the rejoinder has usually been not a categorical denial, but, rather, arguments justifying extraordinary temporary measures designed to meet an emergency which is claimed to be as destructive to humanity as war. The Senator from Idaho [Mr. BORAH] only a few days since replied to such arguments by making the unanswerable comment that no emergency ever added an additional power to the Constitution of the United States, and yet most of these new measures and new ideas are being presented solely on the ground that they are designed to meet an emergency. Indeed, the subterfuge of inserting an emergency clause into the preamble of bills in order to improve their chances of being sustained in the courts has become such an accepted practice that Secretary Wallace casually suggested such a procedure in amending the Bankhead bill for compulsory cotton control, although the legislation is obviously a far-reaching experiment which might be applied to all basic agricultural commodities and thus by its nature is likely to become a permanent measure.

It is becoming increasingly apparent that many of the laws enacted by the Seventy-third Congress, or likely soon to be enacted with administration sanction, are intended by their proponents to be made permanent law, or to be extended for continuing periods on what is apparently the assumption of a future state of perpetual emergency.

Let me suggest that I did not refer to the transfer to the Executive of the right to handle the finances of the country, to debase the dollar, making it as many grains of gold as he thought suited his fancy; in other words, playing the finances of the country to the point where he thought it would be of advantage in negotiating with the rest of the world in an effort to raise prices.

Let me quote from a Frank Kent article of April 20, in which he said:

With no one grasping their full implications, a series of great regulatory schemes, not one of which had been thought through,

going in different directions and some sharply clashing with others, was launched with bewildering rapidity. Men who disbelieved or doubted were overwhelmed. It was unpatriotic to criticize. Criticism as a constructive alternative was deemed wicked.

That is just what we have been talking about in connection with the N.R.A.; that is, that whenever we criticize we are supposed to be doing something that is unpatriotic. In my judgment, the most patriotic citizen we have had has been the citizen who could point his finger at the defects of the program and show the reasons why it would not bring about the benefits which were expected in the social and economic order of the day.

Mr. Kent continued:

Criticism as a constructive alternative was deemed wicked. Those who raised their voices in protest were denounced as tories or tom-tom beaters. Enchanted, the people watched the Presidential juggler as he threw the glittering balls in the air, persuaded that the show would go on forever and a way had been found to suspend the great natural law that what goes up must come down.

I wish to go just a little further and refer to two or three other phases of the matter. Here is the comment of Norman Thomas, the Socialist. Norman Thomas received only 800,000 votes on the Socialist platform in the 1932 campaign. Yet it was found, when the twenty-odd million people who voted for Roosevelt had placed him in authority, instead of carrying out the program which was outlined in the Democratic platform, he carried out practically all the provisions of the Socialist platform. This is what Norman Thomas said with reference to the new deal:

Those who want to undo the revolution to State capitalism through which we are now going may cause trouble, but they cannot go back. The great significance of the new deal, and the N.R.A. in particular, lies in the social forces it has unloosed and put into play. How they are to be used, whether for fascism or socialism, rests largely with the workers. By now it is absolutely evident that without effective organization of the workers involved, the new deal is bound to become the instrument of a slave state.

In other words, he says we are going to have State socialism. That is the comment of Norman Thomas on the new deal.

David Lawrence, under date of April 1, 1934, made this statement:

Certain phrases were inserted in the preamble of existing law as a substitute, namely, to give the lower courts a chance to uphold the alleged constitutionality of measures which were sought as a means of regimenting the American people under a system entirely alien to American traditions.

I want to refer for just a moment to dictatorship.

Mr. LONG. Mr. President, will the Senator from Iowa yield to me?

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Louisiana?

Mr. DICKINSON. I yield.

Mr. LONG. My office has just sent me a copy of a telegram which I did not notice before I left there this morning, which shows the effect the pendency of the tariff bill is having. This is from——

Mr. LOGAN. Mr. President, I make the point of order that the Senator has not secured unanimous consent to read the telegram or to place it in the RECORD.

Mr. LONG. I do not have to have unanimous consent to read the telegram. The Senator will not object, will he?

Mr. LOGAN. I certainly shall not object, but if the Senator is going to place the telegram in the RECORD he ought to get unanimous consent.

The PRESIDING OFFICER. Is there objection?

Mr. DICKINSON. Mr. President, it is not necessary for the Senator from Louisiana to have unanimous consent to read the telegram. He may read it in his own time without having unanimous consent. He would have to have unanimous consent if he wanted to print it in the RECORD without reading; but as I understand, he wants to read it. I yield to him for that purpose.

Mr. LONG. The telegram is from Deridder, La. That is in the cut-over region of the State of Louisiana, where the pine timber has been cut off for many miles to the north, south, east, and west. It is a large sheep-raising section of the State. Considerable wool is grown there. The fact is, we have a climate much better than the West and North for woolgrowing, and we are raising many sheep down there. This is a telegram from a gentleman at Deridder. I do not remember whether I know him personally, because the name is not an uncommon name. His telegram reads:

Senator HUEY P. LONG:

The discussion in Congress of the tariff on wool is creating a disastrous effect on the sale of wool. Will appreciate knowing what is going to be done with this bill. It is holding up mills, which will not buy our wool. Please use your best efforts in settling this matter to the best interests of the wool growers.

F. L. MILLER,
President Southwest Woolgrowers' Association.

This is typical of what we may expect under the operation of the bill. The reason is that every day we are debating this matter the wool grower does not know but what the President is going to be empowered to throw the entire tariff barriers down and permit the free entry of wool into the United States. As a result wool sales are declining. The farmers who have nothing except the sale of wool from which to make their living are faced with the fact that the mills dare not buy their wool because very likely there will be provision made, or there can be provision made under the terms of the bill, which would mean that foreign wool could be brought here for perhaps one third the price of American-grown wool.

The situation is further aggravated by this fact: I understand from reliable sources that while there has been no particular definite commitment made in writing here, there has been a general rumor or general assurance of some kind given that wool is to be left out of the program. But what is that assurance worth? It is not worth anything. We have had the promise of the Democratic Party and the President of the United States against this kind of thing anyway. If we could not accept their promise in one instance, what is the use of having some other promise from them? Therefore the wool market is just going to pot, and the farmers are left with no sale for their wool.

I understand, if the Senator from Wyoming will pardon me for infringing further on his time, that the Colombian Treaty, which was going to be sent to us today, or rather, which the Senator from Mississippi [Mr. HARRISON] said there was no objection to sending here, will not be sent; that the Department of State officials have now decided that it is not a good thing to send the treaty to the Senate.

I understand, and I can state as a fact, not at second hand, because I know it to be a fact, that the State Department has today said, or late yesterday said and reaffirmed it today, that it would be against the public interest for the Senate to know what is contained in this treaty that has been made with Colombia.

I am glad my friend from Wyoming [Mr. O'MAHONEY] has come into the Chamber. I will ask the clerk to send back to me that telegram, because I want the Senator from Wyoming to have an opportunity to read the telegram I have just sent to the desk. I find, however, that I have a copy here. I will ask to have this copy handed to the Senator from Wyoming.

What I was saying, Mr. President, is that this matter is getting to be surcharged with an air of mystery which perplexes even the State Department itself. It does not know how far it can trust the United States Senate, not only to act, but the State Department does not know how far it can trust the Senate to know. In other words, we have gotten to be a very, very strange body. The State Department on yesterday, so the Senator from Mississippi said to us, decided that it would not hurt anything to let the Senate know what it was planning to do in connection with the Colombian treaty. This morning, after thinking the matter over a little while, I am informed that the State Department said, "Well, now, on second thought, it is not going to be a good thing for the Senate to know too much about this treaty, so we are not going to send it to the Senate." As a matter of fact, I know of my own knowledge that the State Department has decided not to send the treaty to us.

That is the condition we are up against. The bureaucrats in the little Department up there, headed by a man who said before the American people and before Congress that the kind of legislation that is now being enacted into law was iniquitous, unjustifiable, and in no way to be considered proper, have made a treaty with the Republic of Colombia, and are undertaking to make more treaties of a similar character which are to become law as a result of the passage of the pending bill, and they will not let us know what kind of a treaty they signed because, if they do, it will not be in the public interest. In other words, the condition is soon going to be that the State Department and other bureaucrats will regard the United States Senate as a dangerous menagerie, and that they will not dare allow the fruits of their brain power and of their negotiating opportunities to be subjected to surveillance by the United States Senate at all.

That is what we are up against today. After all the assurances given here only yesterday by the Senator from Mississippi that there is no reason why we could not have this treaty that we will ratify if we pass this bill, the bureaucrats of the State Department are going to tell us now that they cannot send the treaty to us because it is not in the public interest for the United States Senate to see it; and away back in the interior the poor farmers of Louisiana and of the West are crying aloud that they have no market for their wool, they are losing the market for their products, because a bill of this kind is pending here.

Mr. CAREY. Mr. President, will the Senator yield?

Mr. DICKINSON. I yield to the Senator from Wyoming.

Mr. CAREY. I should like to state that wool in Wyoming was bringing very fair prices until this tariff bill was discussed. The last clip of wool before that time was sold for 33 cents. There has been only one clip of wool sold in the State during the past 90 days, and that was sold at 22¼ cents, a decrease in price of 30 percent, due to the fear of this tariff bill.

Mr. LONG. That is just exactly what is happening down in Louisiana, only we cannot sell ours at all. We cannot sell it even at a 33-percent reduction. Nobody will buy it.

Mr. CAREY. There has been only one clip sold in the State.

Mr. LONG. In the State of Wyoming?

Mr. CAREY. Yes.

Mr. LONG. Wyoming is better off than Louisiana is, according to the telegram which I have handed to the junior Senator from Wyoming [Mr. O'MAHONEY], according to which, as I read it here a few moments ago, the farmers down there cannot sell their wool at all. As a matter of fact, that is a reasonable view to take of the subject. If I were in the mill business I would not buy any wool. While I represent the woolgrower and the farmer who has sheep that he has to shear if he is to live, yet at the same time I can see the viewpoint of the wool buyer.

Whose word are we going to take? Are we going to let a law be put on the statute books that will make it possible for the dealers in Argentina and South America and Australia and the other wool-growing countries to send wool in here for 7 and 8 and 10 cents a pound, and when a man has bought wool at 20 and 25 cents a pound, have him at a disadvantage of perhaps 75 percent on the raw material, as against a competitor who is waiting to take advantage of one of these trade agreements? How do we know that this Colombia trade agreement has not some wool in it? For all I know, it has. I do not know what is in it; and the bureaucrats of the State Department are negotiating half a dozen more of these trade agreements or treaties. I am told, and I know this to be reliable, that the State Department says it is in the act of negotiating another bunch of these treaties, and that it would not be a good thing to let the Senate know what is going on right now, because the Department has to complete some more of these things.

In other words, this whole fiasco of taking a dagger and putting it within easy reach of every industry's throat, this system by which tomorrow morning the business man of this country is liable to meet some kind of a reciprocity that will dash to the ground the hopes of his business, whether it has to do with wool or apples or tropical fruits or anything of the kind, is what we have to consider today. If this mere threat, the mere fact that this bill is liable to be passed, has this disastrous effect on the market, what will it mean when we actually pass the bill, Mr. President, and the power is there every morning and every night to put into effect some treaty by which America will be put out of business in some line of endeavor?

I beg the pardon of the Senator from Iowa. I want to make just one more little reference, and then I shall be through for this time.

Lately I have been reading another article. It is from Mr. Machado, the deposed President of the Republic of Cuba. Mr. Machado says that the trouble in Cuba today is that the tariff wall is preventing them from bringing Cuban sugar into the United States at a price low enough to permit Cuba to restore its own agriculture. That is his statement. I know as a matter of fact—this I have to rely upon no one to tell me; I know it of my own knowledge—that every effort on earth is being made to tear down the walls protecting the beet-sugar industry and the cane-sugar industry of the United States by bringing Cuban sugar in here almost on a free-trade basis, if it can be done that cheaply. When we pass this bill it will be possible for the Tariff Commission to take the 1½-cent tariff we have left—because we have already taken off one half cent of it—and reduce it to three fourths of a cent on the 50-percent authority the Commission has, and then, under one of these reciprocal tariffs that may be made with Cuba, 50 percent more may be taken off, and it will bring the tariff on sugar down to a point where we will have a duty of 0.37 of a cent instead of the 2-cent duty which is necessary to maintain this business.

We are liable to wake up some morning to find that the entire investment that all the farmers of Louisiana have made and all the beet farmers of the West have made has been wiped out. Every one of them is liable to wake up some morning—and will do so, if the interests behind this bill have their way about the matter—and find all the beet and sugarcane farmers of this country in the same predicament that the wool growers are in today. In fact, the condition is going to be even worse for the wool growers, and it is going to be worse for the cane growers; and what is the use of an assurance?

Someone may go out and get a letter from somebody saying that he is not going to apply this proposed law to a certain industry; that this pickle is in the soak for somebody else. In other words, every man is being told that his industry will not be hurt; that this law will be applied against the other man. Everybody is being told, "Now, do not worry; we are not going to bother you. It is somebody else who will get the knife." But what is the use of going out and getting letters from them when I have in my hand the declarations of the Democratic Party in their platform, and the pronouncements of the Secretary of State, and the pledge of the President of the United States that the Democratic Party, if intrusted with power, would not enact any such law as this, but, on the contrary, that they would repeal the flexible provision of the tariff, which lodged in the hands of any one man the authority to change the tariff of the United States?

I thank the Senator from Iowa for yielding to me. If anyone can give us any courage, if anyone can give us any balm, if there is any balm of Gilead anywhere for the farmers of this country who are being afflicted by this kind of a threat today, I certainly hope it will come out soon, because telegrams of desperation such as I have sent to the desk, showing the hundreds of thousands of people who are being deprived of their means of livelihood by such matters as the proposal now before the Senate, are everything except what should be desired by a Government that is trying to restore prosperity to its suffering people.

Mr. DICKINSON. Mr. President, it is my contention that this tariff bill to encourage foreign trade will be just as ineffective as the N.R.A. has been in relieving economic conditions. In other words, it embodies a theory which will

not work; and it will simply lead to one more disappointment, because the people who are expected to get relief from the proposed legislation will not be able to receive any relief.

Mr. President, among the commodities in the export of which there has been a material decrease we find numerous agricultural products. One of the reasons presented for this type of bill is the fact that power must be granted so that the Government may act quickly. I am going to quote from the pamphlet America Must Choose, as follows:

> Our Government today is at an almost hopeless disadvantage in its efforts to restore that measure of foreign trade which we must have if our prosperity is to return. A general revision of our tariff laws by Congress, which has been the ordinary method of our making, would be entirely ineffective to meet the situation which exists today. Anyone who has witnessed the course which such a congressional revision follows would appreciate that. It would be far too slow.

That is from Secretary Wallace's book, America Must Choose.

I turn to the next page and read this:

> And those thoughtful Republicans who agree with him—

Having reference to Mr. Secretary Wallace—

> that even though the President does get the tariff powers requested in the bill now before the Senate, it will probably take several years of the most careful negotiating before a sufficient volume of foreign purchasing power will be restored to enable our export American agriculture to proceed again in normal fashion without governmental help for readjustment—

And so forth.

In other words, we find on one page of America Must Choose that revision by Congress is too slow. On another page we find the prophecy that it will take a number of years before we will be able to get any material benefits from the very machinery he is proposing to set up as a substitute for the existing tariff-making power.

Mr. LONG. Mr. President, if the Senator from Iowa will yield, I am afraid he did not notice it, but on the floor of the Senate yesterday the leaders on this side of the Chamber announced that the purpose of the bill was to reduce tariffs. In other words, the Senator from Tennessee [Mr. McKELLAR], in the presence of our Democratic leader, the Senator from Arkansas [Mr. ROBINSON], stated that the purpose of the bill was to make a reduction in the tariffs. In other words, there is no folderol about it; this is a bill, he says, for the purpose of reducing the tariff, and that is not disputed.

Mr. DICKINSON. Mr. President, further to carry out the machinery by which this tariff bill is to be operated, I want to quote from Mr. Sayre, the gentleman who has been honored with so many splendid decorations by the King of Siam. I do not remember just where Siam is, but it is around somewhere. What does Mr. Sayre say? I quote from page 344 of the hearings before the House committee on House bill 8430. He said:

> Mr. SAYRE. I do not think you are being asked to take anything on faith. You have, many of you, been pressing the question again and again: What specific individual trades would I make, and with what countries? My reply to that, sir, is that it is utterly impossible to answer that question at this time for two reasons. First, the answer will depend upon a very careful and comprehensive and deep study of the whole picture of production in this country and of international trade. There is a vast mass of material gathered and being tabulated from time to time by the Department of Commerce, by the Tariff Commission, by the Department of State, by various Government agencies—excellent material.
>
> If this bill passes, as I trust and believe it will, it will be the work of a group of men studying intensively and working to collect and focus that data, to ascertain the various points in which trades might be possible, to find out whether those trades would unduly work injury to American business or American interests, to learn what the economic effects would be; to map out some kind of a comprehensive, cohesive, Nation-wide program from the national viewpoint.

When we get a group of "brain trusters", such as are listed as members of the executive-policy committee and the Tariff Commission working together, I wonder how quickly they will be able to reach an agreement and say that the tariff ought to be raised or lowered on any commodity. I suggest that I would rather trust Congress getting it through before a business man was strangled to death, rather than wait for a research investigation, an agreement by the various economic forces in the various bureaus, submission of the whole matter to the executive-policy committee of the Tariff Commission, approval by the Tariff Commission, and then finally its O.K. by the Executive of the United States.

Mr. VANDENBERG. Mr. President, I call the Senator's attention to the fact that this executive-policy committee is not related to the Tariff Commission; it is a White House appendage.

Mr. DICKINSON. Oh, yes; it is to be the adviser of the Chief Executive, and not of the Tariff Commission. I thank the Senator from Michigan for the correction.

As a matter of fact, if we want aid in tariff-making, I should like to know how we are going to get it by working out that type of logarithm. It is almost equal to Mordecai Ezekiel's equation on hog logarithms which the Senator from Michigan presented on the floor of the Senate one day. We are simply getting into confusion worse confounded when we adopt a policy of this kind.

It is said they are going to do this in order to protect agicultural products, because we have a surplus of certain agricultural products. The trouble we have, then, is simply this, that the great majority of the countries with whom we want to trade export agricultural products. If we are to trade with Canada, what does Canada want to sell us? Wheat and livestock. The wheat growers of North Dakota do not want any Canadian wheat brought in. The livestock growers of the Northwest and the cattle feeders of Iowa do not want any livestock imported into the United States. They prefer to increase their own production in order to come as near meeting domestic demands as possible.

What do we find as to South America? Practically every country down there has one of two privileges. Either they have a product for export which is imported into the United States, and is admitted free of duty under the existing law, or they want to export a product which is competitive with a surplus-production commodity of this country. Only a year or two ago, one could go into practically any store, particularly the chain store in the Middle West, and buy Libby's canned meat, canned in Paraguay, and Uraguay, and Brazil, and other countries in South America. That foreign meat was being sold right in the Middle West, where we produce the greatest supply of meat products in the United States.

It is said, "If you do not do this, there is no way of meeting this problem." I wish to make this suggestion, that there has not been a single agricultural-relief measure presented here in the last 12 years which has not been based upon the protective-tariff system. The first export-debenture plan was absolutely dependent upon a productive-tariff system. The McNary-Haugen bill was absolutely dependent upon a protective-tariff system. The present N.R.A. is absolutely dependent upon the protective-tariff system. The A.A.A. is absolutely dependent upon the protective-tariff system. In my judgment, it is cropping out on the other side of the aisle all the while that the main motive in pressing the pending legislation is not an adjustment of tariffs, but the lowering of tariffs. Let us see what happens with reference to exports from the United States.

I hold in my hand a map produced by the American Manufacturing Export Association of New York. I think they are wrong in their purpose in presenting it, but it contains some interesting figures. I want to show some of the reductions in the exports of various commodities from the various States of the Union, and I will start in with Iowa, because that is pretty dear to my heart.

In 1929 the value of exports from Iowa was $37,000,000. In 1932 the value was $9,000,000. The principal exports are lard, meat products, oatmeal, corn sirup, vegetables, and food products.

Next, I take North Dakota. In 1929 the exports amounted to $9,000,000. In 1932 the exports amounted to $2,000,000. The principal exports are radio apparatus, lard, nonmetallic minerals, vegetable products, and animal products.

Michigan: 1929 exports, $355,000,000. 1932, $48,000,000. Principal exports are automobiles, automobile parts, trucks, metal-working and industrial machinery, accounting machinery, medicine and pharmaceutical preparations, and coke.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. DICKINSON. I yield.

Mr. VANDENBERG. It is interesting at that point to observe that the National Automobile Chamber of Commerce testifies that automobile exports increased 100 percent in the first quarter of this year, indicating that export expansion is entirely possible without trading away our birthright.

Mr. DICKINSON. That is a very good suggestion. I thank the Senator.

I simply desire to indicate that the trade of the world is being carried on according to the need for given commodities. People are buying the things they actually need. Their first purchase is their prime necessity. It is the things they can do without which they are not buying.

Why does this tabulation from which I have read present the year 1929? Because that was the year of overexpanded exports. It was the year when we were loaning money. We can increase our exports now if we will but finance the people who want to buy. That was the reason why we had the great expansion of exports in 1929.

We all know now that we would have been much better off had we not expanded our exports and had we not loaned a great deal of money in foreign countries; but we adopted the course of lending them the money, we took their securities for the loans, and now we find that we may not be able to collect much of the money that was loaned for business purposes.

We come next to the State of Louisiana. In 1929 the exports were $221,000,000. In 1932 the exports were $81,000,000. Principal exports: Cotton, petroleum, lumber, rice, and lard.

The State of Oregon: In 1929 its exports amounted to $70,000,000. In 1932 they were $16,000,000. Principal exports: Wheat, flour, apples, dried fruit, lumber, and hops. We will use more of the hops at home from this time on, I understand.

New York: In 1929 the total exports were $957,000,000. In 1932 the exports were $248,000,000. Principal exports: Textiles, automobiles and parts, undressed furs, flour, books, maps, printed matter.

Delaware: In 1929 the exports were $6,000,000. In 1932 the exports were $2,000,000. Principal exports: Leather, vulcanized fiber, chemicals, aircraft, cotton cloth, and so forth.

Now I want to come to the oil area and consider Oklahoma. The exports from Oklahoma in 1929 were $35,000,000. In 1932 the exports were $8,000,000. Principal exports: Petroleum, cotton, wheat, flour, paraffin wax, milk, and cream.

That gives the Senate some idea of the general relativity of the exports from the various States of the Union and their respective interests in the question of exports.

What I have in mind is that most of the States I have mentioned will not materially benefit by the proposed bargaining. Why? Because we find that when the bargaining power is exercised, the thing we have to sacrifice is something which either is not subject to an import duty at the present time or which will procure no advantage so far as trade negotiations are concerned with the country which wants us to import a similar commodity into this country.

Agriculture will be particularly at a disadvantage. I desire to recall to the Senate the experience we had under what are known as the old "Kasson Treaties", which I believe were negotiated about the time of the McKinley administration. After negotiating for a long time, what was done? Treaties involving four commodities came before the Senate; and what were those commodities? Sugar, molasses, hides, and wool—every one of them an agricultural product. Why? Because then, as now, the people who are most desirous of trading with the United States are people who produce a surplus of agricultural or raw products. Therefore, what we are doing here is setting up a bargaining agency which has to meet a competing agency in twenty-odd countries in the world producing the things of which we produce a surplus, and therefore we have a chance of 20 to 1 of holding our own against those agencies.

Mr. FESS. Mr. President, if the Senator wishes to be absolutely correct—and I know he does—I have in my hand a document giving the precise dates.

Mr. DICKINSON. I do wish to be correct, and I shall be glad if the Senator will state the dates.

Mr. FESS. The reciprocity treaties were signed July 24, 1899, and March 8, 1901.

Mr. DICKINSON. I thank the Senator.

Mr. VANDENBERG. What happened to the Kasson treaties when they reached the Senate?

Mr. DICKINSON. They died at the door of the Senate.

Mr. VANDENBERG. Why did they die?

Mr. DICKINSON. Because of the conflict of interest all along the line on both sides, on the part of those who were interested in the trading off of these products and on the part of those who were interested in trading with those who produced the products.

Mr. VANDENBERG. In other words, when the bargains had to be submitted to the direct representatives of the American people, the bargains failed to obtain approval.

Mr. DICKINSON. That is absolutely true.

Mr. VANDENBERG. Therefore, we are now asked to create a system which will omit the necessity for approval by the representatives of the people, so that we shall not be embarrassed on the one hand nor shall the bargain be repudiated as the result of the protest of the American people.

Mr. DICKINSON. And the American people will have no opportunity to protest until the next Presidential election, because the power will be placed in the hands of the President.

Mr. LONG. Mr. President, will the Senator yield?

Mr. DICKINSON. I yield.

Mr. LONG. It is a little worse than the Senator states. The American people cannot affect what may be done until the time of the treaty has run out. As I understand, these treaties can exist for 3 years beyond the term of the President of the United States. In other words, these reciprocal-tariff agreements can extend for a period of 3 years from the dates on which they are made. There is nothing to keep the present President of the United States from renewing the tariff agreements on the day before he goes out of office.

Mr. DICKINSON. That is true.

Mr. LONG. In which event two more Congresses will have to be elected before the work can be undone.

I should like to state what I understand to be the genius behind this bill, if the Senator will permit me to state it, as I gather it in the general atmosphere around the corridors and in the outer chambers, where we sometimes talk a little more freely than we do within the Senate Chamber, but without quoting anyone or giving anyone's idea.

If my mind comprehends what might be said to be the final essence that comes through the funnel, it is that the only way we dare lower these tariffs and break up these American industries is to have it done by some sort of council which is not elected by the people, which can be called from various parts of the country, a certain gentleman being called out of one university, and perhaps some little fellow from some other institution, and they sit down and run this thing, and they do not report to Congress, because if they were to allow the agreement to go through Congress the people would not stand for it.

Mr. DICKINSON. It is the Senator's understanding that everyone has to be a professor, and also has to be in Who's Who, in order to get on this strategy board; is it not?

Mr. LONG. I guess he would call himself a professor, or a doctor, or a master of something; but the point I am making is that he must not be elected by the people. They must take this thing out of the hands of men elected by

the people, because the people would not stand for it. That is all there is to this bill.

When we boil it all down to what this thing really means, it is that the Congress of the United States must not be allowed to handle the tariff. That is all this bill means. That is the essence of it.

Mr. DICKINSON. Right along that line, let me suggest that Mr. Sayre said, in a news release to the New York Times under date of May 18:

> Economic nationalism today seems to offer a convenient method of escape from insistent, present difficulties, but in the long view it offers no escape. Eventually it increases the fundamental difficulties and multiplies the conflicts which make for war.
>
> If we are to make effective the good will of the peoples of the world toward one another, there is only one way: We must realize our essential oneness—that no nation can permanently prosper at the expense of another; that due to the intricacies of modern commerce and banking and exchange, the suffering of one is the suffering of all, the prosperity of one is the prosperity of all. Surely the last war and its aftermath has made this painfully clear.
>
> At the bottom the problem is one of spiritual values. It is the age-old conflict of self-centered struggle, each against the other, making for the suffering of all, versus common efforts for the larger welfare, in which the readiness to sacrifice present for larger future ends dominates the picture.

There is the situation. Our country has been the dominant country, and is the dominant country of the world today. We are dominant not only in one field but in many fields. Yet it is said that in order to work out our relationships with the rest of the world we should say to one man, "It is your privilege to see what business you shall sacrifice and what business you shall benefit." In other words, this is a pig in a poke. There is absolutely no commitment on the part of anyone here as to what commodities shall be affected, or how they shall be affected. That, to my mind, is the most vicious feature of the whole thing; and my belief is that agricultural commodities will be the ones which will suffer most.

I shall now read to the Senate from an address by Frank G. Arnold, president of the Nebraska Federation of County Taxpayers Leagues, at Norfolk, Nebr., his statement with reference to the tariff:

> There is a school of thought in the United States today that many people believe should be carefully noted by farming interests. It refers to the propaganda so prevalent at the present time against tariffs. Authorities posted on this subject tell us this propaganda is promoted principally by capitalists who wish large imports of foreign agricultural products to repay foreign debts to the United States.

That is one thing which I think is vicious. Those who want to collect their money are willing to sacrifice the agricultural interests of this country in order to make their collections. I desire, also, to suggest that the General Motors Co., one of the outstanding advocates of reduced tariffs, does not care so much about domestic trade, because it knows that it has a monopoly of that, but it is sufficiently large to want to monopolize the automobile market of the world for their products without obstruction. Therefore they say, "We want tariffs reduced." I am free to confess that, in my judgment, they will sell a great many more automobiles to people who can be protected and made prosperous under the American tariff than they can by attempting to absorb the automobile business of the rest of the world. I continue the quotation:

> This undoubtedly seems logical to people who invested in foreign securities, but to the hard-headed, common-sense American farmer it means that there is grave danger that domestic industry and domestic agriculture will suffer in just the degree that reciprocity agreements are consummated.

Now, I want to go a little further. I have here a statement by George N. Peek. I will say in behalf of George N. Peek that I think he is one of the most capable men who is in a key position in the present administration. I have known Mr. Peek for a good many years. He is very efficient and very thorough, and I know why, or I think I know why, he had to get out of the A.A.A. It was because of the socialistic theories of many of those connected with that organization which were offensive to him, and therefore he had to resign from that position and take a new one.

Mr. Peek is the head of what is known as the "International Bank", by means of which we are going to trade with Russia. He has my sympathy. I am perfectly willing that he shall trade with Russia if, on the other hand, he will protect the domestic interests of the United States. The minute he starts in to sacrifice the domestic interests of the United States, I do not care whether those domestic interests are agricultural or industrial, then he ought to be called to account.

The other day, seeing that Mr. Peek was at the head of the International Bank, capitalized with $100,000,000 of the taxpayers' money in order to finance new trade relations with Russia, I picked up what is known as the "Soviet Union Review", of April 1934 and began to look through it to see what were the principal Russian exports for the year 1932 and the year 1933. I find that one of the principal Russian exports is wheat. How much more money have we got to put into the International Bank or how shrewd a manipulator has Mr. Peek got to be in order to make exchange trade agreements with Russia which will help out the wheat farmers of America, when Russia produces wheat for export and her exports in 1932 were greater than in the year 1933?

The next Russian export is barley. We produce barley in our own country.

The next large Russian export is flax. I wonder how North Dakota would like to have a trade arrangement with Russia whereby Russia would be given a market for vast quantities of their flax in this country?

I find that their next export is butter. I am not taking these commodities in their order, but I am taking them according to the groups which are given here. Butter is one of the principal exports of Russia. Very well. What is the new International Bank under Mr. Peek's management going to do in order to increase the trade relations with Russia when they want to sell us, as naturally a country wants to sell, the products of which they produce an exportable surplus? That is the only way they have of getting money; that is the way Russia has of securing the finances with which to carry on her noble experiment over there.

Her next export is lumber. Between 1932 and 1933, when the exports of the other nations of the world were decreasing materially in percentage, the lumber exports of Russia maintained a parity. Therefore I am wondering what the lumber interests of the South, the lumber interests of the Northwest, the lumber interests of the North will want to have done in order that Russia may export more lumber into this country.

I could mention fish, fowl, poultry products, and so forth. I am merely citing these facts to show what would be the prospect of making a trade arrangement with Russia which would be of material interest and benefit to the American farmer.

The National Grange has for its legislative representative here in Washington, Mr. Fred Brenckman. He made a statement with reference to the pending tariff bill from which I wish briefly to read:

> Among the objections of the pending bill are:
>
> 1. As it is now written, the feature of the measure which authorizes the President to proclaim modifications of existing duties and "other import restrictions" is so sweeping that it would be possible to bring cattle into this country having the foot-and-mouth disease.

In other words, under this proposed legislation, the power to be placed in the Executive is to be so great that it will be possible, by means of an Executive order, to ignore the health regulations which are put into effect for the protection of the American people.

I quote further from Mr. Brenckman's statement:

> It would also make it possible to set aside the Lenroot-Taber Milk Act, providing that imported milk must conform to the same sanitary requirements as are in force domestically. That provision in the present revenue bill, which imposes an excise tax upon certain imported oils, could be voided; the antidumping laws could be suspended, and convict-made goods could be imported into this country under the present wording of the bill. Import restrictions enter into all these matters.

Another objection mentioned by Mr. Brenckman is the following:

Everybody agrees that tariff tinkering unsettles business and creates uncertainties.

And that is the primary objection to this bill—

That is true even when the tinkering is done in the open and everybody knows what is going on. The more secrecy there would be in negotiating reciprocal trade arrangements, the greater would be the uncertainty. It would seem that the bill should make provision for public hearings before agreements are consummated.

There is provision for a species of semiofficial notice or hearing, but I do not expect to discuss that phase of the bill. It will be, however, properly discussed in due time by some other Senator in connection with the consideration of the pending measure.

What I have read, Mr. President, gives some idea as to how agriculture feels with reference to this proposed legislation. I have tried to show, first, that it is an unwarranted delegation of power to the Executive; second, that I do not believe speed can be worked out under the machinery provided; and, third, that it is not for the benefit of agriculture. I want to take up the question of the permanency of the policy adopted by the different parties.

Mr. President, a very interesting minority report was filed on the last Republican tariff bill by the minority members, to which report the Senator from Louisiana and the Senator from Rhode Island referred a few days ago; I think most of those who signed that report are still Members of the Senate, in fact, all of them, I believe, are so, except one.

Mr. LONG. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Louisiana?

Mr. DICKINSON. I yield.

Mr. LONG. I am going to make a suggestion to the Senator. Is he about to read what the Democrats said?

Mr. DICKINSON. I am only going to quote a paragraph or so and to comment on that paragraph.

Mr. LONG. If the Senator is going to read what the Democrats declared in public—and I think I know what the Senator is going to read—I want to have the opportunity to call for a quorum in order that Senators on this side of the Chamber may come back and be enlightened as to what they said.

Mr. DICKINSON. I hope the Senator will not insist on a quorum. The Senator from Mississippi [Mr. HARRISON] is here, and I am sure he will be glad to tell them about this report, if any of them have forgotten it.

Mr. LONG. The people of the United States remember what the Democratic Senators said, but Democratic Senators have forgotten it. I am the only one here right now who remembers it, though there are several others, I understand, who are getting some memory of it who have not expressed themselves as yet.

Mr. BONE. Mr. President——

Mr. LONG. Mr. President, will the Senator from Iowa permit me to yield to the Senator from Washington?

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Washington?

Mr. DICKINSON. I yield.

Mr. BONE. Does the Senator from Louisiana recall what the Republican Senators said about the same proposition?

Mr. LONG. I do not answer for them. I hope they accepted the verdict of the people.

Mr. BONE. A great many gentlemen in the Congress are going to have to accept the verdict of the people a little later on unless there shall be some very drastic changes.

Mr. DICKINSON. Mr. President, right on this point, I have here the document entitled "Hawley-Smoot Tariff Bill of 1930—Yea-and-Nay Votes." I will be glad to refer to a few of these votes in view of the discussion which has just taken place. On page 11 of this document, known as "Document No. 177, Seventy-first Congress, second session", I find that Senator Smoot had pending to the tariff bill an amendment which gave the Tariff Commission the right, after investigation as to the cost of production, and so forth, to make a report to the President, and the President, in turn, could either raise or lower the tariff duties 50 percent. I find that when the Smoot amendment was pending the then Senator from North Carolina, Mr. Simmons, offered a substitute which required that the report of the Commission should come to Congress for either approval or disapproval. The Senator from Florida [Mr. FLETCHER] said:

I desire to offer the following amendment to the amendment: At the conclusion of paragraph 2, page 2, strike out the period following the word "Commission" and insert a comma and the following language:

And if Congress fails or refuses to take action thereon within 3 months and complete such action within 4 months thereafter, the President is authorized, by proclamation, to put into effect the changes in the rates of duty in accordance with his recommendation to the Congress: *Provided*, Such changes in rates shall not exceed 50 percent of the rates of duty provided in the law, either as to increases or decreases; but this proviso shall not apply to the free list.

The Senator from Florida [Mr. FLETCHER] said:

Mr. President, I am not going to take time to discuss my amendment to the amendment. It is to meet a situation which I conceive will arise in two thirds of the cases that may be submitted to Congress. The substitute provides that the Tariff Commission shall report to the President and that the President shall transmit that report to Congress with his recommendations respecting any increases or decreases in the rates of duty. Now, if that recommendation is satisfactory to the Congress, there is no need for any congressional action at all. The evidence that Congress finds it satisfactory will be established by the failure or declination of Congress to act within 3 months after the recommendation is made to it. I think that will meet probably two thirds of the cases which will be presented. There is no need for congressional action in such cases.

I find numerous Senators who are still in the Senate voted for that amendment. This simply shows the tendency at that time, in connection with tariff matters, that there should be no exclusive jurisdiction placed in the hands of the President without some manner of review, some yardstick, some way by which the interest of the public could be protected; and that it should not be merely subject to the whim of one man to do as he pleased.

Among the various amendments I find another offered by the junior Senator from Florida [Mr. TRAMMELL]. This indicates the procedure Senators had in mind when we had before us the famous Smoot-Hawley tariff bill with reference to the flexible provision of that law. The pending bill goes much further and provides that there shall be no way by which we may judge the cost of production. It permits us to ignore everything, and suggests that in some way Congress should abdicate its authority to fix a yardstick by which the matter could be determined, and should give to some executive authority the right to carry out the program.

In the minority report on the Smoot-Hawley tariff bill signed by the Senator from Mississippi [Mr. HARRISON], the Senator from Utah [Mr. KING], the Senator from Georgia [Mr. GEORGE], the Senator from Massachusetts [Mr. WALSH], the Senator from Kentucky [Mr. BARKLEY], the Senator from Oklahoma [Mr. THOMAS], and the Senator from Texas [Mr. CONNALLY], at page 4150 of the RECORD of October 2, 1929, I find paragraph 2 reads as follows:

The question involved is one that, in our opinion, strikes at the very roots of constitutional government.

In other words, they meant it would be a sacrifice of the rights of the people by their representatives to transfer from the authority of Congress to the authority of the Executive the right to do something which they contended should not be done. This report, let it be remembered, was against the adoption of the flexible provision of a tariff law which had to have a yardstick, which involved research, and a program laid down which must be followed, before a change could be made at all. It was entirely different from and less offensive than the one we are now considering.

Mr. BARBOUR. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from New Jersey?

Mr. DICKINSON. I yield.

Mr. BARBOUR. Is it not also a fact that any change in the tariff under the provisions to which they objected at

that time could be again changed at any time by the Congress?

Mr. DICKINSON. Oh, yes.

Mr. BARBOUR. While the changes proposed to be made by treaty cannot again be changed at any time unless we can get the consent of the other contracting nation. It is infinitely more binding on our people.

Mr. DICKINSON. Oh, yes; and it would bring the other contracting parties here and enable them to say how we should control our own domestic affairs.

Mr. FESS. Mr. President——

Mr. DICKINSON. I yield to the Senator from Ohio.

Mr. FESS. In other words, it is proposed to do away with being embarrassed either by the people or by their Representatives in Congress.

Mr. DICKINSON. That is true.

Mr. FESS. And to free themselves from any embarrassment of that kind.

Mr. DICKINSON. Yes. Let me continue reading from the report. Remember, this is the Democratic minority report on a bill which limited the authority and fixed the yardstick:

> It concerns the preservation unimpaired or the abandonment of the power of levying taxes by that branch of the Government which the forefathers agreed should alone be charged with that duty and responsibility.

It seems to me that when the Democrats, by reason of the coercion of the administration, come here and reverse themselves with that signed report confronting them, we have reached a peculiar situation with reference to our representative form of party government. Let me quote further:

> The issue is one of taxation by one official, be he president or monarch, in contrast to taxation by the representatives of the people elected.

That is, taxation without representation, as complained of by the colonial forefathers.

> The issue is one of taxation by one official, be he president or monarch, in contrast to taxation by the representatives of the people elected, intrusted exclusively with the power to seize the property of the citizens through taxation. If proof be needed that the danger which the forefathers foresaw is inherent in this issue, a mere casual inquiry into the methods employed, selfish influences used, sinister schemes and contrivances brought to bear, one need but examine the record.
>
> The principle is: Are taxation laws and their application to be made virtually in secret?

In secret? Yes; and by one man, and when they have a treaty already made, about which they apparently do not want the Senate to know anything, they provide a type of notice that is not effective, and proper notice cannot be given to anyone. I continue to quote:

> The principle is: Are taxation laws and their application to be made virtually in secret, whatever may be said about a limiting rule, or are they to be enacted by the responsible representatives of the people in the Congress, where public debate is held and a public record made of each official's conduct?

Is it not a great thing now to have this record of official conduct? No such record as this would be available if the bill now before us should become a law and go into effect. The President would not have to come to Congress to ask for anything. He could do as he pleased, and do it when he pleased. Yet it is expected that business is going to recover. Here we are trying to expand 7 percent of foreign trade, at the risk of punishing 93 percent of domestic trade, with the idea that we may, if you please, punish 93 percent of our domestic trade for the chance, because immediately when we try to adjust these schedules we only run a chance of getting the export trade; we are not sure of it; we do not know whether we are going to be able to get it or not, because we are competing with the nations of the world.

I continue to read from the minority report:

> The arbitrary exercise of the taxing power, all the more dangerous if disguised and not obvious, in its basic character is tyranny. Resistance to the impairment of this popular right has largely occasioned many of the wars and revolutions of the past.

Someone expressed a good idea here.

> An issue of this importance should not be associated with the opinions or necessities of those interests, States, or sections that directly profit by some rate schedule in the body of the tariff act. With respect to the principle here at stake any trading or logrolling is especially unjustifiable and indefensible. Neither should we be unduly influenced by the attempt to divert attention from this momentous issue by condemnation of and emphasis upon the dilatory and unsatisfactory results of congressional procedure.

That is the very thing the administration is saying is the principal reason why we ought to adopt the pending tariff bill!

Mr. TYDINGS rose.

Mr. DICKINSON. I want to say for the benefit of the Senator from Maryland [Mr. TYDINGS], who just rose, that I have some quotations from statements made by him which I shall submit in a few moments.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. DICKINSON. I yield.

Mr. TYDINGS. The Senator from Maryland is very happy to have the Senator from Iowa use any quotations he desires from the remarks of the Senator from Maryland. What I rose to ask, however, was whether the Senator had any suggestions as to how we might approach this situation.

It takes about 6 or 8 months to pass a tariff bill in Congress. In the present depression a great many governments have conferred the tariff-making power on a single individual. I read the other day that there were five or six men in the world who could change the tariff acts of their countries overnight.

Without taking issue as to the merits of the question as it has been expounded by the Senator from Iowa, I am sure he will concede that we are at a disadvantage in that we have to have legislative action in order to change our tariff, while other governments have relinquished legislative action in tariff making. I was wondering, therefore, if the Senator had any suggestion as to how we might meet that difficulty otherwise than by the procedure which is proposed in the measure now pending.

Mr. DICKINSON. I would meet it by the method which is the result of 150 years of tariff experience in America, and that is this: The countries which give executive authority along the line the Senator suggests usually are countries of limited industries, countries which have only a limited number of commodities in which they are interested. We are a country of practically all commodities and all interests. What I would do would be to follow the same rule that should be followed by a clothing merchant, for example. If I were a clothing merchant in this city and wanted to sell clothes, I would not say to the Senator from New Jersey [Mr. BARBOUR] when he came in to buy a suit of clothes, "I will sell you a suit of clothes, and I will throw in a necktie and a pair of suspenders and a pair of socks", and then, when the Senator from Ohio [Mr. FESS] came in, say to him, "I will sell you a suit of clothes, and I will throw in a necktie and pair of suspenders", and forget the socks, and when the Senator from Maryland [Mr TYDINGS] came in, sell him a suit of clothes and throw in the necktie with neither of the other two articles. In other words, I do not believe we are in a position where we ought to make special bargains with any country in the world. I would put up the tariff barriers to a point where I thought they protected domestic interests, and then I would say to the world, "Come and trade with us under these rules and regulations, and your trade is welcome. Otherwise, we will try to get along without you."

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. DICKINSON. I yield.

Mr. TYDINGS. The Senator will admit that, outside of 4 or 5 products, practically all the products we import are also produced in America. Coffee, rubber, and a few other commodities, we do not produce at all, and there are some of which we produce a little; but really we produce nearly all the commodities that our people consume.

Mr. DICKINSON. That is the reason why I suggested the rule I have just announced.

Mr. TYDINGS. Does not the Senator think that according to his philosophy it would be a good thing if we should entirely prohibit all imports of commodities which we produce?

Mr. DICKINSON. Oh, no; I am not an embargoist.

Mr. TYDINGS. At what point does the Senator feel that such a course would be injurious?

Mr. DICKINSON. The point is determined by the economic conditions of the period in which we happen to be acting.

Mr. TYDINGS. But the Senator said a while ago that he was not primarily interested in what went on in the rest of the world.

Mr. DICKINSON. Oh, no; I did not say that. I am interested in foreign trade.

Mr. TYDINGS. The Senator said he would not deal with any of the other countries on the basis of agreements of that kind. He said they might go ahead with their executive authorities, but that we should not meet that grant of power at all. I see his point there; but what I am trying to bring out is, since he so believes, why does not the Senator, as a matter of logic, believe that we should not import any article which we produce in this country?

Mr. DICKINSON. The conclusion is not at all justified by the premises.

Mr. TYDINGS. At what point is the conclusion not justified?

Mr. DICKINSON. It depends upon the economic conditions of the period in which we happen to be acting, which means wages, cost of material, supply of material, and so forth.

Mr. TYDINGS. Will the Senator yield further?

Mr. DICKINSON. Yes.

Mr. TYDINGS. Then, I take it the Senator is not opposed to the importation in some cases of goods which are also produced in the United States.

Mr. DICKINSON. We produce sugar, and we also import sugar. We have to do so.

Mr. TYDINGS. I say, the Senator is not opposed to that?

Mr. DICKINSON. No; but I am in favor of putting up the tariff to a point where it will protect the domestic producer.

Mr. TYDINGS. Then the Senator is not a 100-percent protectionist.

Mr. DICKINSON. Yes; I am.

Mr. TYDINGS. The Senator claims in one breath that he is a 100-percent protectionist, but he admits in the next breath that he is willing that some of the things we produce in this country shall come in from abroad.

Mr. DICKINSON. No; the Senator is trying to draw from certain premises a conclusion which is not warranted.

Mr. TYDINGS. In what respect is it erroneous?

Mr. DICKINSON. It is erroneous for the reason that I said to the Senator that the action would depend upon the economic conditions which we faced at the time. The only reason why we have this tariff bill before us today is that we confront an economic condition, and the Senator's party is taking a complete somersault in dealing with it. I have the record of the various members of his party and the statements they have made, including the statement of Secretary Hull, who says, "Why, this would be bureaucracy going mad."

Senators on the other side are all trying to explain away their action by saying that this is an emergency, when, as a matter of fact, it will result only in disaster to try to deal with the emergency in this way.

Mr. LONG. Mr. President——

Mr. TYDINGS. If the Senator will yield further——

Mr. DICKINSON. I yield to the Senator from Maryland.

Mr. TYDINGS. I do not want to get away from the point I was originally trying to make. I will return to that; but I do not think the Senator's logic is good, because, if I recall correctly, he voted then for the very thing of which he is now complaining, and the only difference is one of degree.

Mr. DICKINSON. Oh, no!

Mr. TYDINGS. Oh, yes!

Mr. DICKINSON. Oh, no! [Laughter.]

Mr. TYDINGS. Oh, yes! The Senator voted to place in the hands of the President the right to raise and lower tariff duties within 50 percent of the rates prescribed by Congress.

Mr. DICKINSON. Yes; but after a certain stipulated action had been taken.

Mr. TYDINGS. Now the Senator is complaining about Democrats who were opposed to that authorization then and who now favor it, when the Senator heretofore favored the authorization and now opposes it; so the difference is one of degree only.

Mr. DICKINSON. Is the Senator through?

Mr. TYDINGS. No. I have only begun what I desired to say.

Mr. DICKINSON. I desire to answer the Senator when he completes his statement.

Mr. TYDINGS. I will let the Senator go ahead. I will not interfere with his answer.

Mr. DICKINSON. I will say to the Senator from Maryland that the person who says there is here only a difference in degree has not looked up the history of legislation. Why? Because there is all the difference in the world between a case where there is a yardstick by which a thing must be done, as in the matter of fixing railroad rates, and a case where we say to one man, "You may do as you please without any information, without any investigation." The latter authorization puts in one man's hands a dictatorial power by which he can destroy or benefit any particular industry in which he happens to be interested.

Mr. TYDINGS. The Senator knows just as well as I know that placing in the hands of the President the right to raise a tariff or to decrease a tariff 50 percent, from the standpoint of protection, places in the hands of the President the ability to destroy protection.

Mr. DICKINSON. Oh, no!

Mr. TYDINGS. I can go through the tariff list and show the Senator a hundred items where, if the tariff were reduced 50 percent, there would be no protection.

Mr. DICKINSON. I agree to that.

Mr. TYDINGS. The Senator from Iowa voted for that; and now he charges Democrats with playing fast and loose with the very things which he himself defended.

Mr. DICKINSON. Let me ask the Senator whether he sees any difference between giving one man the right to do that and giving an investigating board the right to make an investigation and a report, and fixing the standards by which the investigation must be made, and the facts which must be found before the change can be made?

Mr. TYDINGS. But the Senator said he was opposed to the bill because it places in one man's hands the ability to destroy the tariff structure, when every Senator knows that when we placed in the hands of President Hoover and President Harding and others the ability to lower the tariff rates 50 percent, we placed in the President's hands the ability to destroy the protective tariff if he wanted to do so; and nobody can say otherwise.

Mr. DICKINSON. I do not agree with the Senator at all. The Senator is entirely wrong in his conclusion.

Mr. TYDINGS. Tell me one tariff duty where it would not do it. Name one.

Mr. LONG. Mr. President, will the Senator let me answer that question?

Mr. TYDINGS. Just a moment; let me have my inning with the Senator from Iowa first, please. Name one tariff duty where it would not do it.

Mr. DICKINSON. I am not suggesting that any President would change a rate 50 percent.

Mr. TYDINGS. But the Senator's party put in the President's hands the power to do it. Neither are we suggesting that he would reduce a rate 10 percent; but what I am getting at is that the other time the Senator from Iowa voted

to place in the President's hands the very power of which he now complains.

Mr. DICKINSON. I did not vote to place it in the hands of the President in the form in which it is being placed in his hands in this tariff bill.

Mr. TYDINGS. If the Senator wants to read quotations, I will read quotations from him where he voted and spoke for that proposal.

Mr. DICKINSON. I am perfectly willing to have the Senator do so.

Mr. TYDINGS. If the Senator wants to be consistent, let him show where the power he heretofore voted to place in the President's hands would not enable him to reduce the tariff.

Mr. LONG. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Louisiana?

Mr. DICKINSON. I yield.

Mr. LONG. It may be all right for the Senator from Maryland to argue with a Republican, but the Senator from Maryland and I hitched ourselves out on this question. I will show, Mr. President, what happened shortly after my entry into the Senate, when I followed the Senator from Maryland on this proposition and other leading Senators on this side of the Chamber. I say "on this side of the Chamber", meaning that we still adhere to the Democratic doctrine.

The Republicans had adopted this flexible-tariff provision and the Democrats went on record that they would undo it. The Democratic Party, along with the Senator from Maryland, took the position that even though a certain change in the tariff were advised and recommended and found to be justified by a fact-finding body, none the less they were going to take out of the hands of any President or any bureaucrat the right to change the tariff.

I came here as a tariff Democrat from the State of Louisiana. I came here as the successor of Senator Ransdell, who had voted for the present tariff-making authority, which can be exercised only when the facts have been found by a body supposed, at least, to be independent. Later on I led the fight to elect the opponent of the other Senator from Louisiana who had voted for that tariff-making authority. I came here as a tariff Democrat, and stood for the Constitution, and stood for Democracy, notwithstanding the fact that I was a tariff Democrat.

The first vote that I cast in the Senate on the tariff is found on April 1, 1932, when the Senator from Maryland and I voted to take out of the hands of the President such authority as he now has to fix tariffs, and here is that vote.

Mr. TYDINGS. I have not said that I did not vote in that way. I am just arguing the other way. Nobody in the Senate knows how I am going to vote on the pending measure. The Senator from Iowa has disclosed his position, and I am trying to show that it is in conflict with the position he previously took. So far as I am concerned, I have not disclosed my position, and nobody is able to say that I shall not be consistent.

Mr. LONG. Mr. President, that sounds mighty good to me. I believe the Senator from Maryland is the type of man who will not go before the country and go back on this record and these promises of our party. I do not care what the Republicans do. A plague on their house, so far as I am concerned. [Laughter.] I am trying to save the Democratic Party, and I am glad to have that expression from the Senator from Maryland.

Mr. TYDINGS. I did not say how I am going to vote.

Mr. LONG. I know the Senator did not say. I am assuming that the Senator will be just as honest with himself as he has been with the Senate this afternoon.

Mr. FESS. Mr. President, will the Senator from Iowa yield to me?

Mr. DICKINSON. I yield.

Mr. FESS. The Senator from Maryland is one of the clearest thinkers in this body, and when he makes a statement such as that he made a while ago, and argues with the Senator from Iowa, I am considerably disturbed.

The present law gives to the President, within the limitation of 50 percent, power to increase or decrease tariff rates upon the recommendation of a fact-finding commission, that fact-finding commission acting upon the authority of Congress, limited by the direction of Congress, to find the difference between the cost of production in competing countries and our country, which is the basis of all tariff legislation, outside of revenue tariffs. The Senator from Maryland says that a law thus limited by the direction of Congress is exactly the same as the law now proposed, which would give power to the President to make changes in tariffs, and which is limited, it is true, within certain rates, but is not limited by any direction of the Congress to action upon facts reported by any commission whatever, and he then insists that those of us who voted for the present law and are now resisting this law are inconsistent. How a clear-headed man like the Senator from Maryland can make such a statement I cannot understand.

Mr. TYDINGS. Mr. President, will the Senator from Iowa yield to me?

Mr. DICKINSON. Before I yield further, I should like to insert something in the RECORD.

Mr. TYDINGS. Will not the Senator allow me to reply before he goes on with that? I will not take long.

Mr. DICKINSON. Very well.

Mr. TYDINGS. The Senator from Ohio conjures a picture, and it strikes me that he turns its face to the wall before he takes a look at it. He says it is all right for the Congress to fix the limitation and then turn the yardstick over to the President to fix a rate, and in the act of Congress we fixed the limitation at 50 percent. The Senator is on sound ground in making that observation.

Let us suppose that we fixed the limitation at 60 percent; would it still be a congressional yardstick? Suppose we fixed it at 70 percent; would it still be a congressional yardstick? Suppose we fixed it at 99 percent; would it still be a congressional yardstick?

Mr. FESS. Yes.

Mr. TYDINGS. I think a yardstick has 36 inches in it; and since the Senator goes to 35⅞ inches, I do not see any use in arguing over the other eighth of an inch.

Mr. FESS. Mr. President, the Senator totally avoids the differentiation I have mentioned. So far as the limitation in rate is concerned, the two measures are identical; but there is a world of difference in that the pending bill would give to the President plenary authority to proceed on his own ipse dixit, while under the present law that cannot be done, but the President is guided by the facts found by a commission, and that commission is limited to one formula fixed by Congress. There is nothing of that kind in the pending bill.

Mr. DICKINSON. Mr. President, let me suggest to the Senator from Ohio that if the contention of the Senator from Maryland is correct, we might as well say there is no difference between legislation passed by Congress and signed by the President and that signed only by the President without being passed by Congress.

Mr. FESS. Certainly.

Mr. TYDINGS. That is exactly what Congress did. Congress said, "Notwithstanding the legislation we have passed, you can change it up or down 50 percent." The Senator from Ohio says that it is perfectly within the yardstick proposition to say, "Here is what we have passed. You can change it 99.44 percent." Therefore, having conceded that the whole act of Congress can be changed by the Presidential ipse dixit, what was the use of passing it? If the yardstick is 36 inches long, he can wipe out the whole tariff, if we give him 100 percent leeway, and we will not have any tariff at all. When Congress gave him discretion up to 50 percent, it marched up and laid down the precedent which has brought us to the exact situation in which we are today.

If the President can reduce a tariff fixed in an act of Congress 99 percent, then we might as well let the President determine the rate in the first place, because he can say, "Notwithstanding the action of the Congress, you have given

me the right to change all the tariff rates if I want to." The Senator cannot get away from that.

Mr. DICKINSON. The Senator from Maryland might as well say that if one takes one drink he is just as drunk as if he takes three.

Mr. TYDINGS. No; I did not say that. What I say is that if one takes one drink, he is drinking liquor, and there is no use arguing he is not drinking liquor when he takes one drink. [Laughter.]

Mr. DICKINSON. Mr. President, on September 27, 1929, as appears on page 4023 of the CONGRESSIONAL RECORD, the Senator from Maryland [Mr. TYDINGS] said:

If the Senator from Texas will yield to me for about 2 minutes, I should like to point out that the Senator from Ohio [Mr. FESS], while not intentionally, of course, has been somewhat unfair in his statement. There are any number of men who believe in the principle of a flexible tariff who do not believe, however, that the power under the flexible provision should be placed in the hands of the President of the United States.

That is what is being done now.

To argue for the flexibility of the tariff is one thing; to argue that the President shall exercise the power given under the flexible provision of the law is another thing.

There are many Senators in this body who are not opposed to the pending amendment, who would not be opposed to having the flexible provision retained in the law were the power under it to be exercised by some agency of the Congress. What we are contending against, as the Senator from Ohio is contending to the contrary, is that Congress should not give up its power to lay taxes and transfer that power to the President of the United States. Mr. Chester Gray is with those of us who take the view that Congress should retain that power. He is not with the Senator from Ohio, who has just put his letter into the RECORD, because Mr. Gray wants the President eliminated so far as the exercise of that power is concerned.

I can see the logic and the force and the wisdom of having some agency set up between that may take care of injustices and inequalities which may develop in any tariff law, the passage of one bill and the enactment of another, but we can do that without surrendering the legislative power to the Executive of this country. If such a measure shall be offered, drawn along fair and proper lines, I will be inclined to support it, but I am unalterably opposed not to the flexible provision itself so much as I am placing the power to exercise that flexibility in the Executive, who is not the lawmaking branch of the Government and has no more right to lay taxes than has the Chief Justice of the Supreme Court, who heads the judicial department of the Government.

Those were the words of the Senator from Maryland on the flexible provision of the tariff.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. DICKINSON. I yield.

Mr. TYDINGS. They are still my words, but, notwithstanding the eloquence and the logic with which the Senator from Maryland appealed to Senators on the other side of the aisle to take the same ground then which he took at that time and which he now takes, they saw fit to go in the opposite direction, and now the Senator from Iowa charges those who voted against that provision with inconsistency.

Why did not Senators over there then stand with the Senator from Maryland? The Senator from Maryland then was fighting the battle the Senator from Iowa now seems to be fighting. I believed what I said then, and I believe it now. There is no inconsistency in my position. The Senator from Iowa did not believe it then, but he does believe it now. He is the inconsistent one, as made out by his own evidence before his own colleagues. He says the remarks I made were splendid, yet his colleagues immediately voted the opposite way.

Mr. DICKINSON. Very well. We will insert now in the RECORD section 336 of the present tariff act and in parallel columns I will ask to have inserted House bill 8687, and I will ask the Senator from Maryland, who is a good lawyer, to read those two measures tomorrow, and if he does not find sufficient distinction between them to cause a good man to take one view of one and another view of another, then I am no judge of national legislation.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Iowa?

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

SEC. 336. EQUALIZATION OF COSTS OF PRODUCTION

(a) Change of classification or duties: In order to put into force and effect the policy of Congress by this act intended, the Commission (1) upon request of the President, or (2) upon resolution of either or both Houses of Congress, or (3) upon its own motion, or (4) when in the judgment of the Commission there is good and sufficient reason therefor, upon application of any interested party, shall investigate the differences in the costs of production of any domestic article and of any like or similar foreign article. In the course of the investigation the Commission shall hold hearings and give reasonable public notice thereof, and shall afford reasonable opportunity for parties interested to be present, to produce evidence, and to be heard at such hearings. The Commission is authorized to adopt such reasonable procedure and rules and regulations as it deems necessary to execute its functions under this section. The Commission shall report to the President the results of the investigation and its findings with respect to such differences in costs of production. If the Commission finds it shown by the investigation that the duties expressly fixed by statute do not equalize the differences in the costs of production of the domestic article and the like or similar foreign article when produced in the principal competing country, the Commission shall specify in its report such increases or decreases in rates of duty expressly fixed by statute (including any necessary change in classification) as it finds shown by the investigation to be necessary to equalize such differences. In no case shall the total increase or decrease of such rates of duty exceed 50 percent of the rates expressly fixed by statute.

(b) Change to American selling price: If the Commission finds upon any such investigation that such differences cannot be equalized by proceedings as hereinbefore provided, it shall so state in its report to the President and shall specify therein such ad valorem rates of duty based upon the American selling price (as defined in section 402 (g)) of the domestic article, as it finds shown by the investigation to be necessary to equalize such differences. In no case shall the total decrease of such rates of duty exceed 50 percent of the rates expressly fixed by statute, and no such rate shall be increased.

(c) Proclamation by the President: The President shall by proclamation approve the rates of duty and changes in classification and in basis of value specified in any report of the Commission under this section, if in his judgment such rates of duty and changes are shown by such investigation of the Commission to be necessary to equalize such differences in costs of production.

(d) Effective date of rates and changes: Commencing 30 days after the date of any Presiden-

H.R. 8687

An act to amend the Tariff Act of 1930

Be it enacted, etc., That the Tariff Act of 1930 is amended by adding at the end of title III the following:

"PART III—PROMOTION OF FOREIGN TRADE

"SEC. 350. (a) For the purpose of expanding foreign markets for the products of the United States (as a means of assisting in restoring the American standard of living, in overcoming domestic unemployment and the present economic depression, in increasing the purchasing power of the American public in the present emergency, and in establishing and maintaining a better relationship among various branches of American agriculture, industry, mining, and commerce) by regulating the admission of foreign goods into the United States in accordance with the characteristics and needs of various branches of American production so that foreign markets will be made available to those branches of American production which require and are capable of developing such outlets by affording corresponding market opportunities for foreign products in the United States, the President, whenever he finds that any existing duties or other import restrictions are unduly burdening and restricting the foreign trade of the United States or that the purpose above declared will be promoted by the use of the powers herein conferred, is authorized from time to time—

"(1) To enter into foreign trade agreements with foreign governments or instrumentalities thereof; and

"(2) To proclaim such modifications of existing duties and other import restrictions, or such additional import restrictions, or such continuance, and for such minimum periods, of existing customs or excise treatment of any article covered by foreign trade agreements, as are required or appropriate to carry out any foreign trade agreement that the President has entered into hereunder. No proclamation shall be made increasing or decreasing by more than 50 percent any existing rate of duty or transferring any article between the dutiable and free lists. The proclaimed duties and other import restrictions shall apply to articles the growth, produce, or manufacture of all foreign countries, whether imported directly or indirectly, except that nothing in this section shall be construed to prevent the granting of exclusive preferential treatment to articles the growth, produce, or manufacture of the Republic of Cuba: *Provided*, That the President may suspend the application to articles the growth, produce, or manufacture of any country because of its discriminatory treatment of American commerce or because of other acts or policies which in his opinion tend to defeat the purposes set forth in this section; and the proclaimed duties and other import restrictions shall be in effect from and after such time as is specified in the proc-

SECTION 336—continued

tial proclamation of approval the increased or decreased rates of duty and changes in classification or in basis of value specified in the report of the Commission shall take effect.

(e) Ascertainment of differences in costs of production: In ascertaining under this section the differences in costs of production, the Commission shall take into consideration, insofar as it finds it practicable:

(1) In the case of a domestic article: (A) The cost of production as hereinafter in this section defined; (B) transportation costs and other costs incident to delivery to the principal market or markets of the United States for the article; and (C) other relevant factors that constitute an advantage or disadvantage in competition.

(2) In the case of a foreign article: (A) The cost of production as hereinafter in this section defined, or, if the Commission finds that such cost is not readily ascertainable, the Commission may accept as evidence thereof, or as supplemental thereto, the weighted average of the invoice prices or values for a representative period and/or the average wholesale selling price for a representative period (which price shall be that at which the article is freely offered for sale to all purchasers in the principal market or markets of the principal competing country or countries in the ordinary course of trade and in the usual wholesale quantities in such market or markets); (B) transportation costs and other costs incident to delivery to the principal market or markets of the United States for the article; (C) other relevant factors that constitute an advantage or disadvantage in competition, including advantages granted to the foreign producers by a government, person, partnership, corporation, or association in a foreign country.

(f) Modification of changes in duty: Any increased or decreased rate of duty or change in classification or in basis of value which has taken effect as above provided may be modified or terminated in the same manner and subject to the same conditions and limitations (including time of taking effect) as is provided in this section in the case of original increases, decreases, or changes.

(g) Prohibition against transfers from the free list to the dutiable list or from the dutiable list to the free list: Nothing in this section shall be construed to authorize a transfer of an article from the dutiable list to the free list or from the free list to the dutiable list, nor a change in form of duty. Whenever it is provided in any paragraph of title I of this act, or in any amendatory act, that the duty or duties shall not exceed a specified ad valorem rate upon the articles provided for in such paragraph, no rate determined under the provisions of this section upon such articles shall exceed the maximum ad valorem rate so specified.

(h) Definitions: For the purpose of this section—

(1) The term "domestic article" means an article wholly or in part the growth or product of

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lamation. The President may at any time terminate any such proclamation in whole or in part.

"(b) As used in this section, the term 'duties and other import restrictions' includes (1) rate and form of import duties and classification of articles, and (2) limitations, prohibitions, charges, and exactions other than duties, imposed on importation or imposed for the regulation of imports."

SEC. 2. (a) Subparagraph (d) of paragraph 369, the last sentence of paragraph 1402, and the provisos to paragraphs 371, 401, 1650, 1687, and 1803 (1) of the Tariff Act of 1930 are repealed. The provisions of section 336 of the Tariff Act of 1930 shall not apply to any article with respect to the importation of which into the United States a foreign trade agreement has been concluded pursuant to this act. The third paragraph of section 311 of the Tariff Act of 1930 shall not apply to any agreement concluded pursuant to this act with any country which does not grant exclusive preferential duties to the United States with respect to flour.

(b) Every foreign trade agreement concluded pursuant to this act shall be subject to termination, upon due notice to the foreign government concerned, at the end of not more than 3 years from the date on which the agreement comes into force, and, if not then terminated, shall be subject to termination thereafter upon not more than 6 months' notice.

(c) The provisions of this act shall terminate 3 years from the date of its enactment.

SEC. 3. Nothing in this act shall be construed to give any authority to cancel or reduce, in any manner, any of the indebtedness of any foreign country to the United States.

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the United States; and the term "foreign article" means an article wholly or in part the growth or product of a foreign country.

(2) The term "United States" includes the several States and Territories and the District of Columbia.

(3) The term "foreign country" means any empire, country, dominion, colony, or protectorate, or any subdivision or subdivisions thereof (other than the United States and its possessions).

(4) The term "cost of production", when applied with respect to either a domestic article or a foreign article, includes, for a period which is representative of conditions in production of the article: (A) The price or cost of materials, labor costs, and other direct charges incurred in the production of the article and in the processes or methods employed in its production; (B) the usual general expenses, including charges for depreciation or depletion which are representative of the equipment and property employed in the production of the article and charges for rent or interest which are representative of the cost of obtaining capital or instruments of production; and (C) the cost of containers and coverings of whatever nature, and other costs, charges, and expenses incident to placing the article in condition packed ready for delivery.

(i) Rules and regulations of President: The President is authorized to make all needful rules and regulations for carrying out his functions under the provisions of this section.

(j) Rules and regulations of Secretary of Treasury: The Secretary of the Treasury is authorized to make such rules and regulations as he may deem necessary for the entry and declaration of foreign articles of the class or kind of articles with respect to which a change in basis of value has been made under the provisions of subdivision (b) of this section, and for the form of invoice required at time of entry.

(k) Investigations prior to enactment of act: All uncompleted investigations instituted prior to the approval of this act under the provisions of section 315 of the Tariff Act of 1922, including investigations in which the President has not proclaimed changes in classification or in basis of value or increases or decreases in rates of duty, shall be dismissed without prejudice; but the information and evidence secured by the Commission in any such investigation may be given due consideration in any investigation instituted under the provisions of this section.

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Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. DICKINSON. I yield.

Mr. TYDINGS. I do not know what it is that the Senator has asked me to read, but I hope it is of sufficient——

Mr. DICKINSON. It is the present tariff law; the flexible provision thereof.

Mr. TYDINGS. I understand that, and I do not blame the Senator at all for the remarks he is making. I see the logic of his position. I think there is a great deal to be said on the side of the argument which he is taking; but I point

out again that there is very little difference between giving a President 50-percent power over tariff rates and giving him 100-percent power. When Congress gave the President a 50-percent power it started this country upon its way. Now the Senator must not complain if, after having pointed the finger in the direction we should go, others come along after the depression and follow in the footsteps of the Senator's party.

Mr. LONG. Mr. President, will the Senator yield?

Mr. DICKINSON. I yield.

Mr. LONG. But because of the fact that the Republicans had made a slight or even a material step in that direction, the Democratic Party introduced in Congress a bill to undo what had been done. That was voted on by Congress in March 1932, I think.

Mr. TYDINGS. Mr. President, will the Senator further yield?

Mr. DICKINSON. I yield.

Mr. TYDINGS. The Senator is not going to make out our friend from Iowa as being even more inconsistent than I have made him out to be?

Mr. LONG. No; I do not have any concern about Republicans. I am trying to save a good Democrat. In other words, I do not want the Senator from Maryland to say that because Mr. Hoover did a thing of this kind that is a good reason why it ought to be done. In other words, while Mr. Hoover did take a step in that direction—we must admit that much—while it is true that he had a fact-finding board which had to find as a matter of fact that whatever tariff rate he set represented the difference in cost of producing a commodity abroad as compared to what it cost here, yet when that fact was found he himself had the right to establish a tariff to take up that difference, provided it did not exceed 50 percent. The Senator from Maryland and the Democratic Party condemned the granting of that power, however, and we rightfully condemned it. We introduced a bill in Congress after the election, which the Congress passed, known as the Harrison bill, which I have in my hand, to undo this flexible tariff, and I voted for it. Though I was a tariff Democrat, though I came from Louisiana, I said, "Though I be a tariff Democrat, I am not willing to have the taxing power taken out of Congress and placed in the hands of the President of the United States." We took that stand to undo it.

Now my friend from Maryland is leaving the Chamber, so I shall not continue further on that subject.

Mr. DICKINSON. Mr. President, before the Senator from Maryland leaves the Chamber, I desire to suggest that if I had the option of going back and repealing the flexible provision, or liberalizing it to the extent suggested in this bill, I should go with the Senator from Maryland.

Mr. TYDINGS. Mr. President, I think that is a very honest and a very fair remark for the Senator from Iowa to make. That point is exactly one which drew me into the debate. The Senator having voted for a thing in principle, although the pending bill may vary in degree from what he previously voted for, I do not see how he could rightfully complain as vehemently as he seems to be complaining, when he himself established the precedent.

Mr. DICKINSON. I never complain about anything. I always take things in good nature.

Mr. FESS. Mr. President, will the Senator yield?

Mr. DICKINSON. I yield.

Mr. FESS. If the Senator from Maryland insists that there is no material difference between the pending legislation and the legislation which the Senator from Iowa and I supported, I wonder why there should be so much effort toward having the present law changed.

Mr. DICKINSON. Of course, everyone knows that the present machinery will not permit the doing of that which it is attempted to do under the pending bill.

Mr. FESS. And everyone knows that there is a world of difference between the two.

Mr. DICKINSON. That is absolutely true. It is true, as the Senator from Maryland contends, that the existing law contains provisions which are flexible in their scope; but if I were to be compelled to elect between the extreme of this bill and going back to the repeal of the flexible provisions, I should do the latter, because I do not want to put that uncertainty ahead of industry in this country.

Mr. LONG. Mr. President, will the Senator yield?

Mr. DICKINSON. I yield.

Mr. LONG. As a matter of fact, I had planned to propose at a later time to the Republicans and to the Democrats that we take the word of the people on this matter anyway. Would it not be better for us to take the platform of the Democratic Party and make it the law? The Democratic Party won out on the issue that this flexible authority ought to be repealed. At the proper time I shall offer as a substitute for the bill which is now before the Senate the bill voted by the last Democratic House and Democratic-Progressive Senate, which was known as the "Harrison bill", to repeal the flexible provision of the tariff law. That ought to be voted for by every good Democrat, because that is what we carried before the people; and the Republicans, rather than have this power extended, ought to accept the will of the people and join in and vote as good Americans for that which was promised by the Democratic Party, on which it won out before the American people.

Mr. DICKINSON. Mr. President, continuing the discussion along this line, I desire to quote from the CONGRESSIONAL RECORD of September 12, 1929, page 3542. Senator Simmons, of North Carolina, then the minority ranking member of the Finance Committee, said:

> That would mean but one thing, namely, that the Congress of the United States, invested by the Constitution with the sole power to impose taxes, had deliberately delegated a large part of that legislative power to the executive branch of the Government—taking from the people and giving to the President practically one half of a power which can kill or make alive; which can destroy or build up. It is an Anglo-Saxon principle that the people, through their legislative representatives, should at all times retain control of the purse strings of the Nation. Talk about centralized government! Nothing would tend to centralize all power in the head of the Government at Washington to as great an extent as the flexible tariff scheme now proposed.

If we were that much wrong, how much more wrong would we now be if we should vote for this legislation?

Continuing to quote from former Senator Simmons:

> But if the President is given the latitude and discretion in fixing these rates provided in the bill now pending, an entirely new situation would be created, and industries desiring an increase in statutory rates would go to the President and the Tariff Commission instead of coming to Congress for the relief they wish. They would have to deal only with one man instead of having to deal with nearly 600 representatives of the people in the two branches of the Congress.
>
> * * * * * * *
>
> Personally, I have no doubt as to its unconstitutionality, but there are others here.

He summarized by saying:

> By its liberalization of the flexible provisions, enlarging the powers and discretion of the President, the latitude allowed the President in the imposition of additional duties is dangerously expanded.

I now quote from the Senator from Tennessee [Mr. MCKELLAR], who, at page 3667 of the CONGRESSIONAL RECORD of September 16, 1929, inserted an article from which I quote:

> Obviously Congress cannot delegate its taxing power to any commission. Many of the greatest lawyers and jurists of the land believe that the present provision of the law, which permits the President to exercise authority in raising or lowering the duties without reference to Congress, is close to the line of unconstitutionality.

The Senator from Utah [Mr. KING] said, on September 17, 1929, page 3685:

> I admit that I have fears of bureaucracy, and distrust Executive authority in the exercise of discretionary power.

Former Senator Simmons, on page 3867, September 23, 1929, said:

> I outlined in general terms what that scheme would be, namely, to retain the Tariff Commission with the functions which it possessed prior to the passage of the flexible tariff provision, but require them to report to the Congress instead of to the President,

I now quote from the Senator from Florida [Mr. FLETCHER] on September 26, 1929, page 3979, when he said:

The principle of the difference in cost of production at home and abroad on the basis of just competition I believe is sound.

* * * * * * *

The main argument against the flexible provision, the Smoot amendment, and section 336, is it places too much power in the hands of the President.

That is of record here as against the type of law that we were then considering.

The late Senator Walsh, of Montana, said on September 26, 1929, at page 3981:

Now, Mr. President, to the matter before us.

The essential feature of the provisions under consideration contemplates the transfer of a part of the taxing power, as the present law transfers a part of the taxing power, from the Congress of the United States, the legislative branch, to the President, the executive branch.

* * * * * * *

Moreover, why should we undertake to fix the rates at all? Why not just declare in the bill what commodities shall go on the dutiable list and what commodities shall go upon the free list, and then provide that the Tariff Commission shall ascertain the difference in the cost of production with respect to these commodities at home and abroad and give the Tariff Commission power to fix the rates?

That was not done. The then Senator from Montana, Mr. Walsh, said, on page 3981, on the same day:

I add here that, when the question was before the Senate in 1922, there were just 2 votes on the Democratic side in favor of the flexible provisions. Every other Democrat voted against them, as well as distinguished Senators on the other side of the Chamber.

The attitude of the Democratic Party with respect to these flexible provisions, I undertake to say, is better determined and judged from the action of Democratic Senators in 1922, and by the platform adopted in 1928.

In other words, they were no longer running true to form so far as their platform was concerned.

The then Senator from Montana, Mr. Walsh, on September 26, 1929, at page 3984, also said:

Mr. President, if we can constitutionally grant this power to the President, why should we not give him the right to transfer specific rates to ad valorem rates in order to equalize the difference in the cost of production? Evidently Senators on the other side, enlightened by whatever discussion took place upon the floor, concluded that they had better not take a chance on giving any such power to the President.

* * * * * * *

The fact is, as has been stated here this morning, that a perfectly impossible task to put up to the Tariff Commission and to the President of the United States to ascertain what is the difference in the cost of production at home and abroad.

He was against the entire provision. I continue to quote from Senator Walsh, of Montana, at page 3985:

Mr. President, I said I am not going to discuss the question of the constitutionality of this measure in view of the decision of the Supreme Court, except as the question remains unsettled in respect to the bill as it came from the House. But I want to call attention to the fact that the act was sustained by the opinion of the Supreme Court by the adroit avoiding of every controversial question there was in the case, the Court contenting itself with glittering generalities concerning propositions which no one denied or controverted.

* * * * * * *

The Tariff Commission ought to be continued to discharge the work for which it was created. We should not impose upon it the obligation to levy duties—and that is what this scheme amounts to, because it is perfectly obvious to everybody that the President cannot possibly devote the necessary time to it, that his connection with the thing will be largely nominal. To repose any such power in the President or the Tariff Commission is not only violative of fundamental principles of government but it is contrary to sound business principles.

I want to suggest here that the pending bill not only goes that far but under it the President does not have to consult the Tariff Commission; he does not have to consult anybody; and, according to Assistant Secretary Sayre, all they are going to do is to have some research made, and then he is going to make it known as to what he thinks ought to be done and change the tariff just as he wants to. That is what the upshot of this bill will be. I quote from the remarks of the Senator from Maryland [Mr. TYDINGS] on page 3989 of the RECORD of September 26, 1929:

The minute, Mr. President, you take from the people the right of their representatives to levy taxes and put that right in the hands of a man who can practically perpetuate himself in office for 8 years, you repeal the thirteenth amendment in effect, because we are all economic slaves, and the only difference is that we have a little hope in 8 years of removing our bonds, where under most forms of slavery that hope cannot be entertained.

I quote now from the Senator from Tennessee [Mr. MCKELLAR], who on September 26, at page 3995, said:

It affords a club of power over the industries of this country. So long as it is in the President's power to act under such a provision they have got to kotow to him; they have got to consider him; they cannot take a stand against him, because they do not know when he may use this power against them. It is a tremendous power, which was given in the first instance by the American people to the Congress of the United States. * * *

The distinguished Senator from Maryland [Mr. TYDINGS] was right. If we can give away this power, if we can turn over to the President the power to legislate on revenue, we can delegate to him any other power than we may have under the Constitution.

* * * * * * *

We ought not to give to the President this great power of raising revenue. It is immaterial, as I have shown, as it has been administered heretofore; but the great trouble is that it is a club which we put in the President's hands for the future, if he desires to use it in that way, toward the industries and toward the farmers and toward the consumers of the country.

Next I shall quote from the Senator from Utah [Mr. KING] on September 27, 1929, at page 4017:

We all have a deep affection for the Constitution and desire it to be preserved in letter and in spirit. But there is sometimes indifference to fundamental questions and to the importance of restricting each branch of the Government to the sphere to which the Constitution assigns it.

That is one of the things we are facing here at the present time.

I quote again from the Senator from Maryland [Mr. TYDINGS] on September 27, 1929, at page 4018:

Let us suppose that we do give to the President this power to raise and lower the taxes on imports. Would it not be just as sensible to give him other powers similar to that, to increase or decrease the size of the Army without recourse to Congress or to increase or decrease the size of the public debt without recourse to Congress?

Of course, no one questions that this proposed law goes very much further than any measure we have ever previously had before us.

On September 27, 1929, at page 4026, the Senator from Texas [Mr. CONNALLY] said:

For myself, Mr. President, my conviction is that that power, surrendered in 1922, ought to be recaptured by Congress and redeposited where it belongs, in the legislative department of the Government.

Mr. President, I want to quote from Secretary of State Hull while he was a Member of the House. I served with him over there for 12 years. He is most estimable in every way, but I do not know how he is going to be able to reconcile his change of position on this question.

Mr. LONG. Mr. President, the Senator does not know, perhaps, that at a much later date Mr. Hull spoke in regard to this question, after he had drafted the tariff platform of the 1932 Democratic National Convention at Chicago. I presume the Senator is about to read from something Mr. Hull said in 1929, is he not?

Mr. DICKINSON. I am about to read from remarks made by him on May 13, 1929.

Mr. LONG. Mr. Hull spoke on this question about 3½ years later, and if the Senator will allow me to give that later authority I should like to do so.

Mr. DICKINSON. I would be very glad to have it.

Mr. LONG. I should like to bring it up to date, because Mr. Hull was then on his way to becoming Secretary of State. Here is what he said on May 19, 1932:

I am unalterably opposed to section 315 of the tariff act and demand its speedy repeal. I strongly condemn the proposed course of the Republican Party, which contemplates the enlargement and retention of this provision, with such additional authority to the President as would practically vest in him the supreme taxing power of the Nation contrary to the plainest and most fundamental provisions of the Constitution—a vast and uncontrolled power, larger than has been surrendered by one great coordinate department of government to another since the British House of Commons wrenched the taxing power from an autocratic king.

I am quoting from Mr. Hull speaking 3 years later than the quotation which the Senator from Iowa is about to read.

I quote further from Mr. Hull:

The proposed enlargement and broad expansion of the provisions and functions of the flexible tariff clause is astonishing, is undoubtedly unconstitutional, and is violative of the functions of the American Congress. Not since the Commons wrenched from an English king the power and authority to control taxation has there been a transfer of taxing power back to the head of a government on a basis so broad and unlimited as is proposed in the pending bill. As has been said on a former occasion, "This is too much power for a bad man to have or for a good man to want."

That is from Mr. Hull speaking in 1932, and saying that a bad man should not have this power and that a good man would not take it.

Mr. President, there came a time when George Washington was importuned to accept some of the powers that belonged to the law-making body, and Washington declined to accept them. There came a time when Lincoln was importuned to assert a right and to allow Congress to abdicate; but Lincoln declined to do so. Jackson also declined to do so. In this particular case Mr. Hull, after making these remarks on the 19th day of May 1932, went over to Chicago and drafted the Democratic platform, and the plank is now in the Democratic platform, and reads:

We advocate a competitive tariff for revenue, with a fact-finding Tariff Commission free from Executive interference.

After that had been done, Mr. Franklin D. Roosevelt caught the spirit—or already had the spirit, no doubt—and said on July 30, 1932:

It is a difficult and highly technical matter to determine cost of production abroad and at home. A commission of experts can be trusted to find such facts. Then the facts should be left to speak for themselves, free from Presidential interference.

That is the statement of Mr. Roosevelt. I have quoted the statement of Mr. Hull; I have quoted the Democratic platform; and the distinguished Chairman of the Senate Finance Committee at this time, then the ranking minority member of the committee, the Senator from Mississippi [Mr. HARRISON], said this on May 29, 1930:

It is all wrong that such an opportunity as resides in this flexible tariff provision should be afforded to any President of the United States. That statement applies, of course, to a Democratic President.

I just want the Senator from Iowa to know that the pledge of the party is not 3 years ancient. There are some people who feel that after 3 or 4 years have passed that such a pledge does not amount to anything in this quick-changing time and scene of passing events, but this is the platform of the Democratic Party.

If I may be permitted, at this point, while I read it into the RECORD yesterday, I should like to have an opportunity to read again a little quotation. The Democratic Party went on record in favor of telling the truth. There are many who do not believe that, but it is a fact. Whenever I am contradicted on that point I want to assert again that the party did go on record and actually said it was telling the truth and that it wanted the people to believe it was telling the truth. I am going to read that statement again. I read from the Democratic platform of 1932:

We believe that a party platform is a covenant with the people to be faithfully kept by the party when intrusted with power, and that the people are entitled to know in plain words the terms of the contract to which they are asked to subscribe.

The people are entitled to know, said the platform, in plain terms the contract that we are asking them to sign. What are those plain terms?

We advocate a competitive tariff for revenue, with a fact-finding Tariff Commission free from Executive interference.

Is there anybody in the United States who does not understand those plain terms which they said were a covenant with the people? Is there anyone who does not understand the words of the Secretary of State in the year 1932 on the 19th day of the month of May? Is there anyone who does not understand what President Roosevelt meant when he said what I have just read? I have numerous other statements to that effect.

But what have we before us now? We have no issue except whether the Democratic Party is going to tell the American people, "We made that statement, but we have decided we are not going to do it", or whether they are going to say, "We made that promise, you elected us on our promise, and we will be an honest party and keep our word and go through with what we have advocated and what we pledged to the people." That is the issue, not as ancient as 1929, but made in 1932.

I thank the Senator from Iowa for yielding to me.

Mr. DICKINSON. Mr. President, I want to insert in the RECORD one further quotation. Under date of May 13, 1929, at page 1211 of the CONGRESSIONAL RECORD, Representative Hull, now Secretary of State Hull, said:

Mr. Chairman, the proposed revision provides in effect that the valuation by appraisers shall be final except by appeal to the Secretary of the Treasury. This astonishing proposal strips bare the jurisdiction of the Customs Court and its authority to adjudicate unquestioned and hitherto unchallenged rights of the citizens. This is bureaucracy run mad. The very suggestion that the most valuable property rights of the citizen can be disposed of or dealt with as a finality by the Treasury Department without the slightest recourse to the courts of the country is wholly impossible to understand.

Then he proceeded to make various deductions with reference thereto.

What I want to suggest here is the trend we are taking all along the line. I have shown the transfer of power to the Executive from the legislative branch of the Government. We have it involved in a hundred ways. We find that now it is proposed to transfer the power to control crop production by the Secretary of Agriculture. We have a processing tax which is a penalty upon the producer all along the line.

Mr. FESS. Mr. President, will the Senator from Iowa yield to me at that point to enable me to read a letter?

The PRESIDING OFFICER (Mr. LONERGAN in the chair). Does the Senator from Iowa yield to the Senator from Ohio?

Mr. DICKINSON. I yield for the purpose indicated.

Mr. FESS. There has just been handed to me a letter discussing the operation of the processing tax on farm products, especially with reference to hogs. I have not received at any time any statement from any individual that is quite so succinct and quite so convincing as the letter I have in my hand at this moment.

Mr. LONG. Mr. President, may I ask the Senator from Ohio from whom the letter came?

Mr. FESS. This is a letter from a citizen of my State living only a short distance from my home. I know him to be a very distinguished agriculturalist. Its importance rises out of the fact that the writer of the letter does not belong to the party to which I belong. He belongs to the administration party. He is an honored and distinguished member of that party in my State. Here is the statement he makes in the letter to me:

WASHINGTON, *D.C., May 24, 1934.*

Hon. SIMEON D. FESS,
United States Senator, Washington, D.C.

DEAR SENATOR: Having been in the Capital for some 2 or 3 weeks in reference to the stockyard code, in which I am interested, I have tried on various occasions to interest somebody in some way in the drastic steps of the processing tax on hogs as it exists today. Let me illustrate to you in this way:

I sold one hog weighing 250 pounds at 3½ cents per pound, the hog costing the killer $8.75. The processing tax on this hog was 57 percent of the gross sale, making the hog cost the packer $13.73.

Now, Senator, I want you to know that at no time in the history of any nation on earth was there ever a tax levied in time of war, peace, or pestilence that equaled 57 percent of the gross sale of the product. This is not only true in the case of this one hog but it is true in the case of 100 hogs, 1,000 hogs, or a trainload of hogs.

In my conversation with some of the agricultural experts while here a gentleman told me that his wife had invited him to come to dinner early, and he being in the Agricultural Department, she stated that she had meat for dinner. After the dinner was over she informed him that she ate two slices of the fresh side, the maid ate one, and he ate the balance; that the pound of fresh side she had purchased that afternoon cost 54 cents per pound. He inquired why that great cost. I explained the best I knew how

that after the processor had received the hog costing $8.75, and the processing amounted to $4.98 on top of that, making the cost $13.73, that $13.73 was the cost of the hog in the packer cooler.

Before this hog could get to the consumer it had to be cut up, wrapped, packed, carted to transportation, transported, transported the second time to the ultimate retailer, uncrated, unpacked, cut up, sold over the counter, distributed by deliverymen to the consumer.

When the gentleman grasped this, he said, "My God, I cannot see why it did not cost me 75 cents a pound!"

Now, Senator, when a processing tax on hogs is 57 percent of the ultimate sale price, the hogs in Chicago today cost on an average of less than $3.50 per hundredweight, cattle on the same market cost $9.50 without a processing tax; lambs on the same market without a processing tax, $10.25; calves on the same market, $7.50.

Is there no way before this adjournment of Congress that that ruinous processing tax can be removed from the hogs. If that can be done, in one day the hog market in all interior points will jump from $2 to $2.50 per hundredweight.

Two hundred million dollars has been appropriated for the processing tax on cattle. Is there no way that could be diverted to finish paying for the pigs immolated last fall, and the residue toward the farmer for the corn-hog plan, thus relieving the hog of that excessive tax?

With a tax that high, no man, whatever his occupation, will consume a product with that tax. Farmers, and all classes of people, will buy another species of meat that they know does not have a ruinous tax. In some instances beef sold over the same counter as pork is cheaper in certain cuts than pork, but the consumer is opposed to the tax, and if it could be removed, he would find the greatest boon to the farmer that had happened to him for many a day. Besides the $2 to $3 immediate rise in the hogs, all doubts and uncertainty would be removed as to the future processing tax on cattle.

The farmer would know where he stood. The Southwest is full of cattle. The eastern pastures need them. The Southwest would immediately disport the cattle to the eastern pastures. Can you not see the benefit to all parties concerned? Even the railroads would have a general pick-up by increased carriage of livestock.

I do not want to bother you with a lengthy argument or a lengthy sob story, but if something is not done before the adjournment of this Congress to relieve the farmer of that tax, I am afraid that before this thing is over with, the U.S.A. will not stand for the United States of America but for the United States of Agriculture. I know wherein I speak, having at one time occupied the position of the largest individual livestock shipper in the United States. I know the farmer, and I know his needs. Ninety-eight percent of the farmers in the agricultural districts are opposed to this processing tax on hogs. The only persons in favor are those who are receiving $4 a day and mileage occupying the position that the snoopers did when snooping under the Volstead Act. Now they count the farmer's pigs, measure his acreage to see if he has been chiseling, and to tell him when and how to sell and to reap, and to wet nurse all of his activities.

Yours very truly,

FRANK DEWITT,
Washington Court House, Ohio.

Washington Court House is very close to my home. I know this gentleman as an outstanding citizen. As I have stated, his letter cannot be of a political or partisan character because he is a distinguished Democrat; and I read it and put it in the RECORD for what it is worth.

Mr. DICKINSON. Is the Senator from Ohio aware that in the sugar bill there is included a penalty section which provides that if a dealer in a commodity on which there is a processing tax makes any false statement with reference to the processing tax or its effect on prices, and so forth, he is subject to a fine and penalty and imprisonment?

Mr. FESS. I am; and the worst feature of that is that it is not the result of law. It is the result of an agreement that is later on announced by the Secretary of Agriculture in pursuance of a general law giving him power to say not only what the law is but what is to be the penalty for its violation, and how the penalty is to be administered. That is the un-American part of it, for which I do not think the country is going to stand very long.

Mr. DICKINSON. Mr. President, because of the numerous interruptions, I find that I shall not be able to conclude my remarks tonight. For today, therefore, I yield the floor.

Mr. LONG. Mr. President, has the Senator concluded his speech?

Mr. DICKINSON. For today.

Mr. LONG. I do not desire to interfere with the Senator from Connecticut [Mr. WALCOTT] if he wishes to speak at this time. Does the Senator wish to speak now?

Mr. WALCOTT. Mr. President, I should very much rather let my remarks go over until tomorrow afternoon.

Mr. LONG. The Senator would prefer to take that course?

Mr. WALCOTT. Very much.

Mr. LONG. I do not want to interfere; but if I will not interfere with the Senator from Connecticut, who has so kindly agreed to wait, since I may not be here very many more days, I should like to conclude the remarks that I announced the other afternoon I should finish at an early date.

I first send up an amendment which I ask to have printed and lie on the table, and also ask to have it printed in the RECORD, I intend to offer this amendment as a substitute for the pending bill. This amendment is the bill which was passed by the last Congress, known as the "Harrison bill", and was vetoed by President Hoover.

The PRESIDING OFFICER. The amendment will be printed and lie on the table, and, without objection, will also be printed in the RECORD.

Mr. LONG's amendment, in the nature of a substitute, is to strike out all after the enacting clause and in lieu thereof to insert:

That section 336 of the Tariff Act of 1930 is amended to read as follows:

"SEC. 336. Recommendations for adjustment of duties.—(a) Upon the request of the President of the United States, or upon its own motion, or upon application of any interested party showing good and sufficient reason therefor, the Commission shall investigate and ascertain the differences in the cost of production of any domestic article and of any like or similar foreign article. If the Commission finds it shown by the investigation that the duty imposed by law upon the foreign article does not equalize the differences in the cost of production, when efficiently and economically produced, of the domestic article and of the foreign article when produced in the principal competing country or countries, then the Commission shall report to the President and to the Congress its findings and its order with respect to such increases or decreases in the duty upon the foreign article as the Commission finds to be necessary in order to equalize such differences in the cost of production. Any such increased or decreased duty may include the transfer of the article from the dutiable list to the free list or from the free list to the dutiable list, a change in the form of duty, or a change in classification. The report shall be accompanied by a statement of the Commission setting forth the findings of the Commission with respect to the differences in cost of production, the elements of cost included in the cost of production of the respective articles as ascertained by the Commission, and any other matter deemed pertinent by the Commission. Sixty days after the date of the report to Congress of such order by said Commission, such changes in classification shall take effect, and such increased or decreased duties shall be levied, collected, and paid on such articles when imported from any foreign country into the United States or into any of its possessions (except the Philippine Islands, the Virgin Islands, and the islands of Guam and Tutuila): *Provided*, That if before the expiration of such period of 60 days the Congress then in session shall have by joint resolution declared said order of said Commission rejected, then the changes in classification, forms of rate, or increases or decreases in rates of duty specified in such order of said Commission shall not go into effect.

"The President, upon receipt of any such report of the Commission, shall promptly transmit the report to the Congress with his recommendations, if any, with respect to the increase or decrease in duty proposed by the Commission.

"Any bill having for its object the carrying out, in whole or in part, of the recommendations made by the Commission in any such report shall not include any item not included in such report; and in the consideration of such bill, either in the House of Representatives or in the Senate, no amendment thereto shall be considered which is not germane to the items included in such report.

"(b) No report shall be made by the Commission under this section unless the determination of the Commission with respect thereto is reached after an investigation by the Commission during the course of which the Commission shall have held hearings and given reasonable public notice of such hearings, and reasonable opportunity for the parties interested to be present, produce evidence, and to be heard. The Commission is authorized to adopt such reasonable rules of procedure as may be necessary to execute its functions under this section.

"(c) In ascertaining the differences in costs of production under this section, the Commission shall take into consideration, insofar as it finds it practicable—

"(1) The differences in conditions of production, including wages, costs of materials, and other items in cost of production of like or similar articles in the United States and in competing foreign countries;

"(2) Costs of transportation;

"(3) Other costs including the cost of containers and coverings of whatever nature and other charges and expenses incident to placing the article in condition, packed ready for delivery, storage costs in the principal market or markets of the United States and

of the principal competing country or countries, and costs of reconditioning or repacking wherever incurred;

"(4) Differences between the domestic and foreign article in packing and containers, and in condition in which received in the principal markets of the United States:

"(5) Differences in wholesale selling prices of domestic and foreign articles in the principal markets of the United States insofar as such prices are indicative of costs of production, provided such costs cannot be satisfactorily obtained;

"(6) Advantages granted to a foreign producer by a foreign government or by a person, partnership, corporation, or association in a foreign country;

"(7) Any other advantages or disadvantages in competition which increase or decrease in a definitely determinable amount the total cost at which domestic or foreign articles may be delivered in the principal market or markets of the United States; and

"(8) Definition of costs of transportation: Costs of transportation for the purposes of this section shall be held to include, insofar as applicable:

"(1) Freight charges and all other charges incident to transportation, including transit insurance, costs of loading and unloading, and port charges and landing charges. These costs shall be computed to such principal market or markets of the United States as may most nearly insure equal competitive opportunity to domestic articles and like or similar foreign articles in the principal consuming region or regions of the United States. If this purpose may be best accomplished thereby, such costs on domestic articles and on like or similar foreign articles shall be computed to different principal markets of the United States.

"(2) (A) In the case of an imported article, the cost of transporting such article from the areas of substantial production in the principal competing country to the principal port of importation of such article into the United States; and (B) in the case of a domestic article, the cost of transporting such article from the areas of substantial production that can reasonably be expected to ship the article thereto, to the principal port of importation into the United States of the like or similar competitive article."

SEC. 2. All uncompleted investigations instituted prior to the approval of this act under section 336 of the Tariff Act of 1930 prior to its amendment by this act, including investigations in which the President has not proclaimed changes in classification or in basis of value or increases or decreases in rates of duty, shall be dismissed without prejudice; but the information and evidence secured by the Commission in any such investigation may be given due consideration in any investigation instituted under the provisions of section 336 of the Tariff Act of 1930 as amended by this act.

SEC. 3. Consumers counsel: (a) There shall be an office in the legislative branch of the Government to be known as the office of the Consumers' Counsel of the United States Tariff Commission. The office shall be in charge of a counsel to be appointed by the President, by and with the advice and consent of the Senate. No person shall be eligible for appointment as counsel if such person has at any time acted in tariff matters before Congress or the United States Tariff Commission, either on his own behalf or as attorney, at law or in fact, or as legislative agent. The counsel shall be appointed for a term of 4 years and shall receive a salary of $10,000 a year. The counsel shall not actively engage in any other business, vocation, or employment than that of serving as counsel.

(b) It shall be the duty of the counsel to appear in the interest of and represent the consuming public in any proceeding before the Commission. In any proceeding before the Commission in which the counsel has entered an appearance, the counsel shall have the right to offer any relevant testimony and argument, oral or written, and to examine and cross-examine witnesses and parties to the proceeding, and shall have the right to have subpena or other process of the Commission issue in his behalf. Whenever the counsel finds that it is in the interest of the consuming public to have the Commission furnish any information at its command or conduct any investigation as to differences in costs of production or other matters within its authority, then the counsel shall so certify to the Commission, specifying in the certificate the information or investigation desired. Thereupon the Commission shall promptly furnish to the counsel the information or promptly conduct the investigation and place the results thereof at the disposal of the counsel.

(c) Within the limitations of such appropriations as the Congress may from time to time provide, the counsel is authorized (subject to the civil-service laws and the Classification Act of 1923, as amended) to appoint and fix the salaries of assistants and clerks, and is authorized to make such expenditure as may be necessary for the performance of the duties vested in him.

SEC. 4. International economic conference: That the President is respectfully requested to initiate a movement for an international economic conference with a view to (a) lowering excessive tariff duties and eliminating discriminatory and unfair trade practices, and other economic barriers affecting international trade, (b) preventing retaliatory tariff measures and economic wars, and (c) promoting fair, equal, and friendly trade and commercial relations between nations; but with the understanding that any agreement, treaty, or arrangement which changes any tariff then in existence, or in any way affects the revenue of the United States, must first be approved by the Congress of the United States.

Mr. LONG. May I ask the Senator from Mississippi how long he intends to continue the session tonight?

Mr. HARRISON. I had hoped we could remain in session until about half past 6.

Mr. LONG. Well, that is a little bit late. I do not care to speak that long; but I will proceed for a while.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

[Mr. LONG addressed the Senate. After having spoken for about 1 hour and 30 minutes he yielded the floor for the day. His speech will be published entire after it shall have been concluded.]

EXECUTIVE SESSION

Mr. HARRISON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. GIBSON in the chair) laid before the Senate messages from the President of the United States submitting nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. HARRISON, from the Committee on Finance, reported favorably the nomination of William W. Durbin, of Ohio, to be Register of the Treasury, in place of Edward E. Jones.

Mr. KING, from the Committee on Finance, reported favorably the nomination of Herman Oliphant, of Baltimore, Md., to be general counsel for the Department of the Treasury.

Mr. PITTMAN, from the Committee on Foreign Relations, reported favorably the nomination of Leon Dominian, of New York, now a Foreign Service officer of class 3 and a consul general to be also a secretary in the Diplomatic Service.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. WALSH, from the Committee on Naval Affairs, reported favorably the nominations of sundry officers in the Marine Corps.

Mr. BAILEY, from the Committee on Commerce, reported favorably the nomination of Claudius T. Murchison, of Chapel Hill, N.C., to be Director of the Bureau of Foreign and Domestic Commerce, in the Department of Commerce.

The PRESIDING OFFICER. The reports will be placed on the calendar.

CONVENTION ON THE NATIONALITY OF WOMEN

Mr. PITTMAN. Mr. President, from the Committee on Foreign Relations, I report back favorably a treaty, and ask unanimous consent for its present consideration.

Mr. LONG. Mr. President, I wish the Senator from Nevada would tell us what this treaty is. I do not suppose it is anything in which I am interested, but I am rather afraid of treaties.

Mr. PITTMAN. Mr. President, this is a treaty on the subject of the nationality of women, growing out of the Seventh International Conference of American States at Montevideo. Article 1 of the treaty provides that nationals of the respective countries, without regard to sex, shall have the same privileges and rights.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Nevada?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider Executive J, Seventy-third Congress, second session, the convention on the nationality of women adopted at the Seventh International Conference of American States and signed on December 26, 1933, by plenipotentiaries of the United States of America and of other countries represented in the said conference, at Montevideo, Uruguay, which was read the first time by title and the second time at length, as follows:

The Governments represented in the Seventh International Conference of American States:

Wishing to conclude a Convention on the Nationality of Women, have appointed the following plenipotentiaries:

Honduras:
MIGUEL PAZ BARAONA
AUGUSTO C. COELLO
LUIS BOGRÁN

United States of America:
CORDELL HULL
ALEXANDER W. WEDDELL
J. REUBEN CLARK
J. BUTLER WRIGHT
SPRUILLE BRADEN
Miss SOPHONISBA P. BRECKINRIDGE

El Salvador:
HÉCTOR DAVID CASTRO
ARTURO RAMÓN AVILA
J. CIPRIANO CASTRO

Dominican Republic:
TULIO M. CESTERO

Haiti:
JUSTIN BARAU
FRANCIS SALGADO
ANTOINE PIERRE-PAUL
EDMOND MANGONÉS

Argentina:
CARLOS SAAVEDRA LAMAS
JUAN F. CAFFERATA
RAMÓN S. CASTILLO
CARLOS BREBBIA
ISIDORO RUIZ MORENO
LUIS A. PODESTÁ COSTA
RAÚL PREBISCH
DANIEL ANTOKOLETZ

Venezuela:
CÉSAR ZUMETA
LUIS CHURION
JOSÉ RAFAEL MONTILLA

Uruguay:
ALBERTO MAÑÉ
JUAN JOSÉ AMÉZAGA
JOSÉ G. ANTUÑA
JUAN CARLOS BLANCO
Señora SOFÍA A. V. DE DEMICHELI
MARTIN R. ECHEGOYEN
LUIS ALBERTO DE HERRERA
PEDRO MANINI RÍOS
MATEO MARQUES CASTRO
RODOLFO MEZZERA
OCTAVIO MORATÓ
LUIS MORQUIO
TEÓFILO PIÑEYRO CHAIN
DARDO REGULES
JOSÉ SERRATO
JOSÉ PEDRO VARELA

Paraguay:
JUSTO PASTOR BENÍTEZ
GERÓNIMO RIART
HORACIO A. FERNÁNDEZ
Señorita MARÍA F. GONZÁLEZ

Mexico:
JOSÉ MANUEL PUIG CASAURANC
ALFONSO REYES
BASILIO VADILLO
GENARO V. VÁSQUEZ
ROMEO ORTEGA
MANUEL J. SIERRA
EDUARDO SUÁREZ

Panama:
J. D. AROSEMENA
EDUARDO E. HOLGUÍN
OSCAR R. MULLER
MAGÍN PONS

Bolivia:
CASTO ROJAS
DAVID ALVÉSTEGUI
ARTURO PINTO ESCALIER

Guatemala:
ALFREDO SKINNER KLEE
JOSÉ GONZÁLEZ CAMPO
CARLOS SALAZAR
MANUEL ARROYO

Brazil:
AFRANIO DE MELLO FRANCO
LUCILLO A. DA CUNHA BUENO
FRANCISCO LUIS DA SILVA CAMPOS
GILBERTO AMADO
CARLOS CHAGAS
SAMUEL RIBEIRO

Ecuador:
AUGUSTO AGUIRRE APARICIO
HUMBERTO ALBORNOZ
ANTONIO PARRA
CARLOS PUIG VILASSAR
ARTURO SCARONE

Nicaragua:
LEONARDO ARGÜELLO
MANUEL CORDERO REYES
CARLOS CUADRA PASOS

Colombia:
ALFONSO LÓPEZ
RAIMUNDO RIVAS
JOSÉ CAMACHO CARREÑO

Chile:
MIGUEL CRUCHAGA TOCORNAL
OCTAVIO SEÑORET SILVA
GUSTAVO RIVERA
JOSÉ RAMÓN GUTIÉRREZ
FÉLIX NIETO DEL RÍO
FRANCISCO FIGUEROA SÁNCHEZ
BENJAMÍN COHEN

Peru:
ALFREDO SOLF Y MURO
FELIPE BARREDA LAOS
LUIS FERNÁN CISNEROS

Cuba:
ANGEL ALBERTO GIRAUDY
HERMINIO PORTELL VILÁ
ALFREDO NOGUEIRA

Who, after having exhibited their full powers, which were found in good and due form, have agreed upon the following:

ARTICLE 1

There shall be no distinction based on sex as regards nationality, in their legislation or in their practice.

ARTICLE 2

The present convention shall be ratified by the high contracting parties in conformity with their respective constitutional procedures. The Minister of Foreign Affairs of the Republic of Uruguay shall transmit authentic certified copies to the governments for the aforementioned purpose of ratification. The instrument of ratification shall be deposited in the archives of the Pan American Union in Washington, which shall notify the signatory governments of said deposit. Such notification shall be considered as an exchange of ratifications.

ARTICLE 3

The present convention will enter into force between the high contracting parties in the order in which they deposit their respective ratifications.

ARTICLE 4

The present convention shall remain in force indefinitely, but may be denounced by means of 1 year's notice given to the Pan American Union, which shall transmit it to the other signatory governments. After the expiration of this period the convention shall cease in its effects as regards the party which denounces but shall remain in effect for the remaining high contracting parties.

ARTICLE 8

The present convention shall be open for the adherence and accession of the States which are not signatories. The corresponding instruments shall be deposited in the archives of the Pan American Union which shall communicate them to the other high contracting parties.

In witness whereof, the following plenipotentiaries have signed this convention in Spanish, English, Portuguese, and French and hereunto affix their respective seals in the city of Montevideo, Republic of Uruguay, this 26th day of December 1933.

HONDURAS

The delegation of Honduras adheres to the Convention on Equality of Nationality, with the reservations and limitations which the constitution and laws of our country determine.

M. PAZ BARAONA
AUGUSTO C. COELLO
LUIS BOGRÁN

UNITED STATES OF AMERICA

The delegation of the United States of America, in signing the Convention on the Nationality of Women, makes the reservation that the agreement on the part of the United States is, of course and of necessity, subject to congressional action.

ALEXANDER W. WEDDELL
J. BUTLER WRIGHT

EL SALVADOR

Reservation to the effect that in El Salvador the convention cannot be the object of immediate ratification, but that it will be necessary to consider previously the desirability of reforming the existing naturalization law, ratification being obtained only in the event that such legislative reform is undertaken, and after it may have been effected.

HÉCTOR DAVID CASTRO
ARTURO R. AVILA

Dominican Republic:
TULIO M. CESTERO

Haiti:
J. BARAU
F. SALGADO
EDMOND MANGONÉS (avec réserves)
A. PRRE. PAUL (avec réserves)

Argentina:
CARLOS SAAVEDRA LAMAS
JUAN F. CAFFERATA
RAMÓN S. CASTILLO
I. RUIZ MORENO
L. A. PODESTÁ COSTA
D. ANTOKOLETZ

Uruguay:
A. MAÑÉ
JOSÉ PEDRO VARELA
MATEO MARQUES CASTRO
DARDO REGULES
SOFÍA ALVAREZ VIGNOLI DE DEMICHELI
TEÓFILO PIÑEYRO CHAIN
LUIS A. DE HERRERA
MARTÍN R. ECHEGOYEN
JOSÉ G. ANTUÑA
J. C. BLANCO
PEDRO MANINI RÍOS
RODOLFO MEZZERA
OCTAVIO MORATÓ
LUIS MORQUIO
JOSÉ SERRATO

Paraguay:
JUSTO PASTOR BENÍTEZ
MARÍA F. GONZÁLEZ

Mexico:
B. VADILLO
M. J. SIERRA
EDUARDO SUÁREZ

Panama:
J. D. AROSEMENA
MAGIN PONS
EDUARDO E. HOLGUIN

Bolivia:
ARTURO PINTO ESCALIER

Guatemala:
A. SKINNER KLEE
J. GONZÁLEZ CAMPO
CARLOS SALAZAR
M. ARROYO

Brazil:
LUCILLO A. DA CUNHA BUENO
GILBERTO AMADO

Ecuador:
A. AGUIRRE APARICIO
H. ALBORNOZ
ANTONIO PARRA V
C. PUIG V
ARTURO SCARONE

Nicaragua:
LEONARDO ARGÜELLO
M. CORDERO REYES
CARLOS CUADRA PASOS

Colombia:
ALFONSO LÓPEZ
RAIMUNDO RIVAS

Chile:
MIGUEL CRUCHAGA
J. RAMÓN GUTIÉRREZ
F. FIGUEROA
F. NIETO DEL RÍO
B. COHEN

Peru:
ALFREDO SOLF Y MURO

Cuba:
ALBERTO GIRAUDY
HERMINIO PORTELL VILÁ
ING. A. E. NOGUEIRA

The PRESIDING OFFICER. If there be no amendment, the convention will be reported to the Senate.

The convention was reported to the Senate without amendment.

The PRESIDING OFFICER. The resolution of ratification will be read.

The Chief Clerk read as follows:

Resolved (two thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive J, Seventy-third Congress, second session, the Convention on the Nationality of Women adopted at the seventh international conference of American States and signed on December 26, 1933, by plenipotentiaries of the United States of America and of other countries represented in the said conference at Montevideo, Uruguay.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification [putting the question]. Two thirds of the Senators present concurring therein, the resolution is agreed to, and the treaty is ratified.

Mr. PITTMAN. I ask that the injunction of secrecy be removed.

The PRESIDING OFFICER. Without objection, the injunction of secrecy is removed.

CLAUDIUS T. MURCHISON

Mr. BAILEY. Mr. President, I ask unanimous consent for the present consideration of the nomination of Claudius T. Murchison to be Director of the Bureau of Foreign and Domestic Commerce.

The PRESIDING OFFICER. Is there objection to the request of the Senator from North Carolina?

Mr. McNARY. Mr. President, is that the matter about which the Senator from North Carolina spoke to me today?

Mr. BAILEY. It is.

Mr. McNARY. What is the name of the nominee?

Mr. BAILEY. It is the nomination of Claudius T. Murchison, of North Carolina, to be Director of the Bureau of Foreign and Domestic Commerce.

Mr. McNARY. Is there now a vacancy in the office?

Mr. BAILEY. There is.

Mr. McNARY. And the committee reported the nomination unanimously?

Mr. BAILEY. The report is not unanimous. I have seen 12 members of the committee. It was discussed in the committee meeting.

Mr. McNARY. Has any objection been manifested to the nominee?

Mr. BAILEY. There is no opposition whatever. All 12 agree upon the confirmation.

Mr. HARRISON. Mr. President, this is the gentleman who has been nominated to succeed Mr. Thorp. Mr. Thorp's nomination was withdrawn, and this gentleman was appointed to take his place.

Mr. McNARY. I now recall the history of the matter. The nomination of Mr. Thorp came before the Commerce Committee, and there was opposition to him, largely from the chairman of the committee. The result was that his name was withdrawn by the President, and this man has been appointed in his stead?

Mr. BAILEY. That is correct.

Mr. McNARY. The Senator says he has polled the committee?

Mr. BAILEY. I have polled the committee to the extent of 12 members. I have not seen the Senator from North Dakota [Mr. NYE]. He has left the city, I understand. I have not seen the Senator from Maine [Mr. WHITE], because I have not been able to find him. I have not found the Senator from New York [Mr. COPELAND], nor the Senator from Florida [Mr. FLETCHER]. All the others I have seen. The Senator from New York is now here.

Mr. COPELAND. I never heard of the nominee before.

Mr. McNARY. Mr. President, the position is a very important one. This afternoon, when the Senator spoke to me hurriedly, I did not recall the case, and I did not make the proper statement. I think the committee should take action on this nomination in a rather formal way. If the Senator will let it go over until tomorrow, I think we can take it up then. For that reason, I object to the consideration of the nomination at this time.

The PRESIDING OFFICER. Objection is heard. The calendar is in order.

CALENDAR—TREATIES

Mr. HARRISON. I ask that the treaties on the calendar be passed over.

The PRESIDING OFFICER. The treaties will be passed over.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

REGISTER OF THE TREASURY

Mr. HARRISON. Mr. President, the nomination has been reported today from the Committee on Finance of W. W. Durbin to be Register of the Treasury. The two Senators from Ohio have conferred with me, and it is desired that this nomination be confirmed. I ask unanimous consent to act on the nomination today.

Mr. McNARY. What is the position to which the nominee has been named.

Mr. HARRISON. He has been nominated to be Register of the Treasury.

Mr. McNARY. Has the committee acted on the nomination today?

Mr. HARRISON. The committee has been polled, and there is no opposition to the nomination that I have heard from anyone. I have talked with both the Senators from Ohio, and there does not seem to be any opposition.

Mr. McNARY. Very well.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. HARRISON. I ask that the President be notified of the confirmation.

The PRESIDING OFFICER. Without objection, the President will be notified.

Mr. HARRISON. I move that the Senate proceed to the consideration of legislative business.

The motion was agreed to; and the Senate resumed legislative session.

RECESS

Mr. HARRISON. I move that the Senate take a recess until 10:30 o'clock tomorrow morning.

The motion was agreed to; and (at 5 o'clock and 50 minutes p.m.) the Senate took a recess until tomorrow, Friday, May 25, 1934, at 10:30 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate May 24 (legislative day of May 10), 1934

DIRECTOR BUREAU OF FOREIGN AND DOMESTIC COMMERCE

Claudius T. Murchison, of North Carolina, to be Director Bureau of Foreign and Domestic Commerce vice Williard L. Thorp.

UNITED STATES ATTORNEY

Leo J. Hickey, of New York, to be United States attorney, eastern district of New York, to succeed Howard W. Ameli, term expired.

APPOINTMENT IN THE REGULAR ARMY

TO BE CAPTAIN OF INFANTRY WITH RANK FROM DATE OF APPOINTMENT

George William Edgerly, formerly captain of Infantry.

APPOINTMENT BY TRANSFER IN THE REGULAR ARMY

TO QUARTERMASTER CORPS

Capt. Clyde Eugene Austin, Cavalry (detailed in Quartermaster Corps), with rank from July 1, 1920.

Capt. Hobart Raymond Gay, Cavalry (detailed in Quartermaster Corps), with rank from July 1, 1920.

TO FIELD ARTILLERY

Second Lt. Paul Russell Weyrauch, Infantry, with rank from June 12, 1930.

PROMOTIONS IN THE REGULAR ARMY

TO BE CAPTAINS

First Lt. Clarence Chamberlin Wilson, Air Corps, from May 16, 1934.

First Lt. Byron Elihu Gates, Air Corps, from May 21, 1934.

TO BE FIRST LIEUTENANTS

Second Lt. Marion George Pohl, Coast Artillery Corps, from May 16, 1934.

Second Lt. John Archibald Sawyer, Coast Artillery Corps, from May 20, 1934.

Second Lt. John Southworth Upham, Jr., Infantry, from May 21, 1934.

MEDICAL CORPS

To be lieutenant colonels

Maj. Wilson Carlisle von Kessler, Medical Corps, from May 18, 1934.

Maj. Coleridge Livingstone Beaven, Medical Corps, from May 20, 1934.

Maj. William Guy Guthrie, Medical Corps, from May 21, 1934.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 24 (legislative day of May 10), 1934

REGISTER OF THE TREASURY

William W. Durbin to be Register of the Treasury.

POSTMASTERS

IOWA

J. Murl Hamilton, Bedford.
Charles FitzPatrick, Churdan.
Martin W. Brockman, Clarksville.
Max B. Bishop, Elkader.
Fred W. Franzwa, Glidden.
Leslie E. Grady, New Hartford.
Lucy E. Newville, Titonka.

MISSOURI

Eliza Belle Lile, Cowgill.
Charline Finley Gardner, Hardin.
Benjamin R. Treasure, McFall.
Lilbourn B. Headlee, Morehouse.
Fred H. Kurz, Savannah.

MONTANA

Helen P. Gibb, Belton.
Ethel C. Hockman, Kevin.
Leo Z. Francis, Medicine Lake.
Hazel M. Peterson, Nashua.
Mary E. Matthews, Oilmont.
Frank D. Stoltz, Park City.
Philip W. Poindexter, Stevensville.
John W. Huntsberger, Sunburst.

NEVADA

Lem S. Allen, Fallon.
Frank F. Garside, Las Vegas.

TENNESSEE

Guy W. Mobley, Bells.
George F. Barfield, Henning.
Paul S. Savage, Ripley.
Ocie C. Hawkins, Stanton.

WEST VIRGINIA

Thomas M. Deegan, Benwood.
Clark E. Heckert, Cairo.
Della A. Kelly, Montgomery.
William E. Burchett, Williamson.

HOUSE OF REPRESENTATIVES

THURSDAY, MAY 24, 1934

The House met at 11 o'clock a.m.

The Chaplain, Rev. James Shera Montgomery, D.D., offered the following prayer:

Eternal God, our Father, countless are Thy witnesses. The numberless stars are but a little part of them and the prayers and the aspirations of the hearts of men will never cease to praise Thee. Humbled amid Thy manifold glories, may we find a blessed assurance in the simplicity of the Galilean Teacher. Heavenly Father, hasten the time when man shall love Thee as Thou hast loved the world and when the sword and the spear shall be made into the plowshare and the pruning hook and the desert shall blossom as the rose. Strengthen us for the work of today; help us to do it faithfully, cheerfully, and courageously, and may we be counted worthy in Thy sight and have the just approbation of our fellow citizens. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment a bill and joint resolutions of the House of the following titles:

H.R. 9530. An act granting the consent of Congress to the county of Pierce, a legal subdivision of the State of Washington, to construct, maintain, and operate a toll bridge across Puget Sound, State of Washington, at or near a point commonly known as "The Narrows";

H.J.Res. 345. Joint resolution to provide funds to enable the Secretary of Agriculture to carry out the purposes of the acts approved April 21, 1934, and April 7, 1934, relating, respectively, to cotton and to cattle and dairy products, and for other purposes; and

H.J.Res. 347. Joint resolution to prohibit the sale of arms or munitions of war in the United States under certain conditions.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 3040. An act to give the Supreme Court of the United States authority to make and publish rules in actions at law.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On May 23, 1934:

H.R. 878. An act for the relief of Kathryn Thurston;

H.R. 1254. An act for the relief of H. Forsell;

H.R. 4516. An act for the relief of B. Edward Westwood;

H.R. 5405. An act for the relief of Nicola Valerio;

H.R. 7356. An act to provide, in case of the disability of senior circuit judges, for the exercise of their powers and the performance of their duties by the other circuit judges; and

H.R. 8208. An act to provide for the exploitation for oil, gas, and other minerals on the lands comprising Fort Morgan Military Reservation, Ala.

On May 24, 1934:

H.R. 3673. An act to amend the law relative to citizenship and naturalization, and for other purposes; and

H.R. 5950. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto.

CAPT. FRANK HAMER

Mr. KLEBERG. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. KLEBERG. Mr. Speaker, my purpose in taking this fragment of time is to congratulate the Nation and the State of Texas and Capt. Frank Hamer, ex-Texas Ranger, and other officers who participated, for the work done in ridding our State of its public enemy no. 1, Mr. Clyde Barrow.

I feel, generally speaking, that in matters of this sort the attention of the country should be directed to the fact that efficiency still exists in the ranks of those who have to do with the enforcement of our country's laws. The State of Texas, of course, has been equipped for many years with a constabulary which, in my opinion, has done great service to the Nation without reference to the infinite good they have done the people of the State of Texas in the invaluable service they have rendered from the time of their creation as an official group for the protection of the peace and dignity of my great State.

I do not want to take too much time this morning, but while Mr. Frank Hamer was not at the time of the apprehension of Clyde Barrow and his consort a member of the Texas Rangers, he had served as a ranger for over 25 years, and it goes without saying that he knew his business. I think it would be well for the country generally to find out just exactly how the problem of apprehending this man was worked out in the brief period of time after Captain Hamer took his trail. I would suggest to the Department of Justice that they might learn something of benefit were they to look into the actual machinations and development of the plan which finally brought this career of crime to an end.

[Here the gavel fell.]

Mr. BLANTON. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for 1 additional minute; I wish to ask him a question.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BLANTON. Does not my colleague think that the most efficacious way of stopping organized thugs in the country would be to adopt Texas Ranger Hamer's slogan of "shooting the devil out of them"?

Mr. KLEBERG. It might be an excellent idea to let men such as Hamer work things out in the way they feel is best fitted.

Mr. BLANTON. Hamer's method is the quickest and most effective way of disposing of them. We do not capture alive and try rattlesnakes. We shoot their heads off before they strike.

EVERGLADES NATIONAL PARK

Mr. COX. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 384 and ask for its immediate consideration.

Mr. TREADWAY. Mr. Speaker, I make the point of order that no quorum is present.

The SPEAKER (after counting). Evidently there is no quorum present.

Mr. BYRNS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 144]

Allen	Cummings	Kee	Rayburn
Allgood	De Priest	Kelly, Ill.	Reid, Ill.
Andrews, N.Y.	Dickstein	Kennedy, Md.	Robinson, Utah
Auf der Heide	Dingell	Kniffin	Rogers, N.H.
Bacon	Doutrich	Kocialkowski	Rogers, Okla.
Bailey	Duffey	Kurtz	Romjue
Beck	Edmiston	Kvale	Sadowski
Berlin	Edmonds	Lea, Calif.	Schulte
Black	Ellzey, Miss.	Lee, Mo.	Shoemaker
Boland	Eltse, Calif.	Lesinski	Simpson
Brennan	Farley	Lundeen	Sisson
Britten	Fiesinger	McFadden	Smith, W.Va.
Brown, Mich.	Fitzgibbons	McGugin	Studley
Brumm	Foulkes	Maloney, La.	Sumners, Texas
Buchanan	Frey	Marland	Swank
Buckbee	Gavagan	Marshall	Taylor, Colo.
Bulwinkle	Gillespie	Martin, Colo.	Tinkham
Cannon, Wis.	Goodwin	Merritt	Tobey
Carley	Goss	Miller	Underwood
Carpenter, Kans.	Green	Milligan	Wadsworth
Carpenter, Nebr.	Griffin	Monaghan, Mont.	Waldron
Celler	Haines	Moynihan, Ill.	Wallgren
Chapman	Hamilton	Murdock	White
Chase	Hart	Norton	Whittington
Chavez	Hughes	Oliver, Ala.	Wood, Ga.
Connery	James	Palmisano	Wood, Mo.
Cooper, Ohio.	Jeffers	Peterson	
Corning	Johnson, W.Va.	Pettengill	
Crump	Kahn	Prall	

The SPEAKER. Three hundred and eighteen Members have answered to their names; a quorum is present.

Mr. McSWAIN. Mr. Speaker, I desire to announce that the gentleman from New Hampshire, Mr. ROGERS, the gentleman from Alabama, Mr. HILL, the gentleman from Minnesota, Mr. KVALE, the gentleman from Connecticut, Mr. GOSS, and the gentleman from Michigan, Mr. JAMES, did not answer this roll call because they were engaged in conducting, on behalf of the Committee on Military Affairs, an investigation pursuant to the instructions of the House.

On motion of Mr. BYRNS, further proceedings under the call were dispensed with.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that all members of the Interstate and Foreign Commerce Committee be excused from attendance for such time as may be necessary this afternoon. They are in a very important committee meeting, so I am advised. I am not going to enumerate their names.

Mr. SNELL. I think the gentleman has made a sufficient announcement.

Mr. TREADWAY. Mr. Speaker, reserving the right to object, may I ask the gentleman if permission should not also be asked for the members of the Ways and Means Committee? I am not authorized to make such a request for them, but this committee, too, is holding a very important meeting this afternoon. If the members of the Committee on Interstate and Foreign Commerce are to be excused, I think the members of the Committee on Ways and Means should be excused, too.

Mr. BYRNS. I hope if the gentleman is going to be absent he will not, between now and the time he leaves, make any more points of no quorum.

Mr. TREADWAY. The measure that has been called up this morning is so important that a very important financial bill was laid aside to take it up, and it seemed to me that we should have a full attendance.

Mr. BYRNS. Mr. Speaker, may I state to the gentleman from Massachusetts and to the Members of the House that it is extremely important that every Member stay in his seat today, because it is necessary to act not only upon the bill that is about to be considered but upon the deposit-insurance bill as well.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

EMERGENCY OFFICERS' RETIREMENT ACT

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to have the bill (S. 1595) extending the benefits of the Emergency Officers' Retirement Act of May 24, 1928, to provisional officers of the Regular Establisment who served during the World War, taken from the Committee on World War Veterans' Legislation, and referred to the Committee on Military Affairs.

Mr. LUCE. Mr. Speaker, I reserve the right to object.

Mr. McFARLANE. Mr. Speaker, reserving the right to object, will the gentleman tell us what this bill is?

Mr. RANKIN. It is a bill extending the benefits of the Emergency Officers' Retirement Act of May 24, 1928, to provisional officers of the Regular Establishment who served during the World War.

Mr. LUCE. Mr. Speaker, I wish to know if this is done in order to keep intact the clear record of the Committee on World War Veterans' Legislation of not having any meetings this session?

Mr. RANKIN. I do not know, but it will certainly help carry out the record of the gentleman from Massachusetts in not voting for benefits for World War veterans except under pressure.

Mr. SNELL. The gentleman from Mississippi [Mr. RANKIN] has not said anything about having meetings this session.

Mr. RANKIN. Does the minority leader desire to be heard on any legislation?

Mr. BANKHEAD. Mr. Speaker, I demand the regular order.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

EVERGLADES NATIONAL PARK

The SPEAKER. The gentleman from Georgia [Mr. Cox] calls up a privileged resolution, which the Clerk will report.

The Clerk read the resolution, as follows:

House Resolution 384

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H.R. 2837, to provide for the establishment of the Everglades National Park in the State of Florida, and for other purposes, and all points of order against said bill or any amendment recommended by the Committee on the Public Lands are hereby waived. That after general debate, which shall be confined to the bill and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Public Lands, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment the committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. COX. Mr. Speaker, this is a resolution to make in order the Wilcox bill (H.R. 2837) to provide for the establishment of the Everglades National Park in the State of Florida, and for other purposes. The rule provides for 2 hours' general debate on the bill.

Since there is an hour on the rule, which will be largely devoted to a discussion of the merits of the bill, I offer a motion to amend the resolution by striking out the word "two", in line 10, and substituting in lieu thereof the word "one", which means reducing general debate from 2 hours to 1 hour.

The SPEAKER. The gentleman from Georgia offers a committee amendment which the Clerk will report.

The Clerk read as follows:

Committee amendment: Page 1, line 10, strike out the word "two" and insert in lieu thereof the word "one."

Mr. LEHLBACH. Mr. Speaker, a point of order. This is not a committee amendment.

Mr. MARTIN of Massachusetts. Mr. Speaker, the committee has never acted on the suggestion of the gentleman from Georgia [Mr. Cox].

Mr. COX. Is the gentleman from Massachusetts not prepared to consent to this amendment?

Mr. MARTIN of Massachusetts. No.

Mr. BLANTON. Mr. Speaker, I make the point of order that the gentleman from Georgia [Mr. Cox] is in charge of the resolution and the time. He has the floor and he may offer any amendment he wants to offer.

The SPEAKER. The point of order of the gentleman from Texas [Mr. BLANTON] is sustained.

Mr. MARTIN of Massachusetts. Mr. Speaker, I question the gentleman's authority to amend the rule without a meeting of the Rules Committee.

Mr. COX. I am handling the rule for the committee, and I think it is my privilege to offer an amendment.

Mr. MARTIN of Massachusetts. What would be the use of having meetings of the Rules Committee if any one Member could come in here and offer a committee amendment without consulting the other members of the committee?

Mr. BLANTON. The gentleman from Georgia [Mr. Cox] represents the majority of the committee and has the floor. He can offer such amendments as he desires. Mr. Speaker, I ask for the regular order.

Mr. MARTIN of Massachusetts. I ask for a ruling by the Chair.

The SPEAKER. The gentleman from Georgia [Mr. Cox] is in charge of the matter and has a perfect right to offer an amendment.

The question is on the amendment offered by the gentleman from Georgia [Mr. Cox].

Mr. SNELL. Mr. Speaker, I demand a division.

Mr. BLANTON. This is a Republican filibuster pure and simple.

Mr. SNELL. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 244, nays 87, answered "present" 1, not voting 99, as follows:

[Roll No. 145]

YEAS—244

Abernethy	Cochran, Mo.	Ellzey, Miss.	Kenney
Adair	Coffin	Faddis	Kerr
Adams	Colden	Fernandez	Kleberg
Arnold	Cole	Fitzpatrick	Kloeb
Ayers, Mont.	Collins, Miss.	Flannagan	Kopplemann
Ayres, Kans.	Colmer	Fletcher	Kramer
Bankhead	Condon	Ford	Kvale
Beam	Cooper, Ohio	Fuller	Lambeth
Beiter	Cooper, Tenn.	Fulmer	Lanham
Berlin	Cox	Gambrill	Lanzetta
Biermann	Cravens	Gasque	Larrabee
Bland	Crosby	Gillette	Lee, Mo.
Blanton	Cross, Tex.	Glover	Lehr
Bloom	Crowe	Goldsborough	Lemke
Boehne	Cullen	Granfield	Lesinski
Boileau	Darden	Gray	Lewis, Colo.
Boland	Dear	Gregory	Lewis, Md.
Boylan	Deen	Griswold	Lindsay
Brooks	Delaney	Hancock, N.C.	Lozier
Brown, Ga.	DeRouen	Harlan	Ludlow
Brown, Ky.	Dickinson	Harter	Lundeen
Browning	Dickstein	Hastings	McCarthy
Brunner	Dies	Healey	McClintic
Burch	Dingell	Henney	McCormack
Burke, Calif.	Disney	Hildebrandt	McDuffie
Busby	Dobbins	Hill, Knute	McFarlane
Byrns	Dockweiler	Hill, Samuel B.	McGrath
Cady	Dondero	Hoidale	McKeown
Caldwell	Doughton	Howard	McLeod
Cannon, Mo.	Douglass	Imhoff	McMillan
Carden, Ky.	Doxey	Jacobsen	McReynolds
Carmichael	Drewry	Jenckes, Ind.	McSwain
Carpenter, Kans.	Driver	Johnson, Minn.	Mansfield
Cartwright	Duncan, Mo.	Johnson, Okla.	Martin, Oreg.
Cary	Dunn	Johnson, Tex.	May
Castellow	Durgan, Ind.	Jones	Mead
Chavez	Eagle	Keller	Meeks
Claiborne	Eicher	Kelly, Ill.	Miller
Clark, N.C.	Ellenbogen	Kennedy, N.Y.	Mitchell
Monaghan, Mont.	Randolph	Smith, Va.	Turpin
Montague	Rankin	Smith, Wash.	Umstead
Montet	Reilly	Snyder	Utterback
Moran	Richards	Somers, N.Y.	Vinson, Ga.
Morehead	Richardson	Spence	Vinson, Ky.
Musselwhite	Robertson	Steagall	Walter
Nesbit	Rogers, N.H.	Strong, Tex.	Warren
O'Brien	Romjue	Stubbs	Wearin
O'Connell	Rudd	Sullivan	Weaver
O'Connor	Ruffin	Sumners, Tex.	Weideman
O'Malley	Sabath	Sutphin	Werner
Oliver, N.Y.	Sanders, La.	Sweeney	West, Ohio
Owen	Sanders, Tex.	Tarver	West, Tex.
Parker	Sandlin	Taylor, S.C.	White
Parks	Schaefer	Terrell, Tex.	Whittington
Parsons	Schuetz	Terry, Ark.	Wilcox
Patman	Scrugham	Thom	Williford
Peyser	Sears	Thomason	Williams
Pierce	Secrest	Thompson, Ill.	Wilson
Polk	Shallenberger	Thompson, Tex.	Wolfenden
Ramsay	Shannon	Truax	Young
Ramspeck	Sirovich	Turner	Zioncheck

NAYS—87

Allen	Dirksen	Knutson	Sinclair
Andrew, Mass.	Ditter	Lambertson	Snell
Bacharach	Dowell	Lamneck	Stalker
Bacon	Eaton	Lehlbach	Stokes
Bakewell	Englebright	Luce	Strong, Pa.
Beck	Evans	McFadden	Taber
Beedy	Fish	McGugin	Taylor, Tenn.
Blanchard	Focht	Mapes	Thomas
Bolton	Foss	Martin, Mass.	Thurston
Burke, Nebr.	Frear	Merritt	Tinkham
Burnham	Gifford	Millard	Tobey
Carter, Calif.	Gilchrist	Mott	Traeger
Carter, Wyo.	Guyer	Moynihan, Ill.	Treadway
Cavicchia	Hancock, N.Y.	Muldowney	Waldron
Christianson	Hartley	Peavey	Welch
Clarke, N.Y.	Hess	Perkins	Whitley
Cochran, Pa.	Higgins	Powers	Wigglesworth
Collins, Calif.	Hollister	Ransley	Withrow
Connolly	Jenkins, Ohio	Reed, N.Y.	Wolcott
Crowther	Kahn	Rich	Wolverton
Culkin	Kelly, Pa.	Rogers, Mass.	Woodruff
Darrow	Kinzer	Seger	

ANSWERED "PRESENT"—1

Connery

NOT VOTING—99

Allgood	De Priest	Hope	Pettengill
Andrews, N.Y.	Doutrich	Huddleston	Plumley
Arens	Duffey	Hughes	Prall
Auf der Heide	Edmiston	James	Rayburn
Bailey	Edmonds	Jeffers	Reece
Black	Eltse, Calif.	Johnson, W.Va.	Reid, Ill.
Brennan	Farley	Kee	Robinson
Britten	Piesinger	Kennedy, Md.	Rogers, Okla.
Brown, Mich.	Fitzgibbons	Kniffin	Sadowski
Brumm	Foulkes	Kocialkowski	Schulte
Buchanan	Frey	Kurtz	Shoemaker
Buck	Gavagan	Lea, Calif.	Simpson
Buckbee	Gillespie	Lloyd	Sisson
Bulwinkle	Goodwin	McLean	Smith, W.Va.
Cannon, Wis.	Goss	Maloney, Conn.	Studley
Carley, N.Y.	Green	Maloney, La.	Swank
Carpenter, Nebr.	Greenway	Marland	Swick
Celler	Greenwood	Marshall	Taylor, Colo.
Chapman	Griffin	Martin, Colo.	Underwood
Chase	Haines	Milligan	Wadsworth
Church	Hamilton	Murdock	Wallgren
Corning	Hart	Norton	Wood, Ga.
Crosser, Ohio	Hill, Ala.	Oliver, Ala.	Wood, Mo.
Crump	Hoeppel	Palmisano	Woodrum
Cummings	Holmes	Peterson	

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Piesinger (for) with Mr. Doutrich (against).
Mr. Palmisano (for) with Mr. Brumm (against).
Mr. Green (for) with Mr. Chase (against).
Mr. Sears (for) with Mr. Edmunds (against).
Mr. Peterson (for) with Mr. Goss (against).
Mr. Underwood (for) with Mr. Kurtz (against).
Mr. Pettengill (for) with Mr. Plumley (against).
Mr. Hamilton (for) with Mr. Simpson (against).
Mr. Corning (for) with Mr. Wadsworth (against).
Mr. Crump (for) with Mr. Holmes (against).
Mr. Black (for) with Mr. Eltse of California (against).
Mr. Greenwood (for) with Mr. Britten (against).
Mr. Woodrum (for) with Mr. Swick (against).
Mr. Griffin (for) with Mr. Marshall (against).
Mrs. Norton (for) with Mr. Reid of Illinois (against).
Mr. Kee (for) with Mr. Goodwin (against).
Mr. Gavagan (for) with Mr. De Priest (against).
Mr. Chapman (for) with Mr. Hope (against).
Mr. Sadowski (for) with Mr. Andrews of New York (against).
Mr. Prall (for) with Mr. Buckbee (against).
Mr. Maloney of Louisiana (for) with Mr. Reece (against).

Until further notice:

Mr. Buchanan with Mr. Frey.
Mr. Allgood with Mr. Rogers of Oklahoma.

Mrs. Greenway with Mr. Marland.
Mr. Bulwinkle with Mr. Sisson.
Mr. Huddleston with Mr. Lloyd.
Mr. Swank with Mr. Carley of New York.
Mr. Taylor of Colorado with Mr. Kniffin.
Mr. Wood of Georgia with Mr. Brennan.
Mr. Haines with Mr. Buck.
Mr. Maloney of Connecticut with Mr. Church.
Mr. Smith of West Virginia with Mr. Robinson.
Mr. Bailey with Mr. Schulte.
Mr. Hill of Alabama with Mr. Wallgren.
Mr. Martin of Colorado with Mr. Gillespie.
Mr. Milligan with Mr. Auf der Heide.
Mr. Jeffers with Mr. Murdock.
Mr. Johnson of West Virginia with Mr. Fitzgibbons.
Mr. Lea of California with Mr. Cannon of Wisconsin.
Mr. Duffey with Mr. Brown of Michigan.
Mr. Farley with Mr. Cummings.
Mr. Kocialkowski with Mr. Edmiston.
Mr. Hughes with Mr. Wood of Missouri.
Mr. Kennedy of Maryland with Mr. Studley.
Mr. Rayburn with Mr. James.
Mr. Oliver of Alabama with Mr. McLean.
Mr. Crosser of Ohio with Mr. Arens.
Mr. Celler with Mr. Shoemaker.

The result of the vote was announced as above recorded.

Mr. BYRNS. Mr. Speaker, I desire to proceed for one moment to make an announcement.

My colleague the gentleman from Tennessee [Mr. CRUMP] is unavoidably absent on account of important business. If he were present he would vote "yea."

FEDERAL LOANS TO THE DISTRICT OF COLUMBIA

Mr. SMITH of Virginia submitted the following privileged report from the Committee on Rules for printing in the RECORD under the rule:

[H. Rept. No. 1759, 73d Cong., 2d sess.]

CONSIDERATION OF S. 3404

Mr. SMITH, from the Committee on Rules, submitted the following report (to accompany House Resolution 368):

The Committee on Rules, having had under consideration House Resolution 368, reports same to the House with the recommendation that the resolution do pass.

House Resolution 368

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 3404, a bill authorizing loans from the Federal Emergency Administration of Public Works for the construction of certain municipal buildings in the District of Columbia, and for other purposes, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the District of Columbia, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. BLANTON reserved all points of order.

EVERGLADES NATIONAL PARK

Mr. COX. Mr. Speaker, it is perfectly apparent that the gentlemen of the minority are very much interested in this Wilcox bill. They were probably provoked into initiating this apparent filibuster by the motion made by me to reduce general debate from 2 hours to 1 hour. I regret that, possibly, I was not fully advised of the interest in the bill at the time I offered the motion.

I certainly desire to be altogether decent and fair with the minority and to accommodate their needs, Mr. Speaker, I wish to yield to the gentleman from Pennsylvania [Mr. RANSLEY], the ranking minority member of the Rules Committee, 45 minutes of the 1 hour of time which is to be devoted to the rule, to be yielded by him as he may see fit.

The SPEAKER. The gentleman from Pennsylvania will be recognized for 45 minutes.

Mr. COX. Mr. Speaker, this Wilcox proposal, as contained in H.R. 2837, is no new matter. It deals with a question that has been before the House many times. It simply provides for the establishment of what is designated as "the Everglades National Park", an area to be comprised of 1,300,000 acres of land located in the extreme southern portion of the State of Florida. The State of Florida owns about 350,000 acres, which it proposes to donate. The remainder of the area is to be acquired by donation. The Government is not expected to expend one dime in the acquisition of this property, and the bill provides that no expenditure whatever shall be made by the Government on the development of the park for 5 years after the adoption of the bill.

Mr. Speaker, I reserve the remainder of my time.

Mr. HASTINGS. Mr. Speaker, will the gentleman yield a moment there?

Mr. COX. I yield.

Mr. HASTINGS. Why is this unusual amendment added to the bill, that the Government shall not spend any money for 5 years after all the area is acquired?

Mr. COX. This concession on the part of the sponsors of the bill is made, I dare say, out of consideration for the needs of the Treasury of the United States, and I dare say for the further purpose of popularizing the whole question with the Membership of the House.

Mr. HASTINGS. Has such an amendment ever been added to any other bill creating a national park?

Mr. COX. I do not know of any instance in which that has been done.

Mr. MARTIN of Massachusetts. Will the gentleman yield?

Mr. COX. Mr. Speaker, I reserve the balance of my time.

Mr. MARTIN of Massachusetts. I was going to suggest to the gentleman that he should have someone explain the bill before we continue the debate.

Mr. COX. I think the gentleman from Massachusetts is perfectly acquainted with the proposal and is in position to discuss the question.

Mr. MARTIN of Massachusetts. I know about it, and I wanted the other Members of the House to also know about it.

Mr. COX. I must not consume the time I have by answering further questions at this time.

Mr. RANSLEY. Mr. Speaker, I yield 10 minutes to the gentleman from New Jersey [Mr. LEHLBACH].

Mr. LEHLBACH. Mr. Speaker and Members of the House, the minority has not been conducting a filibuster, but in view of the character of the bill to be made in order by this rule must insist on its rights.

The Committee on Rules reported the resolution making this bill in order as it is printed, without amendment. Under authority of the committee, by designation of its chairman, the gentleman from Georgia was intrusted, on the part of the committee, as its spokesman, to present this resolution to the membership of the House.

Now, it may be that the Speaker was right in his ruling that when the gentleman from Georgia, as spokesman of the committee, was presenting the views and action of the committee to the House he could at that time in his individual capacity, as a Member of the House, alter the action of the Committee on Rules, which he was designated to present. It may be that he was within the strict letter of the rule, but he certainly did not act as spokesman and trustee of the committee when he altered the action of the committee without consulting its members. For that reason, and because his action was not in accordance with the action of the committee, we had a right to show our protest.

The bill to be made in order is a bill almost as important as it is vicious, and for that reason those of us who oppose this steal insist on having adequate general debate in order to present the facts in the case to the House and to the people. For that reason this action in cutting down the time of general debate by two was not playing the game and was an invasion of the rights of the majority of the House.

Mr. COX. Will the gentleman yield?

Mr. LEHLBACH. I yield.

Mr. COX. The gentleman from New Jersey overlooks the generosity of the majority in yielding almost all of its time on the rule. The gentleman is fair enough to concede that the cutting down of general debate was in the interest of economy of time and to promote the final consideration of the bill now pending before the House.

Mr. LEHLBACH. And to promote the chances of the bill by not affording adequate general discussion.

Mr. COX. I want to disclaim any intention to take advantage of the minority in moving to reduce the time of general debate. I had no idea of cutting off debate, for as far as I am personally concerned, you might debate it all day.

Mr. LEHLBACH. I wish to state that there is no question in my mind that the action of the gentleman from Georgia in offering his amendment was without consideration, and an inadvertence; that he did the best he could when he saw how his action was received by the minority, and the consequences that might follow; he then gave us three quarters of the time that his amendment deprived us of.

Mr. O'CONNOR. Will the gentleman yield?

Mr. LEHLBACH. I yield to the gentleman from New York.

Mr. O'CONNOR. The gentleman will recall that the Committee on Rules very reluctantly granted 2 hours general debate, and that the request for a longer time than the usual 1 hour to which we confine matters generally, was asked for by the sponsors of the bill. The 2 hours for general debate was not demanded by any opponent. The sponsors asked for 2 hours so that they might more adequately explain the bill, and so the minority has not been interfered with.

Mr. LEHLBACH. I am not talking about what occurred in the Committee on Rules, but I am talking about the consequence of the change of action and the manner in which it was done.

Mr. TREADWAY. Will the gentleman yield?

Mr. LEHLBACH. I yield.

Mr. TREADWAY. If, in accordance with the statement of the gentleman from New York [Mr. O'CONNOR], the sponsors of the bill were the ones who asked for the extension of time, why is it that the sponsors, and those in favor of the bill, did not explain the bill to the House before asking the opposition to go on with their statements?

Mr. LEHLBACH. That is a question that should be answered by the gentleman in charge of the rule when opportunity is accorded. I do think that the statement of the gentleman from Massachusetts is to the point. I think, before this debate continues after my time expires, that the bill should be explained to the House by its protagonists, before we are called upon to use any further time.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. LEHLBACH. Yes.

Mr. O'CONNOR. Is the gentleman seriously contending that there is not any Member of this House who does not know about this particularly famous bill?

Mr. LEHLBACH. There is not an old Member of the House who does not know about it, because what they have known in the past about this bill has precluded its passage, although it has been kicking around here for years.

Mr. O'CONNOR. The gentleman from Massachusetts [Mr. TREADWAY] is one of the youngest looking and yet one of the oldest Members of this House, and he ought to know.

Mr. TREADWAY. Why not also say the handsomest?

Mr. LEHLBACH. This bill is to create a snake swamp park on perfectly worthless land in the State of Florida, so the fact that it would not cost the Government anything for the initial acquisition of this worthless swamp is the height of irony, but if the Government takes this and builds a road at a cost of $1,000,000 to get to it, because it will take $1,000,000 to make it accessible, and then pours countless millions into that swamp, it will do something that adds value to the surrounding real estate in Florida. This is the most perfect example of supersalesmanship of Florida real estate, although we have seen many of them, that has ever yet been made public. I yield back the remainder of my time.

Mr. RANSLEY. Mr. Speaker, will the gentleman from Georgia [Mr. Cox] please explain the bill at this time?

Mr. COX. Mr. Speaker, if the gentleman is satisfied with the debate up to this point, I shall move the previous question.

Mr. RANSLEY. Mr. Speaker, I yield 10 minutes to the gentleman from New York [Mr. TABER].

The SPEAKER pro tempore (Mr. PARKS). The gentleman from New York is recognized for 10 minutes.

Mr. TABER. Mr. Speaker, this is another old friend. It has a history, but I am not going to tell about the history; I am going to tell about the bill. I have assumed from the attitude which has been taken by the proponents of the bill that they had not any satisfactory explanation for the bill and that they propose to put it through the House under cover of darkness. If they had a satisfactory explanation of it, they would give it. I can tell only a little bit about it, because it has been impossible to find out the real heart of it. It came in here a good many years ago, and at that time it was generally talked around here that before we got through with it it would cost $100,000,000 out of the Treasury of the United States.

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield?

Mr. TABER. Yes.

Mr. BANKHEAD. Did anybody in any position of responsibility or respect for their opinion make any such statement as that? Who made such a wild statement?

Mr. TABER. I hope the gentleman will watch what the debate develops here and see what he thinks about that question when we get through.

Mr. CULKIN. Mr. Speaker, will the gentleman yield?

Mr. TABER. Yes.

Mr. CULKIN. Is it not a fact that Mr. Speaker Longworth, in ruling on some parliamentary phase of this bill, stated that this bill, making a park out of 3,400 square miles of land, would involve future disbursements on the part of the Government of many millions, including $700,000 per mile for roads? Does the gentleman recall the ruling of the late Speaker upon that?

Mr. TABER. I think that is the situation.

Mr. CULKIN. So that it is a matter of record that it will be extremely costly.

Mr. TABER. Oh, yes. There is no question about that.

Mr. SEARS. Mr. Speaker, will the gentleman yield?

Mr. TABER. Not at this time. I have been in hope that the gentleman would go on and attempt to explain the bill, because I think that the House of Representatives, when called on to pass a bill of this character, ought to know what it is about. The operations the proponents of the bill are going through here indicate that they do not want it explained; they want it in the dark. I am going to tell you a few things about it so that the House can get a little bit of a picture of it. This bill provides for establishing the Everglades Park, and that Everglades Park covers, as I understand, one-million-three-hundred-thousand-and-odd acres. It includes three whole counties and maybe more. I know that much of one of those counties is supposed to be owned almost entirely by Barron Collier, a leading Democrat in New York City. Out of the 1,300,000 acres I understand that 300,000 acres have already been acquired by the State of Florida.

Mr. WILCOX. Mr. Speaker, will the gentleman yield?

Mr. TABER. I was in hope that the gentleman would explain his bill, and I hope its proponents will do it in their own time. It would have been fair if they had explained it before we started, and I do not believe that I can yield to the gentleman from Florida [Mr. WILCOX] until he explains this bill. If the gentleman would take his time and explain the bill the way folks generally do when they have something important they want the House to consider, we would have before us then what the proponents think about it, so that we could talk about it, but we have not got that now. That is not the way matters of this importance ought to be brought before the House of Representatives.

Mr. WILCOX. But the gentleman——

Mr. TABER. I decline to yield to the gentleman to explain his bill in my time.

Under ordinary circumstances, if the proponents had come here and attempted to explain this bill before we started, I would yield to him as I go along; but in view of the fact that they did not, I do not feel I ought to yield to them to explain

the bill in my time. I think they ought to explain the bill in their own time, if there is any explanation, and if there is not any explanation, the House of Representatives ought to turn the bill down.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. COX. If the gentleman himself is not acquainted with the bill, then how can the gentleman be certain of anything he is now saying?

Mr. TABER. Oh, I am only certain from what investigation I have been able to make, and the things I have found out about it have rather decidedly made me feel that the House of Representatives, if they knew about the bill, would not be for it.

As I said before, Barron Collier, a leading Democrat of New York City, is supposed to own one of the three counties. I do not know that as a certainty, but I have received letters from different parts of the country telling me that fact.

The Secretary of the Interior goes down there and looks over the place, and I read from the report of the committee, on page 3, on this particular subject:

With the help of Dr. Fairchild and Judge Ritter, president of the association—

I do not know whether you have heard of Judge Ritter or not, but, in any event, the Committee on the Judiciary is investigating him—

and through the kindness of Mr. Henry L. Doherty—

Did you ever hear of him? Mr. Henry L. Doherty is head of the Cities Service Co., which is now being investigated by the Federal Trade Commission. He was chairman of the President's birthday ball committee. He is the owner, as a side line, of a chain of hotels in southern Florida, which would more or less be benefited by the adoption of this bill.

Mr. McFADDEN. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. McFADDEN. This is the same Doherty whose daughter is now secretary to the legation abroad to which Mrs. Ruth Bryan Owen is Minister?

Mr. TABER. I have heard so, but I do not know.

Mr. MARTIN of Massachusetts. Mr. Speaker will the gentleman yield?

Mr. TABER. I yield.

Mr. MARTIN of Massachusetts. And was not the Minister the first one who proposed this legislation?

Mr. TABER. No. I think the legislation goes back of that. Under her guidance the upbuilding of what it was going to cost the Federal Treasury was completed.

Mr. MARTIN of Massachusetts. She is the one who brought the snakes up here to exhibit?

Mr. TABER. Oh, yes.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. RICH. Speaking of Henry Doherty, who took Secretary Wilbur on that tour up Shark River, does not the gentleman now feel that the men who own this ground in the Everglades want to take Congress up Shark River?

Mr. TABER. Well, perhaps they do. Congress would be a minor part of it, because I do not suppose the Members of Congress pay a big portion of the taxes, but the taxpayers of the United States would be taken up Shark River with a vengeance.

Mr. McFADDEN. Mr. Speaker, will the gentleman yield further?

Mr. TABER. I yield.

Mr. McFADDEN. I have noticed in the past that when important pieces of legislation are to be considered the appropriate department of the Government sends out a questionnaire. Does the gentleman know whether they have done that in this instance? It was done in the case of the Bankhead cotton bill. The parties interested were consulted. I am wondering whether the alligators and the snakes have been consulted.

The SPEAKER pro tempore. The time of the gentleman from New York [Mr. TABER] has expired.

Mr. RANSLEY. Mr. Speaker, I yield the gentleman from New York 5 additional minutes.

Mr. JENKINS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. JENKINS of Ohio. I should like to ask the gentleman if he has ever seen this territory?

Mr. TABER. No. I am sorry I have not. I am busy here all winter and am unable to go down and look it over.

Mr. JENKINS of Ohio. In the language of General Johnson, "The gentleman has never seen nothing yet."

Mr. TREADWAY. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. TREADWAY. In view of the testimony that is before us, not new information, because we do not have any and have not been given any, but in view of the testimony previously submitted, the gentleman could not see this neighborhood unless he owned an airplane. I assume from what the gentleman has just said as to his income that he does not own an airplane. He might get Mr. Doherty to lend him his.

Mr. TABER. I presume if any Member of Congress would go down there and look it over Mr. Doherty would be glad to oblige him, because it is very much in Mr. Doherty's interest to have this bill passed.

Mr. WILCOX. Mr. Speaker, will the gentleman yield?

Mr. TABER. No; not just at this moment.

Now, I want to read from an old report on page 14. This is a report that was put into the Senate in the Seventy-first Congress:

The State of Florida owns 20 to 25 percent of the lands and the balance is in the hands of a very few individuals and corporations.

On page 14 also—now, let us see what you are getting in for:

It is proposed to establish a Pan American highway which would include the existing highway down the Florida Peninsula and along the keys. The present road ends at lower Matecumbe Key, but it is proposed to extend it to Key West, thence by ferry to Cuba, thence by road across Cuba, thence by ferry to Yucatan, and thence by road to South America. If this project materializes, travel through southern Florida would be increased, and the proposed park area would be a feature of the Pan American highway. The nearest present or prospective national park is the Great Smoky Mountains National Park in North Carolina and Tennessee, which is distant about 700 miles.

Well, now, you know that we are getting a little nearer to that Pan American highway. An estimate of $5,000,000 was included in the bill the Appropriations Committee is now considering, this amount to be spent for this Pan American highway. That is the truth.

Mr. KELLER. Not by way of Florida.

Mr. TABER. I do not know. It was for the Pan American highway. I think it was.

Mr. McFADDEN. Mr. Speaker, will the gentleman yield further?

Mr. TABER. Certainly.

Mr. McFADDEN. This development would also improve the value of the Miami Biltmore and other hotels which Doherty has recently purchased.

Mr. TABER. Oh, yes; so he could entertain his Democratic friends. They seem to be the ones with enough money to go down there.

Mr. CULKIN. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. CULKIN. Does not the gentleman think that Mr. Doherty ought to entertain the subscribers to Cities Service stock?

Mr. TABER. Oh, he does not want to see them! [Laughter.]

Mr. CULKIN. He has already given them a ride, I suppose.

Mr. TABER. It appears from page 8 of the hearing that they are going to build some roads down there. From page 4 of the hearing I want to read you how good the fishing is in that section of the country.

Mr. TREADWAY. When was this hearing held?

Mr. TABER. Oh, some time in 1931.

Mr. TREADWAY. It was not held on the present bill, then?

Mr. TABER. Oh, no; but on one of these bills.

This is the testimony of Mr. Albright:

I might say also that Mr. Kelsey is a fisherman; that he looks a little into the possibility of fishing down there. I am sorry to admit it, but he never caught any fish, but we had a fish jump into our boat.

[Laughter.]

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield 5 additional minutes to the gentleman from New York.

Mr. McFADDEN. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. McFADDEN. I am interested in this fishing story. Did this happen before the Prohibition Act was repealed or afterward?

Mr. TABER. Well, I do not know; maybe they could do as well today.

It appears from some of the talk I have heard that this is supposed to be a duck preserve. It appears also that somebody has dug a channel from the sea into the fresh water and that the salt water has driven the ducks away. So the value of this area as a duck preserve is more or less destroyed.

These are some of the points of the bill.

I wish to read a little from page 5:

Mr. YON. Mr. Chairman, does this proposed park area take in the Royal Palm State Park down there?

The CHAIRMAN. Yes; it does.

Mr. YON. Well, there is a road that goes through from Miami down that far and then down to the cape.

Mr. ALBRIGHT. Unfortunately, it is out of commission. The big storm of a couple of years ago put that out of commission.

He then goes on to tell how it would have to be rebuilt.

Now, this is the thing about which I wish you to think: We have had all kinds of rumors and talk about what this bill would cost, all kinds of estimates; we have had certain definite facts that point in that direction. The State of Florida proposes under this bill to give the land to the United States. Why would the State of Florida want to give this land, 1,300,000 acres, to the United States unless it expected to get a big appropriation out of the Federal Treasury? This is the thing in which I am especially interested. I want you to be serious about it; I want you to think about it. I expect if we pass this bill today we will be approached in the not far distant future with an effort to obtain countless millions out of the Federal Treasury for this development and the development of matters connected with it.

I do not like to oppose the Members from Florida, for they are my friends; but I feel that my responsibility as a Member of this House calls upon me to oppose this bill in the interest of the Federal Treasury.

Mr. GIFFORD. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. GIFFORD. I feel as does the gentleman from New York—I do not want to be unfair to the Members from Florida—but does the gentleman recall that about 2 weeks ago one of the Members of Congress from Florida boasted that in the last 10 years Florida had received $500,000,000 of Federal funds?

Mr. TABER. That is about the truth; and if this bill passes, it will make $100,000,000 more, I am afraid.

I know of no way to stop these funds from coming out of the Federal Treasury except to refuse to pass such bills when they come up. This bill has been under consideration a long time in more ways than one, and it has invariably failed of passage. Those things do not happen unless there is a reason for them. Were it a bill in the real interest of the people of the United States, it would have been passed before. I think we should gather some sense from the history of the legislation, from the manner in which it has been brought up without any explanation, without any attempt to tell the House what it was before the members of the opposition were called upon to take the floor and tell what they knew about it, which they have done the best they could. [Applause.]

[Here the gavel fell.]

Mr. COX. Mr. Speaker, I have an affection for my friend from New York and my friend from Massachusetts. To relieve them of the evident distress they are under, a distress growing out of ignorance of the pending legislation, and to enlighten them I yield 8 minutes of the time remaining to the gentleman from Virginia [Mr. ROBERTSON].

Mr. ROBERTSON. Mr. Speaker, I do not know that I can enlighten the House on this bill, but I shall endeavor to. I have the highest admiration for my colleague from New York. I admire his ability, I admire his intellectual honesty, I admire his zealous efforts to have our Government function in an economic and efficient way; and, frankly, I do not believe he would have come before the House today in an effort to laugh this bill out of court had he not been laboring under a misapprehension of fact.

This bill has been considered and passed by the Senate on three different occasions. It has never come to a vote on its merits in the House. The bill was considered by the Committee on Public Lands, and voluminous testimony was taken. On two different days the Special House Committee on the Conservation of Wild Life Resources held hearings on this bill, at which hearings some of the leading scientists of the United States appeared. We found that this project was endorsed by all of the major conservation organizations of the United States.

I felt that when this bill came before this House the Members who so frequently had not been able to say as did the late John Sharp Williams, of Mississippi: "I am a Senator of the United States from Mississippi"—Members who sometimes had had to yield to political expediency in cases where the interests of their districts conflicted with the interests of the other sections of the country—that those Members would welcome an opportunity to join hands in the passage of an unselfish nonpartisan conservation bill for the public welfare.

This bill will not cost the United States one penny in the acquisition of land. Mr. Barron Collier does not own any land in the area to be acquired. The county referred to in which he is interested is north of this area. May I say that 300,000 acres of this land to which the gentleman referred was ceded by the Federal Government to Florida, and Florida proposes to give the land back. The other area will be bought either by public expenditure in Florida or through contributions by public-spirited citizens. Mr. Doherty has no particular interest in this bill. He owns two hotels out of many hotels in Florida. The people that we want to preserve this great natural resource for are the poor people that cannot go to the Miami Biltmore or to the wonderful, palatial, marble hotels at Coral Gables—those people who live up there in the same district that the gentleman from Massachusetts comes from.

Mr. MARTIN of Massachusetts. Will the gentleman yield? I should like to ask the gentleman how the people from Massachusetts are going to get down there.

Mr. COX. Mr. Speaker, I hope the gentleman will be allowed to proceed and finish his statement without interruption.

Mr. RICH. Will the gentleman yield?

Mr. ROBERTSON. If the Members want to know something about the bill, I am willing to tell them.

Mr. COX. I trust the gentleman will not yield.

Mr. ROBERTSON. I yield to the gentleman from Pennsylvania for a brief question.

Mr. RICH. How are the people going to enjoy the privileges of this park if no money is spent so that they can get into the park?

Mr. ROBERTSON. I may say that they can now get into the park in two ways. There is a road already built through the park, and the Director of the National Parks Service informs us that he does not contemplate the construction of any more roads. There may be some brief trails constructed, but no more roads. We write into this bill as a special amendment that this entire area must be preserved in its natural state. We want to exclude the hand of commercialism in this area. You can go through there now in a canoe, as the Seminole Indians do. You can ride into the area; you can walk into this area.

In this proposed national park we have the best species of royal palm to be found in the United States or anywhere

in the world. These royal palms tower to the sky 80 and 100 feet, and the slimy hand of commercialism is now going in there and taking those trees out by the roots to put in parks and to plant around the villas of wealthy men. We want to save these trees just as we saved the big redwood trees in the Sequoia National Park.

There are now 22 national parks in the United States and only one marine park, and that on the coast of Maine at Acadia.

This park can be made into the most wonderful marine park in the world where you will have around these corals all the species of tropical fish, and it is the only place in the United States where mahogany is indigenous. In this park we have the most wonderful assembly of tropical birds to be found in the United States.

The question may be asked, How will the poor people get there? Of course, I do not mean the man who has not got daily bread. I refer to the man of moderate means, who owns a flivver, the man who can get away for a few days' trip. He cannot go to South America, India, or Africa to see tropical conditions, but he can get in his flivver and come down the coast—we have fine roads all the way—and see a tropical place where the fauna and flora are not excelled anywhere in the United States. He can see on the coral reefs—and this is of great interest to geologists—the building up of soil, where the ocean waves bring up the driftwood, and the soil and the land is built by natural processes. All of these things he may see there in this wonderful tropical park on which the United States will not spend one red cent for 5 years after the approval of this bill. As contrasted with the statement of the gentleman from New York when he mentioned $100,000,000, the Director of the National Parks Service tells us that there will be involved only the nominal expense of maintenance.

Mr. WILCOX. Will the gentleman yield?

Mr. ROBERTSON. I yield to the gentleman from Florida.

Mr. WILCOX. The statement was made a moment ago that it would cost $700,000 a mile to build roads in this district.

Mr. ROBERTSON. There are not to be any roads. We have it in the bill to leave this area in its natural state. We do not want roads. We want only those who from a love of nature desire to commune with nature's God to come in there and enjoy the natural conditions existing in this park.

Mr. WILCOX. Is it not a fact that roads may be built in this particular area at a less cost per mile than in any other section of the United States?

Mr. ROBERTSON. Yes. All you have to do is to drain it and throw up the sand and shells and you have all the road you need. The expense will be small.

I recently read in a novel by a Frenchman, Journey to the End of the Night, a statement to the effect that the world is one vast scheme to catch you with your trousers down. For the past 15 or 18 years this seems to have been the experience of this Nation.

[Here the gavel fell.]

Mr. COX. Mr. Speaker, I yield the gentleman the balance of my time.

Mr. ROBERTSON. The big bankers have been catching the unsuspecting investor. The stock market and the security exchange have been catching him. The commodity exchange has been catching the farmer. All through the years it has been a game of catching the other fellow and an unreasoning worship of things material. As we walk from this end of the Capitol to the other we pass through a beautiful room where there are murals. On the right hand is depicted the scene of De Soto discovering the Mississippi. Of that event the historian, Bancroft, said:

> He traveled across half a continent in search of gold and found nothing more remarkable than his burial place.

Senator GLASS, one of the leading exponents of a gold basis for our currency, recently said in an interview published in the New York Times, "There is something more precious in life than gold." We have neglected our great natural resources. We have drained 75,000,000 acres of land. The subterranean water table in one of our Western States has fallen 57 feet, and they are threatened with ever-recurring droughts. Each year forest fires have burned an area as wide as 10 miles and as long as from Detroit to New York. All our travel, like De Soto, has been in search of gold.

We are unmindful of what Wordsworth said more than 100 years ago:

> The world is too much with us; late and soon,
> Getting and spending, we lay waste our powers:
> Little we see in Nature that is ours;
> We have given our hearts away, a sordid boon!
> The Sea that bares her bosom to the moon,
> The winds will be howling at all hours,
> And are now up-gathered, like sleeping flowers;
> For this, for everything, we are out of tune.
> It moves us not—Great God! I'd rather be
> A Pagan suckled in a creed outworn;
> So might I, standing on this pleasant lea,
> Have glimpses that would make me less forlorn;
> Have sight of Proteus rising from the sea,
> Or hear old Triton blow his wreathed horn.

Before it is too late, let us preserve the only tropical area of the United States. [Applause.]

Mr. RANSLEY. Mr. Speaker, I yield 10 minutes to the gentleman from Massachusetts [Mr. TREADWAY].

Mr. TREADWAY. Mr. Speaker, I greatly enjoyed the erudite and the beautiful language of the last speaker. I congratulate him most heartily on his delightful description of his love of nature, in which we all share.

I know of no more delightful area in the United States, or possibly in any other country, than the national parks. I am a great believer in them. I have enjoyed exploring quite a few of them, but there is absolutely no resemblance, Mr. Speaker, between the swamp land under discussion here and the National Park System of the United States.

It is unfortunate, I think, that the gentleman from Florida, who, as was stated in the RECORD this morning, flew here last night from a strenuous campaign in which he is indulging in Florida, in order to be here today, has not seen fit to take the floor first to explain wherein this bill differs from those which this House has condemned in the past. The gentleman from New York [Mr. TABER] is absolutely right in saying that the only information we have so far must be the history of this case in the past.

I hold in my hand an account taken from the New York Times of February 13, 1931, describing how a Senate investigating committee made a trip to Miami, was entertained at these luxurious hotels of which you have heard a description, and presented a bill of $3,000 to the United States Senate for the expense of the junket. Here is what was said about it as being a junket into the sunshine of Florida. It lists the names of the Senators who took the trip and says:

> The voyage from Miami into the Everglades took 3 nights and the better part of 4 days. A Negro orchestra made up the crew supplying the music. The heavy expense, Senator NYE said, was due to the fact that the yacht also carried a sea-going power boat used for side trips into bayous which the yacht was too large to enter. Other items were hotels, food, incidentals, and railroad fares. It was explained that the committee did not use Government money for blimp rides over Miami and for fishing trips, these being the courtesies extended by the citizens of Florida.

They are a hospitable crowd down there. I have been in Florida, and I happen to have been there at the time this party was on, and the accounts in the Miami papers of the beautiful times the senatorial group were having throughout Miami and the rides they were enjoying in blimps furnished by the Goodyear Rubber Co. were very illuminating as to the merits of this park proposition.

It is absolutely inaccessible to people today and never can be made accessible unless the Federal Government sees fit to expend enormous sums of money to render it so.

Mr. WILCOX rose.

Mr. TREADWAY. Oh, I hope the gentleman will explain this fully in his own time. I shall listen to the gentleman from Florida a little later on, but I decline to yield to him now.

Let me say to the gentleman from Florida, for whom I have the highest admiration, that of course we realize this bill is an extremely important thing in his primary campaign. It was said here 2 years ago that the distinguished

lady Member from Florida was defeated because she was not able to put this bill across and that the gentleman from Palm Beach, Mr. WILCOX, who now favors us with his presence here, was nominated and elected over Mrs. Owen on this campaign issue. As the primary is now on in Florida, we realize it is extremely important that this bill be acted upon tonight in order to allow the gentleman to return to his vigorous campaigning in Florida.

Let me say further in behalf of the gentleman that I do not think, knowing his ability and the high regard in which he is held by his home people—and I happen to know some of his friends intimately—that he needs this, for he can go back to Florida and be elected without it. He may have won out against Mrs. Owen, but he does not need it today, and so why put the Federal Government to such a tremendous expenditure as will eventually be necessary by the establishment of this falsely named "park."

Mr. ROBINSON. Will the gentleman yield?

Mr. TREADWAY. No; I am sorry I cannot yield. We wanted information from that side, and we could not get it. The gentleman from Virginia said that the people could walk into this area. He is mistaken. I have been there, and you would have to swim to get in there, and if you did swim you would be eaten by crocodiles or be bitten by snakes. [Laughter.] I happen to know enough about that locality to make that statement definitely.

Another little matter about its not entailing any expense to the Federal Government. If it is to be without cost to the Federal Government for 5 years, why not let Florida keep it for 5 years? Why put the Federal Government to that expense?

Let us see what was testified as to its being no expense.

Mr. Albright, formerly in charge of the park system, told me—and I put it in the RECORD 2 years ago—that the very first thing that he would do would be to ask for a million dollars to develop it by building roads, arranging for rangers, and general policing.

Mr. ROBINSON. Will the gentleman yield?

Mr. TREADWAY. No; I cannot yield. Now I want you to see what kind of testimony there was and what is going to be the result if we accept this bill. The gentleman from New York has explained some of it, but we have to go back in history to know anything about it. Nothing has been presented to the House today. Let us see what was said 2 years ago. I am reading from the hearings 2 years ago.

Here is some of the language by Mr. Coe, landscape architect, who was explaining lantern slides. He had some lantern slides and was showing them, and among other things he said—I am quoting from page 69, in which he is describing these slides:

I venture the statement that each of you, when privileged to visit this region will find yourself lifted from the realm of mere realities into a land of enchantment. You cannot tell what this country is like or what it means to you unless you actually see it, and not only see it but literally feel its charm. It is a country distinctly different from anything else in all our great country, if not in the entire world.

Again we have more of these lovely coconut palms, not only beautiful to look upon but yielding abundantly a luscious nut.

It is not the defining of individual forms of life and physical condition that gets you and holds you here altogether; it is rather the spirit of the thing in the final equation that holds you. The appeal is to your heart and arouses in you a deep feeling of wonder and reverence.

In the afternoon, with the waning day, the tropic colors begin to show and the beaches and all about take on another interest. Now, even more than before, you feel that you are surely within the Tropics. From this time of late afternoon until the sun actually sets there is this continually changing panorama of scenic phases until you feel that you are in a heaven of color.

Then he describes the beauty of the place in the evening, when the moon is shining, and that is what gets us young fellows! But let me read here something about the turtles:

You and I will have the privilege of going down on these beaches moonlight nights in the turtle season—

Oh, oh!—

in the turtle season and watch these strange and interesting animals come out of the water, dig holes in the beach sands well up from the tides and there lay their eggs; 150 or 200 eggs per turtle, a generous number.

Instead of these eggs being collected by the tens of thousands to be sold, we will have many thousands of little turtles hatching out as the result of protecting them.

My Lord, is not that a wonderful proposition! We will get a great crop of little turtles. Why, Mr. Speaker, it is worth a campaign in the Miami-Palm Beach district. For fine language and unadulterated adjectives the witness Coe is a wonder.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

Mr. RANSLEY. Mr. Speaker, I yield the gentleman 2 minutes more.

Mr. TREADWAY. But here is the essence of the gentleman's testimony from which I am quoting. Of course, it is 2 years after, but I do not suppose nature has changed a whole lot. These turtles will be down there yet; and oh, how I should like to see them in the moonlight coming out! That would be my choice of time. Here is another bit of that testimony:

Incidentally you see in the background snow-capped mountains. Yes; there are actually snow-capped mountains in Florida.

Later on he says:

Our boat swings around into a more quiet spot as we ascend the Shark River. Here we run upon a boat of fishermen. Much of this country of some 2,000 square miles is truly a fisherman's paradise.

The scene smacks of the Tropics and of the jungle land. There are hundreds of miles of shore land and waterways similar to this. One can very easily get lost here in the labyrinth of waterways. The Indians are about the only people who really know these waterways. They go about in their canoes, knowing where to go in and how to get out again. The average white man will very easily get lost here. There are very few even of the older settlers down in this country who dare to go into this section.

Mr. Speaker, I am glad that my friend Mr. WILCOX has no constituents down there in that territory, as, of course, there is no population there except reptiles. We hope this bill will see its death knell before his airplane starts this evening back to his campaign. [Applause.]

Mr. RANSLEY. Mr. Speaker, I yield the remainder of my time to the gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN of Massachusetts. Mr. Speaker, I am sorry any partisanship has been injected into this discussion. There is no occasion for it. We should all be interested in protecting the Public Treasury, whether we are Democrats or Republicans. Our objections to the reduction of time to be consumed in debate was necessary to protect the integrity of the committees of this House. In this Congress it has been only because of the vigilance and activity of the Republican minority we have been able to head off the gag rules that were so conspicuous in the last session and which are now happily carefully avoided. Today we felt obliged to fight for the integrity of committees. At the meeting of the Rules Committee, the proponents of the measure sought 2 hours of general debate. That was acceptable to the opposition, and would have given the House full opportunity to learn the merits, if there are any, of this particular legislation. It would also give the opposition an opportunity to voice its views. To reduce the time without a meeting of the committee and without consulting the membership of the committee was manifestly unfair. I am glad some recognition of the injustice is shown by the giving of the additional time.

As to the bill itself, I recall California and Florida for many years have been in dispute as to who gives the Nation the best lemons. That has been the topic of endless newspaper articles. After this bill is passed, if it is, there will be no question as to who has contributed to the United States Government the biggest lemon. It will be Florida, as the taxpayers will learn to their sorrow.

Proponents say there will be no expense to the Government. Everybody should know better than that. This argument should not fool anyone. Do you imagine Florida or any other sovereign State would come to the Federal Government and ask it to take over this great vast territory of land unless it was for the purpose of saddling the expense

of maintaining the property upon the Treasury of the United States? No State would do this except to dodge the cost of development and maintenance. Western States, with their great land reserves under the control of the Federal Government, are now asking the Government that some of the land revert to the States. The request is because the lands are valuable and could pay for their maintenance. You can rest assured Florida would not give up the land except to saddle an enormous expense on the Federal Government.

My good friend from Virginia [Mr. ROBERTSON], a gentleman I hold in high esteem, speaks with the high and lofty motive of game conservation. He says he wants to keep it in its natural state, as it is today. I know he does, but I warn him, eventually they will not let him do it. The advocates say for 5 years there will be no expense to the Government, but any succeeding Congress can change the law and make an appropriation. It can easily be changed once under control of the Federal Government. The argument is advanced: it will be kept to delight the poor people of Massachusetts and other States. If we are going to keep it as it is, I ask, Will the poor people of Massachusetts or those of any State have a chance to view the wonderful scenery of Florida?

Mr. Speaker, my people do not have airplanes, and they certainly do not have many canoes. These are essential to view the swamp lands. I might add the Federal Government has not been so liberal in the distribution of relief funds in the East to enable the poor people from Massachusetts to travel to Florida.

Mr. Speaker, I repeat, this is not a partisan question. The question is whether we are going to protect the Treasury of the United States; whether we are going to stop now, before it is too late, a demand that will cost the Treasury of the United States many millions of dollars before the journey is over. We all know how these enterprises start. They start in an humble way, but they continue to grow and eventually it means an enormous bill. I say we should halt right now the efforts to shift from Florida to the taxpayers of the United States the burden of the care of these lands and the cost of the development which will follow. [Applause.]

Mr. COX. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the adoption of the resolution.

The resolution was agreed to.

Mr. DEROUEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H.R. 2837) to provide for the establishment of the Everglades National Park in the State of Florida, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H.R. 2837, the Everglades National Park bill, with Mr. DISNEY in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Without objection, the first reading of the bill will be dispensed with.

There was no objection.

Mr. DEROUEN. Mr. Chairman, I yield myself such time as I desire.

I shall attempt to give a brief history of the bill H.R. 2837. I shall not yield for any questions until I have completed my statement.

The present bill was considered by the Committee on the Public Lands after having held extensive hearings. This bill has the endorsement of the Interior Department, the National Park Service, Bureau of Indian Affairs, Geological Survey, Department of Agriculture, Biological Survey, Forest Service, Bureau of Plant Industry, the Smithsonian Institution; it also has the endorsement of the Pennsylvania Park Association of Philadelphia, the American Association of Park Executives, American Civic Association, American Forestry Association, American Game Association, American Nature Association, American Society of Landscape Architects, American Society of Museums, American Society for the Advancement of Science, Municipal Art Society of New York, Russell Sage Foundation, Campfire Club of America, Society of American Foresters, Garden Club of America, General Federation of Women's Clubs, Izaak Walton League, National Association of Audubon Societies, National Conference on State Parks, National Council of State Garden Clubs Federation, National Park Association, American Museum of Natural History of New York.

I have heard nothing in all the discussion on the rule that had any substance whatever. Most of the speakers opposing the rule spoke at random and ridiculed the merits of the bill and attempted to convince the House that this was a pet measure, political or otherwise. They even brought into the discussion the name of a certain great Democrat. I do not know anything about all those things, but I do know that great precaution was had to bring out the real merits of this bill.

Furthermore, if I recall distinctly, 2 years ago by joint resolution of the House and Senate a committee was appointed. The Secretary of the Interior was directed to make a survey. Let us see who made this survey, notwithstanding all the ridicule that was so unjustly brought in here today.

Mr. BOLTON. Will the gentleman yield?

Mr. DEROUEN. I do not yield. I made the statement that I would not yield until I finished my statement.

Mr. BOLTON. I did not hear the gentleman.

Mr. DEROUEN. The gentlemen who made this investigation and made this report are not interested in politics. They are not interested in giving somebody something for nothing; but, on the contrary, they are very high-class students, and they are as follows: Horace M. Albright; Mr. Ebert K. Burlew, assistant to the Secretary of the Interior; Dr. H. C. Bumpus, member of the educational committee of the National Park Service, official collaborator; Arno B. Cammerer, associate director, National Park Service; Harlan P. Kelsey, conservationist and landscape architect, member of the Appalachian National Park Commission, official collaborator; Roger W. Toll, superintendent Yellowstone National Park, National Park Service; Dr. T. Gilbert Pearson, president of the National Association of Audubon Societies, official collaborator.

This inspection was made by automobile and boat, and the area carefully covered. The bill has the recommendation of this commission which went through there and investigated the entire merits of this bill.

Dr. Bumpus, of Brown University, says in his report:

> I want to emphasize three questions: Has this place educational value? Is it worth preserving in its present condition; and in the third place, will it be used?

And he answers every one of them in the affirmative with very substantial reasons. It would take too long for me to explain all of the remarks made by him.

He says further:

> I agree thoroughly with Mr. Albright when he says in regard to the costs, "it is a park that will be comparatively inexpensive, so far as its maintenance is concerned, and also very inexpensive so far as its protection is concerned." It will require but few rangers, probably only two.

Now, let us see what is suggested in this bill. The Park Service proposes to take care of these Seminole Indians who are in there. They will be placed in this area and will be given employment as guides. Certainly, I think you know that today they are a charge on the public; so, by passing this bill we are placing them in a home, and in a position to live there where they should live. We believe they should be in there.

It is our purpose to preserve this area in its primitive state. Much has been said about roads. Let me tell you, the road in question is built. It was built by the C.C.C. We do not need any road. On the contrary, we do not want this place to be built up with roads so that it will destroy the very purpose of this act.

Let us see further. Some gentlemen spoke about snakes, crawfish, crocodiles, and very clearly selected, as a lawyer would, such passages as he wants to make a case, but they did not read the entire report. Those statements are incorrect and not in accord with the facts as developed in the hearings. It was also brought out that the idea of preserving this area in its primitive state was unprecedented. Let us see if this is so. Among other national parks where primitive conditions have been preserved I call attention to the Glacier National Park and to the Yellowstone National Park. The only development of the park to be established by the pending bill will be along the northern boundary of the area; and the bill provides that this development will be made by donations to the United States without any cost to the United States.

In order to dispel any remaining doubt as to cost to the United States Government, I call attention to the fact that the committee added a very unusual amendment to this bill, language which is not found in any other park bill, the proviso—

> That the United States shall not expend any public moneys for the administration, protection, or development of the aforesaid park within the period of 5 years from the date of the approval of this act.

Such language is not found in any previous park legislation.

It was further stated that at some future time appropriations would be asked. There are many old Members present. I ask them if they recall any instance where after the passage of similar legislation its authors have come back and asked for and obtained plenty of money from the United States? I do not believe they know of any such instance.

The park system is a source of revenue. In the last year or so revenue from the Park Service amounted to $1,000,000. This revenue has been reduced to $700,000.

Very little improvement is needed in this park, because, as I said before, the roads have been built and their maintenance will be small. There will not be so much need of roads because the Indians will take visitors around in boats. The maintenance of this park will be inexpensive in every instance.

The gentleman from New York said something about snakes. Dr. Kelsey, in his testimony, as appears on page 45 of the hearings, said:

> There is no other area in this country devoted to a national park like this one. It is totally different in land, water, climate, plant, animal features, as well as recreational features. It is very remarkable as being the only land in America that is in the making.

This gentleman has no selfish interest in the matter.

This proposition has been investigated by authorities on rivers, harbors, and parks, by men who wish to preserve this area for the welfare of the people.

I could cite many statements in rebuttal, taking them at random. I have cited merely a few in order to convince you how easy it is to confuse the issue by criticizing a bill at random. It is easy to criticize; it is easy to ridicule. I assure you, however, that the interests of the Government are protected and that there is no danger that this park will cost the United States any money whatever.

The bill is an important enabling act which will assure protection to the superlative fauna and flora of the Everglades, so outstanding in quality and beauty as to demand their preservation intact. This bill constitutes an important conservation measure and should be passed immediately or else despoliation of the area is sure to continue. I hope the bill is passed today.

Mr. ENGLEBRIGHT. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Chairman, I am very much interested in the national park system of this country. I think I have supported every bill that has come before Congress in the last 16 years providing for so-called "national parks"; but at the present time our country is confronted with a rather critical situation. We are faced with a quite different condition than we have had in the past.

I am somewhat familiar with this area which it is now proposed to make into a national park. It comprises 1,300,000 acres, very largely of a swampy character. It is the testimony of the experts who have been there that this area is not accessible; that it is of no use for agricultural purposes. The State of Florida already owns 325,000 acres of this land. The very character of this area is such that it is not going to run away; it is going to stay right there; it is not going to be disturbed; it is not going to be impinged upon as an area of great national interest.

In the State of New York we are interested in parks and have established many of them. Within a 2 hours' automobile drive from my home is a State park of some 65,000 acres. Right across the line in Pennsylvania is another State reservation of over a million acres. The State of New York has laid out a program so that throughout the length and breadth of the State we have State parks supported by the State. These parks have been developed for the use of the people. We have parks where the humblest workingman can go with his family and have a cottage. The user of these parks has all the facilities necessary to enjoy life in the open, and the State takes care of it all. In the 65,000-acre park to which I have referred it is not at all uncommon for several hundred persons to be camping at one time. The persons who use these parks are not wealthy. These parks are accessible to the man of ordinary means, the person who likes to get some recreation in the out of doors at a nominal expense. This is true also in various parts of our State.

The State of Michigan, I understand, is developing a system of State parks. A gentleman was here the other day from the State of Ohio. He made the statement that the State of Ohio was developing a similar system of State parks—large areas where the common people can enjoy themselves and find recreation.

The State of Florida already owns 325,000 acres of land similar to that referred to in the pending bill. Florida is a great pleasure resort. Many wealthy people from the North go there every winter, staying months at a time, spending large sums of money. If they want to hire a motor boat and go through these areas, of course, they can do it; but the ordinary man could not afford it. For this area to be opened and made available and accessible, it would be necessary to build plank walks all through the territory, and these are liable to be destroyed by hurricanes and floods, the testimony shows.

I realize, too, that this is a great snake country. A great snake industry is being built in that country. They are canning rattlesnake meat. There rattlesnakes grow to great dimensions, some of them weighing as much as 40 pounds.

You can go over to some stores in the city of Washington and buy rattlesnake meat. They are putting out rattlesnake meat, and some people like it.

Mr. WILLFORD. Will the gentleman yield?

Mr. REED of New York. I have not eaten any of it and I do not want to, but they are developing that line.

[Here the gavel fell.]

Mr. ENGLEBRIGHT. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. WILLFORD. I just wanted to see one of these 40-pound rattlesnakes.

Mr. REED of New York. I am not interested in snakes. I do not want them around. I would not be very much interested in going through the Everglades, and would not want my family to go down there with a canoe floating around among the alligators. If the State of Florida wants a park, it already owns 325,000 acres. It can buy another million acres for $1 an acre if it wants to, and there is no reason for coming to the Federal Government at this time and starting to draw upon the Treasury. They say this is not going to cost anything for 5 years. According to the evidence here, under the Public Works program there has already been spent $18,000,000 in Florida. We all know that if this bill passes, money will be allocated to begin more projects, using money in the Treasury appropriated for relief work to carry on further public works in this park.

May I say that we are facing a time when nobody knows just what conditions are going to be 3, 4, or 5 years from now. This park is not going to run away, and it is not going to be disturbed. If the country gets back to a state of prosperity where it wants to squander money on a project of this kind, which does not mean a thing to the ordinary person, well and good, perhaps it may go through at that time. But I think the time has come to call a halt to these commitments until we know when we are coming out of this depression. We are not out of it yet. The testimony and the official reports show that there are more people on the relief rolls today than there were a year ago or a year and a half ago, and there are going to be more on the relief rolls 6 months from now. We want to stop these commitments. This is no time to bring in a bill of this character to commit the Federal Government to large future expenditures. A fire is not going to sweep over these swamps and they will remain there intact.

Mr. McDUFFIE. Will the gentleman yield?

Mr. REED of New York. I yield to the gentleman from Alabama.

Mr. McDUFFIE. Apropos of what the gentleman says about conditions in the country, the New York Times states today that we have in this country now a curtailment of unemployment from about 13,000,000 to 7,000,000 plus. There is an analysis of these figures in today's Times.

Mr. REED of New York. That is not in accordance with the statements of officials of the administration as to unemployment. I referred to the number of persons on the relief rolls.

[Here the gavel fell.]

Mr. DEROUEN. Mr. Chairman, I yield 9 minutes to the gentleman from Florida [Mr. WILCOX].

Mr. WILCOX. Mr. Chairman, I regret very much that this measure has taken on the aspect of a partisan, political dispute. The establishment of the Everglades National Park is not a political matter nor a local measure to Florida. It is a matter of great national importance.

In this particular section of Florida there is located a section of the country that is unique. It is the only section of continental United States of the character existing in this particular section. Here is located the only natural tropical growth in continental United States. In this section certain species of bird and animal life are staging their last stand. They are rapidly becoming extinct. Among these species are the pink flamingo and other species of bird life.

Some people have a morbid desire to bag the last of its kind. It happens during the winter months a great many times we have visitors who have the curiosity and the desire to go out into this section and bag one of the last pink flamingos or one of these other rare species of bird life. Unless they are protected, not only Florida but the world will lose these rapidly disappearing species of bird and animal life. They are staging their last stand in this particular spot, and it is the only section of the world where they exist.

This particular spot is the only section in continental United States that has a natural tropical growth. The only growth of Royal Palms in the United States and, in fact, the only growth in the world of a certain species of the Royal Palm, exists in this particular spot These growths are being rapidly exploited by commercial interests. Millionaires are going into this area, digging up these Royal Palms and rare specimens, moving them out and planting them on their private estates, so that the public in a very short time will completely lose the only growth of tropical palms existing in continental United States.

We have many national parks in this country, principally located in the mountain sections. We heartily favor those, but after all, Mr. Chairman, mountain scenery is largely similar to other mountain scenery. This park, however, is unique and distinctive. It differs from any other national-park area in the country, and I think it is necessary to preserve and protect it for future generations in order that we may have all kinds of primitive areas preserved for the future generations.

When the bill is brought up for reading under the 5-minute rule we propose to offer the following amendment:

Said area or areas shall be permanent preserved as a wilderness and no development of the project or plan for the entertainment of visitors shall be undertaken which will interfere with the preservation intact of the unique flora and fauna and the essential primitive natural conditions now prevailing in this area.

We propose to offer that as an amendment because we are just as anxious to preserve this area in its primitive state as any of the naturalists or scientists are.

A great many wild statements have been made as to the cost of the development of this area. Of course, I have no way of preventing any gentleman from making such a wild and unreasonable and unfounded statement as was made a few moments ago, that the cost of building roads in this area would be $700,000, or three quarters of a million dollars a mile. I do not know what the gentleman thought he could use for materials to build roads that would cost that much. In all fairness to him and for the information of the House, let me say that road building in this particular area is the cheapest of anywhere in the United States. The natural road material is the foundation of the country. Coral rock, a soft limestone rock, is the basis for that entire section, and in road building all that is necessary to be done is to take a dipper dredge and go along the proposed roadway dipping up the road material from the side, dumping it in front of the dredge, and tamping it down as it goes along, and you have a cement road when you are through. The only cost in the building of roads in this section is the cost of labor. The materials are at hand, there is no hauling, and there is no cost for anything in the world except labor.

There has also been an attempt made to laugh this project out of court. I have no objection to my Republican friends having all the fun they want, but they seem to have enjoyed themselves talking about the alligators and the snakes in this area.

Possibly I should not dignify this argument with a reply, but let me say this: While this bill has been discussed before, it has never been brought to a vote on the floor of the House, but our Republican brethren have insisted always on referring to this project as a snake-infested area. In order to confirm my own opinion, and I live in this section—I represent the district where this park is located, and I have been over this territory and I know about it, but I wanted to confirm my own opinion and my own observation by word from an expert authority. I talked to Dr. Raymond Ditmars, the curator of the New York Zoological Park, recognized as an outstanding authority of the world on reptiles. I asked him about the number of snakes in this proposed area, and he said:

Mr. WILCOX—

We were then in New York City—

within 30 miles of the spot where you and I are now standing I will find you from three to five times as many snakes per square mile as you can find in all the Everglades.

Mr. Ditmars wrote me a letter confirming this, and I want to read just one paragraph:

A question has arisen about this area being snake infested. This allegation undoubtedly comes from those not well versed in such matters. From experiences in collecting in Florida—

Collecting snakes, he means—

I can say there is no indication that there are more snakes in southern Florida than in many of the other areas of that State or the mountain areas of the West or parts of New York, Pennsylvania, and New Jersey. That such an allegation should hold back the preservation of one of the few remaining undisturbed and primitive areas, unique in its tropical character, seems unfortunate, unreasonable, and ridiculous.

This statement comes from Dr. Raymond Ditmars, one of the outstanding authorities on reptiles in the world.

As illustrative of the impressions obtained by visitors to this region, I should like to quote the following letter which I received a short time ago from Maj. Robert Fechner, Director of Federal Emergency Conservation Work. Major Fechner had occasion to visit this region in connection with his work, and upon his return to Washington, voluntarily

and entirely without solicitation on my part, wrote me this letter:

EMERGENCY CONSERVATION WORK,
OFFICE OF THE DIRECTOR,
Washington, D.C., February 9, 1934.

Hon. J. MARK WILCOX,
House of Representatives, Washington, D.C.

DEAR CONGRESSMAN WILCOX: Recently I made an inspection trip to a number of our C.C.C. camps in the Fourth Corps Area, and among these camps were several in your district.

Through the courtesy of the Coast Guard commander in Miami, I had the opportunity of going in one of the Coast Guard airplanes over much of the territory which it is proposed to include in a national-park area to be known as the Everglades National Park.

I was surprised and delighted at the things that I saw and learned on this trip. Undoubtedly there is no similar area anywhere in the continental United States. It seems to me that the Federal Government should set up the proposed park and develop it for the pleasure and benefit of future generations.

I was told by competent authority that it would be possible to construct roads at reasonable expense that would give access to almost every part of the proposed park, and that existing waterways were ample to accommodate countless motor boats and other small vessels for those who desire to visit the region by that mode of transportation.

The wild life of this region cannot be duplicated anywhere else in this country and it can only be properly cared for and preserved by the creation of a national park.

We are already doing some work with a C.C.C. camp on Royal Palm Park, which is a State enterprise, but I understand would be the main entry to a national park if it was created.

Because of the personal experience that I had just recently in viewing this area, I thought I would be justified in writing you about it.

Sincerely yours,

ROBERT FECHNER, *Director.*

I have already referred to the endorsement, or rather the favorable recommendation, of the Secretary of the Interior for this project. I am sure that the following letter which I received from the Director of the National Parks Service, Mr. Arno B. Cammerer, will be of interest to the Membership of the House:

UNITED STATES DEPARTMENT OF THE INTERIOR,
OFFICE OF NATIONAL PARKS, BUILDINGS, AND RESERVATIONS,
Washington, February 6, 1934.

Hon. J. MARK WILCOX,
House of Representatives.

MY DEAR MR. WILCOX: During our chat the other day you asked me to write you a letter giving you briefly my opinion as to the importance of the Everglades National Park project to the Nation.

The Secretary of the Interior's report, dated December 3, 1930, which was incorporated in H.R. 268, Seventy-third Congress, first session, was prepared by me, and I stand unqualifiedly behind it. I attach a copy, on page 7 of which you will note that I was a member of the investigating committee.

It is my firm conviction, which has been amply verified by other investigators, that this area is one of the most remarkable primitive areas still available for national-park creation. The tremendous spectacles of bird life, according to those who are best acquainted with the region, cannot be matched anywhere in the United States and offer possibilities of being greatly enlarged by proper protection, which would be given if and when it had national-park status. The other wild life and floral exhibits are unique and coupled with the enormous expanse of marine growth and other biological attributes make this area unmatched anywhere else in the world. The great water expanses offer unexcelled opportunities for boat travel and the enjoyment of the aquatic features, thereby also reducing the possibilities of road construction to a minimum.

The area meets the standards established for national parks, and I sincerely trust that the congressional stamp of approval will be given to its passage in the House at an early date.

Sincerely yours,

ARNO B. CAMMERER, *Director.*

It seems to me that the expressions of the Secretary of the Interior, the Director of National Parks, and the Director of Emergency Conservation Work, none of whom have any personal interest in the project and all of whom are vitally interested in establishing national parks only of the high standard already set, should leave little doubt as to not only the desirability, but the necessity as well, of the park.

There are many species of animal and bird life in this section that are rapidly becoming extinct and which in a few more years will completely disappear unless protected. This animal and bird life can and will be preserved by the creation of this national park.

Not only does this proposed park have the whole-hearted approval of the Interior Department and of the Public Lands Committee of the House, but it likewise has the approval of the Senate. That body has on two occasions passed the bill, and it remains only for the House to pass it for the park to become an established fact.

Not only has this project received the support and endorsement of those who are directly charged with the duty and responsibility of selecting national-park areas which have a real and lasting national interest, but it has also been approved and urged by others whose interest in the future welfare of the Nation cannot be questioned.

Mr. Henry Fairfield Osborne, of the American Museum of Natural History, said, in writing of the proposed Everglades National Park:

> It would be a place for posterity to visit and witness those forms of life now so rapidly vanishing.

Mr. Gilbert H. Grosvenor, of the National Geographic Society, has said: "The area would be visited by millions", if established as a national park.

And, finally, President Roosevelt, while he was still Governor of the State of New York, said:

> I am glad that the Everglades National Park project is getting on so well. I can tell you that, knowing this country at first-hand, I am very hopeful that it can be preserved for the Nation for all time.

Time and the patience of the House forbid my reading the endorsements of all the scientists, naturalists, and public-spirited men from every walk of life and every section of the country, who have endorsed this project and who are enthusiastically urging its passage. Hon. Horace M. Albright, former Director of United States National Parks; Dr. C. H. Marvin, president of George Washington University; Dr. Raymond L. Ditmars, scientist and curator of the New York Zoological Park; and numerous other men of like caliber and standing have given the project their unqualified and enthusiastic support.

Now, as to the cost of the park. I would not be entirely fair with you if I did not admit that one of the things we hope will come from this is the attraction of tourists to our State. I expect it will attract additional tourists, but we do not anticipate, and we do not intend to ask, any expenditure of Government funds beyond the supervision and maintenance of this park and to put it in such a condition that the public may be able to view it.

I have already discussed with you the cost of road building. With the amendment which I propose to offer at the appropriate time, that is the only cost that can possibly come from the acquisition of this territory by the Federal Government.

In conclusion, Mr. Chairman and gentlemen, let me request you to do this. This is the one and only spot in this country of its character, and let me ask you and let me beg you to consider this matter not as a partisan political question. The gentleman has referred to its effect upon my own political fortunes. Let me say that the passage or the failure of passage of this bill will have absolutely no effect on my own political fortunes. It was not, I may say to the gentleman from Massachusetts [Mr. TREADWAY], the issue in my former campaign. Let me ask the Committee to consider this not as a local measure restricted to Florida but let me ask you rather to regard this as a measure for the preservation for future generations of a unique territory where our children and our children's children may have preserved for them a tropical area, the like of which does not exist anywhere else in continental United States. [Applause.]

Mr. ENGLEBRIGHT. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Chairman and Members of the Committee, having been appointed a member of the Committee on the Public Lands this session of Congress, I was quite surprised to learn that this bill was coming before the House at this session, because it has not been acted upon during the year 1934, and, as stated by the chairman of the committee, it was reported out in June 1933.

The only reference we have had to it from the Secretary of the Interior, under whose jurisdiction this park would be administered, the only statement made in reference to it

comes from the Acting Secretary of the Interior, Oscar L. Chapman, and bears date of June 12, 1933. I quote from his statement:

The purpose of this bill is to provide for the establishment as a national park, without cost to the United States, of an area in the Everglades region of Florida, which Congress directed be investigated and reported on by the Secretary of the Interior by the act of March 1, 1929 (45 Stat. 1443). Pursuant to that act an inspection and detailed examination of the area was made in February 1930 on behalf of the Secretary of the Interior by officials of the National Park Service, assisted by several eminent park experts acting as collaborators, and the area was found to measure up to the standards set for national parks. Full details of this inspection and the recommendations made pursuant thereto were covered by report of the Secretary of the Interior under date of December 3, 1930, as directed by the act of March 1, 1929.

This proposed legislation has been considered by the Director of the Bureau of the Budget, and I am advised by him that it would not be in conflict with the financial program of the President if there be added at the end of section 3 of the bill a proviso to the following effect: "*And provided further,* That the United States shall not expend any public moneys for the administration, protection, or development of the aforesaid park within a period of 5 years from the date of approval of this act."

Now, I want to dwell particularly on the last statement made by the Bureau of the Budget that the President would not have any objection if there is to be no expenditure of public funds.

We have heard the gentleman from Florida [Mr. WILCOX], who is very much interested in this bill, tell of the advantages of parks of this kind. It is true, probably, that it would be somewhat different from any park in the United States. He made the statement that it would not cost the Government any additional appropriation. But when he concluded his statement he said that we only want the Federal Government to maintain the park and to make necessary developments in order that the people may have an opportunity to come there and visit this area.

Now, the point I want to make—and I want to emphasize it all that I can—is the fact that we are today legislating on the assumption and belief that the park is not going to cost the Federal Government any additional funds. You know and I know that is not the case. I have heard many statements made in regard to national parks in the United States, that it was not going to cost the taxpayers any money. There is not a national park that we have established, when the statement was made that the development of the property was not going to cost the Federal Government any additional funds, but what has cost the taxpayers of the country thousands and millions of dollars.

Mr. DEROUEN. Will the gentleman yield?

Mr. RICH. I will yield to the chairman of the committee.

Mr. DEROUEN. I think the gentleman is inadvertently mistaken. There is one park in the United States where the revenue produced is more than the expense, and that is the national park in New Mexico.

Mr. RICH. I hope that if I make any misstatements I will stand corrected. I accept the statement of the gentleman from Louisiana. I would not intentionally make a misstatement.

Mr. TREADWAY. Will the gentleman yield to me for a statement?

Mr. RICH. I yield to the gentleman from Massachusetts.

Mr. TREADWAY. Is not it a fact that most of the expenditures in these parks, in a great measure, have been to make them accessible to the people of the country to enjoy those parks, and how could any Federal money be used in this area to make it accessible to the people of the country in the same way that the National Park System has been developed?

Mr. RICH. I will say that this park cannot be made accessible to the people without a large expenditure of Federal funds. And every Representative in Congress knows that, regardless of any statement made to the contrary.

It was utterly impossible to do it. Take the instance of the Smoky Mountain Park in Tennessee. That park was given to the Federal Government by the State of Tennessee and by individual contributions. A gentleman from the Department of the Interior was before our committee a short time ago and he told us that the Federal Government at the present time is getting ready to spend $15,000,000 on that park. When it was given to the Federal Government we were told that the Government would not need to spend any money for its development. Yet this year we are going to spend $15,000,000 in the development of that park.

A great many things have been said here today in regard to this being a political measure. I do not want in any way to detract from any statement that might have been made that this is a political measure if someone wishes to make such a statement, but I am thinking solely of the taxpayers of my district, who are going to be called upon to develop this property.

I am thinking today of the men who are interested in trying to get jobs. I think that we should be devoting our energies today in helping the men who are trying to get jobs, who want to make a livelihood. I think we are doing the wrong thing by bringing up a proposal of this kind at this time and taking up the time of the House when we have important legislation that should be enacted. We should not take the time that is so valuable to the country to talk about a park which people tell us will not cost any money when we know that it will. I have my doubt about the sincerity of any man who will stand up here and say it is not going to cost any money. Eventually it will cost money, and these gentlemen know it. We should not enact a bill of this kind into law when we know it is contrary to the best interest of the country. I doubt very much if anyone can get the President of the United States to say that he is in favor of the development of this park at this time. I think the President would object to the development of the park now.

Mr. WILCOX. Mr. Chairman, will the gentleman yield?

Mr. RICH. Yes.

Mr. WILCOX. Has the gentleman had occasion to read the statement issued by the President of the United States when he was Governor of the State of New York in which he expressed his entire approval of this measure and the hope that it would pass this House?

Mr. RICH. I might say to the gentleman that the President of the United States might have made a statement 4 years ago or longer that would not apply to the situation today, because the situation today is as different from what it was then as day is from night.

You cannot say that because he might have favored a proposal of this kind 5 years ago that he would want it today, when turmoil is raging in this country with strikes and riots. Out in the city of Minneapolis yesterday blood flowed, and men are grasping at a chance to earn a livelihood.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. ENGLEBRIGHT. Mr. Chairman, I yield the gentleman 5 minutes more.

Mr. RICH. There are strikes in the city of Toledo where the militia has been called out; and men were kept in plants because of the strikes and distress that exist in that particular city. Men are striving for jobs, to earn a livelihood and we here are going to develop something that is not going to help one iota in that respect. We ought to help men get jobs so that they may earn a livelihood. If by our action we could give confidence to industry so they could employ people, we would do something worth while.

Mr. BOYLAN. Mr. Chairman, will the gentleman yield?

Mr. RICH. Yes.

Mr. BOYLAN. Does the gentleman know that one of his colleagues was engaged in this trouble in Minnesota and that he has been fined $50 and sent to jail for 30 days?

Mr. RICH. I want to say that the same colleague the gentleman refers to has been arrested six or seven times since he has been a Member of this Congress. I think any Member of Congress, regardless of who he is, who goes out and tries to foster strife, after he has been elected by his people to come here and attend to his duties, is not doing what his constituents want him to do. In fact, such Members who subject themselves to arrest for alleged offenses in violation of the law should not be elected to Congress.

Mr. BLANCHARD. Mr. Chairman, will the gentleman yield for a question on the park?

Mr. RICH. Yes. I yield to the gentleman from Wisconsin.

Mr. BLANCHARD. I take it the gentleman's argument is not against the national-park system generally, nor about this particular area at some other time when we can finance it.

Mr. RICH. I think we ought to postpone the day. I think we should not give our attention to this particular measure at this time. If it is as good as our friend and colleague from Florida says it is, if it has the prospects of being such a fine place, why does the State of Florida want to hand it over to the taxpayers of Pennsylvania and of the other States to finance in the future? I cannot for the life of me see how any man can stand up here and make an argument of that kind. I have always been under the impression that when you are offered something for nothing you should not take it. Whenever you are offered a gift horse you should look him in the mouth, because he is going to require food, and that will cost you money before you get through with it. I hope this House will not enact this bill into law today. I hope you Members of Congress who are representing your taxpayers will give consideration to this, and that you will say today that you are not going to vote for the Everglades Park, because it is something that can await some future time to be considered. You will do your country a real service if you do not enact this bill into law today. You will do your country an injustice if you do enact it into law. If you will say to your constituents it will not cost anything, I doubt the truth of the statement. I would not say it will not cost the taxpayers anything, for I am certain that it will cost this country millions of dollars in years to come.

Mr. BANKHEAD. Will the gentleman yield?

Mr. RICH. I want to conclude in just a moment. I want to state that I am in sympathy with wild life, as stated by my colleague from Virginia, who spoke very intelligently for this bill a while ago. I am in sympathy with trying to develop the parks. I am in sympathy with trying to have parks where the people of this country can enjoy something that will be different, but I think we should be careful that we are not doing something that we will rue at some future date. I hope you will postpone action on this bill until some appropriate time when we can give consideration to the people in Florida if they want this developed. I think this is an inopportune time to enact this bill.

Mr. BANKHEAD. Will the gentleman yield?

Mr. RICH. I yield.

Mr. BANKHEAD. Would the gentleman be willing to see Cook National Forest in Pennsylvania abolished?

Mr. RICH. It would not make any difference what national forest we were trying to inculcate into a park at this time. I have had many questions similar to the one which the gentleman from Alabama has asked me, as if I were going to stand here and ask for something for Pennsylvania that I would not want to give to the gentleman from Florida. I make this statement to you and to every other Member of this House; I am not here trying to do something for my State that I would not do for the gentleman's State, if I thought it was worth while. I think that is a wrong implication that the gentleman or anybody else should give by asking a question of that kind. I want you to know I will not do some things that professional politicians sometimes would do, and I hope I shall not be placed in that class.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. RICH] has again expired.

Mr. ENGLEBRIGHT. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. TREADWAY].

Mr. TREADWAY. Mr. Chairman, I do not wish to get into any further argument in relation to this bill. I think it is pretty well understood how I feel about it, but the gentleman from Florida [Mr. WILCOX], at the conclusion of his able address, said it had not been a factor in his campaign. In view of that remark, I want to read two telegrams to the House. This is dated Miami, Fla., June 7, 1932, and it is addressed to me. It reads:

> It would greatly assist me if you would send me a telegram stating whether or not you feel that Everglades Park bill has been loyally and effectively handled by me. The suggestion that the filibustering against the bill in the House had been due to the fact that the Members disliked me personally and did not wish to pass any bill bearing my name has been very damaging to me. Will appreciate your assistance in setting this straight.
>
> RUTH BRYAN OWEN.

My answer was as follows:

> While I have personally opposed Everglades Park bill, I have done so for what appeared to me at the time to be proper objections to the policy of the establishment of such a park and because of expense eventually involved on Federal Government. In my opinion, you have worked zealously and faithfully for passage of bill, and its failure of passage certainly cannot be regarded as casting any criticism upon your labors in its behalf or upon your personality as Member of House. As member opposite party, I am glad to testify to your high standing with your colleagues.
>
> ALLEN T. TREADWAY.

Mr. WILCOX. Will the gentleman yield?

Mr. TREADWAY. I will be glad to, if I have the time.

Mr. WILCOX. That was not a telegram signed by me? There was no statement made by me?

Mr. TREADWAY. No; but the gentleman said it had nothing to do with his campaign. The gentleman's opponent seemed to think it did have.

[Here the gavel fell.]

Mr. DEROUEN. Mr. Chairman, I yield the remainder of my time, 8 minutes, to the gentleman from Iowa [Mr. WILLFORD].

Mr. WILLFORD. Mr. Chairman, I have listened to this argument today, and it seems to me it has come to a sorry state of affairs when men elected to Congress to represent their districts will come here and, over such petty things, attack one of our most lovable Members. I never had the privilege of meeting the gentleman from Florida until last year. I think it is a sad state of affairs when partisan politics have to be injected into such a situation. I am going to speak to you men. I have never spoken to you before, but I am going to talk to you in a good old Dutch way. I think it is a crime.

When this bill was brought before our committee we listened to some of the most able men in the world today, interested in the great out-of-doors, and they were honest and conscientious. The question was raised, "Who will oppose this bill?" I said, "Men, I do not believe there will be a man opposed to it. I do not see how they could. It is so humane. It is one time where we can all agree, when one of the great States wants to give to the United States something that can be preserved for all time, for our children and our children's children." I think the greatest monument you can build is to put up something that your children and your children's children can look back upon and say, "My parent or some relative of mine had something to do with this."

I have heard Members rant and rave about snakes and alligators, and one gentleman mentioned a 40-pound rattlesnake. Such asinine remarks as that to an intelligent audience! A 40-pound rattlesnake! I am very familiar with the out-of-doors. I have slept out-of-doors probably more often than any man in this House and I have failed to see a 40-pound rattlesnake.

Mr. HENNEY. But the gentleman does not drink, does he?

Mr. WILLFORD. The gentleman does not drink, except on special occasions. If I could get a drink of something that would make me see 40-pound rattlesnakes, I believe I would take two drinks.

Today we have the opportunity to preserve for all time the only spot of its kind left on the American continent. There is nothing else like it. The people of the State in which this area is located want to give the area to it. All they ask is that we give them the right to give it to us and that we accept it. I heard Dr. Cammerer, of the Park Service, and all the other great and eminent scientists who

appeared before the committee. I have read the writings of men who have walked and traveled this area, who know its animals, its birds, its flowers, and its trees. One does not have to swim to get through this proposed park.

We read in the papers today of serious trouble in Minneapolis, Cleveland, and other industrial centers. The one act of ours which will go farthest toward allaying such disturbances is that which gives our children and our children's children and ourselves clean places in which to play. God never created a counterfeit, nor did man create counterfeit until after he had surrounded himself with four walls. We have heard counterfeit argument against this park in this Hall today. Let us be honest with one another; let us be honest with our children, those who are to follow us.

Members rise on the floor and cry that it is going to cost money. Well, my God, it is worth some money. You men over there have spent millions of dollars, but today you have not a dime to show for it. We have seen men in this fair country of ours arrogate unto themselves self-appointed power and through its abuse get their arms into the money coffers clear up to their elbows.

By the simple act of passing this bill we can preserve this area for all posterity. It is said to be not available without roads. It is a place where we do not want roads; it is accessible by water; most of the area can be traveled by boat. If when traveling in the Superior National Forest or even in the Yellowstone National Park, you want to get to a great many of the places of interest you must put your pack on your back and go it alone with your guide. So it will be with the Everglades National Park.

I have never had the privilege of seeing the Everglades; I have never been in the South. My playground has been in the North and the Northwest. But I look forward to the time when I shall visit the subtropical area of our country. I believe in seeing America first. Men spend much money and travel great distances to go to the Continent, to South America, to Africa, to get into the Tropics, yet we have semitropical lands right in our own country. Let us see America first; let us preserve these things and enjoy them.

Mr. LEHR. Mr. Chairman, will the gentleman yield?

Mr. WILLFORD. I yield.

Mr. LEHR. Would the gentleman want his children to spend their time in the Everglades?

Mr. WILLFORD. I look forward to the time when I myself can see the Everglades and when my children can. I would send my children to any place where they can see nature unadulterated.

Mr. LEHR. If the gentleman knew the Everglades, I do not think he would feel so enthusiastic about them.

Mr. WILLFORD. I want to see them, and I am going to see them.

I have spent much of my time in the great outdoors; I have slept under the stars at night and never have seen a counterfeit. I did not know there was any until I visited Washington. [Laughter.] This reminds me of the man who said: "The more I see of men the more I think of my dog" [laughter]; and when I listened to some of the asinine statements made in derogation of this bill I was not impressed with their soundness. I did not like it when the attack was made on one of our colleagues. Frankly, I wonder if a Republican is trying to beat him. If such be the case, let the race be a fair one, and if the Republican wins, we will shake his hand. Let us come out in the open, let us fight in the open, let us see things as they are, let us not present counterfeit arguments. Let us do something which will leave to our children a heritage of which they will be proud. Let us get away from personalities. I do not think, I do not want to think, I will not think, that the Members who have said the derogatory things we have heard on this floor today really meant them. I am in favor of all national parks, even though they do cost money. I have visited only the parks of the West and the North. Of these I am very proud, and I look forward with great anticipation to the time when I shall be able to visit the Everglades National Park, and I shall take with me not only my children but my grandchildren. [Applause.]

[Here the gavel fell.]

Mr. ENGLEBRIGHT. Mr. Chairman, I yield to the gentleman from Pennsylvania [Mr. McFADDEN] the remainder of my time.

Mr. McFADDEN. Mr. Chairman, I am enticed to make the few remarks I am going to make because of certain phases of this discussion which took place at the opening.

We have enmeshed in this legislation, apparently, two of the greatest speculators in the United States. Henry L. Doherty, who fleeced the American people out of millions of dollars and who kept for himself a minimum of probably $200,000,000, we find very much interested, because of the fact that he has invested a lot of the money he fleeced out of the American investing public now invested in hotels in Florida, such as the Miami-Biltmore, and others. Some of the finest hotels in Florida are owned by Henry L. Doherty. Of course he is interested in the development of Florida. He is for this bill because of the fact that he wants to gain further popularity, not only with the administration but with the public; and for this same reason he is financing our Embassy in Sweden, where his daughter, who has just been presented to the King and Queen of England, is secretary of this Embassy.

We all know the fact that the former Congresswoman from Florida, Mrs. Ruth Bryan Owen, who is the Ambassador, has been intensely interested in the passage of this resolution. It is generally understood that Mr. Doherty made it possible, through the association of his daughter with the Embassy, for Mrs. Owen's acceptance of this assignment. So not only is Mr. Doherty interested to promote the value of his investments in Florida but to enhance his standing and favor with the administration. And may I say to the House here and now that which I have said in a more mild form in the past, when I have been trying to get this administration and this House to investigate Henry L. Doherty's affairs, so that the people of the country could know whether or not he has paid his proper taxes to the Government of the United States and whether or not the Federal Trade Commission, who are now checking over his reports, have done their full duty, and whether or not the administration is protecting Mr. Doherty—that the administration and this House are protecting H. L. Doherty from all harm.

I have previously called attention to the fact that Mr. Doherty is the major domo of this administration on entertainment. He not only carried on the birthday party for the President but recently presented a check of the proceeds to the President at the White House for over $1,000,000 to the Warm Springs Foundation fund, and his own employees were commanded last week to stage a series of birthday parties for him throughout the country. This was done. We find him as the major domo of entertainment in Washington, where he maintains a club, in which men with political influence who can help him in this manipulation may meet, have a social evening, and make winnings at that point, and thus be made his friend and protector against any Government interference.

Barron Collier, another prominent Democrat, one of the leading speculators in real estate in Florida, now in the hands of his creditors, who bought extensively during the boom days in Florida, is another man who will be benefited if this bill goes through and the Government of the United States will promote these two undertakings for the benefit of these two great speculators.

I would not believe that this administration would protect Henry L. Doherty to the extent that they are protecting him, and when I say that I say it advisedly, because the Rules Committee of this House has been persuaded, in spite of the demands made upon them, to protect this man by not reporting out an investigation of his affairs. He is so clearly enmeshed, as is Barron Collier, in this situation that certainly this Congress is not going to cooperate with the

administration and now expend real money for the benefit and profit of these two gentlemen. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. All time having expired, the Clerk will read the bill for amendment.

The Clerk read as follows:

SEC. 2. The Secretary of the Interior is hereby authorized, in his discretion and upon submission of evidence of title satisfactory to him, to accept on behalf of the United States title to the lands referred to in the previous section hereof as may be deemed by him necessary or desirable for national-park purposes: *Provided*, That no land for said park shall be accepted until exclusive jurisdiction over the entire park area, in form satisfactory to the Secretary of the Interior, shall have been ceded by the State of Florida to the United States.

With the following committee amendment:

On page 2, line 13, strike out "pational-park" and insert in lieu thereof "national-park."

Mr. OLIVER of New York. Mr. Chairman, I have listened to the gentleman from Pennsylvania speak of the influences that are seeking to have this bill enacted. I would deplore any unfortunate influence from those who might profit. The people of America will profit most. I must disregard the address of the gentleman from Pennsylvania on this bill because of his mania against the gentlemen whom he has mentioned in his speech.

My motive and purpose in voting for this bill comes from a relationship with a neighbor, a man who lived next door to me for 30 years, a splendid gentleman and friend, and one of the greatest scientists in the United States, Dr. John Small. Every year he lives down in the Everglades. He is a noted botanist, a great writer, and a fine thinker. He has frequently been consulted by Edison, Ford, and Firestone as to the possibility of growing rubber in this country. I speak of that just to show the standing of the man.

Over 15 years ago this gentleman came back from Florida, where he had been living in the Everglades with the Indians, and he told me:

This is the spot America ought to own. Do not let the opportunity go to get it. It is precious. Put it under the protection of the Federal Government. It is the most valuable spot from a botanical standpoint, from a fish standpoint, from a bird standpoint, and from a beauty standpoint, that I have ever known.

This gentleman has traveled the world over.

I disregard what the gentleman from Pennsylvania has said and turn to my dear neighbor, Dr. Small, for his advice on the subject, and I shall follow his advice. Dr. Small told me that he lived there every year as a representative of the great Botanical Gardens of New York, and that he thinks this is one of the most valuable spots in America and ought to be raised to the dignity of a national park and thus put to the perpetual service of the people by the Federal Government. [Applause.]

Mr. KVALE. Mr. Chairman, I rise in opposition to the pro forma amendment to ask the chairman of the committee if he can give us any information regarding whether or not the Indian wards of the Government have been taken care of?

Mr. DEROUEN. Yes. It is proposed by the Park Service to place the Seminole Indians in the park to be used as guides and to be employed in other ways. They are to some degree a charge on the Government now, and it is proposed to leave them in there and use them as guides throughout the park.

Mr. KVALE. In other words, they will be permitted to remain relatively undisturbed in their own country and in their own homes?

Mr. DEROUEN. Yes. Of course, their actual reservation is outside the park; but we propose to bring it into the area, and it is the purpose of the Park Service to do so.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 3. The administration, protection, and development of the aforesaid park shall be exercised under the direction of the Secretary of the Interior by the National Park Service, subject to the provisions of the act of August 25, 1916 (Stat. 535), entitled "An act to establish a National Park Service, and for other purposes", as amended: *Provided*, That the provisions of the act approved June 10, 1920, known as "the Federal Water Power Act", shall not apply to this park: *Provided further*, That nothing in this act shall be construed to lessen any existing rights of the Seminole Indians which are not in conflict with the purposes for which the Everglades National Park is created.

With the following committee amendment:

On Page 2, line 22, in parentheses strike out "Stat. 535", and insert in lieu thereof "39 Stat. 535."

On page 3, after line 4, insert a colon and the following proviso: "*And provided further*, That the United States shall not expend any public moneys for the administration, protection, or development of the aforesaid park within a period of 5 years from the date of approval of this act."

Mr. DEROUEN. Mr. Chairman, I offer an amendment to the committee amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. DEROUEN to the committee amendment: On page 3, at the end of line 8, add the following: "Except for such work as may be done under the Emergency Conservation Work program."

Mr. BLANCHARD and Mr. RICH rose.

Mr. BLANCHARD. Mr. Chairman, I move to strike out the last word.

I want an explanation of the amendment that has been offered by the Committee.

Mr. DEROUEN. The amendment is offered by me.

Mr. BLANCHARD. Does the gentleman intend to explain the amendment?

Mr. DEROUEN. Yes. The amendment simply does this: When the bill was written, we were not using C.C.C. camps; and all we wish to do by this amendment is to permit, if necessary, the use of C.C.C. camps that may be located in this area.

Mr. BLANCHARD. Mr. Chairman, I want to be absolutely certain that the purpose of this amendment will not be destructive of the amendment the gentleman from Florida is going to offer. The gentleman has stated he is going to offer an amendment which will provide that nothing shall be done in this area which will destroy its primitive and natural condition, and I think the amendment of the gentleman from Florida, perhaps, comes as a result of my insistence, as a member of the Committee on Conservation of Wild Life. I can well understand the purpose of the amendment; and as I am somewhat concerned about C.C.C. camps in an area of this kind, I shall yield now to the gentleman from Florida.

Mr. WILCOX. It so happens that there is at this time a C.C.C. camp down there doing some work in the way of fire prevention, weeding around some of the sections where the royal palms are, and things of that sort, purely as a conservation measure, and it was decided that the wording of the original committee amendment which prohibits the use of Federal funds would immediately make it necessary to take out this C.C.C. camp and stop this very necessary work. So the object of the amendment is to permit them to go ahead in carrying on such conservation work.

Mr. BLANCHARD. Let me ask the gentleman whether this amendment has the approval of the Director of Public Parks and the American Forestry Association?

Mr. DEROUEN. Yes; the Director suggested it, in fact.

Mr. BLANCHARD. And there is no objection on their part?

Mr. DEROUEN. None whatever; no.

Mr. RICH. Mr. Chairman, will the gentleman yield, so that I may ask the gentleman from Florida a question?

Mr. BLANCHARD. I yield.

Mr. RICH. Is it the intention of the Department, if this bill is enacted into law, or of any Member of the Congress, to ask for more C.C.C. camps to be located in this territory?

Mr. WILCOX. It is not. This simply permits the present camp located in this area to carry on the conservation work it is now doing.

Mr. BLANTON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I doubt if this is a wise amendment, and I think we ought to defeat it. We were assured that this measure would not call for the expenditure of Federal money.

Some Members on the floor from time to time try to make a distinction——

Mr. DEROUEN. If the gentleman will permit——

Mr. BLANTON. In just a few minutes. I want to be heard first on one very important phase of this question.

Mr. DEROUEN. Mr. Chairman, I do not want to bring about any conflict here, and I shall withdraw the amendment.

Mr. BLANTON. The gentleman is not going to do that yet, because it would take me off my feet, and prevent my discussing one matter of importance, hence I do not yield for that purpose. I have the floor and I am going to hold it until I get through.

Some Members are trying here daily to make a distinction between money to be taken out of the Federal Treasury and money furnished by the P.W.A. by saying "it is not out of the Federal Treasury" if it is "P.W.A. money." What is that but money out of the Treasury? It is tax money that has come out of the pockets of the people. They say, "Oh, it is P.W.A. money or A.A.A. money." It is all public money, and public funds taken out of the pockets of the people.

Mr. WILCOX. Mr. Chairman, will the gentleman yield?

Mr BLANTON. No; I am sorry, but I want to get this off my system, because it has been accumulating there a long time. [Laughter.] This Government has not a dollar on earth to its name except tax money that it takes out of the people, or bond money, for which it pledges the credit of the Government; and which eventually must be paid by the people through taxation.

I am tired of seeing a distinction made between money appropriated out of the Treasury and money allocated by one of these P.W.A. or C.W.A. activities. Some seem to be perfectly willing for wasteful things to be done with P.W.A. or C.W.A. money, but I am just as much concerned about P.W.A. money or C.W.A. money being properly spent as I am about any other tax money out of the Federal Treasury.

I am pleased that this amendment is going to be withdrawn.

Mr. WILCOX. No; it is not.

Mr. BLANTON. Well, if it is not, we will try to vote it down.

Do you know that under this amendment they could not only send 1 camp there, but they could send 25 C.C.C. camps there if they wanted to? There is no limitation as to the number of C.C.C. camps that could be allocated to this new Government reservation in Florida.

I know that if the pipe dreams of some Florida politicians materialize this wilderness will be made habitable, and if tourists are to camp there it is going to require the work of numerous C.C.C. camps during the next 5 years.

Now, if the distinguished Florida delegation, than whom there is none more influential in Congress—if this influential delegation is strong enough to throw the important Steagall bank deposit bill out of the window temporarily and take up this bill by airplane action over night, I am a little concerned whether or not this distinguished influence would be sufficient to put 12, 15, 25, or even 50 C.C.C. camps down there to destroy the morasses and crocodiles. [Laughter.]

I am against this amendment. If this delegation wants to go along with their pledges and have this cost the Government no money, then they may pass their bill. I am going to vote against this amendment, and then I shall feel constrained to vote against the measure itself, because I believe eventually it is going to cost this Government a lot of money.

Mr. RICH. Mr. Chairman, I rise in opposition to the amendment. Members of the House of Representatives, we have been here on the floor taking up the valuable time of the House by talking about this Everglades Park when you have the most important legislation waiting to be disposed of by the Banking and Currency Committee. You have been told this afternoon by various speakers that we want to have this park as a Federal park. You have been told that it is not going to cost the Federal Treasury one penny, and yet no sooner than we get to the tail end of the bill the chairman comes with this amendment that is going to require the expenditure of thousands of dollars in the development of the park. I tell you the ink will not be dry on the signatures of the Speaker of the House, the Vice President of the Senate, and the President of the United States to this bill when you will be asked to spend the taxpayers' money to develop this park. The gentleman from Florida tells you that it is not going to cost the Federal Government any money. Why does he make the statement?

Why do men come here and tell us one thing, and then turn around and request us to do something else? I say that we Members of Congress may not be fools, but we are doing the things that fools would do if we enact this bill into law at this time.

It is time we put a stop to foolish legislation, it is time we woke up and use our own gray matter, and cease to follow some professor who is telling us to enact certain bills into law because some secretary wants it or some department head may have a fancy for the law.

Gentlemen, it is time we should call a halt on such legislation. It is time Members of Congress think. I implore you to defeat this amendment and to defeat this bill, especially at this time. [Applause.]

Mr. McDUFFIE. Mr. Chairman, I move to strike out the last three words. It is regrettable that partisan political discussions should enter into a matter of this kind. I think they have no place in the consideration of this bill.

A few moments ago I called to the attention of the distinguished gentleman from New York [Mr. REED], who opposes this measure, the decrease in unemployment, suggesting in that way that conditions were not as bad in the country as he might think. I do not believe he would deliberately sing the song of despair, nor do I believe he would join the snipers and snoopers who are anxious to discount the efforts being made to restore the country and find fault for political purposes. I believe he is free from political partisanship on such legislation as we are now considering. I have taken this time to read a statement which appeared in the New York Times this morning with reference to unemployment, which should be heartening and encouraging to those who doubt and convincing to those who deny improvement in conditions generally throughout the country.

It comes from the National Industrial Conference Board. That organization is not a board of politicians, but a board representative of labor, capital, and industry, and, we must believe, composed of men who are patriotic and without political motives to serve. If the Committee will be good enough to listen, I shall read the item:

UNEMPLOYED WORKERS IN NATION CUT TO 7,907,000 DURING 1 YEAR

NEW YORK, May 23.—The total number of unemployed workers in April 1934 was 7,907,000, according to an estimate of the National Industrial Conference Board issued today. This is a decline of 114,000, or 1.4 percent, from the March total and a decline of 5,296,000, or 40.1 percent, as compared with March 1933, when unemployment was at its highest point.

Unemployment increased 32,000 in mining, but this was overcome by decreases of unemployment in other industries, as follows: Manufacturing and mechanical, 99,000; transportation, 7,000; trade, 59,000; domestic and personal service, 5,000; and 3,000 in miscellaneous occupations. In addition, it is estimated that 27,000 new workers became available for employment during the month.

Unemployment has decreased since March 1933 in all industrial groups for which figures are available. Decreases were especially marked in manufacturing and mechanical industries. The number unemployed in this group of industries in April 1934 was 2,500,000, a decline of 3,923,000, or 61.1 percent, from the peak of unemployment in this group in March 1933. From March 1933 to April 1934 the number of unemployed workers in other groups decreased as follows: 54.8 percent in trade, 29.7 percent in domestic and personal service, 14.8 percent in the extraction of minerals, and 11.1 percent in transportation.

In this estimate the workers employed through the Public Works Administration are counted as employed. Emergency workers employed under Government auspices, usually part time, in lieu of direct unemployment relief, are counted as unemployed.

UNEMPLOYED WORKERS IN GROUPS

The following table shows the number of unemployed workers in the various industrial groups in March 1933, March 1934, and April 1934:

Industrial group	Number of unemployed		
	March 1933	March 1934	April 1934
Extraction of minerals	576,000	459,000	491,000
Manufacturing and mechanical	6,423,000	2,599,000	2,500,000
Transportation	1,591,000	1,422,000	1,415,000
Trade	2,126,000	1,020,000	961,000
Domestic and personal service	607,000	432,000	427,000
Industry not specified	538,000	420,000	417,000
Other industries [1]	296,000	296,000	296,000
All industries	12,153,000	6,647,000	6,506,000
Allowance for new workers since 1930 census	1,045,000	1,374,000	1,401,000
Total unemployed	13,203,000	8,021,000	7,907,000

[1] This group includes agriculture, forestry and fishing, public service and professional service. The number given is that of the unemployed in 1930, no figures being available from which later changes in employment can be computed.

That is a very heartening statement of unemployment conditions and does not indicate that the country is going from bad to worse. A decrease in unemployment of 5,296,000 in 12 months is a remarkable showing.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. McDUFFIE. Yes.

Mr. TABER. I am sorry, but I feel that the gentleman should be told of the census Mr. Hopkins of the F.E.R.A. has been taking which shows that on May 1, 1933, there were 4,250,000 families on relief, and that already they have reached that total in the figures for May 1, 1934, and they have not yet completed their census.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. McDUFFIE. Yes.

Mr. BOILEAU. The gentleman from New York [Mr. REED] in his remarks a short time ago was talking about people on the relief rolls, and not the unemployed, and I believe his figures were absolutely correct; at least, I have heard that quoted from many different sources. The figures the gentleman is now giving do not dispute the remarks made by the gentleman from New York.

Mr. McDUFFIE. Of course, I am talking about the decrease in unemployment in this country, the major part of which is in industry, and which, I repeat, indicates a much healthier and much more hopeful condition than that obtaining a year ago. Regardless of the numbers now on relief rolls, largely of a temporary nature, growing out of shifting relief from local communities to the Federal agencies, and some of which may be due to storms, drought, and other disasters, the outlook for the whole country is brighter and more encouraging.

Mr. WILCOX. Mr. Chairman, I move to strike out the last word to speak in favor of the amendment.

Mr. BLANCHARD. Mr. Chairman, before the gentleman begins, will he yield to me?

Mr. WILCOX. Yes.

Mr. BLANCHARD. I am quite concerned about this amendment with reference to the C.C.C. camps.

Mr. WILCOX. That is what I want to talk about.

Mr. BLANCHARD. I am afraid that you are going to destroy the effect of your amendment, and that is something which we ought to guard against very carefully. I am positive that the various groups, some of which were opposed to this bill originally, but who later on came in and decided to go along with you, have not had an opportunity to study its effect. For that reason I hope the gentleman will not support it.

Mr. WILCOX. Mr. Chairman, I appreciate the attitude of the gentleman upon that, and that is the reason that I am rising in support of the amendment. I told the House in general debate that we will offer an amendment requiring that the area shall be preserved in its essential primitive condition, and that no development shall be had which will in anywise interfere with that. We also propose to offer an unusual amendment, that the Federal Government cannot expend any money for maintenance or supervision or development for a period of 5 years. It so happens that the C.C.C. camp is now in this area doing certain conservation work, purely in the matter of preserving and protecting the forests. It occurs to me that the amendment as now drawn will not in any way conflict with the amendment requiring it to be retained in its primitive condition, but that if both were adopted it will permit the C.C.C. camps to go ahead with their conservation work, but with the provision in the bill that nothing that they shall do or that anybody else shall do will in any way interfere with the primitive conditions or destroy its essential condition as a wilderness. I do not want anything to be done in this area which will destroy that, and I do not want to require the Government to spend any money for 5 years, but we have the C.C.C. camps there doing conservation work. They are protecting the forests elsewhere. They are protecting these forests now, and it seems to me it is a reasonable provision to permit them to go ahead.

Mr. DIES. Mr. Chairman, will the gentleman yield?

Mr. WILCOX. Yes.

Mr. DIES. Would the adoption of this amendment necessarily mean that you would put any more C.C.C. camps in that community?

Mr. WILCOX. Not at all. As a matter of fact, whether this area is set aside as a park or not, we all know the C.C.C. camps have a right to go in and preserve and protect the forests by fire-prevention methods and other things that they are doing.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. WILCOX. Yes.

Mr. MOTT. What are the C.C.C. forces doing, or what can they do, to protect a growth like the growth of the Everglades? There has never been a fire down there, has there?

Mr. WILCOX. Oh, yes; quite frequently.

Mr. MOTT. What kind of work is it that the camps are doing?

Mr. WILCOX. It is largely in the matter of fire prevention, and in some cases of resetting some of the trees that have been destroyed.

Mr. MOTT. I have been in the Everglades by boat, and I am very much surprised to hear that there ever have been any fires there. That is news to me. I am wondering what the C.C.C. workers could do in that regard. If it is the purpose of the sponsors of this bill to preserve that area in its primitive state, and if the Government is not going to spend a great deal of money in the development of it, then what is the object in having the Federal Government take over that area at all?

Mr. WILCOX. I did not say there would never be an expenditure of any money. There will be no expenditure of money for 5 years. After the 5 years are up, it might be advisable, possibly, under act of Congress to be passed, if Congress so desires, to make appropriations to extend the trails through some sections of this area and to preserve it. It will be largely a matter of supervision and protection.

The CHAIRMAN. The question is on the amendment to the committee amendment.

Mr. BLANCHARD. Mr. Chairman, may we have the amendment again reported?

The CHAIRMAN. Without objection, the Clerk will again report the amendment to the committee amendment.

Mr. ENGLEBRIGHT. Mr. Chairman, I do not understand that this is being read as a committee amendment, is it?

The CHAIRMAN. No. It is an amendment to the committee amendment offered by Mr. DEROUEN.

There was no objection, and the Clerk again reported the amendment to the amendment.

Mr. HASTINGS. Mr. Chairman, I am very much in favor of this bill, but I regret that the sponsors of the bill feel that they must submit to this amendment.

Mr. DEROUEN. Mr. Chairman, will the gentleman yield?

Mr. HASTINGS. I yield.

Mr. DEROUEN. I have requested to withdraw the amendment to the amendment, and the gentleman from

Texas [Mr. BLANTON] objected to the request. I make the request again to withdraw this amendment.

The CHAIRMAN. Without objection, the amendment to the committee amendment is withdrawn.

Mr. MOTT. Is that the C.C.C. amendment?

Mr. DEROUEN. Yes.

The CHAIRMAN. Does the gentleman from Louisiana [Mr. DEROUEN] mean that he withdraws the amendment to the committee amendment?

Mr. DEROUEN. That is correct.

The CHAIRMAN. Without objection, the amendment to the committee amendment is withdrawn.

There was no objection.

Mr. HASTINGS. Mr. Chairman, I regret the author of the bill to establish this park finds it necessary to agree to the terms proposed in the committee amendment. I am in favor of the bill. I think this park ought to be created, but I do not believe it is necessary or that we ought to agree to the amendment, to the effect that if the Congress of the United States sees fit to make additional appropriations for parks it shall be prohibited from doing it for this park for the next 5 years.

Mr. SNELL. Will the gentleman yield for a question?

Mr. HASTINGS. I will.

Mr. SNELL. I do not think the gentleman need be unnecessarily disturbed about that, because we may change this next week or the week after. The gentleman has heard the chairman of the committee offer an amendment today, after all the talk had been made, which absolutely does away with the committee amendment itself. So the gentleman need not worry about it in the future.

Mr. HASTINGS. The minority leader is quite right. I knew this amendment would not have any binding effect upon the Congress. The Congress next year could provide funds for the improvement of this park. However, it will morally bind and embarrass any Member of Congress from asking for funds to improve the park. I think the Congress should do that, and I do not believe it is necessary to have this kind of an amendment added to this bill in order to secure favorable action upon it. I think this bill should stand on its own merits. We can pass the bill without the amendment. I think it is a park that ought to be established. I have always favored it. It has certain unique and distinctive features, as has already been explained, and for that reason I rose to say that I regret the sponsor of the bill has felt it necessary to yield so that this amendment to the bill may be adopted.

There are 22 national parks throughout the country. Congress appropriates for them annually through the Interior Department appropriation bill. I have had the privilege of serving on the subcommittee which prepares this bill, for many years.

For the fiscal year ending June 30, 1934, the bill carries appropriations aggregating $11,775,137 for the National Park Service. In addition there was allotted from the funds provided in the National Recovery Act, for public works of various kinds, including roads and trails in the national parks, $32,092,450.27. In other words, a grand total of $43,867,587.27 has been authorized to be expended on national parks for the fiscal year ending June 30, 1934.

In order to make the national parks of use to the public and acceptable they must be improved. There must be facilities to house people who visit them each year. There must be roads and trails through the parks. It is not necessary to disturb the flora and fauna in the Everglades Park. The Everglades can be preserved in primitive shape, but when people visit this park they must be provided with places to eat and to stay, and they must be given some comforts. Otherwise, the national parks will not be visited. If this area is not to be improved at all, then there is no need to establish a park there. Untold millions of people visit and enjoy the parks throughout the country, and they will only visit this one when and if the park is improved, so that comforts for visitors may be provided for.

This improvement is largely in the interest of the ordinary citizen visiting the park. The wealthy, of course, can go to the hotels in the adjacent cities and towns, but those who visit this park in automobiles and desire to camp there at small expense must have accommodations provided for them where they can have places to eat and stay and to buy food, as are provided in the other parks throughout the country.

This bill ties the hands of the Representatives in Congress from Florida from asking for an appropriation for 5 years. Of course, Florida must first act in securing title to and donating approximately 1,300,000 acres of land, and this will require some time. However, when that is done, unless this area is improved, as the other parks throughout the country, it will not invite the millions of visitors who desire to go there and enjoy it during the winter months.

I had the pleasure of visiting this area many years ago, and I want to attest that there are many distinctive features there that are well worthy of preserving and which will attract a great many visitors, providing roads and trails are built, sanitation is provided for, and the park improved along the lines of the other national parks throughout the country. This will require money, and if the Government is going to accept the responsibility for this park it should be improved along with the other parks of the country.

Mrs. Ruth Bryan Owen pressed favorable consideration for the establishment of this park for several years. I understand the bill has heretofore passed the Senate. It has been favorably reported on by the National Park Service, and I hope the bill will finally pass Congress during the present session.

Mr. DEROUEN. Mr. Chairman, I move that all debate on this section and all amendments thereto do now close.

The CHAIRMAN. The question is on the motion of the gentleman from Louisiana [Mr. DEROUEN].

The motion was agreed to.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 2, line 22, in the parentheses, strike out "Stat. 535" and insert "39 Stat. 535."

The committee amendment was agreed to.

Mr. WILCOX. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. WILCOX: On page 3, after line 8, insert a new section to read as follows:

"SEC. 4. The said area or areas shall be permanently reserved as a wilderness, and no development of the project or plan for the entertainment of visitors shall be undertaken which will interfere with the preservation intact of the unique flora and fauna and essential primitive natural conditions now prevailing in this area."

Mr. SEARS. Mr. Chairman, I rise in support of the amendment.

I ask unanimous consent to revise and extend my remarks and to include certain statements from the hearings.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. SEARS. Mr. Chairman, there has been some discussion about how this bill came up today. In 1928 Senator FLETCHER secured the passage of a bill in the Senate providing for an investigation of the proposed national Everglades Park and on the 1st of March 1929, 3 days before retiring to private life, I secured the passage of said bill in the House. Those making the investigation made a favorable report, and I am glad the good people of Florida returned me to Congress and made it possible for me to participate today in the final consideration of the bill and, I trust and believe, the passage of the bill.

I am indeed sorry my Republican friends have indulged in misstatements of facts and have endeavored to make the bill a partisan question. During the 15 years I have served in the House, this is the first time I have known my friends on the opposite side to treat a matter of national importance in such a manner and so grossly—I trust not knowingly—misstate facts. I refrain from believing it is a partisan

matter, and I am satisfied many of my friends on the opposite side of the aisle will join with us on this side in passing this bill and make possible this wonderful national park.

One of my friends on the opposite side stated California had unloaded all of her lemons on the Government, and now Florida was undertaking to outdo California and give to the Government the largest lemon ever presented to the Government. It is indeed unfortunate that they have undertaken to arraign California and Florida against each other, but I am satisfied they will not be successful and that California and Florida will continue to work hand and hand for the betterment and upbuilding of both States. Let me assure my friend on the opposite side Florida has no lemons to offer the Government and California would not give the Government one if she could.

I looked at my distinguished friend from Massachusetts while he was talking about snakes and wondered if he was talking about the snake we kept down there in prohibition days to bite northern people in order that they might secure some whisky under the guise of curing the snake bite.

Perhaps he got there after the snake was tired and worn out from biting others and therefore the snake could not bite him, and so my good friend, the hotel man from Massachusetts, has been seeing snakes ever since. [Laughter and applause.]

Mr. Chairman, I would remind my colleagues that more than a million people from their districts last year went down to Florida within 30 or 40 miles of this wonderful park. If they should happen to read the discussion here on the floor of the House today I wonder what they would think of the learned Congressman who represent them in Congress. Talk about your parks in Pennsylvania, they are all right, but this park is not for our people in Florida, it is for your people who spend the winter, our summer months, down there.

Much has been said about our hotels. We realize the fact that our wealthy people can go to the hotels mentioned today and pay their rates of $25 to $50 a day, but I visualize the time when the common people of America can do down to Florida and, like myself and others who for more than 30 years have enjoyed our outdoor life, bask in our glorious sunlight, and enjoy the wonderful natural scenery of this park, and sleep in small cabins, at nominal expense. It is for these and those interested in nature for whom I am appealing today.

Unfortunately, today Messrs. Daugherty and Collier have been mentioned in this debate. I know both of these gentlemen and while I am satisfied like all people interested in the welfare of our citizens they are deeply interested in securing the passage of this bill, let me state neither of these gentlemen have ever approached me about this park, and so far as I know, they have not taken the matter up with any of my colleagues from Florida. Neither of them need any defense at my hands for they are able to defend themselves. I again repeat it is unfortunate that citizens on the floor of the House are abused and criticized when they have no chance to defend themselves.

I sincerely trust prejudice will not enter into the question. Speaking for myself, I hope my colleagues know me well enough to know I would not mislead them when I state to you anyone who makes the statement that we will be asking for millions and millions of dollars as soon as this bill becomes a law does not know what he is talking about. On my responsibility as a Member of Congress at large from my State, and weighing my words, I assure you such is not the case. This park, if properly handled by the Government, will not cost the Government large sums of money but, in fact, will be a revenue-producing park. To make this possible we only have to provide camping grounds for our northern, eastern, and western friends, and the nominal sum charged will turn it into a revenue-producing park.

I sincerely trust you will not vote this bill down due to prejudice, misinformation, and because the park is proposed to be established in the southern section of our country.

Do not hold it against the citizens of our State that they voted for Hoover in 1928, for at that time I tried to convince the people they were making an error, and I assure you since then they have fully repented, and you can hardly get anyone down there to admit he voted the Republican ticket.

Since I became a Member of Congress I have voted for the improvement of every national park and have looked upon the national parks as a national question. I now appeal to my colleagues not to be misled by the argument which has been used on the other side, but to look on the Everglades National Park as a national matter and join with us in passing the bill.

In order that those who read the CONGRESSIONAL RECORD may have some of the facts before them, I am appending hereto brief excerpts from the hearings before the Public Lands Committee, of which my able and distinguished friend and colleague, Hon. RENÉ L. DEROUEN, is chairman.

[NOTE.—Pages referred to in the following excerpts are pages of the hearing:]

ESTABLISHMENT OF EVERGLADES NATIONAL PARK—HEARINGS BEFORE THE COMMITTEE ON THE PUBLIC LANDS, SEVENTY-FIRST CONGRESS

STATEMENT OF HORACE M. ALBRIGHT, DIRECTOR NATIONAL PARK SERVICE

We found the section absolutely distinctive. There is certainly nothing else like it in the United States. That is one point in its favor as a national park. It has a unique topography. It is true it is quite flat. There are no mountains there. The landscape is of water and plant life. We found the most extraordinary display of bird life there, and yet we could very easily see that it was something that was very precious and subject to exploitation by meat hunters. We actually came in contact with men engaged in poaching on those rare birds (p. 5).

People do not think of Yellowstone Park as a particularly beautiful thing, although those of us who know it best do think of its beauties more than its wonders; but people go to Yellowstone to see Old Faithful Geyser and those other wonderful manifestations of subterranean disturbance. That is what attracts most people. Now, in the same way they would go to the Everglades. It is a strange land full of strange plants. The landscape is strange. The coconut-grove-lined beaches are strange.

There is an atmosphere of mystery and strangeness about the whole thing that attracts the attention of all who see the Everglades and will attract the multitude as much as a park like Yellowstone. We have been reading about the Everglades from the earliest days of geography study. The Everglades, like the big trees and the geysers, are in everybody's mind, and we should be given an opportunity to see them (p. 6). There is no place in the country where you will see such conditions of bird life as you will in the Everglades, particularly in these sections tributary to Great White Water Bay, Alligator Lake, and other areas. Here there are the various species of egret, heron, and ibis, the man-of-war bird, the roseate spoonbill, and there are probably some flamingos left. Probably two thirds of this park should be kept as a wilderness accessible only by boat and on foot (p. 8).

In speaking of how spectacular it is, Mr. Albright says, "For instance, the plant life alone. Have you ever seen a mangrove forest? That is spectacular. The roots start out of the tree 10 or 15 feet up in the air and spread out in all directions. Instead of starting down underground, they start way up in the air. These great rookeries, aside from the fact that there are birds in the rookeries, there is nothing more spectacular and thrilling than to see those tens of thousands of enormous birds in the trees. You can see them for a mile before you get to them, just as far as your eyes can reach, trees laden with great birds. There is a distinction there between just preserving birds and animals, and the thrill that you get and the inspiration and the education you get out of going and seeing them (p. 11).

You can take people through these Everglades, and they will see all the distinctive features, the fine forests, all the various species of palms, the coconut groves, the beaches, one or two of these great bird rookeries, and the other areas containing unique forests, unique plant life, and let them see all of the distinctive unique things, the highlights of the area, and you will give them just as much in that section as you will in practically all of the other parks (p. 18).

STATEMENT OF CASPER W. HODGSON, WHO INSPECTED THE EVERGLADES

I am chairman of the national parks committee of the conservation committee of the Camp Fire Club of America and chairman of the executive committee of the National Parks Association. The Camp Fire Club endorsed the Everglades region as a national-park proposition, but the National Parks Association has taken no formal action upon the matter. I wrote to Robert Sterling Yard, executive secretary of the National Parks Association, and to the National Park Service, dated February 18, 1930, as follows:

"I have just gotten back from the Florida trip, and I will say to you in passing that I saw what comes nearer to a wilderness area than anything I have yet struck in a national park. It was inspirational in a high degree. It was not so geological, but very elemental and primitive and certainly more biological than anything I have yet struck anywhere. No human touch in it at all. Some 20 by 40 miles of that kind of thing is hard to find any more. It will soon be spoiled, however, unless we take it, and I am for taking it. It will be doing something constructive to

get behind this. It conforms more to national-park standards than anything I have seen east of the Mississippi. I believe those in the party were pretty much of one mind about it" (p. 25).

STATEMENT OF DR. H. C. BUMPUS, BROWN UNIVERSITY, PROVIDENCE, R.I.

I am not claiming that it is our purpose to educate—a more or less offensive word—the people that go into the national parks. I do claim that when visitors want substantial information concerning the behavior of nature they are entitled to receive it, and, furthermore, when a large, undeveloped area like the Everglades, possessing physical characters unrepresented in other parks and having great educational value, is available for inclusion in a system, one's duty becomes clear, and the more so since the national park system will be forever incomplete if this tropical area is not acquired (p. 27).

Now, I am coming to my second point: Is it worth preserving? One reason why I feel it is worth preserving is because hard-headed business men have spent hundreds of thousands of dollars in making imitations, for exhibition purposes, of what there is in this area and the contiguous waters. I ran over the figures roughly before this meeting, and I think that the American Museum of Natural History has expended at least $200,000 in its endeavor to give to the people of New York and the Nation at large some idea of what nature profusely exhibits in the southern part of Florida and the surrounding waters of ocean. Museums have sent their men into this rich area, they have made their collections, it has taken literally years to reproduce in our various cities what Florida exhibits as originals. If this area should cost $5,000,000 the interest on the investment would be $250,000. Institutions for educational and for inspirational purposes are spending, have spent, in reproducing what is already here practically the equivalent of the interest on this amount of money (p. 28).

STATEMENT OF DR. GILBERT PEARSON, PRESIDENT OF THE NATIONAL ASSOCIATION OF AUDUBON SOCIETIES, NEW YORK CITY

Perhaps I have said enough about the bird life except to say that in the Royal Palm Hammock Mr. Arthur H. Howell, of the National Museum of Washington, a Government man here, identified 127 species of birds. There are various rare birds breeding in the Everglades. The Everglade kite, the swallow-tailed kite, and the limpkin are examples. The roseate spoonbill, once found in Florida by hundreds of thousands, is very rare today (p. 36). People can travel by boat, and I can see the possibilities for joy and happiness for the use of such craft. You were talking yesterday about roads—my idea of a road would be to rebuild this one to Cape Sable, as Mr. Albright said. Then it should go around White Water Bay and cross the western edge of the prairie country—that is the marsh area—and join the Tamiami Trail toward its western end. One could go through the area in a wonderful 2 days' trip, with a stopping place down here among these palm groves at the Cape Sable beaches.

The interminable waterways and the creeks that wander back through all this vast western part of the glades there—no man knows them all. The people who know them best, acquainted with them, are the Seminole Indians. Last year I was advised that there were 551 Seminoles left in south Florida. They dress picturesquely; they wander through the glades; they shoot the big wood ibis for food; they trap fur-bearing animals and shoot alligators for their hides. In short, they earn a living in about any way they can. A few of them go out and work for the whites. They are mostly living up north of this area, but some of them camp through here. What more delightful outing could a man and his wife have than to take a camping trip with a couple of Seminoles in their long dugout canoe, wearing their picturesque costumes? Trusty guides are these silent, smoking Indians who know the country so well (p. 39).

STATEMENT OF HARLAN P. KELSEY, MEMBER OF THE SOUTHERN APPALACHIAN NATIONAL PARK COMMISSION, SALEM, MASS.

Again, there is no other area in this country devoted to a national park like this one. It is totally different in land, water, climate, plant, and animal features, as well as recreational features. It is very remarkable as being the only land in America that is "in the making." Dr. Charles Torrey Simpson, who has written so much about southern Florida, has described it as the only land in this country which is emerging from the ocean. Everywhere else there is a breaking down, a washing away of our continent; here there was once emergence, then submergence, and now emergence again (p. 45).

STATEMENT OF JOHN K. SMALL, HEAD CURATOR NEW YORK BOTANICAL GARDEN

I carried out enough for botanical specimens only, as much as I could carry in my hand. I may have carried a good deal out in the 30 years I have visited this area, perhaps twice a year for 30 years (p. 49).

I have lived in the Everglades for a month at a time, and I have been in the southern part of the Everglades where there was no rain in sight, and right around our camp the water sometimes would come up a foot. That rain may have fallen 200 miles north and come down underground. So the principal thing that the Everglades and the big cypress swamp are fit for is a national park (p. 51).

STATEMENT OF DR. HOWARD A. KELLY, JOHNS HOPKINS UNIVERSITY

No; I was never but once bitten by a king, and the lesion of the bite was insignificant. I might here relate a story. I had two king snakes some months ago, one called scientifically Lampropeltis floridana and the other Lampropeltis boylii, from Utah. I kept the two together, being generically first cousins, the smaller Florida one and the considerably larger one from Utah. And they did well and lived amicably for some weeks. One day, however, I came to the cage and found one suspiciously larger snake in the cage which I had X-rayed, and there [pointing to the radiograph on the table] is the explanation of it—a perfect picture of the sinuous and doubled-up longer enveloped in the smaller. Florida had swallowed Utah (p. 56).

STATEMENT OF DR. PAUL BARTSCH, CURATOR OF THE NATIONAL MUSEUM

I must therefore say that Florida, so far as this projected park is concerned, was most fortunate when the boom broke, because if the boom had continued much longer there would have been no need for anybody to make this effort to preserve those things which are worth while for preservation; they would have been destroyed. The breaking of that boom has saved enough to give the Nation the right to the heritage that nature has produced for it there through countless centuries, and the generations to come will have an opportunity likewise to enjoy it. I feel that we have a real national duty for the preservation of this area (p. 61).

[Here the gavel fell.]

Mr. DEROUEN. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 5 minutes.

The motion was agreed to.

Mr. BLANCHARD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I did not draft this amendment, but I think it was largely through my insistence, as I stated before, that the amendment was agreed to. Of course this bill did not come before the Committee on Wild Life Conservation because the committee had jurisdiction, but extensive hearings on the measure were held by our committee.

One of the very first points of opposition against the bill was called to our attention by several conservation organizations, and as a result of that opposition this amendment was proposed, and it was agreed to by the sponsors of the bill.

If the park has any merit whatsoever that merit lies in its unique characteristics; and these unique characteristics should be preserved if it is to become a national park. They cannot be preserved if the park is to be made available to every person in the United States and is to be commercialized as some of our national-park areas have been.

Some of the opposition directed against this measure goes to the question of whether at this time we can afford to take on any additional governmental obligations. The Government has been protected so that at least until the succeeding Congress no money may be spent by the United States Government, and I hope this provision may be kept intact.

If we are to save for future generations some of the beauty spots of America then we may well give consideration to an area of this kind. If it is worth a thin dime to the people of Florida, or to the people of the United States, it is worth preserving in its natural state, and this is why I am concerned about this amendment.

There are two kinds of conservation; one goes to the question of utilizing our natural resources, the other of preserving them unused. If they are of commercial value, of course, they are valuable because they may be utilized; but there are, thank God, still left in this country some areas that can be of greatest use and be most enjoyed only if kept in their pristine State. Nature will take care of them if given a chance. This amendment is written into the bill so that the devastating hand of man may not destroy the flora and the fauna of this great tropical area. If this amendment is adopted, it will mean that the Government will refuse to spend any money for 5 years and the Treasury will be protected. At the same time a choice spot will be preserved for the succeeding generations of the people of America.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. BLANCHARD. I yield.

Mr. MOTT. The area known as "the Everglades" has existed, of course, for a great many years. Does the gentleman know whether anybody has ever destroyed any part of it to date?

Mr. BLANCHARD. I may say to the gentleman, not from personal observation but on good authority, I am informed that this area stands a good chance of being destroyed through commercialization. Some of the Royal Palms of this area have already been destroyed, and some of the rookeries and nesting grounds of the choicest birds of America have been destroyed. We should not permit it. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. CHRISTIANSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CHRISTIANSON: Page 3, line 3, after the word "Indians", strike out the following: "which are not in conflict with the purposes for which the Everglades National Park is created."

Mr. SEARS. Mr. Chairman, I make the point of order against the amendment that we have passed this section.

The CHAIRMAN. The Chair sustains the point of order.

The Committee rises under the rule.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. DISNEY, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H.R. 2837) to provide for the establishment of the Everglades National Park in the State of Florida, and for other purposes, pursuant to House Resolution 384, he reported the bill back to the House with sundry amendments adopted by the Committee.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Speaker will put them in gross.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. SNELL. Mr. Speaker, I ask for a division.

(While the House was dividing, the following occurred:)

Mr. SNELL. Mr. Speaker, I ask for the yeas and nays.

Mr. FITZPATRICK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. FITZPATRICK. When there is a division demanded and the Members stand, they ask for the yeas and nays. I think the division ought to be decided first, then the request for the yeas and nays made.

Mr. SNELL. I have the right to ask for the yeas and nays at any time.

Mr. BYRNS. That is true; but I think this is a practice that has been followed here repeatedly. I think gentlemen should be permitted to take their seats before a request for the yeas and nays is made.

The yeas and nays were ordered.

The question was taken; and there were—yeas 222, nays 145, not voting 64, as follows:

[Roll No. 146]

YEAS—222

Abernethy	Carmichael	Cummings	Ford
Arens	Carter, Calif.	Dear	Foss
Ayers, Mont.	Cary	Deen	Frey
Bakewell	Castellow	Delaney	Fuller
Bankhead	Celler	DeRouen	Fulmer
Berlin	Chavez	Dickinson	Gambrill
Biermann	Church	Dickstein	Gasque
Blanchard	Claiborne	Dies	Gilchrist
Bland	Clark, N.C.	Disney	Gillespie
Bloom	Cochran, Mo.	Dobbins	Gillette
Boland	Colden	Doughton	Glover
Bolton	Collins, Calif.	Douglass	Granfield
Boylan	Collins, Miss.	Doxey	Gray
Brooks	Colmer	Drewry	Greenway
Brown, Ga.	Condon	Driver	Greenwood
Brown, Ky.	Connery	Duncan, Mo.	Gregory
Browning	Cooper, Ohio	Dunn	Griffin
Buchanan	Cooper, Tenn.	Durgan, Ind.	Haines
Buck	Cox	Eagle	Harlan
Burnham	Cravens	Edmiston	Harter
Busby	Crosby	Faddis	Hastings
Byrns	Cross, Tex.	Farley	Healey
Caldwell	Crosser, Ohio	Fernandez	Hildebrandt
Cannon, Wis.	Crowe	Fitzpatrick	Hill, Ala.
Carden, Ky.	Cullen	Fletcher	Hill, Knute
Hill, Samuel B.	McCormack	Rankin	Tarver
Hoeppel	McDuffie	Reece	Taylor, S.C.
Holdale	McFarlane	Reilly	Thom
Hope	McGrath	Richards	Thomason
Howard	McKeown	Robertson	Tobey
Hughes	McMillan	Robinson	Traeger
Imhoff	McReynolds	Rogers, N.H.	Turner
Jacobsen	McSwain	Romjue	Turpin
Johnson, Minn.	Maloney, Conn.	Rudd	Umstead
Johnson, Okla.	Maloney, La.	Ruffin	Vinson, Ga.
Johnson, Tex.	Mansfield	Sabath	Vinson, Ky.
Johnson, W.Va.	Martin, Colo.	Sadowski	Wallgren
Jones	May	Sanders, La.	Walter
Kee	Miller	Sandlin	Warren
Keller	Mitchell	Schulte	Wearin
Kenney	Montague	Scrugham	Weaver
Kerr	Montet	Sears	Werner
Kopplemann	Murdock	Secrest	West, Ohio
Kramer	O'Connell	Shannon	West, Tex.
Lambeth	O'Connor	Simpson	White
Lanham	O'Malley	Sinclair	Whittington
Larrabee	Oliver, N.Y.	Smith, Wash.	Wilcox
Lea, Calif.	Owen	Smith, W.Va.	Williford
Lee, Mo.	Parker	Snyder	Williams
Lemke	Parks	Spence	Wilson
Lewis, Colo.	Parsons	Steagall	Wood, Ga.
Lindsay	Perkins	Strong, Tex.	Woodruff
Lloyd	Plumley	Stubbs	Woodrum
Luce	Polk	Sullivan	Zioncheck
Lundeen	Ramsay	Sumners, Tex.	
McClintic	Randolph	Sweeney	

NAYS—145

Adair	Ditter	Kloeb	Richardson
Adams	Dockweiler	Kniffin	Rogers, Mass.
Allen	Dondero	Knutson	Sanders, Tex.
Andrew, Mass.	Dowell	Kocialkowski	Schaefer
Arnold	Duffey	Lambertson	Schuetz
Ayres, Kans.	Eaton	Lamneck	Seger
Bacharach	Eicher	Lanzetta	Shallenberger
Bacon	Ellenbogen	Lehlbach	Snell
Beam	Englebright	Lehr	Somers, N.Y.
Beck	Evans	Lesinski	Stokes
Beedy	Fish	Lozier	Strong, Pa.
Blanton	Fitzgibbons	Ludlow	Sutphin
Boehne	Flannagan	McCarthy	Swick
Boileau	Focht	McFadden	Taber
Brennan	Frear	McGugin	Taylor, Tenn.
Brown, Mich.	Gifford	McLean	Terrell, Tex.
Brunner	Goldsborough	McLeod	Terry, Ark.
Buckbee	Goss	Mapes	Thomas
Burch	Griswold	Martin, Mass.	Thompson, Ill.
Burke, Nebr.	Hancock, N.Y.	Martin, Oreg.	Thurston
Cady	Hancock, N.C.	Meeks	Tinkham
Cannon, Mo.	Hart	Merritt	Treadway
Carpenter, Kans.	Hartley	Millard	Truax
Carter, Wyo.	Henney	Moran	Utterback
Cartwright	Hess	Morehead	Wadsworth
Cavicchia	Higgins	Mott	Waldron
Christianson	Hollister	Muldowney	Weideman
Clarke, N.Y.	Holmes	Musselwhite	Welch
Cochran, Pa.	Huddleston	Nesbit	Whitley
Coffin	James	O'Brien	Wigglesworth
Connolly	Jenckes, Ind.	Patman	Wolcott
Corning	Jenkins, Ohio	Peyser	Wolfenden
Crowther	Kahn	Pierce	Wolverton
Culkin	Kelly, Ill.	Powers	Young
Darrow	Kelly, Pa.	Ransley	
Dingell	Kennedy, N.Y.	Reed, N.Y.	
Dirksen	Kinzer	Rich	

NOT VOTING—64

Allgood	Darden	Kurtz	Ramspeck
Andrews, N.Y.	De Priest	Kvale	Rayburn
Auf der Heide	Doutrich	Lewis, Md.	Reid, Ill.
Bailey	Edmonds	Marland	Rogers, Okla.
Beiter	Elizey, Miss.	Marshall	Shoemaker
Black	Eltse, Calif.	Mead	Sirovich
Britten	Fiesinger	Milligan	Sisson
Brumm	Foulkes	Monaghan, Mont.	Smith, Va.
Bulwinkle	Gavagan	Moynihan, Ill.	Stalker
Burke, Calif.	Goodwin	Norton	Studley
Carley, N.Y.	Green	Oliver, Ala.	Swank
Carpenter, Nebr.	Guyer	Palmisano	Taylor, Colo.
Chapman	Hamilton	Peavey	Thompson, Tex.
Chase	Jeffers	Peterson	Underwood
Cole	Kennedy, Md.	Pettengill	Withrow
Crump	Kleberg	Prall	Wood, Mo.

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Peterson (for) with Mr. Doutrich (against).
Mr. Green (for) with Mr. Kurtz (against).
Mr. Pettengill (for) with Mr. Goodwin (against).
Mr. Fiesinger (for) with Mr. Brumm (against).
Mr. Palmisano (for) with Mr. Chase (against).
Mr. Crump (for) with Mr. Edmonds (against).
Mr. Swank (for) with Mr. Marshall (against).

General pairs:

Mr. Bulwinkle with Mr. Britten.
Mr. Chapman with Mr. Eltse of California.
Mr. Elizey of Mississippi with Mr. Guyer.

Mr. Kleberg with Mr. Peavey.
Mr. Rayburn with Mr. Reid of Illinois.
Mr. Taylor of Colorado with Mr. Withrow.
Mr. Underwood with Mr. Stalker.
Mr. Prall with Mr. Moynihan of Illinois.
Mr. Oliver of Alabama with Mr. Andrews of New York.
Mr. Mead with Mr. Kvale.
Mr. Gavagan with Mr. De Priest.
Mr. Carley of New York with Mr. Shoemaker.
Mrs. Norton with Mr. Foulkes.
Mr. Black with Mr. Burke of California.
Mr. Bailey with Mr. Darden.
Mr. Allgood with Mr. Wood of Missouri.
Mr. Cole with Mr. Rogers of Oklahoma.
Mr. Ramspeck with Mr. Hamilton.
Mr. Auf der Heide with Mr. Marland.
Mr. Smith of Virginia with Mr. Thompson of Texas.
Mr. Sirovich with Mr. Milligan.
Mr. Monaghan of Montana with Mr. Beiter.
Mr. Studley with Mr. Carpenter of Nebraska.
Mr. Sisson with Mr. Lewis of Maryland.
Mr. Kennedy of Maryland with Mr. Jeffers.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. SEARS. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks on the bill just passed by the House.

Mr. RICH. Mr. Speaker, reserving the right to object, I question whether we ought to go to the expense now of creating a lot of conversation in the RECORD in reference to this bill and adding additional expense to the taxpayers of this country. Is there not going to be some recognition of the fact that this has already cost a lot of money, and what good is it going to do?

The regular order was demanded.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

Mr. RICH. Mr. Speaker, I object.

EXPLANATION OF A VOTE

Mr. KVALE. I was detained out of the Chamber during the last roll call. Had I been present I would have voted "yea."

THE REDEMPTION OF WORN AND ABRADED COIN

Mr. WHITE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. WHITE. Mr. Speaker, I desire to call the attention of the Members of the House to the discriminations being made by the Treasury Department in redeeming currency. If paper currency is defaced and mutilated and is presented for redemption, the Treasury allows the full value of the currency of the claim presented for payment. If the currency presented happens to be silver, the claimant is only allowed the bullion value of the metal, even in cases where the denomination and imprint of the mint is discernible, as in the case of the claimant whose letter is included herewith for the information of the Members of the House:

QUARTZBURG, IDAHO, *May 8, 1934.*

Hon. COMPTON I. WHITE,
Representative in Congress,
Washington, D.C.

DEAR MR. WHITE: I am taking the liberty of writing you in the hope of enlisting your valuable aid in endeavoring to get a square deal under the new deal for one of its most sincere and earnest advocates and a lifelong Democrat—myself.

In the fire which destroyed the town of Quartzburg in 1929 it was my misfortune to lose, in addition to our home, household goods, and business, 15½ pounds of United States silver dollars, halves, quarters, and dimes, representing a value of approximately $250.

This silver money got hot enough during the fire to partially melt and fuse, but when pried apart one can still read denomination, date, and United States of America on most of the coins.

I corresponded with the United States Treasury late in 1929 regarding this silver, and they sent me the enclosed marked circular concerning the redemption of paper currency and coin and further advised that I send it to the nearest United States mint for adjustment. In accordance with these instructions I sent it by registered mail to Denver Mint, January 18, 1930, and was advised from there that all they would give me was bullion value. I couldn't see it that way, so I let it lay there hoping for an advance in the white metal until last summer, when I was advised by the mint that, due to the lack of storage space, I must either sanction its melting and sale at bullion value or ask for its return. So the "white elephant" came home again, stinging me for $4 in real money—paper silver—expenses and express charges. Too deep for me! According to the enclosed circular, fragments of silver certificates, properly certified, are redeemable at face value. The entire lot of coins are easily recognizable, and they want to give me bullion value. Is our silver dollar really money or just a cheap joke? Poor money for a poor people?

Uncle Sam put this silver I have out at a value of $1 per ounce and to be at all fair he should pay a fair price for its surrender. Say, new silver dollars less the actual cost of coinage. However, in the present depleted state of my finances, I would be willing to accept the price he is paying for newly mined silver, that is, 64½ cents per ounce.

I have delayed writing you about this matter, hoping against judgment that yourself and silver colleagues would be able to soon force remonetization; but as the session day by day draws nearer to its close, I am forced to the conclusion that we must still longer await that happy day.

Had we not had a change of administration, I doubt very much whether I should have had the courage to again plead for a fair price for this silver; but I can't believe that our beloved President and his "new dealers" will want to repudiate any of our money or take unfair advantage of any citizen, no matter how obscure or humble his status.

Assuring you, Mr. White, that all efforts in my behalf for simple justice in this matter will be greatly appreciated,

Respectfully yours,

FRANK DALY,
Chairman Boise County Commissioners.

I desire to call your attention to the fact that silver money is being constantly withdrawn from circulation by banks turning in slightly worn or abrased coins for which they are paid full face value.

When the congressional party visited the Philadelphia Mint last year the party was shown a huge pile of silver coins, amounting to $4,889,103.86, piled in the vault, worn and abrased coins, held out of circulation, for which the banks had been paid in full. This money was held in idleness and out of circulation at a time when business was experiencing the greatest money shortage ever known in this country. This was done as an economy measure because the item for recoinage had been stricken from the Budget by the previous administration. From the figures supplied by the Treasury Department, we find that at that time $7,915,704.40 silver coin was withdrawn from circulation on account of being lightweight and abrased, and was lying idle in the mint and the Federal Reserve bank.

Surely, in view of the desperate need for money, the Treasury was following a very short-sighted policy in withholding this money from circulation.

The interest lost to the Government on this idle money has run into huge figures.

MAJ. JOHN WESLEY POWELL

Mr. JENKINS of Ohio. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. JENKINS of Ohio. Mr. Speaker, ladies, and gentlemen of the House, at Jackson, Ohio, which is located in the district which I have the honor to represent, there is soon to be erected a monument to the honor of John Wesley Powell, one of America's greatest scientists and explorers. This monument is being erected by the Improved Order of Red Men, many of the ritualistic teachings of which have been taken from the life and writings of this great man.

Mr. Powell was born in New York in 1834, but was brought to Jackson, Ohio, at a very early age, where he spent most of his early life. There he soon showed that he was endowed by nature with very unusual mental acumen. His father was a minister who took a very active interest in the anti-slavery movement. Young Powell had opportunities to see and feel the ebbing and flowing of the currents of sentiment that moved the pioneer people with reference to this intensely human question. He frequently found himself in the presence of many brilliant, determined men who collaborated with his father in the cause to which they were all sincerely devoted. In this group were Salmon P. Chase, Joshua Giddings, and others of great prominence in the anti-slavery movement. He heard them as they fervently laid their plans to free an enslaved race, and his young spirit was fired with an ambition to achieve. His genius was recognized by one of that brilliant group, who took steps to en-

courage the lad and to remove him into an environment where his natural abilities could develop and unfold. In spite of the isolation and privations of pioneer life and the stunted finances of a preacher's family, young Powell pressed on over a course often beset with discouragements to the heights of learning reached only by geniuses. Although his scholastic attainments took him to heights where the common man could not reach, yet he was not beyond the reach of those sentiments of patriotism which move people in times of war. He interpreted Lincoln's call for volunteers as a command to him to match his learning and his life, if necessary, with the muscle and life of his fellowmen. The paths of glory are trod by the learned and unlearned, and these paths all "lead but to the grave."

His genius was soon recognized by his superior officers. General Grant reposed great confidence in his ability as an organizer and military strategist. As proof of his personal bravery and valor he continued throughout the greater part of the war as a one-armed soldier, for he had left one arm on the battlefield at Shiloh. He ranked as a major at the close of the war, and was always spoken of in after life as Major Powell.

The long, arduous service in the Army was not wasted time to this man of learning, for it made of him a man of action. It fired him with a desire for exploration. Vast unexplored regions attracted him. He surrounded himself with men and women who, like himself, were ready to risk all in the pursuit of knowledge. He led many expeditions which brought back facts concerning the fauna and flora and geological formations of the great vast plains of the West and the primeval forests of the North and Northwest. He had heard from the Indians many wonderful stories concerning the stupendous canyon of the Colorado River. This great river was unknown for much of its course to civilized man. Major Powell, still possessed of that intrepid spirit that carried him through countless difficulties, essayed the task of forcing from this dangerous river her theretofore hidden secrets. In 1869, with 10 picked men in four boats, he started on a perilous journey, which carried him through dangerous rapids and over many precipitous falls. He was the first to traverse the depths of the Grand Canyon. This task had successfully challenged the hardihood of the Indians who sought to dissuade him from his purpose. To Major Powell belongs the honor and distinction of having been the first conquerer of the dangerous Colorado. Congress took cognizance of this great contribution to science by causing a memorial monument to be erected to Major Powell and his men on a promontory of the Grand Canyon.

As a naturalist his contributions were such as to place him among America's leaders in that science. His travels in furthering his studies as a naturalist gave him great opportunities and impetus to further his studies in geology. His book entitled "Lands of the Arid Regions", published many years ago, set forth with marvelous insight the conditions of those regions and suggested methods by which the problems concerning these regions have been met by the Government. For many years he directed the work of the Bureau of Geological Survey for the Government.

The life of this great man was not devoted entirely to scientific research among rocks and trees and inarticulate animals, but his greatest work was his effort to tell the world of the origin, history, customs, and character of that great and noble race—the American Indian. To Major Powell more than any other man can be attributed the benevolent attitude which the United States Government has shown toward the Indian. Many long winter nights spent in study of the various Indian languages and in the piecing together of their myths and traditions brought to light many interesting facts theretofore unknown to the science of entomology. His study of the Indian from personal contact while making his many expeditions gave to the world many interesting facts which when told with the friendliness and sympathy that he had for this race ennobled the Indian in the hearts and minds of Americans generally. The Indian shall forever live in the songs and chronicles of America so long as American history is written. He has been the theme of many, many a song and many a story. The gripping portrayal of the virtues and noble characteristics of these—the first Americans—by Major Powell has been responsible in a large degree for the efforts of this great fraternity, the Improved Order of Red Men, in their attempt to teach true Americanism to Americans and to the world.

Major Powell's exhaustive study of the American Indian took him into the study of man in its broadest and most extensive phases. To anthropology he made many valuable contributions. He founded the Ethnological Bureau of the United States Government and conducted it for 23 years. This Bureau is considered as a model by the ethnologists of every land. The latter years of this great man's life were spent in Washington, D.C., where he was a familiar figure in all scientific activities of the Smithsonian Institution and of the United States Government.

He died in Maine in 1902 in his sixty-ninth year.

This great man was not only great in great things but he was also great when measured by his observance of those homely virtues which play a part alike in the activities of the great and in the annals of the poor. Of him an intimate acquaintance, Prof. S. P. Langley, Secretary of the Smithsonian Institution said: "I have been more impressed with the simplicity of his character than with the complexity of his knowledge and achievement." Sincere he was and truthful to the point of being unable to bring himself to hint the thing which is not nor even to allow the shadow of doubt in his way." Major Powell imbibed the spirit of the minister's home in which he was brought up. His knowledge of the Bible and things religious was as great as his knowledge in any other direction. Very early in life, to the great satisfaction of his devout parents, he had committed to memory the Gospels of Matthew, Mark, Luke, and John. As many another great American he found solace in contemplating eternity.

He accepted his father's philosophy of eternity upon faith and without calling for exact scientific proof. Science and religion did not conflict in him. Science for the mind and religion for the heart was his philosophy. His favorite hymn runs:

I will sing you a song of that beautiful land,
The far-away home of the soul;
Where no storms ever beat on the glittering strand
While the years of eternity roll.

Many years after his great voyage through the Grand Canyon he with a party of friends was viewing the wonders of this great work of God as the sun touched it with a flood of glory, and being overcome by its grandeur, he asked the group to pause while he sang:

Oh! that home of the soul, in my vision and dreams
Its bright jasper walls I can see,
Till I fancy but thinly the veil intervenes
Between that fair city and me.

This memorial is a fitting tribute to a great man. The early citizens of Jackson contributed no small part toward starting him on his illustrious career. The present citizens of Jackson and others are to be congratulated on their efforts to honor his memory that his life might be a light upon the pathway of future generations.

6-HOUR DAY—EMPLOYEES OF CARRIERS IN INTERSTATE COMMERCE

Mr. CROSSER of Ohio. Mr. Speaker, I ask unanimous consent that I may have until midnight tonight to file minority views on the bill (H.R. 7430) to establish a 6-hour day for employees of carriers engaged in interstate and foreign commerce, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

RADIO ADDRESS BY HON. A. C. WILLFORD

Mr. BYRNS. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein a very able address delivered by our colleague Hon. A. C. WILLFORD, of Iowa, over the radio.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. BYRNS. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio introduction by myself and address by A. C. WILLFORD, over leased wire from Washington, D.C., over radio station WMT, Waterloo, Iowa, 7:30 p.m., eastern standard time, on May 23, 1934:

Mr. BYRNS. May I say to the people of Iowa and particularly of the Third Congressional District that it is a great personal pleasure to say a word with reference to the record and standing of your Congressman, Hon. A. C. WILLFORD. No one in the entire Congress has a better record of loyalty and fidelity to the administration in its effort to create a new deal and to relieve the country from the depression of the 4 years which preceded the inauguration of President Roosevelt. No Member has given closer or more intelligent attention to pending legislation, and his ability, influence, and standing in Congress and the administrative departments of the Government entitle him to your active support and endorsement.

It is a high privilege to have been a Member of this Congress—the most important in my opinion that has assembled in our generation, and one worthy to rank with those outstanding legislative bodies which mark the new eras in the struggle for human progress. There has been a rebirth in this Nation of that Jeffersonian principle which places human rights above property rights; and the new deal, as President Roosevelt so apply characterizes it, is no longer a theory. It may be modified; it may be changed; but in my opinion, just as surely as the sun shines in the heavens, this Nation will never go back to a condition, to a system, which permitted 2 percent of our population to hold 80 percent of our wealth.

In this great struggle your Congressman, Mr. WILLFORD, has played a most important part. He has stood like a rock for this great principle. No one has contributed more to uphold the hands of the President. By his reelection next November you will not only be serving your own district, but you will be serving the entire Nation. I am sure that I speak for the administration and for the Democrats in Congress when I express the hope that at the election in November you will give him a big majority and return him to Congress to continue the fight which he is making to relieve you and the people of our Nation, and for the restoration of our Government to the people to whom it belongs.

Before closing, may I erpress my own personal thanks to him for the able, active, and influential aid he has given me as Majority Leader of the House in the passage of those measures recommended by the President for the carrying out of his recovery program, and express the hope that both Democrats and Republicans of your district will return him to the next Congress to help complete the work of the present Congress with which he is so familiar.

MAY 23, 1934.

Mr. WILLFORD. My Democratic and Republican friends in Iowa, good evening.

Three weeks ago tonight I had the pleasure of addressing you over this station from the National Capital in the interest of my renomination as your Congressman from the Third District of Iowa, in the Democratic primaries on June 4. Since that time legislation has been moving rapidly. Tonight it is a pleasure to continue with this message.

A bill before the House at the present time is the regulation of the stock exchange. It has been amusing to me to note the men who are now opposing this measure. They say they are in favor of some sort of regulation but do not say what it is. A few years back when they were in power they did not warn the American people of the dangers that faced them, they did not protest against the unjust and cruel practices of the stock exchanges. The corruption of the stock exchange wrecked fortunes, ruined homes, and left homeless many innocent women and children. The farmers were being bled, the country was going to rack and ruin, and the small business man was losing everything he had. In the year of 1921 there were in the United States 21 people with incomes of $1,000,000 a year or more. In 1928 it had grown to 511, and in 1929 it reached 513 who had incomes of more than a million dollars a year. These millions came from the American people. The highway robbers of the stock exchanges benefited at the expense of the American people. We are trying to prevent this in the future by the passage of this bill. I promised you 2 years ago I would do everything in my power to drive out the money changers, and I am keeping that promise. The enforcement of this bill will be delegated to the Federal Trade Commission, which is doing some of the greatest work that has ever been done by any agency of the Government. By its investigation of the utilities in the last few years, it has brought relief to the American people through a reduction of utility rates to the consumer of about $118,000,000. A few days ago, in the State of Illinois, the Power Trust, seeing the handwriting on the wall, undertook to placate the people of Illinois and reduced their light and power rates over $1,000,000 a year.

The lower House of Congress has recently passed what is known as the "tariff bill" of this administration, and the matter is now pending in the Senate and will be passed and signed by the President before this Congress adjourns. I regard this piece of legislation as one of the most constructive and most beneficial, if not the very most important, that this Congress or any other Congress has enacted into law. This will give the President of the United States power to negotiate in the interest of farm products and factories, and will be the means of establishing more friendly trade relations with such countries of the world as we need to deal with. The benefits of this legislation will begin to unfold to the American people within a year. It is common sense written into law. It is absolutely necessary for the return of prosperity to the American farmer that he may have a market into which he may go with his products. This will bring great benefits to Iowa farm products and to the manufacturer.

During the Seventy-third Congress I have received from my friends and constituents many petitions covering many bills. I have always given heed especially to those soiled by the hands of toil, for they are my friends and need my utmost support at all times. They have sincerity of purpose and faith in me. I received petitions concerning the Frazier bill. I signed a petition to bring this bill on the floor quite some time ago. However, it does not look as though it will be possible to get this through this session, but I sincerely believe and hope we will be able to get a bill through whereby the farmer will not have to pay any higher rate of interest than that provided for in the Frazier bill of 1½ percent interest and 1½ percent on the principal. I think with any kind of a break the farmer can pay that much. It will be the means of keeping our farmers on their land. The farmer is the basic wealth producer of our country, and he must have a fair chance. If this bill is not passed during this session, it will be one of the first the next session.

I have also received petitions concerning the Capper-Hope-Wearin bill, controlling the direct buying of hogs and livestock. We were led to believe when the practice of direct buying was put into effect that it would benefit the farmer. Propaganda was sent broadcast and the farmer was hoodwinked into allowing it to go through. We have now found that direct buying should be controlled. It has affected the price of hogs in more ways than one, and the Capper-Hope-Wearin bill will regulate this so that the farmer will secure a better price for his livestock in an open competitive market. There is a question whether this will be passed during this session; and if not, it will also be one of the first to come up in the next Congress. Petitions have been received from railroad friends and employees of the railroads. I believe railroad legislation is necessary. Many bills have been presented, and I am greatly interested in the one that takes care of the railroad man in his old age. In other words, the pension. Every man who has served his 30 years or so with the railroad or who has been injured through accident in the service should receive a pension. I personally know many men who have spent the best years of their lives in railroad work only to receive a lay-off when their earning days were past. I am heartily in favor of such legislation as will rectify this condition.

Regarding silver: President Roosevelt has agreed to a silver basis of 75–25 percent. While this is not as great as many would wish, it is a step in the right direction. If silver can be recognized and have a 25-percent basis established, get new money into circulation, which we are sorrowfully in need of, we can then trade with 80 percent of the people of the earth. It will create new markets and extend our influence. It will reach down and help directly and indirectly every producer, manufacturer, and laborer. I believe the recognition of silver as a basic metal would be most essential. I cast my first vote for W. J. Bryan on his 16-to-1 policy, and I have been a Bryan advocate ever since. I have heard silver explained by some of the most able men in the country today, and I am thoroughly convinced that this change must be made before we can return to a normal state.

Senator JOHNSON, of California, recently offered a bill which provides that no credit be allowed a foreign nation that has not paid their interest and the installment on their war debts. These nations have been allowed to get away from paying their war debts and at the same time come to us for money to finance their great institutions. This bill has passed the Senate, and I hope it will be very favorably recognized in the House. Those who do not deal fairly should not be recognized in a monetary way until they come clean and pay their debts.

Regarding subsistence homesteads. This offers an opportunity for those who are crowded in the cities to get out and have a place of their own where they may bring up their children away from the city streets. It is now possible under proper regulation for the Government to purchase tracts of land, to build houses and make improvements, and the homes may be paid for over a long period of years in installments that can easily be met. I am trying to have some of these homesteads established in the third district and hope this can be brought about.

We have been visited this year with a condition no one could have foretold—the drought. The dust storms of the Northwest and the drought of the Middle West have wrecked the prospects of many tillers of the soil. Congress has decided that something must be done, and a meeting was held a couple of days ago of the Members of the stricken States. A committee was appointed consisting of one Member of each State and we of Iowa felt that the Honorable GUY GILLETTE should be on this committee. He is on the west of us and his district is in the area suffering most. Everyone suffering from this disastrous drought will be given assistance. A fund is being established and help will be given in every way possible. Examiners are on the ground now making a survey. I am going to make a personal effort to see that the people of my Third District are properly cared for and compensated for any loss they might suffer from the drought.

I must stay in Washington until Congress adjourns so that I may look after your interests. I have tried to play fair and square. Every man has the right to be a candidate for any office. I have no purpose to enter into a bitter campaign in these primaries for the honorable place I hold, because my record is well known and my constituents and friends, both Democrats and Republicans, do not need to be told. If other candidates believe differently, the people, who are not easily misled, always decide the issue. Those who have known me in Waterloo and the Third District of Iowa as a merchant for 25 years will not believe the barrage of falsehoods and misstatements which are beginning to appear from men who desire to hold the position I now occupy. Without the control of any press or news publication, but through the courtesy of a few loyal small-town newspapers and the radio, I have endeavored to keep my constituents advised of congressional proceedings from the standpoint of a participant, and not from that of critics who may be prejudiced because of their own candidates. I want to say again that I am proud of the Democratic Party under the leadership of President Roosevelt.

Good night.

BANK-DEPOSIT INSURANCE

Mr. STEAGALL. Mr. Speaker, I move that the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (S. 3025) to amend section 12B of the Federal Reserve Act so as to extend for 1 year the temporary plan for deposit insurance, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill S. 3025, with Mr. FULLER in the chair.

The Clerk read the title of the bill.

Mr. STEAGALL. Mr. Chairman, the bill before the committee has two outstanding provisions and purposes. One is to postpone for the period of 1 year the permanent provision of the Banking Act of 1933 establishing a corporation to insure deposits in all member banks of the Federal Reserve System and in nonmember banks applying for membership and in position to show a condition of solvency to the satisfaction of the Deposit Insurance Corporation Board.

Under the act of 1933 provision was made for the insurance of deposits in both member and nonmember banks not exceeding $2,500 for each depositor for the temporary period between January 1, 1934, and June 30, 1934, inclusive. Under the provisions of the bill now under consideration the plan for temporary insurance of deposits would be extended for the period of 1 year from the 1st of July 1934, until the 30th of June 1935, inclusive, and the amount of the individual deposit insured would be raised from $2,500 to $5,000.

The Banking Act of 1933 provided for raising capital stock of the Deposit Insurance Corporation. This was to be raised through subscription of $150,000,000 by the Treasury of the United States, the further subscription of approximately $140,000,000 by the Federal Reserve banks, this being one half of the total surplus of the Federal Reserve banks. Banks becoming members of the Corporation are required to subscribe for capital in an amount equal to one fourth of 1 percent of all deposits. This would establish a fund of about $500,000,000. Under the temporary plan all banks participating in the benefits of the Deposit Insurance Corporation are assessed for the support of the fund an amount equal to one half of 1 percent of the insurable deposits of the bank, with the right of the Corporation to call for this assessment in two installments, and the further right, if found necessary and desirable, to call for an additional assessment in like amount, making the total assessment liability of banks under the temporary plan an amount equal to 1 percent of the deposits insured. The Board has assessed the banks one quarter of 1 percent of their insured deposits under the temporary plan. By this assessment the fund for the temporary-insurance plan has been raised by the amount of about $40,000,000, making the total amount of the fund on hand at this time $330,000,000. Should the Board call for the full assessment permissible under the temporary plan an additional amount of $120,000,000 would be raised; this makes the available resources of the Corporation under the temporary plan about $450,000,000.

The provisions of the bill under consideration raise the individual-deposit liability of the Insurance Corporation from $2,500 to $5,000. The assessment liability being based upon the amount of the deposits insured would make possible an addition to the fund of about $8,000,000, according to estimates furnished by officials of the Corporation.

The best figures available indicate that the amount of additional deposits that would be insured under the bill now before us raising the amount of each individual depositor insured from $2,500 to $5,000 would be something between $2,000,000,000 and $3,000,000,000. This additional insurance, it is estimated, would cover an additional number of depositors to the extent of something like 2 percent of the total number of depositors insured.

It is estimated by the officials of the Deposit Insurance Corporation and by the officials of the Treasury Department that under the temporary insurance plan 37 or 38 percent or more of the total deposits of banks insured are now covered by the provisions of the temporary plan. So that if we raise the amount from $2,500 to $5,000, we shall have insured 40 percent, or possibly 45 percent, of the total deposits of the banks belonging to the Deposit Insurance Corporation under the temporary plan.

Mr. BEEDY. Will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Maine.

Mr. BEEDY. Will the gentleman give us the amount of additional liability involved in this plan?

Mr. STEAGALL. I have just stated that the officials of the Deposit Insurance Corporation estimate that there will be an additional number of depositors to the extent of about 2 percent; and from two to three billion dollars additional deposits would be covered and that the additional assessment made possible would amount to something like $8,000,000. I think I have made the situation clear.

Under the permanent plan, which according to existing law, will become effective on the 1st of July this year, all deposits up to $10,000 would be covered in full; all deposits between $10,000 and $50,000 would be insured at 75 percent and all deposits above $50,000 would be insured to 50 percent of the excess.

Under the permanent plan, the banks will be required to subscribe for stock as the capital of the Corporation in the amount of one half of 1 percent of the total deposits of banks participating in the benefits of the Corporation. There is in the bill provision that in the event the funds of the Corporation be depleted to a point where the amount is less than one fourth of 1 percent of all deposits of banks belonging to the Corporation, the Board shall levy an assessment against all members of the Corporation in an amount equal to one fourth of 1 percent of their total deposits. It will be seen, therefore, that under the permanent plan, the banks belonging to the Deposit Insurance Corporation will be unified for the protection of depositors. It is a mutual-insurance plan.

Under the permanent plan, when a bank becomes insolvent, if it is a national bank the Deposit Insurance Corporation would step in and take charge of the assets of the institution, paying off all insured depositors either in cash or by substitution of a deposit obligation for which the new bank would be responsible. The new bank to be established would step in when the original institution was declared insolvent, and operate for a period of 2 years as a clearing house, having the benefits and the facilities of the Federal Reserve System without requirement of stock subscription to the Federal Reserve, as in the case of ordinary member banks.

The new bank would operate to carry on the business of the old bank or liquidating its assets, paying off depositors, and conducting a clearing house, in the meantime giving opportunity to the former stockholders, if desired by them, and, if not, to other citizens of the community to come in and organize a national bank. But if no such organization be had at the end of 2 years, the Deposit Insurance Corporation would terminate the operation of such bank.

Under the temporary plan now in effect, and which has been in effect since the 1st of January of this year, all member banks of the Federal Reserve System have become members of the corporation, and about 90 percent of the nonmember banks, trust companies, and mutual savings banks of the country. The banks insured at this time under the temporary plan have deposits of approximately $15,000,000,000.

The officials of the Deposit Insurance Corporation advise us that there are administrative difficulties which make it seem prudent and necessary to extend the temporary provisions of the act for another year. Under the law nonmember banks to be insured after the 1st of July must be certified as solvent. National banks must be certified by the Comptroller of the Currency for membership in the Deposit Insurance Corporation. State banks belonging to the Federal Reserve System or member banks other than national banks must be certified by the Federal Reserve Board for insurance after the 1st of July.

We can all appreciate the stupendous task that confronted the banking officials of the country following the collapse that occurred in March 1933. It is fair to say that these officials have performed a gigantic task with great credit to themselves and to the Nation. It was said by many that it was folly to attempt to inaugurate the temporary insurance plan on the 1st of January of this year, but the contention proved to be unfounded.

In that connection may I read part of a resolution that was adopted by the American Bankers' Association in their annual meeting last fall? I quote from an extended resolution adopted in that meeting:

> The American Bankers' Association hereby records its deliberate judgment that the dangers involved in attempting to initiate at the beginning of 1934 the provisions for deposit insurance contained in the Banking Act of 1933 are genuine and serious.

In this resolution request was made that President Roosevelt take steps to prevent the effectiveness of the deposit-insurance provision of the Banking Act on the 1st of January 1934. Of course, such request to the Chief Executive to set aside a solemn enactment of the Congress of the United States was, to say the least, a futile thing.

The task was accomplished, and the record shows that until this hour there has not been a bank failure in the United States among the banks that belong to the Deposit Insurance Corporation. [Applause.] During the months that have passed this year the Deposit Insurance Corporation has been making a profit of a million dollars a month. [Applause.] Throughout the length and breadth of the land the story comes to us that money has been returned from hiding, that deposits have increased, that confidence has been revived, and the officials of the American Bankers' Association now tell us in less than 6 months following the time the law became operative on January 1, in face of their dire predictions, that the plan has worked successfully, that it has restored confidence, that it has helped to revive business, that it is a wholesome policy, and should forever stand as a permanent part of the banking law of the Nation. [Applause.]

Mr. SIROVICH. Mr. Chairman, will the gentleman from Alabama yield?

Mr. STEAGALL. I yield to the gentleman from New York.

Mr. SIROVICH. No one appreciates more than I the brilliant accomplishments of the distinguished Chairman of the Committee on Banking and Currency and his colleagues in the enactment of the guaranty bank deposit bill. I feel, sir, that long after you have passed out of political existence this bill will remain a monument to your magnificent accomplishments. Is the honorable Chairman of the Committee on Banking and Currency willing to give assurances to this House that so long as he remains chairman of this committee, next year this bill will become permanent law in the stabilization of the banking system of our Republic?

Mr. STEAGALL. I want to thank my friend for his generous and kindly reference. I appreciate it especially coming from him, because of his splendid abilities, and peculiarly because of his special interest in the legislation before us and in what has been accomplished by the efforts that have been put forth in this connection.

I may say to the gentleman that among the many Members of this House who have faithfully and loyally and valiantly stood with those of us who are making this fight none has rendered better service than the distinguished gentleman from New York. Let me say to my friend that I bring him the good news and the glad tidings that everywhere we are assured that there will be no serious efforts to repeal the deposit-insurance provisions of the Banking Act of 1933 [applause], and I am sure I need not assure my friend that I will stand in the future, as I have during the past 15 years, for protection of depositors in the banks of the United States. So long as I am a Member of this House my services will be devoted to the preservation of this law, which I regard as of vast and vital importance to the citizenship of the Nation and as an indispensable part of any comprehensive program of business recovery. [Applause.]

Mr. BIERMANN. Will the gentleman yield?

Mr. STEAGALL. I am pleased to yield to the gentleman from Iowa.

Mr. BIERMANN. It might be appropriate at this time to call attention to the fact that in 1913, when the Federal Reserve Act was under consideration by this Congress, the American Bankers' Association in session at Boston unanimously denounced that bill in as strong terms as they denounced the gentleman's bill, and their predictions regarding the Federal Reserve Act proved as false as their predictions regarding the gentleman's bill, and is it not fair to assume that, perhaps, the American Bankers' Association is not at all times an infallible prophet as to what may come from legislation enacted by this body?

Mr. STEAGALL. Undoubtedly that is true. This may be said of our bankers. I have no desire to criticize them or to abuse them. They are the same kind of people we are. They are engaged in one kind of business and we are engaged in another kind of business. If we were engaged in the business in which they are engaged we would generally do as they do and, perhaps, if they were engaged in the business we are, they would make, perhaps, the same mistakes and have the same faults that we have. It is fair, however, to say that when the great Federal Reserve Act was under consideration in the Congress, the large banks of the country swarmed the corridors of this Capitol and filled the air with dire predictions of chaos and confusion and panic and destruction that would follow the passage of that law.

The fact was that under the Federal Reserve Act we experienced a large expansion of bank credit in support of business in the United States. Under that law we experienced a prosperity unparalleled in the Nation's history, and the leading bankers of the country have told us over and over again that it is the greatest legislative enactment in half a century; that under that law we were able to finance the World War and bring it to a speedy conclusion, preventing the sacrifice of the lives of untold thousands of the boys of America who would have lost their lives by the delay of victory. In less than a year after the passage of the Federal Reserve Act any proposal of repeal would have been met by bitter and uncompromising opposition of our bankers.

Mr. MARTIN of Colorado. Will the gentleman permit a brief contribution to his remarks?

Mr. STEAGALL. I will be pleased to.

Mr. MARTIN of Colorado. A few days ago I received a letter from a prominent State banker in my district who was opposed to the insurance of bank deposits, stating that since the 1st of January the deposits in his bank have been rapidly and continuously increasing.

Mr. STEAGALL. That story comes from every corner of the continent.

Mr. COLDEN. Will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. COLDEN. I should like to ask the gentleman if he has any estimate of the increase of deposits under this system of insurance.

Mr. STEAGALL. There is no way by which we can make an accurate statement as to the increase in deposits. It is recognized by all that there has been a very substantial increase and, primarily, in the return to the banks of money that had been in hoarding prior to the effectiveness of this act on the 1st of January 1934. The same report comes from every direction. I should say that there has been an increase of probably $10,000,000,000 in deposits that can be accounted for only by the restoration of confidence that has been brought about by the passage of the Deposit Insurance Act.

Mr. BLANTON. Mr. Chairman, will the gentleman yield for a question?

Mr. STEAGALL. I am delighted to yield to the gentleman from Texas.

Mr. BLANTON. During the framing of this bill, there appeared before the gentleman's committee a distinguished gentleman from my native State, Hon. Thomas B. Love, who had much experience with the State Banking Department of Texas and the guaranty fund there, before he became a State senator. I should like for the gentleman to explain the urgent necessity of carrying on this insurance and also the information that he got from Senator Thomas B. Love about our State guaranty law of Texas which we tried out there that was of value to the committee.

Mr. STEAGALL. I may say to my friend that I have undertaken to explain some of the reasons for the extension. The gentleman was in a conference at the time. The gentleman is entirely correct in reference to the distinguished citizen of Texas, Hon. Thomas B. Love, who appeared before our committee. He has been helpful to me and to others who have put forth efforts to secure the enactment of this legislation, and his statement before our committee received most earnest consideration. Of course, it is impossible here to review entirely the contentions of the gentleman from Texas, but I assure my friend that everything submitted by Mr. Love was received as it should have been by our committee. I will say in this connection that this bill does not represent entirely the views of any member of the committee. This measure represents the labors and prolonged efforts of the Banking and Currency Committee of the House to reach a composite judgment as to the wise and constructive course under all the circumstances.

There are administrative difficulties that have been pointed out by officials of the Government, including officials of the Federal Deposit Insurance Corporation; some of them are in sympathy with this legislation, and who want to see it succeed. Some of them are officials of the Deposit Insurance Corporation and sincerely desire to see it preserved. These officials have accomplished a colossal task in inaugurating this system, and have made a remarkable success of the undertaking down to this hour.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. MAY. Mr. Chairman, I should like to ask the gentleman this question. No doubt the gentleman remembers that when we met here on the 4th day of March 1933, practically all the banks in the United States were closed and those that were not closed were about to be closed, and, finally, were closed by order of the President. It was necessary to reopen these banks, and I am interested, along with a good many others in the United States, in knowing whether or not it is the purpose of the committee or what is the sense of the committee on the question of this temporary measure ultimately becoming a permanent feature of our statutes guaranteeing bank deposits?

Mr. STEAGALL. I will say to the gentleman that I am sure he knows my heart is in this legislation for the protection of depositors. I can assure my friend that the members of the Banking and Currency Committee are agreed that the provision for the permanent insurance of bank deposits in the United States shall not be repealed. [Applause.]

Mr. COX. Mr. Chairman, will the gentleman from Alabama be kind enough to yield?

Mr. STEAGALL. I yield to the gentleman from Georgia.

Mr. COX. I regret I did not hear the gentleman's statement made on yesterday, and I am sure the gentleman already knows something of the estimate that I place upon the banking act of 1933, a part of which is the insurance of deposits provision. The response that the country gave to this legislation was most favorable—I think the most favorable reaction that has pertained to any legislation adopted since we entered upon this recovery movement. My opinion is it is the most important contribution the Congress has made to recovery, and I wish to particularly compliment the gentleman from Alabama, who has lived in this question for 20 years. I am wondering, however, just where the influence comes that has operated upon the gentleman and his committee to the extent of the committee coming in with this bill proposing to defer putting into effect the permanent provisions of the bill for another year.

The gentleman will recall that it was the larger banking institutions of the country that resisted the enactment of the measure, in the first instance, and that immediately upon the passage of the law they initiated a movement of propaganda carried on throughout the country, drawing in the heads of State banking set-ups, and wherever possible, likewise drawing in the smaller bankers.

What I should like to know is just why, in view of the wonderful benefit that resulted from the enactment of the measure, as I am sure has been testified by thousands of small bankers in the country, the committee now comes and asks for legislation deferring putting into effect the permanent provisions of the law.

May I say this, too, and I mean it as a compliment to the gentleman and his committee. Somehow I have the feeling that, except for some influence that comes from some other source—not a bad influence at all, but reasons with which the House is not acquainted—or if it were left to the gentleman himself, he would proceed to see that the law is carried into effect as it was adopted a year ago.

Mr. STEAGALL. Let me say to my friend that I am somewhat of a partisan with reference to this legislation, because I have worked on the problem for many years and have introduced bills before the Banking and Currency Committee for 15 years looking to the establishment of a plan for the insurance of bank deposits. The best labors of my life have been devoted to this great reform.

The gentleman can readily see that any step I would sanction in connection with this legislation must be the action of a friend or partisan advocate of the measure.

Let me call the gentleman's attention to the fact that when this legislation was passed in 1933 we were in the midst of an unprecedented economic collapse in the United States. The banking structure of the Nation was prostrate and in ruins. We had to begin at the ground in rebuilding that structure, and it is being rebuilt with a success and a rapidity that must be gratifying to every citizen of the Nation.

I have stated, while my friend was not present, that there are many administrative details that must be worked out in putting this permanent insurance plan into final operation. It is necessary that national banks shall be certified by the Comptroller of the Currency, and that State banks in the Federal system shall be certified to the Insurance Corporation by the Federal Reserve Board.

There are States where legislation is necessary before State institutions eligible to membership in the Corporation can be prepared to join and receive the benefits of the act.

In view of these facts, the recommendations of the Deposit Insurance Corporation, the Comptroller of the Currency, and the administration was that we should go forward with this great constructive program by gradual processes, making sure of our way, assuring ourselves that every forward step was a safe step, that all grounds taken could be held safely and securely.

It is for these reasons that the administration reached the conclusion that we should defer for a year the effectiveness of the permanent plan of insuring deposits.

Now, let me say in that connection that an achievement so colossal as this may well be worked out by gradual processes and by compromises of opinion, as all great legislative achievements are accomplished. Some of us have waited a long time. We can afford to wait a little longer, and especially, in view of the fact that we are increasing insurance in an amount that represents a substantial advance.

Mr. COX. Will the gentleman yield?

Mr. STEAGALL. I am glad to yield.

Mr. COX. If the question I propounded to the gentleman has resulted in the fine statement he has made, giving reasons why the committee comes in with this recommendation, I am glad that I asked the question. Otherwise the country might have felt that it was somewhat yielding to the larger financial institutions who were violently opposed to the law in the first instance, and still are opposed to it.

Mr. STEAGALL. I know the gentleman would not imply that the committee or the administration would yield to the importunities of selfish influences. If any such suggestions were made the answer would be that if there had been such a disposition on the part of the Banking and Currency Committee this original bill would never have been enacted into law. [Applause.]

In spite of the protest of the big bankers and over the most powerful and insidious lobby that ever sought to influence the action of Congress the bill was passed.

I want to say to my friend from Georgia, who so ably represents a section similar to that which I have the honor to represent, that I know the sentiments of his people. They are the same as mine. I wish to say to my friend, I give you the assurance of the committee that brings this bill here now, and I am authorized to add to that the highest assurance of this administration that the program for the insurance and protection of bank deposits in the United States is to be made permanent, and that no plan for repeal will be tolerated in the next Congress. [Applause.]

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. Yes.

Mr. MAY. No doubt the gentleman's committee heard the testimony of experts of banking in the Government and out of the Government, and the report of the committee shows there has been a vast increase in deposits in banks, particularly in rural sections, since the enactment of the Banking Act of 1933. To what extent does the gentleman feel from the evidence heard and from his knowledge of the situation were those moneys that came out of hiding into the banks caused by the act of 1933?

Mr. STEAGALL. I say, as I said yesterday afternoon, there is no way to ascertain accurately and mathematically what the increase in deposits has been nor what portion of increase is traceable to the enactment of the deposit insurance law, but from one end of the Nation to the other we receive the report of an increase. There was an increase in member reporting banks of a billion and a quarter dollars in 2 months of this year.

If we use these figures for comparison, we would be able to make a statement with reasonable accuracy that there had been an increase seven and a half, or possibly $10,000,000,000 since this law went into effect, and a large portion represents currency that had been hoarded and which was returned to the banks as a result of the restoration of confidence accomplished by this legislation.

Mr. MARTIN of Colorado. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. Yes.

Mr. MARTIN of Colorado. As the gentleman will recall, the original bill was in conference several weeks dur'ng the special session, so long, in fact, that there was much private talk around the House that it was dead in conference, and as a result of that delay and talk there were 100 of us, and I was one of them, who signed an agreement in writing that we would vote against adjournment until that conference report was brought in. I wish the gentleman would tell the House what foundation there was for the rumor that the bank insurance deposit bill would be permitted to die in conference.

Mr. STEAGALL. The inquiry invites me into a field that would take considerable time, and it is important. If we were not in the particular situation that makes it desirable to conserve time in order to finish the bill today, I should be happy to discuss it at length. The gentleman can understand that there were differences in the conference committee. My friend knows the personnel of the conference committee. Of course, there had to be compromises of opinion, and it was the adjustment of differences of opinion that delayed a report upon that bill. All agreed to things which would not have been supported as independent legislation. That was true on the part of the Senate as well as on the part of the House of Representatives.

Mr. McGUGIN. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. Yes.

Mr. McGUGIN. I understood the gentleman to say the deposits increased $10,000,000,000.

Mr. STEAGALL. I did not say that. I say it is only an estimate. It might reach that amount.

Mr. McGUGIN. How much does the gentleman think the guarantee of funds was really responsible for bringing out of hoarding?

Mr. STEAGALL. I have just said that a large portion was undoubtedly hoarded money returned to the banks as a result of restored confidence.

Mr. McGUGIN. There are only from five to six billion dollars of currency altogether.

Mr. STEAGALL. I thought I made that clear, that only part of the increase in deposits represented cash returned to the banks.

Mr. McGUGIN. The gentleman speaks about this fund that is now about $340,000,000. How long does the gentleman think it would work if we had a bank crisis such as we had a year ago?

Mr. STEAGALL. If we had a bank crisis such as we had a year ago it would not work, because all the banks in the United States would be closed. If we base our calculation upon the history of this country from the foundation of the national-bank system down to the collapse of last year depositors would have been fully protected. There will be no collapse of the banks through loss of confidence and withdrawal of deposits resulting in the ruin of solvent banks as has happened many times in the past. Under the permanent plan of insurance the system could not fail because all banks are unified in a mutual insurance plan.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. Yes.

Mr. MAY. In order that I may respond to the remark of the gentleman from Kansas [Mr. McGUGIN] on the subject of the impossibility of five to ten billion dollars of deposits coming out of hoarding, because there was not that much money in circulation in this country. I remind the gentleman from Kansas that there are $38,000,000,000 to $40,000,000,000 of deposits, not all represented by cash deposits, and the increase in cash in circulation would not have anything to do with it.

Mr. McGUGIN. Surely; but if there was hoarding.

Mr. STEAGALL. There was a billion to a billion and a half dollars in hoarding, according to estimates, and nobody assumes that there is now any substantial amount of money in hiding because of lack of confidence in the banks.

Mr. McCLINTIC. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. Yes.

Mr. McCLINTIC. Has the Federal insurance fund lost any money due to the enactment of this law?

Mr. STEAGALL. I stated yesterday in the first portion of my remarks, and I repeat, that under the operation of the temporary plan since the 1st of January, this year—the plan the American Bankers Association denounced as impossible in the meeting last fall—there has not been a single bank failure among the banks belonging to the Deposit Insurance Corporation, and no depositor in a bank that belongs to the Corporation has lost a dollar. [Applause.] So, far from having imposed an undue burden on the banks,

the record shows that the Deposit Insurance Corporation is making a million dollars a month profit. [Applause.]

There is one other thing about the permanent plan that is dealt with in this bill to which I desire to direct attention. When the conferees agreed upon the bill last year, we accepted a provision that nonmember institutions could not remain as members of the Deposit Insurance Corporation after July 1, 1936, without joining the Federal Reserve System. We have placed in this bill a provision which strikes that requirement from the Banking Act of 1933. [Applause.] What we are trying to do by this legislation is to preserve to future generations a system of independent community banks in the United States. These small banks, scattered throughout the length and breadth of this land, institutions built up out of community spirit and community pride, for community development and for the promotion of community life, constitute the mudsill of the economic structure of the United States. [Applause.]

There are some of us in this House who do not intend to allow that system to be destroyed if it is in our power to prevent it. [Applause.] I want to see a banking system that respects the character of the citizen who appears at a bank window for an extension of credit. I do not believe in the standardization of banking. I do not believe in a system that discounts human character. You cannot develop character in people unless character is to be respected and accorded its value. Many of you can recall an instance when you have seen a young man coming of age unable to complete his course in school because of the loss of his father. He goes to the local banker, not a branch bank whose main office is 100 or 1,000 miles away, but to a man of his own community. The families live in frequent contact; they intermarry; they bury their dead in the same cemetery. They know one another and how properly to appraise character in the community. The young man says: "My father has passed away and I want to finish my education. I haven't got the money; we have nothing but the old home and the farm, but my mother will sign." The banker says: "Yes; take the money and go. I knew your father. I know your mother. I know you will repay. Sign the note." He signs and he finishes his schooling. He comes back and makes a good citizen, honoring the name that he bears—and the bank is repaid.

This is the history of community banking in this country. God forbid that the time shall ever come when human character does not command value at the window of a bank as it does at every other worthy institution in the United States. [Applause.] This is the system we are fighting for in undertaking to preserve independent community banking in the United States. Some of us of the Committee on Banking and Currency are making this fight. You do not know the battles we have had to fight. If you will stand by us, we will preserve community banking in the United States.

Now, let us consider the temporary plan. Can the banks bear the burden? As I explained yesterday, by increasing the amount insured from $2,500 to $5,000 we only add a small amount. It is estimated less than three billions. The law at present only makes possible the assessment of 1 percent against banks participating in the benefits of the Corporation. We have assessed only one quarter of 1 percent, although it was estimated it would require 1 percent originally, and we have not used a penny of the money raised by this assessment of one quarter of 1 percent because the Corporation has not lost a dollar. It is not contemplated there will be any call for any additional assessment, but if it should be made, the assessment would be trivial, because the actual increase in deposits insured would be small.

Let me call attention to this: Under the Banking Act of 1933 the banks no longer pay interest upon demand deposits. Do you know what that means to the banks of the country? When some banker comes complaining about the little burden of deposit insurance show him the figures showing the saving to the banks through the provision which prohibits the payment of interest on demand deposits. Ask why he is not willing to apply to the banking business the same rules that apply in every other field of business activity. Bankers have insured themselves against their own carelessness; they insure against the crookedness of employees; they insure themselves against acts of Providence. Everywhere throughout the civilized world business men accept the soundness of the principle of insurance, except a few big bankers. I am glad to say there are only a few, because the great bulk of the bankers of the United States now favor insurance of bank deposits.

I want to show you what is saved to the banks by the provision that dispenses with the payment of interest on demand deposits.

Mr. MAY. Correspondent banks?

Mr. STEAGALL. No; this applies to member banks of the Federal Reserve System as to interest on demand deposits. For the 5-year period ending October last, member banks of the Federal Reserve System paid out $1,230,242,000 as interest on demand deposits, an average annual payment of $246,048,500. These are the figures disclosed by member banks alone. Multiply this by two, to be conservative, and the figures prove unquestionably that by this provision which prevents the payment of interest on demand deposits the banks will save half a billion dollars a year.

In this connection let me say that for the first 65 years of the operation of the national banks in this country the total financial losses to depositors amounted to only $45,000,000. Down to 1930 the final losses to depositors in national banks amounted to only $82,000,000. In 1931, the worst year in the history of our banking, eight tenths of 1 percent of the deposits in national banks would have paid all the losses of that year; and it was the worst year in our history, which anybody would consider as a guide.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. PATMAN. Although the banks are saving half a billion dollars this year on interest, they have only actually paid into this fund $39,000,000.

Mr. STEAGALL. Yes; I explained that yesterday. In round figures the amount paid to support the temporary insurance plan is about $40,000,000.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. MAY. Does the pending bill prohibit a bank which carries deposit insurance from paying to its customers the 3- or 4-percent interest banks used to pay on certificates of deposits payable on demand?

Mr. STEAGALL. They do not any longer pay interest on demand deposits.

Mr. MAY. Are they prohibited from doing so?

Mr. STEAGALL. Yes; in addition to that, by the act of 1933, we terminated the carrying of checking accounts in the Postal Savings System. Ultimately this will result in the return of $1,000,000,000 to the vaults of the banks of the country in the form of deposit balances. Deposits in Postal Savings reached the enormous sum of one and one half billion dollars.

Mr. HASTINGS. Mr. Chairman, will the gentleman yield for a question?

Mr. STEAGALL. I yield.

Mr. HASTINGS. Surely the gentleman is not going to close the debate without discussing and analyzing the most important section of this bill; namely, section 4, which provides for loans on the assets of banks which failed prior to January 1, 1934.

Mr. STEAGALL. I have more figures that I should like to submit, but I will not go into them. I wish to say that collections upon assets of all closed national banks down to October last year amounted to 77.79 percent. These figures were given by the Comptroller of the Currency.

Now, coming to the subject mentioned by the gentleman from Oklahoma, I had intended to discuss that provision in detail, but I cannot do so because of the lack of time. The Banking Act of 1933 provides that the Deposit Insurance Corporation shall employ a portion of its funds—and this applies to the temporary plan as well as to the permanent plan—for loans upon or purchase of the assets of closed banks; but, the benefits are limited to banks that

are members of the Federal Reserve System. Under the pending bill these provisions are extended to apply to all closed banks. As the law stands today the Deposit Insurance Corporation may expand its deposits three times. The bill which the administration first outlined for the extension of the temporary plan provided that this expansion of obligations should be guaranteed by the Treasury. In order to take care of the matter of deposits in closed banks, we provide in this bill for the expansion of the funds of the Corporation five times, to be guaranteed by the Government, and authority is granted the Corporation board to employ half of the expansion for the relief of depositors in closed banks, including all types of banks.

Let me say that the Corporation officials advise us that by a prudent administration of this act in making loans and purchases upon a fair valuation, as the bill provides, in contemplation of an orderly liquidation, that they will be able to unfreeze something like $1,000,000,000 of deposits in the banks of the Nation. There are 1,000 banks that have never applied to the Reconstruction Finance Corporation either by conservators or liquidating agents. The Reconstruction Finance Corporation has unfrozen $780,000,000. The Corporation appraises assets on an average at 66⅔ percent and loans on a basis of 75 percent. The loans made amount to about 27 percent of total assets in banks upon which loans have been made. It is estimated that deposits in the amount of $1,000,000,000 can be unfrozen by the Deposit Insurance Corporation. If administered as we have a right to expect, this bill will result in a substantial measure of relief that will be felt throughout the Nation. [Applause.]

Mr. LUCE. Mr. Chairman, before going on with the general discussion perhaps I can be of service to some of the Members who are receiving inquiries as to the proposal to repeal the provision of the banking act of last year which required directors to own $2,500 of stock. A separate measure touching this subject passed the Senate, is now pending in the House, and possibly might be reached later under suspension of the rule; but that we might have two strings to our bow we have also put it in the pending bill, where it will be found on page 9 as subsection (c). Members may, I feel confident, tell their correspondents that either by one measure or the other the desire to reduce this requirement to $1,000, as it was before, will be met before the end of the session.

Resuming the debate, Mr. Chairman, when in October of 1931 the leaders in both branches of Congress promised President Hoover their support for the quick enactment of four proposals, one of which was for the relief of depositors in closed banks, the introduction and care of the measure to that end in the House was intrusted to the gentleman from Maine [Mr. BEEDY]. No man in the House is better qualified to tell the story of that matter than the gentleman from Maine. I therefore yield to him such time as he may desire.

Mr. BEEDY. Mr. Chairman, after having consumed the larger portion of the afternoon on national-park legislation in Florida, we have at last arrived at the point of discussing the much-needed, long-prayed-for, the much-sought, and much-fought-for legislation for the relief of depositors in failed banks.

When the depression became marked in its consequences, as it did in the fall of 1931, some of you will recall that we assembled in this Chamber and listened to a message of the then President of the United States, who recommended four recovery measures and appealed for the nonpartisan support of his program by all Members of the Congress, regardless of the sections which they represented or the political belief which they entertained.

He first advocated the subscription for more stock in the Federal land banks by the Treasury of the United States, and the Congress patriotically supported that measure. He then recommended the setting up of the Reconstruction Finance Corporation, and the Congress patriotically supported that recommendation. He then advocated the establishment of the home-loan discount banks, and we adopted that legislation. He then advocated relief for depositors in failed banks, and I read a brief section from his message, as follows:

> A method should be devised to make available quickly to depositors some portion of their deposits in closed banks as the assets of such banks may warrant. Such provision would go far to relieve distress in a multitude of families, would stabilize values in many communities and would liberate working capital to thousands of concerns. I recommend that measures be enacted promptly to accomplish these results and I suggest that the Congress consider the development of such a plan through the Federal Reserve banks.

In pursuance to this recommendation, and bespeaking the fourth point in that recovery program, the Representative from the First District of Maine introduced in the House on the 9th day of January 1932, H.R. 7370, a bill to provide for the advancement of funds to receivers of insolvent banks and for other purposes. I am sorry to have to say to this House that that bill was never given a hearing in our committee. The Democratic majority refused any hearing although it was many times requested.

The gentleman who has just taken his seat, Chairman STEAGALL, of Alabama, says that in his attitude toward Federal deposit-insurance legislation he has never been partisan. I commend him for it, and I wish that he had emulated the standard which he set in reference to his deposit-insurance legislation by pursuing the same course toward the legislation which was proposed for the relief of depositors in failed banks by President Hoover. But I know the pressure that was brought to bear upon him. I suppose the facts of the case are that the edict went out that anything to be done along that line was not to be permitted in that Congress—that the new administration wanted credit for it.

This bill, H.R. 7370, which we introduced in January 1932, called for the setting up of a separate corporation to do nothing else but minister to the needs of failed banks. It asked for a modest capital of $150,000,000, $100,000,000 of which were to come out of the United States Treasury and to cover a subscription for class A stock of the corporation, and $50,000,000, in compliance with the recommendation that some system be devised through the Federal Reserve banks, was to be subscribed by the 12 central Reserve banks in proportion to the surplus which they had on the day that the act became effective. The corporation was authorized to issue notes and debentures to four times the amount of its capital stock. We only dared ask for $600,000,000 at the start. The help of that corporation was to be extended, just as this present bill now pending extends it, to all banks, National and State, member and nonmember. I am talking now about the bill that died in January 1932, when banks all over the country were pleading for relief.

We had recommended the R.F.C. We had recommended this corporation for the relief of banks. Whereupon the cry went out that we were aiming to help the rich man, but that we were forgetting the poor man. We have all learned a lesson in this depression. We have learned that, if you help to sustain the industrial and financial structure—regardless of the individuals or persons in whom title to that structure is vested—that by reaching out and giving aid to those who have something, you aid those who have nothing but their daily labor to depend upon. We know now that those who have only their labor to sell are helped when those who have capital are put in a position to employ that capital in giving employment to labor. So I think in fairness it ought to be said that the recovery program recommended in the fall of 1931, if we had been able to carry it through, would have reached down and helped everybody.

Hindsight is always better than foresight, and I desire not to make any extravagant statements, but today I feel confident that if we had had the courage to ask for $6,000,000,000 to be paid to insolvent banks by that corporation which was to have been set up under the provisions of the bill we introduced in January 1932, and if we could then have had the patriotic support of every man and woman in this Congress we would have saved the country the severest blows of the depression. How? We would have enabled the corporation

to say to every bank in this country: "There is money available for every depositor in every bank in the Nation if he wants it", and knowing that he might have his money, no depositor would have taken it out of the bank. The banks would thus have been liquid. Money would have been available for industry, and we would never have had that black 6th of March when the banks of the Nation were closed. Securities would not have been dumped on the market in a frantic effort to realize assets for the banks, therefore prices on the security market would have held up, and by this time we would have come out of the depression. I am saying that one of the most vital steps that should have been taken in the winter of 1932 the Congress failed to take because no hearing could be secured on H.R. 7370.

Let us be perfectly fair to the powers that were at that time. They immediately wrote into the R.F.C. law a provision which reads as follows. After granting certain powers to the R.F.C., including the authorization of loans, the act was amended to read "including loans secured by the assets of any bank that is closed or in process of liquidation to aid in the reorganization or liquidation of such banks, upon the application of the receiver or liquidating agent", and so forth.

Two hundred million dollars was the limit of money that was provided in this amendment to the R.F.C. Act, which was approved on January 22, 1932.

Subsequently this amount thus to be loaned was increased, and there has been lent by the R.F.C. to date about $800,000,000 upon the assets of failed banks, a sum entirely inadequate to meet the needs of the situation; confessedly so, else the present bill would never be before this body.

Mr. STEAGALL. Mr. Chairman, will the gentleman yield to me briefly?

Mr. BEEDY. Yes; I yield to my chairman.

Mr. STEAGALL. I am not quarreling with the gentleman at all.

Mr. BEEDY. I have been in the House 13 years, and I have never had the time until today to make the speech I want to make. I dislike to be interrupted, but I will yield to the gentleman.

Mr. STEAGALL. I am not quarreling with the gentleman, but I wish to ask him if it is not a fact—and it is the fact—that the provision in the R.F.C. Act of 1932, in which this measure of relief for depositors in closed banks appears, was written into that bill by the present Chairman of the Committee on Banking and Currency, because I wrote it with my own hands.

Mr. BEEDY. Yes. Exactly so. I had not intended to say it, but you now make it proper for me to say that after we had introduced H.R. 7370 and while we were pleading for a hearing on the bill, the gentleman wrote that section in question and had it slipped into the R.F.C. Act in order that the bill we were sponsoring might die a quiet death. I repeat that I wish the Chairman of our Banking and Currency Committee had been as nonpartisan in his attitude toward this tremendously important legislation as he was toward the legislation providing Federal insurance of deposits.

In June 1932 the Democratic Party met in convention in Chicago. It was said in debate this afternoon that there was a story behind the Everglades Park project. But, in the words of William Shakespeare, if you think there was a story behind that project, "you ain't heard nothing yet."

Let me read this provision in one of the planks of the Democratic Party, written in the summer of 1932, after the bill H.R. 7370 had died in committee in the winter previous. Here it is:

> We advocate quicker methods of realizing on assets for the relief of depositors of suspended banks—

And so forth.

"Quicker" is a very understandable word. Quick, I find, means "fast in action" or "fast in performance." This word only appealed to the chairman of our committee when, upon the introduction of H.R. 7370, he was quick in writing the provision that went into the R.F.C. law and which, though it killed H.R. 7370, nevertheless has proven inadequate to meet the needs of failed banks up to this present moment and through all the long months that the Congress was in session, from January to June 1932, so far as adequate relief to depositors in failed banks was concerned, this word "quick" did not appeal to any Democrat in authority. But as soon as the Congress adjourned and the Democratic Convention met, it was thought necessary to pledge the Democratic Party to quicker methods of realizing on assets for the relief of depositors in failed banks.

Before we go any further, let me tell you they knew what they were doing when they wrote that plank. It was a serious matter with the Democratic leaders, because they took the precaution to write a further plank in their platform in which they said:

> We believe that a party platform is a covenant with the people to be faithfully kept by the party when intrusted with power.

So, believing in this quick relief, a Democratic Congress convenes and by June of the summer of 1933 they make a left-handed grant of power to the Federal Deposit Insurance Corporation.

I want to read you the provision giving this power to the Federal Deposit Insurance Corporation. I do not intend to be bitter about this. Please do not misunderstand the spirit in which I make this presentation. If I could not have kept my sense of humor I could never have lived through the 5 years of this depression. About all there is left us of the minority these days is the opportunity to chide the majority for its acts of omission or commission.

Listen to the phrasing of this grant of power for the relief of closed banks. Following certain other grants of power, the Banking Act of 1933 reads as follows:

> Nothing herein contained shall be construed to prevent the Corporation from making loans to national banks closed by action of the Comptroller of the Currency.

Let me repeat it. "Nothing in this act shall be construed to prevent" the Corporation from making loans to closed banks. The point is that this was not the usual phraseology of a clean grant of power.

Then the next section in that act goes on to say, "Receivers or liquidators of member banks"—only member banks were dealt with in the act of 1933. And bear in mind that there had been in force ever since the early summer of the prior year affording relief to all closed banks the Reconstruction Finance Corporation, but they felt it necessary to write the following provision into the Banking Act of 1933:

> Receivers or liquidators of member banks which are now or may hereafter become insolvent or suspended shall be entitled to offer the assets of such banks for sale to the Corporation—

Namely, the Federal Deposit Insurance Corporation. Here we find no provision that the Corporation can buy the offered assets. The power to buy must be implied. I call this a left-handed grant, and the F.D.I.C. must have considered the provision a mere gesture, because no attempt was made to exercise it.

Both the power granted to the R.F.C. and the F.D.I.C. has been of no avail and the responsibility rests with the present administration which believed in quick relief to depositors in failed banks, from the assembling of Congress in the last part of the year 1932 down to this 24th day of May 1934, when, under the lash of the signers of a petition to bring some kind of legislation to this floor for the relief to depositors in failed banks, and whipped somewhat by a conscience troubled by the failure to live up to the plank in the platform calling for quicker relief, they bring in the legislation now before the House.

Now, it is with parties as with individuals. When a man makes a mistake and starts traveling, not the straight and direct road, but one that diverges and crosses and recrosses and never arrives at any destination, it is strange how much trouble he gets into.

If I were a dramatist I should like to write a play showing how this Committee on Banking and Currency has been playing back and forth, how it has endeavored to get around the fulfillment of its obligations, long neglected.

I want to put in the RECORD what has happened before we could finally get the pending bill out of our committee.

Some Members on my side of the aisle evidently wanted to help the majority of the committee to fulfill their obligations to the people with respect to this legislation, and so they endeavored to vote out that McLeod bill which would defeat the discharge petition which aimed to bring legislation upon the floor of the House for the relief of depositors in failed banks.

On February 12, 1934, Congressman McLEOD introduced the original "pay-off bill", H.R. 7908. Hearings on this bill before the subcommittee of the Banking and Currency Committee began on February 27. Subsequent to these hearings the revised McLeod bill, H.R. 8479, was introduced on March 5. Hearings before the Reconstruction Finance Corporation subcommittee of the Banking and Currency Committee concluded on March 27.

The first petition for bringing the McLeod bill up for consideration was introduced by Congressman CARL M. WEIDEMAN April 9, 1934. The petition was on H.R. 7908, the original bill, as the revised bill, H.R. 8479, had not been pending the number of legislative days required by the discharge rule.

On April 12, when the petition to discharge the committee from further consideration lacked only several names to complete the necessary 145 signatures which would have made possible a vote on this legislation April 23, the Banking and Currency Committee reported H.R. 8479.

Later the same day, upon discovering that the discharge petition dealt with H.R. 7908 and not with H.R. 8479, the committee met without permission while the House was in session and reported H.R. 7908, thereby proving that the sole purpose of the committee action was to block consideration of such legislation.

The first petition was completed on April 13. Representative McLEOD then introduced House Resolution 332, which was referred to the Rules Committee providing a special order of business to bring the bank depositors pay-off bill, H.R. 8479, before the House for consideration immediately upon the adoption of the resolution.

On April 20, in answer to a parliamentary inquiry made by Chairman STEAGALL of the Banking and Currency Committee, the Speaker stated that the action of the committee in reporting H.R. 7908 was void, as the committee had acted while the House was in session and without permission.

On April 20 the Banking and Currency Committee received permission to sit during the sessions of the House on April 20 and 21, and on April 21 the Banking and Currency Committee met and considered the bank depositors' payoff bill in executive session.

On April 23 the bank depositors' payoff bill, H.R. 7908, was due to be called up for consideration under the discharge rule. However, during the prayer the committee put another report into the receiving basket.

The Congressman from the First District of Maine thereupon introduced a resolution involving a matter of privilege of the House objecting to the reception of the report of the Banking and Currency Committee on the ground that the committee had failed to observe the rules of the House in amending and reporting the bill. On a motion by Mr. BYRNS to lay the resolution on the table, the yeas were 227 and nays 123, not voting 80. The Speaker refused to answer an inquiry by the Congressman from the First District of Maine as to the significance of the vote, and because of the general confusion on the floor the impression prevailed that the vote was on a motion to override the decision of the Speaker instead of on a motion to table the Beedy resolution. However, the Speaker sustained Representative BEEDY'S parliamentary point of privilege and thus the record vote was a victory for friends of legislation for relief of depositors in failed banks.

On April 23 Representative WEIDEMAN introduced a second petition to force action on the McLeod bill by discharging the Rules Committee from further consideration of House Resolution 332.

On May 15, apparently for the purpose of shortening the time in which signatures could be obtained for the second petition, Congressman BYRNS obtained unanimous consent for the House to adjourn from that date, Tuesday, to Thursday, May 17, and from Thursday to Monday, May 21. This made Thursday, May 17, the last day in which to complete the petition in time for bringing up the bill for a vote on May 28. In the night session of May 15 Congressman GERALD J. BOILEAU, of Wisconsin, made the parliamentary inquiry: "Is it now in order to move to reconsider the vote by which that unanimous-consent request was secured?" The Speaker held that such a move was not in order.

On May 17, Thursday, as signatures were being obtained rapidly on the petition, the House adjourned at 2:44 p.m., thus delaying possibility of securing action on bank depositors' pay-off legislation through the petition until June 11.

This thing went on. We could not get a record vote in the House until, you recollect, the Representative from the First District of Maine made a point of order, and we actually got a record vote to find out who in the House favored some legislation in behalf of depositors in failed banks. Nobody knew what he was voting for. The question was asked the Speaker as to what the vote was on. He replied, "everybody knows what it is for", and half the men voting thought they were voting to override the Speaker's decision rather than to table the Beedy resolution which was pending. The vote, therefore, did not correctly disclose who were and who were not friends of bank pay-off legislation.

In the meantime, frequent conferences were going on in the Banking and Currency Committee, small conferences, not always full committee conferences, and the days and weeks and months rolled by, but at last I say we have this pending bill before the House, for which I am thankful, and which I commend to this House as a constructive measure, one which may prove of great help to the country even in this late period of the depression. I repeat, however, that this legislation should have been passed early in the winter of 1932.

This bill provides exactly the same in substance as the Beedy bill (H.R. 7370) provided. It provides relief to all banks, whether members of the Federal Reserve System or not.

Mr. BLANTON. Mr. Chairman, would my distinguished friend from Maine yield?

Mr. BEEDY. Yes.

Mr. BLANTON. The gentleman approves of the bill?

Mr. BEEDY. I should say I do. I have been fighting for it for nearly 2 years.

Mr. BLANTON. And the gentleman is at least the straw-boss spokesman for his party on the other side of the aisle. Our administration leaders on this side approve of the bill. So it is approved on all sides of the aisle. Let us pass it. It is now 7 minutes of 5 o'clock. Let us pass it by 5 o'clock.

Mr. BEEDY. Mr. Chairman, the gentleman evidently believes in his platform. He is for quick relief for depositors of failed banks.

Mr. BLANTON. Yes.

Mr. BEEDY. And I say to the gentleman from Texas that in January 1932 I was for quick relief. I am for quick relief now and if this committee wants me to sit down, I will sit down, and we will pass it right now.

Mr. BLANTON. And do not let us talk it to death.

Mr. BEEDY. I am fond of the gentleman from Texas, he has been a good friend of mine, but let me tell him that he should be the last man in this House ever to stand up and say to any other Member that he ought not to talk anything to death. [Laughter.] I have been in this House for 13 years and I have taken comparatively little of the time of the House in making speeches while the gentleman from Texas has, often and profusely.

Mr. BLANTON. Oh, I have helped the gentleman talk bad measures to death here and stop the passage of bills that ought not to be passed. I have helped him to talk many bad bills to death.

Mr. BEEDY. I think the gentleman does most of that kind of work. I am going to accept the suggestion of the gentleman from Texas [Mr. BLANTON]. Here is a good bill. It was born in travail. No bill ever followed a more tortuous path. It has had a difficult time a-borning.

It is the result of the sweat and the prayers and the hopes and the hard work of a good many of us. It does not make any difference what party we are in. We should have seen the light sooner, but now that we have seen the light, let us pass the bill and give the banks that have failed and the poor men and women that have saved a few hundred dollars and put them in these banks for safekeeping real relief.

There is one thing to which I wish to call attention which this bill does that no other proposed piece of legislation does. The bill which died in 1932 did not propose it. That bill left the appraisers, namely, the representatives of the Federal Reserve banks and of the Comptroller's Department, and the receivers, to agree on the value of the assets of failed banks.

This bill goes further. Realizing that some injustice has been worked by a lack of power on the part of the R.F.C. to loan on higher appraised values, we wrote a very helpful clause into the pending bill. It is to be found on page 10 of the bill, beginning with line 15, and reads as follows:

In making any purchase of or loan on assets of any closed bank the Corporation shall appraise such assets in anticipation of an orderly liquidation over a period of years rather than on the basis of forced selling values in a period of business depression.

That is a very sensible provision. It is born of the evidence that this country is coming back. The inevitable trend must be upward. This Nation is too young and too virile to die now. We are coming out of this trouble. This provision gives the appraisers the power to anticipate future recovery.

Mr. GLOVER. Will the gentleman yield?

Mr. BEEDY. I yield.

Mr. GLOVER. On page 5 there is this language:

In the event any mutual savings bank shall be closed on account of inability to meet its deposit liabilities the corporation shall pay not more than $2,500 on account of the net approved claim of any owner of deposits in such bank.

Does not the gentleman believe that that figure ought to be raised? If a man has $10,000 in a bank, and another man has $2,500, one man will receive his full $2,500, and the man who has $10,000 will only receive the same amount.

Mr. BEEDY. Now the gentleman is bringing up a point connected with the deposit-insurance section of this bill. The gentleman raises an issue which involves the question of whether the full provisions of the insurance law should have gone into effect this year.

If you want the whole insurance law to go into effect as originally written, yours is a good argument. But the experts from the Treasury Department, including the Comptroller of the Currency, said to our committee: "We are friends of this deposit-insurance feature. We want it to live. We do not want to go too fast with it. Give us another year with the temporary fund so that we may build our underpinning securely and feel our way with assurance, and later we will come back and extend these provisions and ask, perhaps, for the original insurance limits of the permanent fund."

Now, if the gentleman will read this bill fully, he will see we have increased the $2,500 limit to $5,000 in the present bill. There is an interesting thing in connection with that feature of the bill. You may have a deposit of $5,000 in bank A on the north side of the street. Your wife may have $5,000 in bank B on the other side of the street. If these banks should fail while members of the Federal Insurance Corporation, she will get her $5,000 and you will get yours. If at the same time the husband and wife have a joint account of $5,000 in one of these same banks, that sum would also be repaid by the Insurance Corporation. In that situation thrifty families of small means are protected by the present bill to the extent of $15,000.

I now yield to the gentleman from Massachusetts, and then I must conclude.

Mr. LUCE. May I add to the gentleman's answer to the inquiry that in general, mutual savings banks have a limit on the size of permissible deposits. In my State it is $4,000, as I recollect it, to which accretions of interest may be added. That restriction in the bill is made in view of the limits customarily made on deposits in mutual savings banks.

Mr. SABATH. And the $2,500 applies only to mutual savings banks?

Mr. LUCE. Yes.

Mr. HANCOCK of North Carolina. Will the gentleman yield?

Mr. BEEDY. I yield.

Mr. HANCOCK of North Carolina. Will the gentleman state the total amount that would have been available to pay depositors in closed banks under the bill which the gentleman introduced in 1932?

Mr. BEEDY. I have already stated that.

Mr. HANCOCK of North Carolina. What was the total amount?

Mr. BEEDY. We asked for a capital of $150,000,000.

Mr. HANCOCK of North Carolina. To be multiplied four times?

Mr. BEEDY. To be multiplied four times. That was only a feeler. We should have increased it as occasion demanded.

Mr. HANCOCK of North Carolina. Then, at the same time a measure proposed and written by the Chairman of the Committee on Banking and Currency has resulted in furnishing more than $800,000,000?

Mr. BEEDY. Oh, that is the result of subsequent limitation. His original provision authorized loaning only $200,000,000.

Mr. HANCOCK of North Carolina. But is not that true?

Mr. BEEDY. Now, let us get this straight.

Mr. HANCOCK of North Carolina. The gentleman has the heart of a Democrat and the mouth of a Republican. [Laughter and applause.]

Mr. BEEDY. If we could put together the hearts of the Democrats and the hearts of the Republicans and the mouths of both parties today and work out these problems, forgetting our political differences, the country would be better off; and if we could have done just that in 1932 the country would have been much better off then. [Applause.]

Mr. SABATH. Will the gentleman yield?

Mr. BEEDY. Not at this time.

Under the original provision in the Reconstruction Finance Corporation Act, as I have said, only $200,000,000 could be loaned to failed banks. Our original bill, H.R. 7370, to which I have referred, authorized loaning $600,000,000 to failed banks.

Mr. HANCOCK of North Carolina. And then we took the lid off.

Mr. BEEDY. Just a moment. I want to answer the gentleman. When it was found that $200,000,000 were not adequate to meet existing needs we provided further loaning power for the R.F.C., just exactly as we would have asked for further lending power for the Corporation's funds under the provisions of H.R. 7370. We did not dare to ask for more than $600,000,000 for failed banks in January 1932. You were accusing us of following the short-sighted policy of favoring the rich bankers.

But can you imagine what would have happened if we had come to Congress and asked for $6,000,000,000 for failed banks? You would have told us we were going mad. Now, in the light of what has been done with hit-and-miss expenditures approximating twelve or thirteen billion, can we not see what wonderful results might have followed from the disbursement of $6,000,000,000 to the failed banks of the country 2 years ago?

Mr. HANCOCK of North Carolina. Mr. Chairman, will the gentleman yield further?

Mr. BEEDY. I will.

Mr. HANCOCK of North Carolina. Will the gentleman say to the House of his own knowledge whether the then Secretary of the Treasury and the then Chairman of the Board of the Federal Reserve Bank favored the gentleman's bill?

Mr. BEEDY. My distinct recollection is—and I think I can be very accurate about this—that the bill did have the approval of the Secretary of the Treasury; and whom else?

Mr. HANCOCK of North Carolina. Governor Meyer of the Federal Reserve Board.

Mr. BEEDY. Governor Meyer was consulted, and Governor Meyer himself delegated the drafting of this bill to one of his right-hand men. I can assure the House that the bill H.R. 7370 as introduced in January 1932 had the approval of the Secretary of the Treasury and the Governor of the Federal Reserve Board.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. BEEDY. I yield.

Mr. SNELL. I am absolutely sure the gentleman's statement is correct, because I was the one who handed the bill to the gentleman from Maine [Mr. BEEDY].

Mr. BEEDY. Yes. That is correct.

Mr. HANCOCK of North Carolina. Mr. Chairman, will the gentleman yield further?

Mr. BEEDY. Certainly.

Mr. HANCOCK of North Carolina. Has the gentleman noticed that Governor Meyer's paper, the Washington Post, this morning condemns this very legislation.

Mr. BEEDY. What very legislation? Does the gentleman mean the pending bill as reported by this committee?

Mr. HANCOCK of North Carolina. The pending bill, which the gentleman has said was such a fine bill, such a constructive measure, drawn along the same lines as the bill the gentleman advocated in 1932.

Mr. BEEDY. I think Eugene Meyer today feels exactly as I know the gentleman from North Carolina feels and as I feel, that inasmuch as original power was given to the R.F.C. to make these loans, and since further, the R.F.C. started to do effective work, we should now continue this lending power in the R.F.C., broaden its powers, and enable that Corporation to go on with the work it began. I have no doubt of Mr. Meyer's disgust that this bill should be brought into the House at this late day as an appendage to the extension of the temporary insurance fund provisions.

Mr. HANCOCK of North Carolina. Will the gentleman from Maine read this editorial?

Mr. BEEDY. I shall be glad to read it, but not in the time of others who wish to speak on the pending bill.

Mr. HANCOCK of North Carolina. Will the gentleman insert it in his remarks?

Mr. BEEDY. I must reserve judgment on that.

Mr. Chairman, let me thank the Committee for its close attention and let me apologize for having taken so much time. [Applause.]

Mr. LUCE. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Chairman, I rise merely to give credit, as far as I am able, where credit is due. That part of the bill now before the Committee, to help depositors in banks that failed, is the result of the courageous effort, the untiring effort, and the perseverance of the gentleman from Michigan [Mr. McLEOD]. His was a lone voice crying in the wilderness; and he alone built up an enormous support from every section of the country—North and South, East and West—for this particular bill upon which we are debating.

About a month ago I spoke to some 900 Republican women at a luncheon in Detroit. I was asked what was going to be done with the McLeod bill. I replied that I was a member of the Committee on Banking and Currency and had not signed the petition for the McLeod bill. I predicted that the McLeod bill would not pass in its original form, which was to pay off the entire loss of the depositors. I stated that I believed it would be amended, that there would be a compromise, and the compromise would come in under the name, of course, of some Democrat. It might be to pay the depositors up to the amount of $2,500, or it might be a compromise to have the Government take over the assets of the banks and pay off the depositors on a fair basis and not on a forced or liquidated sale of the assets during the depression.

That is about what this bill does. I told them then, and I believe it now, that no matter what compromise measure goes through this Congress the credit belongs to CLARENCE McLEOD, of Detroit, and nobody can take it away from him even though the measure comes here bearing the name of a Democrat. I think you are good enough sportsmen to realize that he forced your hands and to admit that he actually is responsible for this legislation. No matter whether President Hoover endorsed the principle 4 years ago, and no matter whether someone else advocated it 4 years ago, this particular bill comes here because of the courage and perseverance of one Member of the House—the gentleman from Michigan [Mr. McLEOD]. It was a well-deserved and well-merited victory. In the words of the poets, it was a grand and glorious victory.

In the few minutes remaining of my time, I wish to pay my respects to a very distinguished member of the administration, Assistant Secretary of Agriculture Rexford Guy Tugwell [laughter], who, recently talking in Kansas City, said that labor in America is oppressed and that business is controlled by just a few. He might as well have added that labor is brutalized, because those are the very words of all the Socialists and Communists in America: That everything is wrong, rotten, and corrupt in America, and particularly that labor is oppressed.

Every thinking man knows that compared to the countries of the Old World labor in America is freer and far better off. Labor in America is freer and has higher standards of wages and living than in any other country in the world. For the last 60 years American labor has been the best paid, the best housed, the best fed, the best clothed, and the most contented in the world.

When they tell you that American labor is oppressed, it is an indictment not alone of the Republican Party but of the Democratic Party under Woodrow Wilson as well; and everyone of you know that labor has had more economic and political rights and more freedom in America than in any other country in the world.

There have been abuses and evils in our economic system. Everybody knows that during the last 50 years the Congress of the United States and the legislatures of the various States, at the request of labor and of the American people, have been remedying these abuses and evils. It is common knowledge that 50 years ago labor worked 12, 14, and 15 hours a day with a pitiful standard of living and a pitiful standard of wages. Step by step through the assistance of Congress and the State legislatures we have brought about shorter hours and better working conditions in the factory, protection in the factory, compensation laws, child-labor laws, old-age pensions, until today labor is better off and freer in America than anywhere else in the world.

Mr. Tugwell and other socialistic members of the "brain trust" represent a certain type of visionaries without experience in either business or government, visionaries who want to throw overboard everything that has built up this country, that has built up labor, that has made this the richest, the greatest, and the freest Nation in the world. They now propose to socialize industry and labor, giving in return for the constitutional liberty, freedom, and the rights of labor and capital under the Constitution, some form of socialization of industry, or Government ownership. All that these Socialists and visionaries offer in return for our constitutional liberties is compulsion, coercion, and force. That is all they offer to labor in return for the freedom it now enjoys in America.

Abraham Lincoln once said that labor is prior to capital, and that human rights are superior to property rights. That has been the American point of view of all liberal-minded Americans, both Democrats and Republicans, for the past 75 years. It is sheer folly to try to incite and inflame labor in these days of depression by appeals to class hatred, and depicting labor as oppressed and discriminated against. It is well to remember that there are hundreds of thousands of small industries and millions of stockholders in larger industries in this country who believe in social and industrial justice, and a square deal for labor.

I am glad to support this particular bill today, because in its very essence it aims to protect the savings of labor, in

its very essence it seeks to uphold our own industrial system—call it capitalism or what you will—based upon private property and individual effort and enterprise.

It is under this system that labor has grown in America to be the richest and freest in the world. American wage earners today, or up until very recently, have been capitalists, and just as much capitalistic as the rich capitalists. They have owned their own houses and their own automobiles, and have had the comforts and luxuries of our civilization. There is very little revolutionary spirit among American wage earners, because they expect, judging from the past, that we will emerge to better and more prosperous times and back to those high standards of wages and living that American labor has been accustomed and is entitled to as part of its American heritage. In voting for this bill we uphold the capitalistic system, because the very essence of capitalism is private banking and money which belongs to the people. Lenin, the greatest foe of capitalism, often stated the way to ruin capitalism was to debase and destroy the value of money. We are in this bill safeguarding the money of all the people of America. [Applause.]

[Here the gavel fell.]

Mr. LUCE. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. HOLLISTER].

Mr. HOLLISTER. Mr. Chairman, I am compelled to make a few remarks following the gentleman from New York because of the references that were made to the McLeod bill. As one who is unalterably opposed to the principle of the McLeod bill or similar bills, I believe it proper to point out very distinctly to the Members of the House the fact that the provisions as contained in this bill differ very materially from the provisions of the McLeod bill.

In the McLeod bill and similar bills provision was inserted for pay-off to depositors in closed banks without any attention being paid to the value of the assets of the particular bank. A depositor in a bank which had been well administered but which had unfortunate consequences received no more than a depositor in a bank which had been looted or which had been improperly administered.

In this bill, which the committee has worked on very hard and in which the committee has attempted to include a fair provision so that we may unloose a great deal of the deposits in closed banks, the provision is that loans shall be made or assets shall be purchased on the basis of the value of those assets, and not without paying any consideration to the value of the distress of the different banks. Let me read the provision I refer to so that all may understand:

> In making any purchase of or loan on assets of any closed bank, the Corporation shall appraise such assets in anticipation of an orderly liquidation over a period of years, rather than on the basis of forced selling values in a period of business depression. The Corporation is authorized and empowered to sell any assets acquired under this subsection and shall with respect to such selling and to the liquidation of assets of closed banks pursue and encourage a policy of extending the period of liquidation so as best to conserve the value of such assets and to prevent unreasonable sacrifice thereof.

Mr. Chairman, this is a provision by which we may give the greatest amount of help in the fairest way to depositors in closed banks and at the same time save as much as we can in the long run for the Government, which after all is putting this money into the fund for the backing of the closed banks.

All the members of the committee were anxious to do what they could for the depositors in closed banks, and at the same time be not in a position where it could be said that the Government was giving away money irrespective of the justice of the situation. I think it is only fair to point out that the committee considered carefully the difference in principle between these two theories and adopted the principle of dealing fairly with the depositors on the basis of the value of the assets in the respective banks.

Mr. Chairman, I yield back the balance of my time.

Mr. LUCE. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. McLEOD].

Mr. McLEOD. Mr. Chairman, the action of the House today will be well received by millions throughout the country. While in my opinion the so-called "Steagall bill" does not go far enough, I fully and sincerely believe that it goes a long way toward the goal which we seek. Therefore, in my opinion, it should receive the support of every Member who is interested in pay-off legislation being enacted at this session of the Congress. At the same time I do not feel that we should relax in any way our fight to insist on the 100-percent pay-off bill which I have sponsored, due to the fact that this bill, if passed today, has a long and rocky road before it takes the status of law. The petition which is now on the Speaker's table gives us a certain assurance that in the event Congress is still in session on the 11th of June we may have the opportunity to insist on our measure, which is not only relief, but is also primarily in the interest of recovery. We know that a measure which results in recovery certainly also provides relief.

There is one particular point I wish to make to the Committee. As the chairman pointed out a few minutes ago, this bill provides sufficient money to take care of the depositors in distress. If this is a fact, and I am merely trying to lay the foundation for an amendment which I intend to offer, could there be any objection to changing the permissive word in the purchasing or loaning of assets to directing the purchasing or loaning on assets? There is no excuse for the use of discretion in this instance. The Congress is too familiar with what occurred recently in connection with legislation which was passed during the last session which did not direct the administrative officials to do such things; it merely permitted, and therefore little was accomplished. There is no harm, as I see it, in changing the four words in that one paragraph to "direct" if we are sincere, and I take it for granted this House is sincere at this time.

Mr. PATMAN. Will the gentleman indicate where the amendment is?

Mr. McLEOD. Page 9, line 23.

Mr. MARTIN of Colorado. One word would be enough.

Mr. McLEOD. It appears in four different places.

Mr. Chairman, I had intended to offer the McLeod bill as an amendment to the section where the relief for bank depositors appears in this bill, but I agreed not to do that for the reason that I am assured the conferees of the House will insist, when this bill passes today—and I assume it will pass today—that the bank depositors' relief remain in this bill when it comes back from conference with the Senate.

I have had this assurance today from the chairman of the Banking Committee, and I am sure he will bear me out in this statement.

Mr. GOSS. Will the gentleman yield there?

Mr. McLEOD. I yield.

Mr. GOSS. I understand the gentleman proposes to offer his first amendment in line 23, page 9, so that the bill would read—

> authorized and directed to loan upon or purchase assets of any bank.

Mr. McLEOD. That is right.

Mr. GOSS. If this amendment is agreed to, I want to point out that this does not mean they would have to purchase all the assets but they would have to purchase at least some of them, and in this way we would be sure of getting at least some results.

Mr. McLEOD. There is no difference in the intent of the bill with the amendment I suggest relative to the relief proposal.

This section of the bill states—

> The insurance corporation is authorized and empowered to loan or purchase.

This is to be done after the liberal appraisal referred to. This liberal appraisal may be $500 on a certain asset, and then we say by this amendment that if the appraisal is $500 on this asset, then the corporation is directed to make the purchase or loan.

If time permit, I should like to point out to the committee the definite obligation there is on the part of the Federal Government to do something for these depositors. Much has been said about it here. I have contended from the

beginning that there is a definite obligation on the part of the Government.

During the Senate hearings, letters dated January 3, October 6, December 18, 1931, and July 1, 1932, were submitted to the Senate committee by the Comptroller's office. These were letters of instruction to the bank examiners that they must be lenient, and I quote from the first one of them, the letter of January 3, 1931:

> It is the desire of the Comptroller in this period of serious and unusual depression to be as lenient in this matter as the circumstances in each individual case will permit. While it is necessary for your examiners to exercise their judgment in each case, consideration should be given to the present and what is believed to be a temporary condition of the bond market.

Some of the bank examiners did not follow this, so on October 6, 1931, they wrote a second letter:

> Please instruct all examiners to exercise extraordinary discretion in their work and use every effort to encourage and sustain the morale in banks examined. Leniency consistent with proper regard for public interest should be extended. Present conditions demand sympathetic treatment on the part of this office and examiners and can in an important measure tend to the alleviation of the difficult problems with which we are temporarily faced.

Then, on December 18, 1931:

> In the emergency that results examiners are instructed until further notice to disregard market depreciation upon bonds not in default. Bonds should be rated and appraised as heretofore, but no part of the depreciation, except that upon defaulted issues, should be shown on page 11 of the report.

July 1, 1932:

> Reports of examination received by this office recently clearly indicate that some examiners have not fully grasped the meaning of previous instructions issued by this office during the past year with respect to examinations, more particularly instructions issued under date of October 6, 1931, and it would also seem that some of the examiners may not fully appreciate the extremely abnormal business conditions and the weakened condition of the securities market at this time.

In conclusion, I urge that this bill receive the support of the membership of the House. It will give renewed hope to millions of our citizens. [Applause.]

Mr. LUCE. Mr. Chairman, I yield 1 minute to the gentleman from North Dakota [Mr. LEMKE].

Mr. LEMKE. Mr. Chairman, I ask unanimous consent to extend my remarks, including therein certain correspondence with the Chairman of the Committee on Agriculture.

The CHAIRMAN. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

Mr. LEMKE. Mr. Chairman, I have listened to the arguments on this bill, which I consider largely shadow-boxing. Nevertheless, I am for this bill. I am for it not because it gives any fundamental relief to the crying needs of the country but because it will give some temporary relief. It will help a little. It may keep the ship of state sailing until we get back here and do something more fundamental.

It has been stated here from the floor that the people were praying and crying that this Congress adjourn. I am sorry that I cannot agree with that statement, because I know that the farmers are praying and crying that Congress remain in session until it has passed the Frazier-Lemke bill. I know and you know that the veterans of the World War are begging and praying that we stay here until the soldiers are paid in cash. I know and you know that the laboring people are praying and begging that we remain in session until the 30-hour week bill is passed. I know and you know that the unemployed and those on a disguised dole system are begging and praying that we remain in session until something fundamental is done to meet the deplorable conditions that still exist. Consequently, I am forced to believe that the crying for adjournment comes rather from the international bankers and politicians and not from the people.

It has been said that those in power never learn anything from the fate of their predecessors. Those in charge of the legislation in the special session and in charge of the legislation during this session, certainly have not learned anything from the fate of the preceding administration. Not only are they as indifferent about the Frazier-Lemke bill as the previous administration, but they are equally indifferent on the cost of production for that part of the farm products consumed within the United States. Surely no honest or intelligent person wants to continue to consume the farmers' products below the cost of production.

We have here at the Speaker's desk a petition discharging the Committee on Agriculture and bringing the Frazier-Lemke bill out on the floor for discussion and passage. Yet, every time that we come within striking distance, some invisible force, working through subterranean channels, seems to be able to get some Members to withdraw their names from that petition. I am not entirely unfamiliar with that invisible subterranean force. I know something about the threat of loss of patronage, but I can assure the Members of this House that the people of this Nation are no longer seriously concerned as to who is appointed their postmasters. They demand something more fundamental. They demand the Frazier-Lemke bill.

I have taken occasion before to correct erroneous statements made by Members of this body concerning the Frazier-Lemke bill. Yet, in spite of this fact, these erroneous and incorrect statements persist. Needless to say, these statements are based upon misinformation by Members who talk too readily on subjects on which they are not informed, and who accept rumors as facts when the facts could have been readily and easily ascertained. These statements concern the discharge rule and the consideration, or lack of consideration, that the Frazier-Lemke bill has received in the hands of the committees in whose possession it has been since February 2, 1931.

It has been stated by Members who withdrew their names from the petition that they did so because when they signed they believed that the committee had refused to grant a hearing, but that by some grapevine route they had been informed that the committee had not refused and that upon this information they withdrew their names. The cold and indisputable fact remains that they withdrew their names when we were within a few signatures of going over the top; that they withdrew their names when those who oppose this bill made their drive to get names removed. I am compelled to conclude that this was the cause of the withdrawal of the names rather than the erroneous assumption of facts which do not exist, except in the minds of those who withdrew their names and who have not reinstated them.

Let us now briefly review the history of this bill. It was first introduced in the Senate by Senator FRAZIER in the Seventy-first Congress, third session, December 8, 1930, and referred to the Committee on Agriculture and Forestry, S. 5109. It was reintroduced in the Seventy-second Congress, first session, by Senator FRAZIER on December 9, 1931, and referred to the Committee on Agriculture and Forestry, S. 1197. A subcommittee of the Senate Committee on Agriculture and Forestry held extensive hearings on this bill on February 2, 3, and 5, 1932. These hearings were printed, and consist of 128 pages devoted exclusively to this bill. The full Committee on Agriculture and Forestry held hearings on this and other agricultural bills on April 26, 27, 28, and 29, 1932. These hearings were also printed, and consist of 219 pages. On May 14, 1932, it was reported with amendments by the full committee, Senate Report 692. It was brought up on the floor of the Senate, debated, and referred to the Senate Committee on Banking and Currency on July 11, 1932. During the second session of the Seventy-second Congress hearings were held before the full Committee on Banking and Currency on this bill on December 22, 1932, and on January 7, 9, and 30, 1933. These hearings were also printed, and consist of 90 pages. The bill was reintroduced in the first session of the Seventy-third Congress by Senator FRAZIER on March 13, 1933, and referred to the Committee on Agriculture and Forestry, S. 457. It was offered as an amendment to the Wagner Agricultural Credit Act on April 22, 1933. On that amendment the yeas were 25 and the nays were 44. A number of Senators who were favorable to the amendment were necessarily absent.

This, in brief, is the history of the Frazier-Lemke bill in the Senate. It has been before that body for practically

3½ years. It has had Nation-wide support and publicity. There is hardly a man or a woman, with ordinary intelligence, in this Nation that has not heard of the Frazier-Lemke bill, and the majority of them know what the bill is.

Let us now take up the history of this bill in the House. It was first introduced by the gentleman from North Dakota [Mr. SINCLAIR] on February 2, 1931, Seventy-first Congress, third session, and referred to the Committee on Banking and Currency, H.R. 16800. It was again introduced by the gentleman from North Dakota on December 8, 1931, H.R. 476, and reintroduced by him on January 12, 1932, Seventy-second Congress, first session, and again referred to the Committee on Banking and Currency, H.R. 7524. The gentleman from North Dakota [Mr. SINCLAIR] informs me that he made numerous requests, oral and written, for hearings on this bill before the Banking and Currency Committee, but that the chairman [Mr. STEAGALL] always informed him that the committee was busy with other bills and could not give a hearing at that time. Finally, the Chairman of the Banking and Currency Committee, in reply to a letter from the gentlemen from North Dakota requesting a hearing, replied as follows:

I regret that I am unable to say at this time when this bill will be taken up by the committee for consideration.

H. B. STEAGALL,
Chairman Banking and Currency Committee.

I was here in Washington at the time that the hearings were being held in the Senate and at the time that this bill was pending in the House before the Committee on Banking and Currency, and was informed by the late John A. Simpson, national president of the Farmers' Union, and other farm leaders, that they had attempted in vain to get a hearing before the Committee on Banking and Currency of the House. This bill remained in that committee until the close of the Seventy-second Congress without a hearing or offer of a hearing, notwithstanding the requests made by the gentleman from North Dakota and the requests made by farm leaders.

On the second day of the special session, March 10, 1933, I introduced the Frazier-Lemke bill, and it was referred to the Committee on Agriculture, H.R. 2855. I spoke to the chairman of that committee and was informed that the committee was busy with the administration's program. The committee was then holding hearings on the Myers bill—the present Farm Mortgage Refinancing Act. Sometime thereafter the late John A. Simpson came to my office and asked me to call the Chairman of the Committee on Agriculture and tell him that he and other farm leaders and myself desired to be heard on the Frazier-Lemke bill as a substitution for the Myers bill. I called the chairman by telephone, and he informed me that they were busy putting over the administration's program and that the meetings were executive and only members of the committees and those whom the committee called were permitted to appear and testify.

When the Myers bill came up on the floor of the House for passage, the gentleman from Wisconsin [Mr. BOILEAU] moved that the bill be recommitted to the Committee on Agriculture with instructions that the committee substitute the Frazier-Lemke bill. The Chairman of the Agricultural Committee raised a point of order against the substitution and was sustained by the Chair. I find no fault with the chairman of that committee. He was carrying out the administration's program, as he had a right to do, but I do wish to impress upon the Members that no opportunity for hearings on the Frazier-Lemke bill was given during the special session or during the two sessions of Congress prior thereto.

Coming now to the present session, I find that on January 30, 1934, I wrote the following letter to the Chairman of the Committee on Agriculture:

John A. Simpson, national president of the Farmers' Union; C. C. Talbott, president of the North Dakota Farmers' Union; Cal Ward, president of the Kansas Farmers' Union; and other farm leaders who are now in the city and who know that the provisions heretofore made to refinance farm mortgages and indebtedness are not sufficient, have suggested to me that I request your Committee on Agriculture to take up for immediate consideration H.R. 2855, known as "the Frazier-Lemke bill."

May I therefore respectfully request your committee to hold hearings on this bill and to give us 2 days' notice before the hearings begin, so that we may present the facts as they are out in the country and as they are known to be by the men who are in touch with the actual situation? May I hear from you?

Very respectfully yours,

WILLIAM LEMKE.

On February 2 I received the following reply:

I am in receipt of your letter making a request for hearings on an additional farm mortgage bill.

As you know, the administration measure for this refinancing has been passed and approved and is now in operation. It is claimed that mortgages are being refinanced at a rate of between $5,000,000 and $6,000,000 per day, which is at the rate of more than $1,000,000,000 per year. The program has just recently gotten well under way.

The administration is endeavoring to handle the financial program through other channels. I believe you will agree that it is apparently making some headway. Inasmuch as both these programs are in the process of being applied, I rather doubt the wisdom at this time of pressing for consideration of a measure that would undertake to apply different methods, regardless of the merit of the proposal.

I do not want, and I am sure you do not want, to complicate or make more difficult the handling of these matters by the President. If for any reason the programs being applied should not work out in a successful way, it seems to me it would then be a better time to give consideration to other methods.

Thanking you for your interest, I am,

With best wishes, cordially,

MARVIN JONES.

On February 12, 1934, I again wrote to the Chairman of the Agricultural Committee as follows:

My good friends, John A. Simpson, president of the National Farmers' Union, C. C. Talbott, president of the North Dakota Farmers' Union, and Cal Ward, president of the Kansas Farmers' Union, are in the office and they tell me that it will be the Frazier-Lemke bill eventually; why not now? They say the Frazier-Lemke bill is a cure; why continue to remain sick?

May we not have the hearings asked for?

Sincerely yours,

WILLIAM LEMKE.

To this last letter I received no reply, but I met the chairman and he gave the same reason, in substance, as given in reply to my letter of January 30.

As late as April 11, 1934, the chairman of that committee replied to an earnest request from an interested citizen with reference to the Frazier-Lemke bill, as follows:

We are in the middle of the President's refinancing program, and I do not wish to complicate that program until it shall have had a fair trial. If it should not prove satisfactory, then I think a plan should be developed which would be much more general and permanent, and therefore more effective, than the measure to which you refer.

A short time ago when we were within a few of sufficient signatures on the petition to discharge the committee, and just before the drive was made by those who were opposed to this bill to get the names taken off the petition, I was informed by the gentleman from Iowa [Mr. GILCHRIST] and the gentleman from Wisconsin [Mr. BOILEAU] that a suggestion had been made by the chairman that the Frazier-Lemke bill could be referred to a subcommittee. Both of these gentlemen, however, suggested to me that to refer the bill at that late date to a subcommittee would defeat the legislation for this session. Later I was informed by these gentlemen that the chairman made the above suggestion to the committee, but objection was made that to refer the bill to a subcommittee was equivalent to killing it for this session, whereupon the chairman, in fairness to the bill, dropped the subject.

I am informed that more recently the question was again brought up before the Committee on Agriculture, and it was again suggested that to report the bill out at this time would simply mean that it would go to the Rules Committee and that would end any hope for the bill in this session—that it would annul the 136 signatures which we had on the petition to discharge the committee at that time and would compel those in favor of the bill to start in anew discharging the Rules Committee. In fact, it was stated that to do this would be to betray this legislation with a kiss. It would have put us in the same position that the sponsors of the McLeod bill were placed in when the Committee on Banking

and Currency reported the bill out and they had to start their petition anew to discharge the Rules Committee.

I find no fault with the Chairman or with the Committee on Agriculture. I am proud of that committee because a majority, 7 Democrats and 6 Republicans—13 out of 25—on that committee signed the petition to discharge itself. I know of other members on that committee who are favorable to the bill and will vote for it if it comes up on the floor. The bill has not been—and I am confident will not be—betrayed by the Committee on Agriculture. The members of that committee know that to report it out now—even if favorably reported—could not possibly bring it up for a vote on the floor because in order to have any chance, it would have to go to the Rules Committee, and that committee would not grant a rule to bring it out.

Therefore, the Members who make the statement that this bill could have had hearings before the Committee on Agriculture before it was too late in the session, are grossly in error and are not justified in using that excuse for either withdrawing or withholding their signatures. These Members may have other good reasons for not signing the petition, but that excuse will not work—it has already been worn threadbare.

Some of those who have withdrawn their names—and others who withheld their names—from the petition to discharge the committee, use as an excuse that under the Frazier-Lemke bill loans can be made up to 100 percent of the value of the land and 50 percent of the insured permanent improvements as against 50 percent of the value of the land and 20 percent of the insured permanent improvements under the present mortgage refinancing law. These Members overlook the fact that under the Frazier-Lemke bill a farmer, as far as his ability to pay goes, can carry a mortgage of 100 percent of the value of the land plus 50 percent of the insured permanent improvements easier than he can, under the present law, carry a mortgage of 50 percent of the value of the land plus 20 percent of the insured permanent improvements.

Under the present farm-mortgage act the farmer is asked to pay 4½-percent interest if he lives in a Federal Farm Loan Association district and 5 percent if he does not, and, in addition, pay 1 percent for administration and buy stock in an amount equal to 5 percent of the loan, making 10½ or 11 percent for the first year and thereafter 4½- or 5-percent interest, together with 1 percent for amortization, making 5½ or 6 percent annually until paid. While under the Frazier-Lemke bill he will pay 1½-percent interest and 1½-percent principal, or $30 for each thousand dollars borrowed for approximately 47 years. Under the Frazier-Lemke bill a farmer could carry a $17,000 mortgage loan, as far as his ability to pay goes, as easily as a $5,000 loan under the present law. The Frazier-Lemke bill takes into consideration the farmer's ability to pay.

Under the present law, if all the farm indebtedness were refinanced, the farmers of this Nation would pay $12,492,500,000 in 39 years to the coupon clippers. Under the Frazier-Lemke bill the farmers would have to pay just $6,149,500,000, less interest, in 47 years, and at the same time the Government would make a net profit of $6,345,000,000, and to that extent lessen our Federal tax burden. Therefore this excuse is not a good one, and these Members must look further for an excuse for withdrawing their names or withholding their names from the petition.

Another erroneous statement that is made by those who apparently have not read the bill and know nothing of its contents, although it has been before this Congress for 3½ years and has been discussed throughout the Nation during all that time, is that farmers could sell their land to the Government. Section 3 of the bill reads in part:

> To liquidate, refinance, and take up farm mortgages and other farm indebtedness existing at the date of the enactment of this act.

Surely under this act the farmers cannot get any money at all. He is simply refinanced, and if he has no indebtedness he cannot be refinanced. The act applies only to farmers that are indebted at the time that the act is passed, and the amount of money is limited to the indebtedness, or, in case that is greater than the value of the farm, to the value of the farm plus 50 percent of the insured permanent improvements.

It is true that if the value of the land plus 50 percent of the insurable improvements thereon is insufficient to take care of the farmer's indebtedness, then he may borrow an additional sum secured by first mortgage on livestock used for breeding or agricultural purposes to an amount equal to 65 percent of the fair market value thereof. Such loans run for a period of 1 year, with right of renewal from year to year, with a limitation of 10 years, provided that any depreciation in the value of such livestock is replaced by additional livestock used for breeding or agricultural purposes, and the amount of the loan is reduced 10 percent each year. Surely that is better security than is now being put up for Federal Reserve notes by the Federal Reserve banks. All they put up is Government debts—a Government bond.

Another excuse is that the Frazier-Lemke bill is limited to $3,000,000,000 of new Federal Reserve notes and therefore is not sufficient to take care of all the farm indebtedness. The truth is that this $3,000,000,000 will become a revolving fund, will find its way back into the Federal Reserve Banking System, and under the provisions of the bill it is made the duty of the Federal Reserve banks to invest their available surplus and net profits, after the dividends are paid to their stockholders, in such farm-loan bonds, which profits include the franchise tax. It is equally clear that all the farm indebtedness cannot be refinanced at once. It will take at least 2 or 3 years in which to refinance all the farm indebtedness. Of course, it is equally clear that all the farm indebtedness will not be refinanced, because on the smaller farms the loans are small and are made at a reasonable rate of interest, and when there is enough money in circulation again the mortgagees will not crowd the mortgagors.

Anyway, this argument could be made with equal force against the present mortgage refinancing law that was passed during the special session and against the home owners' loan law. Why should these Members be so particular when they are asked to do something for the farmers and not for the coupon clippers? The present farm-mortgage refinancing act and the home owners' loan act permit the coupon clippers to clip their 4-percent interest. No objection was made that those provisions were not sufficient to take care of all the farm mortgages or of all the home mortgages at one time. In addition, these laws provide no new money, and therefore there is no revolving fund established with which to continue to make the loans.

The issues are fundamental. The international bankers and money changers stand on one side—the farmers and the common people stand on the other side. The conflict between the two cannot be reconciled. You are either with the money changers or with the people. Either the money changers will continue to sit in the temple and exact their pound of flesh or they will be driven from the temple with a cat-o'-nine-tails. The Frazier-Lemke bill is that cat-o'-nine-tails. These are the issues that are involved. The technical arguments advanced against this bill are smoke screens. The Members of Congress must chose between the people of their respective districts and the money changers. "Choose this day whom thou wilt serve." If you have the courage to choose to stand by the farmers—and their neighbors—by 130,000,000 men, women, and children, sign the petition to discharge the committee and bring the Frazier-Lemke bill out on the floor for fair consideration and a vote. If not, then do not sign, and in that case you will not be embarrassed by taking your name off.

In conclusion, permit me to suggest that this bill has had extensive hearings in the Senate, that hearings in the House were refused until it was too late to get it out with any show for a vote, that it has been before this Congress for 3½ years, that the entire Nation knows of the bill and its contents.

Last but not least, remember that this bill has the official endorsement of the National Farmers' Union; it has the

official endorsement of some State farm bureaus and other farm organizations, and of many farm bureau and grange locals throughout the Nation. It has the approval of 95 percent of the farmers of this Nation; it has the approval of every intelligent banker, business, and professional man and woman. Twenty-two State legislatures have asked Congress to pass this bill. They are: Arizona, California, Colorado, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Montana, Nebraska, Nevada, North Dakota, Ohio, Oklahoma, Oregon, South Carolina, South Dakota, Tennessee, and Wisconsin. It has the approval of the lower house of the State Legislature of New York, the President's own State, as well as that of Delaware. Surely no Member of Congress from these States is justified in ignoring this mandate from his State.

Mr. LUCE. Mr. Chairman, against the possible inference through my taking no part in the general debate, let me say that I approve this bill as a whole. There are one or two particulars where the conference committee may make changes that I should approve, but I think it ought to receive the unanimous support of the committee.

Gentlemen who are members of the Committee on Banking and Currency on the other side of the aisle would be precluded from taking part in the general debate if I consumed any time, and as a proof of good will and good faith toward my friends across the aisle, I yield the rest of my time to the chairman of the committee to dispose of as he chooses by yielding to other members of the committee.

Mr. STEAGALL. Mr. Chairman, I thank the gentleman from Massachusetts for his kindness and generosity, but in view of the lateness of the hour, we shall ask that the bill be read for amendment.

Mr. PATMAN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. PATMAN. Mr. Chairman, may I inquire when we will reach the end of a paragraph or a section that will permit of the offering of an amendment.

The CHAIRMAN. The bill is being read by sections, and the first section ends with line 16, on page 8.

The Clerk read as follows:

That section 12B of the Federal Reserve Act is amended—

(1) by striking out "July 1, 1934" wherever it appears in subsections (e), (1), and (y), and inserting in lieu thereof "July 1, 1935";

(2) by striking out "June 15, 1934" where it appears in the last sentence of the third paragraph of subsection (y), and inserting in lieu thereof "October 1, 1934";

(3) by striking out "June 30, 1934" where it appears in the first sentence of the fifth paragraph of subsection (y), and inserting in lieu thereof "June 30, 1935";

(4) by adding after the first clause of the second sentence of the fifth paragraph of subsection (y) the following: "and the provisions of such subsection (1) relating to the appointment of the Corporation as receiver shall be applicable to the members of the temporary Federal deposit insurance fund,"; and by striking out the initial words "and the" in the second clause of the second sentence of the fifth paragraph of subsection (y) and inserting in lieu thereof the word "The";

(5) by adding to the sixth paragraph of subsection (y) the following: "The Corporation shall prescribe by regulations the manner of exercise of the right of nonmember banks to withdraw from membership in the fund on July 1, 1934, except that no bank shall be permitted to withdraw unless 20 days prior thereto it has given written notice to each of its depositors and to the Corporation of its election so to do. Banks which withdraw from the fund on July 1, 1934, shall be entitled to a refund of their proportionate share of any estimated balance in the fund on the same basis as if the fund had terminated on July 1, 1934.";

(6) by adding to the end of the fourth paragraph of subsection (y) the following two additional paragraphs:

"On and after July 1, 1934, the amount eligible for insurance under this subsection for the purposes of the October 1, 1934, certified statement, any entrance assessment, and, if levied, the additional assessment shall be the amounts not in excess of $5,000 of the deposits of each depositor.

"Each mutual savings bank, unless it becomes subject to the provisions of the preceding paragraph in the manner hereinafter provided, shall be excepted from the operation of the preceding paragraph and for each such bank which is so excepted the amount eligible for insurance under this subsection for the purposes of the October 1, 1934, certified statement, any entrance assessment, and, if levied, the additional assessment shall be the amounts not in excess of $2,500 for the deposits of each depositor. In the event any mutual savings bank shall be closed on account of inability to meet its deposit liabilities the Corporation shall pay not more than $2,500 on account of the net approved claim of any owner of deposits in such bank: *Provided, however*, That should any mutual savings bank make manifest to the Corporation its election to be subject to the provisions of the preceding paragraph the Corporation may, in the discretion of the board of directors, permit such bank to become so subject and the insurance of its deposits to continue on the same basis and to the same extent as that of fund members other than mutual savings banks";

(7) by striking out the period at the end of the first sentence of the fifth paragraph of subsection (y) and inserting in lieu thereof a comma and the following: "if the member closed on or before June 30, 1934, and not more than $5,000 if closed on or after July 1, 1934.";

(8) by (a) striking out "and until July 1, 1936," in the first sentence of subsection (1), (b) striking out the words "until July 1, 1936," in the seventh paragraph of subsection (y) and inserting in lieu thereof the following: "notwithstanding any provision of this section to the contrary.", and (c) adding after the seventh paragraph of subsection (y) the following new paragraph:

"Any State bank may obtain the benefits of this section on and after the date the fund is terminated upon the conditions with regard to examination, certification, and approval governing the admission of State banks to the fund and upon purchasing such class A stock or making such a deposit as is prescribed in the preceding paragraph for former fund members."

(9) by (a) striking out the word "three" in subsection (o) and inserting in lieu thereof the word "five", and (b) by inserting the word "subscribed" before the word "capital" in said subsection.

(10) by adding at the end of subsection (o) the following new paragraph:

"Such of the obligations authorized to be issued under this subsection as the Corporation, with the approval of the Secretary of the Treasury, may determine, shall be fully and unconditionally guaranteed both as to interest and principal by the United States and such guaranty shall be expressed on the face thereof. In the event that the Corporation shall be unable to pay upon demand, when due, the principal of or interest on notes, debentures, bonds, or other such obligations issued by it, and guaranteed by the United States under this paragraph, the Secretary of the Treasury shall pay the amount thereof, which is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated, and thereupon to the extent of the amounts so paid, the Secretary of the Treasury shall succeed to all the rights of the holders of such notes, debentures, bonds, or other obligations. The Secretary of the Treasury, in his discretion, is authorized to purchase any obligations of the Corporation to be issued under this subsection which are guaranteed by the United States under this paragraph, and for such purpose the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds from the sale of any securities hereafter issued under the Second Liberty Loan Act, as amended, and the purposes for which securities may be issued under the Second Liberty Loan Act, as amended, are extended to include any purchases of the Corporation's obligations under this paragraph. The Secretary of the Treasury may at any time sell any of the obligations of the Corporation acquired by him under this paragraph. All redemptions, purchases, and sales by the Secretary of the Treasury of the obligations of the Corporation shall be treated as public-debt transactions of the United States. The Secretary of the Treasury, at the request of the Federal Deposit Insurance Corporation, is authorized to market for the Corporation such of its notes, debentures, bonds, and other such obligations as are guaranteed by the United States under this paragraph, using therefor all the facilities of the Treasury Department now authorized by law for the marketing of obligations of the United States. The proceeds of the obligations of the Corporation so marketed shall be deposited in the same manner as proceeds derived from the sale of obligations of the United States, and the amount thereof shall be credited to the Corporation on the books of the Treasury."; and

(11) by inserting after the first sentence of subsection (p) the following new sentence: "Any such obligations which are guaranteed by the United States under the second paragraph of subsection (o) shall be exempt from all such taxation (except surtaxes, estate, inheritance, and gift taxes)."

Mr. PATMAN. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 8, line 14, after the figures "1935", insert a new paragraph by adding at the end of subsection (e) the following:

"(1½) No salary in excess of $17,500 annually shall be paid to any person connected with any Federal Reserve bank."

Mr. LUCE. Mr. Chairman, I make the point of order that the amendment is not germane.

Mr. PATMAN. Mr. Chairman, I do not care to discuss the point of order because I want to be heard on the amendment. I think the amendment is germane because we are amending section (e) of the Federal Reserve Act, making several requirements of the banking institutions to become members of the Federal Deposit Corporation. Under existing law they

cannot become members after July 1, 1935, unless they are members of the Federal Reserve banks; and if they become members of the Federal Reserve banks they ought to have something to say about salaries paid officials of these institutions.

The CHAIRMAN. Does the gentleman from Massachusetts wish to be heard on the point of order?

Mr. LUCE. No.

The CHAIRMAN. The Chair thinks the amendment is germane. In this bill they are seeking to amend several parts of section 12 of the Federal Reserve Act, and this is one of the principles involved. The Chair overrules the point of order.

SALARIES OF FEDERAL RESERVE BANKS

Mr. PATMAN. Mr. Chairman, I hope the House will adopt this amendment; $17,500 is sufficient salary for an official of the Federal Reserve bank. The insurance companies receive loans from the Reconstruction Finance Corporation and are restricted in their salaries to $17,500. A Cabinet officer receives no more than $17,500. Certainly, $17,500 is sufficient salary for any official of a Federal Reserve bank. These institutions are operating on the credit of this Nation, and some of them are paying very high salaries. You do not know how much they pay, because they will not tell you, and you cannot find out. It will require a Congressional investigation to find out anything about the activities of the Federal Reserve banks, and when this investigation is made I predict that plenty shocking, astounding, and almost unbelievable information will be disclosed.

Mr. BLANTON. Will the gentleman yield?

Mr. PATMAN. Yes.

Mr. BLANTON. My colleague, of course, is not in favor of paying all officials $17,500?

Mr. PATMAN. No.

Mr. BLANTON. Whenever you fix a maximum salary as high as $17,500, that maximum is going to become the minimum. I am not in favor of paying any of them that amount. I think it is too high.

Mr. PATMAN. If the gentleman thinks there should be a limit, he should be in favor of $17,500. The fact that they pay the Governor $17,500 is no reason why they should bring the bookkeeper's salary up to $17,500.

I realize the amendment is being offered under very unfavorable circumstances. Many members of the Committee on Banking and Currency would vote for it under ordinary circumstances, but I realize they are opposed to it being attached to this bill. If it is lost the fight will not be abandoned. I expect to continue to expose the use and abuse of the Government's credit by these banks, to contend that the Government should take them over immediately and operate them in the interest of all people, banks, industry, commerce, and agriculture. Until they are taken over by the Government, they should make full and complete reports to Congress and should not spend a dime that Congress does not authorize them to spend.

Under existing laws these banks get all the money they wanted printed for them at the Government's Bureau of Engraving and Printing for about 27 cents a thousand dollars' worth. They use the credit of the Nation free, pay no taxes except upon their real estate, keep all the profits they make, spend all the money they want to for salaries or other expenses, and make no reports to Congress. They are owned by private corporations. The Government does not, neither does a single individual, own one penny of stock in these institutions. They have had farmed out to them the great privilege of issuing money on the credit of the Nation. Every bill issued represents a mortgage on all the property and incomes of all the people.

Mr. BLANTON. I think $10,000 ought to be the maximum amount. You can get a United States Senator for that. You can get the pick of the United States to serve in the United States Senate for $10,000 a year, and you can get the pick of this Nation to serve in this House for $10,000 a year, and sometimes they spend large amounts to get here. We must stop these unreasonably high salaries.

Mr. PATMAN. I agree with the gentleman, but I am making the amount liberal in order that the amendment might have a better chance of being adopted, since it is already handicapped. This will be a good start in the right direction, and it will not be long until we shall have an opportunity to do more.

BILL UNDER CONSIDERATION

In regard to this bill, just one moment. I am in favor of the bill. I think it is a good bill. It repeals the law requiring State banks to join the Federal Reserve System in order to get their deposits insured. It increases the insurance on deposits from $2,500 to $5,000 and provides for full insurance of all deposits in another year.

I have always been in favor of liberal appraisals of the assets of closed banks. April 20, 1934, I made the following statement here on the floor of the House in regard to appraisals when speaking against the McLeod bill:

> Let the Government appraise the assets of every closed bank and be liberal and generous in the appraisals. Then let the Government take over those assets dollar for dollar and put up that money for preferred stock or new capital in order to reopen the banking institutions (CONGRESSIONAL RECORD, p. 7091).

There is nothing in this bill that is in any way like the McLeod bill. The McLeod bill, to my way of thinking, did not have a single good principle. I say this with all due respect to the able and sincere Members who are supporting it. I am quite sure they have not given it sufficient consideration.

This bill has many good principles. The McLeod bill made an unlimited appropriation to unknown persons for unknown reasons. We did not know what would be appropriated. This bill makes a definite appropriation for a definite purpose, upon adequate security. Under the McLeod bill the R.F.C. would have been required to purchase notes of bankrupts, people who have gone into bankruptcy. Under the McLeod bill the R.F.C. would have been required to purchase and pay 100 cents on the dollar for the face amount of the notes of bankrupts that were worthless.

Mr. McLEOD. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. No.

Mr. McLEOD. Is the gentleman as accurate in that statement as in saying the McLeod bill would cost $200,000,000,000?

Mr. PATMAN. I never said that.

Mr. McLEOD. The gentleman should read the RECORD.

Mr. PATMAN. If the gentleman is no more accurate about his bill than he is about that, he is not very accurate. The gentleman has asked Congress to pass a bill paying all depositors of all closed banks 100 cents on the dollar of their deposits because Mr. Hoover and Mr. Mills made antihoarding speeches in February and March 1932. He wants them paid back to January 1, 1930, more than 2 years before the speeches were made, and, besides, the people did not put money in the banks after the speeches were made; they took money out of the banks, about $4,000,000,000 in a short time, according to official records.

This provides that liquidation shall be continued. The sponsors of the McLeod bill ask that liquidation of closed banks should stop now to save expenses. This bill carries forward the policy of holding up liquidations in order that these assets of the banks may come back in value. It will probably be several years before we get back to 1929 values; the assets of closed banks, most of them, are based upon 1929 values. Practically every proposal in regard to a price level calls for a return of 1926 values, which will be considerably less than 1929 values.

SPONSORS OF M'LEOD BILL KNOW THEY CANNOT WIN

The McLeod bill was in order as an amendment to this bill. It was not introduced. The reason is obvious—the sponsors knew that it would not have a chance, and many of them did not want to be placed in the attitude of asking for its passage. After all the clamor and propaganda that the bill was being smothered in the committee, that the House leadership was destroying representative government by refusing to permit the bill to be brought up for passage, the

sponsors had an opportunity of getting a direct vote on the measure, and they refused it—did not take advantage of it.

The gentleman from Michigan [Mr. McLEOD] did offer an amendment which I am sure he considered a step in the direction of his proposal, but it only received about 60 votes. It was defeated by a big majority.

Anyone entertaining the opinion that the McLeod bill does contain a good principle that could even be used as a basis for legislation that could be justified, I hope you will read my discussions of the measure, which will be found in the daily CONGRESSIONAL RECORD, April 20, 1934, commencing at page 7090; April 26, 1934, commencing at page 7481; May 2, 1934, commencing at page 7963; and May 15, 1934, commencing at page 8887; also an address made by the Honorable J. F. T. O'Connor, Comptroller of the Currency, to the Oklahoma Bankers Association, which appears in the CONGRESSIONAL RECORD of May 15, 1934, page 8887.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. STEAGALL. Mr. Chairman, I move that all debate upon this section and all amendments thereto do now close.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The question was taken; and on a division (demanded by Mr. PATMAN) there were—ayes 52, noes 82.

So the amendment was rejected.

The Clerk read as follows:

SEC. 2. The first paragraph of section 9 of the Federal Reserve Act, as amended (U.S.C., title 12, sec. 321), is amended by adding after the second sentence thereof a new sentence to read as follows: "For the purposes of membership of any such bank the terms 'capital' and 'capital stock' shall include the amount of outstanding capital notes and debentures legally issued by the applying bank and purchased by the Reconstruction Finance Corporation."

Mr. TRUAX. Mr. Chairman, I move to strike out the last word. I rise to refute the statement of the gentleman from Texas [Mr. PATMAN] that there was not a single sound principle in the McLeod bill. I think that every Member here, except perhaps the gentleman from Texas [Mr. PATMAN], is aware of the fact that if the McLeod bill had been brought out for consideration by a discharge of the committee rule, it would have been amended to provide for a maximum pay-off of $2,500, that it would have included all closed banking and financial institutions, and that that would mean a full pay-off for 93 percent of the depositors in closed banks of this country. If the gentleman from Texas calls that unsound legislation, then I question the ability of the gentleman to qualify as an expert on banking and monetary legislation.

I expect to support this bill, as the rest of you do, but I do not propose at this moment when we are about to enact such a measure into law, that a similar measure for which not only the gentleman from Michigan [Mr. McLEOD] stood, but for which several gentlemen on the Democratic side of the House have been laboring unceasingly, shall be branded as unsound all the way through by any Member of this House, without challenging the statement. If the remarks of the gentleman from Texas on the Frazier bill, as printed in the CONGRESSIONAL RECORD, are an indication of his qualifications and authority on that subject, then I also challenge those statements.

Mr. McLEOD. Mr. Chairman, will the gentleman yield?

Mr. TRUAX. Yes.

Mr. McLEOD. How would the gentleman interpret the statement of the gentleman from Texas [Mr. PATMAN] on May 15, found on page 9091 of the RECORD:

Cost of the McLeod bill: Insurance claims. Will take $200,000,000,000 to pay all its losses.

Mr. TRUAX. I would not undertake to interpret that.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. TRUAX. Yes.

Mr. PATMAN. The gentleman is misleading. If he will notice the reference on page 9091 he will see that I refer to a speech that was made by me on April 20, 1934, in which I stated, in answer to a question propounded by the gentleman from Illinois [Mr. ARNOLD], that all the people for all causes growing out of the depression lost approximately $200,000,000,000. I used this language, which appears on page 7092 of the CONGRESSIONAL RECORD of April 20, 1934:

That includes all the farmers' losses, the losses on the stock exchange, and the national banks, State banks, private banks, building-and-loan companies, Federal land banks, joint-stock land banks, and all other losses of the people.

I did not say the McLeod bill would cost $200,000,000,000, but did say what the RECORD quotes me as saying. I said further that the McLeod bill authorized an unlimited appropriation for unknown reasons to unknown persons, except we did know that one person would get $32,000,000 if the original bill became law, and that the taxpayers would have to pay the bill; that it would require the Government to pay depositors who had their money stolen by bank officials, and for which the Government was not even remotely responsible in any way.

Mr. TRUAX. Mr. Chairman, I refuse to yield further. I deny that any of the things mentioned by the gentleman from Texas would have happened if the McLeod bill passed as we propose to amend it, namely, to include all closed banks in the plan, and to limit full pay-offs to $2,500. Any pay-off bill will necessarily have to include some deposits which were stolen by crooked bank officials as is stated by the gentleman from Texas.

I call attention at this time to a resolution that I have introduced today—and my statement now is out of order, but I know you will bear with me for only 30 seconds—to investigate the Darrow Board that is investigating the N.R.A. I say to my friends on the Democratic side that the N.R.A. is our baby, and we have to protect it and nurture it, and carry it on until maturity. It has been the most successful recovery act for industry, in my judgment, of all of the measures that have passed here.

Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD and to include this resolution.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. TRUAX. The resolution I referred to appears herewith:

Resolution by Mr. TRUAX introduced in the House of Representatives May 24

Resolved, Whereas the National Recovery Review Board, created by the President under Executive Order No. 6652, dated March 7, 1934, was formed to conduct an impartial survey as set forth in said Executive order; and

Whereas said Board has made a report clearly disclosing the intent of the chairman and the dominating member of the Board to work a change in our form of government and the adoption of communism or state socialism, thereby abandoning any pretense of impartiality or any other purpose except one of soviet propaganda; and

Whereas members of said Board on assuming their duties under said Executive order took an oath to defend and uphold the Constitution of the United States; and

Whereas according to the record of proceedings of said Board it undertook only the gathering of material tending to discredit the United States Government and the operation and results of the National Recovery Administration and codes of fair competition approved and administered thereunder; and

Whereas members of the Review Board advocating communistic doctrines are reported in the public press to have been suggested by certain Members of the Congress, and upon the publication of said report, there was an immediate move on the floor of both the Senate and House of Representatives of the United States to justify and uphold it; and

Whereas in view of the unrest and soviet and communistic propaganda in many parts of the world, it is of the utmost importance to determine how far this menacing doctrine has succeeded in penetrating into the executive and legislative departments of the United States Government: Now, therefore, be it

Resolved—

SECTION 1. That there is hereby created a select committee to be composed of five Members of the House, to be appointed by the Speaker, one of whom he shall designate as chairman. Any vacancy occurring in the membership of the committee shall be filled in the manner in which the original appointment is made.

SEC. 2. The committee is authorized and directed to investigate the personnel, conduct, and activities of said National Recovery Review Board and the relationship between such board and certain Members of the Congress of the United States with a view to ascertaining whether said board has in good faith carried out the duties and functions imposed upon it by said Executive order, whether said board has violated the trust reposed in it by using its offices as a means of propagating political theories contrary to

the Constitution of the United States, whether such board is attempting to corrupt any Members of the Congress with soviet and communistic doctrines, and whether facts exist tending to show bias, prejudice, or unfairness and conspiracy against the Constitution, laws, and public institutions of the United States on the part of said board in its activities and in reaching its determinations. The committee shall report to the House as soon as practicable the results of its investigation, together with its recommendations.

SEC. 3. For the purposes of this resolution the committee is authorized to hold such hearings, to sit and act at such times and places during the sessions and recesses of the House in the Seventy-third Congress, to employ such clerical and other assistance, to require, by subpena or otherwise, the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, and to take such testimony as it deems advisable. The committee is hereby authorized to call upon all Government agencies for such assistance as it may deem necessary to the proper discharge of its duties. The expenses of the committee, which shall not exceed $20,000, shall be paid from the contingent funds of the House upon vouchers approved by the chairman.

It is unfortunate that Mr. Clarence Darrow, one of America's foremost citizens and widely known as a criminal lawyer, should have been made the dupe and victim of individuals on the committee and otherwise of pronounced socialistic and communistic tendencies.

In support of this resolution your attention is called to the following statement contained in the special and supplemental report to the President by Mr. Darrow, Chairman of the National Recovery Review Board, quoted from page 4 of the report:

To go back to unregulated competition in which the small man can gain his share of the market by some special advantage of skill or other factor, is not possible in a situation where technological advance has produced a surplus so that unregulated competition demoralizes both wages and prices and brings on recurrent and increasingly severe industrial depression. Only by the fullest use of productive capacity for the raising of standards of living of individuals and the community can a steady balance be achieved in an age of abundance. This, however, is possible only when industry produces for use and not for profit, since it is essential that enough wealth should be distributed through the return to the workers to set them as consumers free to use industry's plentiful output.

The choice is between monopoly sustained by government, which is clearly the trend in the National Recovery Administration, and a planned economy, which demands socialized ownership and control, since only by collective ownership can the inevitable conflict of separately owned units for the market be eliminated in favor of planned production. There is no hope for the small business man or for complete recovery in America in enforced restriction upon production for the purpose of maintaining higher prices. The hope for the American people, including the small business man, not to be overwhelmed by their own abundance, lies in the planned use of America's resources following socialization. To give the sanction of government to sustain profits is not a planned economy, but a regimented organization for exploitation. The N.R.A. is at present in the stage of conflict of interests; but in proportion as the authority of government sanctions regulation by industrial combinations, the inevitable tendency is toward monopoly, with elimination of the small business.

At this critical hour, when strikes and riots are occurring in many sections, when in my own State of Ohio, in the city of Toledo, where 7,000 strikers are engaged in a hand-to-hand battle with a detachment of National Guardsmen, where many of the rioters were clubbed with rifles in the hands of the steel-helmeted troops, many seriously wounded, while none of the soldiers were hurt, and where the National Guardsmen were driving before them men, women, and children before the sharp points of gleaming bayonets, it is high time that N.R.A., which has just received an unanimous vote of confidence from the American Federation of Labor, and which was designed to help both industry and labor—it is high time that this institution received the honest support and not the carping criticism of Members of Congress vainly looking for political issues this fall.

These workingmen are fighting for the same right—to live not in bleak poverty but in an American standard and fashion of living. They do not expect, nor will they be compelled, to cower at the crack of the slave driver's whip. They demand their fair share of the wealth which they create. Wage workers are supposed to get a fair share of the wealth they create under N.R.A. codes.

The codes were devised to protect the wageworkers equally with the captains of industry and finance. Thousands of hours have been spent by N.R.A. officials upon codes which have been condemned and denounced by the Darrow Board after a few hours of hasty and biased consideration. N.R.A. has been the salvation of many industries, of countless thousands of wageworkers.

No one else could have filled the most difficult, the least appreciated, the most maligned position of all in the Government service—that of National Recovery Administrator—as has that militant, dynamic, forceful national figure, Gen. Hugh S. Johnson. This job is not a job for kid-gloved professorial doctors, theorists, and quacks. It requires an individual of unquestioned honesty, integrity, and ability.

All of these qualifications were demanded when the President of the United States named his Recovery Administrator. The President is not disappointed in his selection. Honest and fair industrialists are not disappointed. The American Federation of Labor is not disappointed. Instead of business chaos and universal bankruptcy, or threatened receiverships, we now have begun an orderly march to a durable and permanent national industrial recovery, through the creation of N.R.A. by the Seventy-third Congress and President Franklin D. Roosevelt, administered by the fearless Gen. Hugh S. Johnson, and his corps of capable assistants.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

The Clerk read as follows:

SEC. 3. (a) The first sentence of the eighth paragraph of section 13 of the Federal Reserve Act, as amended, is further amended by inserting before the comma after the words "section 13 (a) of this act" a comma and the following: "or by the deposit or pledge of obligations of the Federal Deposit Insurance Corporation which are guaranteed both as to principal and interest by the United States."

(b) Paragraph (b) of section 14 of the Federal Reserve Act, as amended, is further amended by inserting before the comma after the words "bonds and notes of the United States" a comma and the following: "obligations of the Federal Deposit Insurance Corporation which are guaranteed both as to principal and interest by the United States."

(c) Section 31 of the Banking Act of 1933 is amended as follows: "so much of section 31 of the Banking Act of 1933 as relates to stock ownership by directors of member banks of the Federal Reserve System is hereby repealed."

Mr. DIRKSEN. Mr. Chairman, I move to strike out the last word only for the purpose of asking the chairman of the committee a question. The Banking Act of 1933, as I recall, provides that in banks capitalized for more than $50,000, the stock ownership of a director must be at least $2,500?

Mr. STEAGALL. That is correct.

Mr. DIRKSEN. And in banks of $50,000 capital it must be at least $1,500. In banks of $25,000 the directors must own stock in the amount of $1,000?

Mr. STEAGALL. That is correct.

Mr. DIRKSEN. By repealing section 31 of the Banking Act of 1933 would it be true that one could serve as a bank director in a member bank of the Federal Reserve System without owning any stock, and thereby evade responsibility?

Mr. STEAGALL. Under the original law which will be restored by the adoption of this amendment, directors in national banks where the capital is not above $25,000, would have to have over $500. In banks with capital of $50,000 or more directors would be required to own stock in the amount of $1,000. In State banks it is left for State control under the old law. That law will be restored by the adoption of this amendment. Unless this amendment is adopted, I will say to the gentleman, both large and small banks and especially the small banks throughout the country, many of them State banks, insist they will encounter many difficulties in meeting the requirements of this law at this particular time when it is so difficult to readjust the holdings of stock. In many instances stock could only be purchased at a premium.

That provision of the pending bill passed the Senate as a separate bill, but in order to save the time of the House on Monday and to avoid calling up the Senate bill under suspension, the Committee on Banking and Currency thought it wise to incorporate the provision in this bill. I hope the gentleman will not object to it.

Mr. HASTINGS. Will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. HASTINGS. That continues up to $50,000, does it not?

Mr. STEAGALL. Absolutely. It restores the old banking law.

Mr. DIRKSEN. I withdraw the pro forma amendment.

The Clerk read as follows:

SEC. 4. Section 12B of the Federal Reserve Act is amended (a) by adding after subsection (y) a new subsection to read as follows:

"(z) The Federal Deposit Insurance Corporation is hereby authorized and empowered to loan upon or purchase assets of any bank, savings bank, or trust company, which has been closed on or after December 31, 1929, and prior to January 1, 1934, and the affairs of which have not been fully liquidated or wound up, the assets of any such bank or any part of such assets upon such terms and conditions as the Corporation may by regulations prescribe. This authority shall extend to any such institution that has reopened without payment of deposits in full. The Corporation is further authorized and empowered, in case the Reconstruction Finance Corporation has made a loan to any such closed bank, to negotiate with the liquidating agent or receiver of such bank for an appraisal of its assets and the purchase thereof or the making of a loan thereon to take up the loan or any part thereof made by the Reconstruction Finance Corporation, if the Federal Deposit Insurance Corporation deems it desirable in the public interest and the loan will be reasonably secured. In making any purchase of or loan on assets of any closed bank, the Corporation shall appraise such assets in anticipation of an orderly liquidation over a period of years, rather than on the basis of forced selling values in a period of business depression. The Corporation is authorized and empowered to sell any assets acquired under this subsection and shall with respect to such selling and to the liquidation of assets of closed banks pursue and encourage a policy of extending the period of liquidation so as best to conserve the value of such assets and to prevent unreasonable sacrifice thereof.

"Not more than one half of the obligations authorized to be issued by the Corporation shall be used for the purposes set forth in this subsection. No portion of the capital stock or other funds of the Corporation raised for the purpose of insuring deposits in banks shall be used for the purchase of or loans on assets in banks closed prior to January 1, 1934, nor for the repayment of obligations the proceeds of which were used under the provisions of this section. Such obligations as are so used shall be paid only out of the funds received from the repayment of loans made and disposition of assets acquired pursuant to this subsection.

"(b) By striking out the sixth sentence of the first paragraph of subsection (1) and substituting in lieu thereof the following: 'The Corporation shall determine as expeditiously as possible the net amount due to depositors of the closed bank and shall make available to the new bank an amount equal to the insured deposit liabilities of such closed bank, whereupon such new bank shall assume the insured deposit liability of such closed bank to each of its depositors, and the Corporation shall be subrogated as hereinafter stated to the rights against the closed bank of the owners of such deposits. Where the net approved claim of a depositor on account of his deposits does not exceed the insured deposit liability the Corporation shall be entitled to receive all the dividends from the proceeds of the assets of such closed bank which would have been payable to such depositor on account of such deposits, and where the net approved deposit claim exceeds the insured deposit liability the Corporation and the depositor shall share ratably in the dividends insofar as the same are based upon deposit liability to such depositor according to the ratio that the insured liability to such depositor bears to the total amount of the net approved claim of such depositor'; and

"(c) By adding at the end of the first paragraph of subsection (v) the following additional paragraph: 'Every insured bank shall display at each place of business maintained by it a sign or signs to the effect that its deposits are insured by the Federal Deposit Insurance Corporation. The Corporation shall prescribe by regulation the form of such sign and the manner of its display. Such regulation may impose a maximum penalty of $100 for each day an insured bank continues to violate any lawful provisions of said regulation.'"

Mr. BROWN of Michigan. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Amendment offered by Mr. BROWN of Michigan: Section 4, page 10, line 4, after the word "prescribe", insert "if in connection with the reorganization, stabilization, or liquidation of any such bank assets have been trusteed or are otherwise held for the benefit of depositors or depositors and others, the authority, subject to regulations, as provided in the preceding sentence, shall be extended for the purpose of authorizing the corporation to purchase or make loans on such assets held for the benefit of such depositors or depositors and others."

Mr. GOSS. Mr. Chairman, I reserve a point of order on the amendment.

Mr. BLANTON. Mr. Chairman, I ask for the regular order. Let us have the point of order decided.

Mr. GOSS. I make the point of order that the amendment is not germane.

The CHAIRMAN (Mr. FULLER). The Chair holds that the amendment is germane. The Chair therefore overrules the point of order.

Mr. BROWN of Michigan. Mr. Chairman, I shall not consume the entire 5 minutes. The purpose of this amendment is to cover a situation arising in many States in the Union, particularly the States of Ohio and Michigan, where liquidation corporations have been formed for the purpose of taking over the frozen assets in banks. Unless this provision is included in the bill, these depositors who have waived their deposits and where frozen assets have been taken over by trustees or by corporations organized for that purpose will receive no relief. The matter has been presented to both the majority and minority members of the committee and is acceptable to the committee.

Mr. STEAGALL. There is no objection to the amendment. I move that all debate on this amendment do now close.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. BROWN].

The amendment was agreed to.

Mr. THURSTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. THURSTON: On page 9, line 25, after the word and figures "December 31", strike out "1929" and insert in lieu thereof "1925."

Mr. THURSTON. Mr. Chairman, my purpose in offering this amendment is to set back the date at which closed banks may make loans upon their assets. It is a well-known fact that the deflation did not reach the East until 1928 and 1929, and this bill will take care of the assets which they have in those banks; but in the farming sections of the country the deflation started 6 years earlier, and there are many banks now in the course of liquidation in the farming areas that will not have these loan funds available. I take it that it is a question of the value of the assets, and if this is true, the bank that was closed in 1926 or in 1928 should have the same right to make loans upon its frozen assets as a bank which was closed in 1930 or 1932.

No extended remarks are necessary in this connection. I believe the amendment should be adopted.

Mr. STEAGALL. Mr. Chairman, I move that all debate on this amendment do now close.

The amendment was agreed to.

The CHAIRMAN. The question is on the amendment of the gentleman from Iowa.

The amendment was rejected.

Mr. DONDERO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DONDERO: Page 10, line 1, after the word and figures "January 1, 1934," insert "and such bank, savings bank, or trust company shall be construed to include any State bank, private bank, mutual savings bank, or trust company which was or was not a member of the Federal Reserve System during such period."

Mr. DONDERO. Mr. Chairman, I ask the distinguished chairman of the committee whether my understanding is correct that under this bill $1,125,000,000 is available.

Mr. STEAGALL. It is no such amount as that.

Mr. DONDERO. If the phrase "any bank" is going to be construed as including State banks, certainly there will be no objection on the part of the committee to my amendment. If this phrase does not include State banks, we ought to know it now; and I ask the chairman of the committee whether the phrase "any bank" in this bill is intended to include State banks and whether relief will be provided for such institutions.

Mr. STEAGALL. Absolutely and unquestionably.

Mr. DONDERO. Then what objection is there to the amendment I propose?

Mr. STEAGALL. The amendment offered by the gentleman is not necessary in the least.

Mr. SABATH. The gentleman has included private banks in his amendment.

Mr. STEAGALL. This bill applies to all types of banks.

Mr. DONDERO. But might not the courts construe the phrase "any bank" as applying merely to the national banks, and that thereby the State banks would be left out?

Mr. STEAGALL. There is not the slightest danger of that, Mr. Chairman.

The CHAIRMAN. The question is on the amendment of the gentleman from Michigan.

The amendment was rejected.

Mr. McLEOD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McLEOD: Strike out the word "empowered" wherever it appears in section 4 and insert in lieu thereof the word "directed."

Mr. McLEOD. Mr. Chairman, this amendment in no way changes the meaning of the bill. It is a clarifying amendment and uses the word "directs" instead of "empowers." In other words, as I explained a few moments ago, if a receiver desires to have an asset of a closed bank appraised the insurance corporation is directed to appraise it, not empowered. It makes no difference as to the value that may be placed upon the asset, for the appraisal will be based strictly in accordance with the machinery and the mechanics of the bill using as the basis a future normal value.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. McLEOD. I yield.

Mr. BLANTON. The gentleman is in favor of the bill and wants it passed, does he not?

Mr. McLEOD. Absolutely.

Mr. BLANTON. Why does the gentleman want to include in the bill something that will likely cause the President to veto the bill? With the word "empowered" in the bill the President will probably approve it, whereas if the word "directed" is substituted for the word "empowered", it may cause this bill to die.

Mr. McLEOD. The gentleman recognizes, does he not, that the word "empower" is strictly a grant of discretion and not a mandate?

Mr. BLANTON. The bill as written contains the proper language, and we have every reason to believe that the President will sign it; but if language is incorporated in the bill which the committee has not considered, it may cause the bill to die.

Mr. McLEOD. How does the gentleman know that the committee did not just slip up on this matter?

Mr. BLANTON. This committee does not slip up on things.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. McLEOD. I yield.

Mr. BOILEAU. The gentleman's amendment would merely change the word "empowered" to "directed" so that the insurance corporation would be directed to appraise the assets. It does not direct them to make loans but directs them to take action on the application for a loan upon the appraisal of assets.

Mr. McLEOD. Exactly.

Mr. BOILEAU. There should be no objection to that.

Mr. TRUAX. Mr. Chairman, will the gentleman yield?

Mr. McLEOD. I yield.

Mr. TRUAX. Have we not heard that old threadbare threat many times: If you do this or if you do that, the President will veto the bill? I should like to know upon whose authority the gentleman makes the statement that the President will veto this bill.

Mr. STEAGALL. Mr. Chairman, I move that all debate on this section and all amendments thereto do now close.

The motion was agreed to.

The CHAIRMAN. The question is on the motion of the gentleman from Michigan.

The question was taken; and on a division (demanded by Mr. McLEOD) there were—ayes 60, noes 127.

So the amendment was rejected.

Mr. DIMOND. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DIMOND: On page 12, line 19, add a new section to read as follows:

"SEC. —. Section 12 (b) of the Federal Reserve Act is amended by inserting within the parenthesis and immediately after the words 'District of Columbia', where they appear in the first sentence of the second paragraph of subsection (y), the following: 'and the Territories of Hawaii and Alaska.'"

Mr. STEAGALL. Mr. Chairman, I move that all debate on this section close in 5 minutes.

The motion was agreed to.

Mr. DIMOND. Mr. Chairman, I shall yield back most of the time assigned to me.

In this amendment I seek merely to extend the benefits of the Federal deposit insurance provisions of the Banking Act of 1933 to the Territories of Alaska and Hawaii. There is no reason I can think of why the people of these Territories when they pay the price, as they must if they come under the provisions of this act, should be denied the benefit of the insurance provisions of the act.

Mr. KVALE. Mr. Chairman, will the gentleman yield?

Mr. DIMOND. I yield.

Mr. KVALE. I, for one, voted for that act, and am surprised that the Territories of Alaska and Hawaii were not included. I am wondering if it was not an oversight and if the chairman of the committee will not accept the gentleman's amendment?

Mr. DIMOND. I think it was an oversight at the time of the passage of the original act, and I hope the committee will accept the amendment, because I cannot think of a single reason which would impel any Member to vote against it. We are not asking for any privilege, we are asking only for the same rights granted to the banks in the States; and we all know that any bank that does not avail itself of the deposit insurance is going to be pretty badly off. Why should not our banks be given the same treatment you claim for yours? We merely ask for equality in this matter for the Territories of Alaska and Hawaii. [Applause.]

Mr. STEAGALL. Mr. Chairman, the committee does not object to the amendment of the Delegate from Alaska. [Applause.]

The amendment was agreed to.

Mr. DONDERO. Mr. Chairman, I offer an amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. DONDERO: Page 10, line 25, after the word "thereof" strike out the period, add a semicolon and insert the following: "*Provided, however,* That such period shall not extend beyond 10 years from the date this act shall become effective."

The amendment was rejected.

The CHAIRMAN. Under the rule the question is on the substitute amendment of the committee for the Senate bill.

The question was taken; and on a division (demanded by Mr. PATMAN), there were—ayes 202, noes 0.

So the substitute amendment of the committee was agreed to.

Mr. STEAGALL. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with the recommendation that the amendment be agreed to, and that the bill as amended do pass.

The motion was agreed to.

Accordingly, the Committee rose, and the Speaker having resumed the chair, Mr. FULLER, Chairman of the Committee of the Whole House on the state of the Union, reported that the Committee having had under consideration the bill, S. 3025, to amend section 12B of the Federal Reserve Act so as to extend for 1 year the temporary plan for deposit insurance, and for other purposes, pursuant to House Resolution 393, he reported the same back to the House with an amendment adopted by the Committee.

The SPEAKER. Under the rule the previous question is ordered. The question is on the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed, read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. PATMAN) there were—ayes 175, noes 0.

So the bill was passed.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS—S. 3025

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent that all Members may have 5 days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. SISSON. Mr. Speaker, there was no act of the first session of the Seventy-third Congress which the Members of this House may look back upon with greater pride of achievement than the passage of the Banking Act of 1933. That act, while containing other useful and constructive provisions, brought to complete fulfillment the efforts of a number of men who have given long, useful service to the country and to the Membership in this body in achieving the Federal insurance of bank deposits and the sense of security of our people through the protection of their earnings and savings in the banks of this country.

The Chairman of the House Banking and Currency Committee, the gentleman from Alabama [Mr. STEAGALL], a man under whose leadership it has been my privilege and joy to serve, may justly regard his part in bringing his efforts of many years to this successful conclusion as one of the most useful acts of statesmanship during this generation.

The bill before the House contains two important features: The extension of the temporary plan or fund for the insurance of bank deposits, and the provisions for the relief of those who have deposits in closed banks.

I wish first to speak very briefly regarding the extension of the temporary plan for bank-deposit insurance. I am one of those who have not entirely agreed with the recommendation purporting to have come from the administration that it is necessary that the operation of the permanent plan or fund should be deferred for another year.

I would not be so conceited as to back my judgment against the judgment of those men more experienced in the principles and practice of banking than myself; but frankly, my colleagues, I am suspicious of the motives not of anyone actually representing this administration, not of the Comptroller of the Currency or the Chairman of the Board of the Federal Deposit Insurance Corporation, but of some of the gentlemen who have come before our committee or who have otherwise sought to influence the Banking and Currency Committee or to influence the Congress for the complete postponement of the permanent plan or fund. The American Bankers Association last summer, in convention assembled, in a resolution passed by that body, solemnly called upon the President of the United States not to put this act into operation. I do not believe that a majority of the bankers of the country, or a majority any longer of the big bankers, are opposed to what we regard as the heart of this act, the provisions for the assessment of each and every member of the fund, which provide in effect for an unlimited guaranty of the deposits of every depositor in the fund, small or large; but I know that there are those, who perhaps claim to represent more than they do actually represent in the financial structure and life of the country, who would like to strike a dagger through the heart of the plan—the liability of each and every member bank in the fund through the assessment provisions of the act for the security of the deposits in every bank that has come into the fund.

When we passed the act last year it was made necessary in the closing days of that session to make certain compromises and in effect to eventually put provisions into this act which would require a State bank in order to participate in this fund to become a member of the Federal Reserve System. Some of our leaders who did not believe in that kind of coercion were compelled to swallow it in order to get the act passed at all. We have now in this bill remedied that.

The House Banking and Currency Committee has dared to use its own judgment as against the judgment exemplified in the bill passed by the body at the other end of the Capitol, and I trust that the judgment of our committee may be sustained by the Membership of the House. We have ventured also to increase the amount of the insured deposit from $2,500 to $5,000, effective July 1, 1934. This, I believe, is an improvement upon the Senate bill. I say it is an improvement because I suspect that the Senate bill was passed somewhat in deference to advice given in some instances by those who were really opposed to the insurance of bank deposits.

As I indicated a moment ago, I do not claim to be an expert in banking, but as a lawyer I have learned to seek for my guidance in the preparation for trial of a lawsuit the advice of those who are experienced and learned in their particular lines and also in weighing and evaluating the testimony of so-called "expert witnesses" to look not only to their qualifications but to their probable bias, prejudice, or interest.

The Chamber of Commerce of the United States, for example, sent out a communication containing certain resolutions recently passed by that body, and I wish to read into the RECORD the communication which that body sent me as a member of the House Banking and Currency Committee, and I call the attention of the Membership of this House to the fact that while asking for the extension for another year of the temporary plan which would insure deposits only up to $2,500, that august body was so—shall I call it brazen or stupid?—as to give the following advice:

The present law providing for a so-called "permanent plan" should be repealed.

Why, if we believe in the insurance of bank deposits, take the advice regarding the operation of the law for the insurance of bank deposits that is given by a self-confessed enemy of the bank-deposit insurance, one who openly says that the entire law should be repealed?

It was for this, among other reasons, why I, as a member of this committee, knowing that we have taken one step safely toward the ultimate goal of the security of the depositor and the prevention of bank failures in this country, small as well as large, believe that we now should take another step forward by increasing the amount of the deposit to be insured. In deference to the advice of the directors of the Board of the Corporation, we have postponed for another year, as requested, the operation of the permanent part of the act. But to show the people of this country that the Congress of the United States means to go ahead with this plan, American Bankers Association and Chamber of Commerce of the United States to the contrary notwithstanding, we have made what I believe you will agree are two important improvements upon the Senate bill.

There is one other argument urged upon us, I believe, by the enemies of insurance of bank deposits, that under the permanent plan bank deposits ought only be insured to the extent of $2,500, or at the most, $5,000. That is this: That insurance to the extent of $2,500 will take care of about 97 percent in number of all the depositors in all of the banks in the country, and that the large depositor, the man who has $10,000 or $50,000 or more than $50,000 on deposit in the banks, can look out for himself. He does not need insurance.

This is a specious plea. It is an unsound plea. In the judgment of the men who want to maintain the small independent banks, the middle-sized independent banks, who want to protect business and industry against the paying of a toll to the great financial centers, it would not act as a sure preventive of bank failures in the future. You Members who have in your districts banks serving communities ranging from the hamlets of 500 to 1,000 people up to cities

of one hundred and fifty to two hundred thousand population in size, know that the banks in those communities are dependent, and that industry and business in those communities are dependent, upon the retaining of certain fairly good-sized deposits in the banks in those communities.

Now, if anything happens to cause alarm in any section of the country, and there is a rumor that one of your banks is shaky, and the depositors are insured only from $2,500 to $5,000, what will happen to your larger deposits in those banks? Why, they will all be withdrawn down to the limit of the maximum insured deposit. We shall have a repetition some years to come from now of what happened in the years from 1929 to 1933. It is for this reason, among others, that we should maintain this act as it now is against assaults upon it from those who would concentrate banking and banking facilities in the larger financial centers.

The other part of this bill, which is almost if not quite as important as our resistance to the assaults made upon the insurance of bank deposits, is that relating to the relief of depositors in closed banks. I appreciate that this part of the bill will be regarded by a great part of the Membership who are actuated by their sympathy for the sufferings caused by the loss of the life savings of those who had their deposits in failed banks, as falling short of giving the relief which we should all like to give to those who were stricken through the loss of that which they had believed to be safe.

I cannot have any criticism of the Members of this House who wanted to pass the original McLeod pay-off bill. I was opposed and am opposed, however, to the principle embodied in that bill or the principle embodied in any bill which seeks to pay 100 cents on the dollar to depositors, large or small, at the expense of the taxpayers, direct or indirect, large and small, and at the expense of either still further extending and perhaps dangerously straining the credit of the Federal Government, or creating the dangerous precedent of starting a pay-off of those who have lost money in financial transactions wherein the Federal Government might be thought to have some duty of supervision. I believe in preventative measures, rather than in panaceas or cure-alls. The insurance of bank deposits will, I believe, prevent the recurrence of the terrible losses which thousands of our depositors suffered. The original McLeod pay-off bill made no provision for depositors in nonmember State banks.

The justification urged for it was perhaps twofold: First, the supervision exercised by an agency of the Federal Government over the affairs of the national banks and the banks that were members of the Federal Reserve System; second—and this was the principal justification which I heard urged for it, and most eloquently, by a former most able and distinguished member of a former Democratic administration, Hon. A. Mitchell Palmer—that President Hoover had urged people to leave their money in the banks. I submit that President Hoover at the time that he urged this upon the people of the country—and I say this regardless of partisan politics—was giving the best advice that any man of finite, human knowledge could have given under the circumstances without full knowledge of the facts, and that he was honestly attempting to save the country from the terrible blow which did finally fall upon it.

But if this be urged as a justification for paying off 100 cents on the dollar to depositors in the national and member banks, it applies with equal force to the depositors in the failed nonmember banks.

It has been conservatively estimated that to carry out the provisions of the original McLeod bill it would have required a billion eight hundred millions of dollars, and that if the bill took care of the depositors in nonmember banks as well, it would have required, of course, a far greater sum. The bill was unsound in principle and unjust in application. I do not urge this to influence or inflame you, but it is said that had this bill been enacted into law, Henry Ford would have received from thirty-two to thirty-six million dollars, largely, if not entirely, at the expense of the people who have to pay the taxes, direct or indirect. Furthermore, as a practical matter, and in legislating, we must at times be practical, for all legislation is a result of compromise; it was sure that this bill would have met with Presidential veto, and the passage of this bill would therefore have been the merest political gesture—"as idle as a painted ship upon a painted ocean."

This bill now before the House is a good bill in this respect that it is sound in principle, it attempts to give immediate relief to the depositors in all failed banks and to supplement or improve upon the method that has heretofore been employed through the Reconstruction Finance Corporation by empowering the Federal Deposit Insurance Corporation to purchase or loan upon the remaining assets of all closed banks and in appraising such assets to take into consideration liquidation over a reasonably long period of time, and this in order to give every depositor the benefit of every possible doubt in his favor without taking the money out of the Treasury and handing it over to him at the expense of those who have to pay the taxes direct and indirect.

I appreciate that it does not meet the expectations of those who plead that the small, if not the large, depositors ought to be paid in full, but it is the best bill and the best method that we can pass at this session of the Congress, and if you gentlemen who believe in a greater measure of liberality at the expense of the Federal Treasury and the taxpayers still wish to do what you can as a practical matter for these depositors in failed banks—and do it now—you will vote for this bill.

I could not properly close my remarks without paying, as one of the members younger in point of service on the House Banking and Currency Committee, my small tribute of respect, admiration, and affection to the chairman of our committee, the older members of our committee, the gentleman from Maryland [Mr. GOLDSBOROUGH], the gentleman from Mississippi [Mr. BUSBY], and to all, I may say, of the members of the committee, many of whom have borne patiently with me; and, while comparisons may be futile, I wish particularly also to pay my meed of respect and more, because of his great ability, his great industry, his great fairness and freedom from partisanship, at least while engaged in the labors of the committee, the ranking minority member of the committee, the gentleman from Massachusetts [Mr. LUCE].

I should also call it to the attention of the House that the part this bill, which affords, in my belief, as I have indicated, the best possible relief that can be granted under the circumstances to the depositors in failed banks, is very considerably the result of the work of the very able gentleman from Michigan [Mr. BROWN].

Mr. HASTINGS. Mr. Speaker, I am in hearty sympathy with the guaranty of deposits of banks. I have been advocating this since I came to Congress. Year after year I have introduced a bill to that effect and made a speech in favor of it. I am glad to see public sentiment change and was glad to support the bill last year when it was originally enacted.

The bill which I introduced provided that each bank which was a member of the Federal Reserve System should be required to take out blanket insurance with a reputable insurance company approved by the Secretary of the Interior to cover 25 percent of the deposits and for the benefit of all depositors. In my State each bank must insure State funds, county funds, school funds, Indian funds, and in fact all public moneys. I have never seen any reason why this same principle should not be applied to individual funds. I have, year after year, ever since I have been in Congress, introduced a bill requiring a blanket insurance to be taken out by each bank which was a member of the Federal Reserve System for the benefit of its general depositors.

The reason why the bill which I introduced only required insurance to the amount of 25 percent was that the report of the Comptroller showed that throughout the past several years insurance up to this amount would be adequate to cover losses of banks. I appreciate that, under these distressed times, such a bill as I introduced perhaps would not meet the situation because banks now would be unable to furnish the required bonds, but I want to take this occasion

to invite the attention of the House to my advocacy of bank-deposit insurance and to repeat here that, in my judgment, the only safe method of insuring bank deposits is to require every bank to take out blanket insurance in such an amount as may be thought adequate to protect all depositors.

I have insisted that this was the best for the banks, because it would have the effect of bringing out of hiding millions of dollars of money which is being hoarded. This has proven true since the enactment of the original measure. The deposits of banks have greatly increased, and out of the increased deposits the banks have been able to earn more money from the deposits.

For this reason I am glad to give support to any measure which looks to the guaranty of bank deposits as being in the interest of the public and in the interest of the shareholders of banks as well.

I have frequently stated that I never saw any difference in principle in banks being required to guarantee deposits of public funds including Federal funds and those intrusted to their care by the general public.

In my State of Oklahoma every bank, I do not care how strong it is, is required to secure deposits of Federal funds, Indian funds, county funds and city funds, and, in fact, all public funds. These banks have the confidence of the public, but in order to protect these funds the law requires that a special guaranty be given. Now, the same principle should apply to deposits of the farmer, the laboring man, the small-business man, the washerwoman, and, in fact, every class of depositors, regardless of their station in life. The law should protect all alike.

This bill only extends the provisions of existing law which creates a fund thought to be adequate to protect all deposits up to $5,000. The original act restored confidence. I knew it would. Is it not wonderful that since the original act was enacted and went into effect on January 1, 1934, not a single member bank whose deposits are guaranteed under the provisions of the act has failed? This shows, as I have previously argued, that it protects not only the public, including depositors of all classes, but the shareholders of the banks as well.

I have tried to emphasize this point to those who own bank stock. Many thousands of dollars would have been saved to the owners of bank stock if this requirement had been enacted into law years ago. Of course, it requires the banks to pay a small premium assessed against them, to be added to the guaranty fund, and this is limited to 1 percent of the insurable deposits, but this insurance inspires confidence in the banks in the minds of the people, prevents runs on banks, and therefore makes banks less likely to fail, and is, therefore, of great benefit to the shareholders of the banks as well as the depositors and the country generally. The shareholders are more than compensated for the small assessment which must be paid by the additional amount of deposits made through restoration of confidence in the banks.

This bill also restores the old law with reference to the amount of stock a director may have, and instead of requiring stock to the amount of $2,500, one may continue as a director if he owns as much as $1,000 of the stock unencumbered.

I am not so sure of my ground with reference to section 4 of the bill. I have tried to have this section explained, but the discussion has turned to other parts of the bill. Unfortunately, section 4 of this bill has not been sufficiently analyzed, either in the statement made by the chairman of the committee or in the report, nor am I satisfied with the attempt to analyze it while it was under discussion in the House. It was rushed through at the close of a long day.

My judgment is that the assets upon which loans may be extended under section 4 of the bill are of but little value, and my judgment warns me that losses will be sustained upon them by reason of the enactment of this provision. Separate and apart from the bill, I would not vote for this section. No good reason has been assigned, either in the debate in the House, or in the report, or in the press, why the Government is under any obligation, legal or moral, to come to the relief of the failed banks and extend credit on assets of doubtful value as far back at December 31, 1929, and prior to January 1, 1934.

This bill authorizes the Federal Deposit Insurance Corporation to spend its funds in purchasing the assets of failed banks between these dates. No business man would do it. No solvent bank will, and no solvent bank or mortgage company has done so. Just why this section is incorporated in this bill and rushed through the House without debate or explanation is not clear to me. I think everyone must realize that these assets are of but little value. The hope unquestionably is entertained that something near par value will be given for these assets, or rather loaned upon them. I regard this as dangerous legislation and cannot justify a vote for this section standing alone. The Government is not under any obligation, legal or moral, either to purchase or make a loan upon these assets. By this bill we are instructing the Federal Deposit Insurance Corporation either to make loans upon or purchase these assets, which no solvent bank or mortgage company will purchase or make loans upon.

I want to say to the House and to the country that this section is against my judgment. I am not deceived about it. There has been too much propaganda in an effort to have these frozen assets of doubtful value purchased by the Government. Why does not someone on the floor of the House, or through the press, or otherwise, give some reason why the Government is under any legal or moral obligation to make loans upon or purchase these assets prior to the time when the original Deposit Guaranty Act went into effect on January 1, 1934?

I have listened intently to the many statements made and have read much propaganda in the newspapers, but no sufficient reason, in my judgment, has been given why these assets should be loaned upon or purchased by the Government.

Now, anyone who has ever had any experience in banking knows that notes extending back as far as December 31, 1929, and past due almost 5 years ago, and upon which collection cannot be made, are of but little value. Every Member of Congress and every Member who supports this bill knows that he would not invest his own private money in these notes. This may be strong language. I agree that I do not have all the facts; but I do know that uncollected notes that are outstanding, made as far back as December 31, 1929, and when efforts have been made to collect them and this cannot be done—I would not invest a dollar in them myself.

If the notes were good, and if all that was necessary was the extension of credit in order that they might be realized upon, I readily agree that the Government should do that, but I feel certain that the purpose of the enactment of this bill is either to secure loans of greater value than the assets are worth, or to have them purchased at a value far beyond their worth.

I take this occasion to warn those charged with the administration of this act that when grief does come, as I believe it will, and when this Federal Deposit Insurance Corporation suffers loss because of investments in these assets, it cannot be said that all those charged with the responsibility of examining the provisions of this bill at the time of its enactment, were asleep at the switch. This is the most indefensible provision, in my judgment, ever enacted by Congress. I hope the conferees will reject it.

Mr. SABATH. Mr. Speaker, for the purpose of expediting and making possible the passage of this bill today, I have refrained from speaking on the measure, and in order to insure final consideration today I have asked others to do likewise. But I feel it my duty to make clear my position on the bill in view of having been criticized by certain Chicago newspapers for not signing the McLeod petition. About 10 days ago I issued a statement setting forth why I could not sign that petition or any other of the 30 petitions now on the Speaker's desk.

As nearly all Members are aware, there was a strong demand for the repealing of the discharge rule, but feeling

that the discharge rule may become helpful in obtaining action on future legislation, I was instrumental in counteracting the demand for its repeal. At that time, all those who felt as I did agreed that if the rule would not be repealed they would not sign the petitions, filed, as I suspected, on the part of many Republicans for the purpose of creating publicity for campaign purposes and of disarranging the legislative program of the House. Unfortunately, many of those Members forgot and did lend themselves to be used in signing many of the petitions on the Speaker's desk. In the statement which I issued I set forth clearly that the McLeod bill only applied to the Federal Reserve member banks; that I was interested in relieving all depositors in all banks, and that the Committee on Banking and Currency had been deliberating on a bill to bring about that relief when Mr. McLEOD introduced his bill on February 12. He was accorded a hearing on the 27th of February, and on March 5 he introduced another bill, and on this second bill he was accorded a hearing on March 27. On April 12 he filed his petition to discharge the committee, notwithstanding that he had had two hearings and that the committee had been considering legislation to relieve the unfortunate depositors long before he introduced his bill.

In my statement I also pointed out that within a few days a more comprehensive and a better bill would be reported by the committee with good chances for passage. Notwithstanding this, the attack upon me on the part of the two Chicago papers continued. Following these attacks I have received hundreds of letters and telegrams, but nearly all of them came from outside of my district, and this is attributable to the fact that the people of my district are fully aware that I have at all times been helpful to those in need of relief. Consequently I was, indeed, gratified that I gave no misinformation in the statement I issued, as today the House passed the committee bill, known as the "Steagall bill", which will make available $1,250,000,000 for the purpose of repaying depositors not only in the Federal Reserve member banks but also depositors in all banks, both National and State. I stated that I was opposed to the paying to depositors in private banks, and I am glad that that provision was eliminated from the bill. As the Federal Deposit Insurance Corporation is already in existence, with the Honorable Leo T. Crowley as its head, which Corporation has already rendered great service to the banks and to the Nation, I am satisfied that the provisions of this bill will be judiciously carried out and the unfortunate depositors will shortly receive their deposits which were lost to them through the closing of their banks due to the destruction that was brought about by the big financiers and manipulators in 1929, aided and condoned as they were in their nefarious practices by the Republican administration. Under this bill the assets of these banks will be taken over by the Corporation and as soon as the assets can be checked the Corporation will advance money to the banks for payments to the depositors. The provisions of the bill are such that the usual long delay in payments will be unnecessary, and I hope the Senate will approve of these provisions, as the Government is safeguarded and protected, and that the President will sign the bill. This would not have been possible with the McLeod bill.

So once more my judgment and my act have been completely vindicated and my position sustained. At the end of my remarks I will embody the statement which I issued, and even my enemies will be obliged to admit that I knew whereof I was speaking then, and they will once more be disappointed in not being able to mislead the people.

At the beginning of the debate on this measure my Republican colleague from Maine tried to show that this legislation was recommended by President Hoover and should have been passed before, and further pointed out that if the Reconstruction Finance Corporation from its inception had had sufficient capital that the benefits of this bill could have been attained and that the money of the banks and the funds of the depositors could have been saved, and by other innuendo the gentleman attempted to criticize or find fault with the present administration. But this demonstration on the part of the gentleman, as has been stated, was only for the RECORD and not from his heart, as he knows that this administration has already saved one half of our banks and adopted a tremendous amount of relief legislation. I requested the gentleman to yield to me while he was making his political speech, but he declined. It was my purpose to call his attention to the fact that in 1931 I introduced a bill which provided for the appropriation of $1,000,000,000 for capitalization and $5,000,000,000 for a bond issue, making a total of $6,000,000,000 available to the Reconstruction Finance Corporation to aid not only the banks, insurance companies, railroad companies, but also the industries of our country, the home owners, and municipalities. Had my measure been adopted instead of the bill of Representative STRONG, there would have been no need for this legislation, and we could have saved the great losses and suffering that occurred since that time.

The gentleman from Maine should remember, as he was present when I advocated before his committee the passage of my bill, that it was Assistant Secretary Mills, under Mellon, of the Hoover administration, who was opposed to the appropriation of such a large amount and who testified that five hundred million, with triple that amount in a bond issue, would more than suffice. May I also call his attention to the fact that if the Republican members of the Reconstruction Finance Corporation had been as fair to the small banks as they were to the Dawes and other large banks, at least half of the banks of the country, as well as the 42 banks in Chicago that were obliged to close in 1932, could have been saved? The trouble with him, as well as his colleague from New York [Mr. FISH], is that they are trying to make the country believe that all the wisdom is possessed by the capitalistic group or by those who possess great wealth. If that be true, it has always been used for their own advantage and against the interests of the people. I know that we have thousands upon thousands of highly intellectual, honest, and sincere men who possess just as much knowledge and ability as do these financiers that the gentleman from New York [Mr. FISH] and the Republican leaders continually demand should be followed, notwithstanding that they are the men who brought about the crash and panic of 1929 and the destruction which followed throughout our whole Nation. But I shall not dwell any longer upon these Republican misdeeds, as I feel that the country is fully aware and that these attacks on the Roosevelt administration on the part of these Republican special-interest representatives will not again warp the minds of the American people. The people of America are satisfied, and will appreciate and continue to trust President Franklin D. Roosevelt, whose undenied and courageous determination in behalf of the Nation and especially the masses will be crowned with success and happiness, and content will shortly prevail in the length and breadth of our Nation.

The statement previously referred to follows:

CONGRESSMAN SABATH'S REPLY TO HIS CRITICS AND THE REPUBLICAN SIGNERS OF THE M'LEOD PETITION

When President Roosevelt was inaugurated on March 4, 1933, every national as well as State bank in the United States was closed—95 percent of them were insolvent. Most of them have been reopened with the aid of the Government and the law guaranteeing deposits up to $2,500 enacted. President Roosevelt, some time ago recommended special legislation to help depositors of closed banks, which bill is now pending and will be enacted. And whilst legislation to that end was being worked out, Congressman McLEOD, of Michigan, introduced a bill to pay the depositors of the Federal Reserve System banks. This mainly to take care of the Detroit banks and especially Mr. Henry Ford to the extent of about $32,000,000, but not a cent to the depositors in the State banks that are not members of the Federal Reserve System.

On April 12, however, the Committee on Banking and Currency reported a bill which would include all the banks; but, unfortunately, also provided for paying of depositors of all private banks, which is very dangerous, because nobody is in a position to tell how many hundred millions of dollars this would take.

Mr. McLEOD, who is one of the Hoover Republicans, in a hopeless and discredited minority, and not in harmony with the progressive and beneficial policies of President Roosevelt and the Democratic Congress, has never made an attempt to obtain a special rule for the amended bill; but another Detroit gentleman filed a discharge petition, and, due to the Republican ballyhoo, 137 Members—Republicans and a few misguided Democrats, who deliberately are

trying to confuse President Roosevelt's plans and secure for themselves some publicity—signed it.

In addition to this petition, there are 30 other petitions on the Speaker's desk asking the discharge of many of the committees from considering bills before them. If all would secure the number of signatures necessary, it would be impossible to pass these bills even if Congress remained in session the whole summer and sidetracked all legislation recommended and urged by the President. We, who are wholeheartedly with President Roosevelt, fully understand that these petitions have nearly all been filed with deliberate intent and most of them solely for the purpose of interfering, preventing, or delaying the President's carefully worked-out program.

Furthermore, it would be wasting the time of the House with bills that have no chance of passing the Senate or of obtaining the approval of the President, and this fact is known to Mr. McLEOD and those who are demanding the signing of this petition.

During this session we have already appropriated $3,700,000,000 for the Army, Navy, pensions, and to run the Government. The Government is loaning to home owners, to the banks, to States and municipalities, to the farmers millions each and every day. We must appropriate $1,332,000,000 more for public works to create employment, and, in addition to this, within a few days we shall pass the bill appropriating approximately $500,000,000 to loan to the industries of America and another $500,000,000 to aid in repairing and rebuilding the homes of American citizens. This will require approximately $8,000,000,000, and though we will shortly pass the silver remonetization bill, which will give us approximately $2,000,000,000 more in currency, we are face to face with the problem of how to obtain the additional billions required. How to get this fabulous sum is not an easy task. Yes; it is impossible without impairing the credit of the Nation.

Day in and day out the unfriendly press and the Republican Members are charging that we are appropriating and expending greater sums than we can possibly repay. And notwithstanding that they are advocating the signing of these petitions which would force legislation through calling for about $4,000,000,000 more. In addition to all this, the farmers' bloc demands that we should take up mortgages on their farms and loan them the money on a 1½-percent basis, and the million and a half real-estate gold-bond holders are urging that something be done for them. The House already has passed the bonus bill which may cost over $2,000,000,000.

Personally, I should be extremely happy if we could—and I believe we will—repay nearly all depositors and bondholders, loan about $3,000,000,000 to the farmers at 1½ percent, pay the bonuses, provide old-age pensions and unemployment insurance, return to the people the homes, buildings, and farms they have lost, increase pension and compensations to World War veterans, repay all losses the widows and orphans lost on stocks and bonds, and even bring back to life the thousands who committed suicide, which the Hoover Republican Party, under the criminal leadership of Wall Street, is responsible for. But it is impossible to do all of this during this session.

Yes; President Roosevelt and the Democratic Congress are doing everything humanly possible to relieve conditions and reestablish confidence. Though we have provided employment for at least 6,000,000 people up to now, who for 3 years have been out of work, we still have approximately nine to ten million wage earners for whom employment must be provided and who up to that time must be fed. Please contrast this with the do-nothing policy of President Hoover and his administration and refusal to provide even food for the starving hundreds of thousands of men, women, and children.

It has taken the Republicans and financial leaders 12 years to bring about the greatest catastrophe and destruction any nation has ever suffered. They have been responsible for the closing and bankrupting these banks and the robbing of millions of depositors. And notwithstanding that President Roosevelt and Congress are doing everything possible to help to reconstruct and rebuild the Nation, improve conditions and reestablish confidence, President Roosevelt and Congress are being thwarted in every conceivable manner in these efforts by the disloyal Republicans, misguided Democrats, and the vested interests.

I regret that it has been impossible to accomplish all we would like in the short space of 14 months, especially when the very special interests who brought about this destruction are in every way trying to prevent it. The blackest Republicans cannot charge that President Roosevelt is not honest and has not the interests of the people at heart and that he is not trying his very utmost to do all in his power to help the country and the masses. Therefore I have supported his program and his policies and I am standing by him. As between the Wall Street manipulators and the selfish Republicans, I shall continue to support President Roosevelt to the limit, regardless of what dishonest and insincere enemies will say or do, and it is for the above reasons that I have not signed the 31 petitions. Most of them have not been filed in good faith. They were filed to becloud the real, honest achievements of President Roosevelt and the Democratic Congress.

In conclusion let me state that the President and the Democratic leaders have agreed on a bill to help the depositors of all banks, but it will be done in the regular way and at the same time protect the interests of the Government.

CONGRESSMAN A. J. SABATH,
Fifth District, Illinois.

Mr. SMITH of Washington. Mr. Speaker, I am actively supporting and voting in favor of this meritorious measure to extend for 1 year and to increase from $2,500 to $5,000 the deposit-insurance provision of the Banking Act of 1933 and authorizing loans upon or purchase of assets of closed banks, which is the fortieth major progressive act for which I have voted during the special and regular sessions of the Seventy-third Congress, to wit:

40 AFFIRMATIVE VOTES

Emergency Banking Act; Farm Relief Act; Loans to State Banks Act; Guarantee Bank Deposits Act of 1933; Unemployment Relief Act; Emergency Farm Mortgage Act; Crop Loans Act; Muscle Shoals Act; Transfer Tax on Electric Energy from Consumer to Utility Company Act; St. Lawrence River Project Resolution; Wagner-Lewis Relief Act; Agricultural Relief Act, with expansion of currency amendment; Securities Act; National Industrial Recovery Act; Public Works Act; Farm Credit Act; National Employment Service Act; Farm Mortgage Corporation Act; Gold Devaluation Act; Agricultural Adjustment Act; amendment for Cattle Relief Act; Crop Loan Act amendment; revenue act, stopping leaks and income-tax evasions; soldiers' bonus bill; Reciprocal Tariff Act; Foreign Debt Act, prohibiting defaulting nations from selling securities; Home Owners' Loan Corporation Principal Guarantee Act; immigration act amendment to exclude alien seamen—Chinese, Asiatics, and Mexicans; Restoration Substitute Mail Carriers' Pay Act; Adjustment of Rural Carriers' Pay Act; Removal of Postal Furlough Act; Vocational Education Act; Women's Equal Rights Nationality Act, permitting citizenship rights to children through the mothers as well as the fathers and removing all sex discrimination; Dies Silver Act; Couzen's 10-percent increase on income-tax levy on big incomes; Stock Exchange Act; Civil Works Act; Public Roads Appropriations Act, with amendment for 25 percent for feeder, rural-mail, school-bus roads, and providing funds for Indian reservations, national forests, and funds for repair and recondition of Federal highways and bridges damaged by floods; Loans to Small Industries Act, including oyster industry and loans to school districts to pay teachers' salary warrants; and Bank Deposit Guaranty Act of 1934 and loans and aid to closed banks to pay off depositors; Silver Purchasing Act of 1934; National Housing Act; Retirement (Pension) System of Railroad Employees Act; Act to Amend the Railway Labor Act.

NEGATIVE VOTES

I voted against the Economy Act, and also voted to override the veto of the independent offices bill, in conformity with my preelection pledges made to the veterans of our wars during the campaigns of 1932.

MOTIONS TO DISCHARGE COMMITTEES

I have also signed the following motions or petitions on the Speaker's desk to discharge committees and bring the bills before the House for consideration, to wit: Frazier-Lemke farm bill, soldiers' bonus bill, Crosser 6-hour-day railroad bill, bank deposit pay-off bill, Wagner-Connery 30-hour week bill, and a Connery-Black 30-hour week bill with Senate amendments.

Mr. Speaker, this is a voting record of which I feel justly proud, for I have the personal satisfaction of knowing that I have voted in favor of a greater number of truly progressive and liberal measures than have ever come before Congress during any previous session in the 150 years of American history, "that this Nation, under God, shall have a new birth of freedom, and that government of the people, by the people, and for the people shall not perish from the earth."

Mr. BROWN of Michigan. Mr. Speaker, I greatly regret that the necessity for haste in getting this legislation to a vote prevents many on the Banking and Currency Committee from expressing our views in the debate on the floor of the House and forces us to extend our remarks in the RECORD under the permission granted.

The features of the bill which I will discuss are: First, briefly, the extension and increase of the temporary guaranty; second, the assistance to closed banks.

Many of us on the Banking and Currency Committee were opposed to any postponement of the full operation of the guaranty law, but the very convincing arguments of Chair-

man Crowley, Judge Birdsell, and Director Bennett, of the Federal Deposit Insurance Corporation, and Comptroller O'Connor of the Treasury, persuaded us that another year should be given for the purpose of putting the banks of the country in better condition. The Reconstruction Finance Corporation and other Government agencies are busily engaged in solidifying our banking structure, and I shall content myself, without detailing the reasons, by saying that a large majority of the committee reached the conclusion that additional time should be given for this work, and that the Federal Deposit Insurance Corporation should not undertake a great increase in its obligations until better conditions prevailed.

It must not be taken from the above that I have any doubt as to the stability of the banks of the country at the present time. They are in vastly better condition than they were before the temporary guaranty went into effect, but it is certainly logical to take advantage of the present opportunity to perfect as far as possible the structure.

On the question of the amount of the temporary guaranty, the committee refused to be content with the present $2,500 figure. It was felt that notwithstanding the fact that over 90 percent of the depositors were cared for in full, that a figure of $5,000 would not greatly increase the obligations of the Corporation, and would at the same time indicate to the country that the House committee was determined that there would be no indication of any change in its position that bank-deposit insurance in the United States was permanent. The committee has been assured on high authority that it is the policy of this administration not only to continue but to extend bank-deposit insurance, and I am very happy to be able to give this assurance to the House of Representatives.

Section 4 of the bill deals with assistance to banks which were closed prior to January 1, 1934 (the effective date of the temporary insurance act) and after December 31, 1930. It provides briefly that the Federal Deposit Insurance Corporation may loan to the receivers, liquidating agents, or other proper officers having charge of closed banks or of frozen assets of reopened banks on an appraisal "in anticipation of an orderly liquidation over a period of years", rather than on the basis of forced selling values in a period of business depression. This is the heart of the section. If liberally administered, this should release something over a billion dollars to depositors holding claims against closed or reopened banks. I have an estimate from the Secretary of the Treasury, which I now set forth:

Schedule indicating net deposits, deposits paid off and unpaid deposits, together with Reconstruction Finance Corporation advances, recoveries and losses in connection with deposit pay-off bill involving all banks closed since Jan. 1, 1930, and still in liquidation. Outline herewith gives effect to plan for payment in full of all accounts of $2,500 and less and payment up to $2,500, for all accounts above $2,500, including in each case credit for dividends already paid

Classification of deposit accounts, by size (gross deposits, $5,532,142,844)	Number of accounts by groups	Number of accounts	Amounts of deposits by groups	Deposits			Reconstruction Finance Corporation		
				Net	Paid	Unpaid	Advances	Recoveries	Losses
	Percent		*Percent*						
$0 to $500	80.89	7,518,188	16.233	$808,229,771	$288,960,595	$519,269,176	$519,269,176	$172,526,431	$346,742,745
$501 to $1,000	8.43	746,840	10.921	543,748,787	194,402,678	349,346,109	349,346,109	116,069,693	233,276,416
$1,001 to $2,500	6.91	647,260	19.557	973,729,190	348,130,551	625,598,639	625,598,639	207,854,064	417,744,575
$2,501 to $5,000	2.28	199,154	14.541	723,985,916	258,841,582	465,144,334	236,742,342	151,294,332	85,448,010
$5,001 to $10,000	.92	99,576	11.518	573,472,951	205,029,738	368,443,213	50,895,044	50,895,044	
$10,001 and over	.57	49,789	27.230	1,355,761,946	484,716,147	871,045,799	25,448,632	25,448,632	
Grand total (7,416 banks)	100.00	9,260,807	100.000	4,978,928,561	1,780,081,291	3,198,847,270	1,807,299,942	724,088,196	1,083,211,746

On the basis of the bill reported by the Banking and Currency Committee as a substitute for the McLeod bill, which bill as reported provided for payment in full of depositors' accounts up to $2,500, the Treasury estimates that the required advance would total $1,807,000,000. It estimates—and I think I should point out that the Treasury is conservative—that recoveries would amount to $724,000,000, or almost exactly 40 percent. It will be seen that the unpaid deposits in closed banks total $3,198,000,000. Forty percent of this figure is approximately $1,279,000,000. Therefore it would seem that, according to the conservative estimate of the Treasury Department, sound values with a total expected recovery of considerably over a billion dollars is in the hands of the liquidating agents of these banks. We insist this sum should be released.

Under the provisions of the bill we are discussing, there should be approximately $700,000,000 available now and a total of approximately twice that much when the permanent insurance law goes into effect. This is figured as follows: The present capital of the Federal Deposit Insurance Corporation consists of $150,000,000 subscribed by the Treasury and approximately $140,000,000 obtained from the Federal Reserve banks. Approximately $39,000,000 has been paid in by the insured banks. Two and a half times this sum is available for the aid of depositors in closed banks. When the permanent insurance law goes into effect, the capital of the Federal Deposit Insurance Corporation will probably approximate $500,000,000 and two and a half times this sum, or $1,250,000,000, would be the approximate limit to which the Federal Deposit Insurance Corporation could go to aid depositors in closed banks. It will be noted that the estimated recoveries from assets now held in closed banks and the maximum allowed the Federal Deposit Insurance Corporation under this bill for assistance to closed banks are approximately the same in amount.

Before proceeding to the question of the responsibilities of the Government in this connection, I desire to point out that your Committee on Banking and Currency has most carefully safeguarded the insurance reserves of the Federal Deposit Insurance Corporation and has explicitly prohibited the use of any of the funds raised for insurance purposes in bailing out assets in closed banks. The members of the committee expressed this in no uncertain language in lines 1 to 11 on page 11 of the bill as reported to the House. We felt that both the country and the bankers should know that there was no intention to weaken the Corporation nor impair the integrity of its insurance obligations by using it as a vehicle for assisting depositors in closed banks. This matter was not stressed in the debate on the floor of the House, but I think there is no provision in the bill which should be of greater interest to depositors and bankers.

The bill provides for an addition to the borrowing power of the Federal Deposit Insurance Corporation. Substantially, the increase in borrowing power is made for the purpose of aiding in the liquidation of closed banks. The former borrowing power was three times the capital. The pending bill expands the borrowing power to five times the capital, but provides that no more than one half of the obligations authorized by law shall be used for assisting closed banks. It is further specifically provided that no portion of the capital of the corporation, either as now organized, or as will be organized when the permanent set-up is established, shall be used for the purchase of or loans on assets in banks to be assisted by these provisions. As a further safeguard, the obligations issued are to be paid solely from funds received from the repayment of loans made or disposition of assets acquired from closed banks. As far as the financial operations of the Insurance Corporation, relative to assisting banks closed prior to January 1 of this year, are affected, they are as separate and distinct from the insurance provisions protecting present depositors as if we had created a separate and distinct liquidation corporation. It was thought unnecessary to create a new agency because the Federal Deposit Insurance Corporation is ideally fitted

for the work. However, the bill prevents any commingling of the funds raised for insurance purposes and the funds raised for liquidation purposes.

On the question of the obligation or duty of the Government to grant assistance to depositors in closed banks of all character, there is much difference of opinion, both in the House and in the committee. There are, in round numbers, 10,000,000 depositors affected. To ask 120,000,000 people to tax themselves for the benefit of 10,000,000 seems somewhat unfair, but I am ready to grant that there are many strong arguments that may be made in favor of such a proposition. However, let me hasten to say that this bill does not contemplate any loss to the taxpayers of the United States. The foundation of the bill is solid. There is no gift to anyone. There is merely liberal assistance, possibly somewhat beyond, as I think it should be, the usual conservatism of bankers in loaning money, but nevertheless the bill is based on the principle that the Government shall receive value for its advances.

I desire briefly to mention the two principal arguments that have been made for government responsibility. First, it is contended that the supervision of banks by either the Federal Reserve Board or the Comptroller's Office in itself was a representation to depositors that the Government was in charge of the banks and stood back of them. I do not believe that any successful legal argument can be made to support this proposition, but I do think there is some moral obligation involved, as I will later point out. It is next contended that the expressions of President Hoover and his Secretary of the Treasury, Mr. Mills, commonly known as the "antihoarding speeches", raised a further obligation Again there can be no legal basis for such an obligation, but I think the man is blind indeed who can see no semblance of moral responsibility, to a degree, at least, in this contention. It has been held by the supreme court of my State that a director, knowing a bank statement to be inaccurate, or carelessly permitting his name to be attached to a statement without investigation by him as to its accuracy, may be held liable for the damage suffered by persons who lose as a result of his fraud or negligence. In the case I have in mind, it was held that persons who bought the stock of the bank in reliance upon the published statement could hold the negligent director financially responsible for the losses. I think this decision is sound and in conformity with generally accepted legal doctrines. How does this principle apply to the question as to the Government's moral responsibility?

The Government of the United States had a most difficult task in the years preceding March 6, 1933. The steady decline in the value of securities was not only a problem to bankers but it was a distressing problem to the Comptroller's Office. Great pressure was brought to bear on the Comptroller's Office to induce it to establish a rule of valuation which would disregard what then seemed to be very low market appraisals of bonds and other securities. It was contended, and the contention was not without merit, that many corporate obligations had a real or intrinsic value greatly in excess of the market's appraisal of such obligations, and it was contended that the ruthless writing down of such values to market upon the books of the banks of the country would result in numerous insolvencies, widespread withdrawals of funds, and consequent collapse of many thousands of banks throughout the country. It is a well-known fact that this contention met with some response in the Treasury Department, and out of it grew what is commonly known as the "intrinsic value rule." That such a rule exists will not be admitted as a general thing in the Comptroller's Office, but that such rule exists and has existed for some years is an absolute fact. I am happy to say that it is a passing rule, in my judgment.

For fear I may be accused of being unduly critical of the conduct of the Comptroller's Office when this rule went into effect, let me be frank and say that if I had been in that office, I would have approved the rule. This does not, however, overcome the fact that the intrinsic-value rule caused the depositors of the United States great injury. Substantially, the rule worked in this way. Bonds of the higher grade, known in one agency with which I am familiar, as "Baa" or better, were permitted to be valued at what was considered to be the intrinsic value of the bonds without strict regard to their selling value on the markets. Such a rule was based upon the theory that prosperity was "just around the corner", and I think that the great man who coined the phrase and presided over the destinies of our country during that time expressed the thought of the great majority of his fellow countrymen when he made the statement; but prosperity was a long way from the corner, and the rule worked incalculable harm. Instead of the expected and hoped-for return of such bonds to normal, their ratings steadily declined and many thousands of issues went below the Baa rating. Many of such bonds were later disposed of far below their so-called "intrinsic value" as carried on the books of the banks. The effect of the rule was to keep banks open long after they were actually insolvent.

The result was twofold. First, by enabling banks to remain open after they were insolvent, the rule prevented the sale of securities at higher values, with consequent loss to the depositors. Second, by enabling banks to remain open after they were insolvent, it brought literally millions of dollars into the banks, subsequently lost, which would not otherwise have been deposited.

Let me again emphasize that in the light of the conditions as they then existed, the rule seemed sound and seemed necessary, but as a matter of cold fact, it permitted hundreds of institutions to remain open with the stamp of approval of the United States Government, when, as a matter of fact known to the Comptroller of the Treasury, they carried securities at values far above their actual selling price.

Referring back to the legal principle I have mentioned as having been established by the Supreme Court of my State, it follows that this Government permitted many institutions to be held out as having security values above the actual strict market value of those securities and is responsible. If an individual had so done he could be held legally responsible. Time has demonstrated that the policy was a mistake; that depositors suffered by it. Those depositors had in the main no knowledge of the rule, and assumed that bank assets were being valued at the market.

I think it cannot be denied that the effect of this policy imposes a moral obligation on the Government. How far the Government should go in the aid of such depositors is another question. To say that the facts set forth above are sufficient to constitute full moral responsibility for all deposits in closed banks is perhaps going too far. As between State and national banks, there may be some distinction, although the obligations undertaken by the Government to assist depositors is the burden of all citizens and all depositors, and not merely depositors in national banks. This bill will assist all depositors in all kinds of banks. There are no distinctions. It is unnecessary to determine for the purposes of this bill the question of whether or not a full moral responsibility rests on the Federal Government, but certainly it cannot be denied that there is some, in fact, considerable, moral responsibility on the Government of the United States to depositors in all closed banks. The bill before us recognizes that responsibility and requires an agency of the United States to exercise its endeavors by the use of a measure of value which is somewhat beyond the conservative-banker method of valuation, and go to the aid and assistance of that fine group of citizens who have trusted their funds to the banks of the Nation. We may not be doing enough, but we are certainly not doing too much.

I will close with the statement that from my intimate personal connection as a member of the subcommittee, consisting of our very able chairman, Mr. STEAGALL, and myself, who worked on this bill, I am satisfied that Chairman Crowley, of the Federal Deposit Insurance Corporation, and General Counsel Birdsell, of the same Corporation, who greatly aided us in the drafting of this bill, will, if given the

authority provided in this bill, liberally administer it in accordance with the intention of the Congress.

Mr. MULDOWNEY. Mr. Speaker, the McLeod bill, known as the "bank depositors' 100-percent pay-off bill", H.R. 8479, has been conceived in a most praiseworthy cause; it strikes at the root of the trouble; it is the proper remedy, the "elixir of life" that will restore confidence throughout the land. The trouble started at the banks, and it is at this source—the fountainhead—that we must apply the remedy if we are to hope for a speedy recovery.

I cannot too strongly urge the imperative need for speedy action on legislation to release the vast amount of potential purchasing and employing power now tied up in the assets of closed banks. The present session of Congress is rapidly drawing to a close. Millions of patriotic and industrious citizens are depending for urgently needed relief upon the use we make of the brief time remaining before adjournment. In this crucial period of the session, neglect to provide this essential and reconstructive form of relief can immeasurably prolong distress and retard recovery.

Congress has within its grasp today an opportunity, by passing the McLeod pay-off bill, to distribute over a billion dollars among more than 10,000,000 prospective purchasers and employers whose use of this money would provide a great recovery stimulus.

This is a form of direct relief which the United States Government is morally obligated to undertake. As a patriotic duty the Government urged citizens to cease hoarding and place their savings in the very institutions many of which are closed today.

I am thoroughly convinced that the most logical step toward recovery we could take at this time would be to restore purchasing and employing power throughout the entire Nation by releasing the savings of depositors which are now tied up in closed banks.

There is well over a billion dollars tied up in banking institutions scattered over the country. The immediate release and distribution of this money to workers who saved for old age or emergency and to factories which would employ more men at once would remove much of the existing pressure on the C.W.A. and other relief agencies. Relief would be extended to widows, orphans, and disabled, who could not benefit through ordinary employment relief measures.

Instead of keeping men on temporary Government pay rolls, it would facilitate and make possible the employment of vast numbers of jobless by private industry on a permanent basis. The depressed real-estate market would be assisted immeasurably toward a realization of proper values. Home owners, now desperately calling on the Home Owners' Loan Corporation for relief, would be enabled to pay off the mortgages on their homes. The effect of a 100-percent pay-off to bank depositors would be both cumulative and progressive in character.

The country is rapidly realizing that one of the principal underlying causes of the business and industrial ailments afflicting our country at the present time lies in its money or the lack of its circulation. By striking at the fundamental causes, by re-creating the consuming power of the great army of unemployed through productive permanent employment, far more can be accomplished than by the costly and temporary expedient of some form of Government dole or grant.

While the necessity for making depositors' money available has been recognized by the Government, it has not gone far enough. Depositors' funds were quickly made available in banks allowed by the Government to reopen, but sufficient relief has not yet been provided for the equally meritorious depositors in banks not permitted to resume operations.

Fully 0.9 of the entire population of the United States depend upon wages and salaries for their means of livelihood. With this in mind, it is quite apparent that the rehabilitation of manufacturing plants and the employment of more men is dependent to a great degree upon the liberation of the potential consuming power represented by frozen deposits in closed banks.

Payment of these depositors at this time would constitute one of the most forward strides yet taken toward recovery. This form of vitally essential and reconstructive relief could be undertaken without cost to the Government or taxpayer in the final analysis. Within 10 years, as provided in the McLeod bill, or possibly even sooner, the Government, by purchasing the frozen assets of closed banks and liquidating them in rising markets, which are bound to come with recovery, could fully realize the sum advanced to depositors, thereby providing this great and incalculable stimulus to recovery without ultimate cost.

Mr. McLEOD. Mr. Speaker, the passage today of the deposit insurance bill, carrying the compromise provisions for bank depositors' relief, marks a signal achievement in our fight to release the frozen assets of closed banks.

This legislation has had a unique and most peculiar life since its birth last February 12, when I introduced my original bill to release frozen assets in closed banks and pay depositors the full balance due them on their deposits.

After failure of the Banking and Currency Committee to take action on the bank depositors' pay-off bill a petition was filed on April 9 to discharge the committee from further consideration and make possible a vote on April 23. This petition lacked only a few names of the necessary 145 when the committee, anxious to block consideration of the measure by the House, reported out a bill so as to nullify the petition and pigeonhole the bill.

In their haste the committee overlooked the fact that I had introduced two pay-off bills and reported out the wrong one. Later in the day the correct bill was reported, but this action of the committee was ruled illegal by the Speaker. As the petition had been completed in the meantime, the bank depositors' pay-off bill was scheduled to come up for a vote April 23.

During the prayer on April 23, and before the bank depositor's pay-off bill could be called up under the discharge rule, the Banking and Currency Committee again reported the bill, for the third time, by dropping the report in the receiving basket.

A resolution was introduced objecting to the reception of the committee report. A vote was then taken on a motion to table the resolution. The Speaker refused to answer my inquiry as to the significance of the vote and because of the general confusion on the floor at the time the impression prevailed that the vote was on a motion to override the decision of the Speaker instead of being on a simple motion to lay aside the resolution.

Such tactics as these, together with numerous adjournments of the House which hindered the obtaining of signatures on the new petition, have been responsible for many weeks of delay in bringing this legislation up for consideration by the House.

I am indeed happy that the fourth report on such legislation by the Banking and Currency Committee has led to our vote today on the compromise measure. While it does not afford as much relief as provided in my bill, it will, if properly administered, accomplish results of the greatest importance to recovery.

This compromise bill is designed to extend and broaden the power already given the F.D.I.C. to assist closed banks. Under provisions of the original Glass-Steagall bill, known as the "Banking Act of 1933", the F.D.I.C. was authorized to purchase or make loans on the assets of closed banks. The F.D.I.C. was not required by the law to exercise this power, however, and no use was ever made of it.

It was my hope that the House would accept my amendment this afternoon to make the provisions of the compromise bill mandatory, instead of leaving their administration to the discretion of the F.D.I.C. I believe, however, that the intent of Congress in this regard has been so clearly expressed, both here on the floor and in the language of the bill, that we may confidently look forward to a liberal administration of the provisions of this essential relief measure.

The compromise bill provides for loans and purchases to be made by the F.D.I.C., based on a liberal appraisal of assets, in anticipation of an orderly liquidation. Under provisions of the so-called "McLeod bank depositors' pay-off bill", the R.F.C. would purchase all remaining frozen assets of closed banks. Depositors would receive the full amounts due them at once. Those who owed banks money would be given 10 years in which to pay their debts at a reduced rate of interest. The R.F.C. would liquidate these frozen assets over a 10-year period, disposing of them when the rising markets, which are certain to come with recovery, made their sale possible at their true values. In this simple, yet effective way, a maximum amount of relief would be afforded without ultimate cost to the Government.

This would be but a logical and proper extension of the present functions of the R.F.C. The R.F.C. to date has purchased $1,100,000,000 in preferred stock or capital notes in 6,994 banks. In addition, the R.F.C. has authorized 5,137 loans to banks. A total of $1,113,478,667 has been disbursed, and all but $310,606,571 has been repaid. In other words, 72 percent of the money borrowed by banks from the R.F.C. has been repaid already, as contrasted with total repayments from all borrowers of only 45 percent.

The method of liquidating bank assets is left largely to the discretion of the F.D.I.C. under provisions of the compromise bill. The F.D.I.C. is told to extend the period of liquidation so as best to conserve the value of the assets and prevent their unreasonable sacrifice. This method of disposing of assets would continue the present expensive receivership method of liquidation, which would be abolished under the provisions of my bill.

As a reconstructive recovery measure alone this program should be carried out by the Government. However, the United States Government is under a heavy moral obligation to provide this relief for depositors. For years the taxpayers of the country have maintained a department of the Government whose duty it was to periodically examine and inspect banks of the national banking system. It has been definitely and irrefutably shown that the Government, through its examiners, falsified statements concerning the condition of banks.

Naturally, and properly, the depositors had every reason to believe that the statements furnished them concerning the condition of their banks were accurate. They had no way of knowing that Government-paid examiners had been instructed by the Government to not show depreciation of certain assets of these banks. They had every right to believe that banks under Government supervision were safe as long as the Government allowed them to remain open for receipt of deposits.

When heavy withdrawals followed the shaking of confidence in banks, the Government, through its regularly elected and appointed officials, urged the people, as a public duty, to cease hoarding. Millions heeded this plea. These deluded millions did not dream that their Government was urging them to place their money in banks which it knew were unsound and unsafe. Yet this is exactly what happened.

Although requiring an initial outlay by the Government to discharge its obligation to these depositors, in the final analysis this far-reaching reconstruction program would not cost the Government a single penny. If dumped on the market now, these frozen bank assets would not realize more than a small percentage of their true values. However, their worth has materially increased during the past year, and there is every reason to believe that this increase will continue as we progress toward recovery.

By our action today in passing this legislation, we have taken a long stride forward. It is now our duty to insist that the Senate accept this compromise amendment when the conferees meet for the purpose of making the bill mutually acceptable to the House and Senate. The completion of the petition to discharge the Rules Committee and thereby automatically bring the so-called "McLeod bill" before the House for action on June 11 should influence the conferees of the compromise bill to a hasty and satisfactory agreement and the desired concession of the relief provided for the bank depositors. The enactment into law of this relief measure will eliminate the acute situation that exists because the savings of more than 10,000,000 American purchasers and employers are being kept from circulation. It will accomplish more than any other one measure possibly could to bring about that rejuvenation of our national tranquillity toward which we are expectantly and confidently striving.

UNIFORM SYSTEM OF BANKRUPTCY

Mr. McKEOWN, from the Committee on the Judiciary, submitted the following conference report on the bill (H.R. 5884) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto.

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5884) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 2, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 29, 32, 34, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1 and agree to the same with an amendment as follows: Strike out the Senate amendment numbered 1 and insert in lieu thereof the following: "whether filed before or after this section becomes effective, provided the present operations of such corporation do not exclude it hereunder, and whether or not the corporation has been adjudicated a bankrupt"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows: Strike the Senate amendment numbered 3 and insert in lieu thereof the following: "or in any territorial jurisdiction in the State in which it was incorporated. The court shall upon petition transfer such proceedings to the territorial jurisdiction where the interests of all the parties will be best subserved"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows: Strike out the Senate amendment numbered 14 and insert in lieu thereof the following: "In case an executory contract or unexpired lease of real estate shall be rejected pursuant to direction of the judge given in a proceeding instituted under this section, or shall have been rejected by a trustee or receiver in bankruptcy or receiver in equity in a proceeding under this section, any person injured by such rejection shall, for all purposes of this section and of the reorganization plan, its acceptance and confirmation, be deemed to be a creditor. The claim of a landlord for injury resulting from the rejection of an unexpired lease of real estate or for damages or indemnity under a covenant contained in such lease shall be treated as a claim ranking on a parity with debts which would be provable under section 63 (a) of this act, in an amount equal to the rent, without acceleration, reserved by said lease for the 3 years next succeeding the date of surrender of the premises to the landlord or the date of reentry of the landlord, whichever first occurs, whether before or after the filing of the petition, plus unpaid rent accrued up to such date of surrender or reentry: *Provided*, That the court shall scrutinize the circumstances of an assignment of future rent claims and the amount of the consideration paid for such assignment in determining the amount of damages allowed assignee hereunder"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows: On page 10, line 23, of the House engrossed copy of the bill, after the word "committee", insert a colon and the following: "*Provided*, That the judge shall scrutinize and may disregard any limitations or provisions of any depositary agreements, trust indentures, committee or other authorizations affecting any creditor acting under this section, and may enforce an accounting thereunder or restrain the exercise of any power, which he finds to be unfair or not consistent with public policy and may limit any claims filed by such committee member or agent, to the actual consideration paid therefor"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment as follows: In line 11, of the Senate engrossed amendment numbered 26, after the word "any", strike out the word "such" and insert in lieu thereof the word "proposed"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment as follows: At the end of the Senate amendment strike out the period and insert a colon and the following: "*Provided, however*, That such personal representative shall first obtain the consent and authority of the court which has assumed jurisdiction of said estate, to invoke the relief provided by said act of March 3, 1933." The first sentence of subdivision (m) of said section 74 is amended to read as follows: "The filing of a debtor's petition or answer seeking relief under this section shall subject the debtor and his property, wherever located, to the exclusive jurisdiction of the court in which the order approving the petition or answer as provided in subdivision (a) is filed, and this shall include property of the debtor in the possession of a trustee under a trust deed or a mortgage, or a receiver, custodian, or other officer of any court in a pending cause, irrespective of the date of appointment of such receiver or other officer, or the date of the institution of such proceedings: *Provided*, That it shall not affect any proceeding in any court in which a final decree has been entered"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment as follows: Strike out the Senate amendment numbered 28 and insert in lieu thereof the following:

"SEC. 3. In the administration of the act of July 1, 1898, entitled 'An act to establish a uniform system of bankruptcy throughout the United States', approved July 1, 1898, as amended, the district court or any judge thereof shall, in its or his discretion, so apportion appointments of receivers and trustees among persons, firms, or corporations, or attorneys therefor, within the district, eligible thereto, as to prevent any person, firm, or corporation from having a monopoly of such appointments within such district. No person shall be appointed as a receiver or trustee who is a near relative of the judge of the court making such appointment. The compensation allowed a receiver or trustee or an attorney for a receiver or trustee shall in no case be excessive or exorbitant, and the court in fixing such compensation shall have in mind the conservation and preservation of the estate of the bankrupt and the interests of the creditors therein."

And the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment as follows: Strike out the Senate amendment numbered 30 and insert in lieu thereof the following: "but the claim of a landlord for injury resulting from the rejection by the trustee of an unexpired lease of real estate or for damages or indemnity under a covenant contained in such lease shall in no event be allowed in an amount exceeding the rent reserved by the lease, without acceleration, for the year next succeeding the date of the surrender of the premises plus an amount equal to the unpaid rent accrued up to said date: *Provided*, That the court shall scrutinize the circumstances of an assignment of future rent claims and the amount of the consideration paid for such assignment in determining the amount of damages allowed assignee hereunder: *Provided, further*, That the provisions of this clause (7) shall apply to estates pending at the time of the enactment of this amendatory act"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment as follows: Strike out the Senate amendment numbered 31 and insert in lieu thereof the following:

"SEC. 7. Proceedings under section 77 of chapter 8, amendment to the act of July 1, 1898, entitled 'An act to establish a uniform system of bankruptcy throughout the United States', as amended, approved March 3, 1933, shall not be grounds for the removal of any cause of action to the United States district court which was not removable before the passage and approval of this section, and any cause of action heretofore removed from a State court on account of this section shall be remanded to the court from which it was removed, and such order of removal vacated."

And the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment as follows: Strike out the Senate amendment numbered 33 and insert in lieu thereof the following:

"SEC. 9. That the second sentence of subdivision (b) of section 75 of the act of July 1, 1898, entitled 'An act to establish a uniform system of bankruptcy throughout the United States', as amended, is amended to read as follows: 'The conciliation commissioner shall receive as compensation for his services, including all expenses, a fee of $25 for each case docketed and submitted to him, to be paid out of the Treasury.'"

And the Senate agree to the same.

HATTON W. SUMNERS,
A. J. MONTAGUE,
TOM D. MCKEOWN,
FRANK OLIVER,
RANDOLPH PERKINS,
Managers on the part of the House.

FREDERICK VAN NUYS,
PAT MCCARRAN,
DANIEL O. HASTINGS,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the bill (H.R. 5884) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The following Senate amendments, to which the House agreed, are formal and merely improve the language of the bill: Amendments 2, 4, 6, 7, 8, 9, 10, 11, 12, 17, 18, 19, 20, 21, 22, 23, 24.

On amendment 1: Amendment 1, as agreed upon by the conferees, makes it possible for a corporation in bankruptcy, either before or after this section becomes effective, to proceed to reorganize under this section.

On amendment 3: The House bill provided that proceedings under this section should be initiated before the court in whose territorial jurisdiction the corporation during the preceding 6 months had had its principal place of business or its principal assets. The Senate amendment provided that in case of controversy as to the principal place of business or the place where the principal assets are located, then the petition could be filed in the territorial jurisdiction in which the corporation was incorporated, provided that the court

could transfer the proceedings to any jurisdiction where the corporation had a substantial portion of its assets if satisfied that the interests of all parties would be better subserved thereby.

The amendment, as agreed upon by the conferees, retains jurisdiction as provided in the House bill and also provides that the petition may be filed in any territorial jurisdiction in the State in which the corporation was incorporated. The court, however, is directed upon petition to transfer such proceedings to the territorial jurisdiction where the interests of all the parties will be best subserved.

On amendment 5: The Senate amendment, to which the House agreed, makes it unnecessary to show that the corporation has committed an act of bankruptcy within 4 months in case a prior proceeding in bankruptcy or an equity receivership is pending at the time proceedings under the reorganization section are initiated.

On amendment 13: Amendment 14, as agreed upon by the conferees, makes unnecessary the language which amendment 13 strikes out. The House therefore receded.

On amendment 14: Under the House bill, executory contracts, including claims for future rent, are made provable claims for the purposes of this section. The Senate amendment limited claims for future rent to an amount equal to the rent reserved by the lease for 1 year.

The amendment agreed to by conference makes any person injured by the rejection of an executory contract or unexpired lease of real estate a creditor for the purposes of this section. The claim of the landlord for injury resulting from loss of future rents is limited to an amount not to exceed the rent reserved by the lease for 3 years next succeeding the date of surrender of the premises or the date of reentry of the landlord, whichever first occurs, plus unpaid rent accrued up to such date of surrender or reentry of the landlord. The court is directed to scrutinize the circumstances of an assignment of future rent claims and the amount of the consideration paid for such assignment in determining the amount of damages to be allowed such assignee.

On amendment 15: The Senate amendment provides that for the purposes of this section a creditor may act by an attorney at law as well as in person, or by duly authorized agent or committee. The House, by the conference amendment, agreed to the Senate amendment providing that a creditor may act by an attorney at law, and also provided that the judge shall scrutinize and may disregard any limitations or provisions of depository agreements which may limit any claims filed by a committee member or agent to the actual consideration which such committee member paid therefor.

On amendment 16: This Senate amendment, to which the House agreed, tolls the running of the statutes of limitations during the pendency of proceedings under this section.

On amendment 25: The House bill provides that the judge may require the trustee or trustees, or if there be no trustee, the debtor, to make any transfer or conveyance necessary to effectuate the plan of reorganization after confirmation.

The Senate amendment, to which the House agreed, includes as parties whom the court may require to make such transfers or conveyances, any mortgagee, the trustee of any obligation of the debtor, and all other proper and necessary parties.

On amendment 26: Senate amendment 26 excepts from the operation of all the provisions of the Securities Act of 1933, except the civil and criminal liability provisions thereof, for fraud or misrepresentation, all securities issued pursuant to any plan of reorganization confirmed by the court and all certificates of deposit representing securities of all claims against the debtor which it is proposed to deal with under the proposed plan.

The House adopted the Senate amendment with a minor alteration of language.

On amendment 27: The Senate amendment amends the section of the Bankruptcy Act dealing with individual debtors which was added to the act by the amendment of March 3, 1933. It provides that such section shall include the personal representative of a deceased individual for the purpose of effecting a settlement or composition with the creditors of the estate.

The conferees agreed to the Senate amendment with the addition of the proviso that such personal representative shall first obtain the consent and authority of the court which has assumed the jurisdiction of said estate. Also the provision is added that the filing of a debtor's petition or answer seeking relief under section 74 shall subject the debtor and his property wherever located to the jurisdiction of the court and that this shall include property in possession of a trustee or receiver irrespective of the date of appointment of such receiver or other officer, provided that this amendment shall not affect any proceeding in any court in which a final decree has been entered.

On amendment 28: This amendment has to do with the prevention of monopolies of receiverships, trusteeships, and appointments as attorney for receiver in any district.

The amendment agreed to by the conferees provides that "the district court or any judge thereof shall in its or his discretion so apportion appointments of receivers and trustees among persons, firms, or corporations, or attorneys therefor, within the district eligible thereto as to prevent any person, firm, or corporation from having a monopoly of such appointments within such district." The appointment of a person as a receiver or trustee who is a near relative of the judge making the appointment is prohibited.

The further provision is made that the compensation allowed the receiver or trustee or his attorney shall in no case be excessive or exorbitant, and the court is directed in fixing such compensation to have in mind the conservation and the preservation of the estate of the bankrupt and the interests of the creditors therein.

On amendment 29: Senate amendment 29 makes judgments for negligence provable claims in bankruptcy. The House agreed to the amendment.

On amendment 30: This amendment has to do with claims for future rent under the general Bankruptcy Act. As agreed upon by the conferees, such claims are permitted to be provable claims, provided that in no event shall a claim for damages be allowed in an amount exceeding the rent reserved by the lease for 1 year after surrender of the premises, plus the unpaid rent accrued to said date. The courts are directed to scrutinize the circumstances of an assignment of future rent claims and the consideration paid therefor in determining the amount of damages to be allowed an assignee. The provisions of this clause are made to apply to estates pending at the time of the enactment of this amendatory act.

On amendment 31: This amendment clarifies the intent of Congress that no cause of action not removable to the Federal court before the enactment of the railroad section of the Bankruptcy Act shall be removable by reason of the enactment of such section.

The House conferees agreed to the Senate amendment with the addition of a further provision requiring the remanding to the courts from which removed all such suits heretofore removed to Federal court.

On amendment 32: Amendment 32 makes mandatory the appointment by the courts of bankruptcy within 30 days after the enactment of this act of a conciliation commissioner in every county having an agricultural population of 500 or more farmers for the administration of the agricultural composition section of the Bankruptcy Act enacted in March 1933. The House agreed to this amendment.

On amendment 33: By the terms of this Senate amendment, the filing fee for farmers under the agricultural composition section is increased from $10 to $25 and the compensation of the conciliation commissioner is raised to $25 for each case filed.

Under the amendment agreed to by the conferees, the compensation for the commissioners is increased to $25 for each case, but the filing fee for farmers is left at $10.

On amendment 34: Amendment 34 amends the subdivision of the agricultural composition section extending the secondary liability in case of an extension granted the prin-

cipal debtor so as to include within its provision those who may have insured, or guaranteed such debts, or bonds issued on the security thereof. The House agreed to the amendment.

HATTON W. SUMNERS,
TOM D. MCKEOWN,
A. J. MONTAGUE,
FRANK OLIVER,
RANDOLPH PERKINS,
Managers on the part of the House.

VETO MESSAGE OF THE PRESIDENT OF THE UNITED STATES—G. C. VANDOVER

The SPEAKER laid before the House the following message from the President of the United States:

To the House of Representatives:

I return herewith, without my approval, House bill No. 4973, entitled "An act for the relief of G. C. Vandover."

The bill authorizes and directs the Secretary of the Treasury to pay to G. C. Vandover out of any money in the Treasury not otherwise appropriated the sum of $2,500 in full settlement of all claims against the Government of the United States for injury sustained by G. C. Vandover who, while acting within his capacity as an employee of State Hospital No. 4, Farmington, Mo., had his right leg shot off by a discharged soldier, then a patient in such hospital.

The circumstances attending the injury to Mr. Vandover were extremely unfortunate and I do not mean to underrate the seriousness of his present condition; but the allowance by the Federal Government of an award to him under the circumstances would create an undesirable precedent which might lead to further claims for injuries incurred by State employees under comparable conditions.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *May 24, 1934.*

The SPEAKER. The objections of the President will be spread upon the Journal.

Mr. BYRNS. Mr. Speaker, I move that the message and the bill be referred to the Committee on Claims.

The motion was agreed to.

H.R. 9459

Mr. BROWN of Kentucky. Mr. Speaker, I ask unanimous consent to file minority views on the bill, H.R. 9459.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

EXTENSION OF REMARKS

Mr. SEARS. Mr. Speaker, I ask unanimous consent to revise and extend my remarks on the Everglades Park bill and to include therein certain references I referred to this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

RULES OF THE JOINT COMMITTEE ON PRINTING

Mr. KELLER. Mr. Speaker, the other day I received unanimous consent to insert in the RECORD two letters from former Senator Robert L. Owen. I did not know anything about the limitations in reference to printing, and about a week later I found out that the letters had been held up because they were too long. May I inquire what I should do about the matter?

The SPEAKER. The Chair is advised that the Joint Committee on Printing has adopted a rule limiting the length of letters to be printed in the RECORD. If they are over two pages they cannot be printed in the RECORD.

MINORITY VIEWS

Mr. BLANTON. Mr. Speaker, will the Chair permit a parliamentary inquiry?

The SPEAKER. The gentleman will state it.

Mr. BLANTON. Where a measure is reported by a committee and goes on the Union Calendar and, of course, is referred for the action of the Committee of the Whole House on the state of the Union, and, of course, ipso facto, every Member of the House is a member of the Committee of the Whole House on the state of the Union, has or has not any Member who is not a member of the committee reporting the bill, a right to file, if he wants to do so, a minority report against such bill?

The SPEAKER. The Chair understands the Member does not have that right, but can do so by unanimous consent.

Mr. BLANTON. That can be done only by unanimous consent?

The SPEAKER. The Chair is so advised.

TO MAKE TEMPLE HILL A NATIONAL SHRINE

Mr. FISH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including some very brief references to Temple Hill, George Washington's headquarters in my district in New York.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FISH. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address of the Reverend A. Elwood Corning, president of National Temple Hill Association, delivered at the forty-third congress, Daughters of the American Revolution, Washington, D.C., April 16, 1934:

Madam President General, members of the Forty-third Congress of the Daughters of the American Revolution: After the military operations at Yorktown were brought to a dramatic close the comparative leisure of camp life was attended with perils as great as any which confronted Washington during the entire Revolution.

The temper of Congress, the depletion of the National Treasury, the limited power in the Articles of Confederation combined tended to discourage the soldier ere he returned to the pursuits of peace, lest at home his petitions would go unredressed and his grievances unrecognized.

In this state of mind, in the fall of 1782, the Continental Army went into their last encampment, 3½ miles to the southwest of the present city of Newburgh, N.Y. Huts were at once erected, ultimately accommodating some eight thousand troops. A large temple for worship was constructed, and in this public building Washington appeared on the 15th of March 1783, to answer the anonymous communications designed to inflame the susceptible feelings of the soldiers and to arouse them to concerted action.

It was indeed a precarious situation; never did Washington face a more difficult task. Taking his place upon the platform, he paused before reading his prepared address, and took from his waistcoat pocket a pair of silver-framed spectacles. As he placed them before his eyes, he said, "You see, gentlemen, that I have not only grown gray, but blind, in your service, but I never doubted the justice of my country."

In this address at Temple Hill, Washington was concerned with the soul of the Nation, and on that day, under his successful leadership, the Republic of America was spiritually reborn.

That Washington recognized the importance of this occasion may well be believed when we note the conclusion of his address: "Had this day been wanting", he said, "the world had never seen the last stage of perfection to which human nature is capable of attaining."

It is to memorialize this great event in the history of our country that the National Temple Hill Association, Inc., has been organized. It is our purpose to restore at least in part this last cantonment of the Continental Army by creating at Temple Hill a national park, in which one of the original huts will be returned to its old site. Replicas of other Revolutionary huts will from time to time be constructed. The temple is to be rebuilt; and thus, by setting apart this historic ground as a patriotic shrine, a deserved tribute, long overdue, will be given to the memory of those who bequeath us a republic.

EXTENSION OF REMARKS

Mr. KVALE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a brief editorial from today's Washington News. The title of the editorial is "Harry Hopkins."

Mr. CARTER of California. Mr. Speaker, I object.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. HEALEY, for several days, on account of illness in his family.

To Mr. CRUMP, for 1 week, on account of important business.

To Mr. STUDLEY, for the balance of the week, on account of death in his family.

HOUR OF MEETING ON MONDAY

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock on Monday next. I do this for the reason that District legislation has been crowded out for a day or two, and this is possibly the last day that will be devoted to District matters, and I think we should have an additional hour, if possible.

Mr. BOILEAU. Mr. Speaker, reserving the right to object, may I ask the majority leader whether or not we are to have a vote on the petition to discharge the Committee on Interstate and Foreign Commerce from further consideration of the 6-hour railroad bill?

Mr. BYRNS. In view of the ruling of the Speaker on a previous occasion, if the information I have received is correct, I take it there will not be, because I understand the Committee on Interstate and Foreign Commerce has reported the bill.

Mr. BOILEAU. With a favorable or unfavorable report?

Mr. BYRNS. I am not advised, but I think the committee reported the measure without recommendation.

Mr. BOILEAU. Am I to understand that this action of the committee taken today deprives the Membership of the right to have a vote on this bill next Monday?

Mr. BYRNS. The Speaker has so ruled. The vote next Monday would be a vote to discharge the committee and, when the committee has discharged itself, I cannot see the logic of having such a vote on Monday.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill and joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 9530. An act granting the consent of Congress to the county of Pierce, a legal subdivision of the State of Washington, to construct, maintain, and operate a toll bridge across Puget Sound, State of Washington, at or near a point commonly known as "The Narrows"; and

H.J.Res. 345. Joint resolution to provide funds to enable the Secretary of Agriculture to carry out the purposes of the acts approved April 21, 1934, and April 7, 1934, relating, respectively, to cotton and to cattle and dairy products, and for other purposes.

BILL PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on May 23, 1934, present to the President, for his approval, a bill of the House of the following title:

H.R. 3673. An act to amend the law relative to citizenship and naturalization, and for other purposes

ADJOURNMENT

Mr. BYRNS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

Accordingly (at 6 o'clock and 30 minutes p.m.) the House adjourned to meet (in accordance with its previous order) on Monday, May 28, 1934, at 11 o'clock a.m.

COMMITTEE HEARING

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(Friday, May 25, 10 a.m.)

Continuation of the hearings on H.R. 9689, to amend the Railway Labor Act.

EXECUTIVE COMMUNICATIONS, ETC.

487. Under clause 2 of rule XXIV, a communication from the President of the United States, transmitting a supplemental estimate of appropriation for participation of the United States in A Century of Progress (the World's Fair Centennial Celebration), to be held at Chicago, Ill., in 1934, amounting to $200,000, together with the unexpended balance of the appropriation for the exposition held at Chicago in 1933, to be immediately available and to remain available until June 30, 1935 (H.Doc. No. 387), was taken from the Speaker's table, referred to the Committee on Appropriations, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. COFFIN: Committee on Military Affairs. H.R. 1729. A bill to create a national memorial military park at and in the vicinity of Kennesaw Mountain, in the State of Georgia, and for other purposes; with amendment (Rept. No. 1758). Referred to the Committee of the Whole House on the state of the Union.

Mr. SMITH of Virginia: Committee on Rules. House Resolution 368. Resolution for the consideration of S. 3404, a bill authorizing loans from the Federal Emergency Administration of Public Works for the construction of certain municipal buildings in the District of Columbia, and for other purposes; without amendment (Rept. No. 1759). Referred to the House Calendar.

Mr. RAYBURN: Committee on Interstate and Foreign Commerce. H.R. 7430. A bill to establish a 6-hour day for employees of carriers engaged in interstate and foreign commerce, and for other purposes; without amendment (Rept. No. 1763). Referred to the Committee of the Whole House on the state of the Union.

Mr. RAYBURN: Committee on Interstate and Foreign Commerce. H.R. 9694. A bill to amend the Emergency Railroad Transportation Act, 1933, approved June 16, 1933; without amendment (Rept. No. 1764). Referred to the Committee of the Whole House on the state of the Union.

Mr. LEA of California: Committee on Interstate and Foreign Commerce. H.R. 9723. A bill to revive and reenact the act entitled "An act authorizing the Bainbridge Island Chamber of Commerce, a corporation, its successors and assigns, to construct, maintain, and operate a bridge across Agate Pass connecting Bainbridge Island with the mainland in Kitsap County, State of Washington; without amendment (Rept. No. 1765). Referred to the House Calendar.

Mr. LEA of California: Committee on Interstate and Foreign Commerce. H.R. 9706. A bill authorizing the Oregon-Washington Bridge Board of Trustees to construct, maintain, and operate a toll bridge across the Columbia River at Astoria, Clatsop County, Oreg.; with amendment (Rept. No. 1766). Referred to the House Calendar.

Mr. CULLEN: Committee on Ways and Means. H.R. 9617. A bill to authorize the reduction of the required distance between liquor distilleries and rectifying plants and to authorize higher fences around distilleries; with amendment (Rept. No. 1768). Referred to the Committee of the Whole House on the state of the Union.

Mr. FADDIS: Committee on Military Affairs. H.R. 9275. A bill to provide for the protection and preservation of domestic sources of tin; without amendment (Rept. No. 1769). Referred to the Committee of the Whole House on the state of the Union.

Mr. GASQUE: Committee on Pensions. H.R. 9705. A bill to amend section 30, title III (veterans' provisions), of Public Law No. 141, Seventy-third Congress, to give the benefits thereof to veterans who enlisted in the United States forces after August 12, 1898, and who served outside the continental limits of the United States; without amendment (Rept. No. 1770). Referred to the Committee of the Whole House on the state of the Union.

Mr. O'BRIEN: Committee on the District of Columbia. H.R. 8517. A bill to provide for needy blind persons of the District of Columbia; with amendment (Rept. No. 1771). Referred to the Committee of the Whole House on the state of the Union.

Mr. DICKSTEIN: Committee on Immigration and Naturalization. H.R. 9725. A bill to authorize the deportation of the habitual criminal, to guard against the separation from their families of aliens of the noncriminal classes, and

for other purposes; without amendment (Rept. No. 1772). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. THOMASON: Committee on Military Affairs. S. 1587. An act to amend an act entitled "An act to recognize the high public service rendered by Maj. Walter Reed and those associated with him in the discovery of the cause and means of transmission of yellow fever", approved February 28, 1929, as amended, by including Roger P. Ames among those honored by said act; without amendment (Rept. No. 1757). Referred to the Committee of the Whole House.

Mrs. GREENWAY: Committee on Indian Affairs. H.R. 986. A bill for the relief of William F. Bourland; with amendment (Rept. No. 1760). Referred to the Committee of the Whole House.

Mr. PALMISANO: Committee on the District of Columbia. S. 1757. An act to amend an act entitled "An act to incorporate the Mount Olivet Cemetery Co. in the District of Columbia"; without amendment (Rept. No. 1761). Referred to the Committee of the Whole House.

Mr. PALMISANO: Committee on the District of Columbia. S. 3442. An act to dissolve the Ellen Wilson Memorial Homes; without amendment (Rept. No. 1762). Referred to the Committee of the Whole House.

Mr. WILLFORD: Committee on War Claims. S. 1690. An act for the relief of the Bowers Southern Dredging Co.; with amendment (Rept. No. 1767). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on World War Veterans' Legislation was discharged from the consideration of the bill (S. 1595) extending the benefits of the Emergency Officers' Retirement Act of May 24, 1928, to provisional officers of the Regular Establishment who served during the World War, and the same was referred to the Committee on Military Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. WILSON: A bill (H.R. 9753) to provide for the relief of farmers in areas suffering actual or potential damages by reason of the execution of the Flood Control Act of May 15, 1923, by the guaranty of payment of principal and interest of loans to be made to landowners in such areas by a Federal land bank, and for other purposes; to the Committee on Agriculture.

By Mr. McCANDLESS: A bill (H.R. 9754) to authorize the Governor of the Territory of Hawaii to appoint and remove certain officers and members of boards without the advice and consent of the senate of said Territory; to the Committee on the Territories.

By Mr. DISNEY: A bill (H.R. 9755) relating to the tribal and individual affairs of the Osage Indians of Oklahoma; to the Committee on Indian Affairs.

By Mr. RANDOLPH: A bill (H.R. 9756) to authorize the establishment and maintenance of an industrial plant at Reedsville, W.Va.; to the Committee on the Post Office and Post Roads.

By Mr. McCORMACK: A bill (H.R. 9757) to reduce the internal-revenue tax on certain distilled spirits; to the Committee on Ways and Means.

By Mr. MOREHEAD: A bill (H.R. 9758) to establish a national park on the Daniel Freeman homestead, in Gage County, Nebr.; to the Committee on Appropriations.

By Mr. DUFFEY: A bill (H.R. 9759) to improve Nationwide housing standards, provide employment, and stimulate industry; to improve conditions with respect to home-mortgage financing; to promote thrift and protect savings; to amend the Federal Home Loan Bank Act; to amend the Federal Reserve Act; and for other purposes; to the Committee on Banking and Currency.

By Mr. WEST of Texas: A bill (H.R. 9760) to provide for the legalizing the residence in the United States of certain classes of aliens; to the Committee on Immigration and Naturalization.

Also, a bill (H.R. 9761) to extend the times for commencing and completing the construction of a bridge across the Rio Grande at Boca Chica, Tex.; to the Committee on Interstate and Foreign Commerce.

By Mr. CANNON of Wisconsin: Resolution (H.Res. 394) abolishing of ambassadorships and ministry; to the Committee on Rules.

By Mr. SMITH of West Virginia: Resolution (H.Res. 395) for the consideration of H.R. 7984; to the Committee on Rules.

By Mr. TRUAX: Resolution (H.Res. 396) providing for the appointment of a select committee of five Members of the House of Representatives to investigate the personnel, conduct, and activities of the National Recovery Review Board; to the Committee on Rules.

By Mr. LEMKE: Joint Resolution (H.J.Res. 356) proposing an amendment to the Constitution of the United States providing for the initiative of legislative measures by electors; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. GLOVER: A bill (H.R. 9762) for the relief of Thomas J. Allen, Jr.; to the Committee on Claims.

By Mr. McDUFFIE: A bill (H.R. 9763) for the relief of R. E. Sutton, Lula G. Sutton, Grace Sutton, and Mary Lou Drinkard; to the Committee on Claims.

By Mr. McMILLAN: A bill (H.R. 9764) granting a pension to Jeannette W. Moffett; to the Committee on Pensions.

By Mr. OWEN: A bill (H.R. 9765) for the relief of the Pike County Nurseries; to the Committee on Claims.

By Mr. REECE: A bill (H.R. 9766) granting a pension to Oscar K. Shell; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

4764. By Mr. BOYLAN: Resolution adopted by the Nativity Council, No. 357, Knights of Columbus, in the city of New York, favoring amendment to section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

4765. Also, letter from the Workers Unemployment Insurance Club, New York City, favoring House bill 7598; to the Committee on Labor.

4766. Also, resolution unanimously adopted by the New York State League of Savings and Loan Associations, New York City, favoring House bill 9620, to provide Nationwide housing standards, etc., in connection with the President's message to Congress on May 14 known as the "Home modernization program"; to the Committee on Banking and Currency.

4767. By Mr. BUCKBEE: Petition of the mayor of the city of South Beloit, Ill., calling upon Congress to appropriate additional funds for the use of the Public Works Administration; to the Committee on Appropriations.

4768. By Mr. GOODWIN: Petition containing the names of 104 members of the Holy Name Society of St. Mary's Church, Kingston, N.Y., urging support of the amendment to section 301 of Senate bill 2910, providing for the insurance of equity of opportunity for educational, religious, agricultural, labor, cooperative, and similar non-profit-making associations seeking licenses for radio broadcasting by incorporating into the statute a provision for the allotment to said nonprofit associations of at least 25 percent of all radio facilities not employed in public use; to the Committee on Merchant Marine, Radio, and Fisheries.

4769. Also, petition of 11 members of the National Woman's Party and League of Women Voters of New York City, urging committee report on House bill 9240; to the Committee on Expenditures in the Executive Departments.

4770. Also, petition signed by 25 substitute postal employees of Albany, N.Y., having served from 4 to 10 years as substitutes, urging immediate hearing and favorable committee report on House bill 6560, for making regular appointments in the post office to fill all existing vacancies; to the Committee on the Post Office and Post Roads.

4771. By Mr. JENKINS of Ohio: Petition signed by 66 employees of the Chesapeake & Ohio Railway, petitioning Members of Congress to vote for Senate bill 3231, commonly called the "railway employees' pension bill"; to the Committee on Interstate and Foreign Commerce.

4772. By Mr. LINDSAY: Petition of Fred F. French Cos., New York City, urging support of House bill 7240 and Senate bill 2471; to the Committee on Banking and Currency.

4773. Also, petition of the Merchants Association of New York, New York City, opposing the rider attached to the bank-deposit guaranty bill by the House Committee on Banking and Currency; to the Committee on Banking and Currency.

4774. Also, petition of Edward J. O'Connor, attorney, New York City, urging amendment to the deposit guaranty bill to read "January 2, 1929", instead of "December 31, 1929"; to the Committee on Banking and Currency.

4775. By Mr. McLEAN: Petition of 166 residents of the Sixth Congressional District of New Jersey, petitioning Congress to restore to Spanish War veterans and their widows and dependents all benefits enjoyed by them as of January 1, 1933; to the Committee on Pensions.

4776. Also, petition containing 97 names, and resolution of the Holy Name Society, Holy Trinity Roman Catholic Church, Westfield, N.J., regarding radio station WLWL and the communications bill; to the Committee on Merchant Marine, Radio, and Fisheries.

4777. Also, petition containing 65 names and resolution of the Holy Name Society of St. Michael's Church, Cranford, N.J., regarding radio station WLWL and the communications bill; to the Committee on Merchant Marine, Radio, and Fisheries.

4778. Also, petition of the United Brotherhood of Carpenters and Joiners of Westfield, United Brotherhood of Carpenters and Joiners of Elizabeth, Central Labor Union of Plainfield and vicinity, Workmen's Sick and Death Benefit Fund of the United States of America, Hillside, all of the State of New Jersey, regarding the Wagner-Lewis unemployment-insurance bill; to the Committee on Labor.

4779. Also, petition of the Metal Polishers', Buffers' and Electro Platers' Union No. 44, of Newark, N.J., regarding the Wagner-Connery Disputes Act; to the Committee on Labor.

4780. By Mr. McLEOD: Petition of approximately 24,506 citizens of Detroit, Mich., forwarded by the Detroit Times, urging the immediate adoption of the McLeod bank depositors' pay-off bill; to the Committee on Banking and Currency.

4781. By Mr. RUDD: Petition of Fred F. French Cos., New York City, favoring the passage of House bill 7240 and Senate bill 2471; to the Committee on Banking and Currency.

4782. Also, petition of Plunkett-Webster Lumber Co., Inc., New Rochelle, N.Y., favoring the passage of House bill 9620, providing for repairing and the improvement of existing homes; to the Committee on Banking and Currency.

4783. Also, petition of the Merchants Association of New York, opposing certain amendment to the bank-deposit guarantee bill; to the Committee on Banking and Currency.

4784. By Mr. TARVER: Petition of 1,000 students of the Georgia State College for Women, Milledgeville, Ga., asking for an increased appropriation to the United States Institute of Health Research; to the Committee on Appropriations.

4785. By the SPEAKER: Petition of members of the St. Francis Holy Name Society of Lodi, N.J., endorsing the proposed amendment to section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

4786. Also, petition of W. W. Stickney and others, of Sacramento, Calif., urging the passage of House bill 9596; to the Committee on Interstate and Foreign Commerce.

4787. Also, petition of the County Donegal Men's Social and Protective Association, Bayonne, N.J., supporting the amendment to section 301 of Senate bill 2910, providing for the insurance of equity of opportunity for non-profit-making associations seeking licenses for radio broadcasting; to the Committee on Merchant Marine, Radio, and Fisheries.

4788. Also, petition of the City Council of the City of Chicago, declaring itself in favor of a ruling which would exempt city purchases from the N.R.A. codes; to the Committee on Ways and Means.

4789. Also, memorial of the Board of Supervisors of the City of San Francisco, Calif., urging the immediate passage by Congress of a bill having for its purpose the immediate redemption of adjusted-compensation certificates for World War veterans; to the Committee on Ways and Means.

SENATE

FRIDAY, MAY 25, 1934

(Legislative day of Thursday, May 10, 1934)

The Senate met at 10:30 o'clock a.m., on the expiration of the recess.

THE JOURNAL

On motion of Mr. ROBINSON of Arkansas, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day, Thursday, May 24, was dispensed with, and the Journal was approved.

MEDALS OF HONOR, ETC., FOR OFFICERS AND MEN OF COAST GUARD

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to place officers and men of the Coast Guard on the same basis as officers and men of the Navy with respect to Medals of Honor, Distinguished Service Medals, and Navy Crosses, which, with the accompanying paper, was referred to the Committee on Commerce.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a resolution adopted by the convention of the National Society, Daughters of the Revolution, favoring the equipping and developing of Reserve Officers' Training Corps units so as to provide for trained and intelligent officer personnel, and the making of adequate appropriations for the Citizens' Military Training Camps and Reserve Officers' Training Corps, which was referred to the Committee on Appropriations.

He also laid before the Senate a resolution adopted by the convention of the National Society, Daughters of the Revolution, protesting against the ratification of the so-called "child-labor amendment" to the Constitution, which was referred to the Committee on the Judiciary.

He also laid before the Senate a resolution adopted by the Council of the City of Portland, Oreg., favoring the passage of the bill (H.R. 7598) to provide for the establishment of unemployment and social insurance, and for other purposes, which was referred to the Committee on Education and Labor.

PROTECTION OF CONSTITUTIONAL SAFEGUARDS

Mr. KEAN. Mr. President, I submit for the RECORD resolutions adopted by the Women's Republican Club of Barnegat, N.J., which they have asked me to put into the RECORD.

The PRESIDING OFFICER. Without objection, the resolutions will be received, lie on the table, and be printed in the RECORD.

The resolutions referred to are as follows:

BARNEGAT, N.J., *May 7, 1934.*

United States Senator HAMILTON F. KEAN,
Washington, D.C.

Whereas the Republican Party, under the leadership of Abraham Lincoln, guided our country through an emergency far greater than the present and saved the Union founded on the Constitution; and

Whereas the chief bulwark of our Union is the full and free functioning of the legislative, judicial, and executive branches of our Government as provided in the Constitution; and

Whereas never before has a President in time of peace demanded from Congress the surrender to him of so many of its prescribed powers in order to experiment with our constitutional safeguards under the guidance of irresponsible advisers; and

Whereas the socialistic trend of the present administration, with its creation of a vast bureaucracy endowed with arbitrary powers, its entry into all spheres of activity by an unparalleled expenditure of Federal funds, has created the greatest menace to individual rights and liberties since the foundation of our country: Therefore be it

Resolved, That the Women's Republican Club of Barnegat and vicinity, recognizing that only the preservation of the Constitution can secure our rights and freedom against the tyranny of personal rule or dictatorship, protests the abdication by Congress of its constitutional powers and duties; protests the establishment, under the guise of an emergency, of a bureaucratic socialism endangering the liberties of our citizens; protests experimenting with remedies which throw to the winds the constitutional safeguards which have brought us through 150 years of our existence as a Nation; and be it further

Resolved, That we commend the courage and patriotism of those legislators in Washington who are publicly raising their voices to warn our citizens to "stop, look, and listen" before they sell their birthright and independence for a "mess of pottage."

Respectfully yours,

ELIZABETH VAN VORST,
Secretary Barnegat Republican Club.

REPORTS OF COMMITTEES

Mr. THOMAS of Oklahoma, from the Committee on Indian Affairs, to which was referred the bill (S. 1948) amending the act entitled "An act authorizing the Court of Claims to hear, determine, and render judgment in the civilization-fund claim of the Osage Nation of Indians against the United States", approved February 6, 1921 (41 Stat. 1097), reported it with an amendment and submitted a report (No. 1163) thereon.

Mr. SCHALL, from the Committee on Indian Affairs, to which was referred the bill (H.R. 4579) for the relief of Dr. Charles T. Granger, reported it without amendment and submitted a report (No. 1161) thereon.

Mr. WHEELER, from the Committee on Indian Affairs, to which was referred the bill (H.R. 5864) to authorize the payment of expenses of delegates of the Yakima Confederated Tribes of Indians while on a mission to represent such tribes before Congress and the executive departments at the seat of government, and for other purposes, reported it without amendment and submitted a report (No. 1180) thereon.

Mr. GIBSON, from the Committee on Claims, to which was referred the bill (S. 3581) to authorize the Comptroller General of the United States to settle and adjust the claim of the Hegeman-Harris Co., reported it with an amendment and submitted a report (No. 1177) thereon.

Mr. STEPHENS, from the Committee on Claims, to which was referred the bill (S. 3656) for the relief of Robert N. Stockton, reported it with amendments and submitted a report (No. 1164) thereon.

He also, from the Committee on Commerce, to which was referred the bill (S. 3676) to provide for a census of unemployment, employment, and occupations to be taken as of November 12, 1934, and for other purposes, reported it without amendment and submitted a report (No. 1165) thereon.

Mr. DILL, from the Committee on Interstate Commerce, to which was referred the bill (S. 3650) to amend the Emergency Railroad Transportation Act, 1933, approved June 16, 1933, reported it without amendment and submitted a report (No. 1166) thereon.

Mr. SMITH, from the Committee on Interstate Commerce, to which was referred the bill (S. 3294) to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Hampton & Branchville R.R. Co., reported it without amendment and submitted a report (No. 1174) thereon.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 3446. An act to authorize the Postmaster General to receive, operate, and to maintain for official purposes motor vehicles seized for violations of the customs laws (Rept. No. 1167);

H.R. 4224. An act to authorize the Postmaster General to hire vehicles from postal employees (Rept. No. 1168);

H.R. 5344. An act granting a franking privilege to Grace G. Coolidge (Rept. No. 1169);

H.R. 7348. An act to amend section 3937 of the Revised Statutes (Rept. No. 1170); and

H.R. 7670. An act relating to conveyance of letters by private hands without compensation, or by special messenger employed for the particular occasion only (Rept. No. 1171).

Mr. HAYDEN, from the Committee on Post Offices and Post Roads, to which was referred the bill (H.R. 8781) to increase employment by authorizing an appropriation to provide for emergency construction of public highways and related projects, and for other purposes, reported it with amendments and submitted a report (No. 1179) thereon.

Mr. SHEPPARD, from the Committee on Military Affairs, to which was referred the bill (S. 3644) to provide for the assignment of a military instructor for the high-school cadets of Washington, D.C., reported it with an amendment and submitted a report (No. 1172) thereon.

Mr. THOMAS of Utah, from the Committee on Military Affairs, to which was referred the bill (S. 2599) for the relief of Francis A. Parry, reported it with amendments and submitted a report (No. 1176) thereon.

Mr. LOGAN, from the Committee on Military Affairs, to which was referred the joint resolution (H.J.Res. 341) authorizing an appropriation for the participation of the United States in the International Celebration at Fort Niagara, N.Y., reported it without amendment and submitted a report (No. 1178) thereon.

Mr. FRAZIER, from the Committee on Mines and Mining, to which was referred the bill (S. 3182) to provide for the purchase of the surplus copper, heretofore mined and processed in the United States, reported it with amendments and submitted a report (No. 1173) thereon.

Mr. WALSH, from the Committee on Naval Affairs, to which was referred the bill (H.R. 6803) to regulate the distribution, promotion, retirement, and discharge of commissioned officers of the Marine Corps, and for other purposes, reported it without amendment and submitted a report (No. 1175) thereon.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SHEPPARD:

A bill (S. 3678) for the relief of Miles Thomas Barrett; to the Committee on Military Affairs.

By Mr. STEPHENS:

A bill (S. 3679) to place officers and men of the Coast Guard on the same basis as officers and men of the Navy with respect to Medals of Honor, Distinguished Service Medals, and Navy Crosses; to the Committee on Commerce.

By Mr. COPELAND:

A bill (S. 3680) to provide for the taxation of manufacturers, importers, and dealers in small firearms and machine guns, to tax the sale or other disposal of such weapons, and to restrict importation and regulate interstate transportation thereof; to the Committee on Commerce.

By Mr. McKELLAR:

A bill (S. 3681) to create an establishment to be known as the "National Archives", and for other purposes; to the Committee on the Library.

A bill (S. 3682) authorizing the appointment and retirement of William H. Kyle as a major, United States Army; to the Committee on Military Affairs.

By Mr. THOMAS of Oklahoma:

A bill (S. 3683) to amend the act of June 19, 1930 (46 Stat. 788), entitled "An act providing for the sale of the remainder of the coal and asphalt deposits in the segregated mineral land in the Choctaw and Chickasaw Nations, Oklahoma, and for other purposes; to the Committee on Indian Affairs.

By Mr. WAGNER:

A bill (S. 3684) to provide for the establishment of a national monument on the site of Fort Stanwix, in the State of New York; to the Committee on Public Lands and Surveys.

By Mr. DICKINSON:

A bill (S. 3685) granting a pension to Celia K. Crow; to the Committee on Pensions.

By Mr. McKELLAR:

A bill (S. 3686) repealing the act of February 28, 1927, governing inland waterways; to the Committee on Commerce.

RECIPROCAL-TARIFF AGREEMENTS—AMENDMENTS

Mr. JOHNSON and Mr. OVERTON each submitted an amendment intended to be proposed by them, respectively, to the bill (H.R. 8687) to amend the Tariff Act of 1930, which were ordered to lie on the table and to be printed.

ADJUSTMENT OF TIMBER CONTRACTS IN NATIONAL FORESTS—AMENDMENT

Mr. POPE submitted an amendment to be proposed by him to the bill (S. 2856) authorizing the adjustment of existing contracts for the sale of timber on the national forests, and for other purposes, which was referred to the Committee on Agriculture and Forestry and ordered to be printed.

CENSORSHIP OF THE PRESS

Mr. SCHALL. Mr. President, I wish to submit a resolution, and in connection with it I ask the clerk to read a short statement and also to read the resolution.

The PRESIDING OFFICER. Without objection, the clerk will read, as requested.

The legislative clerk read as follows:

Mr. SCHALL. Mr. President, at least five attempts have been made within the past year to force censorship on the press of the United States. A free press is the foundation of liberty, and without it we become an absolute monarchy.

As a Senator of the United States I do not propose to sit here and permit, if I can in any way avoid it, such a thing being done. Gagging the press cannot in any fashion be construed as a recovery measure. If the new deal stands for censorship, then it is not new in the slightest. It is the same old game used by persons who would be king. It does not belong in the United States, and it must not be tolerated.

The President has attempted to explain away the attempts of his subordinates to muzzle the press, but to me and to many others here his protests mean nothing. His appointees would not dare, nor his legislative leaders presume, to enact such measures unless they believed there was an acquiescence on his part.

In my determination to do everything I can to prevent such action, I am submitting a resolution providing for the appointment of a committee whose duty it will be to make sure that no persons high or low in the bureaucracy ruling Washington shall be permitted to stamp out the people's rights.

The legislative clerk read the resolution submitted by Mr. SCHALL (S.Res. 243), as follows:

Whereas it is stated in the public press that various attempts have been made to prevent the press and the public from securing full knowledge of all public records and acts of the heads of various Government bureaus; and

Whereas such acts constitute censorship of the press which is in violation of the Constitution of the United States; and

Whereas it is in the public interest to prevent any further encroachment on the rights of the press and the public: Therefore, be it

Resolved, That the Senate proceed to investigate these conditions and appoint a committee of five Senators who shall hold public hearings, call upon Government departments for information, and, when necessary, subpena witnesses to the following end:

1. To investigate if any department at the present time has ordered censorship of any or all records which are rightfully public property.

2. To determine if any merchant advertiser has been threatened with Government prosecution because of any advertisement in any publication opposed to this method of censorship.

3. To lay before the American people any and all acts which might result in a censorship of the press of the United States in violation of the Constitution.

4. To ascertain if the telegraph code of the National Industrial Recovery Act may be used to censor press dispatches or to cause financial loss to newspapers by forcing them to pay higher toll rates.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions and recesses of the Senate in the Seventy-third Congress and subsequent Congresses until a final report shall be made, to employ such legal and clerical and other assistants, to require by subpena or otherwise the attendance of such witnesses, and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $20,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

Mr. LEWIS. Mr. President, the resolution tendered by the able Senator from Minnesota [Mr. SCHALL] recounts as existing facts matters which may be wholly misleading, the able Senator from Minnesota naturally being rightfully led by what he hears. The alleged facts upon which the resolution is based should be first ascertained, and I must move that the resolution be referred to such committee as, under the rules of the Senate, may be appropriate.

Mr. SCHALL. Mr. President, I understand the Senator requests that the resolution be referred to the appropriate committee?

The VICE PRESIDENT. That is the request of the Senator from Illinois, and the resolution will be referred to the Committee on the Judiciary.

SIXTH PAN AMERICAN CONFERENCE—ADDRESSES BY MISS DORIS STEVENS AND DR. JAMES BROWN SCOTT

Mr. THOMAS of Utah. Mr. President, I ask unanimous consent to have published in the RECORD an address delivered by Miss Doris Stevens before the special plenary session of the Sixth Pan American Conference in Habana, Cuba, February 7, 1934.

The address is timely now because of the fact that the Senate yesterday ratified the Equal Nationality Treaty, and also because the President of the United States yesterday signed the law dealing with this subject.

It is timely, essential, and almost poetic that the treaty and the law were acted upon the same day. These actions mark a great victory in the history of the development of women's rights.

And for the same reasons I ask, further, that the address of Dr. James Brown Scott, delivered before the biennial convention of the National Woman's Party in Wilmington, Del., on November 4, 1933, be also inserted in the RECORD.

ADDRESS OF MISS DORIS STEVENS MADE BEFORE A SPECIAL PLENARY SESSION OF THE SIXTH PAN AMERICAN CONFERENCE FEBRUARY 7, 1928, HABANA, CUBA

Honorable delegates, we are met together on a great historic occasion. This is the first time in the history of the world that women are come before an international body to plead for treaty action on their rights.

We are met in this beautiful hall already consecrated to new ideals of Pan Americanism. I ask you to look well at the moving tapestries which hang on these walls. Twenty-one medallions represent the 21 republics assembled here today. What is the artist's conception of each republic? It is a very simple concept. The splendid figures of two human beings, man and woman. The artist is right. That, in the last analysis, is all there is to a state: man and woman.

Behind us is another moving concept of the artist. Where a crown once symbolized autocratic authority, you now have substituted a golden Western Hemisphere ablaze with light. The torch of freedom lights the golden replica of this hemisphere.

We could not, if we had searched far and wide, have found more beautiful and appropriate symbols to the subject matter on which we address you today. These are the symbols of a new world, of a new hemisphere—with new ideals as to that most important of all human relationships—the relationship between man and woman. Humanly stated, our thesis today is Man and Woman, the Ultimate Power in the World.

You have it in your power to make these symbols come alive. You can, here and now, if you will, take decisive action toward making men and women equal before the law in this hemisphere. We are in the hands of a friendly body. You have already declared unanimously your belief that men and women should be equal before the law. Today we propose a method of obtaining that equality.

Great laws are born of deep convictions. They are not made by technicians.

It is our deep convictions that we bring you today. But that is not all we bring you. We stand ready to work with you, as eminent jurists, through your appointed commission, to hasten the procedure of our proposal. For we do not come before you unprepared. We have studied carefully the merits of our proposal. And since with rare exception men cannot feel as we do, the sting of belonging to a group which is classed as inferior, we ask to be allowed authoritative power—not as auxiliaries but as colleagues—to consult between this conference and the next

with the subcommission assigned to study the abolition of the present discriminations against women or until that legal subjection of women is abolished in the Americas. We shall not fold our standards until this subjection is removed. You might better act wisely and justly immediately on what you will only have eventually to do.

Since the beginning of time men, with the best of intentions, no doubt, have been writing laws for our good. Since the beginning of time brave and valiant women have been abolishing these same laws written for our good.

There is no limit to what man wishes to do for our good. Last week press dispatches from the United States carried the news that a husband and father had killed his wife, the mother of his children, and the children. When questioned as to his motives, he replied that he did it for their good!

The Associated Press dispatch reported from a seaport in Algeria last week also another example of man's desire to protect woman for her good. For the Mohammedan women's good, custom does not permit them to bathe at the same time as men. Five women were drowned when the bathhouse collapsed, while men were getting up their courage to break the man-made custom and enter the building reserved that day for women bathers.

This, in the realm of custom, is the logical if absurd outcome of the iniquity of one code of conduct for women and another for men.

Is it any wonder that enlightened women are in revolt today against acts done for their good? We want no more laws written for our good and without our consent. We must have the right to direct our own destiny jointly with you.

For, you see, no man, no group of men, no government, no nation, no group of nations ever had the right to withhold from us the rights we ask today. We ask to have restored rights which have been usurped. These are our human rights.

From the year 1846, when the code of Estevan de Ferrater of Barcelona was proposed, to the year 1928, eminent men from all corners of the earth have drafted and proposed codes of international law embracing, among many subjects, articles relating to the status of women. They have, however, been preeminently codes for men. A study of these codes shows at first a few articles concerning the status of women appearing. Each proposed article on the status of women reflects the then existing backward social position she held. More and more points on the status of women, it is true, have been included in these codes through the intervening years, although no code has been proposed giving women equality with men. Are we to permit to grow this vast network of one code for men with special articles inserted for women? If there were no free choice, it is conceivable that in 200 years we might see our bookshelves staggering under the weight of a double stock of law books, heavy with special codes for women and special codes for men. It is even conceivable that in 200 years a point would be reached where the codes for men and the codes for women might become identical. But we are not condemned to take any risk. We can exercise free choice. We can stop this method of codification and begin to write now international law for all human beings irrespective of sex.

Another danger which attends waiting upon evolution lies in the fact that there is no marked tendency to take the most advanced law regarding women on each point. Though eminent jurists advocate and propose what they call "progressive codification", it is not found to be so for women. The most distinguished jurists agree that codification should be a rehabilitation of law, and even a creation of new laws when public opinion demands it.

Furthermore, when public opinion demands it, newer and speedier methods are taken to reach a goal.

We have chosen the road we propose to travel. That right at least cannot be denied us today.

It is fitting that the American Continent should be the first union of republics to be asked for an equal rights treaty. The demand for women's rights was born on this continent. Abigail Adams was, so far as we know, the first woman in modern history to write to her husband, John Adams, when the United States' Constitution was being formed after our War of Independence: "While you are writing this new Constitution, I pray you, do not forget the ladies. If you do, we shall foment a hot rebellion." Again, it was in 1848 in the United States of America that our great pioneers called a congress and wrote a stirring declaration of our rights. This agitation continued until our Civil War in 1861. Again, the women demanded their rights at the same time that they demanded freedom for the black slaves. The slaves were freed. The women were not. It was not until 1920 that the political rights of women were written into our Constitution.

It is not in our traditions to be content with what we have gained. It is not in our traditions to be laggards of liberty. The impulse to gather together our power and push on more rapidly is strong in us.

We have chosen the treaty method because it is the most dignified. It is the easiest. It is the most permanent. It will not only abolish existing national and international inequalities; it will prevent new ones from being written. And lastly it obviates a cruel waste of energy. For we ought never be compelled to appeal for our rights to the most backward opinion in any State. Our appeal to the most select, the most cultivated, the most imaginative men in the world, should be welcomed, approved, and answered in this most dignified method.

Some will tell us that rights of women lie exclusively in the domain of domestic law. This is purely a matter of opinion.

The extension of what was formerly considered purely domestic law into the domain of international law has been the most distinctive feature of legal history in the last quarter of a century. There is every reason to believe that international action will expand to embrace more and more all the acts of humankind. Global action may come in the future. Our proposal lies in the current of our time. You may delay it. You cannot stop it. We want to accelerate it.

Timid souls may say this has never been done. That answer does not move us. All compelling history of the world has been made by those who dared to establish great precedents, who adventured in unknown paths, who led the way. The men who follow are never remembered—it is those who lead, who direct the current of civilization.

There will be those who say: "Woman's rights are not a fit subject for treaty action." To this we answer: "Discriminations against women have already been made the subject of action by convention by certain of the Americas and amongst European nations through the League of Nations. If discriminations against us as women on the sole ground of sex can be made the subject of international conventions, so can our rights.

Let us examine the treaty-making power of my own country. The treaty-making power of the United States is granted in the Constitution without any express limitation as to the subject matter of the treaty. Limitations on the subject matter are only implied. They are undefined and not judicially determined. Since no treaty has ever been held unconstitutional by any court in the United States—Federal or State—it cannot be given as more than a matter of opinion (not law) that the subject matter of our treaty would be so held. Everything written on the point of what is and what is not fit subject for treaty action—and there has been a mass of opinion—is purely academic. It is obiter dicta. The best thought is that restraints on the treaty-making power ought to exist only in the concrete—not in the abstract.

Charles Henry Butler goes so far as to say that "it is still an undecided question whether the judicial department of the court has the power either to declare void a treaty made and ratified according to constitutional method, or to declare that the executive and legislative departments of the Government exceeded the power vested in them by the people." (See Charles Henry Butler, The Treaty-Making Power of the United States, vol. II, pp. 351–363. Also Woolsey, International Law, item 103, p. 160, 6 ed.; also *Ware* v. *Hylton*, U.S. Sup. Court 1796, 3 Dall. 199.)

Regarding the supremacy of a treaty over a conflicting State law, eminent jurists disagree. Time permitting, we could cite you opinions on each side of this controversy with the balance of modern opinion, perhaps, on the side of the supremacy of the National Government. "The very words of our Constitution imply that some treaties will be made in contravention of the laws of the State, whether the legislative authority under which they are passed is concurrent with that of Congress or exclusive of that of Congress", says that eminent jurist Elihu Root. (Address made by Elihu Root at first annual meeting of the American Society of International Law * * * American Journal of International Law, vol. I, pp. 278–283, April 1907.

Finally, your distinguished member, His Excellency Orestes Ferrara, said in his report on Treaties to the Commission on Public International Law last week—in reference to the code of public international law drawn up by the conference of jurists at Rio de Janeiro, April 1927:

"In not a single clause has limitation as to the content of treaties been defined. * * * The will of contracting parties (to a treaty) has been left in complete and absolute liberty."

We therefore offer you a treaty which we believe the United States Government and other governments of Pan America are fully empowered to enter into. Legal interpretations may offer barriers. The United States Constitution states none.

Men may differ as to their willingness to accept the rights of women as proper subject matter for treaty action. To persuade them to our point of view is the task we have undertaken.

We can only touch upon these points here.

We shall hope to discuss them exhaustively with the commission appointed to study equal rights for women.

Our proposed method of establishing equal rights is not as revolutionary as you might think—revolutionary in thought, perhaps, but not in international procedure.

At the first conference of the International Labor Office of the League of Nations (Washington, 1919) 3 out of 7 conventions were written for women workers on the ground of sex. The second conference (Genoa, 1920) wrote conventions applying to both sexes (adults and children). At the third conference (Geneva, 1921) more conventions were written for both sexes among adults and children. In 1927 (Geneva) the same office wrote conventions on sickness insurance for workers of both sexes.

These are but a few of many examples which prove two things. Jurists have written conventions making men and women equal before international law. There is no fixed policy, except as there is the general evasion of accepting the idea of laws for human beings. Some of the conventions are for women and children of one sex. Some are for women and children of both sexes. Some are for men and women. The result is not only an appalling hodge-podge; it is manifestly stupid and unfair to both adults and children.

How much simpler it would be to take our clear and decisive method! The result would be one body of conventions for adult men and women, and another for children of both sexes. There could then be a housecleaning of all the useless conventions based on the arbitrary factor of sex.

Conventions have been proposed and ratified regulating the hours of work of women, regulating the time of day when women shall work—as was done by the Convention of the International Conference at Berne in 1906; as was done by the Convention for the Unification of Protective Laws for Workmen and Laborers, signed February 7, 1923, by Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica. For example, Article I of this convention signed by the five Central American countries stipulates the time of day wherein women shall be permitted to work. Will you tell us this can be done and, at the same time, tell us that a treaty shall not be negotiated enabling adult women to choose their own times of work and their own occupations, which our treaty would enable them to do?

Again, will you tell us that the League of Nations (1921 Convention for Prevention of Traffic in Women and Children) can propose a convention for the suppression of the traffic in women, which convention is to date signed by more than 35 countries in the world, and in the same breath tell us that a treaty cannot be negotiated for other women? Must we become sex slaves before we can be judged fit subjects for action by convention? International action was not taken on this shameful traffic primarily because women are sold and transported from one country to another. You know as well as we do that that international convention was written because the moral conscience of the world demanded it.

May I say, in passing, that it is our firm belief that if women were not held in contempt before the law, were not held socially inferior and cheap in the eyes of society, this traffic would never exist. Unconventionality, yes, but not traffic in women. It is our firm belief that so swiftly as you make us your equals, so swiftly will your international conventions written on this subject fall into disuse because they will not be necessary.

We find, then, that international conventions are in operation affecting the following groups of women:

1. Women who work by day.
2. Women who work by night.
3. Women who are trafficked in.
4. Women before and after childbirth.
5. Women who are ill.

And proposed for—

6. Women who marry aliens.

Is it not folly to continue on this piecemeal path? Leave aside for a moment the justice of our claim. Leave aside all legal procedure, which is not always synonymous with common sense. Does not plain, homely common sense compel you to embrace by treaty action now the rights of all women and scrap all this idiotic segregation of women in conventions? Does not wisdom call to you to save yourselves and ourselves from further bulky, cumbersome, unjust international action? We hope so.

Some of the delegates have advised us not to propose an equal rights treaty at this time. "This treaty will call up legal and juridical difficulties, and you will be defeated." Our answer to this is, gentlemen, that if you find our proposal difficult, that is your misfortune. If statesmen avoid all questions because they are difficult, nothing vital will ever be accomplished. The first requisite is to agree on the broad, general principle of equality between men and women set forth in the proposed treaty; and if your heart is in that agreement, your intelligence will settle the technical difficulties. On the point of defeat, this must be said: A defeat of the treaty will be your defeat, not ours.

There is another point we should like to call to your attention. Since working with this conference, we have heard the opinion expressed—I regret to say, by one of our compatriots—that equal rights may be all right for the women of North America but that the women of Latin America are not yet ready for them. We women resent and disbelieve in any hint of sectional superiority. It may be that there is a hope implied that, although we women of North America may be out of hand, the women of Latin America may still be kept under legal subjection. We do not believe that the men of North America are called upon to be the tender protectors of the women of Latin America.

We do not look with approval upon this attempt to divide women. Our subjection is world-wide. The abolition of our subjection will be accomplished by world-wide solidarity of women. Furthermore, we have not noticed that the men of the northern and the southern Americas are reluctant to unite in Pan Americanism because there may exist different customs, differing attitudes of mind toward your mutual problems. The unwarranted presumption is again: One code of conduct for women, another for men.

We bear witness today before you to the growing solidarity among the women of the Americas.

This conference will long be remembered by what it does here for the women of the Americas. Nothing you gentlemen will do during this conference will be of such far-reaching importance as the action you will take toward the liberty of women. Nothing will so distinguish you for all time as to abandon at once all separate codes of law for men and women and to substitute in their place the great principle making women equal with men before the law.

We want to be your peers, your comrades, your helpmates, your partners in the great adventure of life. These we shall be in a properly civilized society. You can hasten that day.

So long as inequality before the law exists between men and women, less is expected of women by men. Less is expected by women of themselves. This in turn affects our whole body of opinion, our whole culture. Less courage, less balance in judgment, a lower standard of public spirit, an indifference in international cooperation. This is the reward of inequality. This is a menace to men as well as to women. To expect less is to receive less. We stand ready to give all our abilities to society, not our limited, restricted abilities. Do you want less?

Will you welcome the opportunity, or will you hesitate? Will you condemn us further to the ignoble, unworthy, unlovely procedure of begging every laggard in our hemisphere to concur before action is taken, or will you men whom we choose to call our intellectual equals release us by your acts?

We ask for immediate recommendation by the conference of the proposed equal-rights treaty, a tentative draft of which we now present to you. This treaty—"the contracting States agree that upon the ratification of this treaty men and women shall have equal rights throughout the territory subject to their respective jurisdictions"—was drawn up by Alice Paul, of the United States, beloved feminist leader and distinguished scholar of international law.

We have told you what we want. The rest is up to you. Who will be the first country to dare to trust its women with that degree of equality which will come through the negotiation of the treaty? Which country among you will claim this honor?

Pan Americanism will move a swifter, lovelier, more rhythmic pace, if men and women run together.

EQUALITY TRIUMPHS—ADDRESS DELIVERED BEFORE THE BIENNIAL CONVENTION OF THE NATIONAL WOMAN'S PARTY IN WILMINGTON, DEL., ON NOVEMBER 4, 1933, BY JAMES BROWN SCOTT, PRESIDENT OF THE AMERICAN SOCIETY OF INTERNATIONAL LAW AND OF THE AMERICAN INSTITUTE OF INTERNATIONAL LAW

The race is not to them that's got
The longest legs to run,
Nor the battel to that peopel
That shoots the biggest gun.

These were the lines—a profane version of the Scripture which found favor with the indomitable Texas brigade—that rang out under the Stars and Bars in the darkness of a fatal April night, when for the last time the Army of Northern Virginia was to tempt its fortune.

In the "battel" waged by the National Woman's Party there is no last time. It is lining up for Montevideo, where, in the seventh of the conferences of the American States, the Inter American Commission of Women will give battle with the representatives of the 21 American Republics in conference assembled.

Now, what is this Inter American Commission? How did it come into being? What is its purpose and how is it being accomplished?

The Inter American Commission, as I am sure you know, consists of a representative woman appointed by the governments of each of the American Republics for the purpose of studying and reporting to the seventh of the Pan American Conferences on the political and civil rights of women in the Americas. It is an official body, representing each of the 21 American republics. The representative of the United States is Miss Stevens, and she is also its chairman. The commission is, I repeat, an official body, and as such installed, and properly so, in the Palace of the Americas in Washington.

It is a creation of the National Woman's Party—that is to say, the National Woman's Party caused its creation by their presence in force at the sixth of the Conferences of the American States, held in Habana in the early months of the fateful year 1928.

On that occasion a special and plenary session of the conference was held, in order that the delegates to the conference might learn from the women themselves their views as to civil and political rights which the delegates of the American States, more fortunate than the women, possessed as of right.

On that occasion Miss Stevens stated the women's case in what appear to me—if I may speak in my proper person—to be unanswerable terms. They were assuredly persuasive terms, because 11 days later—to be exact, on the 18th day of February—the conference in plenary session resolved that an Inter American Commission should be constituted and that such commission should be composed of a representative from every republic of America, the purpose of the commission so constituted being "to enable the Seventh International Conference of American States to take up the consideration of the civil and political equality of women in the continent."

Exactly 10 years ago the question was first bruited in the Fifth Conference of the American States meeting in Santiago de Chile, and it was then recommended to the governing board of the Pan American Union that it should include in the program of future conferences the study of "the means of abolishing the constitutional and legal incapacities of women, to the end that the women should secure the same civil and political rights enjoyed by men."

The Fifth Pan American Conference further recommended that a memoir on the position of women, as determined by the laws and constitutions of each of the American republics, should be prepared "in order that the same may be communicated to the governments and to the governing board of the Pan American Union, to serve as a basis for investigation."

A further recommendation was made that women "be included on the delegations" in order that they might participate in the work of further conferences.

For the moment, however, the recommendations fell on deaf ears; and had it not been for the insistence of the National Woman's Party, we question whether the topic would have made its appearance, even informally, at the Habana Conference. But I am happy to be able to say that the studies which the men had neglected have been made by the Inter-American Commission of

Women and will be contained in the report to be made by its chairman to the approaching conference.

The question, therefore, is no longer a mere abstraction; it is concrete in the highest sense of the word. The task of the women has been splendidly performed. Every code and every law of every Latin-American republic has been examined, analyzed, and digested and will be laid by Miss Stevens before the conference at Montevideo. What the men have failed to do, the women have done!

To those who would have us believe that we are not making progress toward equality of right in human relationships, it is only necessary to state the past and compare it with the present—to compare the situation a century or more ago with the situation today and to appreciate the state of mind which is bound, if the lessons of history mean anything, to bring about a different and better future.

Nobody would deny the intelligence of Bonaparte, although many there be who lament the use that he made of it. We happen to have his ideas on the woman question. In a conversation at St. Helena, where he was freer than ever he had been to form at leisure his opinions on a variety of topics, he proceeded, having failed with the men, to put woman in her proper place. She was an inferior being, exclusively made for the pleasure of man, and the pleasure in the Corsican's view was material, and, may I add, unspeakable in any gathering of cultured people. Human in form, the woman was to him an animal in fact. Fortunately the Corsican and all his ways are but a memory.

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In the Americas, too, there are unhappy memories. In the time of some persons still living, African slavery existed in the United States, and it only ceased to exist in Brazil when I was a student in a New England college.

What is the situation today? In many countries women possess the right of suffrage. By virtue of the nineteenth amendment to the Constitution of the United States, for which, I am happy to say, the Woman's Party was finally responsible, women today have the right of suffrage throughout the American commonwealth. And a few years hence people will look back and wonder how it could ever have been otherwise; for suffrage, is it not, as Archimedes might say, a lever long enough to move the world?

Scientific societies and associations, as well as enlightened governments, are interested in the equality of men and women. The most influential of scientific bodies in the domain of international law is the Institute of International Law, founded in 1873 at Ghent, by a small group of forward-looking men of different nationalities. Since then it has increased in number and at its meetings, held every year or two, there are internationalists of as many as 20 to 30 countries present. It is, therefore, not only international in name but international in fact. It is a private organization having the respect of governments, but no official connection with them. Its resolutions, by the care with which they are drafted, nevertheless, embody the views of governments expressed through their nationals and accepted by the world at large to such an extent that international conferences dealing with phases of international law find sure and safe guides in the resolutions of this private organization; and, because of reliance upon these resolutions, the conferences influenced by them are successful.

In 1929 the Institute of International Law held its first meeting in the United States in Briarcliff Manor, overlooking the Hudson, and in a setting rich with historic incident and literary memories. Whether influenced by the Statue of Liberty as they entered the harbor or affected by the drowsy atmosphere of Sleepy Hollow, the members adopted a declaration of the international rights of man ("man" being used in the sense of human beings), a declaration which is abreast of the present and divines the future. I cannot do better than lift a few of its phrases here and there. By the first article the state is obliged to recognize in each and every individual an equal right to life, to liberty, and to property and the equal protection of that right, without distinction of nationality or sex or religion. The fourth article assures to us, without distinction of sex or race or language or religion, the enjoyment of private and public rights, specifying particularly admission to educational institutions and the exercise of the various economic professions and industries.

A few years later the same institute, at its session in the summer of 1932 at Oslo, the capital of Norway, recognized the right of the woman upon marriage to preserve her own nationality, and to be unaffected by the subsequent change of nationality on the part of her husband. This was an unexpected and a precious confirmation of the program for which the National Woman's Party stands.

Now, imitation is, we all know, the sincerest flattery. A few years ago the American Institute of International Law, a continental instead of a world institute, composed of 5 publicists from each of the 21 American Republics (we hope that Canadian publicists will find their way to us shortly), through the governing board, on two occasions expressed itself unanimously in favor of two important, indeed, epoch-making, projects relating to equal nationality and equality in all political and civil relationships. The first of these is of but three lines:

"The contracting parties agree that from the going into effect of this treaty there shall be no distinction based on sex in their law and practice relating to nationality."

The second is also of but three lines:

"The contracting states agree that upon the ratification of this treaty men and women shall have equal rights throughout the territory subject to their respective jurisdictions."

Now, these two projects are none other than the projects of the National Woman's Party, and they were adopted as such; the first drafted by Miss Stevens, the second by Miss Paul.

In addition, a committee of the American Institute has been appointed by its governing board to cooperate with the Inter-American Commission.

These proclamations adopted by the two institutes of international law are as fundamental for equality as equality is for democracy. We do not need to argue the matter. President Lincoln has done it for us, as it were, in advance, and in a very classic form: "As I would not be a slave, so I would not be a master. This expresses", he continued, "my idea of democracy. Whatever differs from this, to the extent of the difference, is no democracy."

In the address which Miss Stevens delivered at Habana at the plenary session of the Sixth International Conference of American States in 1928 she presented the draft of a treaty on the equal rights of men and women, which in the same terms will be presented by her at Montevideo, and the draft, as I have already remarked, has been approved unanimously on two separate occasions by the American Institute of International Law. She will also present the draft on equal nationality, likewise adopted on two occasions by the American Institute; and both of these documents, I need hardly remind you, were adopted by the Inter American Commission of Women.

Therefore we have these two epoch-making projects approved by a private organization composed of representative American publicists and by an official commission composed of representative women of the Americas. Their adoption by the conference at Montevideo would, I veritably believe, dedicate the republics of the vast American Continent to equality, as they are already dedicated to liberty.

There can be no doubt that a treaty embodying one or other or both of the projects would introduce equality in nationality as well as in civil and political rights; for the contracting parties bind themselves by the treaty to pass whatever legislation may be needed to carry into effect its provisions. This I have not hitherto mentioned, as it seems to be self-evident; otherwise—why a treaty?

It is stated, however, from time to time that a treaty is unconstitutional if it be in conflict with the terms of our Constitution. This, of course, depends upon the relation of international law to national law. If municipal law, to use a more familiar expression—and what is a constitution but municipal law?—be in conflict with the treaty, the national or municipal law must yield to the law international, in that the law of the international community is, and must be, superior to the laws of its component parts, meaning the civilized States of the world, on the theory, in simplest mathematical terms, that the whole is greater than any of its parts.

I would not have you believe, however, that I have based these statements on mere theories, even if they be mathematical theorems.

We have had instances from time to time in which the Government of the United States has maintained that the remedy for injury to foreigners is to be had in State courts, as the Federal Government is without jurisdiction in such internal matters. This is an answer, but an unacceptable answer, to the foreign nations insisting upon the rule of international law that its citizens or subjects in a foreign country must be protected in their rights to life, liberty, and property; and to the answer that our Constitution does not permit the Federal Government to intervene, the foreign country invariably replies, and rightly, that if our form of government does not permit compliance with the rule of international law, we must change our government to bring it in harmony with the law of nations. In the end our Government generally saves its face, so to speak, by according reparation "as an act of grace." Is not the act of grace, however, a recognition of a duty and, therefore, an implied recognition of the international obligation?

There are two answers to this American constitutional doctrine. One is—speaking of the United States—that of the Constitution itself: That "all treaties made, or which shall be made, under the authority of the United States, shall be the supreme law of the land." It may be, however, and it has been, objected that certain treaties infringe upon what are called the reserved rights of the States of our own Republic. A second and final answer, therefore, is that while treaties of the United States with foreign powers often affect the so-called "reserved rights" of the States, nevertheless such treaties are held constitutional by the Supreme Court of the United States, the most notable instance being the recent case of *Missouri* v. *Holland*, decided in 1920 (252 U.S. 416), on the question of rights over migratory birds—rights which, without the provision of the treaty, would have been considered as reserved to the States.

But what, it may be asked, have migratory birds to do with the civil and political rights of women? As in the case of birds of passage, these laws affecting women are made by the many States. An act of Congress alone could neither abrogate nor change these laws. But what an act of Congress cannot do without a treaty it may do by a treaty, which is the supreme law of the land to the President, to the Congress, and to the Supreme Court of the United States. And it may safely be asserted that in every country which makes a pretense to civilization, a rule of international law, whether in the form of a custom or in the form of a treaty, takes precedence of the national law; otherwise there would be anarchy instead of law between nations.

We should confess our faith in equality of right, not only in nationality and in political and civil rights but in all human relationships.

What a debt we who believe in the "battel" for equal rights owe to these migratory birds!

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Within a month to a day a handful of women of the Americas will join battle far, far to the south at Montevideo under the light of the Southern Cross!

God bless the American women!

As I began, so would I end:

The race is not to them that's got
The longest legs to run,
Nor the battel to that peopel
That shoots the biggest gun.

RECIPROCAL TARIFF AGREEMENTS

The Senate resumed the consideration of the bill (H.R. 8687) to amend the Tariff Act of 1930.

Mr. PATTERSON. Mr. President, the tariff question has been a political issue in this country ever since its foundation. In many campaigns it has been the outstanding or paramount issue. Every major political party that ever adopted platforms regularly included a plank on the tariff. Every American statesman and outstanding political leader has presented to the American public his views on the tariff. But neither American statesman, American political leader, nor American political party ever openly advocated a tariff policy such as is embodied in the pending measure. This is especially true of the Democratic platform, the Democratic Presidential candidate, and the Democratic leaders during the campaign of 1932.

Should the President make full use of the powers delegated to him by this bill, it would result in heavy injury to some and complete destruction to other American industries. I believe this would be especially true of the shoe industry. As my State is one of the great shoe-manufacturing centers of the United States, I desire to use this industry as an illustration, and to point out the danger to that industry under the program of the administration. What I shall say of the shoe industry will apply with greater or less degree to any other industry now having and needing tariff protection.

The Constitution of the United States provides that the President "shall have power, by and with the advice and consent of the Senate, to make treaties, provided two-thirds of the Senators present concur." It is now proposed to delegate to the President full power to negotiate certain tariff treaties without the Senate being advised of the actual provisions of such treaties, and without the submission by the President of such treaties to the Senate for ratification by a two-thirds vote, as provided by the Constitution.

It is difficult to believe that any such proposal would be seriously considered by anyone having due regard for our constitutional form of government; yet this measure has already passed the House of Representatives, and under the lash of the President will undoubtedly pass the Senate. It may be of interest to the citizens of my State to know that of the 13 Democratic Members of the House of Representatives from Missouri, 12 voted for this measure, the other Member—Mr. SHANNON, of Kansas City—being absent.

So far as I am able to learn, no such bill was ever previously proposed or considered by an American Congress. The platform on which this administration was elected advocated a policy directly opposite to that of the pending bill. Let me quote from the Democratic platform of 1932, which President Roosevelt, while a candidate, repeatedly declared he endorsed 100 percent:

We advocate a competitive tariff for revenue with a fact-finding commission free from Executive interference.

This plank condemns the measure now before the Senate. This administration has no mandate from the American people to enact any such measure. In the face of its pledge to frame a tariff law "free from Executive interference", it would be a gross and shameful violation of its pledge to enact legislation putting such authority arbitrarily in the President's hands.

The proposed measure is not only un-American but viciously so. It is contrary to American policies and destructive of American ideals. If such a measure can stand the test of our courts, then the Constitution has indeed become a dead letter.

Certain American industries and products need tariff protection, without which they cannot compete with the cheap labor and lands of foreign countries. This is no longer a disputed question. One has but to peruse the debates during the framing of the present tariff law, read the fervent pleas made by Democratic Members of Congress for tariff protection for the products of their own States, and examine their votes on various tariff schedules to become convinced that down deep in their hearts Democrats as well as Republicans favor tariff protection, but with this difference: The Democrats favor tariff protection only for the products of their own States, while the Republicans view the question from a national and patriotic standpoint, and favor tariff protection for every American industry and interest, no matter in what part of the country such industry or interest may be located.

To remove needed tariff protection from any industry would either close such industry or force those employed therein to reduce their wage and living standards to the level of foreign countries. When fairly and honestly put to them, the American people will never support any such proposal; and I deny the right of this administration, in view of the specific campaign pledge previously cited, to impose any such legislation on the country without first submitting it to the American people for their approval or disapproval.

This proposed act would ratify in advance any treaty the President may negotiate under its provisions; it would put into his hands the power of life and death over every industry needing tariff protection; it would subject every such industry to the continued uncertainty of a misguided judgment and a "cracking-down" penalty should such industry incur the displeasure of the administration or fail to do its bidding. It represents the limit of constitutional surrender by Congress.

There is no provision in this bill for review of, or appeal from, the President's decision. His action would be final. As this measure passed the House, there was no provision for a hearing for any industry that might be injured or destroyed by any tariff treaty the President may negotiate. The Senate Finance Committee added what is supposed to be such a provision, but it is meaningless, for any hearings the President may hold under its provisions would be under rules and regulations promulgated solely by him and would not be public. For all practical purposes the provision added by the Senate Finance Committee is useless.

The stated purpose of the bill is the promotion of foreign trade. I have carefully gone over its provisions and read the report accompanying the bill, but nowhere is it made clear just how this increase in our foreign trade is to be brought about or how the provisions of the act will inure to our advantage. As any benefits we are supposed to derive are to be through certain tariff changes, it would seem that the proponents of this measure could easily point out some concrete illustrations as to how the plan would work and some of the specific tariff changes the administration proposes to make. It is only fair to the American people, to those employed in American industry, and to those who have their funds invested therein, for them to be advised of the actual intentions of those now asking for this unusual and dangerous grant of authority.

I understand, of course, that under this proposal we are to reduce certain tariff rates which would permit the importation of foreign goods not now being imported into this country. In return, we are presumed to obtain some concessions from abroad. If a fair and equal exchange results, then neither country will have benefited. The advantage will obviously be with the best bargainer, and in view of past experience in foreign negotiations this country can expect to come out of the small end of the horn.

If through any treaty negotiated under the provisions of this proposed act foreign countries will be able to ship us goods now being made or produced in this country, this will logically throw out of employment those now engaged in

the production of those goods in the United States. This will be fine for the foreigner, but tough on the American, and will hardly improve employment conditions in this country. Let me illustrate how the provisions of this act may affect the shoe industry, one of the great manufacturing industries of the United States.

St. Louis, Mo., and surrounding territory, is one of the large shoe-manufacturing centers of the United States. One concern alone has almost 50 plants in the St. Louis area. Many of these factories are in the smaller cities, ofttimes the only industrial plant there, and therefore vital to the business welfare of the community. Many thousands are employed in the shoe industry in St. Louis and surrounding territory, and the injuring or closing of these factories would be a terrific blow to the community such industry is now benefiting.

The American shoe-manufacturing industry needs tariff protection, without which it cannot exist. This is not merely a partisan statement. I invite attention to the fact that not long ago the present Democratic Chairman of the House Committee on Labor presented a petition to the United States Tariff Commission pleading for an increased tariff on shoes, alleging that the shoe industry in the New England States could not now properly function under the terrific competition of the cheap products of foreign lands. I do not believe this fact will be seriously questioned by any informed person, but I desire to present a striking illustration that came to my attention.

I recently have been shown a pair of gymnasium shoes, with canvas tops and heavy rubber soles, which seem to be unusually well made. They were manufactured in Japan, imported into the United States, duty paid, transported to Washington, and after allowing a profit to the retailer, were sold at the amazingly low price of 25 cents a pair. These shoes were purchased at Kresge's store in Washington, D.C., on March 22, 1933. It is perfectly obvious that the American shoe industry cannot continue to pay the present wage scale, enabling those employed therein to maintain a decent standard of living, if it must compete with products from abroad which can be sold at such a price.

The illustration cited may be an extreme one, and was doubtless partly due to an unusual exchange situation, but no labor in the world is as well paid as the American laborer, and when we let down the tariff bars on any industry needing tariff protection, such industry must either close its doors or those employed therein must reduce their standard of living to the low level of foreign countries. Such a policy is not only unfair—it is un-American. As far as I am concerned, I would not sacrifice one job now held by an American shoe worker or any other American laborer for all the foreign-trade dreams this administration's "brain trust" can indulge in.

Let it not be supposed the power delegated to the President under this act will not be exercised or that American industry will not be sacrificed in order to carry out the wild and unsound program of this administration. Those who seek unusual and dangerous power will not hesitate to take unusual and dangerous steps. Spokesmen for this administration have repeatedly announced that certain American industries which they are pleased to designate as "secondary" or "inefficient" should be sacrificed. Let this administration exercise the power delegated to it by this measure, and our industrial highway will be marked with the ruins of American industry, a sacrifice to a policy this administration did not dare submit to the American people for their approval.

This administration either intends using the power delegated to it by this act, or it does not intend doing so. If it does not so intend, then the passage of the bill is a hypocritical gesture unworthy of any administration. If it does intend exercising the power delegated to it, it means the ruin of certain American industries, sacrificed on the altar of a foreign-trade dream.

Secretary of Agriculture Wallace, outstanding administration spokesman, has repeatedly stated that in order to carry out the new-deal program and to develop foreign trade, it may not only be necessary to sacrifice certain American industries that Washington bureaucrats may choose to designate as "inefficient" or "secondary", but also take millions of acres of agricultural land out of cultivation and eventually put all agricultural land under the direct control of the Government. In his recent pamphlet, America Must Choose, he discusses this prospect at some length. I quote from him as follows:

> A truly practical readjustment of our own tariff policy would involve the careful examination of every product produced in the United States or imported and the determination of just which of our monopolistic or inefficient industries we are willing to expose to real foreign competition. This problem should be approached from the point of view of a long-time national plan which we are willing to follow for at least 20 or 30 years, even if some of our friends get hurt and howl continuously to high heaven.
>
> There is a best place and a second and third best place in the world to mine coal and grow cotton, just as there are favored and less-favored cotton and coal regions within the United States.
>
> The same thing holds true of innate or inherited capacities. England makes better cloth than we do, and better hand-made shoes. France, I am told, makes better wine. Unquestionably, however, we raise better apples more cheaply than France. Accordingly, one of our first approaches toward dealing with the world again on a new basis is as simple and sensible as a swap between two pioneer farm neighbors.

The only inference that can be drawn from Secretary Wallace's pamphlet is that certain American industries should be sacrificed and those now employed therein forced to join the ranks of the unemployed. He is, however, generous enough to intimate that when thrown out of their present employment they may be permitted to engage in the apple-growing industry. What an unfortunate thing it has been for the American people that they did not know in 1932 just what this administration intended doing in the event it was elected. The American people would never knowingly elect anyone to public office who proposed to sacrifice any existing American industry or to deprive any American laborer of a single day's toil on the theory that by doing so some foreign trade might be obtained.

The professed object of the measure before us is the promotion of foreign trade. This is to be brought about through a reduction of tariffs. If the proponents of this bill will inform themselves on the subject, they will learn that our foreign trade has always made its greatest gains under protective-tariff laws, with just the opposite true under low-tariff laws.

Mr. FESS. Mr. President, will the Senator yield?

Mr. PATTERSON. I yield.

Mr. FESS. The Senator quoted from America Must Choose, by Secretary Wallace. Secretary Wallace, I think, professes to be a type of protectionist; at least that was the view of all his ancestors, so far as I know about them, and I thought it was his view; but I wonder if he realizes that he is taking the position, as read by the Senator, that where some other nation can produce a thing better and cheaper than we can we ought to buy for our needs from that nation and devote our own country's activities to the production of some other things which we can produce cheaper and better, and thus have a reciprocal relationship. I wonder if he realizes that that is the stock argument of all free traders, has always been, and is the one distinguishing feature which differentiates protection from free trade.

Mr. PATTERSON. I think the Senator from Ohio is eminently correct in that statement. I gathered the impression from reading Mr. Wallace's pamphlet, America Must Choose, that whether he knew it or not he was a free trader.

Mr. FESS. That is the thought I had in mind. I think he would resent the statement that he is a free trader, and yet he is employing exactly the argument of the free trader. It is fundamental with them that we ought to give up the employment of labor in any inefficient or expensive industry, and buy goods now produced by us under such circumstances from some other country, and that this country should enter upon the production of other commodities which it can produce more cheaply and more efficiently. That is the fundamental principle of free trade which differentiates that theory from the theory of protection.

The danger of the free-trade theory is that under it we will fail to develop industries, as illustrated in the case of tin plate. It was thought for many years that we could not produce tin plate, and that if we had attempted to do so the process would be inefficient and expensive. Had we followed that concept and never inaugurated the production of tin plate, we still would be buying our tin plate from foreign countries as we used to do when we did not produce a pound of it, and yet we now produce not only sufficient for our own needs, but we produce it at a less cost than the price at which we used to buy it from England, and we produce it in sufficient quantities to export it to every other country which needs it. Suppose the Wallace theory or the free-trade theory had been in vogue, how far would we ever have gotten with the development of that industry? And is the same thing not true with regard to sugar and every other industry where we have the facilities for producing for our own needs?

Mr. PATTERSON. I agree with the Senator absolutely. We would not have had a tin-plate industry if it had not been for the tariff being placed upon tin plate. We have built up that industry to be one of the greatest industries in the country. I remember when I was a small boy, when the tariff was first placed upon tin plate, the Democratic National Committee sent emissaries around to the back door calling attention to the fact that the price of tin plate had gone up on account of the McKinley "robber" tariff.

Mr. FESS. Does the Senator recall that that very campaign, conducted as the Senator says, resulted in defeating Major McKinley, who was a Member of the House, and Chairman of the Ways and Means Committee, and author of the law of 1890? He was defeated following the passage of that act by that peddling method of propaganda, by which they said that tin plate had increased in price due to that particular tariff law.

Mr. PATTERSON. Exactly. And it resulted in the election of a Democratic President.

Mr. FESS. What impresses me just now is the statement the Senator from Missouri has quoted from America Must Choose, in which the free-trade theory is adopted bodily by one who, I do not believe, thinks he is a free-trader.

Mr. PATTERSON. He probably does not think so, but he is in fact.

Mr. FESS. Mr. President, will the Senator further yield?

Mr. PATTERSON. I yield.

Mr. FESS. I was thinking of another illustration. When the Senator from Arizona [Mr. ASHURST] was urging a protective tariff on manganese I opposed it, occupying at the time the seat at which I am now standing, on the ground that I would not be in favor of protecting any article when we had no possibility of ever increasing its production. The Senator from Arizona gave figures indicating that by means of new processes we could increase the production of manganese to an appreciable point, sufficient to satisfy our own consumption needs. Of course, if we could do so, then the policy advocated by the Senator from Arizona is sound protective policy. I have not followed it up so as to know whether the new processes referred to by the Senator from Arizona have fulfilled the predictions made by him at that time. His argument, however, is the soundest form of protective argument. If we cannot by protection stimulate production to a point somewhere near our needs, then it is a question whether we ought to protect it or not, but if we can, it is the common-sense thing to protect our industry to the point where we employ our own labor instead of looking to Europe for the product of cheaper labor.

Mr. PATTERSON. I thank the Senator for his contribution. Before yielding to him I made the statement that our foreign trade had always made its greatest gains under protective-tariff laws, with just the opposite true under low-tariff laws.

I refer, of course, to normal times, and not to such unusual periods as the recent war, when as a result of war demands our foreign trade rapidly increased and then more rapidly decreased when the war demands were over; nor do I refer to the past few years when, as an aftermath of that World War, there has been an industrial collapse over the entire world.

The Democratic Party has always endeavored to convey the impression that under protective tariff laws our foreign trade is practically destroyed, and that by such legislation we virtually declare an embargo on foreign products. Nothing could be further from the truth. Let me present a historical illustration.

During the previous Democratic administration what is known as the "Underwood low tariff law" was in force. Up to the outbreak of the World War, under that law, our foreign trade was gradually falling off, but the demands of that war caused the foreign trade to rapidly increase. When the war period ended, our foreign trade fell off at a greater rate than ever known in history. On the incoming of the Harding administration, the Fordney-McCumber protective tariff law was passed, going into effect on September 21, 1922. According to Democratic theory this should have further reduced our foreign trade, and that party lost no opportunity to make such predictions. I quote the following from the Democratic campaign book of 1922:

> The Fordney-McCumber profiteers law is the worst tariff law ever passed by an American Congress. * * * It will not yield the Government itself more than $250,000,000 in revenue under the most favorable circumstances. * * * It is practically an embargo on foreign products, and will destroy what is left of our foreign trade.

History has been written since the foregoing declaration. Let us examine the results.

The foreign trade of the United States, imports and exports, for the last year of the Underwood low tariff law aggregated $6,944,000,000. During the 7 years following, up to the time of the world-wide crash and under that law which the Democrats predicted would destroy our foreign trade, that trade averaged $8,921,000,000 a year. This is an average increase of $1,076,000,000, or 15½ percent a year, over the last year of the Underwood low tariff law. During this 7-year protective tariff period, our foreign trade was larger than during any other peace period in our history. This forcibly proves the statement I made to the effect that under protective tariffs we have a greater foreign trade than under lower tariffs.

Tariff collections under protective tariff laws are also of interest, always being larger than under so-called "tariff for revenue" acts. Although the Democratic campaign book of 1922 predicted that under the Fordney-McCumber protective tariff law tariff collections would not exceed $250,000,000 under the most favorable conditions, the historical record shows that up to the time of the world-wide crash such collections actually averaged $573,000,000 a year. This is $324,000,000, or almost 130 percent, greater than that estimated by the Democratic campaign book.

Under protective tariff laws neither unreasonable nor prohibitive tariffs are levied. Notwithstanding Democratic misrepresentations, we do not deny the right of foreign nations to freely deal with us, as is conclusively shown by the foregoing illustration. Of the imports that have been coming into this country under protective tariff laws, approximately two-thirds enter without the payment of a single penny of duty. Under protective tariff laws we do, however, levy sufficient tariff to protect the American producer from the cheap products of foreign lands. This has been the consistent policy of the Republican Party since its birth. To this principle I heartily subscribe. The American people, of course, have no ill will toward the people of any other land and wish them every happiness and success. But every American should look to the welfare of his own country first, and not only through personal purchases, but by his vote give every necessary preference to those products produced on American soil, made of American materials, and fashioned into completed shape by American labor.

It has been said that distance lends enchantment, and this seems to be especially true of the Democratic view on trade. That party always seems primarily interested in foreign trade, which is relatively small compared to our gigantic home trade. Foreign trade is desirable when beneficial—not otherwise. To merely send to some foreign

country products that can be as well produced in that country, in exchange for products that we can as well produce in this country, does not benefit either country. It merely gives such goods a holiday journey and adds to the cost of the article. While foreign trade should be developed whereever possible, it must not be at the expense of our home market, nor at the expense of American labor or American industry.

The American home market is the greatest in the world; it amounts to twice as much as all the foreign trade of all the nations of the world. Under such circumstances, is it not downright folly to remove needed tariff bars and open this rich field to the cheap labor and cheap lands of other countries?

The United States ordinarily consumes from 90 to 95 percent of its products. Is it not wiser to look to the safety and development of this trade rather than engage in a foolish gamble for the relatively small foreign trade? In this connection let me quote from an editorial in Labor, the official publication of the standard railroad labor organizations:

> Roughly, 93 percent of all that we produce in this country is sold in this country—if sold at all. Only about one-fourteenth of our output, or 7 percent, goes abroad. With these figures in mind, it is easy to see that a 10-percent increase in buying power at home would be worth more to our producers than 100-percent increase in our exports. That is just plain arithmetic.
>
> The development of buying power at home is in our own hands. No treaties or negotiations are needed. * * * But foreign markets are guarded by barbed-wire entanglements of tariffs, regulations, and subsidies difficult to get through, and with nothing on the other side as rich as the possible market within our own door.
>
> Labor does not decry foreign trade. The more we get of it on fair terms, the better. But labor knows that foreign markets alone will not bring prosperity; and it knows that many of those who shout for foreign trade are blocking economic reforms at home.

Mr. President, nations, like individuals, ordinarily buy in that market where they can buy to the best advantage. Due to the severe competition among foreign countries, we, with our higher labor and higher production costs, can expect to gain but little from them; but with the restoration of business confidence in this country our gigantic home trade can be revived and materially increased and put the Nation on the road to sound recovery.

Mr. FESS. Mr. President——

The PRESIDING OFFICER (Mr. GIBSON in the chair). Does the Senator from Missouri yield to the Senator from Ohio?

Mr. PATTERSON. I yield.

Mr. FESS. The Senator is comparing foreign trade with our own domestic trade, stating that the latter far surpasses all foreign trade, taking the world over?

Mr. PATTERSON. It is twice as large, as I understand.

Mr. FESS. I am impressed by the thought that in Europe, with an area perhaps only 500,000,000 square miles more than ours, there are 25 nations which in the aggregate have a much larger population than ours, and each nation has its own tariff barrier; while in this country, spreading over 48 States, we have the largest domestic trade of the world, without a single tariff barrier of any sort between State and State, constituting the freest trade in all the world.

The conditions in Europe do interrupt the free trade of European countries, and they naturally want to get into our great market. If they could get in without displacing the same commodities we produce, we would not care so much, but when we talk about freedom of trade we have a convincing example of it here at home, and the pending proposal is designed to interrupt that situation on behalf of Europe rather than on behalf of ourselves. That is the thing that I think our people are overlooking.

Mr. PATTERSON. The Senator's statement is absolutely correct. In that connection I should like to refer to a clipping from this morning's Washington Post containing a news item in regard to the address which Mr. Merle Thorpe made in Indianapolis. He refers to the fact that the European nations a short time ago, only about 4 or 5 years ago, sent a commission here to study trade conditions, and they made this report just a few years back:

> With 7 percent of the world's people, the United States has more purchasing power than all Europe combined. This little group has created and owns more than half the world's wealth. From 6 percent of the world's acreage they harvest more than half the world's foodstuffs. Sixty percent of the minerals are extracted in America. Half the communication facilities, nearly half the railways and electrical energy have been developed and are in use here. Individual transportation is triumphantly interpreted in the production of 92 percent of the automobile output, which is operated on 600,000 miles of paved highways.
>
> This 7 percent maintains a standard of living which consumes half the world's coffee, half of its tin, half of its rubber, one-fourth of its sugar, three-fourths of its silk, one-third of its coal, and two-thirds of its crude petroleum.

Mr. FESS. That is a wonderful showing. If the Senator will yield further——

Mr. PATTERSON. I yield.

Mr. FESS. The clipping the Senator read referred to the automobile industry. Unfortunately, the leaders of that industry are slipping away from the principles of protection.

Mr. PATTERSON. Under the mistaken impression that they are going to get more trade abroad.

Mr. FESS. Precisely. Because automobiles have come to be the second greatest export products of America, they overlook the fact that nearly 90 percent of all the automobiles they produce will be sold here, and even if they keep up only with the increase of our population it is better not to sacrifice our home market in behalf of buyers in the Old World and in South America. More than that, the replacements here in America of second-hand automobiles by new automobiles will be sufficient to keep the automobile industry going, provided we maintain the buying power of the people here at home. When they have supplied the home market for the moment, they can look abroad to sell the surplus; but they are putting the emphasis on the fraction produced beyond what we consume and are falsely looking to foreign sales and overlooking the sales at home.

I am receiving letter after letter from personal friends of mine who are in the automobile business asking me to support the pending proposal. They are mistaken in what they are asking for, because they are going to sacrifice, in a large measure, the power to sell at home because of the visionary idea that they are going to increase the sales of their product abroad. It is only because the automobile manufacturers have reached the high scale where they have a surplus that they are putting their emphasis on that surplus instead of on supplying the great demand here at home.

I make that statement because there are constantly letters coming to me in this behalf, and there are also other friends who want this bill passed; and I know they would not want it passed if they could realize what they will be in for if they shall sacrifice the home market.

Mr. PATTERSON. That is correct, and I am going to treat that subject further on in the course of my remarks.

Mr. DICKINSON. Mr. President, will the Senator yield?

Mr. PATTERSON. I yield to the Senator from Iowa.

Mr. DICKINSON. In line with the suggestion as to what we are doing in connection with the pending proposed legislation, I want to quote from the Herald Tribune of this morning an article by George Clarke Cox, in which he says:

> The thesis of what I am writing is that the new deal, which professes such tenderness for the investor, is in a fair way to abolish him altogether.
>
> Statistical studies under the present state of confusion are not much more valuable than a topographical map of the Mississippi just before a flood.
>
> The new deal has had these results:
>
> The dollar has been devalued 40 percent, with a legal 10 percent more and an (at present) illegal but possible further devaluation. No one knows.
>
> The gold clause in United States Government bonds has been repudiated, including a large issue immediately after March 4, 1933.
>
> The seizure of gold and the writing up of its price, the removal of the gold to the Treasury from the Federal Reserve System have caused vast confusion as to the backing of all our currency.
>
> Federal Reserve figures are no longer revealing; they conceal facts to which investors are entitled.
>
> Immense increase of funded debt without corresponding Treasury receipts has diluted the value of all Government securities.
>
> N.R.A. has forced increased costs upon all corporations, often with decreased business; all past computations are rendered unreliable.

The soundest of all corporations under the old deal—viz., operating public utilities—are forced to cut rates, accept larger taxes, meet public competition, etc. The very highest-grade investment securities have been rendered objects of suspicion without any failure on their part.

The next paragraph is one to which I call the particular attention of the Senator from Missouri:

No one knows whether we are to continue to have foreign trade or not.

And that by reason of the confusion which is brought into the whole atmosphere. The next paragraph, which is of particular interest to the State of Missouri and to my State of Iowa, reads:

Processing taxes, bounties to farmers of all kinds, make calculations of profits in various corporations difficult, if not impossible. All previous common law under which business had been conducted seems set aside by Executive order.

That is the reason why it was necessary to have a new Executive order to buy automobiles for the service in the P.W.A. When they found they did not have the authority they got a new Executive order to grant them the authority. In other words, this is a reign of Executive orders.

The profit motive is openly assailed—

As shown by the Senator from Ohio [Mr. FESS] in the Tugwell report of yesterday. Tugwell is now sitting in as one of the members of the Executive Policy Committee to direct operations under the new tariff law—

The profit motive is openly assailed, whereas without profit there can be no business and certainly no investing.

This simply shows what is happening with all these new things pressing in on finance, on industry, on every phase of our commercial, industrial, and economic life in this country. It is bringing about a stalemate, the outcome of which no one can foretell.

I think this all fits in with the line of argument which is being presented by the Senator from Missouri.

Mr. PATTERSON. I think so, too; and I thank the Senator for his contribution.

Unfortunately the measure now before the Senate will only add to the uncertainty that now pervades the business field, further destroy business confidence, and put further obstacles in the way of sound business recovery.

Enact this measure and Congress suspends a Damocles' sword over every industry needing tariff protection. No such industry could possibly know how long it would be permitted to exist. Any day the news may come that the President has negotiated a treaty taking from such industry that protection without which it cannot exist. Under such uncertainty such industry would only manufacture to meet its immediate needs. With such a threat hanging over it no industry would endeavor to extend its facilities, nor could finances be obtained for such purpose. No new enterprise would dare enter such fields with the knowledge that the stroke of a Presidential pen at any time may wreck the industry and wipe out the capital invested therein. Financial institutions would be slow to grant loans to such industries, and other concerns would hesitate to extend them credit. There is no cost so high to industry as the cost of uncertainty. Let this measure be passed, and it will be impossible to estimate the damage it will cause to American business.

This is not a constructive measure. It is a destructive and ruinous one. It will not build up American industry but will destroy such industry. It will not add to American employment but will decrease such employment. It will not restore business confidence but will further undermine such confidence. No such proposal has ever been submitted to the American people; and I again say that I deny the right of this administration, especially in view of its campaign pledge, to saddle on the backs of the American people this infamous piece of legislation.

Why does this administration completely ignore its pledges to the American people on the tariff question? I have pointed out that one plank in the Democratic platform favored tariff framing free from executive interference, yet the proposed legislation before us is entirely contrary to that plank, and puts arbitrary tariff powers into Executive hands. There is another plank in the 1932 Democratic platform to which I desire to call attention. It is as follows:

We condemn the Hawley-Smoot tariff law, the prohibitive rates of which have resulted in retaliatory action by more than 40 countries, created economic international hostility, destroyed international trade, driven our factories into foreign countries, robbed the farmer of the American markets, and increased the cost of production.

Seldom has there been a more severe indictment of any measure by any political party. I think it will not be questioned that if the Democratic Party believed in its 1932 tariff plank, then this administration was duty bound to take immediate steps to repeal the present tariff law. This administration has now been in power for almost 15 months. No administration in history has been in such complete control of legislation as the present one. Yet not only is the tariff law, so severely denounced by the Democratic platform, still in full force, but not a single step has been taken by the administration to repeal such law. Under such circumstances what becomes of any pretentions the Democratic Party may make on the tariff question and what reliance can be placed on any representations it may make in the future?

The Democratic platform condemned the present tariff law as having resulted in retaliatory measures by more than 40 countries, yet the administration keeps the law on the statute books. The Democratic platform charged this law with creating economic international hostility, yet the administration continues the law in force. The Democratic platform asserted this law had destroyed international trade, yet the administration refuses to repeal the law. The Democratic platform charged that this law had driven our factories into foreign countries, yet the administration continues the policy it claimed was driving American factories abroad. The Democratic platform accused this law of having robbed the farmer of the American markets, yet the administration permits the so-called " robbery " to continue. If this administration believes what the 1932 Democratic platform said about the present tariff law, then it has been guilty of little less than treason in permitting this law to remain on the statute books, a law which it claimed was wrecking and ruining the country.

If the Republicans are to be condemned for enacting a law which they sincerely believed would be of benefit to the country, are not the Democrats to be condemned a thousandfold for permitting a law to remain on the statute books which they claim is ruining the country? But one conclusion can be drawn from the actions of the administration, and that is that the tariff plank in the 1932 Democratic platform was a dishonest declaration, made only to deceive the American people, and that the Democratic criticism of the present tariff law was wholly unjustified.

It may be said in apology that it is the intention to change the present tariff law through the provisions of the bill now before us, but that answer will not do. In the first place, the Democratic platform is expressly opposed to the bill before us; in the second place, no step has been taken to change the present law during the almost 15 months this administration has been in power; in the third place, it would not be practical to correct, through treaty negotiations, the wholesale injustices which are alleged by the Democratic platform to exist in the present tariff law, and it is even possible that not a single change may be made through the channel of such negotiations.

When dreamers begin chasing the foreign trade will-o'-the-wisp, we can expect them to bargain our rights away, and this will likely be the result under this measure. But suppose the American spirit should prevail, and we should insist on obtaining a fair return from abroad for any concessions we may make. Foreign nations would hardly be interested in any such negotiations, and under such circumstances it is possible that no treaties would result. This would leave on the statute books the present Republican protective tariff law, which the Democratic platform denounced so severely and which it charged was responsible for practically all our ills.

The measure now before us is not congressional legislation, for, if left to its own initiative Congress would not give a respectable hearing to any such proposal. It is nothing more or less than a cowardly surrender on the part of Congress to the executive branch of the Government—a course contrary to every American principle.

Let Congress reassert its constitutional prerogatives, and exercise the functions delegated to it by the Constitution. Let me appeal to the Democrats to be fair with the American people, and honestly endeavor to carry out the pledges made by them during the 1932 campaign. If they believe the present tariff law is wrong, they should make an honest attempt to repeal it, but let them do so in the manner provided by the Constitution which every Member of Congress must take an oath to support and defend before he can take his seat. Let us not travel farther along the road which is leading us only to ruin and disaster.

Mr. President, we have reached an epoch in the history of our Nation where expedients of every kind are set forth as palliatives or downright curatives in the domain of our domestic economy. In no other field, however, are so many proposals advanced as in that relating to our trade and commerce with the other nations of the world. They range from what would amount to absolute free trade, through all the gradations of bargaining, swapping, reciprocal deals, and bilateral arrangements to the extreme now proposed of conferring on the Chief Executive the authority to execute commercial treaties with foreign governments regardless of the limitations upon such action prescribed in the Constitution. As sole judge of the feasibility of altering any or all of our tariff schedules, the Executive would have dictatorial power in one of the most essential and vital departments of Government. Such a policy, involving so radical a change in our practices from the foundation of the Republic, so violent an abandonment of the traditions of the country, is not only a threat to our business interests but a menace to our institutions.

Mr. FESS. Mr. President, will the Senator yield there?

Mr. PATTERSON. I yield.

Mr. FESS. The Senator has spoken in rather vigorous language in criticism of the failure to keep a pledge. I share that feeling with him to a considerable degree, and yet I never criticize anyone for changing his position from one Congress to another if new information has been received that formerly was not available, provided the question is merely economic; but if it goes to fundamental principles, and the change is elemental, it becomes serious.

When a party announces a position on a particular subject and later on either changes it, as in the case of the League of Nations, or some new information that originally was not available comes to light, I can excuse a change of position; but when the change goes to the fundamentals of our institutions it becomes terribly serious, and the most serious things is the manner in which the change is treated by those who make it. It is said either that the action is taken because of an emergency or that it is taken in order to be open-minded, progressive, growing. The danger is that even in the fundamentals the breach instead of observance of the promise will become the rule; and, worst of all, those breaking their promises boast of their action as if that were the thing they ought to do.

That is what disturbs me when I see this administration abandoning every fundamental principle it has announced.

Mr. PATTERSON. I agree with the Senator in that respect; and I desire to add that there has been no change in conditions between the time the Democratic Party made the declaration of its purpose with reference to the tariff and the present time.

Mr. FESS. No.

Mr. PATTERSON. We are living under practically the same conditions.

There never was born an individual with enough wisdom and knowledge of world affairs to warrant the bestowal on him of such sweeping and autocratic authority as the majority in Congress contemplates conferring on the President.

We know that, when viewed in the perspective and by the light of history, the protective-tariff system, such as America has enjoyed with scant interruption from the first legislative act ever passed by an American Congress down to the present time, has been a real blessing. A protective tariff has ever been the basic doctrine of the Republican Party, and it has been approved by the mass of the people, for even the most unlearned of the population knew that it meant for our workers better wages and higher standards of living, more of the comforts and refinements of living than the wage earners of other lands could ever hope to obtain. Its practical operation meant that the laboring classes here were better fed, better housed, better clothed, than were any others under the sun who depended for their livelihood on manual toil. Our toilers in the United States have been the envy of all who lived by the sweat of the brow; and for that reason millions of human beings in all parts of the Old World flocked to our shores, where they found not only a refuge from oppression but the opportunity to live on a scale of material well-being impossible for them to attain in the land of their nativity.

It is unnecessary to dwell on the thesis of what a transcendent part our protective system played in the development of America. The lesson is plain enough for all to read and it will stand for all time. Credit for upholding this major policy in large part belongs to the Republican Party. In all our political mutations it has never wavered, has never once faltered, has ever kept the faith, and is as insistent upon its maintenance now as when it was first organized. Our opponents can boast of no such record. Theirs has been a record of sniping, of tariff tinkering, and perennial effort to lower the duties on foreign imports below the safety line. They learn nothing; they forget nothing; and today, but under a new guise, they are at their old tricks.

What is the illusion that obsesses our opponents today? Nothing more or less than that prosperity can be recaptured by the simple device of negotiated treaties effected by 1 man for 125,000,000 souls.

The United States does one-half the business of the world; but, as matters now stand, it is done almost entirely among its own nationals. Our foreign trade, which of yore loomed gigantically, is no longer a primary consideration; for our exports in recent years have not exceeded 5 or 6 percent of our total production, if we include in the total the nonexportable items of distribution, transportation, and construction.

Half a century ago 80 percent of all our exports came from the farm, and, of the grand total, cotton alone accounted for more than 50 percent up to the year 1850. During all that period our domestic producers believed they would enjoy a monopoly of this particular crop for all time. Such a monopoly existed for generations, but it does not exist today. The reasons for this are to be found in the constantly growing competition of other lands. That competition has reached the acute stage. Egypt, for years a producer, is this season adding an enormous acreage heretofore planted to other crops. India is making fast strides in the same direction. Brazil and Argentina have entered the list, with the encouragement of their governments. This, of course, does not imply an immediate cessation of foreign demand, but it is not an unreasonable prediction that long before the turn of the century our dealings in raw cotton will not extend beyond our own shores. England's far-flung dominions will supply the "tight little isle", while Germany, Italy, and the rest, including the industrial section of the Orient, will cease getting their cargoes here.

Next in importance in our export trade comes wheat. In the not far-distant past our exportation of this cereal equaled at least 25 percent of the whole production, and wheat farmers profited by the sale of this surplus abroad. Today there is a different story. Australia, Argentina, and Canada have almost crowded our wheat growers off the boards, and our share in that particular market can never be regained. Pursuing a policy of nationalism nigh akin to isolation, many people have embarked on a policy of raising as nearly as possible all the foodstuffs their nationals

consumed. Even now Italy lacks little of raising every bushel of wheat needed. Germany is not far behind and England will simply ignore us in favor of the self-governing units of the Empire—Australia and Canada. Britain, indeed, would look to Canada rather than to the United States for its bread supplies and only in case of a crop failure in all three of these countries would she turn to the United States.

The foregoing merely suggests the changes in an ever-changing world. Men in England grieved over the disappearance of the whaling business; the indigo growers sobbed when their product had to yield to synthetic indigo; and, coming down to modern times, the breeders of horses and mules cursed the advent of the automobile. Of all the nations of the earth, we have the least reason for worry or apprehension as to the future. We have a market of our own, a home market that is of such transcendent importance as to dwarf international commerce. The loss to agricultural interests is for the present heavy but will find compensation in natural adjustments. What will remain with us, which no mutations of trade can ever take away, is the home market for such essentials as dairy products, meats, eggs, fruits, and vegetables.

The wheat and cotton farmers are desirous of doing a heavy business both at home and abroad, but they will have to face the fact of changed world conditions. A benign Providence has so ordained that this mighty continent called the United States does not have to look to alien sources for its material necessities. We stand on an enduring basis from natural causes, supplemented by the superior ingenuity and skill of the most efficient workers known to history. With few exceptions, which may almost be counted on the fingers of one hand, this Nation is absolutely independent. Leaving out rubber, coffee, and silk, and a small group of metals, America is self-sufficient as to commodities of magnitude. As to silk, which we buy from China and Japan, an excellent substitute has been found in rayon. Synthetic rubber of undoubted quality will, in the opinion of scientists, take the place of the natural product, so that the only major commodity which we have not yet produced or found a substitute for is the item of coffee, of which we are the world's greatest consumers. Note the fact that not a solitary article of our imports that belong in the catalog of necessities comes from Europe. That quarter of the globe gives us nothing that we really need. The small dependence that does exist is on the Orient, portions of the Near East, and a few islands in the Pacific Ocean.

Mr. FESS. Mr. President, will the Senator yield?

Mr. PATTERSON. I yield.

Mr. FESS. As the Senator is very well saying, we note that our export trade is gradually diminishing, not due to tariffs, but due to the stimulation afforded by other countries to the production of the things we produce here, as is illustrated in the case of wheat.

Prior to the World War there were not many wheat-producing countries, but under the fear that the soldiers might starve, the cry went out to all the countries of the world identified with the Allies to grow wheat. The result was that we not only increased our acreage of wheat, but other countries began to grow wheat, and the disaster to us is that they did not discontinue it. After they found they could produce wheat, they began growing to supply their own demands and now are producing wheat to supply other countries which we once supplied. So, as the Senator will recall, only a short time ago a conference was held in Geneva, our country being represented by an ex-Governor of Nebraska, where 11 countries were in session, through their representatives, dealing with the surplus wheat crop, 11 countries, including those which had never previously grown wheat.

Now those countries—11 of them—having a surplus, supply the Liverpool market with wheat grown more cheaply than we can supply it, and due to that fact our chance to dispose of our surplus of wheat in Europe is bound to grow less and less, not on account of tariffs, but on account of these normal forces.

The same thing will occur, as certainly as that we are in this Chamber, in the case of cotton, because of the recent legislation looking to compulsory reduction, which favors the Old World in growing cotton at the expense of the American cotton grower. As once we exported all but 37 percent of our cotton, we are now exporting only about 42 percent. Those exports will decrease under that sort of legislation as certainly as that an effect follows a natural cause.

The idea that it is tariff legislation which causes all this result is perfectly silly, and to give the President such bargaining power, to destroy or reduce any of our American products, in the hope of increasing the imports of an article which other countries wish to sell to us, I think, is unwise in the highest degree. I think the Senator, in emphasizing that point, is on fundamentals in the discussion.

Mr. PATTERSON. I thank the Senator.

In the last analysis, then, why should Americans, looking down from their high point of vantage, be influenced by the zeal of the "new dealers" to swap and bargain and make treaties with nations which in all the tides of time will never be on a parity with us. In an epoch when the Government is harassed with the problem of creating and financing jobs for millions of unemployed, our modern theorists seems to have forgotten that this country has had the worst of it in our foreign financial transactions since the conclusion of the World War; and by this time it must be universally believed by foreign nations that Uncle Sam is a very gullible personage, and they would doubtless be as quick to trade and bargain now as they were to become indebted for enormous sums which they never intended to liquidate.

On the surface it might be easy to make out a case where benefit would accrue from lowering our tariff. We might, for instance, bargain with England to reduce its tariff on automobiles in return for the reduction in the duty we impose on manufactures of cotton. Such a bargain would result in an increased sale of English cotton goods in the United States and cause the mills of Lancashire to employ more operatives and make more money for their owners. In our own country prices in every line of cotton goods would fall, and many of our textile plants would have to reduce wages sharply, while some would be forced out of business, with hundreds of employees thrown out of work.

Mr. LONG. Mr. President, will the Senator yield?

Mr. PATTERSON. I yield.

Mr. LONG. I have been interrupting entirely too much in this debate, perhaps, but if the Senator will permit me a moment, I understand a news report has been received regarding the Colombian Treaty. I have been unable to consult the newspapers this morning, having just come into the Chamber, but I understand there is such a report, which gives the information that it has been found from some source that the Colombian Treaty deals with tropical fruits and oil produced in Colombia, and some other products of that kind, which are to be brought into this country.

I understand the treaty is not to be sent to us, but if I am correctly informed there is some kind of an export tariff in force down in Colombia—I am not as familiar with it, perhaps, as I should be—and under this treaty the export charges on the fruits to be brought out of Colombia will be abrogated, and the Colombian people will thereby be enabled to bring their tropical fruits into the United States without having to pay the export charges ordinarily imposed on them by Colombia.

Mr. President, if that be true, then California and Florida and Texas might as well get ready to sacrifice their fruit business. That goes without saying.

Furthermore, we are undertaking to restrict oil production in the United States, due to the fact that the supply is now in excess of the demand. Some want an oil dictator over the industry in order to reduce the production. Yet if this reciprocal tariff is to be put into effect, we will on the one hand have an administrator curbing American production, and a reciprocal tariff permitting the importation of foreign-produced oil.

Of course, I am not advised completely regarding that matter, but it seems as if we are working at cross purposes, at one time attempting to restrict American production in order to bring the supply down to the demand, and with the left hand negotiating a treaty with Colombia in order to bring more of the oil of that country in.

In another direction we are undertaking to curb agricultural production, even of fruits, and at the same time negotiating with Colombia with the left hand to bring in their tropical fruits, naturally to the disadvantage of the American fruit producers.

It looks as if the whole thing, with this kind of a bill being urged, is at cross purposes. Waiving the point as to whether it has been wise to attempt to restrict domestic production, at least if it is necessary to restrict domestic production, we should not be negotiating with a foreign country to bring in foreign products at the same time.

Mr. PATTERSON. Mr. President, I was referring to the possibility of a bargain with England to reduce its tariff on automobiles in return for a reduction in duties we impose on manufactures of cotton.

It is no answer to say that the automobile plants of Detroit might obtain more English orders for automobiles. Such a plan would diminish our home market, as the former workers in the textile mills would no longer be in a position to buy. This would affect thousands of textile workers in the factories of New England and the South, who would be thrown out of employment. These unfortunates cannot be shifted en masse from their homes to the scene of the automobile industry, and none but a mind that revels in dreams can advocate such impractical dealings.

Another argument advanced for lowering our duties is found in our position as a creditor nation. On the supposition that we do lower our tariffs or make reciprocal trade agreements, while the effect would allow our foreign debtors to pay off their obligations, it would by no means guarantee any considerable increase of their purchases from us, and wanting this assurance, we would get the worst of the bargain. The injury done our workers deprived of their jobs through the influx of imported goods would far outweigh the benefit to some American holders of foreign bonds. It would sacrifice the many for the advantage of the minority, who employ their money in investments abroad.

The manifest lesson is to push aside the doctrinaires and rainbow chasers, who think only in terms of internationalism—visionaries who seem ignorant of the fact that the United States, with not over one-thirtieth of the entire population of the world, does one-half of the whole world's business. We should concentrate more than ever on developing our own colossal home markets. We should give every American industry the protection that it needs to protect our higher standards of living. While we should develop our foreign trade wherever possible, we should not do so at the expense of our own home market. The home market is twice as large in volume as the foreign trade of all of the nations of the world. We owe it to ourselves to push aside the rainbow delusions of international contacts. Our happy fate is to keep in the van of all mankind simply by nursing our own advantages. All else is but a phantom.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed the bill (S. 3025) to amend section 12B of the Federal Reserve Act so as to extend for 1 year the temporary plan for deposit insurance, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed a bill (H.R. 2837) to provide for the establishment of the Everglades National Park in the State of Florida, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bill and joint resolution, and they were signed by the Vice President:

H.R. 9530. An act granting the consent of Congress to the county of Pierce, a legal subdivision of the State of Washington, to construct, maintain, and operate a toll bridge across Puget Sound, State of Washington, at or near a point commonly known as "The Narrows"; and

H.J.Res. 345. Joint resolution to provide funds to enable the Secretary of Agriculture to carry out the purposes of the acts approved April 21, 1934, and April 7, 1934, relating, respectively, to cotton and to cattle and dairy products, and for other purposes.

FEDERAL DEPOSIT INSURANCE CORPORATION

Mr. VANDENBERG. Mr. President, I desire to interrupt the tariff debate for only a moment, but it seems necessary to make a statement respecting a contemporary matter.

In connection with recent unsavory political disclosures in Michigan, I was particularly incensed at the suggestion that the administration of the Federal Deposit Insurance Corporation was being prostituted to political cash-register purposes. The suggestion arose from published quotations of entirely reliable and trustworthy business men of Plymouth, Mich., who said they were approached by Mr. George Woods, secretary to the recently resigned United States collector of internal revenue at Detroit, who also serves as Democratic national committeeman from Michigan, and solicited for contributions for Democratic campaign funds and for certain other lobbying purposes.

In connection with other amazing proposals, described by this reputable citizen of Plymouth and attributed to Mr. Woods in these newspaper reports, was the following quotation in connection with the solicitation of funds:

> You know that all applications for deposit insurance pass over this desk.

This citizen of Plymouth, who helped raise some of this money sought by Woods is thereupon quoted as follows:

> We felt that we were in a tight spot. Our two banks had just gotten going, and we were very anxious to qualify for Federal insurance. We didn't know, of course, whether Woods spoke with authority, but we felt that we couldn't afford to take any chances.

It was by such methods as these that the political pot was said to be raised. I do not at the moment discuss some of the other methods. But in fairness to the Federal Deposit Insurance Corporation, and in order that banks may know authoritatively that they need not surrender to any such political chiseling, I feel that this particular episode should be extended in the RECORD.

I submitted the proposition this week to Hon. Leo Crowley, Chairman of the Federal Deposit Insurance Corporation. He says for himself in a letter dated May 23:

> I would not countenance any interference with the operation of this Corporation from outside sources, believing that all applications for membership to the fund should be considered strictly on their merits, with fair and equitable treatment to all.

From my own observation of Mr. Crowley and his colleagues, I state my own complete belief in the integrity of this statement.

Mr. Crowley goes farther. He submits to me a supplemental memorandum from Mr. H. N. Stronck, assistant to the director of the Corporation, and in intimate charge of membership applications last December when this disgusting episode occurred. Mr. Stronck says:

> Based upon my personal experience and observations, I can safely state that I know of no case where—
>
> 1. Any of the activities of the F.D.I.C. in connection with the admission of the banks were subject to any form of political censorship.
>
> 2. That no applications for insurance in Michigan or in any other State were submitted by this Corporation to Democratic national committeemen.
>
> 3. That neither in Michigan nor elsewhere were Democratic national committeemen or any other political officers consulted with or advice asked as to the qualifications of banks for admission to the insurance fund, and that the cases were decided strictly upon technical and legal requirements.

Mr. President, I have wanted to make this statement for the RECORD because of the utter importance that no suggestion of a shadow should rest upon the administration of the sacred trust involved in the protection of the bank accounts of the American people through this new and amazingly effective instrumentality of government. Here, certainly, is

one point where it would be near treason for political exploitation to enter.

I cherish the hope that if any political highjackers shall so far trespass upon the hopes and fears of those who must deal with the Federal Deposit Insurance Corporation as to renew this type of chiseling anywhere in the United States, this forthright statement from the responsible officers of the F.D.I.C. will serve to reassure the intended victims that they need pay no heed or tribute to any such collectors.

CALL OF THE ROLL

Mr. OVERTON. Mr. President, I suggest the absence of a quorum, and ask for a roll call.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Cousens	Johnson	Robinson, Ark.
Ashurst	Cutting	Kean	Robinson, Ind.
Austin	Davis	Keyes	Russell
Bachman	Dickinson	King	Schall
Bailey	Dieterich	Lewis	Sheppard
Bankhead	Dill	Logan	Shipstead
Barbour	Duffy	Lonergan	Smith
Barkley	Erickson	Long	Steiwer
Black	Fess	McCarran	Stephens
Bone	Fletcher	McGill	Thomas, Okla.
Borah	Frazier	McKellar	Thomas, Utah
Brown	George	McNary	Thompson
Bulkley	Gibson	Metcalf	Townsend
Bulow	Glass	Murphy	Tydings
Byrd	Goldsborough	Neely	Vandenberg
Byrnes	Gore	Norbeck	Van Nuys
Capper	Hale	Norris	Wagner
Caraway	Harrison	O'Mahoney	Walcott
Carey	Hastings	Overton	Walsh
Clark	Hatch	Patterson	Wheeler
Connally	Hatfield	Pittman	White
Copeland	Hayden	Pope	
Costigan	Hebert	Reynolds	

Mr. ROBINSON of Arkansas. I desire to announce that the Senator from California [Mr. McADOO] is detained by illness, and that the Senator from Florida [Mr. TRAMMELL] and the Senator from Massachusetts [Mr. COOLIDGE] are necessarily detained.

I ask that this announcement may stand for the day.

Mr. HEBERT. I desire to announce that the senior Senator from Pennsylvania [Mr. REED], the junior Senator from North Dakota [Mr. NYE], and the senior Senator from Wisconsin [Mr. LA FOLLETTE] are necessarily absent.

The PRESIDING OFFICER. Ninety Senators having answered to their names, a quorum is present.

RECIPROCAL TARIFF AGREEMENTS

The Senate resumed the consideration of the bill (H.R. 8687) to amend the Tariff Act of 1930.

Mr. WALCOTT. Mr. President, the Constitution, under the present administration a badly manhandled document, vests in the Congress, as the representatives of all of the people, jurisdiction over the economic life of the country, a power which the people of Connecticut would not have transferred to a single person or group of persons.

The pending reciprocal tariff bill is an invasion of the sovereignty of the people of my State and of all the States to which I cannot become a party. It is too nearly akin to "taxation without representation" to be acceptable to the New England which was so active in throwing off such a yoke and aided in giving to the country the Constitution which has sufficed for all of our needs until the advent of the present administration.

Mr. LONG. Mr. President, will the Senator from Connecticut yield?

Mr. WALCOTT. I yield.

Mr. LONG. I desire to know if at this time we could not ask someone who is in authority what is going to be the disposition of our application for the Colombia Treaty. Will the Senator from Connecticut permit an interruption so I can ask that question?

Mr. WALCOTT. Certainly.

Mr. LONG. My friend the Senator from Arkansas [Mr. ROBINSON], or the Senator from Mississippi [Mr. HARRISON], perhaps, can inform me. I want to get in the RECORD, if I can, a statement as to just what is going to be done with reference to the request for the production of that treaty.

Mr. HARRISON. I understood the Senator from Louisiana made a very respectful request for it on yesterday.

Mr. ROBINSON of Arkansas. Mr. President, I object to any consideration of the matter at this time.

Mr. LONG. I want to get the record straight. May I inquire of the Senator from Mississippi? The Senator from Mississippi responded the other day with the suggestion that he thought the State Department would send this treaty here provided the Republic of Colombia did not object, and the Republic of Colombia was being asked by the State Department if it was all right.

Mr. HARRISON. I think that country has been asked whether or not there would be objection. Of course, the rule is that both countries simultaneously publish a treaty or agreement when it is made, but I do not like to have the discussion on the pending bill diverted by a discussion of another subject matter.

Mr. LONG. Mr. President, I wish to inform the Senator from Mississippi that I have information that that is not what is withholding the treaty. Since the Senator made that statement, I have been reliably informed that it is not on that ground that the State Department is withholding the treaty, but on other grounds. That is why I was hoping to get an authoritative statement in the RECORD on the matter.

Mr. ROBINSON of Arkansas. Mr. President, I shall object to any consideration of the resolution.

The PRESIDING OFFICER. Objection is made.

Mr. WALCOTT. Mr. President, Connecticut is not willing to yield the power of economic life and death to theorists or to the executive branch of the Government. It cannot be justified as an emergency measure; it cannot be demanded of the Congress as necessary for the general welfare of the country if we are to rely upon the expressions of Democratic leaders in such matters who have complained that the flexible tariff itself is an invasion of State rights; it is perhaps then merely to appease the vanity of a Chief Executive and his advisers that each plank in their party platform had been dealt with and the promise of action redeemed.

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It may well be argued if we have not faith in our Chief Executive, the country is in pretty bad shape. On that basis it can be said that if he were personally to administer the law we are being called upon to enact, all would be well. But he cannot do all of this, and necessarily he must delegate the duties imposed under this bill to subordinates, probably men who never have been engaged for a single day in actual industrial pursuits, but who view the intricacies of the tariff from textbook knowledge.

Connecticut is too highly industrialized to view other than with extreme perturbation the surrender of their rights under the Constitution to those who are selected, not those who are elected. The practice of tariff logrolling, which has been decried here, at least gives opportunity for the duly elected representatives of the people of my own and the other States to have a voice in the matter.

It is not the demand nor yet the wish of our people that we build up a Chinese wall of import prohibitions, but it is asked that we have that degree of protection for our industries and our workers that will neutralize the trade advantages of the Old World and the Orient in particular accruing from cheap labor.

The pending legislation is neither of an emergency character nor necessary for the carrying out of the President's recovery program. We talk about "Yankee trading" to be made possible under the operation of this bill. The Presi-

dent already has as much power under the National Industrial Recovery Act as the pending bill proposes to accord him, and the administration should be satisfied to rest with that instead of seemingly going out of its way to keep industry and labor stirred up with indications of undertaking by new and devious ways to remake the economic structure of the country.

The question of our right to delegate these tariff- and treaty-making powers to the executive branch of the Government has been covered admirably and completely by the Senator from Idaho [Mr. BORAH] in his address before the Senate last Thursday, dealing with the constitutional issue the bill involves. Aside from this, there is no need for me to enter into a discussion of the constitutionality of the proposal. The tariff is a revenue measure; it is a tax measure; and, as such, originates in the other House. From the early days of our existence as an independent nation the House of Representatives has originated tariff proposals and has set forth specifically the amount of tax which must be levied on goods coming into our ports from foreign countries. We may well doubt the constitutionality of the pending measure. It has not been successfully contended here that the President is not being given power which is exclusively reserved by the Constitution to Congress.

We must not, in our deliberations, compare the pending proposal with the flexible provisions contained in our present tariff act. Under the present act, whenever a change in a duty is contemplated, the Tariff Commission makes thorough and impartial investigations in this country and abroad, and after full public hearings, at which may appear those who are specifically interested, makes recommendations to the President. The bill now under discussion, on the other hand, permits the President, after a hearing which bids fair to amount to little more than an advance warning of doom, to change any duty. Of course, it cannot be conceived that he proposes to revise these duties upward. There is no provision for consideration by Congress, whose prerogative it is under the Constitution to levy taxes.

The Senator from Idaho has said that "the integrity of constitutional government has never meant so much to the average American citizen, to those whom Lincoln was wont to call 'the common people', as in this very hour." I feel that he is right. There are those who are becoming increasingly willing to blink at disregard for the Constitution.

The question of how our welfare will be affected, what we shall have to lose or gain by authorizing the negotiation of reciprocal tariff treaties is a complex one, and is bound up with broad questions of national policy throughout the entire period of our existence as a nation. Our domestic market is the prize which is put at stake, and has been put at stake by all attempts at alteration of our tariff policy.

No nation trades entirely within itself, but the form, variety, and purchasing power of domestic consumers differ greatly. Even today, the United States has the largest, the most varied, and in consuming capacity the best domestic market of any nation in the world, and the one which every other nation most desires to penetrate.

Our domestic market is the largest free-trade area in the world. Neither Russia, China, India, nor any similar physical areas can be compared with the United States, because of the small buying power of their population and the numerous natural restrictions on intercourse, due to lack of communication. Europe alone has similar physical proportions to ours, but the buying power of a larger European population within a similar physical area varies, and, on the average, is much less than ours, without equal facilities for communication. Moreover, we have free intercourse between 48 States, several of which are greater in physical area than is any one of the European nations save Russia. The customs barriers erect stockades which divide the European area into cloistered markets so small that, in the case of Belgium, a highly industrialized state, trains cross its area in the same period of time required for passage through Massachusetts.

Under these conditions there is no comparison between the United States, without a customs barrier between the Atlantic and the Pacific, or Canada and Mexico, and a Europe checkered with independent sovereignties, each operating under a separate customs system necessitating continuous negotiation and bargaining to find outlets for states which must export the greater part of their production and import many of their necessities for both living and defense.

Here 67 percent of our imports enter free. England alone, among European states, shows a larger figure of free importations.

Secretary Wallace says we must choose between contraction of our foreign trade and a declining capacity to use our excess of production. The intimation is that plenty threatens us with poverty. We must, he intimates, check industry and throttle inventive progress in order to preserve agriculture, or open our domestic market to an enlarged exchange for foreign goods, and thus limit our industrial production by the amount of our importations.

In the past, events have not shaped themselves in accordance with this conclusion. Fiske's Critical Period of American History shows that in the period between the Yorktown surrender and the adoption of the Constitution our markets were flooded with British goods, which took our hard money and threatened to leave us dependent for defense and domestic security on imports. We were still the victims of Chatham's declaration that "the Colonies should not be permitted to make a horseshoe or a hobnail for themselves." Yet we did not prosper.

The first act of the First Congress was the passage of the famous tariff bill suggested by Hamilton's report. The Colonies, threatened with bankruptcy and fiscal chaos, began to transform household industries into the beginnings of the industrial system.

America chose to secure economic independence through the development of industry. One State after another did everything to encourage domestic manufacture and create a new sense of economic independence. Invention, through manufacture, made possible the development of agriculture on an equally independent basis. Before Eli Whitney's cotton gin, it took the labor of one slave 1 day to separate a pound of lint from seed. A Connecticut Yankee founded the kingdom of cotton, for, at the adoption of the Constitution, less than 500 bales of cotton were exported from the United States annually.

With the development of cotton as its staple, the South became almost wholly agricultural, living on exports, while the North became industrial, and the irrepressible conflict that followed had its foundation partly in the divergence of sentiment in a section dependent on imports in exchange for cotton, with comparatively little development of manufacture.

A Wallace in the South would then have argued that the South must choose whether to be agricultural or industrial. Whereas, since the Civil War, the South has written its own answer in terms of both agricultural and industrial development, balancing the competition of other sources of cotton with its own manufacturing product.

Again, during the Civil War, McCormick, by the invention of the combined reaper and harvester, applied machinery to agriculture, released men to the Army and yet, with lessened numbers of workers, fed the North and had food for export. This had never occurred before in the history of civil war.

The fundamental trouble with the Wallace theory is that it does not recognize the fact that our population operates under a continuing exchange of goods and services, using money and credit as the intermediary. Disturbance of the balance in production and distribution requires its restoration; otherwise all business will suffer. But the production itself is the source of wealth, and our choice is not made between national and international trade, but between developing and sustaining a domestic market, unique in character, while seeking all forms of foreign trade in exchange for the things we need and have not, without risking our capacity to produce and supply our own needs for domestic consumption, convenience, and defense.

It is too late to say that America must choose. America made her choice when she elected to follow Hamilton's recommendation and develop domestic manufacturing in-

dustry. Our great cities, our great manufacturing plants are the consequences of that choice. Our present growth and population are its byproducts and, at the same time, the source of the market for our agricultural products. If we attempt now to demolish a structure which we have fostered for over 150 years, which is inherent in the character of the national life we have developed, we shall indeed have an appalling heap of ruins.

Some idea of the preponderant importance of our domestic market as compared with our foreign market may be obtained from the following figures for the year 1929, when exports were at their height as a result of artificial stimulation because of our heavy foreign loans:

United States exports for this year ($5,157,000,000) amounted to 6 percent of the estimated national income for that year ($83,032,000,000);

They amounted to scarcely 2.5 percent of our domestic trade in commodities, excluding all transactions on the commodity exchanges (approximately $200,000,000,000);

They amounted to less than 2 percent of ordinary and original transactions in goods and services in the United States, excluding all transactions on commodity and stock exchanges, direct wage and salary payments ($275,000,000,000).

They amounted to a little more than 0.5 percent of total bank debits to individual accounts during the same year ($935,000,000,000).

Even after the elimination of all purely speculative transactions, it is probable that the total value of our exports in 1929 was considerably less than 1 percent of our entire domestic trade.

The significance of these facts was well recognized a year ago, when, through the operations of the N.R.A. and the A.A.A., we embarked on a course of building up our domestic market and price scales to a high level, with the intent of placing embargoes, if need developed, on foreign commodities the influx of which in any way threatened this plan. It is now proposed to dash to the opposite extreme or to operate both plans simultaneously at cross purposes.

I thought in the beginning that Connecticut was due for slaughter under the pending bill. I am now convinced that there is not a single State in the Union which may not be due for slaughter. I am convinced that as great a country as ours cannot permit a single man, no matter how competent and trustworthy, to trade its industries and its agriculture for the benefit of foreign countries and agriculture.

We have not been able to obtain from the administration's sponsors of the bill the details of any of the contemplated operations thereunder. We hear from the administration's leaders in the Senate that the Hawley-Smoot tariff rates, which many of these leaders aided in putting into the law, must be lowered in order to allow the entry of foreign products to permit of the balancing of trade relations between the United States and the rest of the world.

This is very well in theory, but is not practical of operation as long as in this country we prescribe minimum wages under the President's reemployment agreement and the industrial codes, ban child labor, fix maximum and minimum hours of labor, and otherwise seek to maintain our workers on the high plane which our civilization provides.

That this is recognized by the administration is made manifest by the steps being taken to aid coded industries faced with extermination by imports from the cheap-production countries of the world.

We hear the cry of trade barriers, but what are the facts? The domestic production of lead pencils was threatened by an ever-increasing flow of imports from Japan. The domestic manufacturers could not compete, even with the supposedly protective-tariff rate of the Hawley-Smoot law, with pencils which sold to the trade at less than the cost of production in the United States of like articles. Their complaint was found justified, and the Government stepped in and applied a quota to Japan under the provisions of the National Industrial Recovery Act.

The cotton-rug industry truly is threatened with extermination. Whereas 4 years ago the imports from Japan of the highly popular chenille rugs totaled in the neighborhood of 300,000 square yards annually, if the tide be not stemmed this year the total will reach something like 2,000,000 square yards. We are being swamped with hit-and-miss rugs, as a peculiar type of rug is known, but these being in wider use, we are willing to permit as much as 2,000,000 square yards per year to enter the United States.

To permit the unrestricted entry of chenille rugs into the country, even with the payment of the much-criticized Hawley-Smoot tariff rate, would wipe out the investment and employment in that industry. It is reliably reported that the United States Tariff Commission has found that it is desirable, from the standpoint of domestic economy, to limit these importations to a maximum of about 600,000 square yards and necessary to employ an import fee, additional to the tariff, to equalize the difference in production costs at home and in Japan as nearly as possible under the circumstances.

The Orient is not the only section of the world against which we must further protect ourselves. There is another character of cotton rugs that are popular in the United States, known as "cotton orientals." They come from France, Belgium, and Italy, and they are being imported in increasing quantities. So dangerous has become the competition of these imports that, I am reliably informed, the President now has in contemplation the imposition of an import fee additional to the present rate of duty, for the protection of the domestic industry.

These are examples, though not particularly outstanding in character, of the matters with which the President has been called upon to deal—not the President himself, for he has had to delegate these matters to the United States Tariff Commission, a body set up for the specific purpose of dealing with import questions. Public hearings were held at which both the domestic manufacturing and the import interests were permitted to present their cases at length. Some of the rug importers, I am told, were represented at the hearings by James W. Bevans as counsel, one-time Chief of the Customs Bureau in the Treasury.

Some time ago, perhaps even before the National Industrial Recovery Act became operative to the plate-glass industry, the United States Tariff Commission made an investigation of the plate-glass tariff. It has been reported that the results of the study of the Commission experts indicated probable justification for rate reduction. Then came the agreements for minimum wages and maximum hours under the codes. The picture underwent a complete change. Not only was the alleged competitive margin, favorable to the United States, wiped out, but it was made apparent to the President by his advisers that the suggested rate cutting was unwarranted.

I do not understand that the revised report has reached the President. I am told that it will show a need for the maintenance of the present rates for the protection of the industry and the continuance of employment.

I have tried diligently to secure some idea of what commodities are intended for trading. The advocates of this bill will not reveal them specifically; but at the hearing before the Ways and Means Committee the chairman of the Tariff Commission, at the conclusion of his presentation, submitted a list of "dutiable articles more or less competitive with respect to which foreign countries present advantages." Time does not permit a complete review of all of these commodities, or even a considerable proportion of them; but I should think every Member of the Senate would want to look into this list very carefully, for he will find in it commodities in which he is vitally interested. I am going briefly to discuss one or two; and at this point I desire permission to print as an appendix to my remarks a comparative statistical statement, put together by our Department of Labor, showing the relative wages on given articles of manufacture between the chief countries that are now in competition with the United States.

The PRESIDING OFFICER (Mr. PATTERSON in the chair). Without objection, it is so ordered.

(The matter referred to appears at the end of Mr. WALCOTT's remarks.)

Mr. WALCOTT. Watch movements are on this list. The State of Connecticut was the birthplace of American manufacture of the clock and the watch. The State is still a major producer of these commodities, and hundreds of people are employed in their production. Competing countries are Germany, Italy, and Switzerland. Switzerland, I understand, desires to enter into a reciprocal-tariff agreement with the United States. It has watches and clocks to trade for wheat. It also has optical goods and other commodities; but unless the country can make a deal on its clocks and watches there is not much use in negotiating. If the President wants to trade, he will have to trade on these commodities, and the cheap labor of Switzerland, Germany, and Italy will drive the higher-priced labor of Connecticut out of employment, and into what? Probably into agriculture, and the resulting increase of our farm surpluses.

Take silk fabrics, for example, which are also on this list, and of which Connecticut is a large producer. The great Cheney plant of South Manchester is known throughout the world for its silk products, and yet this item appears on the "doomed" list. If the President desires to enter into negotiations with Italy or Japan, he will have to talk silk. The silk code, which was in effect imposed upon the silk industry under the N.R.A., provides for a $13 minimum-pay rate in the North. That is the very minimum weekly wage which can be paid in a Connecticut mill. As a matter of fact, and as all Senators know, the prevailing weekly wages are much higher.

Now let us look at Japan.

A female silk reeler, on the basis of February 1934 exchange, got 21 cents a day (60 sen); a silk thrower, 94 sen, or 28 cents per day; a silk weaver, 138 sen, or 41 cents per day. England, with a lower wage scale than ours and without an N.R.A., could not stand the competition and was compelled to put an embargo on Japanese goods.

I am informed that the present tariff rates on cotton and silk piece goods and many other commodities produced in quantity by Japan are too low to keep them out, and that particularly with the more wide-spread adherence to the N.R.A. codes and the action of Great Britain, we may look for tremendous Japanese competition; and yet, unless the President will trade on these commodities with Japan there will be no trade. Will his advisers present to him facts and figures which will be designed to convince him that American labor can compete with the 21-cent silk reeler or a 25-cent-a-day cotton spinner in Japan?

I wish time permitted more detailed analyses of some of these comparative wage rates. The figures which I have already given and those which I shall hereafter give concerning Japan are based on the monthly report on current economic conditions published by the Tokyo Chamber of Commerce and Industry and reprinted in the United States Monthly Labor Review of December 1932.

Let us see what Japan would do to our metal industries. A lathe operator in Japan gets 5.23 yen, or $1.57 per day, based upon February 1934 exchange. A founder gets 3.07 yen, or 92 cents a day; a patternmaker gets 4.42 yen, or $1.33 per day. No Senator who is familiar with Japanese labor conditions will contend that the daily wages which I have named are for a 6- or 8-hour day or on the basis of a 40-hour week. In many cases they are based on a workday lasting from sunrise to sunset.

Connecticut is a considerable producer of pocket cutlery, safety razors, dolls and toys, of woven-wire cloth, of cosmetics, toilet preparations, machine-made laces, and many other commodities on this list. Suppose the President decides that he will enter into negotiations with Italy. Italy, as Senators know, is a great industrial country; and her dictator has but recently issued an order which has for its purpose the reduction of wages so as to place "Italy in a better position to compete with other countries in the world market." That is quoted from Mussolini's own speech. On the other hand, we have increased wages and shortened hours. Either Mussolini is wrong or President Roosevelt is wrong with respect to the proper policy to restore national prosperity.

Personally, I applaud the raising of wages and the shortening of hours to a reasonable degree; but it is not difficult for me to see that if Italy is reducing its wages, and if our President makes a tariff agreement with Italy, the American working men and women are certain to lose out. Italy is willing and anxious to export its hats and rayon goods into this country. If the President is not able to trade on rayon, edible nuts, olive oil, and other Italian commodities, Italy will not trade. It does not require unusual vision to foresee the effect of placing the workers of a coded industry in competition with the low-standard workers of Europe and the Orient.

It is not humanly possible for the President to review personally the hardships which will be caused by any treaties which he might negotiate. Even if we were certain of the wisdom of his advisers, we could not, while these great experiments of recovery are being conducted, rightly place in his hands an unwarranted power.

We know that the American manufacturer and farmer are in a hopeless predicament whenever the advisers of the President suggest that a certain industry is a nonessential industry. I cannot review the list of Connecticut industrial and agricultural products without a feeling of deep apprehension when I know that these low-pay foreign countries are straining at their borders, anxious to leap a new tariff barrier and get into a market which, under the reciprocal-tariff plan, would be defenseless to prevent their inroads.

Under section 3 (e) of the National Industrial Recovery Act, the President, on his own motion, or if any labor organization or any trade or industrial association or group which has complied with the N.R.A. requirements shall make complaint that any articles are being imported into the United States in substantial quantities or increasing ratio to domestic production or any competitive article, may cause an immediate investigation to be made by the Tariff Commission. The President may then prescribe the terms, conditions, fee payments, and limitations subject to which these articles may be imported. He may even forbid the importation of such articles unless the importer shall first obtain a license from the Secretary of the Treasury. Domestic producers are just beginning to learn of the existence of that section, and it is being utilized. The question is, Does that section mean anything? Was it a mere bait held out to the domestic producers to secure their approval of the N.R.A.? Does the President mean to nullify the effect of that section through the passage of the reciprocal-tariff bill? American producers are most apprehensive, for they realize that the struggles which they have made to conform to the N.R.A. requirements can be rendered futile by the stroke of a pen.

Even our debased currency offers no protection against the inroads of foreign competition. The President advocated the devaluation of the dollar as a means of opening up new markets abroad for American products. Why, Mr. President, resort to that scheme does not even guarantee our own markets to our own people. This is evidenced by the increase in imports that is noted.

Business is always sensitive to legislation affecting corporations, and suspicious that any legislation directly or indirectly affecting any given industry has been designed to curtail the freedom of action of that industry. This is particularly true during a depression, when business has been crowded down to a low ebb by unfavorable economic conditions.

It would be difficult to think of anything better calculated to put a damper upon the employers and employees of the manufacturing industries of the United States now enjoying protection from the ruinously low labor costs of foreign countries than to throw into the legislative arena at this time a bill which definitely and specifically provides for secret agreements, secretly arrived at, without any opportunity in advance of the conclusion of the agreement for interested parties to have a word to say against the terms of the agreement, knowing full well that the power has been lodged in the hands of one man, who usually knows little of

business, and who may easily be influenced largely by political prejudice.

Let us turn to a copy of the North American Review for October 1909 and recall what President Woodrow Wilson said with regard to secret agreements in arriving at tariffs:

> It is the policy of silence and secrecy, indeed, with regard to the whole process that makes it absolutely inconsistent with every standard of public duty and political integrity.

That expression appears toward the close of a learned article considering how futile secret methods of approach always have proved to be with relation to tariff agreements.

This bill makes it possible for the President of the United States to declare operative an arrangement called a "reciprocal agreement" with any competitor nation on earth whereby any home industry in this country may be deprived of one-half of the protection which that industry is now enjoying.

Suppose any of the hundreds of items manufactured in New England in the brass or copper industry: the small hardware and cutlery industry; woodworking and machine tools; spare parts for automobiles, like radiators, meters, springs, clocks, and wire wheels; watches; laces; manufactured silks, all now enjoying reasonable protection, but not now making even reasonable profits, should be attacked by having 50 percent of their protection which now exists ruthlessly removed. What would become of these industries? They could no longer exist. The resulting loss to the employees and to the communities in which they are located would be disastrous.

The point I wish to emphasize in all this is the pall of uncertainty, like a black cloud, which this bill would spread over the industry of these United States, still bordering upon panic, still unable to completely throw off the fear caused by the nightmare of depression from which it is still struggling to emerge. I repeat, that I can think of nothing so perfectly calculated to paralyze New England's industries with fear as the dread uncertainties this proposed legislation would create, and I personally believe that some of the uncertainties would be converted into realities.

Let us look for a moment at the other side of this picture, to which allusion was frequently made during the hearings before the Finance Committee, the possibility of raising duties upon articles of necessity which are not produced in this country. This advance or increase in tariff might amount to 50 percent, just as the reduction might amount to 50 percent, without the approval of Congress, which was set up by our Constitution as a regulatory body, a balance wheel, a brake upon the usurpation of autocratic powers by the President.

The enactment of this bill would reverse a long-established American tariff policy. With the exception of certain concessions to Cuba, we have made no discriminations among foreign nations with respect to the tariff over a long period. This policy has saved us from trade wars of the sort which, in foreign countries, have led to the most severe international entanglements. They have resulted in complications in the relations of the countries of Europe which have added to the flames of an all too threatening universal discord and struggle.

It must be remembered that agricultural products would be in the front line of those to be affected by negotiations of the sort contemplated. If their effect should be to drive the industrial workers to the farms and the farmers away from the farms, it is difficult to see just how we should find occupations for that portion of our working population that is even now idle.

As a practical proposition, the attempts to establish a reciprocal tariff system have proved rather futile in the past. Before our present policy of international impartiality with reference to tariff rates was adopted, 22 reciprocal tariff treaties were under consideration at one time or another in our history. Our own Congress refused to confirm 16 of these. The foreign governments affected refused to confirm two more of them. In the case of our one previous experience in negotiating such treaties without the requirement of congressional confirmation, 22 treaties were successfully negotiated, only to be repealed after a short time by subsequent tariff acts. When it comes to the point of actually taking the step of ruining a domestic industry, the obvious immediate disadvantage is apt to prevent its consummation. This seems to leave us the choice of either ruin to a particular industry or ineffectiveness.

It seems needless to say that the very uncertainty that would overhang the possible negotiations would probably act as an additional pall over the reestablishment of normal business relations, which have already had too many setbacks, and which it is our aim to encourage in every way. Without actually creating new outlets for industry, we would be continually creating shifts which would add to our industrial chaos and only tend to send industry back into its shell. It would be one more experiment of the type of which we have been witnessing a continuous succession, with little more resultant improvement than was to be expected in the natural course of events, and no more than other countries which have not resorted to experimentation have experienced.

There is one experiment we have not tried since business has definitely turned the corner. That is, leaving it alone for a little while to solve its own destiny. If this experiment were given the trial that has been given innumerable others, I suspect that it might show the most gratifying results of any of them.

I cannot bring my remarks to a close without reemphasizing the very strong objections to the inadequacy of the provision calling for a public hearing. This provision has been drawn stipulating only that public notice shall be given of the intent to negotiate a treaty with a foreign country or instrumentality thereof. In our history we could point to many statutes containing similar provisions. In fact, the tariff act contains a provision similar to the one proposed and under a long line of decisions of our customs tribunals. It has been held sufficient, when the collector of customs posts a notice of the liquidation of an entry on a bulletin board of the customhouse, to start the time running within which the interested parties must appeal to the courts for a review of the collector's decision or lose the right to appeal. This kind of notice, as I have stated, the courts have sustained as sufficient, but if it was the intent of the proponents of this bill to provide a real hearing to the parties interested, let me point to a precedent in the Tariff Act of 1930. In section 336, the flexible-tariff provision, we provided:

> The Commission, * * * upon application of any interested party, shall investigate the differences in the costs of production of any domestic article and of any like or similar foreign article. In the course of the investigation the Commission shall hold hearings and give reasonable public notice thereof, and shall afford reasonable opportunity for parties interested to be present, to produce evidence and to be heard at such hearings. The Commission is authorized to adopt such reasonable procedure and rules and regulations as it deems necessary to execute its functions under this section.

Section 4 of the proposed bill contains a provision in comparable language, yet the line of decisions I have referred to certainly would not apply, and I daresay that no court would compel a complete disclosure of the commodities to be treated or would guarantee to the parties interested a reasonable opportunity to be heard and present evidence.

The foregoing shows clearly that the provision in section 4 of this act is not even as specific as the provision relating to hearings in the Tariff Act of 1930, for this bill only provides for—

> Such public notice of the intention to negotiate an agreement with such government or instrumentality (thereof) shall be given in order that any interested person may have an opportunity to present his views to the President or to such agency as the President may designate under such rules and regulations as the President may prescribe.

This means that a producer, frightened by a public notice of the intention to negotiate an agreement with a foreign government involving some item of commerce which he was manufacturing or raising, might come to Washington and express his fears without knowing the terms which were to

be discussed or anything about the proposed agreement, sounding his alarms in the dark. There is not one word in this bill to compel the President, in his public notice, to disclose the commodities to be covered by a proposed treaty with any particular country or to disclose the items on the other side of the trade or to give more than 1 day's notice. In a word, an aggrieved farmer or manufacturer would have nothing to talk of but his fears and might consider himself fortunate if he had time enough to reach Washington, under the notice provision, to present these; and he would probably be compelled by the rules and regulations of the President to present these fears to some obscure commission or person who would give him scant attention, for he would have nothing specific to talk about. Section 4 of this bill is the rag to be tied over the eyes of the farmer, the manufacturer, and the workingman in a game of blindman's buff.

The history of our various attempts at reciprocal trade agreements, the spirit of intense nationalism which has entered the body politic of every civilized nation of the earth as an aftermath of the World War, the insurmountable trade barriers which have completely sectionalized Europe and split Europe into so many small countries, most of them not as large as many of our States, with the Chinese walls of bitter racial persecutions and intense national rivalries, all indicate that this bill is peculiarly ill-timed and cannot be made to work to our advantage. I regret that this is true. It is a sad admission, but a fact; and it would be unwise to attempt to do now what might have proved a great boon to our foreign relations and trade if it had been successful when tried 30 and 40 years ago; unwise because of the shock to industry, still emaciated and trembling from the blow of economic depression.

I repeat my request for the printing in the RECORD of a list I have received from the Department of Labor giving a comparison of wages paid in the United States and in foreign countries, in order to substantiate my contentions with regard to the need of protection for American wage levels.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

UNITED STATES DEPARTMENT OF LABOR,
BUREAU OF LABOR STATISTICS,
Washington.

WAGES IN THE COTTON, SILK, PORCELAIN, AND ELECTRICAL INDUSTRIES OF THE UNITED STATES AND FOREIGN COUNTRIES

The accompanying tables show the latest statistics available relative to wages and hours in the cotton, silk, porcelain, and electrical industries of the United States and foreign countries. Insofar as possible, statistics have been supplied for recent years, with the exception of the pottery and electrical industries of the United States, the latest studies in these industries having been made by the Bureau of Labor Statistics in 1925 and 1927, respectively. It should also be noted that the wage data furnished for the electrical industry in the United States cover only the manufacture of fractional horsepower motors, no general study of wages in the electrical industry having been made.

Throughout the tables wages are shown in the currency of the respective countries covered as well as in United States currency. In all instances conversions into United States currency have been made at the par of exchange and notations are made in the tables indicating the exchange rate of particular currencies that have fluctuated widely from par, as, for example, in the case of the British pound, having a par value of $4.866 and an average exchange rate of $3.396 in October 1932.

The material presented has been assembled from original wage studies made and published by the Bureau of Labor Statistics and from reports covering wages in foreign countries furnished in large part by American consular representatives abroad and published in the Monthly Labor Review.

Denmark: Average hourly earnings and normal hours per week in the ceramic industry, 1930

[Conversion into United States currency at par, öre=0.268 cent]

	Native currency	United States currency	Hours per week
	Öre		
Copenhagen:			
Skilled workers	171	$0.458	48
Unskilled workers	132	.354	48
Female workers	99	.265	48
Provinces:			
Skilled workers	137	.367	48
Unskilled workers	109	.292	48
Female workers	73	.196	48

Austria: Actual hourly wages and normal hours per week in the porcelain industry, 1931

[Conversions into United States currency made at par, schilling=14.07 cents]

	Native currency	United States currency	Hours per week
	Schillings		
Skilled workers	0.85–0.96	$0.12–$0.13	48
Skilled helpers	.72–.81	.10–.11	48
Unskilled helpers	.63–.77	.09–.11	48
Female helpers	.42–.51	.06–.07	48

United States: Earnings and hours in pottery industry (vitreous ware), 1925

	Average earnings per hour	Average hours worked in 2 weeks
Ware carriers, male	$0.354	91.0
Stampers, gold, female	.235	74.6
Gilders and liners:		
Male	.893	83.1
Female	.634	71.4
Cutters, decalcomania, female	.363	83.3
Transferers, decalcomania and print, female	.332	77.7
Printers, male	.766	79.7
Kiln placers and drawers, decorating, male	.619	86.4
Firemen decorating	.553	113.5
Burnishers, female	.448	71.7
Wrappers, female	.238	84.7
Straw boys	.354	73.9
Packers:		
Male	.654	86.4
Head, male	1.144	94.4
Other employees:		
Male	.517	89.0
Female	.283	80.4
Total, male	.638	83.5
Total, female	.329	77.4
Total, male and female	.521	81.1

United States: Average hourly earnings and hours worked in 2 weeks in the pottery industry (vitreous ware), 1925

	Average earnings per hour	Average hours worked in 2 weeks
Slip makers, male	$0.727	106.1
Laborers, slip house, male	.526	88.1
Mold makers, male	1.014	81.2
Clay carriers, male	.463	86.9
Batters-out, male	.414	78.4
Jigger men	.898	82.1
Mold runners, male	.398	71.2
Finishers, male	.478	77.9
Finishers, female	.395	77.2
Dish makers, male	.821	80.7
Turners, male	.857	77.5
Turners' spongers:		
Male	.292	84.4
Female	.273	63.3
Handlers, male	.922	89.2
Handle casters and finishers:		
Male	.365	80.2
Female	.397	84.2
Casters, male	.815	89.5
Pressers, male	.887	91.5
Laborers, sagger shop, male	.481	90.0
Sagger makers, hand, male	1.010	65.2
Sagger makers' helpers, hand, male	.681	89.5
Sagger makers, machine, male	.935	83.4
Kiln placers:		
Bisque, male	1.002	62.9
Boss, bisque, male	1.249	66.5
Firemen, bisque and glost	.627	128.2
Kiln drawers, bisque and glost, male	.678	72.6
Kiln drawers, boss, bisque, and glost, male	.810	65.0
Laborers, kiln shed, male	.482	84.7
Drawers (in warehouse) bisque and glost, female	.300	73.6
Brushers, female	.285	79.7
Stampers, bisque, female	.272	76.2
Glaze mixers, male	.551	95.8
Glaze mixers' helpers, male	.475	97.8
Ware boys	.472	77.6
Dippers, male	.917	79.6
Dippers' helpers:		
Male	.369	73.6
Female	.330	79.6
Kiln placers:		
Glost, male	.964	71.3
Boss, glost, male	1.078	78.1
Dressers:		
Male	.503	89.9
Female	.263	70.8
Warehousemen	.531	94.7

Czechoslovakia: Average hourly rates of wages and normal hours per week in the silk, velvet, and velveteen industry, 1931

[Conversions into United States currency made at par, crown=2.96 cents]

	Native currency	United States currency	Average hours per week
	Crowns		
Thread makers	2.21–2.33	$0.065–$0.069	48
Labelers, spinners, workers in storehouses	2.30–2.42	.068– .072	48
Workers on silk material, ribbons, etc	2.38–2.50	.070– .074	48
Workers on velvet and velveteen	2.88–3.00	.085– .089	48
Spooler, tenders, and auxiliary workers in spinning factories:			
Up to 20 years of age	1.88–1.98	.056– .059	48
Over 20 years of age	2.05–2.26	.061– .067	48
Cloth cleaners	1.83–1.92	.053– .057	48
Carpenters and locksmiths	2.62–3.50	.078– .104	48
Charwomen	1.71–2.09	.051– .062	48
Day laborers	1.83–2.27	.053– .067	48
Day laborers, heavy work	2.31–2.43	.068– .072	48
Dyers:			
Skilled	2.65–3.17	.078– .094	48
Assistants:			
Men	2.06–2.98	.061– .088	48
Women	1.89–2.34	.056– .069	48
Stokers and machine operators	2.48–2.96	.073– .088	48

France: Average hourly wages and normal hours per week of potters, 1931

[Conversion into United States currency at par, franc=3.92 cents]

	Native currency	United States currency	Hours per week
	Francs		
Potters	3.83	$0.15	48

France (Lyon district): Average hourly rates of wages in the silk industry, 1931

[Conversions into United States currency made at par, franc=3.92 cents]

	Native currency	United States currency
	Francs	
Weaving:		
Bobbin winders, female	2.75	$0.110
Reelers, female	2.75	.110
Warpers, female	3.25	.130
Weavers:		
Male	4.00	.160
Female	3.25	.130
Loom fitters:		
Male	[1] 1,250.00	49.000
Apprentice	[1] 700.00	27.440
Dyeing:		
Dyers, male	5.50–6.00	.220–.240
Printers, male	5.75–6.00	.230–.240
Finishing:		
Finishers, male	4.00	.160
Laborers, male	[1] 600.00	23.520

[1] Per month.

Italy: Average hourly wages and normal hours per week in the pottery industry, 1929

[Conversions into United States currency at par, lira=5.26 cents]

	Native currency	United States currency	Hours per week
	Lire		
Foremen and chiefs	3.87	$0.204	48
Mold makers, working in plaster:			
Males	2.89	.152	48
Females	1.81	.095	48
Shapers, hand and machine:			
Males	2.53	.133	48
Females	1.44	.076	48
Painters:			
Males	2.47	.130	48
Females	1.21	.064	48
Decorators:			
Males	2.43	.128	48
Females	1.40	.074	48
Kilnmen and furnace men	2.85	.150	48
Laborers:			
Males	1.95	.103	48
Females	1.65	.087	48
Helpers, apprentices:			
Males	1.15	.061	48
Females	.84	.044	48
Other classes (preparers of paint and glare, warehousemen, shippers, sorters, truckmen, shopmen, general services)	2.26	.119	48
Other departments	2.93	.154	48
Average	2.12	.112	48

Italy: Hourly wages, excluding overtime wages, and normal hours per week, 1929

[Conversions into United States currency at par, lira=5.26 cents]

	Native currency	United States currency	Hours per week
	Lire		
Silk dyeing:			
Department foremen	5.27	$0.277	48
Dye works:			
Males	2.89	.152	48
Females	1.87	.098	48
Printing work	2.49	.131	48
Dressing and finishing:			
Males	2.79	.147	48
Females	1.78	.094	48
Other departments	2.09	.110	48
General services (firemen, etc.)	3.29	.173	48
Total	2.72	.143	48

Italy (Milan district): Minimum daily wages per 8-hour day in the silk-twisting and spinning industry, 1932

[Conversion into United States currency at par, lira=5.26 cents]

	Native currency	United States currency
	Lire	
Spinning mills:		
Apprentice, female	3.04	$0.160
Cocoon sweeper, female	3.50–4.00	.184–.210
Journeyman	4.37–4.83	.230–.254
Spinner, female	5.34	.281
Skilled spinner, female	5.80	.305
Assistant spinning expert	8.00	.421
Cocoon selector, female	4.61	.236
Knotter, female	5.11	.269
Yarn tester, female	5.89	.310
Workers passing silk in soda bath, female	5.70	.300
Folders, female	5.89	.310
Foremen, repassers	6.35	.334
Waste collector:		
Male	9.38	.493
Female	4.83	.254
Mechanics, carpenters	12.70	.668
Stokers	[1] 362.85	[1] 19.086
Nonqualified worker:		
Male	7.87–9.11	.414–.479
Female	4.23–4.83	.222–.254
Twisting mills:		
Apprentice, female	3.04	.160
Skilled testers, female	5.15	.271
Skilled cleaner, female	5.29	.278
Tester and cleaner, female	5.24	.276
Worker on doubling frame, female	5.80	.305
Winder, female	5.80	.305
Spool worker, female	5.80	.305
Silk throwing:		
Male	9.66–10.53	.508–.557
Female	5.98	.315
Skeiner, female	5.34	.281
Overseer, female	5.84	.307
Hand folder, female	5.98	.315
Forewomen	8.37	.440

[1] Monthly wages.

Germany: Average agreement hourly wage rates and normal hours per week in the china and earthenware industry, 1931

[Conversions into United States currency at par, pfennig=0.238 cent]

	Native currency	United States currency	Hours per week
	Pfennigs		
Skilled workers, male	82.1	$0.195	48
Skilled workers, female	50.4	.120	48
Helpers, male	68.2	.162	48
Helpers, female	42.0	.100	48

Germany: Average hourly earnings and working hours per week in the silk-weaving industry, 1930

[Conversions into United States currency made at par, pfennig=0.238 cent]

	Native currency	United States currency	Average working hours per week
	Pfennigs		
Weavers:			
Male	89.2	$0.212	45.89
Female	78.7	.187	42.07
Assistants:			
Male, over 20 years	72.7	.173	48.56
Female, over 20 years	58.0	.138	47.03

Great Britain: Minimum weekly rates of wages and normal working hours in the pottery industry, 1931

[Conversions into United States currency made at par, pound=$4.866. The average exchange rate of the pound in October 1932 was $3.396]

	Native currency		United States currency	Average hours per week
	Shillings	Pence		
Male workers:				
Enginemen	52	6	$12.76	47
Stokers	47	6	11.54	47
Laborers	43	0	10.45	47
Female workers:				
Warehouse workers in all sections	25	0	6.08	47
Electrical fittings section:				
Pressers, fettlers, dippers, cleaners, printers, decorators, and transferers	25	6	6.20	47
Glost and biscuit placers, working with men in placing houses	27	0	6.56	47
Dipping-house workers (except dippers, scourers and electrical ware cleaners)	27	0	6.56	47
Earthenware potters' attendants and tile-trade attendants:				
Mold runners (18 years old and over)	19	0	4.62	47
Other potters and tile-trade attendants	25	0	8.08	47
Enamelers and gilders		[1] 7½	[1] .15	47
Litho transferers		[1] 6¾	[1] .14	47

[1] Minimum hourly rate.

Great Britain: Weekly time rates of wages in the silk industry, 1931

[Conversions into United States currency made at par, pound=$4.866. The average exchange rate of the pound in October 1932 was $3.396]

	Native currency		United States currency
	Shillings	Pence	
LEEK			
Pickers	44		$10.692
Braid workers, spinners, throwers, and reelers	46		11.178
Braid speeders and knitting tacklers	51		12.393
Weavers	51		12.393
Mechanics	64		15.552
Dyers and glossers:			
22 years of age	48		11.664
22½ years of age	49	6	12.027
Dyers and glossers with no experience:			
First month	37	6	9.111
Rising monthly to tenth month	51		12.393
Dyers mixers:			
First year	51		12.393
Second year	52		12.636
Third year	53		12.879
Fourth year	59		14.337
Dyeing-machine men:			
1 man to 1 machine	51	6	12.513
2 men to 3 machines	52	6	12.756
1 man to 2 machines	53	6	12.999
MACCLESFIELD			
Men:			
Soft-silk trade:			
Power loom overlookers	65		15.795
Harness builders, warehousemen, etc.	52		12.636
Other workers	50		12.150
Thrown- or hard-silk trade:			
Throwing-mill men	45		10.935
Overlookers	50		12.150
Spinners, single thread	33		8.019
Spinners, twofold	35		8.505
Dyers and finishers (22 years and over)	50		12.150
Hand loom weavers		19	[1] .180
Designers	73–76		17.739–18.468
Card cutters	54		13.122
Women:			
Soft silk trade (20 years and over):			
Manufacturing section:			
Winders and pickers	28		6.804
Warpers and twisters	31	6	7.653
Making-up section	28		6.804
Small ware department	28		6.804
Embroidery section:			
Hand-machine threaders	28		6.804
Hand-machine minders	28		6.804
Schiffli-machine minders	29		7.047
Knitting section	30	6	7.410
Finishing section	29		7.047
Thrown-silk trade (20 years and over):			
Knotters, doublers, drammers and reelers	29	6	7.167
Parters	30	6	7.410
Danters	30		7.290
Winders and cleaners	28		6.804
Spinners, single thread	31		7.533
Spinners, twofold	33		8.019
Dyers and finishers (18 years and over)	28	10	7.004

[1] Per hour, plus 70 percent.

Japan: Average basic daily wage in the pottery industry

[Conversions into United States currency made at par, yen=50 cents]

	Native currency	United States currency
Potters:	*Yen*	
Tokyo (1932)	1.77	$0.885
Nagoya (1931)		[1] .555–1.415
Painters (1931)		.595–1.760

[1] Per 10-hour day.

Spain: Average hourly wages in the pottery and ceramic industry, 1931

[Conversions into United States currency at par, peseta=19.3 cents]

	Native currency	United States currency
BARCELONA DISTRICT		
Potters:	*Pesetas*	
Experts, overseers, and foremen	1.13	$0.218
Master workmen	1.00	.193
Peons	.45	.087
Apprentices	.38	.073
Ceramics workers:		
Experts, overseers, and foremen	1.75	.338
Master workmen	1.00	.193
Assistants	.88	.170
Porcelain workers:		
Experts, overseers, and foremen	1.75	.338
Master workmen	1.06	.205
Peons	.70	.135
VALENCIA DISTRICT		
Pottery:		
Oven packers and firers	12.00–14.00	2.32–2.70
Turners	7.50–15.00	1.45–2.90
Decorators, female	3.00– 6.50	.58–1.25
Tiles:		
Oven packers and tenders	12.00–14.00	2.32–2.70
Press operators	10.00	1.93
Journeymen	9.00	1.74
Apprentices	1.50	.29
Helpers	5.50	1.03

Sweden: Average hourly earnings and normal hours per week in porcelain, tile, and clay works

[Conversions into United States currency made at par, krona=26.8 cents. The average exchange rate of the krona in October 1932 was 17.53 cents]

	Native currency	United States currency	Hours per week
SWEDEN (1931)			
Porcelain, tile, and clay works:	*Kronor*		
Men	1.19	$0.319	48
Women	.71	.190	48
SWEDEN, GOTEBORG DISTRICT (1929)			
Chinaware factories:			
Men:			
Timework	1.06	.284	48
Piecework	1.26	.338	48
Women:			
Timework	.53	.142	48
Piecework	.73	.196	48

United States: Average hourly earnings and full-time hours per week in the manufacture of fractional horsepower motors, 1927

	United States currency	Average full-time hours per week
Assembling:		
Armature winders, male	$0.568	49.0
Armature winders, female	.426	47.8
Assemblers, final, male	.644	48.8
Assemblers, final, female	.374	49.1
Assemblers, sub, male	.586	49.0
Assemblers, sub, female	.428	47.9
Coil winders, male	.421	49.3
Coil winders, female	.430	48.2
Inspectors and testers, male	.657	49.2
Inspectors and testers, female	.456	48.1
Packers, male	.540	48.5
Packers, female	.362	50.2
Repairers, male	.569	49.2

United States: Average hourly earnings and full-time hours per week in the manufacture of fractional horsepower motors, 1927—Continued

	United States currency	Average full-time hours per week
Foundry:		
Chippers	$0.547	47.2
Core makers	.874	46.3
Cupola tenders	.729	53.0
Molders	.885	47.4
Pattern makers	.936	48.3
Machine shop:		
Boring mill hands and operators, male	.730	50.0
Drill-press hands and operators, male	.598	48.8
Drill-press hands and operators, female	.431	47.2
Grinding-machine hands and operators, male	.703	48.4
Lathe hands and operators, male	.709	48.7
Machine hands and operators, general, male	.864	49.5
Machine setters, male	.703	48.6
Machinists, male	.684	49.2
Milling-machine hands and operators, male	.658	48.8
Polishers and buffers, male	.749	50.2
Punch-press hands and operators:		
Male	.621	49.2
Female	.374	48.2
Riveters (hydraulic press), male	.730	48.3
Screw-machine hands and operators, male	.678	49.0
Toolmakers, male	.807	49.4
Welders, male	.695	47.8
Unclassified:		
Laborers, general, male	.493	48.7
Other employees:		
Male	.632	48.7
Female	.445	48.0
All employees:		
Male	.642	48.9
Female	.429	48.0
All employees, male and female	.586	48.6

Austria (Vienna district): Minimum weekly wages in the electric-bulb industry, 1930

[Conversions into United States currency made at par, schilling=14.07 cents]

	Native currency	United States currency
	Schillings	
Skilled workers, after 3 years	56.10	$7.89
Skilled helpers, over 24 years	50.40	7.09
Unskilled helpers, over 24 years	45.12	6.35
Workers, female, over 20 years	28.80	4.05

France (Paris district): Average hourly wages in the electrical-construction industry, 1932

[Conversions into United States currency made at par, franc=3.92 cents]

	Native currency		United States currency	
	Time workers	Piece workers	Time workers	Piece workers
	Francs	*Francs*		
Fitters	5.65	6.47	$0.221	$0.254
Fitters, toolmakers	6.52	7.16	.256	.281
Electrical fitters	5.62	6.39	.220	.250
Coil winders	5.57	6.27	.218	.246
Electricians, factory installations	5.59	6.31	.219	.247
Electricians, outside installations	5.84		.229	
Lathe hands	5.88	6.09	.230	.262
Lathe and tool hands	6.85	7.18	.269	.281

Germany: Average hourly earnings and hours per week in the electrical-apparatus industry, 1928

[Conversions into United States currency made at par, pfennig=0.238 cent]

	Native currency		United States currency		Average hours per week	
	Time-work	Piece-work	Time-work	Piece-work	Time-work	Piece-work
	Pfennig	*Pfennig*				
Skilled workers	113.2	134.0	$0.269	$0.295	49½	47½
Semiskilled workers	89.3	108.3	.213	.258	49½	46¾
Helpers	81.5	95.3	.194	.227	49	47¼
Female workers	59.3	66.8	.141	.159	45½	46¼

Italy: Average hourly wages, excluding overtime wages, in the electrical industry, 1929

[Conversions into United States currency made at par, lira=5.26 cents]

	Native currency	United States currency
	Lire	
Foremen, shop turn or group	4.85	$0.255
Qualified workers	3.60	.190
Ordinary workers	3.06	.160
Helpers	2.58	.136
Laborers, watchmen	2.35	.124
Other classes	2.44	.128
Miscellaneous	1.97	.104
Total	3.01	.158

United States: Average hourly earnings and full-time hours per week in the silk and rayon goods industry, 1931

	Average earnings per hour	Average full-time hours per week
Winders, yard silk:		
Male	$0.267	51.9
Female	.293	50.1
Doublers:		
Male	.350	53.9
Female	.287	50.3
Spinners:		
Male	.344	54.2
Female	.289	50.2
Reelers:		
Male	.319	46.8
Female	.287	49.8
Laborers, dye-house, male	.479	52.0
Winders, rayon:		
Male	.375	55.0
Female	.295	52.5
Winders, soft silk:		
Male	.319	57.3
Female	.340	49.2
Redrawers:		
Male	.197	52.7
Female	.243	50.4
Warpers:		
Male	.648	51.1
Female	.476	50.4
Quillers:		
Male	.250	54.2
Female	.265	50.0
Coners:		
Male	.323	52.1
Female	.278	50.4
Enterers:		
Male	.414	51.7
Female	.387	50.8
Enterers' helpers:		
Male	.246	51.5
Female	.260	50.8
Twisters-in, hand:		
Male	.634	49.7
Female	.428	50.6
Twisters-in, machine:		
Male	.615	50.7
Female	.440	51.5
Loom fixers, male	.746	51.0
Bobbin boys, male	.222	51.4
Weavers, broad-silk:		
Male	.499	51.2
Female	.422	49.6
Weavers, ribbon:		
Male	.558	47.3
Female	.444	48.2
Smash hands:		
Male	.536	51.5
Female	.409	52.1
Pickers, cloth:		
Male	.260	52.0
Female	.270	49.8
Inspectors, cloth:		
Male	.538	51.1
Female	.327	50.6
Packers:		
Male	.356	49.8
Female	.303	49.5
Other employees:		
Male	.494	51.5
Female	.276	50.0
All employees:		
Male	.485	51.5
Female	.335	50.0
All employees	.406	50.7

Switzerland: Average daily earnings and normal hours per week in the stone and earth industry, 1930

[Conversions into United States currency made at par, franc=19.3 cents]

	Native currency	United States currency	Hours per week
	Francs		
Foremen	15.64	$3.02	48
Skilled and semiskilled	12.40	2.39	48
Unskilled	9.42	1.82	48
Women aged 18 and more	5.26	1.02	48
Young persons under 18 years of age	5.39	1.04	48

Czechoslovakia (Prague district): Basic hourly wage rates and hours per week in the cotton and flax industry, 1931

[Conversions into United States currency made at par, crown=2.96 cents]

	Native currency	United States currency	Average hours per week
Cotton spinning:	*Crowns*		
Spinners	2.37–2.75	$0.070–$0.081	48
Machine tenders	1.90–2.20	.056– .065	48
Doffers	1.25–1.90	.037– .056	48
Spinners:			
Ring frames	1.40–2.35	.041– .070	48
Fly frames	1.75–1.83	.052– .054	48
Drawing frame tenders	1.70–1.90	.050– .056	48
Card tenders	1.70–2.50	.050– .074	48
Opener tenders	1.80–2.00	.053– .059	48
Roving haulers	1.85	.055	48
Ticketers	1.65	.049	48
Knotters	1.50–1.65	.044– .049	48
Spooler tenders	1.70	.050	48
Winder tenders	1.70	.050	48
Oilers and lamplighters	1.90–2.00	.056– .059	48
Skilled cleaners of carding and combing machines	2.37	.070	48
Sweepers	1.50	.044	48
Section hands	1.80	.053	48
Helpers, day:			
Male	1.15–1.90	.034– .056	48
Female	1.10–1.60	.033– .047	48
Cotton and flax weaving:			
Weavers of goods	1.75–2.40	.052– .071	48
Design weavers	2.27½	.067	48
Spooler tenders	1.50–1.65	.044– .049	48
Warpers	1.75–2.27½	.052– .067	48
Creelers	1.83	.054	48
Warpers and creelers, 1st year	1.50	.044	48
Women, embroidery machines	1.65	.049	48
Loom cleaners	1.60	.047	48
Oilers over 18 years of age	1.90	.056	48
Stock keepers	2.27½	.067	48
Size makers	2.27½	.067	48
Beamer tender helpers	2.00	.059	48
Section hands	2.50	.074	48
Expert workers, inspectors of goods	2.27½	.067	48
Measurers	2.00	.059	48
Twisters-in and winders	1.50–1.65	.044– .049	48

United States: Average hourly earnings and full-time hours in the cotton-goods manufacturing industry, 1932

	United States currency	Average full-time hours per week
Picker tenders, male	$0.233	53.8
Card tenders and strippers, male	.252	53.9
Card grinders, male	.336	53.8
Roving men, male	.204	53.8
Drawing frame tenders:		
Male	.230	54.3
Female	.222	53.0
Slubber tenders:		
Male	.291	53.9
Female	.308	51.3
Speeder tenders:		
Male	.273	54.2
Female	.296	51.5
Spinners:		
Mule, male	.603	50.9
Frame:		
Male	.214	53.6
Female	.213	53.6
Doffers:		
Male	.253	53.9
Female	.273	52.6
Spooler tenders:		
Male	.201	53.3
Female	.207	53.3
Creelers:		
Male	.214	54.2
Female	.207	53.2
Warper tenders:		
Male	.273	53.6
Female	.264	52.6

United States: Average hourly earnings and full-time hours in the cotton-goods manufacturing industry, 1932—Continued

	United States currency	Average full-time hours per week
Beamer tenders:		
Male	$0.364	53.3
Female	.348	53.8
Slasher tenders, male	.324	53.5
Drawers-in, hand:		
Male	.300	51.6
Female	.269	53.2
Drawing-in machine tenders:		
Male	.366	52.5
Female	.305	52.7
Warp tying machine tenders, male	.336	53.7
Loom fixers, male	.403	53.4
Filling hands:		
Male	.198	54.3
Female	.192	54.0
Weavers:		
Male	.314	53.1
Female	.307	52.0
Smash piecers:		
Male	.272	53.9
Female	.266	54.2
Trimmers or inspectors:		
Male	.250	54.5
Female	.202	53.1
Second hands, male	.450	53.5
Section hands, male	.326	53.7
Other employees:		
Male	.248	53.7
Female	.203	52.9
All employees:		
Male	.284	53.7
Female	.234	53.0
Male and female	.266	53.4

France (Lille district): Average hourly wage rates and hours per week in the cotton and wool industry, 1931

Cotton and wool industry	Native currency	United States currency	Average hours per week
Combing:	*Francs*		
Greasers, male	3.00–3.44	$0.118–$0.135	48
Card cleaners, male	3.24–3.42	.127– .134	48
Washers, male	3.01–3.23	.118– .127	48
Washers' helpers, male	3.00–3.18	.118– .125	48
Polishers:			
Male	3.09–3.38	.121– .132	48
Female	2.58–2.73	.101– .107	48
Deobstructors, male	3.07–3.18	.120– .125	48
Combers:			
Male	3.08–3.31	.121– .122	48
Female	2.58–2.69	.101– .105	48
Drawers:			
Male	3.00–3.07	.118– .120	48
Female	2.51–2.57	.098– .101	48
Tank emptiers:			
Male	3.00	.118	48
Female	2.51–2.57	.098– .101	48
Finishers:			
Male	3.00–3.11	.118– .122	48
Female	2.51–2.57	.098– .101	48
Utility men	3.00–3.24	.118– .127	48
Packers, male	3.00–3.58	.118– .140	48
Bundlers:			
Male	3.16	.124	48
Female	2.51–2.64	.098– .103	48
Wheelbarrowers, male	3.00–3.08	.118– .121	48
Winders:			
Male	3.00	.118	48
Female	2.51	.098	48
Beaters, male	3.00–3.23	.118– .127	48
Dryers:			
Male	3.00	.118	48
Female	2.51	.098	48
Burr removers:			
Male	3.00	.118	48
Female	2.51	.098	48
Spinning:			
Spinners, male	4.65	.182	48
Attachers, male	3.96	.155	48
Helpers, under 18 years	1.77	.069	48
Preparation attendants, female	2.79	.109	48
Ring-frame attendants, female	3.07	.120	48
Helpers, spinning-ring frames, female	1.76	.069	48
Twisting-ring-frame attendants, female	2.90	.114	48
Winders, doublers, twisters, female	2.73	.107	48
Breakers, female	3.07	.120	48
Utility men	3.00	.118	48
Carded spinning:			
Spinners, male	4.65	.182	48
Adjusters, male	4.18	.164	48
Attachers:			
Male	4.04	.158	48
Female	3.26	.128	48
Helpers, under 18 years	1.83	.072	48
Card attendants, male	3.44	.135	48
First-card cleaners, male	4.10	.161	48
Second-card cleaners, male	3.91	.153	48
Mixers, male	3.34	.131	48
Collectors, male	3.05	.120	48

France (Lille district): Average hourly wage rates and hours per week in the cotton and wool industry, 1931—Continued

Cotton and wool industry	Native currency	United States currency	Average hours per week
Spinning—Continued			
Carded spinning—Continued	*Francs*		
Cop attendants, female	3.01	$0.118	48
Utility men	3.03	.119	48
Weaving:			
Weavers, male	3.72	.146	48
Warpers:			
Male	4.11	.161	48
Female	2.81	.110	48
Removers of knots, female	2.78	.109	48
Repairers of defects, female	3.24	.127	48
Testers, male	3.81	.149	48
Sizers, male	4.04	.158	48
Foil makers, female	3.68	.144	48
Warp mounters, male	2.97	.116	48
Threaders, male	4.08	.160	48
Utility men	3.00	.118	48
Dyeing (in tanks):			
Storekeepers, male	3.00	.118	48
Dye workers, male	3.14	.123	48
Machine workers, male	3.24	.127	48
Dryers, male	3.14	.123	48
Washers, male	3.14	.123	48
Bundlers, female	2.68	.105	48
Boys:			
13 to 16 years	1.59	.062	48
16 to 18 years	2.16	.085	48
Utility men	3.00	.118	48

Germany: Average hourly earnings and actual working time per week in the cotton industry, 1930

[Conversions into United States currency made at par, pfennig=0.238 cent]

	Native currency	United States currency	Actual working hours per week
Spinners:	*Pfennigs*		
Male	87.9	$0.209	40.14
Female	61.9	.147	40.53
Weavers:			
Male	80.6	.192	41.92
Female	68.2	.162	41.39
Assistants:			
Male, over 20 years	66.4	.158	44.13
Female, over 20 years	48.9	.116	42.55

Great Britain (Lancashire district): Average weekly earnings and hours in the cotton industry, 1931

[Conversions into United States currency made at par, pound=$4.866. The average exchange rate of the pound in October 1932 was $3.396]

	Native currency				United States currency	Average hours per week
	Shillings	Pence	Shillings	Pence		
Men:						
Spinners, counts below 40	43	9	68	8	$10.629–$16.684	48
Spinners, counts 40's to 80's	41	11	72	2	10.183–17.536	48
Spinners, counts above 80's	62	11	74	2	15.286–18.022	48
Big piecers [1]	26	9	34	0	6.498–8.262	48
Twiners	59	8	73	11	14.407–17.959	48
Ball warpers	54	3	67	6	13.182–16.401	48
Sizers, tapers, and slashers	62	3	82	4	15.126–20.006	48
Warp dressers	53	11	68	5	13.099–16.624	48
Twisters-in	33	9	41	11	8.199–10.183	48
Drawers-in	37	8	54	3	9.151–13.182	48
Weavers, 4 looms	31	4	39	0	7.613–9.477	48
Women:						
Drawing-frame tenders	26	10	34	3	6.518–8.322	48
Slubber-frame tenders	24	6	33	4	5.952–8.099	48
Intermediate-frame tenders	22	1	31	3	5.386–7.593	48
Roving-frame tenders	25	0	30	9	6.075–7.470	48
Ring spinners	19	2	29	0	4.657–7.047	48
Reelers	18	10	24	6	4.574–5.952	48
Doublers	21	2	23	1	5.143–5.609	48
Winders	20	1	25	0	4.880–6.075	48
Beam warpers	22	3	33	0	5.405–8.199	48
Weavers, 4 looms	30	1	37	3	7.310–9.051	48

[1] Little piecers' (juveniles) wages approximately one half of big piecers'.

Italy (Milan district): Average daily earnings and hours in the cotton industry, 1932

[Conversion into United States currency made at par, lira=5.26 cents]

	Native currency	United States currency	Hours per day
Cotton-spinning industry:			
Piecework:			
Spinning forewomen, spinners at slubbing frames	*Lire* 9.80	$0.515	8
Spinners, female, at intermediate, roving, and fine roving frames, combers, reelers	9.20	.484	8
Tow shakers, hank twisters, female	8.40	.442	8
Spinners, female at rings, twisted or folded yarns ordinary reelers, etc	7.85	.413	8
Independent spinners, male	16.60	.873	8
Warp winders, bobbin winders, rewinders, etc	7.50	.395	8
Warpers, female	10.20	.537	8
Weavers, cleaners, makers of bolts, female	9.20	.484	8
Jacquard weavers, male	14.25	.750	8
Day work:			
Numberers, revolution counters, checkers, female	9.80	.515	8
Carders, female	8.40	.442	8
Weaving forewomen	11.00	.579	8
Dyers, bleachers, mercerizers, finishers, female: Special machine winders	16.40	.863	8
Machine minders, dyers, etc.:			
Male	5.20–14.25	.274–.750	8
Female	5.20–9.00	.274–.473	8
Special auxiliary staff: Technical workers (mechanics, electricians, male)	16.40	.863	8
Miscellaneous:			
Male	4.40–14.25	.231–.750	8
Female	4.40–7.20	.231–.379	8

Italy: Hourly wages, exclusive of overtime wages, and average hours per week in the cotton textile industry, 1929

[Conversion into United States currency made at par, lira=5.26 cents]

	Native currency	United States currency	Average hours per week
Cotton-textile industry:	*Lire*		
Supervisors, room and department foremen	3.69	$0.194	48
Spinning:			
Carders and beaters	2.03	.107	48
Drawing-frame tenders	1.51	.079	48
Automatic-machine operators	1.78	.094	48
Ring-machine operators	1.39	.073	48
Other spinning workers	1.46	.077	48
Doubling	1.35	.071	48
Weaving:			
Preparation	1.28	.067	48
Warping	1.57	.083	48
Weavers:			
Males	2.19	.115	48
Females	1.48	.078	48
Other workers in department	1.49	.078	48
Dye shops and bleachery	2.13	.112	48
Shops and general services	2.25	.118	48
Other departments	1.42	.075	48
Total	1.64	.086	48

Poland: Average hourly earnings of textile workers, 1931

[Conversion into United States currency made at par, zloty=11.22 cents]

	Native currency	United States currency
Cotton, vicuna, and cotton-waste spinning:	*Zlote*	
Spinners, male	0.96	$0.108
Ring spinners, female	.72	.081
Other workers:		
Male	.78	.088
Female	.63	.071
Young persons	.48	.054
Cotton, half-wool, and light-wool weaving:		
Weavers:		
Male	.83	.093
Female	.75	.084
Other workers:		
Male	1.12	.126
Female	.67	.075
Young persons	.47	.053
Cotton dyeing and finishing:		
Printers and engravers	2.41	.270
Other workers, male	.81	.091
Woman	.68	.076
Young persons	.49	.055

Italy: Average hourly earnings, including overtime earnings, and normal hours per week in the silk industry, 1930

[Conversion into United States currency at par, lira=5.26 cents]

	Native currency	United States currency	Average hours per week
	Lire		
Silk drawing	0.96	$0.050	48
Silk throwing	1.05	.053	48
Silk weaving	1.77	.093	48
Silk dyeing	2.88	.151	48
Silk waste	1.66	.087	48
Artificial silk	1.88	.099	48
Silk drawing:			
Supervisors	1.78	.094	48
Beaters (brushing girls)	.66	.035	48
Spinners	1.11	.058	48
Other groups (testing girls, etc.)	.92	.048	48
General services (firemen, etc.)	2.03	.107	48
Other departments	.92	.048	48
Total	.99	.052	48
Silk throwing:			
Directors and supervisors	1.65	.087	48
Spoolers and transferrers	.86	.045	48
Doubling	1.09	.057	48
Spinning and twisting:			
Males	2.06	.108	48
Females	1.14	.060	48
Other departments	1.07	.056	48
General services (firemen, etc.)	2.03	.107	48
Total	1.09	.057	48
Silk weaving:			
Supervisors and foremen	3.34	.176	48
Winding and spooling	1.34	.071	48
Warping	1.73	.092	48
Weaving:			
Males	2.48	.130	48
Females	1.78	.094	48
Other departments	1.52	.080	48
General services	2.42	.127	48
Total	1.80	.095	48
Silk waste:			
Supervisors and foremen	3.53	.186	48
Macerating	1.77	.093	48
Carding	1.53	.081	48
Combing, males	2.26	.119	48
Combing, females	1.35	.071	48
Spinning	1.37	.072	48
Other departments	1.42	.075	48
General services (firemen, etc.)	2.19	.115	48
Total	1.60	.084	48

Mr. CAREY obtained the floor.

CALL OF THE ROLL

Mr. HEBERT. Mr. President, I desire to suggest the absence of a quorum, and ask for a roll call.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Couzens	Johnson	Robinson, Ind.
Ashurst	Cutting	Kean	Russell
Austin	Davis	Keyes	Schall
Bachman	Dickinson	King	Sheppard
Bailey	Dieterich	Lewis	Shipstead
Bankhead	Dill	Logan	Smith
Barbour	Duffy	Lonergan	Steiwer
Barkley	Erickson	Long	Stephens
Black	Fess	McCarran	Thomas, Okla.
Bone	Fletcher	McGill	Thomas, Utah
Borah	Frazier	McKellar	Thompson
Brown	George	McNary	Townsend
Bulkley	Gibson	Metcalf	Tydings
Bulow	Glass	Murphy	Vandenberg
Byrd	Goldsborough	Neely	Van Nuys
Byrnes	Gore	Norbeck	Wagner
Capper	Hale	Norris	Walcott
Caraway	Harrison	O'Mahoney	Walsh
Carey	Hastings	Overton	Wheeler
Clark	Hatch	Patterson	White
Connally	Hatfield	Pittman	
Copeland	Hayden	Pope	
Costigan	Hebert	Robinson, Ark.	

The PRESIDING OFFICER. Eighty-nine Senators have answered to their names. A quorum is present.

CLAUDIUS T. MURCHISON

Mr. ROBINSON of Arkansas. Mr. President, will the Senator from Wyoming be kind enough to yield to me for a moment?

Mr. CAREY. I yield.

Mr. ROBINSON of Arkansas. For the convenience of the Senator from North Carolina [Mr. BAILEY], I wish to submit a request for unanimous consent. The matter has been discussed with the Senator from Oregon [Mr. MCNARY] and with the members of the committee. The request is that, as in executive session, the Senate consider the nomination of Mr. Murchison to be Director of the Bureau of Foreign and Domestic Commerce. The Senator from North Carolina will make a brief statement as to the reason for this request.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Arkansas?

Mr. MCNARY. Mr. President, this matter was presented last evening by the Senator from North Carolina, and I objected to immediate consideration because the action rested upon a poll which included the majority of the committee. This morning the Commerce Committee held a meeting, at which time Mr. Murchison was before the committee. All the members of the committee have been consulted and, I understand, are unanimous in agreeing to report the nomination. Therefore I have no objection.

Mr. BAILEY. I would not press this matter now but for the fact that I am under the necessity of leaving the city. I know Mr. Murchison. He is a very competent man, at the head of the department of commerce and banking in the University of North Carolina, a graduate of Columbia University. The committee reports favorably upon the nomination. I move its confirmation.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. ROBINSON of Arkansas. Mr. President, I thank the Senator from Wyoming for so graciously yielding.

EVERGLADES NATIONAL PARK, FLA.

Mr. FLETCHER. Mr. President, will the Senator from Wyoming yield to me?

Mr. CAREY. I yield to the Senator from Florida.

Mr. FLETCHER. Mr. President, the Senate on three occasions passed bills which had been favorably reported from the Committee on Public Lands and Surveys, with reference to the Everglades National Park. The House never considered those bills. The Senate passed another bill on the subject only a short time ago, and it went to the House. A similar bill was introduced in the House and was passed by that body on yesterday. I should like to ask the Senate to consider and act upon the House bill at this time. There are a few modifications in the House bill, but we are entirely agreeable to the House bill.

I ask that House bill 2837 be laid before the Senate.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Presiding Officer laid before the Senate the bill (H.R. 2837) to provide for the establishment of the Everglades National Park in the State of Florida, and for other purposes, which was read the first time by its title, and the second time at length, as follows:

Be it enacted, etc., That when title to all the lands within boundaries to be determined by the Secretary of the Interior within the area of approximately 2,000 square miles in the region of the Everglades of Dade, Monroe, and Collier Counties, in the State of Florida, recommended by said Secretary, in his report to Congress of December 3, 1930, pursuant to the act of March 1, 1929 (45 Stat., pt. 1, p. 1443), shall have been vested in the United States, said lands shall be, and are hereby, established, dedicated, and set apart as a public park for the benefit and enjoyment of the people and shall be known as the Everglades National Park: *Provided*, That the United States shall not purchase by appropriation of public moneys any land within the aforesaid area, but such lands shall be secured by the United States only by public or private donation.

SEC. 2. The Secretary of the Interior is hereby authorized, in his discretion and upon submission of evidence of title satisfactory to him, to accept on behalf of the United States title to the lands referred to in the previous section hereof as may be deemed by him necessary or desirable for national-park purposes: *Provided*, That no land for said park shall be accepted until exclusive jurisdiction over the entire park area, in form satisfactory to the Secretary of the Interior, shall have been ceded by the State of Florida to the United States.

SEC. 3. The administration, protection, and development of the aforesaid park shall be exercised under the direction of the Secretary of the Interior by the National Park Service, subject to the provisions of the act of August 25, 1916 (39 Stat. 535), entitled "An act to establish a National Park Service, and for other purposes", as amended: *Provided*, That the provisions of the act approved June 10, 1920, known as the "Federal Water Power Act", shall not apply to this park: *Provided further*, That nothing in this act shall be construed to lessen any existing rights of the Seminole Indians which are not in conflict with the purposes for which the Everglades National Park is created: *And provided further*, That the United States shall not expend any public moneys for the administration, protection, or development of the aforesaid

park within a period of 5 years from the date of approval of this act.

SEC. 4. The said area or areas shall be permanently reserved as a wilderness, and no development of the project or plan for the entertainment of visitors shall be undertaken which will interfere with the preservation intact of the unique flora and fauna and the essential primitive natural conditions now prevailing in this area.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. VANDENBERG. May I ask the Senator from Florida if this bill follows the usual national-park form and involves no expenditure on the part of the Government for the acquisition of land?

Mr. FLETCHER. That is true, Mr. President.

Mr. NORRIS. Has the Senator from Florida spoken to the Senator from Oregon about it?

Mr. FLETCHER. Yes. The Senator from Oregon is agreeable to it.

Mr. NORRIS. Then it ought to be all right.

The PRESIDING OFFICER. The question is on the third reading and passage of the bill.

The bill was ordered to a third reading, read the third time, and passed.

RELIEF OF SCHOOL TEACHERS

Mr. LEWIS. Mr. President, may I ask the able Senator from Wyoming [Mr. CAREY] if he will allow me to intrude for the purpose of asking the Senator from Florida [Mr. FLETCHER], the Chairman of the Committee on Banking and Currency, for information as to a bill which passed the House and which is on its way to the Senate?

The PRESIDING OFFICER. Does the Senator from Wyoming yield to the Senator from Illinois for that purpose?

Mr. CAREY. Mr. President, I should like to proceed with my remarks, but if it will not take more than a minute I will be glad to yield.

Mr. LEWIS. I merely wish to ask a question, as I have awaiting me in the lobby a delegation seeking information which I cannot give correctly. I should like to ask the Senator from Florida, the Chairman of the Committee on Banking and Currency, if he can give me information as to the status of the bill which comes from the House and which contains an amendment in behalf of the school teachers of the country? I am exceedingly anxious as to that feature of the bill, because of the great necessity of the school teachers of Chicago, and I merely want to ask the able Senator if he can tell me at this particular juncture whether the bill is here and is to go to conference, or whether we are to act upon it at present, or what his judgment is, so that I may understand its status, as I myself do not know it at present.

Mr. FLETCHER. I think that matter is in charge of the Senator from Virginia [Mr. GLASS], who will be here in a few moments, I understand. I am quite sure that his motion will be to disagree to the House amendments and ask for a conference. I think there are some amendments which he will not be willing to accept. However, he will attend to that matter very shortly.

Mr. NORRIS. Mr. President, I call the attention of the Chair to the fact that the Senator from Wyoming yielded only for 1 minute, and that minute has expired.

The PRESIDING OFFICER. The Senator from Wyoming will proceed.

RECIPROCAL TARIFF AGREEMENTS

The Senate resumed the consideration of the bill (H.R. 8687) to amend the Tariff Act of 1930.

Mr. CAREY. Mr. President, I do not believe that any administration has advocated so many things which are detrimental to the State of Wyoming and other Western States as has the present one. While I feel that much of the program of this administration is unwise, during the present session of Congress two measures have been enacted which will seriously affect two of the basic industries of my State, namely, cattle and sugar.

A bill for the leasing of the public domain is now pending, and the passage of the pending tariff bill may destroy other industries in Wyoming.

The bill which made cattle a basic commodity will reduce the price which the cattle producer will receive for his cattle, and the processing taxes which will be imposed will be paid by the producer rather than by the consumer. I make this statement knowing what has happened in the case of hogs, where not only high processing taxes have been levied but with millions of pigs purchased and destroyed by the Federal Government the price of hogs has steadily declined. Further, on account of the dry season throughout the hog-producing area it is to be expected that there will be more hogs in the country than when the program was initiated, which means still lower prices.

The sugar bill, to which I shall refer later, is the first step toward the elimination of the beet-sugar industry, which provides the only cash crop which the farmers on irrigated land in the West can produce. It means the destruction of an industry which has built up many prosperous communities not only in Wyoming but in other Western States. To prevent its further expansion denies to these States an opportunity to increase their taxable property and population.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Wyoming yield to his colleague?

Mr. CAREY. I prefer not to yield at this time. I should like to proceed with my remarks.

The PRESIDING OFFICER. The Senator from Wyoming declines to yield.

Mr. CAREY. The Secretary of Agriculture, in his testimony before the Senate Committee on Finance, was asked by the Senator from Michigan [Mr. VANDENBERG] if the Casper-Alcova project, in Wyoming, for which the Federal Government is expending $26,000,000, would be a beet-producing area, made the following statement:

> Secretary WALLACE. I think that they would, under this kind of a provision, not be entitled to a sugar allotment, but that would be again up to the technicians to arrive at the fair thing. But in view of the past history it would seem to me that clearly they would not be entitled to such an allotment.

We have other areas in Wyoming where, within a very short time, we could expect sugar factories but which will be denied them.

A bill has already passed the House of Representatives and will shortly be before the Senate providing for the leasing of the unappropriated public lands. The passage of this bill will make it impossible for the public lands to pass into private ownership and to contribute their share toward the cost of State and county governments. This bill will seriously affect the development of the public-land States, and the continuance of Federal control means that the Western States to a large extent will be colonies governed from Washington rather than sovereign Commonwealths.

The tariff bill which we are now considering will permit the President to reduce tariffs 50 percent in order to develop trade with other nations. While I am in favor of increasing our export business, considering the fact that it has been 10 percent of the business of the country in normal times, I do not believe in sacrificing American industries in order to increase it.

The principal products of Wyoming are now protected by a tariff, although the present tariff is not high enough in some instances adequately to protect them. We produce in Wyoming wheat, corn, and other grains, potatoes, beans, cattle, hogs, sheep, wool, oil and coal, as well as other minerals, and sugar. The passage of the present tariff law cannot do other than demoralize business, as those engaged in every industry in the country which is protected by the tariff will be fearful of reductions which would affect them. The danger of this legislation is not only what may happen, but the fear of what might happen. In my State the wool industry represented the only industry which has shown any signs of returning prosperity. Wool was bringing good

prices and there was an active demand; but the threat contained in the pending bill has reduced the price of wool from 33 cents, which was paid early in February, to about 22¼ cents at the present time, a reduction of approximately 33 percent. On account of this tariff agitation there has been but one sale of range wool made in Wyoming in the past 30 days.

Mr. O'MAHONEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wyoming yield to his colleague?

Mr. CAREY. I yield.

Mr. O'MAHONEY. Does the Senator recall what the price of wool was in 1932?

Mr. CAREY. I recall it was considerably lower than it was during 1933, and I recall that wool went up in price until this tariff agitation began.

Mr. O'MAHONEY. Does the Senator recall what was one of the factors that cooperated in raising the price?

Mr. CAREY. What helped to bring the price up?

Mr. O'MAHONEY. Yes.

Mr. CAREY. I am very glad to give credit to the Farm Credit Administration for the help they gave at that time. I have always given them credit for it, and I wish the Farm Credit Administration could have continued its good work without tariff agitation.

Mr. O'MAHONEY. I am very glad the Senator is giving that credit.

Mr. CAREY. Mr. President, it is a well-known fact——

Mr. LONG. Mr. President, since the Senator has been interrupted, will he permit me to interrupt him just at this point?

The VICE PRESIDENT. Does the Senator from Wyoming yield to the Senator from Louisiana?

Mr. CAREY. I yield if the Senator does not intend to make a speech.

Mr. LONG. I do not intend to make any extended speech. I merely want to call the attention of the Senator to a rather interesting situation. He was interested in the cattle measure the other day, although I think he voted against the bill. We appropriated, I believe, $150,000,000 to restore the cattle business—to limit the production of cattle, I guess. I have in my hand this morning two cans of meat, Libby's corned beef. Libby is an American packing industry. Here [exhibiting] is one can of Libby's corned beef made from Argentine meat; it is canned and processed and prepared in Argentina, and the inspection certificate reads:

Inspected and passed by Argentine Department of Agriculture.

Here [exhibiting] is another can of corned beef sold by the same packing company. It was packed in Uruguay; it is Uruguayan beef; and on the inspection label it says:

Inspected and approved by the Uruguayan Government.

The "brain trusters" have already got things to the point where there is not any use trying to do anything for the American cattle grower and for the American beef raiser. The meat can be obtained in South American countries for practically nothing, and, in order to save the cost of labor, they are packing it in South America, and we do not even get a chance to inspect it. We have a reciprocity agreement by which the inspection is done down there, and therefore our cattle growers have got their cattle standing up and the Agricultural Department is letting foreign beef come in here. These two cans were bought on the counter in this city this morning.

Mr. CAREY. The Senator is aware that the United States Government purchased South American beef during the past year, is he not?

Mr. LONG. I did not know that, but I would not be surprised at anything they do; I would not be a bit surprised. If the Senator had told me that 2 months ago, I would have denied it, as a matter of principle, but I would not be surprised at anything the Senator tells me now, particularly since we have appropriated $150,000,000 to help the beef industry and agriculture, and there are not being sold here over any counter any such products to amount to anything when it can be helped except Argentine and Uraguayan beef, and we are not even inspecting it. I would not be surprised at the information that the Government was buying it from there. I would not be surprised at anything that might happen. You can just take that from me. I have passed the day of surprises.

Mr. CAREY. Mr. President, it is a well-known fact that both Secretary Wallace and his Assistant Secretary, Dr. Tugwell, are free-traders, and it is not to be expected that either of them will make any great effort to protect the agriculturists of this country should it be decided to enter into trade agreements with South American and other countries which will have little or nothing to exchange except agricultural products.

Last winter, in a conversation with Secretary Wallace, he told me that the troubles of the cattle men were entirely due to the protective tariff, as through the protective tariff they had been encouraged to overproduce. I can concur in his statement that there would be no overproduction if there was no tariff, as without a tariff no American cattle producer could remain in business. It costs from 6 to 7 cents a pound to produce beef in this country against a cent and a half in some South American countries, such as those countries which are producing the canned meat which the Senator from Louisiana has shown to the Senate.

The present administration has taken the position that the sugar-beet industry is "inefficient" and "uneconomic" because it enjoys tariff protection. If this be true, then corn, wheat, wool, hogs, and other agricultural products are uneconomic, as is every other American industry which has tariff protection.

In the course of the hearings on the Jones-Costigan bill, before the House Committee on Agriculture, Mr. A. J. S. Weaver, who was then chief of the sugar section of the A.A.A., was asked the following question by Mr. HOPE, of Kansas:

Well, then, in other words, the policy is to start in eliminating the industry before it gets any bigger. Am I correct in that assumption?

Mr. WEAVER. Yes; I think that is a reasonable statement.

Following that statement, certain Senators and Representatives called on the President, who authorized them to issue a statement repudiating Mr. Weaver, and announcing that it was not the intention of the administration to eliminate the beet-sugar industry.

While Mr. Weaver made the foregoing statement, his testimony was changed in the printed record—Mr. Weaver stating that he had misunderstood the question—to:

Mr. WEAVER. Yes; if you mean limiting the industry, I think that is a reasonable statement.

However, we find that Dr. Tugwell, Assistant Secretary of Agriculture, made an unscheduled appearance before the committee on the following day to disavow some of the things which Mr. Weaver said. Yet, when he was asked if he agreed with Mr. Weaver's views on the elimination of the industry, he replied:

I think he [Mr. Weaver] believes that no industry is entitled to support by a tariff, and I may say personally that I agree with him.

If these views of Professor Tugwell are to be the policy of the administration or the Department of Agriculture, it will mean, should this bill become a law, that no agricultural product will be protected by the tariff, as Professor Tugwell has plainly stated he does not believe it is entitled to such support.

I could quote from numerous speeches of the Secretary of Agriculture in which he has consistently advocated a radical reduction in tariffs and the elimination of industries which he considers uneconomic, but it is not necessary, as his position is well known. Certainly we can expect little help from the Department of Agriculture in maintaining tariffs for the protection of the farmer or livestock grower.

On account of a letter which was published in a news story appearing in the Habana Post under date of August 24, 1932, in which it appeared that Mr. Roosevelt, then a candidate for President, had advocated the reduction of 20 percent of the sugar tariff for the benefit of Cuba, the President wrote a letter to Hon. FRED CUMMINGS, of Fort Collins,

Colo., in which he endeavored to explain the letter, particularly that he had made no commitment respecting the sugar tariff. However, in this letter he made the following statement:

> The declared policy of the Democratic Party and its candidates is to establish a "fact-finding tariff commission free from Executive interference"; to negotiate "reciprocal tariff agreements with other nations"; and, finally, to call "an international economic conference designed to restore international trade and facilitate exchange."
>
> In other words, the Democratic program is specifically intended to eliminate politics from the consideration of the tariff question, and there is no industry in the United States—manufacturing or agricultural—that cannot, with greater assurance, rely upon this program than upon the Republican policy which has brought our country to the brink of disaster.

I call attention particularly to that part of the statement where the President said:

> The declared policy of the Democratic Party and its candidates is to establish a "fact-finding tariff commission, free from Executive interference", to negotiate "reciprocal-tariff agreements with other nations", and, finally, to call an "international economic conference designed to restore international trade and facilitate exchange."

While there may be justification for this change in position on the part of the President, his most ardent supporters cannot claim that the pending bill is in line either with the statement made by him at that time or what he calls the "declared policy of the Democratic Party." The bill provides for no "fact-finding tariff commission free from Executive interference" but gives the President the arbitrary power to enter into reciprocal-tariff agreements without consulting with any commission or anyone else. Neither does it provide for any international economic conference.

No one knows, unless it be the President or some of the miscalled "brain trust", just what American industries will be affected through the passage of this bill. However, we can judge sometimes of the future by what has happened in the past, and for that reason I desire to call attention to what has happened in the case of sugar.

There is no question that very clever persons, acting in behalf of the Cuban sugar interests, were responsible for the Jones-Costigan Act. It is also possible that certain ones high in the councils of the administration, some of whom held Government positions, who had previously been employed by the Cuban sugar interests, sold the idea to the administration.

Early in 1933 a conference was called in Washington by the administration, to which were invited representatives of the various sugar interests which supply sugar to the United States. Dr. John Lee Coulter, a Republican member of the United States Tariff Commission, conducted negotiations with the various groups and after long negotiations presented a sugar-stabilization agreement which all branches of the domestic sugar industry approved. More than a month after the agreement was presented it was rejected by Secretary Wallace. At that time Mr. Wallace had associated with him two gentlemen who had had connections with the Cuban sugar interests, while there was a third gentleman, high in the councils of the administration, with interests in Cuba.

While it is impossible to say who were responsible for the administration's sugar policy, it cannot be denied that certain persons intimately connected with the administration had been in the past either employed or interested in Cuban sugar.

When the A.A.A. was established, Mr. Jerome N. Frank was selected as the head of the legal section, regardless of the protests of Mr. George N. Peek, who was then Administrator. Mr. Frank, after graduating from law school, practiced law in Chicago, but in 1929 he moved to New York and became a member of the law firm of Chadbourne, Stanchfield & Levy. The senior member of this firm, Thomas L. Chadbourne, is reputed to have extensive holdings in Cuban sugar, although his name is not included among the directors of the larger Cuban sugar companies. In 1930, Mr. Chadbourne was asked to look over the sugar situation in Cuba, the result of which evolved in what later became known as the "Chadbourne plan", an international agreement which included Cuba and Java and several European countries. Mr. Chadbourne is reported to have been paid a large sum for this work and in public addresses, in extolling his triumphs in economic diplomacy, constantly condemned the Hawley-Smoot tariff on sugar.

In the summer of 1933, when the so-called "sugar-stabilization conference" was in session in Washington, Mr. Chadbourne proposed that drastic quotas be imposed on all domestic sugar so that advantages might be extended to Cuba. He also suggested that the preferential rate on the duty on Cuban sugar be reduced to 1½ cents a pound, which, curiously enough, is exactly the amount provided for in the recent Presidential proclamation.

As I have stated before, Mr. Frank attained his position with the A.A.A. over the protests of the Administrator, Mr. Peek; in fact, Mr. Peek had so little use for him that he personally employed another attorney, Mr. Lee. Also, I am informed that when Mr. Frank came here he stated that he had made a lot of money and cared nothing for a salary, but that his sole desire was to serve in some capacity where he might help his country. How he made his money is not known; but as he was a member of a law firm representing Cuban sugar interests, it may be presumed that some of this money came from Cuba. It was not long before he was one of the "bellwethers" of the A.A.A. and helped to "grease the slide" for Mr. Peek's exit. This meek gentleman, whose sole desire was to help his country, so ingratiated himself with Secretary Wallace that he is dictating the policies of the A.A.A. and, with the possible exception of Dr. Tugwell, is the most influential person in the Department. He is the legal head, while the Solicitor of the Department is seldom consulted and constantly ignored. While it is true that Mr. Frank has never appeared publicly in sugar matters, it is fair to presume that as the chief legal adviser of the Secretary he has been consulted. Certainly his previous connection with Mr. Chadbourne would in no way influence any advice he may have given the Secretary.

When it was necessary to appoint a legal adviser for hearings on the so-called "sugar-stabilization agreement", there was chosen for this position Mr. Adolph A. Berle, Jr., who had been the legal adviser for Mr. Charles W. Taussig, a member of the "brain trust" scrub team, and who is president of the American Molasses Co. and is interested, among other things, in the operation of a refinery in Cuba which makes granulated white sugar and ships it into the United States in competition with American refiners.

On August 29, 1933, during the hearings on the sugar-stabilization agreement, certain members of the Sugar Institute moved that Dr. Berle be barred as acting as a member of the commission on the ground that he—

> is biased and prejudiced against the interests of the said operating cane-sugar refiners of the continental United States, and cannot fairly hear and justly determine, or fairly advise the Secretary of Agriculture with regard to said agreement, or any modifications or amendments thereof which may be proposed to or by the A.A.A.

It was also charged by the refiners, and never denied, that Dr. Berle was attorney and counsel for Charles W. Taussig. In reply to these charges Dr. Berle stated that he was acting only upon the insistence of the Secretary of Agriculture, who was aware of his outside interests. If the Secretary had that much confidence in Dr. Berle at that time, it is certain that Dr. Berle has been consulted as to the sugar program.

Mr. Charles W. Taussig, regardless of his connection with Cuban sugar interests, has been a constant adviser of the President on sugar matters. His relations with the President have been so close that he traveled with him during a part of his campaign, and would probably have continued for the entire route had not some of Governor Roosevelt's friends intimated to Mr. Taussig that his presence might prove embarrassing.

As to the particular parts Mr. Frank, Dr. Berle, and Mr. Taussig have played in influencing either Secretary Wallace or the President in shaping the sugar legislation, I have no way of knowing, but it is fair to assume that these gentle-

men, because of their previous or present connections with Cuban sugar interests, have not been lacking in diligence in presenting their views.

Recently another gentleman, a friend and a protege of Mr. Charles W. Taussig, has moved into the picture. I refer to Mr. John E. Dalton, who has been made chief of the sugar section of the A.A.A., replacing Mr. Weaver. Dr. Dalton, who is known to his intimate friends as "Curse You" Jack Dalton, came here from California in 1932, and has gone from one job to another with remarkable rapidity. He belongs to the new-deal circle of economists, and is an intimate friend and associate of both Dr. Moley and Mr. Taussig. Dr. Dalton, as head of the sugar section of the A.A.A., will be the dictator of the sugar industry in the United States. His selection is proof that Mr. Taussig and the Cuban sugar interests are still "in the saddle."

It is also well known that Secretary of Commerce Roper acted for Mr. Chadbourne in a legal capacity, and also represented several Cuban sugar companies. However, I have no knowledge that he was ever consulted as to the sugar program.

I have spoken at length on the sugar question, and called attention to the friends of the Cuban sugar interests connected with the administration, for the reason that I feel that if this bill becomes a law similar situations may develop affecting other industries. No one knows who has been "planted" or will be "planted" in departments of the Government to destroy certain industries and to help others. No one knows who will have the most influence with the administration, as no one can foresee what industries will be declared uneconomic and inefficient and selected by the "brain trust" for destruction.

Mr. FESS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wyoming yield to the Senator from Ohio?

Mr. CAREY. I do.

Mr. FESS. The Senator has stated matters which, if I understand the inference from them, are most serious.

I can understand how the Cuban people, as a people, should desire to have no tariff whatever on sugar coming here, because of sugar being the product on which that island relies for its prosperity. That is easily understood. I can also understand why, in all of our tariff making ever since Cuba has become independent, we have given her a preferential status; and it is easy to understand why people who are close to Cuba as a nationality should plead with us on behalf of the people of Cuba to reduce the duty. As I have listened to this address, however, I have heard the names of Frank and of Chadbourne and of Berle and of Taussig and of Dalton, most of them now in positions here in the administration, most if not all of them identified in an official relationship with Cuban interests, especially sugar. If I draw the correct inference—and it seems to me it is irresistible—those men have had to do with our policy as to sugar, both in what we have already done and now in what we are asked to do. If that inference is justified, it is something that ought to be investigated.

Mr. CAREY. I think it is justified or I should not have made the statements I have made. I have given the record as it is.

Mr. FESS. I can understand why Cubans should want this legislation; but if Americans employed by sugar interests in Cuba and now in official positions in this administration are asking for such a thing for selfish reasons, I think we ought to know it, if that is the inference, and I take it that it is.

Mr. CAREY. I cannot see any justification for men who have had the connection with sugar that some of these men have had having a hand in framing this legislation.

Mr. FESS. I think that matter ought to be brought to the attention of the public.

Mr. CAREY. Mr. President, it is certain that if this tariff bill becomes a law every interest and industry in the country must struggle to protect itself; and those will be protected who are closest to the administration, while others will suffer who have no advocates to protect them. There is no question but that the large industrial interests that desire to sell their products in foreign countries will insist on sacrificing agriculture or any other industry in order to gain their end. Agriculture and the small industries will suffer, while the large industries will profit.

I am not opposed to this bill because it is a Democratic measure but because I feel that if I supported it I should be betraying the people who sent me to the Senate and who expect me to represent their interests. I cannot subscribe to the doctrine that it is right to sacrifice any section of the country or any class of people for the benefit of another section or class. Neither can I justify selling the United States short, which will happen if the bill shall become a law.

Mr. President, I ask unanimous consent to insert in the RECORD at the conclusion of my remarks an editorial from the New York Herald Tribune under date of April 30, 1934, entitled "Dangerous Tariff Powers."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

DANGEROUS TARIFF POWERS

It is regrettable that the administration spokesmen who have put up such a good argument in favor of granting the President powers to negotiate reciprocal trade agreements should insist that these powers be granted in such a form as to obviate the necessity of hearings on the part of persons whose interests might be adversely affected by Presidential rulings reducing tariff schedules. The point is of vital importance—not only in principle but also in practice.

It is important in principle because it places in the sole discretion of the President extensive powers of tariff making, and hence of taxation, which have heretofore been reserved to the legislative branch of the Government. It is important in practice because these powers may be abused to serve political ends of unscrupulous advisers of the President.

Unfortunately, this second point is the most ominous. Three months ago few people would have believed so. But the Nation has been jolted into the unpleasant realization that the powers for "cracking down" on a recalcitrant industry may be used arbitrarily, regardless of fair play. The fate of the air-mail carriers shows this. The industry was offensive to some of the President's friends and advisers. It was therefore sacrificed. What assurance have we that other industries which give offense may not, under the arbitrary powers over the tariff to be given to the President, also be punished?

It is difficult to see how the effectiveness of the President's negotiations for reciprocal agreements can be seriously jeopardized by giving some group like the Tariff Commission the role of a sort of court of appeals. The essential thing is to make it impossible that the President's power be exercised arbitrarily and without a corrective. This, rather than the principle of reciprocal agreements, is what is objected to by critics of the present measure.

Mr. KEAN obtained the floor.

Mr. McNARY. Mr. President, will the Senator yield to me for the purpose of suggesting the absence of a quorum?

Mr. KEAN. I yield.

Mr. McNARY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Couzens	Johnson	Robinson, Ark.
Ashurst	Cutting	Kean	Robinson, Ind.
Austin	Davis	Keyes	Russell
Bachman	Dickinson	King	Schall
Bailey	Dieterich	Lewis	Sheppard
Bankhead	Dill	Logan	Shipstead
Barbour	Duffy	Lonergan	Smith
Barkley	Erickson	Long	Steiwer
Black	Fess	McCarran	Stephens
Bone	Fletcher	McGill	Thomas, Okla.
Borah	Frazier	McKellar	Thomas, Utah
Brown	George	McNary	Thompson
Bulkley	Gibson	Metcalf	Townsend
Bulow	Glass	Murphy	Tydings
Byrd	Goldsborough	Neely	Vandenberg
Byrnes	Gore	Norbeck	Van Nuys
Capper	Hale	Norris	Wagner
Caraway	Harrison	O'Mahoney	Walcott
Carey	Hastings	Overton	Walsh
Clark	Hatch	Patterson	Wheeler
Connally	Hatfield	Pittman	White
Copeland	Hayden	Pope	
Costigan	Hebert	Reynolds	

The PRESIDING OFFICER. Ninety Senators having answered to their names, there is a quorum present.

Mr. KEAN. Mr. President, every Senator is well aware of my attitude and record on the important question of the tariff. The reasons why I have consistently advocated adequate protection seem too obvious to require any detailed explanation at this time. However, I feel that it is my duty

to point out again the great danger to the workers of this country, in both field and factory, and to industry and agriculture in general. The plain fact still remains that failure to afford suitable protection will inevitably retard recovery in the United States and work a particularly grave hardship upon the working men and women of America.

This highly important problem ought not to be left to the discretion of any man; or, for that matter, to any small group of men. What I argue here is that the question of insuring the future welfare of the American workingman and American industry is of such vital importance, particularly at this time, that the people of this country deserve to be represented in any and all deliberations by the men and women whom they duly elect to represent them and to protect their interests. The welfare and future happiness of all of the people of this country so largely depend upon any adjustment of our rates which may be made that it seems unthinkable that these vast powers should be delegated to others by their representatives here.

I think it is clearly impossible that the President of the United States could possibly go into a detailed study of any one article manufactured in the United States and a like article manufactured abroad and decide whether we should destroy the American plant for the benefit of the foreign plant. Therefore, he must delegate this authority to some group of brain trusters, with no experience in business, with little or no sympathy with the troubles and problems of the workingman, who will simply decide the question involved on the ground of something they have learned out of books in universities. In one of the committees of the Senate on which I have the honor to serve we are now talking about setting aside large sums of money for improving housing conditions of the ordinary man.

I submit, Mr. President, that no sound argument has been advanced, here or elsewhere, which disposes of the plain fact that American labor cannot compete with underpaid foreign labor, and with any hope that they will in the future enjoy the standards of living which have prevailed in the past.

True, in times of distress like these, men are ever ready to grasp at any fancied panacea in the desperate hope of improving their lot. That is but human. But permit me to warn Senators that, under the circumstances, a grave responsibility rests upon their shoulders. I warn them here and now that they will deeply regret any failure to see to it themselves—it being plainly their duty so to do—that suitable protection from cheaply produced goods from abroad is assured the people of the United States.

It was inevitable that advantage should be taken by opportunists to discredit our system of protecting American workers and American industry during the period of economic distress which followed the most devastating war of all time. The souls of men have been sorely tried, and one can well understand how susceptible they may be to the arguments of the preachers of such false doctrine. It is therefore more important now than at any time in our country's history that Senators should not be deceived by this false and dangerous doctrine.

The cold plain fact remains. One need not be a statistician, an expert in economy or on fiscal matters generally, to realize that any system which permits the dumping of foreign products in the United States spells defeat for the worker and his employer in this country.

Before the war there were something like 20,000 landholders in Great Britain, many of them owning vast tracts of land which were laid out into parks. Now, owing to excess of death duties, many of these landholders have parted with their places, the forests on them are being cut down, and they are being transformed into farms. This will mean that Great Britain will buy much less wheat than heretofore. In addition to this, they will not give up the benefit of empire trade, so that we will be able to sell to them less wheat and less cotton because both India and Egypt are going to be greater cotton-producing countries.

In France we have paid for the restoration of the devastated regions and provided them with farm machinery better than they ever had before, so that France will not be a purchaser of our farm products as she has been in the past, and will probably raise cotton in her African possessions, so that we cannot hope for a market for our cotton from that country.

Germany today is self-supporting, and the only hope we have is of giving them such favorable terms that they can forego some of their farm products in the hope of reaping a tremendous profit out of displacing American workmen in our factories.

I should like to point out at this time that there is no real justification for the charge that the tariff rates of this country are excessive. We actually rank next to Great Britain in the matter, with 67 percent of our products on the free list and but 33 percent protected. Certainly no one who has made anything approaching a careful study of the subject will argue that our rates are too high, when he realizes that the dutiable list of the United States is smaller than that of any country in the world, with one exception, namely, England.

It must be apparent to everyone who gives the problem serious thought that the surest, quickest, and most logical method of bringing about sound and permanent recovery is to restore and increase the purchasing power of the American people. Let those who advocate lowering tariff rates further, and thus bringing about what would virtually amount to free trade, explain here and now how it could possibly increase our prosperity, in view of the fact that any such movement would almost automatically throw thousands of our workers out of employment, thereby further decreasing our domestic purchasing power.

The unrestricted importation of products of the farm and factory which we ourselves produce could not possibly have any effect other than to place our producers at such a disadvantage that they would be forced to suspend operations.

I have always been a firm believer in a tariff, a tariff rather that protects our industry than one simply designed for revenue purposes only. But I believe that the rates on articles imported into this country should be fixed so as to equalize the costs of production at home or abroad, so that similar articles on which the tariff is imposed may be brought to the market at an equal price.

It is very difficult for the Congress to give to each article all of the attention the surrounding facts of its manufacture at home and abroad deserve. Still it is compulsory, under our Constitution, that this method be followed.

The most scientific method is for investigation to be made along judicial lines, weighing the evidence impartially on the facts as presented. This method has been followed successfully for the past few years. In effect, the Congress has made the Tariff Commission, which was created for an express purpose, a part of itself. The Tariff Commission has no other function than to weigh the evidence presented to it and make its decision, which decision is transmitted to the President for his approval—exactly the same procedure as is taken by the Congress in its consideration of legislation.

But to transfer to the President the power to hear evidence and make a decision, and to either raise or lower tariff rates by 50 percent, is a far different procedure. By the pending bill the power is sought to be given to one person, who is to hear the evidence, make a decision as a referee, and transmit that decision from himself as a referee to himself as President—a sort of Dr. Jekyll and Mr. Hyde proposition.

There is no question in my mind that the Congress has a constitutional right to delegate to the Tariff Commission the power to change duties either up or down by as much as 50 percent of a given rate. This was decided by the United States Supreme Court.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. KEAN. I yield.

Mr. TYDINGS. Does the Senator feel that Congress also has the right to give the President the power to raise or lower tariff duties to the extent of 75 percent?

Mr. KEAN. I do not think the Congress has the right to give the President any power to raise or lower the rates, except as it delegates the power to a commission for fact finding.

Mr. TYDINGS. Does the Senator feel that he could make that yardstick 75 percent instead of 50 percent?

Mr. KEAN. I would not make it 75 percent and I do not feel that——

Mr. TYDINGS. I asked if the Senator felt that that would be the yardstick he could make?

Mr. KEAN. I do not feel that I would give such latitude to the President of the United States.

Mr. TYDINGS. I did not ask what the Senator would give to the President.

Mr. KEAN. The Senator asked me how I felt about it and I have answered him as to how I felt about it. Having answered the question, I will go on with my speech.

Mr. TYDINGS. The Senator misunderstood me if he thinks he has answered the question. The Senator made the statement that the Supreme Court has held that a 50-percent yardstick was constitutional. I am asking the Senator if he thinks a 75-percent yardstick is likewise constitutional.

Mr. KEAN. That is for the Court to decide.

Mr. TYDINGS. The Senator does not want to answer.

Mr. KEAN. The Senator would just as lief answer, but the Senator is not the Court.

Mr. TYDINGS. I understand the Senator refuses to answer.

Mr. KEAN. Now, Mr. President, I will go on with my speech.

In the case of *Bluefield Water Works Co.* v. *Public Service Co.* (262 U.S. 679), the Court said:

> The prescribing of rates is a legislative act. The commission is an instrumentality of the State, exercising delegated powers. Its order is of the same force as would be a like enactment of the legislature.

In the case of *Knoxville* v. *Knoxville Water Works Co.* (212 U.S. 1), the Court said:

> Nevertheless, the function of rate making is purely legislative in its character, and this is true whether it is exercised directly by the legislature or by some subordinate and administrative body to whom the power of fixing the rates in detail has been delegated. The completed act derives its authority from the legislature and must be regarded as the exercise of legislative power.

It is clearly said by the Court that rate making is purely legislative in its character, whether exercised directly by the legislative or by some subordinate and administrative body.

Certainly the President of the United States cannot be considered as subordinate to the Congress. The Constitution took care of that when it created the three distinctive branches of the Government—the legislative, the executive, and the judicial.

The constitutional provisions as regards the creation of the office of President are carefully drawn, and nowhere does the Constitution provide that the President shall exercise legislative powers, nor does it provide that legislative powers be delegated to the Executive.

Article II, section I, of the Constitution of the United States provides that the executive power shall be vested in a President of the United States of America.

Section 3 of article II provides:

> He (the President) shall from time to time give to the Congress information of the state of the Union, and recommend to their consideration such measures as he shall judge necessary and expedient; he may, on extraordinary occasions, convene both houses, or either of them, and in case of disagreement between them, with respect to the time of adjournment, he may adjourn them to such time as he shall think proper; he shall receive ambassadors and other public ministers; he shall take care that the laws be faithfully executed, and shall commission all the officers of the United States.

It is my opinion, therefore, that if the Congress complies with the request of the President to clothe him with such powers that the constitutionality of such an act might be seriously questioned.

It seems to me that it is clearly unconstitutional; and if it is unconstitutional the Senate should proceed cautiously and give full consideration to the effect its act should have upon the business of the country. Business has been disturbed far too much to be further embarrassed. Prosperity can never come back, Blue Eagles to the contrary notwithstanding, until the business people are assured that the future holds no uncertainty for them.

While I am opposed to any method which is designed to place in the power of any one person the control of all the manufacturing plants in the United States, at the same time, if the Senate gives this power to the President, why does he ask for the right to cut the protective tariff on foreign-made goods, when at the same time foreign countries now import goods into this country to an approximate value of $900,000,000 a year which are all on the free list and on which a tariff is not levied? Instead of the President asking for the power to reduce any tariff by 50 percent as a trading measure, why does he not ask for the right to take all of these foreign-made goods off the free list and use this $900,000,000 of free trade which they now enjoy as a persuasive argument to take an equal amount of goods from this country which they do not at the present time purchase from our merchants?

Mr. TYDINGS. Mr. President, will the Senator further yield?

Mr. KEAN. I yield.

Mr. TYDINGS. Under the Smoot-Hawley Tariff Act only 19 percent of the imported manufactured food products we consumed came into our country duty free. A large number of these free importations consisted of commodities of which we produced little or none in the United States. However, 82 percent of crude foodstuffs and food animals came in free of duty. But of this amount, in money value, three-fourths was in the form of coffee alone, which we do not produce in this country. Of crude materials, 83 percent came in free of duty; but raw silk and rubber, which we do not produce, accounted for over half of this amount. However, only 40 percent of finished manufactures and only 19 percent manufactured foodstuffs were imported.

Mr. KEAN. Mr. President, in reply to the Senator from Maryland, I should like to say that there is more than one country in the world which produces coffee. We could buy our coffee from Brazil; we could buy some of it from some other South American countries; we could buy it from Java, Sumatra, and various other places; so that that commodity is open to trade. We can say, "We will buy your coffee if you buy our goods." We can say to Java, "We will buy your coffee if you take so much from America of our manufactured goods." We can say to the Straits Settlements, "We will buy so much rubber from you if you will buy our goods. If you will not, we will buy our rubber in Brazil, from where it originally came." With reference to any of the commodities which the Senator has mentioned, we can go to a given country and say to its people, "If you want to trade with us we will give you the preference on this trade, if in return you will buy the goods made in the United States."

Mr. TYDINGS. The only trouble with the Senator's logic is that the United States is already selling to these very countries more goods than they are buying from us.

Mr. KEAN. I know that we do not ship more to some of them than they ship to us. We do not ship more to Brazil than we buy from that country.

Mr. TYDINGS. What other countries in that category can the Senator name?

Mr. KEAN. We do not export as much to Java as we buy from Java.

Mr. TYDINGS. What is the other one? There are three countries in all the world that buy less from us than we sell to them; only three. So where is the Senator's argument, when already we are selling more to these countries than we are buying from them?

Mr. KEAN. Then we will take the three the Senator has mentioned.

Mr. BORAH. Mr. President, may I ask the Senator from Maryland a question?

The PRESIDING OFFICER. Does the Senator from New Jersey yield to the Senator from Idaho?

Mr. BORAH. If the Senator from Maryland is correct in his position, then what are going to be the fruits that are coming from the proposed reciprocal trade agreements?

Mr. TYDINGS. That is very questionable, indeed.

Mr. KEAN. Mr. President, the State of New Jersey, which I have the honor in part to represent, is among the first great industrial centers of the United States. In extent it is not large, being fourth from the smallest State in the Union, but it ranks third in manufacturing on a basis of ratio of industrial production to area. A large number of the large industries of the United States have extensive plants in New Jersey. Originally attracted to the State by the water-power facilities and housing advantages, the later expansion of their number and size has been due to quick transportation connections. According to statistics compiled by the Federal Bureau of the Census from data collected in 1930, there are 8,364 manufacturing establishments in the State. In these establishments the number of salaried officers and employees, not including the number of employees of central administrative offices located elsewhere than at the factories, is 74,550. The average number of wage earners during the year the data was collected was 441,105. They were paid over $826,000,000 in salaries and wages. The value of the products was about $4,000,000,000. In the year 1927 there were 408,093 wage earners who worked on products valued at about $3,500,000,000. The 1930 census showed that the number of wage earners increased by 8 percent and the value of the products increased by 15 percent.

In addition to her industrial activities, New Jersey's agricultural products are substantially large for a State of her size. The approximate land area of the State is nearly 5,000,000 acres, of which about 2,000,000 acres are under cultivation. The value of the agricultural products in 1930 was nearly $84,000,000.

I submit, therefore, the power to destroy even the smallest of these industries for the benefit of some other industry should not be lodged in any one man, even though he may have the wisdom of Solomon.

LOANS BY FEDERAL RESERVE BANKS TO INDUSTRIES

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 3487) relating to direct loans for industrial purposes by Federal Reserve banks, and for other purposes.

Mr. FLETCHER. I move that the Senate disagree to the amendment of the House, ask for a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. GLASS, Mr. WAGNER, Mr. BARKLEY, Mr. WALCOTT, and Mr. TOWNSEND conferees on the part of the Senate.

Mr. FLETCHER. I move that the bill be printed showing the amendment of the House.

The motion was agreed to.

DR. REXFORD G. TUGWELL

Mr. CAPPER obtained the floor.

Mr. HATFIELD. Mr. President, will the Senator yield to me for just a moment?

Mr. CAPPER. I yield.

Mr. HATFIELD. Mr. President, on May 30 and June 10, respectively, of 1933, I made some observations relative to Dr. Rexford G. Tugwell and discussed in some detail the subject matter of his book, issued May 8, 1933, under the title "The Industrial Discipline and the Governmental Acts", in which he renounced the Constitution of the United States, finding fault with the industrial group of our Nation as well as the organization heads of the labor unions of this country. I am glad to note that outstanding newspaper organizations, such as the Hearst group, are in support of the statement I presented to the Senate a year ago. I ask that an editorial of May 25, 1934, appearing in the Washington Herald, be printed in the RECORD as a part of my remarks.

Mr. LONG. Mr. President——

The PRESIDING OFFICER. Does the Senator from West Virginia yield to the Senator from Louisiana?

Mr. HATFIELD. I yield.

Mr. LONG. I should like to ask if the Senator will not amend his request and ask that the editorial be read at the desk?

Mr. HATFIELD. I should be very glad to have that done, if it is agreeable to the Senator from Kansas.

Mr. LONG. I ask to have the editorial read, reserving the right to object.

The PRESIDING OFFICER. Does the Senator from Kansas yield for that purpose?

Mr. CAPPER. I yield for that purpose.

The PRESIDING OFFICER. The clerk will read.

The legislative clerk read as follows:

[From the Washington Herald, May 15, 1934]

TUGWELLISM

Recently, as will be remembered, Dr. Wirt charged that the administration's "brain trust" was seeking, both furtively and openly, to bring about revolutionary changes in our form of government.

Denial was made that there was any basis for such charges.

Congress instituted an investigation, but changed the investigation as it proceeded into a farce, evidently desiring to protect the administration and to prevent Dr. Wirt from sustaining his charges.

Prof. Rexford G. Tugwell, however, as one member of the "brain trust", will hardly have the hardihood to deny what he has spoken in public or what he has written over his own signature.

And these public statements of Mr. Tugwell are infinitely more damaging, infinitely more communistic, and infinitely more subversive of American ideals than anything alleged by Dr. Wirt.

What can Mr. Tugwell say in denial or in defense of the following statement which he has publicly made:

"When a profession becomes so stiffly traditionalized as the economics of the past few decades nothing less than a revolution is required to shake its faith and teaching."

When a paragraph like this is read, in the light of the admitted failure of the A.A.A. and the N.R.A., one wonders whether traditionalized economic science is really so worthless after all.

The confused outlook of the new deal and the admitted breakdown of much that it has attempted seem to be confirming the principles of established economics, deride them as one may.

Exactly what does Professor Tugwell mean by his sensational advocacy of "nothing less than a revolution"?

And what does he mean by his declaration on page 1 of the same book that "There is revolution in our midst"?

Professor Tugwell now denies that he is concerned with the stoppage of the flow of capital into productive enterprise.

Apparently he has become aware of the growing revolt against arbitrary price control.

But in his book, Industry's Coming of Age, Professor Tugwell shows clearly that he is in favor of the control of capital expenditure and also of price control.

He says specifically in this volume:

"There are two obvious functions which some public body will always have to perform if social results are to be got. One is the matter of capital dispersal and allocation; the other is that of price control."

Professor Tugwell may be a Tory, as he somewhat disingenuously described himself in his recent speech before the country's editors in Washington, but his Toryism seems to have a very Russian tinge.

Take, for instance, the following quotations, still from his book above referred to. On page 261 he says:

"Perhaps it can be made to seem wrong to squander wealth, and perhaps it can be made to seem supremely important to produce it. But neither in our popular morality, with its roots in a past age and its controls devised for a medieval economy; in religion which clings to outworn ethics, irrelevant for the present, nor in public-school education, which is dominated by the two, does there seem to be a sufficient promise. But it is through some social agencies as these that controls will have to come."

And if anyone still thinks that the new deal is aiming at recovery merely and not at fundamental changes in our life, let him ponder the following by Tugwell:

"These trends are so important that, unless I am utterly mistaken, they will result in an almost complete remaking of American economic life. In the clear view of them which is emerging all the plans for our future must be made."

Will Professor Tugwell explain, if he can, the enunciation of such revolutionary doctrine, so subversive of our American policies and ideals?

Will he explain his indictment of our churches and our schools—his arraignment of the politics and economics, and even the morality of our people?

Is everything wrong with our American people?

Are only Professor Tugwell and his communistic comrades right?

Does Professor Tugwell's revolution necessitate the rejection, the destruction of every American principle, of every American institution, of every American moral code and intellectual standard?

Treason to American principles is revolution, and Mr. Tugwell's call to revolution is treason to American principles and to the American people.

Dr. Wirt charges as much.

His accusations were hardly needed.

From their own mouths the "brain trust" stand not only accused but convicted.

Why should not the committee of Congress reassemble and ask Professor Tugwell about these treasonable statements with which his writings are strewn and littered?

RIGHT OF SUFFRAGE FOR CITIZENS OF DISTRICT OF COLUMBIA

Mr. CAPPER. Mr. President, I had cherished the hope at the beginning of the Seventy-third Congress that opportunity would be afforded for consideration and action upon a matter of major importance to the people of the District of Columbia. However, the pressure of urgent national legislation has prevented.

The question to which I refer is embodied in Senate Joint Resolution 9, which it was my privilege to introduce early in the first session of the present Congress. This resolution proposes an amendment to the Constitution of the United States, empowering Congress to grant unto the residents of the District of Columbia voting representation in the Senate, the House of Representatives, and the electoral college and the same rights in respect to access to the courts of the United States as possessed by citizens of a State.

Mr. President, there is no matter affecting the National Capital community which is of as vital importance to the half million inhabitants of the District of Columbia as this proposal, whether viewed from either a local or a national angle. Here at the very heart of our great Republic we have a most anomalous condition—a great intelligent community of patriotic Americans deprived of all representation and participation in their Government, both local and National, though privileged to bear the burdens of taxation and all other obligations of citizenship. It has always seemed to me to be the very height of inconsistency for Congress, representing the world's great representative Republic, to maintain at the seat of government, under its exclusive control, such a glaring violation of the theory of republican government.

The District of Columbia, according to the 1930 United States census, has a population of 486,869, which is greater than that of eight of the sovereign States of the Union—New Hampshire, Idaho, Arizona, New Mexico, Vermont, Delaware, Wyoming, and Nevada. The District's population exceeds that of Delaware and Wyoming combined, Delaware and Nevada combined, Wyoming and Nevada combined, and Vermont and Nevada combined. Each of these combinations is represented in the Senate by 4 Senators and in the House of Representatives by 2 Representatives, while the District of Columbia has no representation in either body.

With a population of persons of voting age of 341,465, the District exceeds the population of voting age of 10 of the States. The good people of our country do not understand these facts regarding the District of Columbia or that these unrepresented Americans bear all of the burdens which are borne by all other national Americans.

The people of the District of Columbia pay both local and national taxes just as do the people in the States. For the fiscal year 1933 the District residents paid in Federal income and miscellaneous internal-revenue taxes an amount greater than that paid by each of 25 of the States and more than the combined payments of 10 States.

Mr. President, among many erroneous impressions regarding the District of Columbia is the idea that most of the residents here are Government employees and hold a voting residence back in the States. Nothing is further from the truth. In the first place, those engaged in gainful employment outside the Government far exceed in number the Federal employees, and, secondly, the number possessing and exercising the voting privilege is comparatively small. During the 1930 census enumeration a special questionnaire was used to ascertain just what this local voting strength was. The result reported by the Census Bureau is that there were found 15,105 in the District having a voting residence in the States which they had recently exercised. While the accuracy or adequacy of these figures has been challenged by the local political groups, the most extravagant and unreasonable claims cannot raise the number with power to vote in the States above 80,000. If from the population of voting age in the States and the District is first deducted the number of unnaturalized foreigners and there be a further deduction in the case of the District, the extravagant estimate of 80,000, the District is still found to possess a potential voting strength of 251,439, which is greater than that of each of 10 States.

Whether measured by the standard of population, payment of national taxes, service in war or peace, or the bearing of any national burdens, the District is to be found shoulder to shoulder with the States of the Union, and in per capita measurement is among the leaders. This showing is one clearly indicating that in every respect these people are as justly entitled to the full rights and privileges of representative government as any people under the Stars and Stripes.

The Congress seems to have considerable difficulty in legislating for this smallest in area of our American community subdivisions, and I believe this is largely due to the un-American conditions which prevail here contrary to the fundamental principles of our Government. There has been considerable discussion of plans for reorganizing the local government of the District of Columbia and the changing of its form, but these are matters for future consideration and there seem to be the widest differences of opinion as to the lines such reforms shall take.

Based upon sound fundamental American principles, there seems to be no room for a difference of opinion as to the necessity as well as the absolute justice of granting the right of voting representation to these, our fellow Americans, in the National Government which legislates for them, both locally and nationally, which taxes them and sends them to war.

Mr. President, in 1922 the Senate Committee on the District of Columbia submitted to the Senate in the Sixty-seventh Congress a very comprehensive favorable report upon this proposal. I ask unanimous consent to print in the RECORD a summary of the conclusions reached by that committee.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY

Summarizing, we find and report:

The proposed constitutional amendment does not reduce the power of Congress in respect to the Capital but adds a new power; it does not propose the admission of the District into the Union as a sovereign State; it does not propose the destruction of the "10 miles square" provision of the Constitution; it does not lessen in the smallest degree the control by the Nation through Congress of what remains of the "10 miles square"; it does not disturb in any way the financial relation of Nation and Capital; it is not based upon either the abolition or retention of the half-and-half law; it does not propose or involve changes in the municipal government of the District.

It plans to bestow upon the 437,000 [now nearly 500,000] Americans of the District a distinctive basic right of the American citizen—in a government of the people, by the people, for the people—in a government which roots its justice in consent of the governed—in a representative government which inseparably couples taxation and arms bearing as a soldier with representation.

This distinctive American privilege decorates the American with a badge of honor and arms him with power. Its lack slurs the Washingtonian as unfit and defective, and slurs the Nation as in this respect un-American and impotent.

What the amendment proposes is equitable in itself and compulsory in accordance with American principles and traditions.

It gives to residents of the District rights and privileges which, under our scheme of government, belong to all who pay national taxes and fight as national soldiers.

It gives to residents of the District a self-protecting power in the national councils which is denied to the resident of no other community in all of the mainland and contiguous United States from Maine to Texas and from New York to California.

In the matter of access to the Federal courts, it raises District residents from a lower plane than that of aliens to the status of citizens of a State.

National representation of the District will remove from the Nation the shame of impotency.

It will proclaim to the world that the great Republic is as devoted to the principles of representative government and as capable of enforcing them as other republics with capitals in nation-controlled districts, like Mexico, Brazil, and Argentina. These nations have not found themselves impotent to give full national representation to the people of their capitals.

It will proclaim to the world that the people of Washington are as fit to participate in national representative government as the people of Rio de Janeiro, Buenos Aires, and Mexico City. Washington will cease to be the only capital in all the world whose

people, slurred as tainted or defective, are unworthy to enjoy the same national representation as that enjoyed by all other cities of the Nation.

Washington will cease to be the only American community—numerous, intelligent, prosperous, public spirited, and patriotic—in all the expanse of continental and contiguous United States whose fitness to exercise national privileges as well as to bear national burdens is denied.

National representation will clothe the Washingtonian with a vital American privilege to which he is undeniably in equity entitled; will cleanse him of the stigma and stain of un-Americanism; and, curing his political impotency, will arm him with a certain power.

It will relieve the Nation of the shame of un-Americanism at its heart and of impotency to cure this evil.

It will inflict no injury or hardship upon either Nation or Capital to counteract these benefits.

Mr. CAPPER. Mr. President, it will be my purpose to reintroduce this joint resolution in the Seventy-fourth Congress and to urge favorable consideration and action thereon.

RECIPROCAL TARIFF AGREEMENTS

The Senate resumed the consideration of the bill (H.R. 8687) to amend the Tariff Act of 1930.

Mr. HATFIELD. Mr. President, I ask the attention of the senior Senator from Mississippi [Mr. HARRISON].

Mr. LONG. Mr. President——

The PRESIDING OFFICER. Does the Senator from West Virginia yield to the Senator from Louisiana?

Mr. HATFIELD. I yield.

Mr. LONG. Does the Senator intend to speak on the Colombian Treaty?

Mr. HATFIELD. That is my purpose.

Mr. LONG. In justice to my friend from Arkansas [Mr. ROBINSON] and others, I ask that I be allowed to suggest the absence of a quorum.

Mr. HATFIELD. Very well.

Mr. LONG. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Couzens	Johnson	Robinson, Ark.
Ashurst	Cutting	Kean	Robinson, Ind.
Austin	Davis	Keyes	Russell
Bachman	Dickinson	King	Schall
Bailey	Dieterich	Lewis	Sheppard
Bankhead	Dill	Logan	Shipstead
Barbour	Duffy	Lonergan	Smith
Barkley	Erickson	Long	Steiwer
Black	Fess	McCarran	Stephens
Bone	Fletcher	McGill	Thomas, Okla.
Borah	Frazier	McKellar	Thomas, Utah
Brown	George	McNary	Thompson
Bulkley	Gibson	Metcalf	Townsend
Bulow	Glass	Murphy	Tydings
Byrd	Goldsborough	Neely	Vandenberg
Byrnes	Gore	Norbeck	Van Nuys
Capper	Hale	Norris	Wagner
Caraway	Harrison	O'Mahoney	Walcott
Carey	Hastings	Overton	Walsh
Clark	Hatch	Patterson	Wheeler
Connally	Hatfield	Pittman	White
Copeland	Hayden	Pope	
Costigan	Hebert	Reynolds	

The PRESIDING OFFICER. Ninety Senators have answered to their names. A quorum is present.

Mr. HATFIELD. Mr. President, I ask the attention of the able senior Senator from Mississippi.

On May 22 I offered a resolution, which I will read, as follows:

Resolved, That the Secretary of State is requested to transmit immediately to the Senate a copy of the reciprocal trade agreement between the Governments of the United States and Colombia, agreed upon and signed on December 15, 1933, relating to certain import duties, excise taxes, and prohibitions on importation affecting specified products of such countries.

May I ask the able Senator whether or not he is willing to have the Senate consider my resolution at this time?

Mr. HARRISON. Mr. President, I am quite sure the very courteous and able Senator from West Virginia would not want to delay the consideration of the very important bill which is now before us, and which probably is the key to the adjournment of Congress, by the consideration of another resolution. As soon as this bill is out of the way I am quite sure he will have no difficulty in having his resolution considered.

Does that answer the Senator?

Mr. HATFIELD. But does not the Senator feel that it would aid this body very materially to have that treaty before it during the pendency of this measure?

Mr. HARRISON. I am afraid it might provoke more discussion and might delay the conclusion of this measure.

Mr. HATFIELD. May I ask the able Senator whether or not he has any communication from the Secretary of State respecting the resolution?

Mr. HARRISON. Let me ask the Senator from West Virginia a question.

Mr. HATFIELD. Will the Senator please answer my question?

Mr. HARRISON. I shall answer it in a moment, but I desire to ask the Senator a question first.

If the Senator is so anxious with reference to the Colombian agreement's being published or sent to the Senate, would he be willing, if consent should be given to have the treaty sent here, to enter into a unanimous-consent agreement to limit debate, starting tomorrow at 12 o'clock, to 15 minutes on each amendment and, say, 15 minutes on the bill?

Mr. HATFIELD. That would depend largely upon the subject matter found in the treaty. I think I could answer the question more intelligently and more convincingly from my viewpoint if I knew the substance of the Colombian Treaty.

Mr. HARRISON. What is the Senator fearful about in connection with the Colombian Treaty?

Mr. HATFIELD. There are a good many things of which I could be fearful as contained in this treaty.

Mr. HARRISON. What has the Senator in mind?

Mr. HATFIELD. I see no very great hurry in agreeing upon a limitation of debate on this bill, when we take into consideration the fact that the bill now before this body involves all the tariff schedules found in the Smoot-Hawley tariff bill, and it took the Senate of the United States something over 7 months to consider that legislation. It required a great many speeches and a large amount of discussion; and finally, after 7 months, the tariff law of 1930 was voted upon and enacted. Now we are asked within a period of a week or 10 days to act on this important measure, at this time in our country's economic history when our industries need protection more than they needed it when the Smoot-Hawley tariff bill was under consideration by this body, and when we have 10,000,000 workers unemployed.

Mr. CUTTING. Mr. President——

The PRESIDING OFFICER. Does the Senator from West Virginia yield to the Senator from New Mexico?

Mr. HATFIELD. I yield to the Senator.

Mr. CUTTING. I desire to point out to the Senator a little of the testimony given before the Senate Finance Committee which may be pertinent to the subject of discussion.

The Senator from Connecticut [Mr. WALCOTT] had been asking a number of very pointed questions of the Assistant Secretary of State, Mr. Sayre. The Senator from Connecticut finally ended by saying—page 76 of the hearing:

Can you think of any trade that would benefit this country that does not injure another industry, under the terms of this bill?

And the reply of the Assistant Secretary of State was as follows:

I think, sir—I hesitate to mention this—but I think, sir, the very recent agreement which we signed with Colombia will create real benefits without doing injury to anybody.

If the treaty with Colombia furnishes the only instance of a real benefit which the Assistant Secretary of State could think of with regard to this bill, ought we not to have that treaty before us in order to know what we are actually voting on?

Mr. HATFIELD. Absolutely, Mr. President; and that was the purpose of my resolution.

Mr. HARRISON. Mr. President, may I ask the Senator again what there is in the Colombian Treaty that he is fearful of?

Mr. HATFIELD. I have not seen it. I can only answer the distinguished Senator from Mississippi by conjecture, or by an intuitive conclusion. I may say to the able Senator that coffee, oil, and fruits from the Republic of Colombia represent some 85 or 90 percent of the entire exports of Colombia to this country.

Mr. HARRISON. The Senator does not want to tax coffee coming into the United States, does he?

Mr. HATFIELD. Not at all; and I do not quite understand how coffee enters into this picture at all.

Mr. HARRISON. I understood the Senator to mention coffee. That is why I asked the question.

Mr. HATFIELD. I mentioned it in the course of mentioning other items which make up the imports to this country from the Republic of Colombia.

Mr. HARRISON. I may say to the Senator, with reference to the Colombian agreement, that I am quite sure no one, whether he opposes this bill or advocates it, will find any cause to complain so far as the United States is concerned in connection with the Colombian agreement; and I am quite sure the Assistant Secretary of State, in his testimony before the committee, was correct in saying that it will be of very marked advantage to the United States and will injuriously affect no industry in this country.

If I may continue for just a moment, while I do not want to prolong the Senator's speech, I wish to state that the State Department did conclude this agreement and under the rules, of course these agreements are made public in each country simultaneously. We are trying to work out some other arrangements; and the advantages that would accrue to the United States by virtue of the Colombian agreement ought also to be obtained from some other countries with which we may negotiate.

There is one other great country with which we have large trade in one of the articles covered in the Colombian agreement, which, I may say, comes in free of duty, and which I may say the Senator says he is not in favor of taxing and which gives us very large advantage by virtue of the fact we say we are not going to tax it. Some of these other countries, especially one large country, has with us a treaty which includes provision for full favored-nation rights. If the Colombian treaty shall be concluded, this other country can have the same advantages under the favored-nation clause.

It would be much more advantageous for the United States if, before the Colombian agreement shall be concluded, instead of making it public and frustrating the whole plan, we could work out an agreement with this other country which would be just as advantageous to the United States, which might mean more markets abroad, without giving up anything on our part except that we would agree not to tax certain articles. So it seems to me as if the State Department has acted very wisely in proceeding as it has proceeded. The Department is not trying to keep anything secret. If it shall be held back until after this legislation shall have passed, every interest affected in the United States will have a right to be heard, under the terms of the pending bill. So we can lose nothing by it. That is just about the situation.

I have no objection to the agreement being made public if the Colombian Government wants it to be made public. I would not like to see it thrown into the Senate merely to be utilized as a vehicle for debate, in order to delay the consideration of the pending bill.

Before I take my seat, may I say that I am sure that no charge can be brought by the Senator from West Virginia, or by anyone else on the other side, that in this debate extreme patience has not been manifested and displayed by those of us in charge of the proposed legislation. There has been no attempt, and there will be no attempt, to curtail legitimate discussion of the provisions of the bill. I have seen no evidence of filibuster. If evidence of a filibuster shall appear, then there will be evidence upon this side of an effort to check the filibuster, because this legislation is going to be passed, and those who participate in trying to delay it are just putting off the adjournment of Congress that much longer.

Of course, there may be some here who want Congress to stay in session throughout the summer; as is suggested to me by a Senator sitting near me, some may be afraid to go home. [Laughter.] However, I think the average Senator wants to transact the public business, to carry out the legislative program, and to adjourn the Congress as quickly as possible. So far as I am concerned, I think it would be welcome news to everyone if we could finish the program in a rational way, without any bitterness being displayed, without any anger being manifested, without any undue and unnecessary delay being foisted upon the Senate, so that the country might breathe, and those of us—and I include all in that category—who have worked here for many months now as I have never seen the Membership of a Congress work in my experience, could go home and get some rest.

I have said more than I had intended to say. I am sorry I have delayed the consideration of the bill as much as I have, and I hope that the Senator, after he shall have concluded, will permit us to proceed to consider the amendments.

I may say, whether I am right or wrong, that there are certain responsibilities which rest upon those of us who are in charge of the legislation, and I shall be forced to try to hold the Congress in session, even tonight, and tomorrow, and tomorrow night, unless some kind of an arrangement can be made which will speed along the legislation.

Mr. HATFIELD. Mr. President, I appreciate the genial attitude of the Senator from Mississippi, and I assure him that I am just as anxious to see this session of the Congress adjourn as he is. I assure him, further, that I am one Senator who is not afraid to go back home. I may further say to him that I go back home anywhere from two to three times a month, and I am sorry that I cannot stay at home when I get there.

Mr. VANDENBERG rose.

Mr. HATFIELD. I am glad to yield to the Senator from New Mexico first, then I will yield to the Senator from Michigan.

Mr. HARRISON. Mr. President, may I say to the Senator that I did not have him in mind.

Mr. HATFIELD. I thoroughly understand that from my good friend the Senator from Mississippi.

Mr. CUTTING. Mr. President, I was just wondering, after listening to the lucid account by the able Senator from Mississippi of the reasons which actuated the administration with regard to the Colombian treaty at this time, whether the Senator would consider that that was an example of the Wilsonian doctrine of "open covenants openly arrived at."

Mr. HATFIELD. I think I could answer that without consulting the Senator from Mississippi, that the former President of the United States, that distinguished American, Woodrow Wilson, would not stand for that kind of political tactics for one moment.

I now yield to the able Senator from Michigan.

Mr. VANDENBERG. Mr. President, if I may have the attention of the Senator from Mississippi for just a moment, may I ask him a question? He used the words "trade agreement" and "treaty" rather indiscriminately in his discussion of this Colombian proposition. Is it fair to inquire whether it is a treaty or a trade agreement?

Mr. HARRISON. It is a trade agreement.

Mr. VANDENBERG. It is not a treaty?

Mr. HARRISON. It is not a treaty. As I stated, I was not informed the other day when a similar question was asked, but I understand now that it is a trade agreement, and that the Executive has the right to make it, because it is a question which affects articles on the free list and does not affect those on the dutiable list.

Mr. VANDENBERG. The Senator made the statement in the same connection that under the terms of the bargain-

ing bill any affected interest will be given a chance to be heard before the thing is finally consummated. Am I correct in quoting the Senator?

Mr. HARRISON. Yes. I may say that I am merely giving my opinion about this, not having read the trade agreement, but I know, in a way, what is in it, because I have made some inquiry about it since the question came up.

If this legislation should pass, and the Colombian agreement shall not have been concluded before it shall have passed, then it would seem to me that the proposed agreement would then come under the provisions of the pending bill, perhaps, and the spirit and purpose of the legislation be carried out by interested parties being given the right to be heard, if there are any parties who are interested in the matter. I really do not think it affects any industry in this country. I think it is more of an agreement which affects the American people, in that we are agreeing not to put a tax upon a certain article which comes in free of duty now.

Mr. VANDENBERG. This is what I am trying to get at, if the Senator will indulge me: This agreement was concluded and signed on the 15th day of December. What I want to know is whether this is a sample of the type of hearings covered under the terms of that section of the pending bill which pretends to promise hearings to affected industries, namely, hearings after a reciprocal trade agreement has been signed and concluded.

Mr. HARRISON. Oh, no; of course it is not.

Mr. VANDENBERG. That is precisely what will happen in this case.

Mr. HARRISON. There is an agreement which has been practically concluded.

Mr. VANDENBERG. Exactly.

Mr. HARRISON. Concluded, as I understand it, some months ago, but never made public, and I imagine that it will not be in operation until it shall have been promulgated by both countries.

Mr. VANDENBERG. What good is a hearing under those circumstances?

Mr. HARRISON. Under this agreement, may I say, as I have said, there is no interest that is affected except the American people, who might be taxed on coffee, which we are agreeing not to tax, and which the Senator does not want to tax, does he?

Mr. VANDENBERG. That is correct.

Mr. HARRISON. In the main, they agree to take certain commodities from this country. I do not know whom we could call in under those circumstances, unless we called in all the American people.

Mr. VANDENBERG. Has the Senator now disclosed the full contents of the treaty?

Mr. HARRISON. I have not; I am just speaking generally about it. I will say to the Senator, however, that I think we could pass a resolution here pretty quickly, if we could proceed along without any evidence of a filibuster, and limit debate in a rational way, so that we could come to some conclusion on this matter.

Mr. VANDENBERG. Mr. President, I am very earnestly seeking information at the moment and with no intention of holding up anything.

Mr. HARRISON. I can appreciate that.

Mr. VANDENBERG. The industry and agriculture of this country has been assured that the amendments introduced into this bill by the Senate Finance Committee providing for hearings is a saving clause which will permit an ample exploration of any objections that industry or agriculture may have to one of these agreements. Here is an agreement which the Senator says will be submitted to this type of exploration.

Mr. HARRISON. This agreement does not come within the provisions of the pending bill at all. It is a separate matter that the President has negotiated. It is not provided for in this bill. The bill at that time had not been written, had not been submitted at all, because this agreement was made in December, as I understand. But what I said to the Senator was that if the agreement is not finally concluded until after we shall have passed this legislation, that if the President does bring it under this law, interested persons might be heard. But the agreement was not included under this bill at all.

Mr. VANDENBERG. No, Mr. President; but in the announcement of the State Department it is clearly declared that it will come into force only after necessary action has been taken. Therefore, this pending Colombian agreement is clearly within the implications and purposes of the pending legislation.

Mr. HARRISON. If it is, as I said, the spirit of this legislation ought to be carried out; and one of the provisions of this legislation is that there shall be notice given and that interested parties may be heard under such rules and regulations as prescribed by the President.

Mr. VANDENBERG. Exactly. What I want to know from the Senator is whether this is typical of the kind of hearings that are to be had hereafter; if we are to have hearings after the agreement not only has been concluded but has been signed by both parties to it? I want to know whether that is the kind of hearings which are to be given under this bill?

Mr. HARRISON. Why, of course not. It is not in contemplation. I should dislike very much to see it. I have more confidence in the President than that.

Mr. VANDENBERG. That is the only kind of hearing that can be given under this agreement.

Mr. HARRISON. I know, but this agreement has been written since December, as I understand. Does the Senator from West Virginia want to ask me some more questions?

Mr. HATFIELD. Yes, Mr. President. The information respecting this treaty is in the possession of the Secretary of State and in the possession of the President of the United States. Now that we are going to have secret reciprocal treaties dealing with trade propositions, why could not the Secretary of State and the Chief Executive of this Nation take the Senate into their confidence, and in secret session give to the Senate the substance of this treaty?

Mr. HARRISON. The State Department has no objection to this treaty being made public. They have already sounded out the Government of Colombia with respect thereto.

Mr. HATFIELD. Does the Senator take the position that the Secretary of State would be making the treaty public if he were to turn it over to the Senate of the United States in secret executive session?

Mr. HARRISON. Does the Senator think that if this treaty were to be made public and the Senator knew everything that was in it, the consideration of this tariff legislation would be expedited thereby?

Mr. HATFIELD. I believe so.

Mr. HARRISON. Would the Senator say that he would stop talking if the State Department were to make it public?

Mr. HATFIELD. In response to that inquiry on the part of the able Senator from Mississippi——

Mr. HARRISON. Do not carry the idea that I want the Senator to stop talking.

Mr. HATFIELD. I do not misunderstand the Senator from Mississippi at all. I represent a State, as does the Senator from Mississippi. That State has certain interests involved in any tariff legislation which comes before this body. The Senator is interested in long-staple cotton; he is interested in turpentine; he is interested in a great many industrial products.

The Senator from West Virginia is likewise interested in some of the very products in which the Senator from Mississippi is interested, and the reason that the Senator from West Virginia has been discussing this legislation is due to the fact that it is foreign to the policy of our country in administering tariff rates, and of course the people of West Virginia are very much concerned as to how much protection they will have, and how well they will be protected. They have the conviction, Mr. President, that the Representatives in the House of Representatives from the State of West Virgina and the representatives in the Senate from the State of West Virginia are better informed and know

more about how to protect the industries of the State of West Virginia than the President of the United States or any individual or group of individuals that the President of the United States may designate to fix rates, with the idea of either protecting the industries of my State or protecting the industries of any other State.

Mr. HARRISON. May I say to the Senator that I admire his convictions. I know he is a protectionist, and he does not have to apologize about his convictions on the subject. I am quite sure that there is no one here who is in favor of higher tariff duties than the Senator from West Virginia. I have no fault to find with him on that.

Mr. HATFIELD. I cannot agree with the Senator there. I do not believe in embargoes. I do believe in reasonable tariff rates.

Mr. HARRISON. I know the Senator is honest in that conviction, and when I asked him whether, if this treaty should be made public, or if he should be informed about all the terms of the treaty, he would then we willing to have an agreement limiting debate, I did not mean that he should not speak on any amendments as they came up. I listened to the Senator the other day for quite a long time. He made a very elaborate and a very illuminating speech. I thought he had exhausted the subject.

Mr. HATFIELD. Does the Senator agree with it?

Mr. HARRISON. No; I do not agree with the Senator's speech, as I do not agree with much in which the Senator believes, but at least it was a long speech, and it was an elaborate speech, and I thought that the Senator had concluded, and I was hopeful that we might——

Mr. HATFIELD. I will say to the Senator from Mississippi that I am not going to make a speech this evening. It is my purpose, if I have the opportunity, to discuss the chemical industry as it presents itself in the State of West Virginia. But that will not be a long, drawn-out address. It certainly will not be as long as the chemical address that I delivered here in 1930, at which time I had the able support and the very great friendship of the Senator from Mississippi, which I appreciated, and which made possible the protection of the chemical industry not only in West Virginia but throughout this country.

Mr. HARRISON. Well, if it is half as long as that speech we might get through here at the end of next week.

Mr. HATFIELD. It is not half as long, may I say to the Senator from Mississippi.

Mr. President, I take it that we are denied the opportunity to be taken into the confidence of the executive department of our Government upon this treaty between the United States and the Republic of Colombia.

A majority of the Congress of the United States has not hesitated to trust the President of the United States with practically everything, industrially speaking, monetarily speaking, which ordinarily belongs to the Congress of the United States, and it seems to me a small matter indeed when a Senator or a group of Senators ask for the substance of a treaty which has been negotiated and which was signed, according to the press-release reports, December 15, 1933, and all that remains to put it into operation is the passage of the pending bill which will give authority to the President of the United States and not the Senate of the United States to approve or to ratify this treaty.

I submit, Mr. President, that when the Congress of the United States passes this bill by a majority vote, giving the President the power to ratify an instrument which now requires the votes of two-thirds of the Senators present and voting, that is going a long way in the direction of disintegration of the fundamental principles of the Government of the United States, which is supposedly protected by the Constitution.

Mr. LONG. Mr. President, will the Senator yield?

Mr. HATFIELD. I yield.

Mr. LONG. I was called away from the Chamber on some business and have just been able to return. I want to find out from the Senator what happened as the result of the Senator's discussion with the Senator from Mississippi about the treaty with Colombia. Has any enlightenment been spread on that matter in my absence?

Mr. HATFIELD. I have not received any. I may be a little bit dense upon the subject, but up to the present time I have not received any light upon the subject as to what is in the treaty, I will say to the able Senator from Louisiana.

Mr. LONG. What information did the Senator glean with respect to that matter while I was away? Did the Senator from Mississippi look as if he would do anything more with respect to the matter than he had done, and, if so, did he say he would let us in on the matter?

Mr. HATFIELD. Well, the Senator from Mississippi talked knowingly about it.

Mr. LONG. He talked as if he knew something about it?

Mr. HATFIELD. He talked as if he knew something about it, but he did not take us very far into his confidence, Mr. President.

Mr. LONG. I was hopeful that before the Senator from Mississippi decides to sit up all night here, keeping us in the dark, that he will just let a little light shine in here, and that light might save some of this night business. In other words, it seems to me that "midnight" is the kind of policy we have with respect to this tariff bill. Senators insist on putting some nighttime on it. They put everybody in the dark. I understand that one Senator from the West has been smiling because of his belief that he has gotten himself in the clear, and they are not going to bother him; but, on the other hand, I understand from the sub-rosa movement that his crowd is the first one which is going to get the ax.

This treaty with Colombia seems to throw an air of mystery about the proceedings. In other words, we can legislate a whole lot quicker if we know what we are legislating on. It is very hard to make men get up and vote when they do not know but they may be sentencing themselves to death; and if we knew what we were voting on and just what particular situation we were developing, it would be better.

I have not the same information on that treaty, of course, that other Senators have, and I may be incorrect; but I read a news article this morning, which I loaned to my friend from Ohio, and, if the Senator from West Virginia will pardon me, I will read just an excerpt from that article. Here is a statement about this treaty which appeared in yesterday afternoon's Washington Times, May 24, on page 3, column 1:

VOTE ON TARIFF HELD BY FIGHT ON TREATY

By William K. Hutchinson

A Republican drive to force publication of a new commercial treaty with Colombia served today to block Senate action on the administration bill conferring broad tariff powers on the President.

The Republicans charged that terms of the treaty negotiated last December would prove that the administration is planning to sacrifice certain American industries in order to expand America's foreign trade.

NEGOTIATED SECRETLY

They demanded adoption of a resolution by Senator HATFIELD (R.), of West Virginia, directing the State Department to send the treaty to the Senate.

The treaty was negotiated secretly and has been held in confidence. The administration originally intended to present it to the Senate for ratification; but if the new tariff bill is enacted, it will be revised into a reciprocal trade agreement and put into effect without Senate concurrence.

International News Service learned that the United States and Colombia agreed first to place no export taxes on products exported to each other.

In other words, the beef we have now coming in from Uruguay and the Argentine will be exported from Colombia into America a great deal easier.

Mr. HATFIELD. Mr. President, of course, under the Constitution America cannot impose an export tax, but I understand the Republic of Colombia does impose such a tax.

Mr. LONG. Yes. I read further:

They also agreed to reduce import duties or tariffs on their imports from each other.

MELLONS BIG BENEFICIARIES

The largest importers into the United States from Colombia are the Gulf Oil Co. and the United Fruit Co.

I stop reading long enough to say that I understand a gentleman whose name is Victor Cutter, who was president of the United Fruit Co., has been down here lobbying considerably for this bill to be passed. I received the information on a number of occasions that the United Fruit Co. is very anxious to have this trade agreement consummated and to have this bill passed. Mr. President, if the United Fruit Co. had its way, it would have no other fruits sold in this country except tropical fruits. Every time it brings a shipload of fruit from a foreign country it means that some apple merchant or some orange merchant or some lemon merchant or other fruit merchant or planter or farmer loses that much business.

I will read a little further:

The family of Andrew W. Mellon, former Republican Secretary of the Treasury, controls the Gulf Oil Co., while Victor Cutter, influential Republican in Boston, is the former head of the United Fruit Co.

What is happening is this: They are hacking us here with a two-edged sword. The Republican patriots in the United Fruit Co. and the Democratic patriots in the International Mercantile Marine are both advocating that we drop partisanism and give the United Fruit Co. and the big packing houses and, on top of that, the big oil companies, the right to bring into the United States everything they desire from the South American countries; that we should have no tariffs and should let the poor farmers' wool go down 35 percent more, as it already has since this bill was brought in here, and let the beef—to raise the price of which we have appropriated $150,000,000—spoil on the counters of the country, because of the beef of the Argentine and Uruguay which is being imported into the United States right now.

If the Senator will pardon me for taking up so much time, I will read further from the article:

Senate leaders were informed the treaty called for a reduction of the tariff on oil and fruits.

"Oil and fruits!" Why, certainly. Let them bring their fruits in here. We raise oranges in Louisiana, but we cannot compete with them with the kind of labor they have down there. Then let them bring their oils in, their vegetable oils, their tropical oils; and let them bring in various other products. We cannot compete with them. I read further:

With a pledge against imposing any tariffs on coffee or bananas.

We do not have any tariff against bananas, so far as I know; but, Mr. President, this is one of the few times in the history of this country when the United States Senate has been called upon to legislate in an atmosphere of mysticism and crypticism. We are today importing from Colombia and from Uruguay and from Venezuela products into this country that are penalizing and destroying the business of the American farmer, and we are told that a treaty has been made with the Republic of Colombia, that something else has been cooked up, signed, sealed, and delivered, and they do not dare let the United States Senate have it, because they do not want us to know for whom they have the ax sharpened. They are today telling Senators—big, grown-up, 21-year-old men, supposed to be legislating for the benefit of the American people, supposed to be charged with the duty of ratifying treaties—and boldly and openly telling them that they are not going to let them see what is in that treaty until they get the pending bill across. It makes us look like children; I should say "stepchildren." The idea of the Senate being denied the opportunity to know what is in a treaty or trade agreement under which somebody has got to lose business, under which, perhaps, some poor man interested in cottonseed has got to lose what business he now has in cottonseed oil. Yet they say, "We have got the thing all signed, sealed, and delivered, and we are not going to let you have that treaty." Where is that treaty? What is in that treaty?

Who was at the anointing when they were signing up this royal document that is not to be seen by the common herd that sits in the United States Senate and that ordinarily would pass upon the validity of that thing? Why can we not get that treaty? I should like to know what there is under the barrel. What has been cooked up for us? Who is going to get the first taste of the knife that is being sharpened to cut the American people's throat? Who is going to get the first trip to the block?

Let us find out how we are going to start the guillotine going. Who is first going to go under the knife? Apparently whoever is covered by this treaty with Colombia. That will give some indication. Instead of having all this hidden mystery, when the Senator from Mississippi very patriotically agrees to do what is requested, we will have as little of the atmosphere of confusion as possible. Why not sweep away this mist of misunderstanding so far as we can and bring that Colombian Treaty in here for the visa of the United States Senate. That is what we want to know. Let us have all this confusion swept away. Let us remove the cause for it. Let us know what is under the barrel. Let us know what is cooked up. Let us know what we are going to be expected to swallow so far as we can.

I would go a little bit farther. I understand that they are already negotiating a large number of other treaties. These "brain trusters" have their pencils all sharpened—these little, low-ceiling fellows with bifocal glasses over their eyes—and are mapping out more of these interchanges and exchanges than have ever been heard of. I would go farther. I would attempt to obtain information up to date as to what has been done about these negotiations. I think we should be entitled to that; but, at least, there ought to be no hesitation in bringing that treaty in here.

Mr. HATFIELD. Mr. President, the failure of the State Department to place this treaty with Colombia before the Senate of the United States, because of the refusal of the Colombian Government officials to permit the Congress of the United States to see this treaty, is the most humiliating and most abject act I have ever heard of in the history of our Government.

Mr. LONG. Mr. President, let me correct the Senator. That is not the reason. They found out another reason. I can state to the Senator that I reliably know that the State Department does not now contend that the reason they do not give us that treaty is because Colombia does not want us to have it; that is not the ground upon which the State Department, so I am informed, is refusing us that treaty. It is on the ground that they do not think it is to the public interest that we know it. That is the ground, not that Colombia is refusing it, but on the ground that it is not best that we know. In other words, "it is not meet you know how Caesar lov'd you", as we will remember, for you would be infuriated to sudden mob action, or something of that kind. In other words, the Secretary of State does not want the people of Louisiana to find out how much he loves them, because the last time he expressed any love for us he did not hold the ax behind his back; he had it right square over our heads, and it took some good hard work to get it away from there; but this time these loving professions are in this hidden document, and I should like to have such affection displayed as that in the open Senate, so we might review the document. The reason he will give—I will stake my reputation on it—will be that he does not think that we ought to know all, not because Colombia has declined to give its consent, but because he does not think it is best that the public be allowed to have the knowledge of what he has got in the treaty because of other arrangements he has in hand. That is the reason.

Mr. HATFIELD. Mr. President, it seems hardly possible, and yet, there is no other construction that can be placed upon the act of the State Department in permitting a foreign government to dictate to this Government and to the Congress of the United States, as has been done in the refusal of the State Department to lay this treaty before the Senate at this time, than that we admit our fear of Colombia, or that there is something contained in the treaty which the administration is afraid to disclose.

To my mind, the American people will question the Americanism of those Senators who will accept the dictation of a

foreign government which, having entered into a treaty with the United States, now publicly states that the Senate of the United States shall not function.

Mr. President, the Congress of the United States, in abdicating its powers and responsibilities under the Constitution, has apparently indicated to the appointed officers of our Government and to representatives of foreign nations our lack of courage and lack of Americanism.

Unless there is contained in the treaty some promise on the part of representatives of the State Department that the Senate could not endorse or ratify, why the secrecy?

Yet, Mr. President, I want to be fair. The reason, direct or implied, given by the State Department for the failure to present the treaty to the Senate warrants the belief that the State Department has bowed to the dictation of the officials of the Colombian Government. However, it is quite possible that the arbitrary and most unusual action of the officials of the Colombian Government has been inspired by those Americans holding valuable concessions in Colombia and who succeeded, seeking their own enrichment, in securing favors through this treaty that the Senate or the American people would not endorse or ratify.

Mr. President, there is a great hue and cry over our land on the part of many asking for the early adjournment of Congress. Is there any wonder that the Senate of the United States is held in such low esteem by the American people when the leaders of the Senate permit a foreign power to dictate as to when and how we may carry out our constitutional obligations?

A few years ago those who now have the honor of representing the majority party in this body clamored long and loud for open public consideration of all treaties and all confirmations of public officials?

Why the change?

What is there in this treaty to conceal?

This is the place for its consideration, and because of that fact it should be dealt with openly and in public.

Mr. FESS. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. BONE in the chair). Does the Senator from West Virginia yield to the Senator from Ohio?

Mr. HATFIELD. I yield.

Mr. FESS. The Senator is now discussing the one item in the whole procedure that was called to the attention of the Senate by the Senator from Arkansas [Mr. ROBINSON] last Monday, when he asked whether we on this side of the Chamber would agree that such proceedings should be public, insinuating his belief that they ought not to be public. His statement was, referring to the proceedings leading up to the treaty or agreement:

> Does the Senator take the position that such hearings as may be had should be public?

My answer was:

> I should think so.

The Senator from Arkansas continued:

> Why does the Senator distinguish as to hearings between treaties and an executive agreement? The object of an executive agreement is to make a mutually favorable bargain between the two contracting nations. Does not the Senator realize that if the matter were to be heard in public and at length it would tend to embarrass both the governments which were prospective parties to the agreement?

In other words, it has been claimed all along that one of the things necessary is secrecy, and that right must be granted to the President. The argument here is, not in the language of ex-President Wilson, open covenants openly arrived at, and not in accordance with his famous statement in the North American Review of October 1909, where he elaborately discussed the question of secrecy in tariff making, denouncing it as in violation of every standard of integrity. Not in accordance with those statements is the argument offered here, but for some reason not explained, except as affording an opportunity to get better terms, it is claimed that the proceedings should be conducted in secret.

If the Senator will permit further, of course we all agree that treaty making is an Executive function. We all agree that in the making of a treaty the Executive, who is our representative so far as the United States is concerned, should be free, with no interference so far as any of those incidents that might come from publicity, and that nothing should be made public which in his judgment ought not to be made public. We are not finding fault with that.

Mr. HATFIELD. Absolutely not.

Mr. FESS. But the Constitution of the United States, in giving the treaty-making power, which is a sovereign function, into the hands of the President, not requiring it to be made public while it is operating under his direction, requires that the treaty shall come to the Senate and that it must receive the approval of two-thirds of the Members of this body before it can be effected. The only reason why secrecy is permitted on the part of the Executive in making such an agreement is that it will be brought to light later, and must not only be approved here, but must be approved by two-thirds of the Membership of this body before it can be effected.

Now, to state, as is stated by the Assistant Secretary before the committee, "I cannot give these terms that are to be considered but I can suggest that if this bill is enacted into law, then I will be permitted to give the items", means there is something secret about it. It is not only secret in its initiation and in its making, but it is going to be secret in its effectiveness when it shall have been completed. That never was in the minds of the makers of the Constitution and ought not to have the approval of this body at this time.

If the Senator from Mississippi [Mr. HARRISON] means that we are not to have the agreement or treaty made public because the people are not to know what it is, then I think an apology is due to the country for such a statement.

Mr. HARRISON. Mr. President——

The PRESIDING OFFICER. Does the Senator from West Virginia yield to the Senator from Mississippi?

Mr. HATFIELD. I yield.

Mr. HARRISON. The Senator from Mississippi never stated that the people of the country must not know. The Senator from Mississippi stated he thought it would be unwise to make it public at this particular time, because and for the reason that it is apparent to the Senator from Ohio, as it is to others here, although I shall not ask him to admit it, that it would be used as a vehicle to discuss and discuss, and delay the consideration of the tariff bill.

Mr. FESS. Suppose we do?

Mr. HARRISON. I have been here too long and understand parliamentary tactics a little too well to permit, if it is in my power to prevent, such a matter being used as a vehicle for delay.

I will say to the Senator from Ohio that the agreement is bound to come to the Senate sooner or later for ratification and the Senate will have to pass upon it. Of course, if it is decided that the agreement can be brought into conformity with the pending legislation, it will not be necessary that it come before Congress. I stated previously why it has not been made public. There is no need for me to repeat the statement. I am informed by the State Department that public notice was given many months ago that the treaty was being negotiated, and that many of the persons who felt themselves interested in it and had views about it presented their views to the State Department.

Mr. FESS. The Senator is not talking the way the leader on the other side of the Chamber talked. His leader was demanding that secrecy be permitted.

Mr. HARRISON. That secrecy be permitted?

Mr. FESS. Yes.

Mr. HARRISON. I think for the time being it would jeopardize the interests of the United States to make the treaty public, for the reason I stated a while ago, that there are other nations of South America who are interested in some of the same matters that are involved in the treaty or agreement with Colombia. They have a right under the favored-nation clause to have the same treaty. If we make public now and should approve the treaty or agreement with Colombia at this time those other countries which have the

favored-nation clauses would have a right to the same favored treaty, as the Senator well knows.

Mr. FESS. Yes; and they ought to have.

Mr. HARRISON. They ought to have; but it is more advantageous to the United States if we can work out an agreement with those countries quite similar——

Mr. FESS. In secret?

Mr. HARRISON. I did not say in secret—quite similar to the agreement we have with Colombia. There has been no secrecy about this other matter.

Mr. FESS. Oh, yes.

Mr. HARRISON. No; there has not. Public notice was given that these negotiations were on. Interested persons have come and appeared.

Mr. FESS. Nobody knows what is involved.

Mr. HARRISON. When the treaty is made public and comes to the Senate it will be discussed. Under the proposed legislation that is now before us, before any trade agreement is concluded, and when the negotiations have just started, in their preliminary stages, notice will be given, and every interested person will have a right to come and appear, under such rules and regulations as the President may prescribe. Nothing could be fairer; and I may say to the Senator—I am talking directly to the Senator. While I am talking I want the Senator not to read but to listen to me.

Mr. FESS. I am hearing what the Senator says.

Mr. HARRISON. We heard it insisted all around here, and it was said by witness after witness and in speech after speech in the initial stages of this discussion, that we must have a hearing of interested persons before these reciprocal-trade agreements shall be made.

Mr. FESS. And in public.

Mr. HARRISON. No; not in public.

Mr. FESS. Yes; in public.

Mr. HARRISON. We did not hear anything about the hearings being public, and nothing was said by the members of the Finance Committee on the Senator's side about public hearings. They know that whenever it is proposed, in the interest of this Government, to enter into a trade agreement with a foreign country, and a public hearing is held, and the other country is informed of everything that our people say about it, the right results cannot be obtained, and it does not work to the advantage of this Government.

We are trying here to do something to the advantage of the American people; and so, after Senators on the other side had talked for days and days, and the press that their party controls had urged the importance of interested persons having an opportunity to be heard, I myself went to the President and said that some Senators on the other side of the Chamber felt that the passage of this bill could be expedited and much of the opposition to it would be withdrawn if we should write into the bill a provision for giving interested persons a hearing. I am not at liberty to quote the President, but the President never had anything else in his mind but to give interested persons a right to be heard.

Mr. FESS. Then why is it not in the bill?

Mr. HARRISON. Of course, however, it ought to be under rules and regulations. So I proposed the amendment, and the State Department endorsed it, and we have written it into the bill.

The truth of the matter is that some of those on the Senator's side could not be satisfied under any circumstances. They want to make political capital out of this matter, and they can go their route on it as much as they please; but whenever they do they will find the Senators on this side of the aisle, with the exception of a very few, fighting to sustain this bill. The bill is going to pass, and we are going to stay here until it does; and I serve notice now, Mr. President, after 10 days of patience, that Senators who yield must abide the consequences. We are going to enforce the rules of the Senate on this bill.

Mr. FESS. Mr. President, will the Senator from West Virginia yield?

Mr. HATFIELD. I yield to the Senator.

Mr. FESS. There is no need of any further statement from me or any other Member of this body as to the demand for secrecy in tariff making. That is the argument with which the Senator from Mississippi has just closed his statement; and, no matter what may be his subsequent explanations, he has committed himself to the proposition that these proceedings must be secret. That is what we are resisting. We demand that whatever is to be done by the Executive shall be brought to this body before it shall become effective.

The Senator says, "We are going to enact this bill, because we have the votes." Of course he has the votes, and of course it will be enacted; but there will be a second enactment within 2 years from now, and the Senator from Mississippi is one of the first Senators who will realize it. Let him take that and think it over for a while.

Mr. HATFIELD. Mr. President, the Senator from Mississippi speaks of filibustering and of playing the game of politics. I am nearing the conclusion of my first term in the Senate of the United States. When I came here I was on the majority side; and I have the mental impression, which I shall take away with me, that there was no man on the then minority side who played a bigger game of politics against the Republican organization which was then in control of the Government of this Nation than the senior Senator from Mississippi.

I am not playing politics. I am trying to defend my State. I am trying to defend its industries. I have the conviction that there is only one way in which we can continue the standard of wage which is enjoyed by the 48,000,000 toilers of this Nation, maintaining them far beyond the standard of living of the European or the Asiatic. As long as I am in public life, as long as I have the opportunity to vote in this body or any other body, it will be my great aim and my greatest ambition to protect the toilers of the State of West Virginia in the tin-plate, the pottery, the china, the glass, and the chemical and other industries of that great, growing State.

Mr. LONG. Mr. President, will the Senator yield?

Mr. HATFIELD. I yield to the Senator from Louisiana.

Mr. LONG. I want to see if we cannot expedite the passage of this bill and get politics out of it.

Mr. HARRISON. Mr. President, I make the point of order that the Senator has spoken twice today on the same subject matter.

Mr. LONG. I only wish to ask the Senator a question.

Mr. HARRISON. I make the point of order to the Senator from West Virginia.

Mr. HATFIELD. I have not spoken twice today. This is the first time I have spoken.

Mr. HARRISON. The Senator has yielded in his speech many times and allowed other things to come up that were not questions. The rule of the Senate is that a Senator can yield only for a question.

Mr. HATFIELD. I have yielded to the Senator from Mississippi about as often as I have yielded to any other man in this body.

Mr. HARRISON. Mr. President, I withdraw my point of order for the present; but I serve notice, as I served it a moment ago, that the rule of the Senate will be enforced, and I shall make the point of order that any Senator who shall speak twice on this subject in one day cannot again take the floor.

Mr. LONG. Mr. President——

Mr. HATFIELD. Does the Senator from Mississippi maintain that I have spoken twice upon this subject today?

Mr. HARRISON. The Senator has permitted other Senators to interrupt him and make speeches many times today. I withdraw the point for the present, however.

Mr. HATFIELD. That is true; but I wish to ask the Senator from Mississippi——

Mr. HARRISON. I withdraw the point at this time.

Mr. HATFIELD. But when the Senator states that I have made two speeches today, the RECORD will not justify his observation.

Mr. HARRISON. I did not think it was necessary for me to state to the Senator from West Virginia, because he has been here a long time, that the rule of the Senate is that no Senator shall speak more than twice on any subject in any one day. That rule has been construed to mean that a Senator may yield for a question, but he may not yield for some other business, or for a speech by some other Senator. I am merely stating that so that the Senator from West Virginia may guide himself accordingly.

Mr. HATFIELD. The Senator from Mississippi should observe the rule himself.

Mr. HARRISON. The Senator from Mississippi knows the rules, and he will observe them himself and will see that they are observed.

Mr. HATFIELD. The Senator has not observed them today.

The PRESIDING OFFICER. The Chair understands the rule to be that if a Senator yields for more than a question he loses the floor.

Mr. LONG. Mr. President, I ask the Senator from West Virginia to yield for a question; and if I should transgress the rule in asking the question, I ask the Chair to interrupt me and protect the Senator.

I ask the Senator whether, in order to assist us in eliminating politics from this discussion, he would agree to accept the bill which was proposed by the Senator from Mississippi [Mr. HARRISON] and was passed by both Houses at the last session and endorsed by the Democratic Party in its convention, as a substitute for the pending bill, and cut out the politics. I am sure the Senator from Mississippi would be glad to nurse his own child.

Mr. HATFIELD. I shall be very glad, indeed, to do that.

Mr. HARRISON. Mr. President, will the Senator from West Virginia answer a question for me? Did I understand the Senator to say that he would vote for that bill?

Mr. HATFIELD. Which bill?

Mr. HARRISON. The Senator just said he would. I did not think he would.

Mr. HATFIELD. Mr. President, to my mind this treaty is an example of the manner in which our present tariff protection is to be destroyed.

Many Members of this body now seeking reelection begged and pleaded for an excise tax on petroleum. Our imports from the Republic of Colombia consist in a large measure of petroleum and gasoline. Assuming that this treaty with Colombia contains a promise on the part of the United States Government to reduce the tax on imports of petroleum 50 percent, such reduction would automatically apply to every nation with which we have a treaty with the most-favored-nation clause therein.

Mr. President, if the Senate of the United States should fail to demand the immediate presentation of this reciprocal trade treaty with Colombia, it should publicly apologize for the cowardliness about to be displayed by some Members of the Senate at the direction and dictation of the State Department and the officials of the Colombian Government.

Of course, Mr. President, administration spokesmen on this floor, even though they know that every Member of the Senate is conversant with the fact that they had nothing to do with writing this treaty, realize that the American people will bitterly resent our entering into a reciprocal trade treaty with Colombia, or any other country, which results in the American people, through the reduction of our import excise taxes by 50 percent, making a gift of from a million and a half dollars to more than $2,000,000 yearly to the owners of the Gulf Oil Co. and the Standard Oil Co.

Based on imports of petroleum for 1930 from Colombia alone, this presumed decrease of 50 percent in the excise tax of one-half cent per gallon would have meant a gift of $1,633,193 for that year alone.

Not only is this possible and probable but in addition thereto we may soon learn that the negotation of this treaty saved the Gulf Oil Co., the Standard Oil Co., and the United Fruit Co. from the payment of an export tax to Colombia, which, I understand, would amount to an additional million or more dollars yearly.

Mr. President, the American public have been led to believe that the State Department, under the leadership of the Secretary of State and the Department, headed by Mr. George Peek, and I believe former Senator Brookhart, have been making surveys and listing articles and commodities produced in the United States in such small quantities and of so little consequence that such articles might be traded away under the authority sought for in the pending measure.

This problem I dealt with on May 1, 1933, in my analysis of the report of the Tariff Commission, sent to us in response to a Senate resolution offered by the able Senator from Colorado.

It is to be assumed that this same force has listed those articles or commodities, of which we produce, to their mind, an insufficient quantity in the United States, and which articles or commodities produced in foreign countries would be granted privileges which are now denied to them either as the result of tariff rates, sanitary requirements, or other import restrictions.

To my mind, Mr. President, the Senate of the United States should be able to secure some definite information as to the type of treaties which the State Department and other departments connected therewith would make with foreign countries if the authority sought in the pending measure is granted.

There reposes in the files of the State Department a treaty made with Colombia. This treaty, I understand, from the statement released by the State Department and the Colombian Government officials, was made as of December 15, 1933. This treaty is referred to in the press release furnished to me as a reciprocal trade treaty. To my mind there is no good and sufficient reason why the State Department should withhold this treaty from further consideration by the Senate. In fact, Mr. President, I know of no good and sufficient reason why this treaty was not presented to the Senate following the convening of the new Congress in January.

A reciprocal trade treaty between two nations presumably pertains to the principal commodities which one nation imports from the other, and vice versa. The Foreign Commerce Yearbook, published by the Department of Commerce for 1933, on page 188, lists the—

Imports and exports of principal commodities—total trade, and trade with United States (Colombian statistics).

I find in the list I have just referred to that in 1930 we imported from Colombia a million dollars' worth of bananas; 388,757,143 pounds of coffee, valued at 14 cents per pound, or $54,426,000; some 653,277,260 gallons of petroleum, worth $20,530,000; and a million dollars' worth of cattle hides. These are the principal commodities I find listed.

At the present time bananas and coffee are on the free list; therefore there would be nothing gained by Colombia in entering into a reciprocal trade treaty with the United States wherein we agreed that bananas and coffee would be admitted free of duty.

They are already admitted free of duty. Coffee is not grown in the United States, as we all know, and there is no justification for any man in the Congress of the United States, or anyone else who might have the responsibility, placing a tariff on coffee.

Therefore, Mr. President, any benefits which we grant to the Colombian Government in this reciprocal trade agreement must pertain to the importation of petroleum and animal hides. Animal hides bear a duty of 10 percent, I believe, while petroleum bears an excise tax of one-half cent per gallon.

Mr. President, in view of the low value of cattle hides, it is hardly possible that Colombia entered into this reciprocal trade agreement with the United States in order to secure a lower tax on the cattle hides which they export already to the United States.

This being true, the only benefits which the people of Colombia presumably secure through this secret and much-concealed reciprocal trade agreement must come from an agreement made by the State Department whereby the $20,000,000 worth, or 653,227,260 gallons of petroleum which

we import will be entered into the United States at a lower tax than is paid at the present time.

If I understand correctly the meaning of the most-favored-nation clause, as soon as we present to Colombia the opportunity and the privilege of dumping her $20,000,000 worth of petroleum into the United States at lesser rates than now prevail, that same privilege must automatically go to all the other nations with which we have treaties containing the most-favored-nation clause.

Mr. President, to many real Americans interested in the upbuilding of their country, the lack of interest on the part of some of our larger industries in the question now pending before the Senate has been the subject of considerable comment. When it is said or contended that in giving to the Colombian people the right to dump their $20,000,000 of petroleum into the United States at a lesser tax than is now paid by them, we are benefiting the people of that country, that is a false statement.

As a result of the inspiring leadership of the senior Senator from California [Mr. JOHNSON] the Senate of the United States is aware of the fact that the principal owners of Colombian oil lands are the Gulf Oil Co. and the Standard Oil Co. These two gigantic American concerns possess, through subsidies, large and extensive holdings of oil lands in Colombia. Naturally, the principal market for their product is the United States.

A little more than a year ago the Senator from California developed the fact, at hearings before the Finance Committee, that in order that certain concessions in which Americans were interested should be confirmed by the Colombian Government through legislative sanction, the State Department through Assistant Secretary White and later through a Mr. Mathews, virtually forced the officials of the National City Bank to pay over to the Colombian Government some $4,000,000 which the National City Bank officials were withholding because of the failure of the Colombian Government to make good certain conditions which had been agreed to when a loan was privately consummated between the National City Bank and the officials of Colombia.

There has been considerable talk of the benefits which accrue under reciprocal trade agreements, and in the case of the particular case before us, namely, the reciprocal trade agreement with Colombia, three of the principal concessionaires in that country are American concerns, namely, the Gulf Oil Co., which possesses what is known as "the Barco concession"; the Standard Oil Co., and the United Fruit Co.

It is my understanding, Mr. President, that this treaty was entered into with Colombia with the understanding that it would become effective when ratified by the legislative bodies of both countries. I know nothing of the action taken in Colombia, but I do know that such treaty has yet to be presented to the Senate for ratification.

Colombia statistics, as shown in the report published by the Department of Commerce for 1930, show that during the year 1930 the United States imported from Colombia 653,227,260 gallons of petroleum, valued at some 3 cents per gallon. On the basis of a reduction of 50 percent in the present excise tax of one-half cent per gallon, the United States would make a gift of from a million and a half dollars to two million dollars per year, on the basis of 1930 imports, to the Gulf Oil Co. and the Standard Oil Co.

While the Secretary of the Interior is clamoring for legislation which will prevent American oil products from supplying the demands of the American market, this treaty will open the door for our domestic oil distributors and refiners to continue to import Colombian and other oils at a reduction of 50 percent in the present excise tax on imported oils. Consistency, Mr. President, is said to be a jewel. Apparently those American oil companies holding oil concessions in Colombia look upon petroleum as a rare jewel.

Unless the proponents of the reciprocal trade treaty measure now before the Senate wish to contend that they had in mind having this treaty ratified by Executive action alone, then I feel we are justified in believing that it was expected that the Senate should ratify this treaty.

For that reason, Mr. President, I ask immediate consideration and favorable action on the resolution which I have presented for consideration.

Mr. President, of course, I know it may be useless to ask for the immediate consideration of this resolution, for the very good reason that it has already been stated by the Senator who champions the reciprocal tariff bill, the senior Senator from Mississippi, that under no circumstances will he advise the Secretary of State or the President of the United States to submit this treaty to the Senate of the United States even behind closed doors in secret session.

However, Mr. President, I ask for immediate consideration of my resolution.

Mr. HARRISON. I shall object, if the Senator is asking for immediate consideration of the resolution.

Mr. LONG. Mr. President, I move that the pending business be temporarily laid aside, and that the Senate proceed to the consideration of the resolution submitted by the Senator from West Virginia [Mr. HATFIELD] calling upon the Secretary of State to transmit immediately to the Senate a copy of the reciprocal trade agreement between the Governments of the United States and Colombia.

The PRESIDING OFFICER (Mr. BONE in the chair). It is the understanding of the chair that the motion is not in order; that such action can only be taken by unanimous consent.

Mr. HARRISON. Does the Senator from Louisiana mean to make his motion?

Mr. LONG. I mean to make the motion to lay aside the pending bill until we find out what was done with the treaty between the United States and Colombia.

Mr. CLARK. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CLARK. The Senator from West Virginia still has the floor, as I understand.

Mr. HATFIELD. No; I yielded the floor.

Mr. HARRISON. Mr. President, I suggest the absence of a quorum, and ask for a roll call.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Couzens	Hebert	Pope
Ashurst	Cutting	Johnson	Robinson, Ark.
Austin	Davis	Kean	Robinson, Ind.
Bachman	Dickinson	Keyes	Russell
Bankhead	Dieterich	King	Schall
Barbour	Dill	Lewis	Sheppard
Barkley	Duffy	Logan	Shipstead
Black	Erickson	Lonergan	Smith
Bone	Fess	Long	Steiwer
Borah	Fletcher	McCarran	Stephens
Brown	Frazier	McGill	Thomas, Okla.
Bulkley	George	McKellar	Thomas, Utah
Bulow	Gibson	McNary	Thompson
Byrd	Glass	Metcalf	Townsend
Byrnes	Goldsborough	Murphy	Tydings
Capper	Gore	Neely	Vandenberg
Caraway	Hale	Norbeck	Van Nuys
Carey	Harrison	Norris	Wagner
Clark	Hastings	O'Mahoney	Walcott
Connally	Hatch	Overton	Walsh
Copeland	Hatfield	Patterson	Wheeler
Costigan	Hayden	Pittman	White

Mr. LEWIS. Mr. President, I wish to announce the absence of the Senator from North Carolina [Mr. BAILEY], the Senator from Massachusetts [Mr. COOLIDGE], the Senator from North Carolina [Mr. REYNOLDS], the Senator from Florida [Mr. TRAMMELL] occasioned by official business, and the absence of the Senator from California [Mr. MCADOO] occasioned by illness.

The PRESIDING OFFICER (Mr. CLARK in the chair). Eighty-eight Senators having answered to their names, a quorum is present.

Mr. HARRISON. Mr. President, do I understand that the Senator from Louisiana insists on his motion?

Mr. LONG. No. I have decided to let the responsibility rest right where it ought to belong, namely, in the State Department, for not being willing to disclose this treaty. I do not want the Senate to take the position of relieving the Department of State. So I will not insist upon the motion, and, if I may, I will withdraw it.

The PRESIDING OFFICER. The motion is withdrawn.

Mr. HASTINGS. Mr. President, this is the most far-reaching tariff legislation that was ever brought before the Congress. It is true that it is not the ordinary tariff bill in that it does not undertake to deal with the thousands of items in a general tariff. I assume that, because of the narrow issue involved, it was hoped and expected by the proponents of the legislation to pass it through the Senate very quickly.

When it was first taken up for consideration in the Senate Finance Committee the distinguished chairman expressed the hope that we might conclude our hearings upon it within 2 or 3 days. Certain members of the Cabinet, as well as some of their assistants, were first heard, and, in addition to that, the Chairman of the Tariff Commission. As I recall, when we approached the point of hearing those who were opposed to the measure, the clerk reported that there were 186 persons who desired to be heard.

I think the time fixed for hearing them was increased from the 2 days suggested by the chairman to 3 days. The hearings show that 4 days were given to hearings on this important measure—Thursday and Friday of one week and Monday and Tuesday of the following week. The hearings lasted all day, and some of us who had important matters in the Senate were able to attend but a small part of the time. The bill was taken up in the Senate on Thursday, May 17, and my recollection is that the very next day the distinguished and genial chairman of the committee suggested that we, at that time, agree that, beginning on a certain day, Wednesday of the following week, there might be a limitation of debate upon this measure. For the last few days we have been meeting at 11 o'clock instead of 12 o'clock, the usual time. The distinguished Senator from Oregon [Mr. MCNARY], the leader on this side of the Chamber, on May 17, called attention to the fact that legislative scenes had been shifting rapidly; that within the past 5 or 6 days we had had four measures of major importance before the Senate for consideration; that they had come upon us with such rapidity that no one had had an opportunity thoroughly to study the hearings on the pending bill or to give to the subject matter the attention to which it was entitled. He expressed regret that the Republican members of the Finance Committee who had heard the testimony were not then present. He assumed that they would be, as under normal conditions they should be, in a better position to discuss the measure than would other Senators.

I thoroughly agree that we have been rushing headlong with legislation without giving it full and adequate consideration.

This proposed legislation is the most important of all, and I express the hope that the majority will not insist upon its passage until we shall have had the fullest opportunity to discuss it; and I express the further hope that the Senate will not be kept in session such a length of time on any day as will unnecessarily test the physical endurance of the Members of the body.

Assurance has been given by the distinguished leader on this side of the Chamber that there will be no filibuster; and I am quite certain there is enough loyalty to him on this side to make certain that that personal assurance will in no sense be violated.

My own discussion of this question will be somewhat lengthy, but I shall not enter into any discussion which I do not personally believe to be pertinent and of some importance.

I shall not discuss the question of the constitutionality of this proposed act for two reasons: First, it would greatly extend my remarks; and, second, because I think the splendid argument made by the distinguished senior Senator from Idaho [Mr. BORAH] was so complete in itself that there could be no reasonable answer to it.

In order that I may not take more time than is necessary, I have placed in type a greater portion of my remarks, and I propose to discuss the following phases of this subject:

First. I shall show that this proposed act is based upon an emergency, but that it, nevertheless, gives to the President authority to make contracts lasting as long as 6 years, unless during the next 3 years the measure itself shall be repealed.

Second. That the flexible provision left in the bill proposes to give the President authority, with the aid of the Tariff Commission, to reduce tariff rates or increase tariff rates by 75 percent, instead of 50 percent, as appearing on the face of the bill.

Third. That the definition of "duties and other import restrictions", found on page 4 of the bill, adds three additional methods of decreasing the tariff rates, thus making a total of five methods and thus giving to the President the full power absolutely to destroy the present tariff law.

Fourth. That the amendment placed in the bill by the Senate Finance Committee, known as section 4 and found on page 6, might very well be declared to be a sham and a delusion.

Fifth. Speculation as to what will be included in the bargaining list, drawn from statements made upon the subject by administration officials and others.

Sixth. A brief illustration showing that under the present law exports in leading commodities have actually increased in quantity, instead of having decreased.

Seventh. I shall discuss briefly the most-favored-nation clause in existing treaties and undertake to demonstrate that, while we may agree with one nation, importing into this country certain articles, the effect will be to permit other nations with which we do not bargain to have the benefit of such reduced rates.

Eighth. An analysis of the 1932 Tariff Act, proposed and put through the Congress by its Democratic Members, and the inconsistency of their position under a Republican administration, as compared with their position under the present administration.

Ninth. Finally, I shall read into the RECORD the important parts of speeches made in the Senate in September 1929 condemning the flexible provision of the tariff, which will remain in the law after this legislation shall have been passed, and which speeches point out the dangers of giving such great powers to the Executive.

EMERGENCY

The bill would add to the tariff law, at the end of title III, "Part III—Promotion of foreign trade." The new bill consists of one section only, known as section 350. The purpose of the bill is set forth in the beginning of the section. It is alleged to be "for the purpose of expanding foreign markets for the products of the United States", and then the following words are added in parentheses:

(As a means of assisting in the present emergency in restoring the American standard of living, in overcoming domestic unemployment and the present economic depression, in increasing the purchasing power of the American public, and in establishing and maintaining a better relationship among various branches of American agriculture, industry, mining, and commerce.)

It will be noted that the excuse for the proposed legislation is "assisting in the present emergency." It is the same excuse or reason given for nearly every important measure which has been passed since March 4, 1933. So far as I now recall, there are but two exceptions—the Securities Act and the regulation of the stock exchange.

It is difficult for me to find any sound reasoning for calling this an emergency measure. If the bill shall prove to be as effective and helpful as its proponents contemplate, then it ought to become a permanent part of the American system. If this be a dangerous proposal, there can be no warrant in adopting it. If it be expected that it will promote prosperity and restore the American standard of living, overcome domestic unemployment, increase the purchasing power of the American public, and establish and maintain a better relation among various branches of American agriculture, industry, mining, and commerce, it will accomplish a purpose that will please millions for all time. In view of the fact that all these purposes are desirable at all times, there is no possible excuse for limiting its operation.

The distinguished Chairman of the Finance Committee calls attention to the fact that it is designed to meet "the emergencies of international trade", to effect "a return of industrial and agricultural stability", and that "the bill is written to meet an emergency arising out of disastrous economic conditions."

The Chairman of the Finance Committee also calls attention to the fact that the authority of the President to enter into foreign-trade agreements shall terminate at the expiration of 3 years from the date of the enactment of the bill. The President is limited in his authority to a 3-year contract. If not terminated in 3 years, it may at any time terminate within 6 months. It will thus be seen that a contract entered into immediately after the bill becomes effective may last the 3 years; but it must at the same time be observed that just prior to the expiration of 3 years, the President may enter into another contract for another term of 3 years. So it is quite possible, under the provisions of the bill, within a short time after it becomes effective, for the President to execute contracts with foreign governments everywhere for a period running until December 1936, and then execute with the same countries additional 3-year contracts which will not expire until December 1939, plus a 6 months' notice.

The 3-year provision, placed in the bill for the purpose of emphasizing the emergency, may very readily extend to a period of 6 years without in any sense violating its provisions, and the Congress itself could not shorten the term. It will be observed that the contract does not have to be for a period of 3 years. As I have pointed out, it may be made in June 1934 and expire in December 1936, and may at that time be renewed for a full 3-year term.

This is the first emergency measure that contemplates an emergency for such a long time. But the Chairman of the Finance Committee seems to appreciate that this emergency measure may become permanent. On page 8989 of the RECORD he stated:

I am sure that the Senate will appreciate that that is a very wise provision, because if the agreements are advantageous to the United States in opening up new markets to us and in assisting in the sale of our exportable surpluses they ought to be preserved and ought to be maintained and ought to be continued for longer than 3 years.

But an examination of the testimony before the Finance Committee of the Senate shows that the distinguished Secretary of State, Mr. Hull, was impressed with the emergency when urging the approval of the bill. When he was being interrogated by the Senator from Pennsylvania [Mr. REED] with respect to notice to persons who were effected by change in the tariff, the Secretary said:

There is a panic on hand now.

When his attention was called to the fact that he opposed the flexible provision when he was a Member of the House, he replied:

Yes; there was not any panic then.

His attention was called to the fact that at that time, speaking of the flexible provision of the tariff, he said:

That was too much power for a bad man to have or for a good man to want.

The Secretary replied:

I wish the Senator would always agree with me on that, during normal times as well as during panics. That was an occurrence in normal times and not during a panic or emergency.

Further along, the Secretary said:

This is an emergency measure. I think the Senator had not arrived when I undertook to refer to the chief features of the bill. This is an emergency measure to deal with emergency panic conditions.

The Senator from Pennsylvania [Mr. REED] also called the Secretary's attention to an extract from a radio speech delivered by the distinguished Senator from Kentucky [Mr. BARKLEY] in October 1929 and inquired whether the Secretary had seen it. The quotation is as follows:

Not only do we insist that Congress has no right to confer upon the President the power to tax the people, but we insist that it is unwise to do it, whoever the President may be or whatever party he may belong to. This fight is not a fight over personalities. It has no more reference to Mr. Hoover than to Mr. Coolidge or to Mr. Wilson, or to any President who may be elected in the future. It is no answer to our objection to say that the power will not be abused by any particular President. We think it has been abused in several instances in the past, and we have no assurance that it may not be abused at some time in the future.

The Secretary replied:

I expressly stated at the outset, when the Senator was asking questions, that the bill before us is not an ordinary measure to meet ordinary conditions. It is not an ordinary measure to meet emergency conditions. It is an emergency measure, temporary in its nature, to meet emergency conditions.

It is impossible to read the Secretary's testimony without reaching the conclusion that except for the emergency he would still believe that this power given to the President is—

Too much power for a bad man to have or for a good man to want.

The power to which he referred when he used that language was limited to the flexible provision of the tariff, which provided that the President could not do anything without getting the consent of the Tariff Commission, and the Tariff Commission was limited by certain fixed rules. So if at that time the Secretary thought that power was too much for a bad man to have or for a good man to want, I wonder, except for the emergency, what the Secretary would say with respect to this particular power.

There can be no more dangerous thing confronting a democracy than to have the legislative branch of the Government so influenced by the Executive that it passes on to the Executive its own powers and responsibilities upon the demand of the Executive that such power must be vested in him in order to meet an emergency. Patriotic citizens everywhere should bear in mind that their rights and their liberties are always in very much greater danger in times of depression than in times of prosperity.

Mr. CUTTING. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield.

Mr. CUTTING. I do not want to interfere with the Senator's very able speech, but I was wondering whether 1932 was a year of depression, because in 1932 the Secretary of State said:

The proposed enlargement and broad expansion of the provisions of the flexible tariff clause is astonishing, is undoubtedly unconstitutional, and is violative of the conscience of the American Congress.

Mr. HASTINGS. I thank the Senator for calling my attention to that statement. I have a memorandum of it which I had intended to read a little more fully later. I am glad to have it appear just here, however.

Here we are at this very moment about to pass on to the Executive the power literally to destroy certain industries, as well as certain farmers of the Nation, and he may do it in an honest effort—

To restore the American standard of living, overcome domestic unemployment, increase the purchasing power of the American public, and establish and maintain a better relationship among various branches of American agriculture, industry, mining, and commerce.

His own judgment may be bad, or he may be poorly advised, and, having made a contract for 2½ years, if he becomes convinced that the length of time has not been sufficient to prove the plan successful, he may at the end of that time make a new contract, reducing the tariff on the products of new industries, so that for a period of 6 years, at least, the rights and protection now given under the tariff act will become uncertain. There can be no long-term planning by industries, and, in my judgment, the autocratic power which the President seeks will destroy the laudable purpose he now entertains.

FLEXIBLE PROVISION

Mr. President, I desire to discuss for a moment the flexible provision of the tariff law, and particularly with respect to some of the testimony offered regarding it.

Much has already been said on the floor of the Senate with respect to the position of the Democrats on the flexible provision of the existing tariff law. In the recent hearings before the Committee on Finance the Senator from Ken-

tucky [Mr. BARKLEY], in replying to the portion of his speech delivered in 1929, made the following observation, found on page 23 of the hearings:

Senator BARKLEY. At the time of that speech we were dealing with a one-sided provision empowering the President to levy taxes on the American people without regard to any international trade agreements, and, under the same circumstances, I would make the same speech again.

We are dealing now with an effort not only that has connected with it the phase of taxation, which is not, as I understand it, the prime object of this resolution, but an effort to regulate commerce with foreign nations, which we have the power to do under the Constitution, and I regard this resolution and the effect of it to be more in the nature of a regulation of commerce than it is a levying of taxes, or even in the relation of taxes, and it is entirely a different proposition.

Not only the conditions are different, as you have already pointed out, but the philosophy of this resolution is different.

The word "resolution" there is in error. The language should be "this proposed act."

The remarkable thing to me is that neither Secretary Hull, nor the Senator from Kentucky, nor any other Democrat who was so violently opposed to the flexible provision of the tariff, should have deliberately and purposely left in the pending bill the same flexible provision.

The junior Senator from Michigan [Mr. VANDENBERG], in a colloquy with the Chairman of the Finance Committee, called attention to the fact that the flexible provision remained in the bill, and further called attention to the fact that if this bill shall be passed we will have two tariff-reducing powers in existence. A further colloquy brought from the chairman of the committee a fact which had not theretofore, so far as I know, been emphasized, namely, that if this bill shall be passed it will be perfectly possible to reduce the tariff by 75 percent instead of 50 percent, which I think the public generally understand to be the purpose of the bill. At the present time, as the chairman of the committee admits, there could be a reduction, under the rule fixed in the present tariff law, by the amount of any difference found between the cost of production at home and abroad up to 50 percent, and then the President could by agreement with a foreign country reduce that same tariff rate by another 50 percent, so that a present tariff rate of 50 percent could, upon recommendation of the Tariff Commission, be reduced to 25 percent and then, by Executive agreement with a foreign country, be reduced again to 12½ percent.

In this connection it might be well to call attention to the testimony given by the present Chairman of the Tariff Commission. It will be found beginning on page 143 of the hearings before the Senate Finance Committee; and if Senators are interested in getting a true picture of the high character, the high purpose, and a due regard for his oath of office of that individual, I suggest they read that testimony.

Mr. O'Brien appeared before the House committee as well as before the Senate committee, and in both instances insisted that there was no difference in the President's power under the flexible provision of the tariff and the powers given to him under this proposed act. On page 144 the record shows that he said:

Now, we talk about the flexibility. This is known as the "flexible tariff." I regard the term, applied to our present law, as an extreme joke.

I desire to read from those hearings some of the testimony, beginning on page 150. Mr. O'Brien was the witness, and said:

Another thing I wanted to bring out to this group here, this committee—the present law is Presidential tariff making. The new law is Presidential tariff making.

Senator HASTINGS. I should like you to tell us just how that is. Why do you say it is Presidential tariff making? Do you eliminate from the consideration the entire Tariff Board, under the present law? Is it true that the Tariff Commission now has no functions to perform with respect to this principal provision of the tariff?

Mr. O'BRIEN. Why, of course, it has functions to perform.

Senator HASTINGS. Well, does it perform them?

Mr. O'BRIEN. Yes, sir; we bring in quite a few reports from time to time. They must be approved by the President.

Senator HASTINGS. Well, is it or not true that the Tariff Commission exercises an independent judgment; or is it, as I think I saw where you stated before the House committee, wholly subject to and under the control of the President?

Mr. O'BRIEN. The President appoints the Tariff Commissioners. Most men in positions wish to retain them and be reappointed.

Senator HASTINGS. Does that prevent you from doing what you think your duty is under this tariff act?

Mr. O'BRIEN. It does not prevent my doing it, or my associates.

Senator HASTINGS. Do you know of any other member of the Tariff Commission that you think is influenced by a fear that he will lose his job if he does not do what the President suggests with respect to a tariff? I think the country is entitled to know whether we have gone all these years under a false color with respect to that.

Senator CONNALLY. Yes; he will tell you.

Mr. O'BRIEN. The President appoints the members of the Tariff Commission. Every President has views on the tariff, up or down. His friends have views. I would not, for reasons of official propriety, disclose any concrete or specific incidents of this kind, either past, present, or I might say future, but I think that you know, Senator, that you have access to the President of the United States, and that every Senator, particularly of the party of the President of the United States, has access to the President. Tariffs are not a taboo subject. Every President has theories, has beliefs of what he wants to do regarding the tariff. At least, his senatorial and other friends have views of what they want to do. The President appoints the Tariff Commissioners. President Roosevelt will have the privilege, in the term for which he is now elected, of filling five of the six places on the Tariff Commission, and any President can pick out his kind of members of the opposite party, men who are more or less in sympathy with his point of view, assuming that he has a point of view. At all times, the White House and the Tariff Commission are not unrelated factors in the community. I do not wish to say more than that your own common sense and Washington experience will show you these things.

On page 151 this appears:

Senator HASTINGS. Well, I might say this, that I think somebody might be suspicious that that sort of thing was from time to time going on, but the shocking thing to me is that the chairman of that board should come before a committee and say that was a fact.

Senator CONNALLY. If it is a fact, why shouldn't he say it?

Senator HASTINGS. Well, I am just trying to find out.

Mr. O'BRIEN. And my statement is that I do not think, for instance, that in 1924 the Tariff Commission would have brought in a report changing the duty on wheat from 30 to 42 cents if they had known it would be received with profound disfavor and disgust by the then President of the United States, who was in that year a candidate for reelection. I do not think that you can separate the Tariff Commission's functions from the President of the United States and his personal interests.

On page 153 the following appears:

It looks to me that the power that you grant the President—this 50-percent reduction—is exactly the grant he has now, only you have substituted——

Senator HASTINGS. I wonder, just there, do you know whether or not your associates on the Tariff Commission will agree with that statement? Do you think you can get a single one of them to agree with that statement?

Mr. O'BRIEN. I think so. They are all within sight or sound, here. They can all be summoned here. They can all come here, and I would feel very reluctant to express views for them. They have not, any of them, been to me to protest over what I said before the Ways and Means Committee.

Senator HASTINGS. Well, remember now what you said. You said that he has power, now, and you said it, time and time again, and I insist that, under the law, he has not got it now until the Tariff Commission Act, and under your theory, as I get it, the Tariff Commission amounts to nothing, so far as this thing is concerned, so far as this flexible provision is concerned. Do you want to leave the record in that sort of situation?

Mr. O'BRIEN. Not having made that record, I would not like to leave it that way.

Senator HASTINGS. Well, you have just said that, time and time again.

Mr. O'BRIEN. I did not say the Tariff Commission amounted to nothing.

Again, on page 154, another question was directed to Mr. O'Brien by me:

Senator HASTINGS. Isn't there a rule by which the Tariff Commission must act?

Mr. O'BRIEN. Yes, sir.

Senator HASTINGS. You would not violate that rule just because the President suggested he wanted something done, would you knowingly violate that rule?

Mr. O'BRIEN. That tariff on wheat could be taken up, with entire propriety, at any time, and the law requires the Tariff Commission to take up the subject that the President or Congress——

Senator HASTINGS. But if you found the facts did not warrant you in recommending to the President that which he wanted done, you do not mean to tell the country and this committee that you, as a member of the Tariff Commission, would do it, do you?

Mr. O'BRIEN. No such situation would arise. Take on the wheat business; why have we not done anything on that for so long?

Senator HASTINGS. But you said just a moment ago if the President should indicate to the Tariff Commission that he wanted a certain thing done, the Tariff Commission would undoubtedly find a way to do it. Now, I ask you the question whether they would do that, in view of the fact that the law specifically sets forth the rules by which they must arrive at their conclusion?

Mr. O'BRIEN. These things are left in a very vague area. Nobody would be violating any law or any oath of office who reduced the duty on wheat at the present time, or particularly during the year when its selling price was less than its duty.

Senator HASTINGS. Well, suppose the President picked out something other than wheat, and picked out something that the facts would not permit you to do, to carry out his wishes. What would the Tariff Commission do under circumstances like that?

Mr. O'BRIEN. Why, I would go up and talk with the President about it and tell what the difficulties in the thing were, and any President has been very—all the Presidents, through the history of the Tariff Commission, have as a rule been very reasonable-minded about it. If you were to prod me too strongly on this, I am afraid my discretion would vanish, and I would tell you of one President under whom I did not serve, who became very angry at the Tariff Commission's attitude, and subsequently apologized to its chairman for speaking to him harshly upon the very issues that you raise.

I desire to observe here that this witness who insisted that the Tariff Commission was so controlled by the President that it would do just what he wanted it to do relates in a portion of his testimony a quarrel which a President had with the Tariff Commission because it did not want to do what the President wanted to have done. I read further:

I want only to say that you can see for yourself, gentlemen, the President is accessible to every member of this committee, let us say. Any President has other relations and interests in the world. Does it stand to reason that when there is standing on the President's desk a proposal of the Tariff Commission to reduce the duty of this white paper, let us say, and everybody knows that such a proposition is awaiting the President, a proposal to reduce the duty on that white paper—bad illustration, but I will keep on with it—50 percent, would it not occur to the common sense of all observers that people could get at the President? I mean, in a perfectly proper and intelligent and patriotic way, to call his attention to how bad we think it would be to reduce the tariff 50 percent. If that could not be done, just how does one account for the cases upon which the Presidents have not followed the Tariff Commission, the number of things they have sent back for reconsideration? It is no disrespect to the White House Office Building, with its groups of employees, to say that no one would claim that its Bureau of Scientific Investigation was superior to that of the Tariff Commission. In other words, where any President has not followed the Tariff Commission, he has done so for reason other than scientific ascertainment theoretically contemplated by the existing law.

The distinguished Chairman of the Committee on Finance was so much pleased with Mr. O'Brien's testimony that he referred to it in his speech explaining the bill and called attention to the fact that he happened to be a Republican.

I do not care where he comes from or what his politics is or who appointed him. I think he exhibited such a disregard for the duties imposed upon him as a member of the Tariff Commission as to make him unworthy of holding any such position. So far as I am concerned, if I believed a majority of the Tariff Commission were as willing as is Mr. O'Brien to do the bidding of the Chief Executive in order to keep their jobs, I should certainly be in favor of repealing the flexible provision of the tariff.

In view of this testimony and in view of the administration's desire to leave this flexible provision in the law, one is forced to the conclusion that the purpose is to give to the Executive the power to use both methods in dealing with the tariff, and thus reduce it 75 percent instead of what appears on the face of the bill to be 50 percent.

Mr. President, I must say that I am a little disappointed that the chairman of the committee should be so certain of his position that he pays no attention to the arguments made on this side of the Chamber against the pending bill. There is a proposal in the bill with respect to the definition of duties and other import restrictions, and I hoped I might have had his attention when I discussed it.

DEFINITION OF DUTIES AND OTHER IMPORT RESTRICTIONS

It will be observed that the President, by paragraph 2 of section 350 (a) of this bill, is given authority—

To proclaim such modifications of existing duties and other import restrictions—

And so forth.

Paragraph (c) of the same section gives a definition of the term "duties and other import restrictions", and I desire to call attention to the importance of this definition and the extent to which it goes.

Mr. President, may I express the hope that the Senators who have not carefully analyzed the entire meaning of this bill will read tomorrow the analysis which I am about to make of it and see whether or not they agree with me.

Mr. LEWIS. Mr. President, before the Senator embarks upon what must necessarily be a discussion in detail of considerable importance, may I bring him back to the observation he has just indulged as to the member of the Tariff Commission who is known as "Mr. Robert Lee O'Brien." I do not know whether the able Senator from Delaware knows Mr. O'Brien. I know him, but not with an intimacy comparable to that of the eminent Republican Senators. May I not ask this question: With respect to the testimony of Mr. O'Brien, in which he referred to the fact that the President no doubt would make a suggestion if he had a conviction, or that the members of the Commission would no doubt adopt the President's view, does not the able Senator fancy that what he meant to convey was that, as the President is held to responsibility, and under the flexible provision is allowed to change the rates up or down if the recommendations of his Tariff Commission commend themselves to him, the President would be obeyed in those matters wherein he must take a responsibility, as it is the President himself who makes the change and not the Tariff Board, which Board merely investigates under the direction of the President? The President himself reaches the conclusion and makes the decision. Does not the Senator feel that Mr. O'Brien merely meant to say that, in view of that fact, the President's desire upon the question became at once the judgment which had to be followed, and therefore the Board merely obeyed it?

Mr. HASTINGS. As nearly as I can find, any possible excuse for Mr. O'Brien's attitude and statement it is that, after the Tariff Commission makes a scientific investigation and submits a recommendation to the President under the flexible provision of the tariff, because there is nothing to compel the President to take that final judgment of the Tariff Commission, in that sense the flexible provision of the tariff is not entirely effective. To be as liberal and generous as one can be with him, one cannot find any other excuse for what he said when he undertook to say that this was Presidential tariff making.

What shocks me, and what I think any respectable man ought to be ashamed to admit, is that because he is appointed by the President and because his term expires, or the President under the Constitution has a right to remove him, the President has an influence on him in trying to determine a fact which is governed by a rule fixed by the Congress. That is what I complain about, and that is what is shocking to me.

I never saw Mr. O'Brien before the time of the hearing, and the impression I got was that he wanted to do most of the talking and did not like it when anyone interrupted him. That is the greatest complaint I have to make with respect to him. But there cannot be any defense of what he said; there cannot be any defense of what he admitted; and I say frankly that if a different kind of men cannot be obtained to assist in administering the flexible provision of the tariff, then those Senators who were opposed to that provision some years ago were entirely justified. I never believed, and I do not believe now that it is true. The chairman himself proved that it was not true, because he called attention to the fact that the President became angry at the Tariff Commission because he wanted a certain recommendation followed and could not get it, which of itself shows that we still live under a constitutional form of gov-

ernment and still have honest officials undertaking to administer the laws of this Nation.

Mr. LEWIS. May I say to the Senator from Delaware that I do not rise to make any particular defense or in advocacy of the gentleman himself, though I have known him. I was a Member of the House of Representatives during the time when the gentleman served as correspondent, I think, for a Boston newspaper—the Transcript, if I am not in error. Subsequently history records that he returned to Boston and became an eminent editor. He is a character of some renown in literature and, further, as has been intimated by the able Senator in speaking on this subject, a distinguished and leading Republican.

But this much may I add? With his renown, many men know him as a gentleman above the suggestion that his conscience could be overcome or his character overruled from any motive other than that of very honest conviction. The able Senator may upon investigation be assured that not even the President of the United States could have induced him to do a thing or say a thing he did not himself honestly feel was right.

I think the mistake lies in the construction the able Senator from Delaware gives rather than in what transpired. I take it that the gentleman meant that where the President indicated, upon his own knowledge and investigation, he felt a certain feature of the tariff must be changed and that the recommendation of the Commission should be in favor of this or that, and he had the facts to justify such position, then the member of the Tariff Commission would withhold his own previous judgment and yield to that which conflicted with it when expressed by the President.

The able Senator feels that his observations justify the conclusion that he was willing to ascertain what was the point of view of the President and, without regard to any conscience in the matter, yield to it and lend himself to the favor of those who had the appointing power to the position.

Mr. HASTINGS. I may say in reply to the distinguished Senator from Illinois that I have not made these observations about Mr. O'Brien based upon rumors I have heard about his conduct of his office. I never heard a word said against him in my life. What I have said is not based upon rumors, and it is not based upon what somebody told me. It is based upon what I heard from his own lips and what I read into the RECORD a few moments ago. If someone can take that language and make a defense of it, I should be delighted to have it done, because I think it is a slur upon every administrative officer of the whole land. I did not like to leave the RECORD as it stood, and I repeated it and asked him if he intended to leave that impression, and the Senator from Illinois has heard me read the answers which he made to those particular questions.

Mr. LEWIS. I thank the Senator for allowing me to interrupt him to inject the viewpoint I have. I still insist it is a mere difference of construction, and that the RECORD might do a great injustice to a gentleman where he cannot defend or justify himself, which I think we would all regret.

Mr. HASTINGS. I think, in view of the fact that I have placed in the RECORD his exact language, if I have been unjust to him, those reading the RECORD will see that I was mistaken in my interpretation, and what I have said will do him no harm.

Mr. HATFIELD. Mr. President——

The PRESIDING OFFICER (Mr. POPE in the chair). Does the Senator from Delaware yield to the Senator from West Virginia?

Mr. HASTINGS. I yield.

Mr. HATFIELD. Were any other members of the Tariff Commission given an opportunity either to substantiate or disprove or protest against the statements made by the Chairman of the Tariff Commission?

Mr. HASTINGS. So far as I know the matter was not pursued further. The Chairman of the Tariff Commission was brought before the committee of the Senate, as he was brought before the committee of the House. He made the statement before the two committees, and he made it time and time again, that the President has the power now to regulate the tariff and "what you are giving him by this bill is not different from that which he now has." That was stated time and time again, not by somebody who does not know about the subject, but by the Chairman of the Tariff Commission who knows the act under which he was appointed, who knows the rule that is laid down to guide him. He came before the committee, and the news went out all over the country that the Chairman of the Tariff Commission had said that this bill will give the President no more power than he now has, that he has now the opportunity to change the tariff 50 percent up or 50 percent down.

Mr. HATFIELD. But does not the Senator feel that it was an injustice to the other members of the Tariff Commission that they were not given an opportunity by the Finance Committee to be heard upon the statement made by the Chairman of the Tariff Commission as to the attitude of the President in controlling the Commission in arriving at its conclusions?

Mr. HASTINGS. Of course, I was not chairman of the committee, and I did not suggest that any of them be called. So far as I know, nothing was done about it. Mr. O'Brien said they were here about the city and could be called.

There was a suggestion made to me afterwards that the names would be given to me, and that if I would call them, I would find they would take a different position from that of Mr. O'Brien.

I did not pursue the matter. This was an "emergency" measure, and the chairman of the committee was anxious to get through with the hearings, anxious to get the bill reported to the Senate, and anxious to have it passed. I did not want to do anything that would look as though I was trying to interfere with his wishes in the matter.

Mr. FESS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Delaware yield to the Senator from Ohio?

Mr. HASTINGS. I yield.

Mr. FESS. Did the Chairman of the Tariff Commission state there was no more authority given in the pending bill than the President now has under the present law?

Mr. HASTINGS. He said it not only once, but he said it many times.

Mr. FESS. Is it a proper inference, then, that the present law, which provides for the collection of data by a fact-finding commission under a certain formula, is a law which says "find what the President wants and then undertake to establish that by facts, so that the President will have the final say regardless of the facts"?

Mr. HASTINGS. It was difficult for me to draw any other possible conclusion, although I propounded that identical question by inquiring of Mr. O'Brien whether or not he was willing to violate his oath in order to please the President. He promptly denied that he or any other member of the Commission would violate his oath, and then undertook to make some excuse by saying that it was so vague as to what facts were to be determined that he might reach any conclusion without violating his oath.

Mr. FESS. If that is the policy of the Tariff Commission it ought to be abolished.

Mr. HASTINGS. That is the conclusion I reached.

Mr. President, I shall return to that part of the bill to which I desire to call the especial attention of Senators. It will be observed that the President, by section 2 of the bill, is given authority "to proclaim such modifications of existing duties and other import restrictions", and so forth. I am quite certain there will be many Senators on both sides of the Chamber, if they agree with my analysis of this section, who will agree with me that it ought to be modified.

Paragraph (c) of the same section gives a definition of the term "duties and other import restrictions", and I desire to call attention to the importance of this definition and the extent to which it goes.

The definition first includes "rate and form of import duties and classification of articles." There is in those words, as I shall undertake to show, an unlimited authority to the President actually to destroy the tariff act.

The general impression is that the authority given to the President under this measure is to increase or decrease the present tariff duties by 50 percent. If that were all the power given him, section 2 would merely provide that the President was given authority "to proclaim such modification of existing rates of duty." Bear in mind, however, that that is not the only authority. He is given authority over the "rate and form of import duties and classification of articles." That would limit the authority of the President to the 50-percent increase or decrease as before suggested; but the very next important authority refers to the "form of import duties." That means that where, in the tariff act, it is provided that the ad valorem rates shall be based upon the American selling price of any similar competitive article manufactured or produced in the United States, it can be changed from the American selling price to the foreign selling price, which is of a great importance, at least to the chemical industry, to which this provision especially applies.

That, however, is not the only change that can be made. Section 402 of the Tariff Act of 1930 undertakes to give the basis of the value. This has to be administered by the appraiser. It provides that he shall take as the value the foreign value or the export value, whichever is higher. If this cannot be satisfactorily ascertained, then he shall take the United States value. If neither the foreign value or the United States value can be ascertained, then he shall take the cost of production.

The assessment of duty under all of these important provisions of the present tariff act may be changed by the inclusion in this bill of the one word "form." Instead of the appraiser selecting the values under the provisions of section 402, which Congress has so carefully provided for the protection of the revenue, the President could make the selection of the form of duty, and if the commodity is now being appraised on the American selling price, or the United States value, he could proclaim that the new rate shall be taken on foreign value. In other words, there is a broad authority, and apparently an intended authority, to give to the President the opportunity to change entirely the form applied to import duties.

Mr. President, I got the impression that that was correct, and I checked it somewhat to be certain. After I had satisfied myself that it was correct I discovered a discussion of the Tariff Act of 1929 by the late distinguished Senator from Montana, Mr. Walsh. He called attention to the meaning of this language, and he also called attention to its importance, and stated that the Senate had stricken the language out of the House bill because they were afraid it would render the act unconstitutional.

I desire to read from the CONGRESSIONAL RECORD of September 26, 1929, page 3983, the following language:

Mr. WALSH of Montana. After that bill was reported containing the provisions to which I have called attention, argument followed upon the floor of the Senate against the constitutionality of that feature of the measure, and eventually the provisions so assailed were eliminated, and those which now appear in the law were substituted in their stead.

Another change was made with respect to language which I shall now read:

"Whenever the President * * * shall find it thereby shown that the duties fixed in this act do not equalize the said differences in conditions of competition in trade, he shall, by such investigation, ascertain said differences and determine and proclaim" now observe "changes in classification or forms of duty or increases or decreases in any rate of duty."

In the revised Senate committee amendment the words "forms of duties" were eliminated. The argument had evidently alarmed the sponsors for the bill and an effort was made to free it from its more vulnerable features.

The Smoot amendment and the present law are the same in that respect. They both omit the words "forms of duties" but retain "changes in classification."

I desire to call attention here to the fact that in this bill both phrases are left—both "forms of duties" and the "changes in classification."

Senator Walsh of Montana continued:

"Changes in classification", as I understand, relates to changes from one paragraph to another where a different rate prevails, and "changes in forms of duty" I understand to be a proposal to change ad valorem duties to specific duties, or vice versa.

Mr. President, if we can constitutionally grant this power to the President, why should we not give him the right to transfer specific rates to ad valorem rates in order to equalize the difference in the cost of production? Evidently Senators on the other side, enlightened by whatever discussion took place upon the floor, concluded that they had better not take a chance on giving any such power to the President. So I believe it has been the reasoned conclusion of the Senate of the United States that an act would be unconstitutional framed in the language of the House provision of the bill before us.

But perhaps there is a more important and a more dangerous provision in the first part of that definition. It includes not only the rate and form of import duties but the "classification of articles."

"Classification of articles" gives to the President more power than the limitation of 50 percent of the present tariff act. The only authority at all in the present tariff law with respect to the change of classification is in the flexible provision. Under the flexible provision of the Tariff Act of 1930, upon recommendation of the Tariff Commission, the President may change the classification, and thus enlarge his power to increase or reduce the tariff rates 50 percent. The Tariff Commission is limited by certain specific rules. The President is not in any sense limited here. If he is given authority to change the classification, he may change an article bearing a rate of 70 percent to a class having a duty of only 35 percent, and thus reduce the tariff by 50 percent before he begins his reduction of 50 percent, so that the article bearing a duty of 70 percent would ultimately be reduced to 17½ percent. Under the flexible provision of the tariff he may reduce it by 50 percent upon recommendation of the Tariff Commission, and then, under the authority given him by this bill, he may reduce it by another 50 percent; but he really has three opportunities here to reduce the tariff. Upon recommendation of the Tariff Commission he may reduce it 50 percent. He may then reclassify it, and thus reduce it another 50 percent; and then he may make an agreement with a foreign country reducing it an additional 50 percent. So, if the provision with respect to the classification of articles remains in the bill, the whole rate structure in the tariff bill falls; the 50-percent provision in the bill becomes of little importance, because under the authority of classification there is absolutely no limit to what the President can do.

Now let us take the second part of the definition, which includes "limitations, prohibitions, charges, and exactions other than duties, imposed on importation or imposed for the regulation of imports."

The words "limitations, prohibitions, and charges" are not difficult to understand. Under this authority will come embargoes, quotas, and similar restrictions which the President at the present time under the existing law has the power to impose. For example, cattle from Mexico are prohibited from entering the United States because of the presence of the hoof-and-mouth disease. There is an embargo on bulbs from Holland because of a plant disease; shrubbery from Japan is prohibited because of the San Jose scale; and numerous other limitations are placed on imports under existing laws, all of which may be removed at the President's pleasure, under the bill.

The particular thing to which I desire to call the Senate's attention, however, are the words "exactions other than duties." This provision would give to the President the power to exempt certain imports from the operation of excise taxes, internal-revenue taxes, and other levies under existing laws. At the present time, if there be imported into this country an article upon which there is an internal-revenue tax, it becomes the duty of the custom officials to see that that tax is paid before releasing the goods to the importer. The courts have held that, regardless of how such taxes may be designated by the Congress, if they are imposed on imports while in customs custody, they are essentially customs duties and are determinable and collectible as prescribed by law. In other words, under this act the internal-revenue tax on distilled spirits, wines, and cordials, and fermented malt liquors, as well as on cigars, cigarettes, snuff, and tobacco, playing cards, yachts, lubri-

cating oil, matches, gasoline, tires, toilet preparations, furs, jewelry, automobile trucks and parts, radios, mechanical refrigerators, sporting goods, firearms and shells, pistols and revolvers, cameras and lenses, candy, chewing gum, soft drinks, oleomargarine, as well as many other articles, could, by the proclamation of the President, be relieved of the internal-revenue tax, as well as the reduction of the 50 percent in the tariff rate.

I particularly want the attention of those Senators who are interested in the tax on imported articles in the Revenue Act of 1932. Some of the articles at least will be found in section 601 of that act. They include crude petroleum, fuel oil, gasoline or other motor fuel, lubricating oil, paraffin and other petroleum wax products; coal of all sizes, grades, and classifications, with certain exemptions; lumber of many kinds; copper-bearing ores, and so forth. The taxes on these articles may all be done away with by agreements with foreign countries.

Those who are interested in protecting the oil industry in this country may get a fair idea about what will happen to the present tax on oil if they will read the speech of Secretary Hull made when he was a Member of the Senate on May 19, 1932, as follows:

> Here comes the giant oil industry, a great $12,000,000,000 business in this country, involving a natural resource which does not cost anybody a penny to create, a great industry which has had to its advantage during the past 10 years a favorable balance of exports in the huge amount of $3,600,000,000, coming here and complacently demanding that the people's representatives, the representatives of the American public, shall vote to this huge octopus—and I say that in no spirit of criticism—a special subsidy running up into the hundreds of millions of dollars, to be paid for largely by the 30,000,000 farm population, hopelessly prostrate, overwhelmed with debt, with commodity prices so low it does not pay to remove farm products from the farm; a demand also that the wage-earning population, which, with their families aggregate sixty to seventy million, together with the agricultural population, shall bear the lion's share of this bald, unadulterated subsidy in the way of an increased price, under tariff shelter, above what the price to the farmer and wage earner would otherwise be.

So it seems to me that those who are interested in maintaining and protecting the oil industry by having that tax remain on the statute books might very well consider whether or not they are giving too much power to the President under this bill.

It will thus be observed that this one section of the bill is quite as important as the provision which limits the President's power to 50 percent of the present tariff rates, if not more important.

If it be true that the word "form" in this definition does not have the important meaning which I have given to it, if it be true that it is not intended to give authority for the classification of articles as suggested by me, if it be true that it is not intended to give the power to the President to remove the internal-revenue tax from the articles on the list of items which I have given, then the proponents of this bill ought to make it perfectly clear that it is not intended to pass any such power over to the President under this definition.

The power given to the President under the proposed act is generally understood to be limited to 50 percent of the tariff rates now existing. The Chairman of the Committee on Finance admits that under the terms of the bill the flexible provision is left in it, and that it is perfectly possible for the President to make two reductions of 50 percent each, one upon recommendation of the Tariff Commission and the other by agreement with a foreign power. If the word "form" is left in this definition, an additional authority is given, under which the reduction to be made is mere speculation. If we leave the right to classify the articles under this definition, we give almost unlimited authority to the Executive to again reduce the tariff rate. If we leave the words "exactions other than duties imposed on importations", we give the opportunity to exempt from taxation all imported articles upon which a special tax has been imposed.

I call the attention of the Senate especially to these facts. It is proposed by the pending bill that there be invested in the President of the United States these powers:

First. Reduction of the present tariff rates by 50 percent upon recommendation of the Tariff Commission.

Second. A further reduction of 50 percent by Executive agreement with a foreign country.

Third. A further reduction by changing the form of the import duties.

Fourth. A further reduction by changing the classification of the article upon which the tariff exists.

Fifth. A further reduction by eliminating internal-revenue taxes upon many articles imported.

Thus it appears that the authority of reduction by 50 percent, which is so shocking to many of us, becomes only a small part of the tremendous power given under the bill and results in the conclusion that the tariff act may at the will of the President become almost wholly destroyed.

Mr. FESS. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield.

Mr. FESS. I have listened to the Senator's recital of the powers to be given to the President under the pending bill. Is not that tantamount to an approach to absolute free trade with other countries, under the power proposed to be given the President?

Mr. HASTINGS. As I have pointed out, in my judgment—and I have not exaggerated the situation—a careful examination of this tariff bill shows five means of reduction; it shows five distinct and separate ways of reducing the tariff, and certainly those five different ways can be so manipulated that if the President wanted to he could leave this country without any tariffs at all to protect either farm products or the products of any industry of the Nation.

I have undertaken to emphasize this fact because I think the general impression has gone abroad that, however much we may dislike this particular measure, the President can not do more than he has had the power to do heretofore under the flexible provision of the tariff, except that under that provision he was bound to have certain facts found, namely, the difference between the cost of production at home and abroad, and if we pass this bill and give the President that power, he will be limited, after all, to making a reduction of 50 percent.

If Senators will review the newspaper comments concerning the President's proposal, ever since it was made, there will nowhere be found any suggestion that the President was given any more power than to reduce the tariff 50 percent or to increase it 50 percent; and not until the colloquy between the distinguished junior Senator from Michigan [Mr. VANDENBERG] and the distinguished chairman of the committee the other day did I realize that it was possible to have a 50-percent reduction, first, under the flexible provision of the tariff, and then another 50-percent reduction by a contract with a foreign nation.

That was the first shocking thing about the bill that came to my attention. Then I began to analyze the bill, and I found something in it which, perhaps, some Senators have not discovered. I do not know how many Senators know that it is in the bill; I do not know how many have made a careful analysis of it; but I will say that I found under the language used, "the rate and form of import duties", that in the case of the chemical industry, in which the American valuation is the very life of the tariff which protects the industry, if the proposed language shall be left in the bill it will be easy enough to change the valuation to the foreign valuation and absolutely and entirely destroy the chemical industry.

In addition to that, there may be taken the classification rule which before was protected by a recommendation of the Tariff Commission, which protection is now all gone, and it will be found that under that rule the President may, by a stroke of the pen in a contract with a foreign nation, take a classification which now has a duty of 80 percent and change it to one that has a rate of only 40 percent, or 20 percent, or 10 percent, and then he may go on after that with his other various schemes of reduction.

In addition to all that, as I have called to the attention of the Senate, he may take cigars coming from Cuba, which now have a tariff rate on them and which also pay an

internal-revenue tax, and he may reduce the tariff just as I have explained.

In addition to that, he may wipe off entirely the tax on imports which now have an internal tax.

Mr. HARRISON. Mr. President, will the Senator yield for an interruption?

Mr. HASTINGS. I yield.

Mr. HARRISON. Mr. President, I submit a unanimous-consent request, which I hope may be agreed to. The request is that beginning on Monday at 3 o'clock there shall be a limitation of debate, and that after 3 o'clock on that day no Senator shall speak longer than 20 minutes on the bill or 15 minutes on any amendment, and that no Senator shall speak more than once on the bill or on any amendment.

I may say to the Senator from Oregon that I understand the speeches on the other side are about exhausted. There should be ample time before the limitation of debate begins; and even after that, as requests come in, any Senator would have at least 35 minutes to speak.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Mr. McNARY. Mr. President, I shall have to object to that proposal. I desire to assure the Senator from Mississippi, in charge of the bill, that the speeches have not been exhausted. Other Senators are to speak. I feel that ample opportunity has not been given, nor could it be given under the Senator's proposal, for an adequate and full discussion of the unfinished business.

I am willing to consider a proposal that there be a limitation on speeches of 20 minutes on the bill and 15 minutes on amendments commencing at 2 o'clock on Wednesday, provided the hours of the daily sessions shall be reasonable, the Senate meeting not earlier than 11 o'clock and continuing in session not later than 5:30.

Mr. HARRISON. I may say that, of course, I want every Senator to have an opportunity to discuss the bill if he desires to do so, and I have no disposition to try to bring the Senate here at an earlier hour than is convenient, or to keep the Senate in session to an unduly late hour. It seems to me, however, that putting off the limitation of debate until 2 o'clock Wednesday is quite too long.

Mr. McNARY. It is possible that debate on the bill will exhaust itself earlier. Then, of course, the bill will be read, but I wish to have sufficient time allotted to enable some absent Senators to discuss the measure. I think that is a very reasonable suggestion.

Mr. HARRISON. Will not the Senator agree to begin the limitation of debate at 5 o'clock on Tuesday? I am willing to make it 5 o'clock on Tuesday.

Mr. McNARY. I should very much prefer my own proposal. I think I might consider 12 o'clock on Wednesday.

Mr. HARRISON. I am willing to accept the proposal of the Senator if we can get an agreement that after 12 o'clock on Wednesday the debate shall be limited as suggested.

Mr. LONG. Mr. President——

The PRESIDING OFFICER. The Senator from Delaware has the floor. Does the Senator from Delaware yield to the Senator from Louisiana?

Mr. HASTINGS. I yield.

Mr. LONG. There is only one amendment which would prevent me from agreeing to the proposal which has been made. I have been asked by other Senators who are not in the Chamber, who have gone home, to say that on the agricultural amendment they do not desire to be limited in their discussion, the agricultural amendment being the one asking the exclusion of the authority as to agricultural products. Two Senators have stated to me that they want no limitation on the discussion of that amendment. If that amendment can be excluded from the terms of the agreement, I do not think there will be any objection.

Mr. HARRISON. Of course, we cannot get anywhere if any amendment is excluded, because then we shall have no agreement with respect to limitation of debate.

Mr. McNARY. Let me suggest to the Senator from Louisiana that perhaps he would be satisfied with a limitation of 30 minutes on the agricultural amendment.

Mr. LONG. I do not suppose I am violating any confidence in stating that the senior Senator from Idaho [Mr. BORAH] thinks he will require in excess of an hour to discuss the agricultural amendment. The same thing is true with respect to my colleague [Mr. OVERTON], who has not discussed the bill at all.

Mr. HARRISON. I am willing to make an exception, that, with respect to the Senator from Idaho [Mr. BORAH] and the junior Senator from Louisiana [Mr. OVERTON], they may each be given an hour on the agricultural amendment.

Mr. LONG. Mr. President, may we not have it understood that there shall be no limitation of debate on this one amendment, the agricultural amendment?

Mr. CLARK. Mr. President, so far as that proposition is concerned, I should be forced to object to it. The Senator from Louisiana [Mr. LONG] has made at least two or three speeches here in his own time, and two or three other speeches in other Senators' time, in the course of this debate; and I see no reason why an exception should be made in behalf of the Senator from Louisiana. I am perfectly willing, in behalf of the Senator from Idaho, or the junior Senator from Louisiana, who has not delayed the Senate in this matter, to make an exception, as suggested by the Senator from Mississippi; but opening up the gate in accordance with the suggestion of the senior Senator from Louisiana would amount to no limitation of debate whatever.

Mr. McNARY. Will the Senator from Louisiana and the Senator from Mississippi agree to make an exception in the case of agricultural and horticultural products—not with respect to any one Senator but generally—that there shall be a limitation of 1 hour?

Mr. HARRISON. No; I do not think we would get anywhere with such an agreement, so I withdraw my request.

Mr. NEELY. Mr. President, before the Senator from Mississippi withdraws his request——

Mr. HARRISON. Mr. President, if the Senator from West Virginia will permit me to make a further statement, I am perfectly willing to accept the suggestion that the limitation of debate start at 12 o'clock on Wednesday, and that the limitation shall be 15 minutes on any amendment and 20 minutes on the bill, and that each Senator shall be confined to one speech on the bill and one speech on each amendment, with the further exception that the junior Senator from Louisiana [Mr. OVERTON] shall be given 1 hour to speak on the agricultural amendment, and that the senior Senator from Idaho [Mr. BORAH] shall be given the same time. I think that is perfectly fair.

Mr. McNARY. I should want to add to that the amendment of the senior Senator from California [Mr. JOHNSON].

Mr. HARRISON. I am willing to give him 1 hour.

Mr. LONG. Mr. President, I think I should be given credit for trying to expedite the bill, which I do not suppose I will by some. I might suggest that it is very hard to say which Senators shall speak. We have tried that several times and never gotten anywhere. For instance, I have spoken on the bill in my own time only some 2 hours, I think—not to exceed that. It is true I have interrupted Senators, as has the Senator from Mississippi.

Mr. HARRISON. I have not interrupted much.

Mr. LONG. Nor have I interrupted very much. I have spoken very little, taking it all in all, except for the time I have taken out of other Senators' time. I have done it purposely so that it might not be charged against me that I am filibustering. It is difficult to pick out which Senators shall be permitted to speak.

There is a peculiar reason why the agricultural amendment should be exempted. Perhaps at a later date we can reach an agreement on that amendment.

Mr. HARRISON. Mr. President, if the Senator will permit an interruption, I should like to submit this unanimous-consent request, that the limitation of 15 minutes on each amendment and 20 minutes on the bill shall be applied to all other amendments, but that so far as the agricultural amendment offered by the Senator from California [Mr. JOHNSON] is concerned, the limitation shall be 1 hour.

The PRESIDING OFFICER. Is there objection?

Mr. LONG. The amendment has not been offered by the Senator from California. There are three amendments, one by the Senator from Rhode Island, one by the junior Senator from Louisiana, and one by the Senator from California. That is why I think we had better except the agricultural amendments. I think those three Senators can probably get together and combine their amendments in one.

Mr. McNARY. Mr. President, I am privileged to speak for the Senator from California [Mr. JOHNSON] and to say that he would be very well satisfied with the arrangement proposed by the Senator from Mississippi.

Mr. LONG. The Senator from California would be willing to accept a 1-hour limitation on his amendment?

Mr. McNARY. Yes.

The PRESIDING OFFICER. That refers only to the amendment of the Senator from California?

Mr. McNARY. No; to all agricultural amendments.

Mr. LONG. I am going to accept that, although I think Louisiana is the chief agricultural State which is to be put out of business. I am not going to object to that arrangement. Louisiana being a sugar State, everything is being directed against us. My understanding is that the arrangement will be effective Wednesday beginning at 2 o'clock. Is that correct?

Mr. McNARY. Wednesday at 12 o'clock.

Mr. LONG. I understand that beginning Wednesday at 12 o'clock the bill shall be disposed of in the following manner: All debate on each amendment shall be limited to 15 minutes and on the bill to 20 minutes to each Senator, with the exception of the amendments relating to agricultural products. Whose amendments?

Mr. HARRISON. The Johnson amendment.

Mr. LONG. The junior Senator from Louisiana [Mr. OVERTON] has an amendment. I do not know whether or not the Johnson amendment is as good as the Overton amendment.

Mr. McNARY. They are precisely alike.

Mr. LONG. We included wool in ours. We are trying to get a few more votes! [Laughter.] Let us provide that the agreement shall apply to agricultural amendments, including wool, whether it is the amendment of the Senator from California or the Senator from Louisiana or the Senator from Rhode Island.

Mr. HARRISON. Everybody knows what "agricultural amendments" mean.

Mr. CLARK. Mr. President, under the agreement now proposed by the Senator from Mississippi, there is permitted to every Senator, after 12 o'clock noon on next Wednesday, an hour and 35 minutes for debate. The proposal of the Senator from Louisiana would add 2 hours of debate for each Senator on the bill in addition to the hour and 35 minutes already agreed to. It is simply a vehicle for a filibuster.

The PRESIDING OFFICER. Is there objection to the unanimous-consent proposal of the Senator from Mississippi?

Mr. LONG. Yes; I object.

Mr. HARRISON subsequently said: Mr. President, will the Senator from Delaware yield to me?

Mr. HASTINGS. I yield.

Mr. HARRISON. Following some conferences with the Senator from Oregon, the Senator from Louisiana and others, I desire to submit again a request for unanimous consent that beginning on Wednesday at 12 o'clock, no Senator shall speak more than once or longer than 15 minutes upon any amendment, or more than once or longer than 20 minutes on the bill, with the exception of the agricultural amendment which has been offered by the Senator from California [Mr. JOHNSON] and the Senator from Louisiana [Mr. OVERTON], as to which the limitation shall be 1 hour.

The PRESIDING OFFICER. Is there objection?

Mr. CLARK. Mr. President, do I understand that under the proposed agreement a Senator will be permitted to speak for an hour on the Johnson amendment and another hour on the Overton amendment?

Mr. McNARY. Oh, no!

Mr. HARRISON. No.

Mr. CLARK. For instance, would the Senator from Louisiana [Mr. LONG], who has already spoken three times, be permitted to speak for an hour on the Johnson amendment, and then for another hour on the Overton amendment?

Mr. McNARY. No, indeed. The exception applies to the agricultural amendment. There are two such amendments.

Mr. CLARK. I think it should be specified that if a Senator speaks on one of those amendments for an hour, he shall not be permitted to speak on the other amendment.

Mr. HARRISON. It is not the desire that a Senator shall be permitted to speak more than an hour on either of those amendments.

Mr. LONG. That is it.

Mr. HARRISON. So I shall eliminate the names of the two Senators and just say "the agricultural amendment."

The PRESIDING OFFICER. Is there objection?

Mr. CLARK. Do I understand that a Senator will not be permitted to speak oftener than once nor longer than an hour on either or both of the Johnson-Overton amendments?

Mr. HARRISON. That is true.

Mr. McNARY. That is correct.

Mr. LONG. That is right.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Mississippi?

Mr. LONG. Mr. President, so that we may have that understood, the Senator from Mississippi has the agreement in writing, and I do not think any changes at all have been made in it. If the Senator will send it up to the desk, he will have it altogether.

Mr. HARRISON. I think what I have stated in the motion is exactly as read.

Mr. LONG. Yes; it is.

Mr. HARRISON. This writing reads:

That this bill shall be disposed of in the manner that beginning at 12 o'clock noon Wednesday, no Senator shall speak more than once nor longer than 15 minutes on any amendment, nor longer than 20 minutes nor more than once on the bill, except that on the amendment relating to agricultural products no Senator shall speak more than once nor longer than 1 hour.

Mr. LONG. That is right.

Mr. CLARK. That is on all the amendments?

Mr. LONG. Yes, sir.

The PRESIDING OFFICER. Without objection, the unanimous-consent agreement is entered into.

Mr. HARRISON. Does the Senator from Delaware desire to proceed further this evening? I am perfectly willing to agree to whatever he may desire to do. If he wishes to proceed with his speech this evening, we will remain and listen to him.

Mr. HASTINGS. That would be more than the Senator has been doing.

Mr. HARRISON. If the Senator desires to proceed tomorrow and that we recess at this time, we can take a recess, or we can go over until Monday. We have had an extremely hard week, meeting at 11 o'clock in the morning, and I am perfectly willing that the Senate shall take a recess until Monday.

Mr. McNARY. I suggest that we take a recess until 11 o'clock tomorrow, when the Senator from Delaware may conclude his remarks.

Mr. LONG. Did I understand the Senator to suggest that we take a recess until tomorrow? I thought we were to have Saturday off.

Mr. LEWIS. Not if the Senator from Louisiana is present. [Laughter.]

Mr. LONG. I shall not be present.

Mr. McNARY. I suggest to the Senator from Mississippi that we now take a recess until tomorrow morning at 11 o'clock.

Mr. HARRISON. It is desired that there be an executive session.

Mr. McNARY. Let us have the understanding, then, that we will take a recess until 11 o'clock tomorrow morning.

Mr. HARRISON. Very well.

During the delivery of the speech of Mr. HASTINGS,

Mr. LONG. Mr. President, I desire to have the attention of the junior Senator from Wyoming [Mr. O'MAHONEY]. I may not be able to get his attention later, but I see he is in the Chamber just at this moment.

Mr. O'MAHONEY. Mr. President, if the Senator will pardon me, I will give my attention to him in just a moment.

Mr. LONG. I am going to send to the desk a letter and ask that it be read. The letter is from the vice president of the National Wool Growers' Association and it deals with an official communication issued by that organization. I am going to send it to the desk and ask that it be read.

The PRESIDING OFFICER (Mr. HATCH in the chair). Without objection, the clerk will read, as requested.

Mr. O'MAHONEY. Mr. President, with the permission of the able Senator from Louisiana, may I ask that the reading be postponed for about 5 minutes?

Mr. LONG. Very well.

Mr. LONG subsequently said: Mr. President, I should like now to have read, in the presence of the Senator from Wyoming [Mr. O'MAHONEY] the letter to which I have referred.

The PRESIDING OFFICER. Without objection, the letter will be read.

The legislative clerk read as follows:

WILLARD HOTEL,
Washington, D.C., May 17, 1934.

The PRESIDENT,
The White House.

MY DEAR MR. PRESIDENT: The woolgrowers of the country naturally have been deeply concerned over the proposed amendments to the tariff act as included in H.R. 8687.

Statements and testimony by the Secretary of Agriculture, Secretary of State, and the Chairman of the Tariff Commission have given us grounds to expect that duties on imported wools may be reduced when the pending bill becomes law.

An article appearing in the San Angelo (Tex.) Morning Times of May 11 attributes to you a statement which would be very reassuring to us. This article quotes you as saying, "No woolgrower need fear the administration of the tariff-bargaining authority." A copy of this article is attached.

Since we have not seen this statement elsewhere, we respectfully inquire as to whether it is authentic and expresses your views and policies.

I expect to be in Washington, at the Willard Hotel, until May 22. Thereafter I shall be at my home in San Angelo, Tex.

Yours respectfully,

E. S. MAYER,
Vice President National Wool Growers Association.

Mr. LONG. Mr. President, my purpose in asking my friend from Wyoming to listen to this letter is that it was sent to the White House on the 17th day of May; and if the wool growers could get an official communication from the White House in answer to it, which I am sure my friend from Wyoming might be of material assistance in securing, it would be highly appreciated. They have asked me to bring the matter to his attention.

Mr. O'MAHONEY. Mr. President, the Senator from Louisiana is very skillful in building his fires. I send to the desk a communication which I ask to have read.

The PRESIDING OFFICER. Without objection, the communication will be read.

The legislative clerk read as follows:

MAY 25, 1934.

Hon. JOSEPH C. O'MAHONEY,
Hon. KEY PITTMAN,
United States Senate.

DEAR SENATORS: Following our conversation in my office last Wednesday, I asked the wool and mohair advisory committee of the Farm Credit Administration to make a survey of the wool situation.

On the basis of the information available, it reports that wool is in a much stronger statistical position now than a year ago, or at any time during the past several years. American stocks of raw wools were substantially lower on January 1, 1934, than on January 1, 1933, and stocks of wool in secondary markets of the world are not considered burdensome. Furthermore, in view of the present price differential, the foreign wool situation is beneficial rather than detrimental to the American wool market at this time.

Domestic consumption of wools continues to exceed domestic production. While a weak undertone in present wool values is reported, I am advised that this is due largely to a lack of demand, occasioned by the fact that there still is a sizable accumulation of wool in various stages of manufacture which has not yet reached its final destination and to seasonal conditions.

There is nothing in the statistical position of domestic wool, either the remainder of the 1933 clip or the prospective clip for 1934, to indicate lower values. I am advised by the wool and mohair advisory committee that these views are shaded by those in the trade whose judgment is recognized as reliable.

The unsold wools of the 1933 clip, held under the so-called "wool marketing plan" of the Farm Credit Administration, represent a relatively small proportion of the total tonnage of wools consigned under the plan. There has been no change in the established policy of the Farm Credit Administration with reference to the marketing of wool in which its agencies have a financial interest, regarding which I made the following statement at the time the 1934 marketing plan was announced:

"Wools handled under the Administration's marketing plan will continue to be marketed in an orderly manner in response to consumptive demand. The price of wool during the 1934 season will be determined by fundamental factors of supply and demand. Following the institution of the plan for the handling of the 1933 clip, prices of grease wool in the country advanced sharply and wool continued to rise throughout the greater part of the season. With wool at present values, a rise of no such proportions this year is anticipated. Nevertheless, the plan should assure the industry a much firmer price foundation than might otherwise exist without it. It is not an effort to control prices but one to try to prevent unnecessary fluctuations."

Very truly yours,

W. I. MYERS, *Governor.*

Mr. O'MAHONEY. Mr. President, Mr. H. B. Embach, chairman of the Wool and Mohair Advisory Committee, on May 23 issued this statement:

After a careful study of the present situation in the wool market, and with due consideration of the interests of the woolgrower, the manufacturer, the wool trade, and the consumer, the Wool and Mohair Advisory Committee feels that there is nothing in the present quietness of the market that would justify any change in present quoted wool values.

Mr. LONG. Mr. President, that does not give us any information that we think will do us any good. That is simply what I should consider another nice, balmy letter, and I congratulate my friend from Wyoming on getting it.

Mr. O'MAHONEY. Mr. President, I doubt if the Senator from Louisiana desires any information that would do him any good.

Mr. LONG. What we want, to put it in good, turkey-talking language, is this: We want the President to say that he is not going to reduce the tariff on wool. That is all we want him to say. If he will say that, that will help us. Nothing less than that will do us any good. Statistics do not mean anything. We have a book full of them.

Mr. NEELY. Mr. President, I ask unanimous consent that no more wool shall be pulled over our eyes in this tariff debate. [Laughter.]

EXECUTIVE SESSION

After the conclusion of the speech of Mr. HASTINGS,

Mr. LEWIS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the nominations of sundry officers in the Regular Army and general officers in the National Guard.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER (Mr. POPE in the chair). The reports will be placed on the calendar.

If there be no further reports of committees, the calendar is in order.

THE CALENDAR—TREATIES AND NOMINATION PASSED OVER

The legislative clerk proceeded to read the first treaty on the calendar.

The PRESIDING OFFICER. The treaties on the calendar will go over, without objection, and also the nomination of Daniel D. Moore to be collector of internal revenue for the district of Louisiana.

DIPLOMATIC AND FOREIGN SERVICE

The legislative clerk read the nomination of Leon Dominian to be secretary in the Diplomatic Service.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

DEPARTMENT OF THE TREASURY

The legislative clerk read the nomination of Herman Oliphant to be General Counsel for the Department of the Treasury.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk read sundry nominations of postmasters.

Mr. McKELLAR. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

MARINE CORPS

The legislative clerk read sundry nominations for promotions in the Marine Corps.

Mr. LEWIS. I ask unanimous consent that the nominations in the Marine Corps be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

That completes the calendar.

Mr. McNARY. Mr. President, may I inquire what became of the nomination of Daniel D. Moore to be collector of internal revenue for the district of Louisiana?

The PRESIDING OFFICER. The nomination went over.

Mr. HARRISON. Mr. President, there was a matter the Senator from Massachusetts was anxious to have taken up, but he is not in the Chamber at the moment.

RECESS

Mr. LEWIS. As in legislative session, I move that the Senate take a recess until 11 o'clock a.m. tomorrow.

The motion was agreed to; and (at 6 o'clock and 3 minutes p.m.) the Senate took a recess until tomorrow, Saturday, May 26, 1934, at 11 o'clock a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 25 (legislative day of May 10), 1934

SECRETARY IN THE DIPLOMATIC SERVICE

Leon Dominian to be secretary in the Diplomatic Service.

GENERAL COUNSEL FOR THE DEPARTMENT OF THE TREASURY

Herman Oliphant to be general counsel for the Department of the Treasury.

DIRECTOR BUREAU OF FOREIGN AND DOMESTIC COMMERCE

Claudius T. Murchison to be Director Bureau of Foreign and Domestic Commerce.

PROMOTIONS IN THE MARINE CORPS

Frederick A. Barker to be colonel.
Clarke H. Wells to be lieutenant colonel.
William W. Ashurst to be major.
Ralph D. Leach to be captain.
George W. McHenry to be captain.
Mercade A. Cramer to be first lieutenant.
James M. Fountain, to be chief quartermaster clerk.

POSTMASTERS

GUAM

James H. Underwood, Guam.

KANSAS

George E. Broadie, Ashland.
Dixie Elliott, Blue Rapids.
Eyman Phebus, Coldwater.
Elmer R. Eyman, Deerfield.
Augustus M. Graves, Garnett.
Nat G. Walker, Great Bend.
Rosa J. Munger, Hanover.
Warren D. Gilmore, Highland.
John J. Lindsay, Horton.
Pearl E. Holmes, Kincaid.
Arthur G. Long, Kingman.
Axel A. Peterson, La Harpe.
Helen M. Collins, Lenexa.
Francis G. Burford, Longton.
Harry M. Brodrick, Marysville.
Nellie F. Walsh, Mayetta.
Ernest F. Gerber, Meriden.
Perry S. Kozel, Morrowville.
George W. Brownell, Moscow.
Charles Huffman, Norwich.
Cecil C. Pember, Olathe.
Ruth Hopson, Phillipsburg.
Ronald E. Mangrum, Pittsburg.
Clyde Williams, Preston.
Vie Peacock, Protection.
Hugh Corcoran, Severance.
Tracy A. Hand, Veterans' Administration Home.
J. Raymond E. Simmons, Wellsville.
Ernest B. Hedge, Whiting.

SAMOA

David J. McMullin, Pago Pago.

VIRGIN ISLANDS

Halvor Berg, Frederiksted.

SENATE

SATURDAY, MAY 26, 1934

(Legislative day of Thursday, May 10, 1934)

The Senate met at 11 o'clock a.m., on the expiration of the recess.

THE JOURNAL

On motion of Mr. HARRISON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, May 25, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. HARRISON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Couzens	Kean	Robinson, Ark.
Ashurst	Cutting	Keyes	Robinson, Ind.
Austin	Davis	King	Russell
Bachman	Dickinson	La Follette	Schall
Bankhead	Dieterich	Lewis	Sheppard
Barbour	Dill	Logan	Shipstead
Barkley	Duffy	Lonergan	Smith
Black	Erickson	Long	Steiwer
Bone	Fess	McCarran	Stephens
Borah	Fletcher	McGill	Thomas, Okla.
Brown	Frazier	McKellar	Thomas, Utah
Bulkley	George	McNary	Thompson
Bulow	Glass	Metcalf	Tydings
Byrd	Goldsborough	Murphy	Vandenberg
Byrnes	Gore	Neely	Van Nuys
Capper	Hale	Norbeck	Wagner
Caraway	Harrison	Norris	Walcott
Carey	Hastings	O'Mahoney	Walsh
Clark	Hatch	Overton	Wheeler
Connally	Hatfield	Patterson	White
Coolidge	Hayden	Pittman	
Copeland	Hebert	Pope	
Costigan	Johnson	Reynolds	

Mr. LEWIS. I announce the absence of the Senator from North Carolina [Mr. BAILEY], the Senator from Florida [Mr. TRAMMELL], the Senator from Wisconsin [Mr. DUFFY], and the Senator from Massachusetts [Mr. COOLIDGE], who are necessarily detained on public business. I regret to announce that the Senator from California [Mr. McADOO] is still detained from the Senate because of illness.

Mr. HEBERT. I announce that the Senator from Vermont [Mr. GIBSON], the Senator from North Dakota [Mr. NYE], the Senator from Pennsylvania [Mr. REED], and the Senator from Delaware [Mr. TOWNSEND] are necessarily absent.

The VICE PRESIDENT. Eighty-nine Senators have answered to their names. A quorum is present.

REPORT OF FEDERAL DEPOSIT INSURANCE CORPORATION

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the Federal Deposit Insurance Corpo-

ration, transmitting, pursuant to law, a report of operations of the Corporation for the period ended March 31, 1934, which, with the accompanying report, was referred to the Committee on Banking and Currency.

PROPOSED CHILD-LABOR AMENDMENT TO THE CONSTITUTION

The VICE PRESIDENT laid before the Senate a letter from the secretary of the Commonwealth of Pennsylvania, which, with his accompanying certificate relative to the ratification by Pennsylvania of the proposed amendment to the Constitution regarding labor of persons under 18 years of age, was ordered to lie on the table and to be printed in the RECORD, as follows:

COMMONWEALTH OF PENNSYLVANIA,
DEPARTMENT OF STATE,
Harrisburg, May 24, 1934.

The PRESIDENT OF THE UNITED STATES SENATE,
Washington, D.C.

SIR: I have the honor to forward herewith my certificate of the proposed amendment to the Constitution of the United States relative to the labor of persons under 18 years of age.

Sincerely yours,

RICHARD J. BEAMISH,
Secretary of the Commonwealth.

IN THE NAME AND BY AUTHORITY OF THE
COMMONWEALTH OF PENNSYLVANIA,
OFFICE OF THE SECRETARY OF THE COMMONWEALTH.

To the honorable the SECRETARY OF STATE OF THE UNITED STATES:

I, Richard J. Beamish, secretary of the Commonwealth, of the Commonwealth of Pennsylvania, and keeper of the great seal thereof, do hereby certify that the following is a full, true, and correct copy of the act of the general assembly, entitled "A joint resolution approving the proposed amendment to the Constitution of the United States relative to the labor of persons under 18 years of age":

"SECTION 1. *Be it resolved by the Senate and House of Representatives of the Commonwealth of Pennsylvania in general assembly met,* That the proposed amendment to the Constitution of the United States, providing as follows:

"'SECTION 1. The Congress shall have power to limit, regulate, and prohibit the labor of persons under 18 years of age.

"'SEC. 2. The power of the several States is unimpaired by this article, except that the operation of State laws shall be suspended to the extent necessary to give effect to legislation enacted by the Congress', is hereby ratified by the General Assembly of the Commonwealth of Pennsylvania.

"*Be it further resolved,* That a certified copy of the foregoing preamble and resolution be forwarded to the Secretary of State for the United States, in accordance with section 205 of the Revised Statutes of the United States, and also to the President of the United States Senate and the Speaker of the United States House of Representatives."

E. C. SHANNON,
President of the Senate.
GROVER C. TALBOT,
Speaker of the House of Representatives.

Approved the 22d day of December, A.D. 1933.

GIFFORD PINCHOT.

In witness whereof I have hereto attached my hand and the great seal of the Commonwealth of Pennsylvania this 23d day of May, A.D. 1934.

[SEAL]

RICHARD J. BEAMISH,
Secretary of the Commonwealth.

REPORTS OF COMMITTEES

Mr. ADAMS, from the Committee on Public Lands and Surveys, to which was referred the bill (H.R. 6462) to stop injury to the public grazing lands by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development, to stabilize the livestock industry dependent upon the public range, and for other purposes, reported it with amendments and submitted a report (No. 1182) thereon.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, to which was referred the bill (H.R. 8919) to adjust the salaries of rural letter carriers, and for other purposes, reported it with an amendment and submitted a report (No. 1183) thereon.

Mr. WALSH, from the Committee on Education and Labor, to which was referred the bill (S. 2926) to equalize the bargaining power of employers and employees, to encourage the amicable settlement of disputes between employers and employees, to create a National Labor Board, and for other purposes, reported it with amendments and submitted a report (No. 1184) thereon.

He also, from the Committee on Naval Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 432. An act for the relief of Albert Lawrence Sliney (Rept. No. 1186); and

S. 433. An act directing the retirement of acting assistant surgeons of the United States Navy at the age of 64 years (Rept. No. 1187).

Mr. SHEPPARD, from the Committee on Military Affairs, to which was referred the bill (S. 2700) for the relief of William H. Rouncevill, reported it with amendments and submitted a report (No. 1188) thereon.

He also, from the same committee, to which was referred the bill (S. 3678) for the relief of Miles Thomas Barrett, reported it without amendment and submitted a report (No. 1185) thereon.

Mr. STEPHENS, from the Committee on Commerce, to which was referred the bill (S. 3655) to amend the act entitled "An act for preventing the manufacture, sale, or transportation of adulterated or misbranded or poisonous or deleterious foods, drugs, medicines, and liquors, and for regulating traffic therein, and for other purposes", approved June 30, 1906, as amended, reported it without amendment and submitted a report (No. 1189) thereon.

INVESTIGATION OF SO-CALLED "BOOK TRUST"

Mr. WALSH, from the Committee on Education and Labor, to which was referred the resolution (S.Res. 243) appointing a special committee to investigate certain charges against textbook concerns in connection with the obtaining of contracts for the sale of school books, reported it without amendment and moved that the resolution be referred to the Committee to Audit and Control the Contingent Expenses of the Senate, which motion was agreed to.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of several postmasters.

Mr. WALSH, from the Committee on Education and Labor, reported favorably the nomination of John Ward Studebaker, of Iowa, to be Commissioner of Education, vice George F. Zook.

The VICE PRESIDENT. The reports will be placed on the Executive Calendar.

RECOMMITTAL OF A BILL

Mr. McKELLAR. I ask unanimous consent that the bill (H.R. 9046) to discontinue administrative furloughs in the Postal Service be taken from the calendar and recommitted to the Committee on Post Offices and Post Roads for further consideration.

The VICE PRESIDENT. Without objection, it is so ordered.

DEVELOPMENT OF INDIAN RESOURCES, ETC.—AMENDMENTS

Mr. ASHURST and Mr. THOMAS of Oklahoma each submitted an amendment intended to be proposed by them, respectively, to the bill (S. 3645) to conserve and develop Indian lands and resources; to establish a credit system for Indians; to provide for higher education for Indians; to extend toward Indians the right to form business and other organizations; and for other purposes, which were ordered to lie on the table and to be printed.

RECIPROCAL TARIFF AGREEMENTS—AMENDMENTS

Mr. BARBOUR and Mr. JOHNSON each submitted an amendment intended to be proposed by them, respectively, to the bill (H.R. 8687) to amend the Tariff Act of 1930, which were ordered to lie on the table and to be printed.

Mr. HALE and Mr. HATFIELD jointly submitted an amendment intended to be proposed by them to the bill (H.R. 8687) to amend the Tariff Act of 1930, which was ordered to lie on the table and to be printed.

HEARINGS BEFORE COMMITTEE ON CIVIL SERVICE

Mr. BULOW submitted the following resolution (S.Res. 249), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Civil Service, or any subcommittee thereof, hereby is authorized during the Seventy-third Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding 25 cents per hundred words, to report such hearings as may be had in connection with any subject which may be before said committee, the expenses thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

IMMIGRATION—STATEMENT BY WILLIAM C. HUSHING

Mr. SHEPPARD. Mr. President, I present for the RECORD a statement on the subject of immigration made before the House Committee on Immigration on April 9, 1934, by William C. Hushing, national legislative representative and general organizer of the American Federation of Labor.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Mr. Chairman, my name is W. C. Hushing, national legislative representative of the American Federation of Labor. Statements were made here yesterday by two witnesses to the effect that the American Federation of Labor was represented on this famous Ellis Island committtee. That is not true. It may be that someone affiliated with one of our organizations sat on that committee, but, if so, he was unauthorized. No State federation of labor or central body has any right to speak for the American Federation of Labor on immigration questions.

Immigration is a matter that is passed upon by our conventions, and none of our subordinate bodies have any right whatsoever to represent the federation in regard to immigration.

Mr. WEIDEMAN. Mr. Hushing, do you recall the names of those given by the witnesses yesterday as having authority to represent the American Federation of Labor?

Mr. HUSHING. I asked the witnesses and was given the name of only one. I believe his name was Sinnegan, but I could not find out who the other was.

Mr. WEIDEMAN. We are trying to clear up the matter on account of a representation made that labor was represented on the committee.

Mr. HUSHING. Neither Mr. Green nor any officer of the American Federation of Labor was asked to detail anyone to act for the federation on that Ellis Island committee. There was not a chance for us to be on it. We have heard a lot about that being this "impartial" committee. I do not want to reflect upon the committee in any way as to its standing, but I am of the opinion, and other officials of the federation are of the opinion, that the 48 members were picked because of their peculiar leanings on this subject, and, of course, we would not have had a chance to get on that sort of a committee.

Now, in the Washington News on May 7, 1934, an article appeared in regard to the five pending bills. As the chairman of the committee is quoted in this newspaper article, I suppose it is a release from his office, although I am not certain as to that. But in that article it calls these bills "the administration's immigration program."

Last September, and continuing up to December, Mr. Green had correspondence with the President of the United States in regard to this very subject. I am going to read the correspondence which is quite brief. If these five bills are administration bills it is news to us, and the President has reversed himself on this matter.

Under date of September 22, 1933, Mr. Green addressed the following letter to the President of the United States [reading]:

Hon. FRANKLIN D. ROOSEVELT,
President, White House, Washington, D.C.

SIR: From reports printed in the newspapers and confirmed by me you have been urged to revise the Executive order issued by President Hoover in 1930 to minimize the number of immigrants coming into this country to work. This order provided that no immigrant who would become a public charge could enter the country.

When that order was issued there were only about 5,000,000 unemployed in the United States. Now, although the National Recovery Act has been in existence since June 16 there are still 11,000,000 unemployed.

I cannot believe that the request made of you to cancel the order will have any influence on you. But I believe it is my duty to inform you that the American Federation of Labor desires the order to be continued until we can have it enacted into law by Congress. Those who favor unrestricted immigration are blind to the fact that the more immigrants who come into the country the more unemployment there will be. Immigration is a domestic question and no country has a right to object to any action taken by the United States to protect its own nationals.

Therefore, I appeal to you to permit the Executive order to stand. I ask this in the name of the 11,000,000 unemployed now in the United States.

Yours very truly,

WILLIAM GREEN,
President American Federation of Labor.

The President's reply to Mr. Green under date of December 8, 1933, is as follows [reading]:

WILLIAM GREEN, Esq.,
President American Federation of Labor, Washington, D.C.

MY DEAR MR. GREEN: I have referred your letter of September 22d to the Secretary of Labor, and enclose a copy of the report submitted to me which confirms my own understanding that there is no present proposal for relaxation of the restrictions on immigration, except such as have been made in favor of religious and political refugees.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

The memorandum furnished by the Secretary of Labor, Miss Perkins, through the President of the United States, is as follows [reading]:

DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington, D.C.

Memorandum to the President:

Referring to the letter of Mr. William Green, president of the American Federation of Labor, dated September 22, 1933, relative to maintaining the present restrictions on immigration:

1. The action of the last administration mentioned by Mr. Green did not take the form of an Executive order, but of a press release by President Hoover describing the measures which were taken by the Department of State to enforce the l.p.c. (likely to become a public charge) clause of the immigration law.

2. No proposal has been made by this Department nor has any come to the attention of the Department to remove these restrictions at the present time.

3. A number of petitions have been received urging the relaxation of these restrictions in the case of political and religious refugees and this matter has been studied in the Departments of State and Labor, but no conclusion has been reached up to the present.

Aside from such relief as might be granted the classes referred to in the preceding paragraph, who, however, will be so numerically small as to be unimportant, it is believed that our present unemployment situation demands that the policy of continued restriction of immigration should be maintained by the Government for the present.

FRANCES PERKINS, *Secretary.*

Mr. Chairman, pursuing this question further, as to whether these are administration bills, three particularly good friends of the American Federation of Labor introduced four of these bills that are now under consideration. When I saw their names on those bills I was horrified, and immediately endeavored to contact them. Mr. SCHULTE and Mr. CROWE are in Indiana endeavoring to be renominated. I understand Mr. SCHULTE has been renominated, although I am not informed as to Mr. CROWE. I did contact Congressman WEIDEMAN, and he informs me that you handed him the bills which he introduced and advised him that they were administration bills.

This question occurs to me: Has the President informed you that these are administration bills? Has he changed his mind and gone back on the word he gave to Mr. Green?

The CHAIRMAN. I think you are begging the question. All you are asked to do is to make your statement. I do not want to get into any colloquy with you or any other witness, and if you desire some information I should be glad to sit down with you and talk to you. I do not think it is fair to discuss it in this record. I should be glad to hear you, but I do not think it is the duty of a witness to propound questions to any Member and demand an answer from him.

Mr. HUSHING. You well know the attitude of the American Federation of Labor.

The CHAIRMAN. I do; and, so far as I am concerned, I believe I am a friend of the American Federation of Labor, and have been, but I do not want to get into a discussion as to my friendship for this or the other thing. I am here to perform my duty as I see it.

Mr. HUSHING. Exactly. Our attitude is this. We stand by our friends. We think you misled our friends in this instance. I called Mr. SCHULTE'S attention to this matter by long-distance telephone last night, and while I was not present when it was done, I understand that he today withdrew his bill by telegram to you.

I am advised that Mr. CROWE never saw the bill he introduced, and that had he known what was in it, he never would have introduced it.

As I say, those men are out trying to be renominated, and the federation is their friend, and wants to protect them all that is possible.

The CHAIRMAN. Mr. Hushing, I think your statement is absolutely unfair and unjust to me and to these men about whom you are talking.

Mr. HUSHING. I do not think so.

The CHAIRMAN. If there is anything in your mind which you want from me, you can get it. I do not think it is fair for you to make a statement that I have attempted to misconstrue or deceive anybody, because, so far as I am concerned, I have no axes to grind with anybody, and have no one in whom I am interested, nor are the members of the committee interested as to whom any of the bills affect.

The Chair was given the information that these bills were administration bills, for the gentleman's information. And the

chairman took the word of people in authority who gave him that, and based upon that fact the chairman conveyed that information to the rest of his colleagues. That is all there is to the whole proposition.

Mr. HUSHING. These may be Labor Department bills, but in my opinion they are not administration bills.

The CHAIRMAN. I made my answer to you direct.

Mr. DIES. We can get that cleared up by getting the President to send down a letter saying positively one way or the other. There have been a good many letters sent down.

Mr. WEIDEMAN. To clear the record at this point, it is my understanding that these were administration bills. I want Mr. Hushing to understand my attitude and Mr. SCHULTE's, and Mr. CROWE's; and I think you do.

Mr. HUSHING. There is no particular organization going to dictate to the members of the committee. We have certain fundamental things which we agree should be done or should not be done; and I for one would not violate my concept that the American worker should be protected; and I am in favor of protecting them always, and so are the other two gentlemen you mentioned. We have got enough unemployment in this country at this time.

Mr. DIRKSEN. I think anything that the witness may say in that respect would disabuse any misapprehension which anybody has had, whether a witness preceding him or a witness that may come after him, and some member of the committee may be laboring under the impression that these were administration bills and that they had the endorsement of this administration; and I think it is a proper statement, within certain bounds, of course.

Mr. DIES. It all depends on what is meant by administration. If you mean the Secretary of Labor is the administration, that is one thing.

Mr. HUSHING. When you refer to the "administration", Mr. DIES, you know you mean the President.

Mr. DIES. That is what I say. Insofar as the Secretary of Labor is concerned, I believe the Secretary of Labor favors these bills.

Mr. HUSHING. You know, as well as I do, that when an official comes down here or anyone says, "the President or the administration is supposed to be behind something", that it helps greatly.

Mr. DIES. That is true, but I have tried to find out on several occasions if the President favored these bills, and I was to be informed directly whether he favored them, and to this day I have not received any communication from the President that he favors these bills.

Mr. HUSHING. While we are on the subject of the bill of Mr. CROWE, there was another bill introduced in place of it.

The CHAIRMAN. I want to state to the gentleman representing the American Federation of Labor that in my time and experience on this committee, when bills are sent down from the Department of Labor or the Department of State, not prepared by any individual member, no active part taken by any individual member, and they come to the Chair's attention, the fact that the Department wants them, to my mind causes me to consider them as administration measures, and so I have construed them, and the very thing which I am telling you now I have told the members of my committee. And the gentleman is not justified in making any aspersions that I tried in any way to sell a bill of goods to any member, because it was not necessary. I could have stuck in all the bills, or any member could have stuck in all the bills. If the gentleman does not agree on that point, I may be wrong. You might construe "administration bills" as coming direct from the White House. I would construe them as such coming from the Departments.

Mr. DIES. The inference was that the President favored these bills.

Mr. HUSHING. When I have a letter in my possession like he wrote to Mr. Green, naturally I thought there was a misunderstanding or misrepresentation.

Mr. DIRKSEN. Mr. Hushing, if these bills were enacted into law, would you, speaking for the Federation, consider it as a reversal of the administration's policy, as indicated in that letter of the President?

Mr. HUSHING. Certainly. These bills would throw the doors of immigration wide open to relatives, and then, further than that, would permit alien visitors, students, political refugees, and the hundreds of thousands of aliens admitted temporarily without any numerical limitation to remain permanently in this country on easy conditions.

The CHAIRMAN. Will you be good enough to proceed along with any other statement that you wish to make?

Mr. HUSHING. I started to say something about the Crowe bill, which I might as well finish. I do not see any necessity for a new bill to be introduced in place of the Crowe bill, such as you introduced, because the only change in the bill, as I understand it, is that it strikes off the Philippines, which could have been done in committee as well.

Knowing that Mr. CROWE had never seen the bill, I thought there was something funny in that connection.

I just want to make one more remark in connection with this subject. If I felt that you did that deliberately, you were doing something most horrifying to me against colleagues of yourself, because we were to furnish those men with letters for their campaign. We have gone into the primaries, too, for the first time, and we are supporting our friends not only by letter but by telegram.

Mr. CROWE might have missed out getting nominated because of this bill. I understand he had a stiff race.

The CHAIRMAN. If the gentleman will just be patient and take it easy, I want to assure the gentleman—and I repeat my statement to you, whether you represent the American Federation of Labor, or any other organization—that I have no axes to grind with the American Federation of Labor. I have been their friend, as far as I can go, in listening to their requests. I assure the gentleman that no deception was practiced upon any Members who introduced any bills in this committee, and that the Chair had absolutely nothing to do with that question at all; that the chairman was not even here at the time these bills were introduced. I do not want to go into any further discussion with regard to conversations with some of these gentlemen you mentioned, because I do not think it is fair to them. If the gentleman wants to get more information on that, I should be glad to give it.

Mr. FOCHT. Mr. Chairman, do you think it is in point, inasmuch as every bill passed by Congress goes through the same situation, namely, that someone makes a strenuous statement; that the President wants this or wants that; and I am very glad to have this clarified for my part, and I think a great many of the Democrats will be glad, too. I think it is time well spent and a valuable service to clean that up so that we won't go over and say that the President wants these bills.

Mr. HUSHING. I will insert as part of my statement a telegram which I received this morning from Mr. SCHULTE, in which he mentions these bills and says he wants no part in it.

Mr. WEIDEMAN. Do you have a telegram from Mr. CROWE, too?

Mr. HUSHING. No, sir; I was unable to contact Mr. CROWE, but I talked to his secretary, as I advised you awhile ago.

The CHAIRMAN. Mr. Hushing, will you sit right there and let Colonel MacCormack make a statement?

Statement of Daniel W. MacCormack, Commissioner of Immigration and Naturalization, intervening, in which MacCormack admits he wrote the memorandum signed by Secretary Perkins and transmitted by the President to Mr. Green that there had been no relaxations in restriction except as to some refugees and that these bills were not to be considered administration bills but merely "on their merits."

STATEMENT OF WILLIAM C. HUSHING, NATIONAL LEGISLATIVE REPRESENTATIVE AND GENERAL ORGANIZER, AMERICAN FEDERATION OF LABOR—CONTINUED

Mr. HUSHING. What you say about considering the bills "on their merits" is exactly right.

But I want to say something in reply to Colonel MacCormack. These are immigration bills, or at least H.R. 9365 is an immigration bill. It does increase immigration. It violates the memorandum of the Secretary of Labor and the letter of the President. It admits the stepchild, the husbands of citizens, the mother, and the father over 60 years of age. It would increase immigration. There are no "ifs", ands", or "buts" about it's increasing immigration.

Now, there remain four other bills, Mr. DICKSTEIN's bill H.R. 9518, which supersedes Mr. CROWE's bill, repeals section 19 of the Immigration Act of February 5, 1917, and places in the hands of the Secretary of Labor a great deal of discretionary power. It gives the Secretary of Labor authority that, in our opinion, no one person should have.

I am a great admirer of Frances Perkins. I think she is one of the most brilliant personalities I have ever met. In fact, in my opinion, she outshines some Members of Congress. And what I am going to say about her now is not a hang-over from our opposition to her as Secretary of Labor.

I think it would be especially unfortunate if she had this discretionary power, because I believe her leanings are toward the antirestriction of immigration, and that is the opinion of the federation.

What we want is not any opening up of the immigration doors. I think it is folly for this committee to be sitting here considering the reuniting of families when we have 10,902,000, according to our figures, now unemployed.

For every one that you take out of the quota a new-seed immigrant will come in—somebody capable of working and competing with an American citizen, or an alien already here—and they are the babies who get the jobs, because they work cheaper. Conditions that American workmen consider rotten here look very good to them, after they come from some of the foreign countries.

If you want to do something really constructive, report out a bill that will cut down the quotas, because they will be all filled as soon as business picks up a little; cut them down and take care of the near relatives in a bill restricting immigration.

I am as soft-hearted and sympathetic as anybody, and I look at this as a matter of human beings that are involved. I consider the human being, but the human being I consider is the American citizen first.

I think that is about all I have to say, except that I want to point out that somebody circulated a rumor to the effect that the federation favored these bills. I hope I have convinced you that we do not. It was even stated that Mr. Green would appear and support them. I do not know where the rumor came from, but there is no truth to it, and Mr. Green did not know anything about the bills until May 2.

Mr. DIES. Were these bills submitted to the American Federation of Labor here in Washington a couple of weeks ago?

Mr. HUSHING. No, sir. We get three copies of every bill introduced in Congress the next morning. We have three boxes over

in the file room, and copies of all bills go in those boxes, and we send a messenger over for those bills, and these bills came to us in the ordinary course, and when they came over to Mr. Roberts' and my desks, we immediately took the matter up with Mr. Green, because I had heard rumors that the Federation was behind them, and I could not understand it, and he said no; that he had not seen the bills until we laid them on his desk, and that was May 2, 1 week after their introduction.

Mr. DIRKSEN. Mr. Hushing, this committee can take it, then, that your federation does not endorse the report of the Ellis Island Committee?

Mr. HUSHING. Positively not. We have not even been furnished a copy of the report.

Mr. FOCHT. You are against all these bills?

Mr. HUSHING. Yes, sir; we want these bills held up until you can do something for the people of this country by further restricting immigration, and at the same time you do that relatives can be taken care of.

Mr. DIES. My bill, no. 4114, would do that very thing by cutting immigration and providing that the relatives can come in under proper safeguards to reunite families.

Mr. HUSHING. Of course, your bill was acted on some time back. I believe March 12. By the way, the action on that bill was one reason why I did not take up these bills with the chairman of the committee, because in conference with me, Mr. Chairman, many times you informed me that you agreed with us in our restrictive immigration views, excepting as to the admission of aliens to reunite families.

The CHAIRMAN. You know my stand, and everybody in the country knows it. I think we ought to reunite the families.

Mr. HUSHING. We ought to have additional restriction.

The CHAIRMAN. We are all reasonable men, and we could sit around the table and find out how far you would go or any other organization would go.

Mr. HUSHING. You made those expressions of opinion to me unsolicited.

The CHAIRMAN. I certainly have.

Mr. HUSHING. And when you had an opportunity to go through with the thing you did not do so.

The CHAIRMAN. My dear friend, let us not get into any personal controversy as to that. I am still repeating what I told you, that I am for reuniting families, and I have been for it since coming to Congress.

Mr. HUSHING. You are entitled to that opinion.

The CHAIRMAN. I hope I will not be charged with anything wrong about that.

Mr. HUSHING. Positively no; but, as I just said, you have informed me time and time again, without solicitation on my part, that you believed in restricted immigration.

The CHAIRMAN. That is right.

Mr. HUSHING. Exactly. When there is a bill in here to restrict immigration and take care of the relatives, you were not in favor of it.

The CHAIRMAN. I might be able to sit down and point out to you that it was not doing the things about which you are talking. That is a matter of opinion.

Mr. HUSHING. My opinion was that you had not kept your word with me, and that is the reason I did not come to you personally about these bills.

The CHAIRMAN. My opinion of it is—and I will repeat again—that I will go along toward safeguarding this country as far as you or the American Federation of Labor will go, providing you sit down at a round table and discuss sensible legislation, such as will do the things that we ought to do in this country and not leave people under the fear of being picked up and arrested.

Is there anything further, Mr. Hushing?

Mr. HUSHING. I have told you our opinion on that. Yes; since we have got on the subject of restriction, there is an absolute necessity of restricting Mexican immigration.

Here are a few copies of petitions which we have received in the last few days on that subject [referring to file in possession of the witness].

We have had the matter up time and again with the Commissioner of Immigration, but we do not get any results, and we want something done along that line.

Mr. DIES. Mr. Hushing, in that connection, Mexican labor is drifting into the East right now. It is just wide open?

Mr. HUSHING. Into Chicago and all the steel mill centers, such as Pittsburgh, and other similar places.

I took the trouble to get a copy of the immigration laws of Mexico, and I will be glad to insert them in the record for the information of the committee. I want you to observe how they treat our workers who wish to enter their country. They are absolutely prohibited from entering, except in certain cases, and they can only remain a short time. I have copies of their laws which I will insert in the hearing.

Mr. DIES. Mexico is a little different from Canada. Canada has been pretty liberal with some of our workingmen, but in Mexico they do not let any of them go in now.

Mr. HUSHING. That is true; and the Canadian is a different kind of fellow, more like an American.

Mr. WEIDEMAN. We cannot have anybody go to Canada and work. They won't let a musician go over there to make a one-night stand.

Mr. HUSHING. That is all, so far as I am concerned.

The telegram previously referred to is as follows:

HAMMOND, IND., *May 9, 1934.*

WILLIAM C. HUSHING,
American Federation of Labor Building, Washington, D.C.:

WEIDEMAN introduced bill H.R. 9364 under my name, saying it had administration approval. Want no part of it.

WILLIAM T. SCHULTE.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

FOREIGN DEBTS

Mr. HASTINGS obtained the floor.

Mr. LEWIS. Mr. President, I desire to announce that at the conclusion of the address of the Senator from Delaware [Mr. HASTINGS] upon the question of the tariff I shall take the liberty of addressing the Senate for a few moments touching the matter of the foreign debts.

PROMOTIONS AND APPOINTMENTS IN THE NAVY

Mr. WALSH. Mr. President, it is very important that a bill pending on the calendar relating to midshipmen at the Naval Academy at Annapolis and the personnel of the Navy be passed today in order that the young men who are about to graduate may receive their commissions. Under existing law only one-half of the graduates would be commissioned. Last year only 50 percent of them were commissioned. There is on the calendar a bill which would repeal the law we enacted last year providing for this limitation and which would permit the commissioning of all the graduates this year who are duly qualified.

Because of that emergency I ask unanimous consent to lay aside temporarily the unfinished business and to consider—I think it will require only a few moments—Calendar No. 1229, the bill (H.R. 9068) to provide for promotion by selection in the line of the Navy in the grades of lieutenant commander and lieutenant; to authorize appointment as ensigns in the line of the Navy of midshipmen who hereafter graduate from the Naval Academy; and for other purposes.

The PRESIDING OFFICER (Mr. FESS in the chair). Does the Senator from Delaware yield for that purpose?

Mr. HASTINGS. Mr. President, can the Senator from Massachusetts assure me that the bill will not lead to debate?

Mr. WALSH. I can assure the Senator it will not lead to debate; at least I feel very certain that it will not.

Mr. HASTINGS. With that assurance I yield for that purpose.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H.R. 9068) to provide for promotion by selection in the line of the Navy in the grades of lieutenant commander and lieutenant, to authorize appointment as ensigns in the line of the Navy all midshipmen who hereafter graduate from the Naval Academy, and for other purposes, which had been reported from the Committee on Naval Affairs with amendments, on page 1, line 5, after the word "Navy", to strike out "and the retirement of officers who are not on the promotion list or who are found not professionally qualified"; in line 9, after the word "lieutenant", to strike out "and the retirement of lieutenants and lieutenants (junior grade)"; in section 4, on page 2, line 19, to strike out:

For the purpose of extending section 3 of the act of March 3, 1931 (46 Stat. 1483; U.S.C., supp. VII, title 34, sec. 286a), to officers below the rank of lieutenant commander, the said section is amended so that the length of service therein prescribed shall be 14 years for lieutenants and 7 years for lieutenants (junior grade): *Provided*, That no officer of said rank shall become so ineligible prior to June 30 of the second calendar year following the date of this act: *And provided further*, That the restriction on the number of involuntary transfers in any fiscal year to the retired list prescribed in section 7 of the act of March 3, 1931 (46 Stat. 1484; U.S.C., supp. VII, title 34, sec. 286e), shall not apply to the grade of lieutenant and lieutenant (junior grade).

And to insert:

All officers of the grade of lieutenant who shall not have been recommended for promotion by the report of a line selection board, as approved by the President, prior to the completion of 14 years of commissioned service in the Navy computed in the

manner prescribed in section 3 of the said act of March 3, 1931 (46 Stat. 1483; U.S.C., supp. VII, title 34, sec. 286a), shall be carried as additional numbers in the grade of lieutenant, but shall be included in the total authorized number of commissioned officers of the active list of the line of the Navy and of any grade to which later promoted.

And on page 4, line 4, after the words "prior to", to strike out "July 1, 1934, in accordance with this section" and to insert "August 1, 1934, by the President"; and in line 23, after the words "prior to", to strike out "June 1, 1934, in accordance with this section" and to insert "August 1, 1934, by the President", so as to make the bill read:

Be it enacted, etc., That except as otherwise provided in this act, the provisions of existing law with reference to promotion by selection in the line of the Navy are hereby extended to include and authorize promotion to the grades of lieutenant commander and lieutenant. The number to be recommended for promotion to each such grade and to be placed upon the promotion list shall be furnished the selection board for that grade by the Secretary of the Navy and shall be the number of existing vacancies in the grade concerned plus such additional number, if any, as the needs of the service may require.

SEC. 2. That lieutenants (junior grade) who on June 30 of the year of the convening of the board shall have had 3 years' service in the grade of junior lieutenant shall be eligible for consideration for selection for promotion to the next higher grade.

SEC. 3. That the board for the recommendation of line officers for promotion to the grade of lieutenant commander and lieutenant shall consist of nine officers on the active list of the line of the Navy above the rank of commander, not restricted by law to the performance of shore duty only, at least one of whom shall be a rear admiral.

SEC. 4. That all officers of the grade of lieutenant who shall not have been recommended for promotion by the report of a line selection board as approved by the President prior to the completion of 14 years of commissioned service in the Navy computed in the manner prescribed in section 3 of the said act of March 3, 1931 (46 Stat. 1483; U.S.C., supp. VII, title 34, sec. 286a), shall be carried as additional numbers in the grade of lieutenant, but shall be included in the total authorized number of commissioned officers of the active list of the line of the Navy and of any grade to which later promoted.

SEC. 5. That section 1 of the act approved May 6, 1932 (47 Stat. 149; U.S.C., supp. VII, title 34, sec. 12), is hereby amended by inserting the word "hereafter" after the words "midshipmen who", and the words "*Provided*, That all former midshipmen graduated in 1933 who received a certificate of graduation and honorable discharge may, upon their own application, if physically qualified, and under such regulations as the Secretary of the Navy may prescribe, be appointed as ensigns prior to August 1, 1934, by the President and shall take rank next after the junior ensign appointed in 1933 and among themselves in accordance with their proficiency as shown by the order of merit at date of graduation: *And provided further*," after the words "Naval Academy" and by striking out "in 1932, and at least 50 percent of all graduates in subsequent years: *Provided*", so that as amended the said section will read as follows:

"That the President of the United States is authorized, by and with the advice and consent of the Senate, to appoint as ensigns in the line of the Navy all midshipmen who hereafter graduate from the Naval Academy: *Provided*, That all former midshipmen graduated in 1933 who received a certificate of graduation and honorable discharge and whether they have since been married or not may, upon their own application, if physically qualified, and under such regulations as the Secretary of the Navy may prescribe, be appointed as ensigns prior to August 1, 1934, by the President and shall take rank next after the junior ensign appointed in 1933 and among themselves in accordance with their proficiency as shown by the order of merit at date of graduation: *And provided further*, That the number of such officers so appointed shall, while in excess of the total number of line officers otherwise authorized by law, be considered in excess of the number of officers in the grade of ensign as determined by any computation, and shall be excluded from any computation made for the purpose of determining the authorized number of line officers in any grade on the active list above the grade of lieutenant (junior grade) until the total number of line officers shall have been reduced below the number otherwise authorized by law."

SEC. 6. That hereafter any staff officer on the active list below the rank of lieutenant commander shall be advanced to the next higher rank in his corps when the running mate of such staff officer or an officer junior to such running mate has been promoted to that higher rank in the line of the Navy or when a vacancy in that rank exists in the line of the Navy which will in due course be filled by the promotion of his running mate or an officer junior to his running mate: *Provided*, That such staff officer is found qualified in accordance with law for such advancement. The provisions of law relating to the advancement of staff officers now embodied in sections 265, 321, and 348r (supplement VII), of title 34, United States Code, are hereby amended in accordance with this section.

Mr. WALSH. Mr. President, the bill has the approval of the Navy Department and of the administration; it has passed the House of Representatives and has been unanimously approved by the Senate Committee on Naval Affairs. The House bill provided for the retirement of 600 naval officers. The Senate Committee on Naval Affairs struck out the retirement provision and inserted a provision to place the officers in what is known as "the extra numbers list" in the particular grade in which they are now commissioned. Therefore, I should like to have favorable action taken on the committee amendments.

The PRESIDING OFFICER. The question is on agreeing to the amendments reported by the committee.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. WALSH. Mr. President, I ask unanimous consent that the report on the bill submitted by the committee may be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

[S.Rept. No. 1154, 73d Cong., 2d sess.]

PROMOTIONS IN THE NAVY AND APPOINTING GRADUATES OF THE NAVAL ACADEMY TO BE ENSIGNS

Mr. WALSH of Massachusetts, from the Committee on Naval Affairs, submitted the following report (to accompany H.R. 9068):

The bill H.R. 9068, which passed the House of Representatives, was referred to the Committee on Naval Affairs of the Senate, and the committee report favorably thereon with certain amendments and recommend that the bill do pass.

The bill provides for promotion by selection in the line of the Navy to the grades of lieutenant commander and lieutenant; to authorize appointment as ensigns in the line of the Navy all midshipmen who hereafter graduate from the Naval Academy; and to authorize the appointment as ensigns in the line of the Navy of midshipmen who graduated from the Naval Academy in the class of 1933 and who received a certificate of graduation and an honorable discharge.

The present law provides for promotions in the Navy by selection to the grades of rear admiral, captain, and commander.

The House bill extends promotion by selection to additional grades, namely, lieutenant commander and lieutenant. The purpose of this provision in extending selection to the lower grades is to make it possible to promote officers in the line of the Navy to the grades above that of lieutenant at an age which will permit of their efficiently performing the duties of the grades.

Under the existing law officers are advanced to the grades above that of lieutenant at advanced ages, which makes them physically unable to perform the duties of the advanced grades and which does not permit of their having sufficient time in the higher grades to acquire essential experience before reaching the statutory retiring age. The reference to existing law refers to the present method of promotion by seniority in the lower grades of the Navy.

The House bill provides for the retirement of officers in the grades of lieutenant and lieutenant (junior grade), who are not selected for promotion.

This would result in the retirement of some 600 naval officers with the retirement pay to which they would be entitled by reason of their rank and years of service under the existing law.

The retirement of these officers not selected for promotion would make possible the promotion of younger officers, who, under existing law, cannot be promoted because of lack of vacancies, which has resulted in officers of advanced age remaining in the lower grades, and thereby seriously affecting the efficiency of the Navy.

The Senate Committee on Naval Affairs heartily approves of the extension of the selective system of promotion to the lower grades.

The selective system of promotion in the higher grades now in operation has undoubtedly contributed to the present high state of efficiency of the personnel in the higher grades.

The extension of this same system to the lower grades is certain to improve efficiency.

The Senate Committee on Naval Affairs, however, does not believe that we should at the present time retire the number of officers who would be retired if the provisions of the House bill dealing with the retirements was retained.

Undoubtedly in the future it will be necessary to provide such retirements.

The amendments reported by the Senate committee practically all relate to the forced retirement of those officers who are not selected for promotion.

The first committee amendment, eliminating the language in section 1, relates to this forced retirement.

The language eliminated in section 4 also relates to forced retirement.

The committee reports a new section in place of section 4, as follows:

"All officers of the grade of lieutenant who shall not have been recommended for promotion by the report of a line selection board as approved by the President prior to the completion of 14 years of commissioned service in the Navy, computed in the manner prescribed in section 3 of the said act of March 3, 1931 (46 Stat., 1483; U.S.C., supp. VII, title 34, sec. 286a), shall be carried as additional numbers in the grade of lieutenant, but shall be included in the total authorized number of commissioned officers

of the active list of the line of the Navy and of any grade to which later promoted."

The effect of this substitute language for the language stricken out is that instead of being placed upon the retired list, the officers in the rank of lieutenant who are not selected for promotion will be made extra numbers on the lieutenant's list instead of being placed upon the retired list, as under the provisions of section 4 of the House bill. These extra numbers will not be in excess of the total number of commissioned officers on the active list of the Navy.

The amendments to section 5, on page 3, line 16, and page 4, line 10, merely extend the time for appointment to the rank of ensign of midshipmen graduating in 1933 from June 1, 1934, to August 1, 1934. The reason for this is that it is practically impossible to accomplish the appointment of these ex-midshipmen by the date specified in the bill as it passed the House of Representatives.

The language inserted on page 3, line 16, "by the President", is for the purpose of making it possible to commission these graduates in advance of confirmation by the Senate, as the Senate may not be in session until August 1, 1934, when the date for making these appointments expires.

The law passed the 6th of May 1932 provided for the commissioning of not more than 50 percent of each class that graduated at the Naval Academy, commencing with the class of 1933. If this law is not modified or changed, not more than 50 percent of the midshipmen of the class of 1934 can be commissioned.

The House text, with which the Senate committee concurs, will provide for the commissioning as ensigns of midshipmen who graduated in 1933 and who were not commissioned and midshipmen who graduate in 1934 and in the future who upon graduation are fully qualified.

Mr. WALSH. I move that the Senate insist on its amendments to the bill, ask for a conference with the House thereon, and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. WALSH, Mr. TYDINGS, and Mr. HALE conferees on part of the Senate.

PROMOTIONS IN THE MARINE CORPS

Mr. WALSH. Mr. President, I ask unanimous consent also for the immediate consideration of a companion bill relating to the Marine Corps, being the bill (H.R. 6803) to regulate the distribution, promotion, retirement, and discharge of commissioned officers of the Marine Corps, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That hereafter commissioned officers of the Marine Corps shall be distributed in grades, promoted, retired, and discharged in like manner and with the same relative conditions in all respects as are provided for commissioned officers of the line of the Navy by existing law or by laws hereafter enacted except as may be necessary to adapt the said provisions to the Marine Corps, or as herein otherwise provided.

SEC. 2. That of the authorized number of commissioned officers above the grade of colonel one shall be the Major General Commandant, two-thirds shall be brigadier generals, and the remainder shall be major generals.

SEC. 3. That the heads of staff departments shall be general officers while so serving, in addition to the number of general officers otherwise herein provided, with the rank, pay, and allowances of brigadier generals. They shall be carried in the grades or ranks from which appointed.

SEC. 4. That promotion to major general of the line shall be from brigadier generals of the line.

SEC. 5. That in computing the number of colonels to be recommended for promotion or to be designated for retention on the active list the general officers of the line shall be considered as constituting the grade next above that of colonel.

SEC. 6. That commissioned service of officers for the purpose of this act shall consist of all commissioned service on the active list of the Marine Corps, whether under a temporary or permanent appointment, and all commissioned service on active duty in the Marine Corps Reserve and the National Naval Volunteers.

SEC. 7. That selection boards shall consist of not less than six officers on the active list of the Marine Corps, the composition and procedure of the boards to be determined by the Secretary of the Navy: *Provided*, That no officer shall be recommended for advancement unless he shall have received recommendation of not less than two-thirds of the members of the board.

SEC. 8. That administrative staff duty performed by any officer under appointment or detail, and duty in aviation, or in any technical specialty, shall be given weight by the selection board in determining his fitness for promotion equal to that given to line duty equally well performed.

SEC. 9. That section 1493, Revised Statutes (U.S.C., title 34, sec. 665), is so far amended in its application to the Marine Corps as to require that no officer shall be promoted to a higher grade, excepting in the case provided in section 1494, Revised Statutes (U.S.C., title 34, sec. 666), until he has been examined by a board of naval medical officers and pronounced physically fit to perform all his duties at sea and in the field.

SEC. 10. That the requirement of sea service in grade shall not apply to promotion of officers of the Marine Corps; and officers in the upper four-sevenths of the grades below brigadier general, subject to selection as established by the first section of this act, shall be eligible for consideration by selection boards and for promotion without regard to length of service in grade: *Provided*, That no officer of the Marine Corps shall be ineligible for consideration for promotion by reason of completion of length of commissioned service until he shall have been once considered by a selection board.

SEC. 11. That an officer whose name is placed on an eligible list for appointment as head of a staff department shall not be again considered for that office by any subsequent selection board, except as otherwise provided in this section, and shall, in respect to involuntary retirement, be in the same status as if on a promotion list: *Provided*, That the Secretary of the Navy may, in his discretion, with the approval of the President, remove his name from such list and submit it to the next ensuing selection board for consideration and recommendation. If recommended for appointment by said board and approved by the President, the name of such officer shall be replaced on the eligible list from which removed without prejudice by reason of its having been temporarily removed therefrom. If not recommended by said board, such officer shall be subject to involuntary retirement under the same conditions as provided for in the case of an officer whose name is not on a promotion list.

SEC. 12. That for the purposes of distribution and promotion in the Marine Corps grade and rank shall be considered as meaning the same.

SEC. 13. That the Major General Commandant shall be appointed as now provided by law.

SEC. 14. That the selection board recommending colonels for promotion shall recommend the number of officers of the rank of colonel directed by the Secretary of the Navy for appointment as head of each staff department, and the names of officers so recommended, approved by the President, shall be placed on an eligible list for such appointment, one list for each department. As vacancies occur hereafter, heads of staff departments shall be appointed for 4 years from officers whose names appear on the eligible lists for the respective departments.

SEC. 15. That section 7 of the act of March 4, 1925 (43 Stat.L. 1272; U.S.C., title 34, secs. 624, 630, 663, 669, and 684), and all other laws and parts of laws, insofar as the same are inconsistent with, or in conflict with the provisions of this act, are, except as they apply to officers heretofore retired thereunder, hereby repealed.

SEC. 16. That officers of the Marine Corps in the ranks or grades of lieutenant colonel and major shall not be retired because of not being on a promotion list or on an eligible list for appointment as head of a staff department, and shall be eligible for consideration for promotion by selection boards without regard to completion of 28 and 21 years' commissioned service, respectively. Upon promotion or advancement after the approval of this act, with the exception of the Major General Commandant, heads of staff departments with the rank of brigadier general, an officer of the Marine Corps who may be appointed as Judge Advocate General of the Navy, and commissioned warrant officers, which officers shall receive the pay and allowances provided by law for their rank, commissioned officers of the Marine Corps shall receive the pay and allowances of the grade or rank from which promoted or advanced: *Provided*, That officers in the grades or ranks stated shall receive the pay and allowances of the grades or ranks in which serving upon attaining the number on the lineal lists of such grades or ranks, as follows: Major general, 2 (excluding the Major General Commandant); brigadier general, 6; colonel, 35 (common list); lieutenant colonel, 38 (common list); major, 80; captain, 256; first lieutenant, 224.

SEC. 17. Section 4 of the act approved February 28, 1925 (43 Stat.L. 1081; U.S.C., title 34, sec. 753), as amended, is hereby amended to the extent that, hereafter, the minimum age limit for enlistment in the Naval Reserve or the Marine Corps Reserve shall be the same as that for enlistment in the Regular Navy.

Mr. WALSH. Mr. President, I ask unanimous consent that the report submitted by the committee on the bill just passed may be printed in the RECORD at this point.

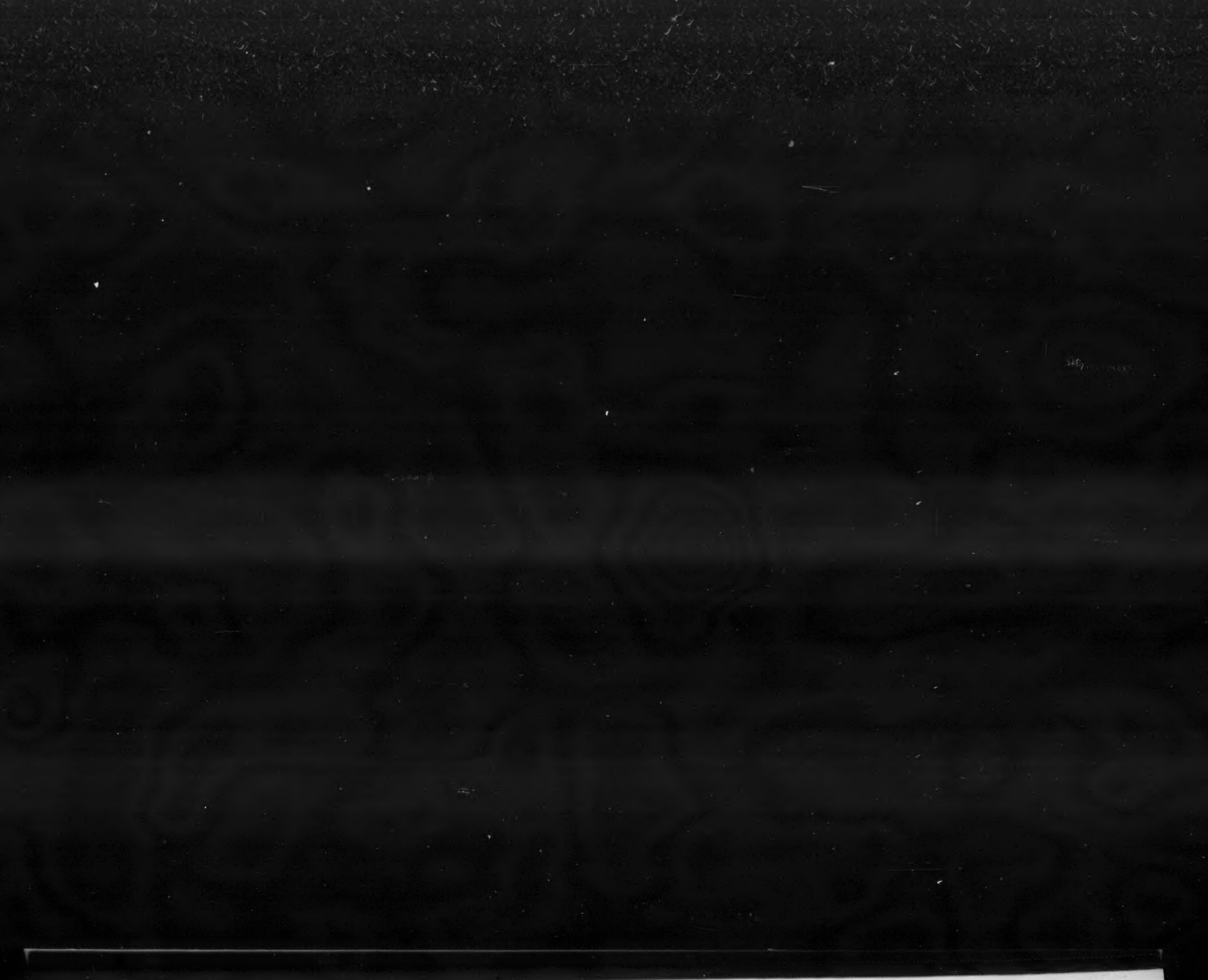
There being no objection, the report was ordered to be printed in the RECORD, as follows:

[S. Rept. No. 1175, 73d Cong., 2d sess.]

COMMISSIONED OFFICERS OF THE MARINE CORPS

Mr. WALSH, from the Committee on Naval Affairs, submitted the following report (to accompany H.R. 6803):

The Committee on Naval Affairs of the United States Senate, to whom was referred the bill (H.R. 6803) to regulate the distribution, promotion, retirement, and discharge of commissioned officers of the Marine Corps, and for other purposes, having considered the same, report favorably thereon and recommend that the bill do pass.



The bill provides:

(a) For no increased cost over that which obtains at present.

(b) For no increase in the number of officers now authorized.

(c) For readjustment of the percentage distribution by grades, on the same basis as that now in force in the Navy.

(d) For promotion to first lieutenant after 3 years' commissioned service, as is done in the case of naval officers.

(e) For promotion by selection rather than by seniority.

(f) For boards to prepare eligible lists for appointment as heads of State staff departments and promotion lists for promotion to brigadier general of the line, colonel, and lieutenant colonel; and for the composition and procedure of such boards.

(g) For elimination by transfer to the retired list of colonels not selected for promotion, upon completion of 35 years of commissioned service, instead of at 56 years of age as at present.

(h) Against too great a number of retirements in any one year by restricting the number that may be retired.

(i) For the payment of officers transferred to the retired list for nonselection at the same rate as now provided by law.

The officer personnel of the Marine Corps is in a condition which has reached a critical stage because of stagnation of promotion and over-age. The present laws are ineffective and inefficient. As a result, the rate of promotion is the same for all officers without regard to the high efficiency of some and the comparative inefficiency of others. Marine officers are years behind their running mates in the Navy.

Sections 1 to 15 of the bill constitute a complete system, which will place the Marine Corps under Navy rather than Army personnel laws, which is sound and appropriate.

Section 1 is the basic section of the bill. It applies the Navy system to the Marine Corps by placing the commissioned personnel of the Marine Corps under the laws governing the line commissioned personnel of the Navy.

Sections 2 to 14, inclusive, contain the necessary provisions to adapt the Navy system to the Marine Corps. Section 15 provides for the necessary repeal of former conflicting laws and section 16 contains the economic provisions necessary to prevent any additional cost to the Government.

Section 17 is a provision which was inserted on the floor of the House of Representatives. It makes the enlistment age in the Marine Corps and the Naval Reserve the same as in the regular service, namely, 17 years. At the present time there is a year of inequality.

Section 2 provides that two-thirds of the general officers shall be brigadier generals and the remainder major generals, including the Major General Commandant. This continues the number of officers with the rank of major general as at present.

Section 3 provides that three heads of staff departments shall be brigadier generals while so serving as at present.

Section 4 provides that promotion to major general of the line shall be by selection by the President from brigadier generals of the line.

Section 5: This is purely a technical provision to adapt the Navy law to the Marine Corps. In the Navy there is only one grade above that of captain, which is rear admiral. In the Marine Corps there are two grades above the rank of colonel, which are major general and brigadier general, and in order to make Marine Corps computations on the same basis with the Navy, it is necessary to include these two grades in one. It is merely for a matter of computation.

Section 6: The purpose of this section is to adjust the Navy laws to the Marine Corps as far as computation of commissioned service is concerned, the Navy laws being based on the length of commissioned service.

Section 7: The Navy law provides that the selection boards shall consist of nine rear admirals. It would be impracticable for the Marine Corps to assemble nine general officers. This section provides that the selection board shall consist of not less than six officers on the active list of the Marine Corps the composition and procedure of the boards to be determined by the Secretary of the Navy. It further provides that no officer shall be recommended for advancement unless he receives the recommendation of not less than two-thirds of the members of the board. This also follows the Navy practice.

Section 8: This section insures that the selection of an officer for promotion shall not be jeopardized by reason of duty in a staff department, aviation, or other technical specialty.

Section 9: The only effect of this provision would be to require that the Marine officers, in addition to being able to perform all their duties at sea would be qualified to perform duty in the field, as much of the service of the Marine Corps is field duty.

Section 10: This proviso safeguards the interest of those officers who may complete sufficient commissioned service prior to reaching the upper four-sevenths of their respective grades, as to make them automatically ineligible for consideration for selection by reason of such service. Every officer will thus be eligible for consideration by at least one selection board in each grade before otherwise being considered ineligible by reason of length of commissioned service.

Section 11: Gives to officers whose names are placed on staff eligible lists the same right for retention on such lists as is given officers whose names appear on promotion lists of the line.

SECTION 12: This provision is to eliminate possible ambiguity regarding the words "grade" and "rank", which are used somewhat interchangeably in laws regarding distribution and promotion.

Section 13 provides that the Major General Commandant shall be appointed as now provided by law.

Section 14 provides for the preparation of eligible lists for appointment as heads of State staff departments in the same manner as line promotion lists are prepared, these lists to be prepared by the same board that selects colonels for promotion. The present practice of appointing heads of staff departments is continued.

Section 15 is a general repeal section.

Section 16: The purpose of this section is to eliminate all extra costs which would be incurred under preceding sections. The first sentence of this section limits involuntary retirements to colonels who have completed 35 years' commissioned service and are not selected for promotion. Under the present law colonels 56 years of age and not selected for promotion are retired. Lieutenant colonels and majors will not be involuntarily retired for nonselection and will be eligible for consideration for promotion notwithstanding the completion of 28 and 21 years' service, respectively, this variation from the Navy system also being for the purpose of preventing any increased expense. The remainder of section 16 is to prevent the cost of pay and allowances under the proposed redistribution in grades from exceeding the cost under the present distribution.

Section 17 makes the minimum age limit for enlistment in the Naval Reserve or the Marine Corps Reserve the same as that for enlistment in the Regular Navy.

RECIPROCAL TARIFF AGREEMENTS

The Senate resumed the consideration of the bill (H.R. 8687) to amend the Tariff Act of 1930.

Mr. LONG. Mr. President, my attention has been called to the fact that the calendar has not copied the unanimous-consent agreement as it appears in the RECORD. I ask the Senator from Mississippi to look at the calendar and compare it with the CONGRESSIONAL RECORD of today. I do not know why the change was made nor who made the change, but it is not according to what is in the RECORD.

The RECORD is perfectly clear, but the calendar is not. I refer to page 9604 of the RECORD. It reads:

That this bill shall be disposed of in the manner that beginning at 12 o'clock noon Wednesday—

And so forth. The unanimous-consent agreement as printed on the calendar says:

Ordered, by unanimous consent, That beginning at 12 o'clock noon Wednesday, May 30, 1934—

And so forth.

I do not know who is responsible for the change that has been made in the statement on the front page of the calendar; but may I ask the Chair which would control—the RECORD or the calendar?

Mr. HARRISON. Mr. President, I am quite sure that both statements carry the same idea; but I ask that the next printing of the calendar comply with the form found in the RECORD, to save any further discussion.

The PRESIDING OFFICER (Mr. FESS in the chair). Without objection, it is so ordered.

Mr. LONG. I thank the Senator.

Mr. HASTINGS. Mr. President, just before the Senate recessed last evening I had begun to discuss the question of the amendment to the bill by the Finance Committee with respect to notice. But in view of the fact that my remarks were interrupted by the recess I asked the official reporters to omit what I had said with respect to notice, and I shall, therefore, repeat that portion of my remarks of yesterday.

The impression prevails that the Senate has amended the bill so as to give persons interested in a tariff rate an opportunity to be heard before it is decreased or increased. When Secretary Hull was before the Finance Committee it was impossible to get him to agree to any concession with respect to notice. I call attention to his testimony at this point as it appears on page 16 of the hearings, as follows:

Secretary HULL. I will say this to the Senator: Over 100 commercial treaties have been negotiated. Many governments negotiate them exactly as this is proposed. Most governments negotiate them and put them into immediate operation, because the negotiator is a part of the parliamentary government that is in power, and that insures a favorable action. If we are to get anywhere in negotiating with these countries under the methods they have and are carrying out, free from objection so far as I have been able to learn, we cannot throw this wide open to every person that wants to come in and be heard. I will submit to the Senator's own judgment as to the extent to which we should go if we hope to make this practical in its operation.

Senator BARKLEY. As a practical matter of fact, if we write into the law a requirement that the President shall give a hearing to everybody who suspects that he is going to be affected by one of these trade agreements adversely, he will, of course, have to give a hearing to any other industry that might be beneficially affected by the agreement, and therefore it would result in a joint debate between two or more industries as to who was going to get the most advantage or disadvantage out of any agreement that was entered into.

Secretary HULL. That is the appeal that I am submitting to Senator COUZENS. It is an extremely difficult situation, and we are suppposed to grapple with it as best we can. Of course, the President and anybody associated with him in administering this law would have every reason to help every business and to treat it fairly rather than to injure it in the slightest, and that is the sole objective of this measure.

Senator HASTINGS. Mr. Secretary, isn't it your position that it would be impracticable to write any such thing in the bill?

Secretary HULL. I know, as the Senator from Kentucky suggested, that you would need two or three new Commerce Buildings to enable everybody to be heard. There would not be one-fifth enough lawyers in Washington to represent them.

Senator HASTINGS. Then it is impracticable?

Secretary HULL. It is impracticable. That is the point I make about it, and the last thing that the President would want to do would be to injure business. For that matter, there have been ample opportunities to crucify business under the flexible clause if those administering it had seen fit.

Then, again, on page 19, in answer to a question propounded by the Senator from Pennsylvania [Mr. REED], Secretary Hull said:

Well, that is the point I am trying to make.

Senator REED. But don't you think that the persons affected are entitled to be heard, to say whether that will or won't be the case?

Secretary HULL. The Senator, of course, is apparently seeking to load the bill up with an interminable set of machinery. I remember we commenced hearings on the Fordney Act in December 1920. It was enacted into a law in August 1922.

How far would we have gotten if we had been negotiating commercial trade agreements by that procedure? Of course, it is not practical. That is the situation.

The Secretary of State gave to the committee the distinct and definite impression that it was impractical to provide the giving of notice.

Some time after that testimony was given, and after it appeared that many members of the committee believed a notice was necessary, an amendment was proposed to the bill which is known as "section 4." I think it may be safely said that this amendment is so ineffective that it does not in any way change the position of the Secretary of State. The amendment is about as innocuous as could be written.

Suppose we take the last five lines of the amendment. I believe every person will agree they are just so much froth. They read:

And before concluding such agreement the President shall seek information and advice with respect thereto from the United States Tariff Commission, the Departments of State, Agriculture, and Commerce and from such other source as he may deem appropriate.

As Secretary Hull pointed out on page 20 of the hearings, he anticipated that such information would be sought, and by having all departments under the control of the Executive the information would be readily furnished. He said:

Now, we will have not only the Tariff Commission at our elbows on all of those things, under instructions to ransack every crack and crevice that contains information on the commercial side of any industry or business, but we will have the Department of Commerce and all of the other departments, the Agriculture Department, and others, that can shed any least light on this business situation.

But let us take the first part of the section that is supposed to have teeth in it and see how helpful it would be to the persons interested in tariff rates.

Briefly, it provides that before any trade agreements shall be concluded, public notice of the intention to negotiate an agreement shall be given in order that any interested person may have an opportunity to present his views to the President or to such agent as the President may designate, under such rules and regulations as the President may prescribe.

As an illustration, suppose the President is trying to make a trade agreement with France, and, as appears in the Senate hearings, France is a country which the State Department finds furnishes the chief source of supply of one or more commodities to the United States. In the list submitted there are included 84 articles of principal imports from that country, which in 1931 amounted to approximately $32,000,000. It clearly appears from the testimony offered on behalf of the State Department that the method that would necessarily have to be followed would be first to negotiate and have conversations with France with respect to the proposed agreement before it became necessary under this amendment "to give public notice of the intention to negotiate the agreement", because it would be impossible to tell beforehand whether it would be worth while to give such notice. It is only "before any foreign-trade agreement is concluded" that the public notice shall be given.

So the person negotiating such a treaty finds himself in the position of having first to ascertain what concessions it will be necessary to make to France in order to get France to increase certain exports from this country. The conversations and negotiations continue from day to day until the American representatives reach the best agreement that can be obtained. They reach an agreement that is satisfactory to the President, but the President says, "Before this foreign-trade agreement is concluded, public notice must be given", under such rules and regulations as he may prescribe.

This does not mean that before the foreign-trade agreement is concluded its terms and conditions are to be published broadcast. If the whole 84 items mentioned in the study made by the State Department are included, does that mean that each of the producers of the 84 articles in this country is to be served with some sort of a notice and is to be given an opportunity to be heard; or does it mean that public notice is to be given that an agreement is about to be negotiated with France, and all persons who are protected by a tariff on anything that comes from France will have to speculate on whether the article in which they may be interested is included in the list?

How is it to be determined who is an interested person under this provision? I assume that it means any person who is interested because of the change in the tariff rate by reason of making such an agreement; but in this provision the kind of public notice is in the discretion of the President, and the interested person is to be determined by the President. The opportunity to present his views is such opportunity as the President may think proper, and the rules and regulations are to be prescribed by the President.

This provision could be legally complied with by posting a notice on the door of the office of the Secretary of State to the effect that the Department was about to negotiate an agreement with a certain government, and that all persons interested would be heard at a certain place fixed in the notice. If complaint were made that this was not sufficient notice, the secrecy which was impressed upon the committee by the representatives of the Secretary of State could be used as a valid reason why the notice was not more specific and in defense of what some people would believe to be an arbitrary action. Indeed, I have great sympathy for the position taken by the Secretary of State when he said, "If we are to get anywhere in negotiating with these countries under the methods they have and are carrying out, free from objection, so far as I have been able to learn, we cannot throw this wide open to every person that wants to be heard."

I think that is a true statement if the proposed agreements are to be as effective as it is hoped and as it is intended they shall be. This testimony shows that the pending legislation is intended to imitate foreign governments; that is, it is intended to give the President the autocratic power now vested in many foreign executives. It is intended to supplant and take away the opinion of the Congress. The Secretary of State very modestly gives the impression that this extraordinary power is required because of the emergency.

This meaningless amendment with respect to notices has had the effect of eliminating some of the objections to this measure; but any person who carefully considers it must conclude that it was offered for that very purpose. The only excuse for not having such agreements approved by the Senate is because the purpose of the legislation cannot be effectuated by any such procedure. Approval by the Senate,

as the testimony shows, would handicap the representative of this country in the negotiations, because the other country would know beforehand that the agreement could not be concluded without the approval of the Senate. In the second place, if that objection were not eliminated, there would be great delay in making the agreement effective.

The same thing is true to a large extent of any provision with respect to a notice to interested parties. I assume that in most agreements there would be many articles involved, and perhaps many representatives for each article who wanted to be heard. Such a hearing would destroy the purpose of the bill; and this amendment is accepted because it is harmless, because it satisfies certain people who have not carefully analyzed it, and because it will not in any sense seriously delay the final approval of any such agreement.

In addition to that, what particular good could come from an amendment which gave every possible opportunity for interested parties to be heard? What would be the purpose of any such hearing? It is quite unlike the present flexible provision in the tariff act. Under that provision it becomes the duty of the Tariff Commission, first, upon the request of the President, or, second, upon resolution of either or both Houses of Congress, or, third, upon its own motion, or, fourth when in the judgment of the Commission there is good and sufficient reason therefor upon application of any interested party to investigate the difference in the cost of production of any domestic article and of any like or similar foreign article. In the course of the investigation the Commission shall hold hearings and give reasonable public notice thereof, and shall afford reasonable opportunity for parties interested to be present, to produce evidence, and to be heard at such hearings—page 124, Tariff Act of 1930.

The Commission is by the act given specific instructions as to what is the issue before it to be determined. There is every reason in such case for a public hearing, because the Commission is endeavoring to ascertain a certain fact. In this bill no such issue is involved. The fact which the President under this bill is to ascertain is whether the existing duties or other import restrictions of the United States, or any foreign country, are unduly burdening and restricting the foreign trade of the United States, and that the purpose described in the bill will be promoted, and so forth. The mere hearing of the protest of any interested person cannot determine this fact. The only possible chance such a person would have is that described by Mr. O'Brien when he called attention to the fact that "every Senator, particularly of the party of the President of the United States, has access to the President. Tariffs are not a taboo subject. Every President has theories, has beliefs of what he wants to do regarding the tariff. At least, his senatorial and other friends have views of what they want to do"—page 150, hearings.

So if we take Mr. O'Brien's views we get the distinct impression that the only purpose that could possibly be served by this amendment is to give persons having influence with the President an opportunity to enforce their views upon him for the benefit of the friends they are endeavoring to protect.

We have heard much discussion and much criticism of logrolling methods in the making of tariffs in this country. Every person expresses the wish that we might find some way of avoiding any such procedure in tariff making. I think it must be admitted that this bill goes a long way toward eliminating that evil. I think it must be admitted at the same time that it has greatly simplified the job of the lobbyist. Instead of having to deal with individual Members of the Congress, he now has to deal with one person, the President of the United States. I do not wish to be misunderstood as suggesting that the President of the United States would be improperly influenced, but I do wish to be understood as saying that in the great job which the President has he must be guided largely in this matter, as in many others, by the large group of assistants he has gathered together to assist and advise him.

Those who are threatened with a change in the tariff will not go directly to the President of the United States; but does anybody doubt that ways and means will be found that will be very much more effective than a direct appeal? In my judgment the Senate Finance Committee amendment does not in any sense relieve this legislation of the viciousness inherent in it.

WHAT COMMODITIES WILL BE AFFECTED BY THE ACT?

Mr. President, I sought to ascertain from members of the President's Cabinet who appeared before the committee what commodities might be affected by the bill. I undertook to get from them an example of what they hoped to do. I asked two or three officials connected with the administration for an illustration of what it was believed might be done under the act. On page 13 of the hearings will be found the question I propounded to Secretary Hull and his answer thereto, as follows:

Senator HASTINGS. I would like to ask a question. I was wondering whether or not, Mr. Secretary, you could not give us one single illustration that you have in your mind which you believe might be worked out to advantage to the country under this particular power which is requested.

Senator CONNALLY. Aluminum would be a good one.

That gives an idea of how the mind of the Senator from Texas was running. I doubt whether he realized at the time he made that remark that oil might be one, too. I continue the quotation from the hearing:

Senator HASTINGS. Let us see what would be done with one item.

Senator CONNALLY. The Senator from Delaware is opposed to the duty on aluminum?

Senator HASTINGS. If the Senator would allow the Secretary to answer my question——

Senator CONNALLY. The Senator has the right to ask as many questions as he wishes, but since this appears to be a partisan political heckling——

Senator HASTINGS (interposing). Mr. Chairman, I have asked a reasonable question. If the Secretary thinks it is not reasonable and cannot answer it, I am perfectly willing to withdraw it.

The CHAIRMAN. I am sure the Secretary is fully competent to answer.

Secretary HULL. The first thing we realize is that it would be very presumptuous to take up in any detail plans and items which would be the basis of reciprocity negotiations. We might do so, as I indicated a little while ago, before the bill is passed, but when we came to the negotiations, the exchange situation, the currency disorder, the changing of quotas, and the raising of other obstructions, might present an entirely different picture. Therefore, out of our respect for the Congress and so as not to count our chickens until they are not only hatched but walking around, we have not undertaken to go into those detailed phases. Some gentleman before the Ways and Means Committee inquired how it would be possible to bring in more goods at greater value than at present, and I sought to indicate what an awful situation, what an awful problem we have, by calling attention to the fact that in 1929 when we thought we were going along very well we were importing over $3,000,000,000 worth of goods more than we are now.

I assume that at the time the Secretary made that statement he knew about the Colombian Treaty, with which I am not very familiar.

Incidentally it will be observed that before the Secretary could answer my question the junior Senator from Texas [Mr. CONNALLY] gave his view by stating that "aluminum would be a good one." But the Secretary of State was more careful than the Senator from Texas and avoided giving any information. I sought this information in good faith, because I was trying to ascertain whether there was any economic wisdom in making these trade agreements. I think it must be admitted that it is impossible to make tariff concessions that will be beneficial to our export trade without imposing hardships upon somebody somewhere.

The able Senator from Oregon [Mr. MCNARY], the leader on this side of the Chamber, made the same effort with the distinguished chairman of the committee on the floor of the Senate that I made in the committee with members of the President's Cabinet. The observation made by the Senator from Oregon and the answer made by the Senator from Mississippi appear in the RECORD.

It will be observed that no information has yet been given by proponents of this bill, except that, as I understand from

the leader, there have been some assurances with respect to wool.

In my effort to speculate as best I may as to what might happen, I have selected for the purpose of illustration two countries, one of which, at least, has been mentioned in press reports as a country with which we might advantageously negotiate an agreement of this kind.

Suppose we take Mexico. In 1931, which is the last year for which a fully detailed table is available, our imports from Mexico were valued at $47,500,000, while our exports to that country were approximately $51,000,000. In common with the experience of all countries, these figures are less than they were a few years earlier. Because of the fact that Mexico is one of our closest neighbors and a country with which it might be thought quite natural for us to trade, I ask Senators to look with me at some of the problems which will be involved.

Perhaps the most important thing to do first is to examine the statistics of our import trade with that country for the purpose of finding what demands the Mexican Government might make of our representatives if we were to negotiate an agreement, then to consider the likelihood of our representatives acceding to such demands, and to consider briefly some of the possible consequences of such accession.

To do this we must look first at the record of our importations from Mexico, and, as I pointed out a moment ago, the last year for which we have detailed figures readily available is 1931, although the Tariff Commission has recently prepared a partial analysis for the year 1932, apparently as the basis for action under these proposed trade agreements.

Among the most important imports from Mexico in 1931 were cattle; fish; lobsters; shrimp; goat and kid skins; reptile skins; cleaned rice; green peas; chick peas; tomatoes and other fresh vegetables; bananas; coffee; vanilla beans; chicle; raw cotton and cotton waste; sisal and henequen; istle; binding twine; crude petroleum and topped oils, including fuel oil; copper concentrates and regulus; lead ore and bullion; antimony ore; white arsenic; and fertilizers and materials. Importations of each of these articles amounted to from $100,000 to as much as $7,000,000. Some of them, of course, are admitted into the United States free of duty, while others are subject to duty. In the case of the duty-free commodities, all that the United States could do would be to pledge the retention of these commodities on the free list.

Vastly more important in the eyes of the Mexican authorities, I believe, would be the possibility of obtaining from the United States Government concessions in duties on many of the items which are now dutiable. There is unmistakable evidence in the case of those commodities which were subjected to a tax in the Revenue Act of 1932 that that tax was highly effective in cutting down the importation of the commodities covered by the tax. Importations from Mexico of crude petroleum and fuel oil and copper since the revenue law of 1932 was enacted have been very greatly reduced, and the experience in respect to these commodities certainly would carry a very convincing argument in the minds of the Mexican officials that a reduction in those duties would go a long way toward reestablishing trade in those commodities.

It would seem to me, then, that it is a reasonable assumption that among the chief demands on the part of the Mexican authorities in dealing with our representatives for the conclusion of a reciprocal trade agreement would be that we reduce by the maximum possible allowance under the law the duties on cattle, cleaned rice, green peas, chick peas, tomatoes, and many other fresh vegetables, vanilla beans, crude petroleum, topped oils, and unrefined copper and lead. This list is incomplete, and made up in terms of the principal imports of 1931. There are other commodities on the dutiable list which we at one time imported in considerable quantity from Mexico which may well be included in their list of requests. For example, to give only one illustration, in 1929 we imported over $500,000 worth of oil cake and meal from Mexico, while in 1931 importations had dropped to less than $10,000. Such an item might well be included in the list proposed by the representatives of the Mexican Government for a reduction of duty as part of our concession in a reciprocal agreement. There are unquestionably many other such items. The question now arises as to whether or not there will be any disposition on the part of the representatives of our Government to make concessions on this requested list.

Perhaps the best we can do under the circumstances is to try to get the attitude of the principal member of the administration whose duty it will be to negotiate these treaties. Secretary Hull appeared before the committees of the House and Senate; he was the first witness to speak before both committees; it is assumed, therefore, that the administration is relying upon its Secretary of State to convince Congress that this bill ought to pass, and the Congress has a right to assume that the negotiations will be conducted under his direction.

In London, on July 21 of last year, in a resolution submitted by Secretary Hull in the Economic Commission of the World Economic Conference, there appears the following statement by him:

> In shaping its policy and executing its obligations under any agreement each government should direct its first and greatest efforts toward eliminating the restrictions and reducing the duties which most clearly lack economic justification.
>
> Particularly, (a) duties or restrictions which now completely or almost completely exclude foreign competition, such as those which restrict the importation of particular commodities to less than 5 percent of the domestic consumption thereof.
>
> (b) Duties or restrictions on articles whose imports have been substantially curtailed since 1929 as compared with domestic consumption.

Last December, speaking before the Seventh International Conference of the American States at Montevideo, the Secretary of State repeated the recommendation that commodities the importations of which were less than 3 to 5 percent of domestic consumption were particularly adapted for bargaining purposes.

But let us turn to another authority. The senior Senator from Colorado [Mr. COSTIGAN], a former member of the Tariff Commission and a well-known authority on tariff matters, made a radio address on April 28, which was placed in the CONGRESSIONAL RECORD on April 30 last, at the request of the distinguished Democratic leader, the Senator from Arkansas [Mr. ROBINSON]. This address was in support of the pending bill. I desire to quote from it as follows:

> TARIFF-BARGAINING POSSIBILITIES
>
> In such an era it is important to recognize that all tariff-bargaining gates are not closed. Following the last election, and before inauguration, I conferred with then President-elect Roosevelt with a view to securing, with the help of the United States Tariff Commission, for use in tariff bargaining, little-known facts showing profitable subjects and areas for advantageous trade agreements with leading foreign countries. Later I introduced in the United States Senate resolutions, which the Senate approved, calling for reports from the Tariff Commission. Those reports, long since printed, are in various respects distinctly creditable to the experts of that Federal agency and are now being used by governmental officials. If the proposed bargaining authority is given, the assembled material will helpfully assist President Roosevelt in negotiating advantageous agreements. I mention these facts to emphasize that there are larger possibilities of mutually beneficial commerce flowing from reciprocal trade agreements than critics of bargaining methods are prone to admit. Let me recall, solely for illustration, that the Tariff Commission's statistics on imports include lists of definite articles burdened by tariffs although those articles are not produced in this country; articles of which imports are less than 5 percent of domestic production, although even high-tariff advocates profess to favor competition as a restraint on monopolistic prices; articles on which tariff duties exceed—in some cases far exceed—50 percent ad valorem; articles which are more or less not competitive with domestic products; and articles with respect to which foreign countries possess decided advantages in production.
>
> It ought to be evident that among such articles will be found fertile opportunities for profitable trade bargaining to open closed markets to our products of farms and factories.

The resolution referred to in this address was Senate Resolution 325, and the Tariff Commission in response to that resolution has placed upon every Senator's desk an elaborate analysis. Bear in mind what these two authorities on the subject have in mind as a fertile field for negotiation. The Tariff Commission states in its introductory remarks

that for convenience the report is divided into 4 parts: Part 1 relates to information on imports into the United States; part 2 relates to exports; part 3 presents data on the range and variety of costs; part 4 has to do with tariff bargaining.

It will be observed that the Secretary of State has in mind "reducing the duties which most clearly lack economic justification", and he illustrates it by including commodities of which the imports are less than 5 percent of the domestic consumption, and imports which have been substantially curtailed since 1929, as compared with domestic consumption.

The Senator from Colorado includes in his suggestion not only articles of which imports are less than 5 percent of domestic consumption, but also articles on which the rate exceeds 50 percent ad valorem. I am quite certain Secretary Wallace would call an industry that needed a 50-percent protection an inefficient industry and one which ought to be eliminated from our industrial list.

But let us take as an illustration cattle from Mexico. We find it listed among those commodities of which the imports have substantially decreased, and listed again among those commodities imports of which represent less than 5 percent of domestic production. In other words, if the test specified by our Secretary of State in his remarks at London are to be applied, unless some other circumstances are introduced, it is reasonable to suppose that our Government would be receptive to a suggestion from the Mexican Government that the duty on cattle be cut in half.

The second item on the list is cleaned rice. In the Tariff Commission report, cleaned rice appears among those commodities of which the imports have decreased, and of which the imports represent less than 5 percent of domestic production, and also upon the list of articles on which the tariff rate exceeds 50 percent ad valorem. Again, presumably, there would be a disposition to grant the request that the rate of duty on cleaned rice be cut by the maximum allowance.

The third item is green peas. These are reported by the Tariff Commission on the list which shows imports to have decreased, and on the list which indicates that the duty is in excess of 50 percent ad valorem, and on the list referred to in the radio address of the Senator from Colorado, and also in the testimony of Chairman O'Brien before the Ways and Means Committee which is entitled, "Dutiable articles more or less noncompetitive and with respect to which foreign countries possess an advantage." From all indications, because of the inclusion of this commodity in the last list, it would be among the first of the commodities to be subjected to a reduction in duty.

Dried chick peas are included in the list of articles the importations of which have decreased; tomatoes are included in the list of commodities the ad valorem duty on which is in excess of 50 percent; vanilla beans are listed as among those commodities, importations of which are more or less noncompetitive and with respect to which foreign countries possess advantages; crude petroleum and unrefined copper are listed as among those items for which imports have been reduced, while lead is listed as having a low ratio of imports to domestic production. The only item among all those which I have mentioned as to which we might expect a request for a decrease in duty, that is not included in one of these Tariff Commission lists, is topped oils.

I have no doubt a more exhaustive analysis of our trade with Mexico would disclose a number of other commodities which are included in the lists we have been discussing, and on which, presumably, our officials would be willing to reduce the duty if the request were made. A few of the commodities in the list of articles of which the imports represent less than 5 percent of domestic production are the following: Sheep, lamb, tuna fish packed in oil, cottonseed oil, pecans, beets and lettuce, green beans, and zinc. I shall not attempt to try and point out the very considerable number of States in which there are produced one or more of the commodities which we have seen might well be among those on which we would reduce the duty in the event of a reciprocal trade agreement with Mexico; but as I have been outlining this partial list of commodities that might be involved, it must be apparent that the producing interests in a great many of our Southern and Western States would be vitally concerned with the consequences of any such reciprocal agreement as would reduce duties on some of these commodities. I do not believe that the producers of these commodities can find in the proposed arrangements any very satisfactory assurance that their interests would be adequately safeguarded in the course of negotiation of any such treaty.

I have analyzed the situation with respect to but one country, and yet we find an extensive list of commodities for which there is every indication that their protection might be reduced, and a further indication of the extent to which such reductions might affect the people in a large number of States.

Now, let me take as another illustration a European country, and one that has also been mentioned in press reports as a country with which we might well afford to negotiate an agreement—Switzerland.

The chief imports from Switzerland in 1931 were cheese, leather footwear, cotton cloth and other manufactures of cotton, linen handkerchiefs, silk bolting cloths and other fabrics, rayon yarns, hat materials of straw, and so forth; aluminum metal; coal-tar colors, dyes, and stains; watches, movements, and parts, and jewels for movements. All these commodities are dutiable.

Let us see how they are classified in what may well be properly termed the "bargaining list" which I was using in the analysis of imports from Mexico. Cheese is listed among the commodities the imports of which have substantially decreased; leather shoes are also included in this list, as well as among those the importations of which represent less than 5 percent of domestic production; cotton cloth appears on both of the foregoing lists, and, in addition, some types of cloth are included in the list of articles on which the tariff rate exceeds 50 percent ad valorem; linen handkerchiefs and silk bolting cloth are listed among the commodities of which the imports are substantially decreased; rayon yarns are reported under each of the three lists already mentioned; hat materials are listed among the commodities imports of which have declined and again among the group of duitable articles more or less noncompetitive and with respect to which foreign countries possess advantages. Aluminum metal is listed among the articles of which imports have substantially decreased, as are coal-tar colors, dyes, and stains, this latter group also being classified among the articles on which the tariff rate exceeds 50 percent ad valorem. Watches, movements, and parts are also classified in the same two lists as chemical coal-tar colors, dyes, and stains, while jewels for watches are reported among the commodities imports of which have substantially decreased and again on the list which are more or less noncompetitive and with respect to which foreign countries possess advantages. We see, then, that all the principal dutiable imports from Switzerland are recorded on one or more of the bargaining lists in the Tariff Commission's report in response to Senate Resolution No. 325.

May I remind the Senate that this is only a partial list based on the principal importations in the year 1931, and that there are unquestionably many more commodities included in the bargaining list which the Swiss Government might wish to include in the list of concessions that they wish to obtain. To mention but a few which I found in the list of articles of which imports represent less than 5 percent of domestic production, there are strychnine and salts, chrome metal and ferrochrome, cases for clocks and clockwork mechanisms, steam turbines, aluminum shapes, dried cream, wool knit underwear, silk yarn, silk knit underwear and handkerchiefs, woven fabrics of rayon, ribbons and small ware, all of which might well be included in this bargaining list.

Without a more specific method of safeguarding the interests of the domestic producers of these various products, it is not unreasonable to suppose that any or all of them

might be included among the concessions granted by the United States Government in the process of arriving at a reciprocal trade agreement. Again, I shall not attempt to point out to my colleagues the list of States that are most seriously concerned in the production of the commodities covered, but it is, I think, quite evident that they are numerous, and that they, on the whole, supplement rather than duplicate the list of States in which producers might suffer in the event of an agreement with Mexico.

I have, Mr. President, tried to present a fair picture of what might well be expected in the case of negotiations with two countries. I have undertaken this, as I pointed out, because of the very general character of the statements that have been made by the proponents of this bill in the course of their representations and arguments. I was concerned to know just what might be involved in any such negotiations, and I have proceeded in what I believe is as fair a manner as possible within the limited time and facilities at my personal disposal to make such an analysis for the two countries that I have discussed. Neither of these countries is among the most important in terms of trade, and I feel warranted in the assumption that a similar analysis in the case of, let us say, Canada or the United Kingdom, would show that the number of products of American agriculture, mine and timber producers, and industry, whose position would be jeopardized by such possible agreements, would be infinitely greater than those affected in the case of Mexico and Switzerland.

Mr. President, it may be said that this tedious outline, with respect to the commodities coming from these two countries, is merely an imaginary picture, and in addition to that, one that is greatly exaggerated, but I assert as an excuse and reason for thus imposing upon the Senate, the impossibility of getting from those who are in favor of this bill the slightest information as to what articles are to be affected by the agreements which the President is authorized under this bill to make.

What answer can I make or what answer can any other Senator make to his constituents who are alarmed and distressed because the tariff protection which now barely permits them to live may be taken away? It merely demonstrates and emphasizes the great danger that lies at the foundation of this proposed legislation.

Ordinarily a bill before the Senate has in it provisions which the average person can understand and from which he may determine whether it affects him or whether it does not. Under normal conditions, with the Senate operating in a deliberate fashion, he will have an opportunity to protest to his representative in the Senate. He will have an opportunity to place before his representative arguments against the adoption of the bill, or to make proposals of amendments that will do him the least harm. It is true that he may not be able to convince the Senator from his own State that the proposed legislation is bad, but he does have the one opportunity which he as an American is accustomed to have, namely, an opportunity to be heard by his representatives in the Congress. In this instance, however, a Senator is compelled to admit to his constituents that he does not know what this proposed legislation means. If he has given but casual consideration to it, he will explain that it means to give to the President the power to reduce tariff rates 50 percent; but if that Senator has given the same careful consideration to the measure that I have, he will be compelled to admit that, under the very terms of this bill, the tariff which now protects may be utterly destroyed. He will be compelled to admit more than that; he will be compelled to admit that this authority over the tariff rates has been placed in the hands of a single individual, and that single individual may, by contract with foreign countries, place beyond the control of the Congress itself the authority to change that tariff for a period of 6 years; and if he be fair at all with his constituent, he will point out to him that this gives to the President an opportunity to favor whatever farm products he cares to favor; to favor whatever industries he cares to favor; and to punish the producers of whatever farm products he cares to punish; and to destroy whatever industry he cares to destroy.

This is not an exaggerated statement. I am talking about what we, as legislators, must admit. I am talking about the power which, under the Constitution, belongs to the Congress and which the Members of Congress have agreed to pass on to the President. It will not be denied that the Congress has the power to destroy the tariff entirely, and the only possible dispute that could arise about what I have said is whether or not my construction is correct that the powers thus given to the President are as unlimited as I believe them to be.

It might be well, however, to point out to the person complaining about this proposed legislation that the President is honest, that he is wise, that he has the best interest of the people of the Nation at heart; and the distressed farmer or the distressed industrialist ought, therefore, to go home and rest in peace and trust to the wisdom and honesty of a great Executive.

That answer, however, cannot be satisfactory to every person interested, nor, in my judgment, can it be satisfactory even to a small percentage of the persons interested, because, as I have pointed out, the Secretary of State believes that the particular commodities which are now protected by a sufficient duty to restrict the importations to less than 5 percent of the domestic consumption are proper subjects for such an agreement. This means that the Secretary of State desires to make a contract with other Nations so that they may increase their exports to this country to an amount that exceeds 5 percent of our domestic consumption. This does not mean that the quantity consumed is to be increased. It means, although there is an American manufacturer, employing high-priced American labor, producing 95 percent of all of a certain article that is used in this country, that the tariff upon that particular article is to be so reduced that the foreign competitor who is now selling 5 percent may have an opportunity to increase it to 10 percent, 25 percent, or 50 percent, or it may be to drive the American manufacturer entirely out of existence. It is the tariff protection that limits the foreign importations to 5 percent; and the minute you reduce the tariff, you increase the foreign importations, you reduce the amount manufactured in our own country with American labor, and yet the proponents of this bill suggest that its purpose is to overcome domestic unemployment.

Of course, the answer to this is that in this bargaining process by which we will permit the imports of this particular commodity to be increased from 5 percent to an unknown quantity, we expect to get a return in favor of some other industry in America by increasing the exports of that particular commodity. But that is no satisfactory answer to the industry that is now supplying 95 percent of that commodity to the American consuming public. However, that is not all; the chances are that, while you may increase that 5 percent to 25 percent or 50 percent, the increase in the export of some other article will be but a small percentage of that particular exporter's product.

The second suggestion of the Secretary of State was that the power should be exercised so as to deal with those commodities the imports of which have been substantially curtailed since 1929 as compared with domestic consumption. The same argument applies to this suggestion, and it is quite clearly the argument of a man who believes in free trade. This suggestion is virtually a complaint about the curtailing of imports. It agrees with the condemnation of the Democratic Party of the Hawley-Smoot tariff bill and cannot be effective in overcoming the domestic unemployment.

But the Senator from Colorado [Mr. COSTIGAN] would include in the bargaining list articles bearing a duty of 50 percent ad valorem and more. An industry requiring this sort of protection, I have no doubt, comes within the definition of an inefficient industry, which Secretary Wallace believes must be eliminated.

I think I have pointed out what must be considered the best evidence we have and what is contemplated by the proponents of this legislation, and I think if we could eliminate from consideration for a moment the great objection to placing this power in the hands of the President, we

would then reach the conclusion that the difference between Secretary Hull and the Senator from Colorado [Mr. COSTIGAN], on the one side, and those who believe in a protective tariff, on the other side, is the difference on this particular issue between the advocacy of a protective tariff and the advocacy of free trade.

But, Mr. President, one may get another glimpse of what the proponents of this measure have in mind by turning to page 114 of the hearings, from which I shall read a portion of the testimony of Mr. Sayre, Assistant Secretary of State. This particular portion of his testimony had to do with most-favored-nation agreements:

Mr. SAYRE. The purpose of the act is this, sir, to enable the President to extend these privileges or reduced duties not only to the country with which we negotiate the particular, specific trade agreement but to all other countries which perhaps have most-favored-nation treaties with us, to whom, of course, we would have to extend them. They would, indeed, be generally applicable unless the President should suspend their application as set forth in the language which I have just read.

Senator GORE. That does not quite go to my point.

Mr. SAYRE. Perhaps I did not understand the question, sir.

Senator GORE. Suppose the first agreement which you make under this act with some foreign country automatically extends its benefits to all other countries under the most-favored-nation clause. Then they have no motive to trade with us—they have what they want. How are you going to trade with them where they might keep out some of our goods that we want to get in?

Mr. SAYRE. I think I understand your point. The whole purpose of the program of trade bargaining is this, to restrict the commodities covered in the agreement with any specific country to commodities of which that country furnishes the chief source of supply of importation into the United States. Then, under our most-favored-nation agreement, to generalize those rates to other countries.

Senator GORE. It would be a dead letter so far as they were concerned. They would not have anything to come in under that, although they would have the privilege of coming in.

Mr. SAYRE. We have made careful study of some 29 different countries, sir, and find that each of them furnishes the chief source of supply of one or more commodities to the United States.

Senator GORE. Would it be contrary to your policy to list those countries?

Mr. SAYRE. I have already set forth a tabular statement in my testimony before the Ways and Means Committee, which I should like to have inserted here.

In that tabulated statement the countries are not named, but they are numbered. It would not be wise, I think, to name the countries, because it would give away some of our bargaining power by doing so.

More than that, Mr. President, it would do like this: It would give to some of us some idea about what they had in their minds. So they are perfectly secret about it all, and they give us the list of 29 countries and give us the number of articles which they are considering and the amount of the imports.

Senator GORE. So that you figure, as an actual matter of fact and practice, you would get from each country under this contract the products which it could raise which we require, and while you nominally permitted the other countries to ship the same sort of stuff into our market, they would not have anything to ship?

Mr. SAYRE. Speaking in round, general terms, they certainly would not have large supplies to ship, and our purpose in doing that is to generalize rates and to pull down the tariff barriers in a general way and apply them equally to those countries.

Mr. President, the list referred to appears on page 115 of the hearings. There are four columns, the first column showing the number of articles, the second the amount of imports based upon the 1931 report, the third column total imports from the particular country, and in the last column an effort is made to show the percentage of articles which are in mind compared to the total of the imports from that country. But some very careful student began an investigation to find out what was in the mind of the Secretary of State or the persons who had to do with compiling the list.

As indicated on pages 366 and 367 of the hearings, it will be found that the first country is Belgium. There is an analysis of what comes from Belgium. There is an analysis of what the Secretary of State said comprises the important items from that country with which we might deal. Then, we find a similar analysis with respect to Brazil, Czechoslovakia, Egypt, and other countries. The principal one is France with 84 articles. If we look at pages 371 to 373, we find those articles listed. This is perhaps the best evidence of what it is contemplated will be the articles which will come into this country. I ask permission to have inserted in the RECORD, at the conclusion of my remarks, pages 371 to 373 of the committee hearings, which contain the list of articles from France.

The PRESIDING OFFICER (Mr. BACHMAN in the chair). Without objection, it is so ordered.

(See exhibit A.)

Mr. HASTINGS. I want to mention incidentally some of the articles. Included in the number are shelled walnuts; cotton floor covering; other wool-knit goods; silk laces and lace articles; silk wearing apparel; vanilla beans; canned mushrooms; other silk wearing apparel; perfumery; bay rum; toilet water; silk pile fabrics; silk pile fabrics manufactures; wood furniture; silk broad fabrics; paper boxes; perfume materials, and so forth. By going through the whole list there is no doubt that each Senator would find some industry in his own State which is now protected by the tariff.

Mr. President, the list has a further advantage to which I wish to call attention. As an illustration, one of the commodities with which it is proposed to deal, I take the third article, shelled walnuts. The percentage from France coming to this country is 31, 64 percent coming from countries having the unconditional favored-nation clause.

If we make an agreement with France with respect to the tariff on shelled walnuts, as I have pointed out, and I think, made perfectly clear, the tariff can be wholly destroyed if the President cares to do it, because he is not limited to 50 percent. He can shift an article from one classification to another. He can shift the form from ad valorem to specific. He can reduce the rate by the Tariff Commission's recommendation 50 percent, in the first place, and when he gets through he can take it off entirely. When he does that with France on the one item, he does it 64 percent with China because of the favored-nation clause.

In the hearings to which I have been referring is a most interesting list showing how impossible it is for us to get the full value of what we may do with respect to the reducing of the tariff with one country because of that clause in the various treaties. It is true that in many instances France furnishes the larger portion of the imports, in the case of silk laces, and so forth, as much as 91 percent. That item would not be very greatly affected. I have picked out an article as to which 64 percent would come in without getting any compensatory contract of any kind.

Mr. VANDENBERG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Delaware yield to the Senator from Michigan?

Mr. HASTINGS. I yield.

Mr. VANDENBERG. The Senator is speaking about the French portion of the imports. May I remind him of the Tariff Commission's report a year ago which warns us of the so-called "padding" process by which European countries have become experts in putting their rates up in order to have something to back down on, so they lose nothing in the net transaction. With that in mind I invite the Senator's attention to the fact that on May 18 of this year it is proposed in Paris to increase the import duty on American films 3,300 percent. I do not know whether or not that is one of the padding processes for bargain purposes, but it beautifully illustrates the cycle of duress to which we can easily be subjected in this perfectly futile effort remotely to break even in one of these amazing transactions.

Mr. HASTINGS. I thank the Senator. That reminds me of a letter I have on my desk from a glazed kid manufacturer in my State calling attention to the fact that just recently—I cannot remember the country, but I believe it is Germany—the quota had been reduced from 100 percent to 35 percent beginning May 1, 1934. The letter asked me whether there was something that could be done about it. I have no doubt that the limitation placed upon the article is for the sole purpose of enabling the German Government the better to make an agreement with this country. That

coincides with and bears out the statement made by the Senator from Michigan upon that point.

Mr. FESS. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield.

Mr. FESS. I think the suggestion the Senator just made by the illustration of shelled walnuts is interesting. He referred to the fact that France is shipping to us 32 percent of our imports of shelled walnuts and other countries the remainder, although France would be shipping much more than any other one country. If we make reciprocal trade agreements in favor of France and the favored-nation clause is invoked by the other countries, how are we going to avoid doing with those countries what we have done with France?

Mr. HASTINGS. I think that is admitted. I think the proponents of the bill admit that that automatically works. We do not have to do anything about it.

Mr. FESS. Then, carried to its final conclusion, what is going to be the effect?

Mr. HASTINGS. The effect is going to be that, if in bargaining with a country which is sending to the United States 31 percent of our total imports of a given commodity we shall reduce the rate on that one item in order to induce that country to take some additional exports from us, we will admit 64 percent of the particular importation without getting any corresponding improvement of our exports from the other countries affected.

Mr. FESS. Precisely; and if it is carried to that final conclusion it would simply mean that the increased imports by favored-nation agreements would ultimately entirely destroy our domestic production.

Mr. HASTINGS. I think the Senator is absolutely correct.

Mr. FESS. If for any reason we do not have something compensatory to give to the other countries, then the other countries could openly charge that we are dealing with one country in a different manner than we are dealing with them, and it would be a source of international bad feeling.

Mr. HASTINGS. That is correct.

Mr. President, I have not had an opportunity to hear all the debate on this bill or to read all the record of the debate, though I have read most of it. I do not know whether or not the particular subject which I now desire to discuss has been discussed during the debate. I shall not take very long with it, and I think it is important.

It is being continuously stated that American tariffs have recently been throttling the trade of foreign countries and have been preventing the importation of many important commodities with which foreign countries might pay their bills to the United States, either for our exports or for their debt service. It seems worth while, therefore, to list our chief imports in the order of their importance in 1933, and to show the percentage change in the quantity of these items imported over the past 10 years.

Percent change in quantity of chief export items for the year 1933 compared with the 1921–25 average, and relative importance of the same commodities in total value of imports in 1933 [1]

	Quantity—percent of change in 1933 over 1921–25	Value—percent of total imports in 1933
Coffee	+18	8.6
Cane sugar	−29	7.4
Raw silk	+29	7.1
Newsprint	+51	4.7
Oilseeds and expressed vegetable oils	+24	4.3
Wood pulp	+49	4.0
Tin	+7	3.5
Crude rubber	+38	3.2
Hides and skins	−21	3.2
Total		46.0

[1] All figures presented herewith are derived from the latest Government reports.

The above items are, and for a long time have been, our most important import commodities, and all are duty free except a portion of the cane sugar and a portion of the hides and skins. From the figures it appears that, with the exception of cane sugar and hides and skins, the quantity of each item imported was much higher in 1933 than in the average year 1921–25, which the United States Department of Commerce has customarily used as a base period for measuring changes. The drop in importation of cane sugar is due primarily to the heavy tariff imposed on Cuban sugar for the benefit of domestic beet-sugar growers and cane-sugar producers in Hawaii and Puerto Rico, which, as Territories of the United States, do not pay duties and whose figures are not included in our general imports. In our own possessions we now produce many times as much sugar as is imported from Cuba or other foreign countries.

As compared with the base period, all United States exports in 1933 showed a drop of 62 percent in value but only 29 percent in quantity, and after the early part of 1933 both the quantity and the value of exports began to increase. The first quarter of 1934 has shown for all exports a value increase of 59 percent over the corresponding period in 1933 and an estimated quantity increase ranging from 15 to 30 percent.

It is striking that the sharpest decline in exports, both in value and in quantity, has been experienced in corn and in wheat and wheat flour, the aggregate drop for these three items being 94 percent in value since 1921–25, with almost as sharp a drop in quantity.

When major economic groups of exports are examined, it appears that the general trend of crude foodstuffs and manufactured foodstuffs has been definitely and upon the whole rather sharply downward in quantity as well as in value since the end of the war period. When crude and manufactured foodstuffs are excluded from the total, the estimated drop in actual quantity of goods exported in 1933 was only 13 percent under the base period 1921–25, as compared with a drop of 16 percent in the quantity of industrial production in the United States. For the year 1933 there was a slight gain in quantity over 1932.

Out of 44 important export items for which quantities are available, it appears that 18 showed an increase in 1933 over the base period 1921–25, while 35 out of 44 showed increases in 1933 as compared with 1932 ranging from 1 percent to 153 percent. With the exception of anthracite and refined oils, virtually every item failing to show an increase in 1933 was an agricultural product; and the sharpest declines were in those items, such as cotton, wheat, and wheat flour, for which the Government has tried to do most and in which prices have been forced to a point far above the world level.

It is further striking that out of 19 important manufactured export items, mostly machinery, equipment, and chemicals, only 6 in 1933 showed a quantity drop under the average for the base period 1921–25. In view of the curtailment of our potential exports of manufactured goods by the establishment of many branch factories abroad during the past decade and by our purchases of foreign factories, this showing seems rather remarkable. For the year 1933 nearly every important manufactured product showed a substantial increase over the preceding year, with the exception of cotton cloth of various kinds.

It is striking to find that out of 35 important commodities or commodity groups, 24 actually showed a greater proportion of the annual production exported in 1933 than in 1923. Further, of the 11 items important in 1923 which showed a decrease in relative quantity exported 10 years later, several of the more important showed only a negligible change, particularly copper, cotton cloth, and automobile tires. It is again noticeable that the really serious declines in relative importance of exports occurred in wheat, meat products, and corn, due primarily to the fact that other parts of the world have been growing more nearly self-supporting, as well as because of our attempts more recently to maintain artificially high prices.

One of the striking facts is that the production of our crude foodstuffs as well as of our manufactured foodstuffs was greatly and artificially stimulated by the World War. Since the period following the war there has been an almost uninterrupted tendency toward rather sharp declines in the quantity of these items exported, until in 1933 the quantity of crude foodstuffs had actually declined 60 percent below the 1913 period and 86 percent below the 1921 level. Also,

the quantity of manufactured foodstuffs exported had dropped one-third below the level of 20 years ago.

On the other hand, the quantity of crude materials exported in 1933 was actually 5 percent higher than in 1921 and only 8 percent lower than in 1913. Similarly, the quantity of semimanufactures in 1933 stood at the same level as in 1921; while the entire quantity of finished manufactures exported during the past year was about as high as in 1913 and only 18 percent below the 1921 level.

In this connection it is highly important to note that, contrary to popular misapprehension, our farm products as represented by crude foodstuffs and manufactured foodstuffs together, even in 1913 amounted to less than 21 percent of the value of all our exports; in the period 1921–25, when our export trade was very prosperous, they amounted to less than one-fourth of all our exports; and in 1933 these two economic groups amounted to less than one-eighth of the value of all exports.

On the other hand, finished manufactures and semimanufactures in 1913 constituted about 49 percent of the value of all our exports, and crude materials slightly over 30 percent. In the period 1921–25 finished manufacturers and semimanufactures also accounted for 49 percent of our exports, and crude materials amounted to almost 28 percent. In 1933 finished manufactures and semimanufactures amounted to 52 percent, while crude materials had risen to about 36 percent of the total.

The trends shown by these facts are unmistakable and should be seriously considered by those who believe that through any artificial price manipulation or tariff bargaining it may be possible within the near future to expand greatly the market for our agricultural produce. After examining the record, it would seem that no greater mistake can be made than to assume that a mere reduction in our import tariffs on manufactured goods will make it possible for foreign nations to take more of our agricultural products. Our agricultural production was greatly overstimulated by the war and the unsettled period following, but many of our important foreign customers have now learned to make themselves more nearly self-sustaining in the production of foodstuffs.

In normal times by far the greatest market and the surest market for the product of our farmers has been in the industrial centers of our own country. Even though during the past decade we tried to stimulate our export market for farm commodities by means of heavy loans, we have found it impossible successfully to "buck" the world tide which has been running against us. On the other hand, there is grave danger that serious reductions in tariffs for bargaining purposes might flood our market with foreign manufactures, thus throwing more people out of employment at home and thereby curtailing the domestic market for the product of our own farms, without gaining any reciprocal increase whatever in the foreign markets for our farm produce.

Mr. President, I ask that at this point in my remarks I may insert in the RECORD without reading it a table showing the increases in proportion to the decreases of exports between 1923 and 1933. This table gives a list of the articles, with the percentages, in 1923 as compared with 1933. Out of the 35 items there are 24 that show an increase, and only 11 that show a decrease.

The PRESIDING OFFICER (Mr. MCKELLAR in the chair). Without objection, it is so ordered.

The table is as follows:

Export of leading commodities in relation to production

	Percent exported—	
	1923	1933
ITEMS SHOWING INCREASE IN PROPORTION EXPORTED BETWEEN 1923 AND 1933		
Crude materials:	*Percent*	*Percent*
Cotton	48.7	65.6
Tobacco leaf	36.2	39.1
Crude petroleum	2.3	4.1

Export of leading commodities in relation to production—Contd.

	Percent exported—	
	1923	1933
ITEMS SHOWING INCREASE IN PROPORTION EXPORTED BETWEEN 1923 AND 1933—continued.		
Foodstuffs:	*Percent*	*Percent*
Canned sardines	39.8	[1] 51.7
Dried fruits, total	24.1	[1] 46.4
Canned fruits, total	18.8	[1] 28.2
Apples	3.8	13.2
Oranges	5.9	7.0
Grapefruit	3.1	6.8
Semimanufactures and finished manufactures:		
Rosin	63.0	[2] 64.4
Turpentine	37.2	[2] 55.5
Office appliances	15.1	[1] 30.3
Sewing machine cabinets, attachments, and parts	25.4	[1] 28.3
Agricultural implements and machinery	16.5	[1] 26.8
Printing and bookbinding machinery	12.1	[1] 24.7
Industrial machinery	[2] 12.7	[1] 15.9
Coal-tar colors, dyes, etc	10.1	[2] 12.6
Aircraft, engines and parts	3.3	[1] 12.2
Lumber and timber	6.4	[2] 11.2
Leather, total	9.5	[1] 10.1
Automobiles (passenger cars, trucks, and busses)	3.8	7.3
Electrical apparatus and machinery	5.5	[1] 6.6
Rubber manufactures	3.9	[1] 6.0
Paper and manufactures	2.9	[1] 3.6
ITEMS SHOWING DECREASE IN PROPORTION EXPORTED BETWEEN 1923 AND 1933		
Copper, refined	41.6	40.2
Lubricating greases	45.4	[1] 34.2
Refined mineral oil	19.4	[1] 16.3
Industrial chemicals (except specialties)	8.4	5.7
Cotton cloth (including duck)	6.1	[1] 5.7
Wheat	26.6	5.5
Meat products (including lard)	10.0	[1] 4.3
Bituminous coal	3.8	2.8
Automobile tires (casings)	3.0	2.3
Anthracite	5.5	2.1
Corn (and meal)	3.6	.8

[1] 1931. [2] 1932. [3] 1925.

Mr. HASTINGS. Mr. President, in this connection I desire to call attention to a statement made by the United States Tariff Commission, to the effect that the number of factory workers engaged in producing articles for export fell from 648,000 in 1929, the peak year, to 364,000 in 1931, a decrease, in round numbers, of 300,000 persons.

We have heard a great deal about getting our exports back to the high point of 1929, and we are urged constantly that if we can make these bargaining tariffs it will improve our export trade, and the improvement of our export trade will relieve us of unemployment, when the Tariff Commission itself shows that between 1929 and 1931, with a great decrease, a change in employment was effected of only 300,000 persons. They conclude:

> The aggregate decrease in employment resulting from the reduction in all exports (both agricultural and manufacturing) between 1929 and 1931 was, therefore, in the neighborhood of 500,000.

Matthew Woll delivered an address on March 6, 1934, showing that the American Federation of Labor was opposed to the pending bill, in which he stated:

> In other words, the Tariff Commission's investigation indicated in effect that if our exports were increased to the amount having prevailed before 1929 but 500,000 would be reemployed in both industry and agriculture. This represents less than 4 percent of our industrial workers who have been unemployed. Wage earners of America may, therefore, be rightly alarmed at the urgency of the proposal made to increase our exports when it is self-apparent that increased exports must necessarily be accompanied by an increase of imports, and therefore a consequent and perhaps greater loss of domestic employment due to an enhanced foreign competition in our home market.

Mr. President, the Secretary of State insists, and he bases his whole reasoning in connection with the request for this power, on the fact that there is a great emergency. The distinguished Senator from New Mexico [Mr. CUTTING] yesterday called my attention to the fact that in May 1932 there was also an emergency, and he called attention to the inconsistent position of Secretary Hull at that time compared with his present position; but, no doubt because he did not care to interrupt me further, he did not read into the record what was said at that time.

I desire to read from the RECORD of May 1932, at page 10637, from an address by Mr. Hull, who was then a Mem-

ber of the Senate. He was speaking of the veto message of the tariff bill passed in 1932. He said:

The President goes further and refers to the retention of the flexible tariff clause. At the time this clause was enacted I called attention in a speech in the House to the significance of this flexible-tariff policy and the effect of the proposed enactment of the present law in the following language:

"I am unalterably opposed to section 315 of the tariff act and demand its speedy repeal. I strongly condemn the proposed course of the Republican Party, which contemplates the enlargement and retention of this provision with such additional authority to the President as would practically vest in him the supreme taxing power of the Nation, contrary to the plainest and most fundamental provisions of the Constitution—a vast and uncontrolled power, larger than had been surrendered by one great coordinate department of government to another since the British House of Commons wrenched the taxing power from an autocratic king."

Mr. President, unless and until the executive department can make permanent the policy of the present Tariff Commission law, with its flexible provision, Congress can lay claim to some semblance of its taxing power under the Constitution, but I deny the right of the executive department practically to assume to arrogate to itself the chief power of tariff taxation in this country, while it ignores the great law-making body charged with that function and duty under the language of the Constitution.

The President dismisses this entire industrial and domestic trade situation, as it relates to tariffs, by the flippant remark that the Tariff Commission, through the operation of the flexible provision, will be amply able to raise or lower the tariff in response to all the sound needs and demands of industry and commerce in this country, both domestic and international.

There is an issue sharply presented as to whether this hand-picked high-tariff commission, under the domination of the President, who, at the same time, shows an amazing subserviency to the chief tariff beneficiaries of this country, shall be vested with the chief control of tariff making. I am opposed to it, and I believe that the sober second thought of the American people will repudiate this unprecedented and unusual and wholly unjustifiable arrogation of power and authority to the President.

He proceeds a little further by the Smoot-Hawley Act; and I want to say that if I had my way, I would offer a bill to abolish the present rather partisan Tariff Commission and seek the installment of a broad, impartial, fact-finding organization. I would repeal the flexible provision and restore to the Congress its rightful authority in tariff making.

Mr. President, I desire to discuss for a moment the matter under consideration when that speech was delivered by the present Secretary of State. I call attention to the fact that it was almost exactly 2 years ago when he spoke.

It may be that some of us have overlooked the fact that we passed a tariff bill in 1932. This was very clearly a Democratic measure, and expressed at that time, so far as I now recall, the leading thought of the Democratic Party.

I hold in my hand a copy of the veto message of President Hoover of that tariff bill, and contained in this pamphlet is a copy of the bill itself. I call attention to the following important features of that measure.

First. The recommendation of the Tariff Commission was to be approved by the Congress of the United States, and not by the President.

Second. No report of the Commission should be made until a public hearing was had and all persons interested permitted to be present and produce evidence.

Third. All investigations instituted prior to the approval of the act should be dismissed without prejudice; in other words, to undo all the Tariff Commission might then have under their control.

In addition to that the measure provided for a consumers' counsel, whose duty it should be to protect the public, and, incidentally, Senators might be interested in reading the act with respect to this item in particular:

(c) Within the limitations of such appropriations as the Congress may from time to time provide the counsel is authorized—

That is the consumers' counsel. Then in parenthesis—Senators have not heard this language for a long time, and will forget that it was ever written into a measure passed by Congress unless I remind them of it once in a while—is the following language:

(subject to the civil-service laws and the Classification Act of 1923, as amended) to appoint and fix the salaries of assistants and clerks, and is authorized to make such expenditure as may be necessary for the performance of the duties vested in him.

Here was a bill passed under the leadership of the Democrats, by the Democratic majority, providing for a consumers' counsel. The great cry of the Democratic Party up to that time had been that the tariff was an outrage upon the consumer. So it was the consumer they were undertaking to protect in the bill by providing that a consumers' counsel should be appointed, and then he should have help, and that help should be selected by him under civil service in order that it might not in any sense be partisan.

That, however, is not all this bill provided. The President was requested to initiate a movement for an international economic conference. That was not of very great importance. That was just a request.

In order to maintain competition among domestic producers and distributors, the consumers' counsel should be entitled to file complaint in the United States Customs Court, and the President was compelled to carry into effect the decisions of such court by proclamation.

Here was a very clear and a very definite effort to do something with the tariff that would eliminate the logrolling process about which so many people complain, and at the same time carry out the expression of the Democratic Party so violently and so strongly stated in September 1929, with respect to the Smoot-Hawley tariff law and the flexible provision under it. Here was an effort to do what they could to improve the tariff conditions, but they saw to it at all times that the Congress got a greater hold upon the tariff than it had had with the flexible provision as it was. There were all kinds of details set up as to what should happen when a recommendation was returned to the Congress. It was not possible to add anything to it except the items that had been considered by the Tariff Commission.

The bill gave to Congress the right to pass upon the tariff, but there were certain things with respect to competition which even the Tariff Commission could not work out satisfactorily, and it was, therefore, decided that the Customs Court should pass upon those questions.

Mr. AUSTIN. Mr. President——

The PRESIDING OFFICER (Mr. LEWIS in the chair). Does the Senator from Delaware yield to the Senator from Vermont?

Mr. HASTINGS. I yield.

Mr. AUSTIN. I ask the Senator if he will consider in this connection the fact that the proposal for an economic conference and the entering into of agreements was conditioned upon having Congress act upon any agreement that might be effected.

Mr. HASTINGS. In answer to that question I desire to read section 4 of that bill, so that I may be certain that my answer is correct:

That the President is respectfully requested to initiate a movement for an International Economic Conference with a view to (a) lowering excessive tariff duties and eliminating discriminatory and unfair trade practices, and other economic barriers affecting international trade; (b) preventing retaliatory tariff measures and economic wars; and (c) promoting fair, equal, and friendly trade and commercial relations between nations—

And this, I think, answers the Senator's question—

but with the understanding that any agreement, treaty, or arrangement which changes any tariff then in existence or in any way affects the revenue of the United States must first be approved by the Congress of the United States.

I desire to thank the Senator from Vermont for calling my attention to that about which I knew but had overlooked for a moment. I desire to say in further answer to his suggestion that the proponents of that Democratic measure were not satisfied with only that which the Constitution requires to be done—namely, to have the Senate ratify a treaty which has been negotiated—but they wanted to be certain that the other House of the Congress, which under the Constitution has the sole authority to initiate this kind of legislation, should also have an opportunity to pass on such treaty. Now the Secretary of State urges us to adopt the pending measure, saying that it is not practical to do those things which the Democratic Party favored, and points out to us how long it would take, and that we would not go far if it were necessary to go to the Congress to secure approval of tariff agreements. At the same time in an emer-

gency, and in a great emergency, the relief proposed was to do that which I have just described. They were not satisfied to provide one condition—namely, approval by the Senate of the United States—but they compelled such agreements as were made by the President to be approved by both Houses of the Congress of the United States.

Mr. President, that bill was passed in May of 1932. It was vetoed by the President of the United States. I ask that the whole veto message, which includes the bill, may be inserted in the RECORD at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See Exhibit B.)

Mr. HASTINGS. On July 2 of the same year, a little less than 2 months after the passage of that measure, which was proposed by the Democrats, Governor Roosevelt delivered his acceptance speech. In that speech he said with respect to the tariff:

> Go into the home of the business man. He knows what the tariff has done for him. Go into the home of the factory worker. He knows why goods do not move. Go into the home of the farmer. He knows how the tariff has helped to ruin him.
>
> Yes; at last our eyes are open, at last the American people are ready to acknowledge that Republican leadership was wrong and that Democracy is right.

Now, let us look for a moment at the Democratic Campaign Book under "The Tariff", and see whether the pending proposal in any sense carries out the pledge, the promise as it appears in that book. Bear in mind that what they are now doing is being done after an experience of 13 months. If one reads what was said by the Democrats in the campaign of 1932, he gets the distinct impression that the first thing that would be done would be to pass a tariff bill which would be effective and which would destroy this depression. The heading in the campaign book is: "The Tariff—the Smoot-Hawley Bill and Executive Meddling."

> THE DEMOCRATIC POLICY
>
> The consensus of opinion among economists and other disinterested students of tariff taxation, as evidenced by their published utterances, is that the existing high tariff act enacted by the Republican Congress in 1930 and the reaction thereto in the form of retaliatory tariffs and other trade barriers by the principal foreign nations of the world constitute the largest single underlying factor in precipitating the existing economic depression. Governor Roosevelt has declared that the main issue of this campaign is our present economic condition.
>
> The chief economic issue between the Republican Party and the Democratic Party is the tariff, and this issue most clearly exemplifies the Republican doctrine of special privilege as opposed to the Democratic doctrine of "equal rights to all and special privileges to none."
>
> The Republican Party favors a tariff upon imports sufficiently high not only to enable the domestic producer to undersell in the American market the like imported foreign product after adding the amount of the tariff, but also to add a huge profit to the production cost of the domestic article. This is called "protection of home industry."
>
> The beneficiaries of the high protective-tariff policy of the Republican Party are a group of manufacturers who have enriched themselves by pocketing the amount of the "protection"—or tariff bonus—when the rates are fully effective, in addition to their legitimate profits in manufacturing their products. They are the ones who supply in largest measure the campaign funds to the Republican Party in exchange for these tariff benefits.

Mr. President, I do not believe those who wrote that statement believed it to be true; but assuming that they believed it, and assuming it to be true, then I say when you shall have passed this bill you will have certainly taken away any further opportunity we will have along that line. I say, more than that, that when you shall have passed it the Democratic Party, now in control, will have a very much greater opportunity to deal and dicker with the tariff along that line than any Republican administration ever had. Heretofore, after the passage of the tariff act, all the Republicans could do was to show to the Tariff Commission that there was good ground for increasing a tariff rate because of the difference in the cost of production at home and the cost abroad, but today or tomorrow or some other day when you shall have passed this measure there will be passed on to the Democratic President an opportunity which will make the opportunity it is alleged the Republican Party had look like one of very meager and insignificant proportions, because you will not only have left him the power which was reposed in the Republican President, but the same party which condemned that power will have added vastly to it. I propose to put in the RECORD speeches made by Senators on the other side of the aisle condemning the flexible provision of the tariff act.

One would suppose it would not be possible within a period of 5 years thereafter that any one of the Senators who made those speeches would stand upon the floor of the Senate and vote for any tariff measure which contained that reprehensible clause. That clause, however, is nothing now; it is of little or no importance; it still remains intact so that the President may do what the chairman of the committee says he may do, make his own tariff with respect to all commodities by decreasing the rates of duty 50 percent. But that it not all he may do. He may, in addition to that, make an agreement with another country decreasing the rates 50 percent; and before he does that he may change the form of valuation from American to foreign, from a specific duty to an ad valorem duty, or from an ad valorem duty to a specific duty; and if he is not satisfied with that, if that does not meet his purpose, if he has somebody close enough to him who wants to get some campaign funds, as we are charged in this handbook with doing—and if it be true that that sort of manipulation has been going on in the Republican Party—it is not too much to charge that it will be resorted to by the Democratic Party, because, after all, whatever may be said about them, they have not any better morals than have the Republicans, regardless of what one may say about their tariff views, then the President may change the classification and put an article in a different schedule. That power is conferred by the bill, and you are going to pass the bill in that form, I suppose, and there is no way for us to prevent it. It is an additional power given to the Democratic President.

But that is not all, for, if the President wants to do so, he can wipe out all the rates of duty that my friends on the other side in 1932 struggled to place in the tariff act. He can wipe out the duty on imported lumber, upon which was placed a $3 tax in order to protect the lumber industry of this Nation. What is the poor man engaged in the lumber industry going to do when somebody representing the President says: "Look at what we said about the Republicans in our book in 1932; we called attention to the fact that the protected industries supply in largest measure of campaign funds to the Republican Party in exchange for tariff benefits; that I represent Mr. Farley, and I say to you who are interested in lumber if you do not 'come across' in the 1934 campaign, I will go and tell him; he knows the way to reach the higher-ups, and we will see to it that your $3 rate of duty on lumber is taken off if you do not 'come across.'"

Mr. President, I think that is an exaggeration; I do not believe they would go that far. I think it is a scandalous exaggeration; and I would not dare say such a thing if the Democratic Party in 1932 had not gone all over this land making people believe that that was true of the Republican Party; but if they were justified in making that statement with respect to what the Republican Party did, I say when they obtain 5 times, 10 times, 100 times more power than the Republicans had over their tariff measure, I have the same right to predict that somewhere along the line they will use the same kind of argument.

But, Mr. President, the Democratic handbook goes on and tells us what the Democratic theory is. Let us see what it is, and let us see how nearly they are carrying it out under this proposed act:

> The Democratic theory of tariff taxation is based upon the necessity of providing revenues to the Government—
>
> "Necessity of providing revenues to the Government." At a time when the President estimates that there will be a deficit of $7,300,000,000, they need to provide revenue for the Government—
>
> hence the phrase "a tariff for revenue only"—and providing fair competition between imported and domestic products, without injury to the legitimate domestic industries, and safeguarding of interests of labor.

Bear in mind "a tariff for revenue only"; then go through those documents and see what Secretary Hull's idea is about the tariff. When one reads the speeches made in 1929 and 1932 he cannot help but reach the conclusion that Secretary Hull has in his mind free trade, not "a tariff for revenue only"; and he cannot help but also reach the conclusion that when this bill shall have been passed he will have been given the opportunity—the first opportunity anybody has had in this country for generations—to establish for this country free trade; free as was ever known in any country in the world. As I pointed out yesterday, he will have been given the authority to destroy the tariff, and with that authority, if he has the inclination to do it, he will reach the conclusion that it is to the best interest of the country to destroy it.

And providing fair competition between imported and domestic products, without injury to legitimate domestic industries, and safeguarding of interests of labor.

I ask my friends on the other side, many of whom voted as I voted in considering the Tariff Act of 1930, many of whom joined with me in behalf of particular interests which I thought ought to be protected—I ask them if under all these circumstances, bearing in mind the attitude of those who are going to administer this proposed law, if they are willing to pass this great power on to one individual, hoping for the best? I ask those who are interested in oil, I ask those who are interested in lumber, I ask those who are interested in copper, if they believed it was necessary to impose tariff duties on those commodities to save those industries, what hope have they now? They have no hope at all, I submit, except their influence with the Executive and his assistants.

The present Democratic attitude on the tariff is expressed as follows in the national platform adopted at Chicago.

Mr. President, I beg of those who believe in platforms, I beg of those who read the emphasis the Democrats have placed on the importance of platform declarations, to compare this provision in their platform with the bill now pending before the Senate:

We advocate a competitive tariff for revenue, with a fact-finding tariff commission free from Executive interference—

What did they mean by "Executive interference"? I got the distinct impression that "Executive interference" there meant that the Executive was able, by some kind of manipulation, to control the tariff rates and they wanted to get rid of such "Executive interference." It is true they do not want "Executive interference" any more; it is true they want to get rid of "Executive interference." They want Executive control, and they want to get rid of congressional interference. That is what they are doing by this proposed act. They want to get rid of congressional interference and confine the tariff solely to Executive edict—

Reciprocal tariff agreements with other nations, and an international economic conference designed to restore international trade and facilitate exchange.

A fact-finding tariff commission, like that referred to in this plank of the Democratic platform, was established in the administration of Woodrow Wilson to supply information to the President and the Congress concerning possible changes in rates, to enable the President to recommend and the Congress to enact such changes. In the Fordney-McCumber Tariff Act, which became a law during the Harding administration, on September 21, 1922, a clause was adopted authorizing the Executive to increase or lower tariff rates 50 percent upon the recommendation of the Tariff Commission. This clause, known as the "flexible clause", was adopted under the false pretense that it would be repealed as soon as international trade conditions became normal. The inference was plainly given that its adoption was for the purpose of lowering excessive rates during that period of chaotic economic conditions, and not for increasing them. This pretense was long ago abandoned, and the Republicans perpetuated the flexible clause in the existing Hawley-Smoot Act, with the power to change rates 50 percent in the hands of the President. The last Congress passed an act restoring the rate-making power to Congress, which was vetoed by President Hoover.

From reading that statement, do you not get the clear impression, if the Democrats got control of the Congress and the Executive, that the very first thing they would do would be to repeal the flexible provision of the Tariff Act? But now, with full control, after having given it deliberate consideration, after having demanded that that be done, they are about to bestow on the President greater authority than was ever given to any President at any time; and they leave deliberately in the bill the very same flexible provision which formerly they so strongly condemned. Despite all the talk we have heard and all we have had to say about it, not a word of reply can we get from the other side of the Chamber as to why it is there. I hope before we get rid of the bill, before we dispose of some of the amendments, we will be able to induce the Chairman of the Finance Committee [Mr. HARRISON] to make at least one more speech, for we all enjoy his speeches, and became accustomed to them prior to his party securing control here. Then we heard much from him, but since that time and since he has become the head of the Finance Committee we find him very meager in his speech-making and very much lacking in his explanation of the inconsistencies which those on the other side of the Chamber now indicate by their acts with respect to the tariff.

Mr. LONG. Mr. President, does the Senator mean to intimate that he wants the Senator from Mississippi to be consistent on the tariff?

Mr. HASTINGS. No; I am just pointing out a few of his inconsistencies.

Mr. President, following my remarks I desire to have certain parts of certain speeches of certain Senators printed in the RECORD. Among them is a speech—a very eloquent speech, indeed—by the senior Senator from Idaho [Mr. BORAH] protesting against the flexible provision of the tariff. He has consistently opposed it. He condemned the Republican Party for adopting it, and made, as he always does, a very fine speech. I am not placing that speech in the RECORD for the purpose of showing that the Senator from Idaho is either consistent or inconsistent. I have stated that he has been constantly consistent. I am placing that speech in the RECORD because it was delivered in this body in September 1929, shortly after the effort had been begun to "smear" Hoover. That speech of the Senator from Idaho was in opposition to the position taken by the President with respect to the flexible provision of the tariff.

The point about it is that it made such a good Democratic document that the Democratic National Committee had 50,000 copies of it printed and distributed over the land.

Mr. President, the speeches to which I have referred, which I have carefully read, opposing the flexible provision of the tariff, have in these days, to my mind, a very distinct value with respect to the power that is constantly being given to the President. I think there is no more of a social reformer in this body than the junior Senator from New York [Mr. WAGNER]. If I were to be compelled to name the man in the Senate who comes nearest to being a member of the "brain trust", I should undoubtedly select the junior Senator from New York. He made a speech on October 1, 1929, a most carefully prepared speech. There are a few paragraphs which I should like to read in order that I may refresh the recollection of Senators as to the nature of the debate going on in the Senate at that time. The Senator said:

There have been in every tariff act commodities from which Congress deliberately withheld the full measure of duty based on relative cost differences for the benefit of the consumers. Under the flexible provision the President may impose the duty which had been deliberately withheld by Congress and flout the will of the legislature.

Let us not forget that this incomparable power—

Think of the junior Senator from New York [Mr. WAGNER] talking about "incomparable power"—

to enrich or impoverish, to build an industry or cut it down, to remake the economic geography of our country—all this power is placed in the hands of a man who is not only President but the head of a political party.

Does he use it with an eye to what is politically discreet? In the table of Presidential proclamations which appears in the CONGRESSIONAL RECORD I notice that the 14th day of May 1929 was a particularly busy one. The House tariff bill had just been brought in and words of protest were heard from widely scattered sections of the country. In the Senate the debenture debate was ruffling many tempers. That afternoon there appeared a brief Presidential announcement which proclaimed an increase of tariff on flaxseed, on milk and cream, and on plate glass. I offer no criticism of these increases, but I call attention to the interesting geographical allotment—flaxseed for the Northwest, milk and

cream for the Northeast, and, of course, the good State of Pennsylvania was not forgotten. It may be that all this was pure coincidence. Yet it is true that the distribution of this soothing sirup was peculiarly well timed. It is hard to believe that there was not a hurried search in Tariff Commission pigeonholes to find the appropriately mollifying reports to suit the political exigencies of the day. There was a prophetic note in the headline which appeared in the New York Times on the morning of May 14, 1929. It read, "Party wrangles in Senate curbed by Hoover tactics."

Mr. President, we are about to vote on the flexible-tariff provision, and it is appropriate that the precise limits of the issue between the President and the opponents of the Executive tariff should be clearly defined.

After the Tariff Commission has made an investigation and recommended a change in duty, who is to enact that recommendation into law? The President takes the position that he alone is competent to act with the necessary dispatch to afford adequate relief. It is my view that if a new duty is to become effective, if a greater tax burden is to be imposed upon the people of the United States, the change must secure both congressional and Presidential approval, as in the case of the enactment of every other law. The issue is not between a flexible and an inflexible tariff; the true line of division is between an Executive tariff and a congressional tariff.

Mr. President, I call attention to these facts for the sole purpose of showing that in the debate from which I have read it was constantly urged upon the country that the flexible provision of the tariff was not being honestly used; that it was being used for political purposes; yet if we dare make any suggestion here with respect to an improper use of the very much greater power that is proposed to be given to the President of the United States under the pending bill, I have no doubt that we shall be charged with being unpatriotic and injecting into the debate a question of partisan politics which ought not to be there.

Mr. President, if there be no objection, I should like to have printed in the RECORD the parts of speeches I have selected which were made in that debate. I had expected to read them; but if there be no objection to inserting them at the end of my remarks, I shall not detain the Senate longer but shall conclude my remarks at this time.

The PRESIDING OFFICER (Mr. WHITE in the chair). Is there objection? The Chair hears none, and it is so ordered.

The matter referred to is as follows:

[From the CONGRESSIONAL RECORD of Sept. 25, 1929]

Mr. GEORGE. Mr. President, the Senate has listened today to an unusual address by the senior Senator from Wisconsin [Mr. LA FOLLETTE], an address which, if followed carefully and closely and impartially, will demonstrate that the Tariff Commission under any administration is necessarily a partisan Commission; that the Tariff Commission cannot function under the present provision of law under any administration, Democratic or Republican, unless its recommendations accord with the political views of the Executive on the controverted question of the tariff. If the history of the Commission is examined with care, as it has been detailed by the Senator from Wisconsin in his address today, it must be conceded that the whole controversial question, a question upon which the political parties and men within political parties have differed from the beginning, and which is as acute today as it has been at any time in our history, cannot possibly be settled if the recommendations and findings of the Commission are adverse to the firmly held views of the Chief Executive.

It would be impossible to suppose the election of any man as Chief Executive of the Nation who did not have firmly fixed and even unyielding opinions upon the question of the tariff. It would be impossible to suppose the election of any man who did not have a firmly fixed and even unyielding opinion upon the oldest economic question, yet unsettled, before the American people. It is not only a question old with us but it is a question which likewise challenges the attention and disturbs the thought of statesmen in every land and under every form of government. How, therefore, can it be assumed that the history of any tariff commission will be other than the sordid story recited by the Senator from Wisconsin today when it is remembered that every recommendation of the Commission on any matter of vital importance must meet with the definite and positive rejection of the Executive unless the recommendation accords with the views of the Executive?

Mr. President, the Senator from Wisconsin in the course of his address made reference to President Hoover's appearance in the tariff debate. This extraordinary session of the Congress was called primarily for the purpose of giving relief to agriculture. Yet when the 12 leading farm organizations of the country, in a letter dated the 8th day of this month, complained that the tariff bill which had passed the House and which had come to the Senate, and which had the approval of the Senate Finance Committee, not only did not give relief but widened the present disparity between general industry and agriculture, Mr. Hoover was as silent as the tomb.

In every newspaper in the country at all independent in character the tariff bill now under consideration has been subjected to the severest attacks. In every section of the country it has been pointed out that the measure does not give relief to agriculture—and that has been the judgment of those who believed it possible to give relief in large measure through the tariff and of those who believed it to be impossible to aid very many of the chief or staple or important farm products through the tariff. And yet in the midst of the condemnation heaped upon the tariff measure now before us, in the midst of public criticism of it, by men and newspapers alike, through the many months that it has been before the public, Mr. Hoover has remained as silent as the tomb.

He threw himself into the tariff breach yesterday, and it is worthy of notice that he threw himself into that breach not when farm products were at stake, not when farm rates were involved, but when the chief demand of the highest protected interests in the country was believed to be in danger, to wit, the flexible provision of the tariff. Then he spoke. He found his accustomed boldness, the same boldness that sustained him in his direct fight against the farm bill itself when representatives of the farmer dared to write into it the debenture plan. Then he spoke. Though the Congress has been called to grant relief to agriculture, he has raised his voice but twice—once in direct opposition to what the farmers of the country wanted and again when the great industrial groups, not the farmers, were being hard pressed on the particular ground which to them means more than any rate of duty written into the bill. Then he spoke on the flexible provision.

There had been speculation in the country—speculation inspired no doubt, by the great respect in which men hold the Chief Executive of the Nation—concerning Mr. Hoover's position on the tariff. His silence, especially in view of two notable instances when he has broken it, indicates his complete acquiescence in every provision of the bill, or at least that he does not regard any provision as of sufficient importance to justify his assault upon it. However, the moment that the flexible-tariff provision is threatened, the moment that issue comes before the Senate, then Mr. Hoover in the second division of the special session called for the relief of agriculture, throws himself into the tariff discussion.

Here is the letter of the representatives of the 12 great farm organizations of America, calling attention to the absolute failure of those who believe in applying the protective principle to agriculture. Here is the letter of Mr. Gray, president of the American Farm Bureau Federation, specifically charging that the disparity between general industry and agriculture has not only not been bridged but that it has been widened by the bill now before the Senate. Yet not once did the President of the United States deem it advisable or proper to raise his voice in this tariff discussion. Not only has the President now raised his voice but his statement is a most remarkable one. He is not a new convert to the theory of the flexible provision in the tariff; he long has favored it. He favored it when it was enacted in 1922. It was then highly important; it is now more important. Though the troublous conditions which then prevailed have largely disappeared, though the world has moved away from the turmoil and the disturbance incident to the World War, it is now more important, and two reasons are assigned for its increasing importance. The first is that no tariff is perfect. The President seems to anticipate that the pending tariff act will be very bad, that none can be perfect.

It is therefore necessar, at all times to have someone or some commission clothed with the power to correct the mistakes of the Congress. The second reason is that in view of rapidly changing economic conditions at home and abroad it is more necessary now than it was in 1922 to retain the flexible provision in this proposed act.

The argument that it is more necessary at this time to retain that provision stands upon those two premises. I submit that the first cannot be urged with more justification than it could have been urged at the time of the enactment of the first tariff back in the early days of the Republic. Rapidly changing economic conditions at home and abroad do not any more justify the continuance or emphasize the necessity for the retention of the flexible tariff provision than the same relatively rapidly changing conditions at any time or at any particular period in our history have justified the enactment of such a provision.

The President then proceeds in his statement to remind us that under the flexible provision of the tariff the initiative is not with the President but that it is with the Commission of its own accord or upon the motion of some interested party; and he asserts that he cannot do anything with reference to the tariff until the Commission shall have acted, until it shall have submitted its recommendations; that the Commission, of course, is an independent body and not subject to Executive control.

Already the Senator from Wisconsin [Mr. LA FOLLETTE] has well answered that assertion, and has answered it in the only logical way that the answer can be made, by the simple recital of the history of the Tariff Commission since the day of the passage and approval of the flexible provision of the tariff. The President of the United States has the power to appoint the members of the Commission; under the decision in the case of Myers against the United States he has the power to remove every member of the Commission; and the history of the Commission has certainly illustrated the subserviency of the Commission under both Presidents; and it cannot well be otherwise.

Mr. GLASS. Mr. President——

The VICE PRESIDENT. Does the Senator from Georgia yield to the Senator from Virginia?

Mr. GEORGE. I yield to the Senator from Virginia.

Mr. GLASS. I call the attention of the Senator from Georgia to the fact that Mr. Hoover's predecessor in the Executive Office announced from the White House that these commissions were intended to reflect the Executive will.

Mr. GEORGE. I now remember, since my attention has been called to it by the Senator from Virginia, that that statement was made.

Mr. President, without any disposition unduly to criticize the President who went out of office on March 4 last, or to level any criticism against the character of the present occupant of the Presidential office, I desire to say that it is perfectly plain that President Coolidge did undertake to control and did control, in accordance with his announced purpose and intention, the Tariff Commission by controlling the appointments to that Commission.

It is already clear that Mr. Hoover, great administrator as he is, and familiar with the problems of administration, is not seeking so much to control the Tariff Commission through appointments as he is seeking to control the Commission through the control of key men in every position on that Commission. Even since the present session of Congress reconvened it is a matter of common rumor that an interested manufacturer, who thought that some information had come to the minority members of the Finance Committee helpful to a reduction of tariff rates, had actually appealed to the President to remove a particular and very capable expert in the Commission. As a matter of justice to the administration, I wish to add that that expert has not been removed; but under the pressure of business, before whose eyes are dangled what a former Senator from Missouri, the Honorable James A. Reed, used to call "money bribes" in the form of tariff duties—under that pressure Mr. Hoover undoubtedly will control the Tariff Commission by the placing of key men in all important positions in the Commission, who will reflect his economic views upon the long-controverted question of the tariff. I do not mean to say that a Democrat would not do likewise; indeed, the argument that I make might be as well made under a Democratic administration as under a Republican administration.

Further in his statement Mr. Hoover reminds us that the flexible provision of the tariff has not hitherto been made a political issue. The flexible provision, in its present form, of course, went into the act in 1922. That provision has been the subject of discussion from time to time since its enactment.

Finally, a case was made in the Supreme Court of the United States involving the validity of the act. The question has never been at rest. The President possibly means that the repeal or retention of the flexible provision has not been a partisan issue. Indeed, it has not been, because there have always been men on both sides of the aisle who believed that the flexible provision of the tariff should not have been enacted and ought now to be repealed; liberal men of all parties believe that it was a mistake to enact it and that it ought now to be repealed.

What is the necessity for the flexible provision of the tariff law? Is it to lower rates? Can it be imagined that any very serious economic harm will come to the country merely because it is found that a rate of duty is slightly too high upon a given commodity or any number of commodities? Certainly the necessity to continue the flexible provision of the tariff does not spring from the demand for a reduction of rates. It, therefore, can come but from one quarter; the demand for the flexible provision can be regarded as imperatively necessary only by those who are seeking to raise the duties upon imports. What serious harm can come to the American people through a delay even for the period of 1 or 2 or 8 years—the outside limit indicated by the President in his newspaper statement yesterday—in raising a rate of duty? If the particular commodity is representative of a great industry of the country, it is not conceivable that the Congress could not be convened and the attention of Congress directed to that particular matter.

In 1921 there was a revision of the tariff, limited very largely, which resulted in what was known as the "Emergency Tariff Act." In the very next year we had a general revision of the tariff. If the President would follow more consistently the policy and program of bringing to the attention of Congress by special message needed revision of the tariff within narrow limits, it by no means appears that the criticism made by the President is justified, to wit, that there cannot be a limited revision of the tariff; that Congress will take excursions into all of the schedules whenever the tariff is opened up. If that be true, then the President never intended a limited revision of the tariff on behalf of agriculture when he called the present extraordinary session of Congress. If, as he now asserts, there can be no such thing as a limited revision of the tariff, that a limited revision means a general revision—and that is the premise upon which he bases his contention that it is necessary to continue in operation the flexible provision of the tariff—if that be true, then I add to the statement which I at first made and say that the pending tariff bill has met the approval of the administration from the beginning; and not only that, but, on the logic of the President himself, he knew that a general revision of the tariff was not only inevitable but a general revision was invited when he issued his proclamation calling the extra session of Congress.

President Hoover is advancing the arguments that have been heard in one form or another at one time or another from those who distrust popular government and who deny the capacity of the people to regulate and govern their affairs through servants and representatives selected by them. If the Congress of the United States cannot be trusted to make needed revision of the tariff whenever our rapidly changing economic conditions make it imperative to do so, then popular government, the capacity of men to govern themselves with respect to this, the most important political action that can be taken by a people, is denied or at least is questioned.

Finally, the President yesterday said that "the flexible provision is one of the most progressive steps taken in tariff making in all of our history." The most progressive step taken in tariff making in all of our history! It is distinctly and decidedly a backward step; it is a step backward toward vesting in the Executive the power to levy and to collect taxes out of the pockets of the people. If that be progress, we made a fearful mistake when we brought on the Revolution, and spilled so much blood and spent so much money to establish, once and for all time, the principle that the taxing power must remain in the people, to be exercised only by representatives most directly accountable and responsible to the people.

I am not unmindful of the fact that the Chief Executive of this Nation is elected by the people, as Members of the Congress are elected by the people. I am not unmindful of the fact that the Chief Executive is responsible to the people just as Members of the Congress are responsible to the people. I am not discussing the matter upon that basis but upon the broad basis that the unnecessary concentration of power in the executive branch of the Government is a step toward monarchy, whatever be the form of government under which the monarch exists.

"One of the most progressive steps taken in tariff making in all of our history" is the final verdict of the President.

Mr. KING. Mr. President, before the Senator leaves that subject, will he suffer an interruption?

The VICE PRESIDENT. Does the Senator from Georgia yield to the Senator from Utah?

Mr. GEORGE. I do.

Mr. KING. Mr. President, with the Senator's permission I should like to emphasize a pertinent point raised by him. The Senator has called attention to the failure of the President to make any comment upon the pending tariff bill until yesterday. He has reminded us of the statement of the leader upon the Republican side [Mr. Watson] to the effect that the President had not taken any part in the questions involved in the pending bill, or in any controversies growing out of the same, and would pursue this course until Congress had acted upon the measure. The Senator challenged attention to the fact that upon the agricultural schedules, which are vital to the farmers of the country, the President had not spoken during the consideration of the bill in the House or thus far in the Senate.

In my opinion, the President acted wisely and with a due regard to the rights and authority of Congress in the consideration of this bill; but yesterday, notwithstanding the assurances of the leader of the majority that the President would maintain his attitude of silence, the President gave to the press a rather formidable statement upon the most important feature in the whole bill. When it was proposed in the Senate to strike from the bill the provision dealing with the flexible tariff, then the President apparently became deeply concerned. This provision confers upon the President power to increase duties and, in effect, to exercise legislative authority. In my opinion, the flexible provision was unconstitutional and conferred upon the President power which should never have been delegated and which no Executive should possess.

Apparently the President's interest is aroused when an effort is made to restrict Executive authority, to circumscribe his power, and to confine to the legislative branch of the Government—where it should be confined—the power and the responsibility to fix tariff rates, which means the laying of taxes upon the people. I regret exceedingly that the President has felt constrained to take the course indicated by the Senator from Georgia.

Mr. GEORGE. It is confirmatory of what all thoughtful men must have felt at the time of the passage of this act—that notwithstanding his high personal character, the Chief Executive of the Nation, without regard to his political views or his party alinements, would seek to hold fast to the power, once it was granted. Here, in the midst of a tariff battle, and under circumstances that call for a straightforward declaration by the Executive if circumstances ever called for such declaration, there is silence, continued silence, until the power vested in the Chief Executive is sought to be taken away or circumscribed by the Congress of the United States.

Mr. President, this tariff bill was prepared in the House Ways and Means Committee after long hearings; and it was a matter of common report, at least, that after the completion of the bill it was carried to the White House by its author, the Chairman of the Ways and Means Committee, the Speaker of the House, the leader of the majority party, and the Chairman of the Rules Committee of the House; and yet there was not a word said. At that time, Mr. President, I will not say the bill was more in accord with the views of the President, but it was not sufficiently out of harmony with the views of the President to evoke a condemnation of it in any particular; and it was more in accord with the wishes of those who desired to write and to perpetuate practically beyond the power of Congress to control them the highest rates ever written in a tariff bill in our history.

When this bill went to the floor of the House, when it came to the Senate and was referred to the Senate Finance Committee, it contained a remarkable provision. Under section 402 of the bill

it was provided that in selecting the base for the valuation of imported merchandise, the foreign or import value, whichever was higher, should be taken, as in existing law; that if the foreign or import value could not be found to the satisfaction of the appraiser, then the United States value should be taken; that if the United States value could not be found to the satisfaction of the appraiser, in that event production cost, or in certain circumstances the American selling price, should be taken. Not only was that true, but there was written into the bill the provision that the decision of the appraiser determining the base on which merchandise should be valued should be final unless an appeal was taken to the Secretary of the Treasury. Beyond the Secretary of the Treasury the appeal could not go. The right of the citizen could not be reviewed in the courts.

The Senate Finance Committee struck out that provision of the bill, be it said to the credit of the committee. We are well justified in asking whether that provision is dead or whether it only sleepeth, because it was in the bill when it came from the House; it was in the bill when it went to the Finance Committee; it was in the bill when and if the bill was presented to the Executive for his inspection, as was generally reported at an earlier day in the consideration of this bill.

That provision is mainly desired by those who do not hesitate to say that they have the right to demand an embargo in the home market, and who seek an embargo in tariff legislation at this time. If once the American selling price is taken as the basis upon which to compute the duty upon articles imported into this country, every exorbitant price, every monopoly price, every price fixed by an uneconomic industry existing in this country will be perpetuated. If that should happen, it would make little difference what rates were established. If the basis on which the rates are to be calculated is given over into the hands of the American manufacturer or producer, importations will virtually cease. Be it said to the credit of the present chairman of the committee that in 1922 and at this time he has stood unfalteringly against that provision and against that demand.

Not only, Mr. President, was this provision—which I will not longer discuss—in the bill when it passed the House and came over to the Senate, but section 330 called for the reorganization of the Tariff Commission, the other point of vital interest to those who so much desire the American selling price as the basis of value for the fixing or calculation of import duties.

It was provided that the Commission should be composed of seven members, to be appointed by the President without regard to the political views of the members; in other words, that the bipartisan character of the Commission should be destroyed. Be it said to the credit and to the honor of the majority members of the Finance Committee of the Senate that provision was stricken out of this bill; but, again, I ask my distinguished friend, the chairman of the committee, whether that amendment is dead or only sleepeth?

Mr. SMOOT. Mr. President——

The VICE PRESIDENT. Does the Senator from Georgia yield to the Senator from Utah?

Mr. GEORGE. I do.

Mr. SMOOT. All I can say is, that so far as I am personally concerned, it is dead.

Mr. GEORGE. I am delighted to have that assurance from the chairman of the committee.

Not only was there a provision for the reorganization of the Commission, for the making of a partisan Commission in terms, but there was inserted section 336 in lieu of section 315 of the act of 1922; that is to say, there was a complete change of the so-called "flexible provision" of the tariff act. The majority members of the Senate Finance Committee at first accepted that provision, not unanimously, I am glad again to say; but the Finance Committee by a majority vote of the Republican members of that committee accepted the new flexible provision which substituted equalization of competitive conditions for the present basis of the equalization of cost of production.

At first that provision, as I have just said, had the approval of the majority of the majority; but subsequently and at this time the majority members have presented what is in effect the present law with two particular changes, one of them exceedingly important: the other, as I think, not so important. The change has already been pointed out; but it is well enough to emphasize that the first change which we may notice is that the President now is to make his recommendations upon and is to await the findings of the Tariff Commission before he can proceed to act under the flexible provision. The second change is the definition of transportation costs, freights. That is an important provision of this amendment, and one that I shall not discuss this afternoon. I shall discuss briefly the general policy, without going into the particular provisions of the flexible tariff, and particularly into the definition of transportation cost as it now appears in the bill.

First, however, I desire to say that the last platform adopted by the political party represented by those of us on this side of the aisle declared for the—

"Abolition of logrolling and restoration of the Wilson conception of a fact-finding Tariff Commission, quasi judicial and free from the Executive domination which has destroyed the usefulness of the present Commission."

That was the demand in the platform of the party.

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In two other instances where decreases were ordered the American selling price was continued by the Commission.

Mr. President, I have already called attention to the fact that the present basis of the flexible tariff is equalization of costs of production in the United States and the chief competing country, while the proposed basis in the House bill is the equalization of competitive conditions.

The amendment of the flexible-tariff provision in the way proposed in the House bill would have reopened the question of its constitutionality. It may have been held unconstitutional if the basis were such an indefinite rule as was laid down in the House bill. Practically all the difficulties encountered in the administration of section 315 of the present law would still remain if equalization of competitive conditions had been adhered to as inserted in the House bill.

An attempt to analyze the phrase "equalization of competitive conditions" in the light of experience in administering the flexible tariff shows the rule to be unworkable and reveals conflicts of opinion certain to arise, and affords ample justification for the rejection of that basis by the majority members of the Senate Finance Committee.

Finally, and with this I am through with the House provision upon this question, the rule of equalization of competitive conditions involves, and necessarily involves, the exercise of judgment as to what is good or sound public policy.

Chief Justice Taft said in the Hampton case, in the case in which the validity of the flexible provision was sustained by the Supreme Court, that—

"The same principle that permits Congress to exercise its rate-making power in interstate commerce, by declaring the rule which shall prevail in the legislative fixing of rates, and enables it to remit to a rate-making body created in accordance with its provisions, the fixing of such rates, justifies a similar provision for the fixing of customs duties on imported merchandise."

It is not my purpose here or hereafter, Mr. President, to discuss the constitutionality of the flexible provision. That question has been foreclosed by the decision of the Supreme Court. But I do pause to say that there is no just analogy between the power given the Interstate Commerce Commission to fix freight tariffs or rates and the power given the Tariff Commission to raise or lower tariff duties within the limits prescribed by the act. There is no just analogy in point of fact or in point of history.

The power to fix freight rates was and is a judicial power in the sense that no rate can be exacted and collected by a common carrier of goods, passengers, or merchandise that is unreasonable and unjust. It was and had been from time immemorial an acknowledged jurisdiction of common-law courts to regulate freight rates. Yet the Supreme Court of the United States draws the analogy between the just and reasonable extension and application of a judicial power now vested in the Interstate Commerce Commission and of the power vested in the Tariff Commission to lower or to raise the tax, the import tax, which never has been the subject matter of review by any court established by English-speaking peoples.

Fundamentally the decision is unsound. It is based upon an unsound premise. It is based upon an indefensible premise. The rate-making power given to the Interstate Commerce Commission, says the Supreme Court, is the analogy upon which the like power to tax can be vested in a tariff commission.

Before we had an Interstate Commerce Commission, it was expressly ruled by the court, in recognition of an indisputable principle, that the rate-making power with respect to common carriers was a part of the jurisdiction of common-law courts, a part of the jurisdiction of ordinary courts of law. You could not make an unjust rate, or the court would strike it down. You could not make a rate that was against the public interest, because when the public policy of the State was declared, the contract contrary to the policy had to be declared invalid, and it was later held by the court, even after the passage of the Hepburn Act, speaking through its great Chief Justice—Mr. Chief Justice White—that the power to make the rate yet resided in the carrier. That rate, when made, had to be tested by the Commission in the application of the judicial power then vested in the Interstate Commerce Commission.

Mr. President, as strong as my attachment to our Supreme Court is, back of every freight rate stands the Constitution, stands the Supreme Court of this land, and no unjust rate can be imposed upon the public, nor can a confiscatory rate be imposed upon the common carrier. But the Constitution and the Court do not stand back of the action of the Tariff Commission. The power of the Commission is absolute. One is a political power, and never has been anything else but a political power since it was taken from the Executive, the king. The other is a judicial power, and never has been anything but a judicial power.

Yet the analogy is between the extension of the common-law jurisdiction of common-law courts to a body known as the "Interstate Commerce Commission", subject to the control of the courts, on the one hand, and the granting of the power to tax the money out of the pockets of the citizens, on the other hand, to a Tariff Commission and the President of the United States, a power which the President of the United States, even at this early day, unwilling to release, pleads for in the public press of yesterday.

Mr. President, the principal difficulties which have been encountered in the application of the rule of difference in cost of production at home and abroad may be summarized as follows. I summarize without elaborating at this time.

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Mr. President, when we consider the peculiar difficulties that have arisen in the administration of flexible tariff, some of which I have enumerated, we must arrive at the conclusion that the

Tariff Commission reaches its conclusions by no other process and upon no other basis and upon no other consideration than ought to be used by Members of the Congress in writing a tariff schedule or fixing a particular duty.

Let me quote from William McKinley, back in 1882, on the floor of the House, when he was speaking about an advisory tariff commission, in character very much like the commission now proposed by the amendment offered by the Senator from North Carolina [Mr. Simmons]. Mr. McKinley said:

"I cannot refrain from saying that we are taking a new and somewhat hazardous step in delegating a duty that we ought ourselves to perform—a duty confided to us by the Constitution, and to no others. It is true that a commission does not legislate and therefore its work may or may not be adopted by Congress. This is the safety of the proposition."

He was speaking of an advisory commission.

Now let me read the always pointed language of that always practical Republican statesman, Thomas B. Reed, long the Speaker of the House of Representatives, from the North American Review, December 1902. This is the answer to any kind of a flexible tariff administered by any commission, however selected. Mr. Reed said:

"But we can have sitting in perpetual session a body of men, nonpartisans, judicious, wise, and incorruptible. Yes; in your mind. You can have anything in your mind. Imagination is unlimited and it is very delightful to wander around among impossible possibilities. Just think of a nonpartisan free trader sitting on a tariff tax. Of course, he would be above any prejudice except his own." And I agree with Mr. Reed, "I saw one Tariff Commission sit in 1882 and its report was not enacted into law. All its mistakes were, and the result was satisfactory to nobody."

Is the Tariff Commission satisfactory to anybody? It is satisfactory to nobody, without any reflection upon the men who now compose the Commission, except those special interests that will as certainly aim to control it as night follows the day. It has been the history of the special tribunals vested with great power over business and industry that they fall ultimately into the hands of the powerful.

I myself have had occasion to change my own views upon this important phase of the question. Trained as I have been in the service of the courts and with a strong attachment and love and respect for the courts and for our judicial system, I have likened in my mind these special tribunals to our courts. But they are not courts, fortified by the traditions surrounding our courts. The tariff, whether good, bad, or indifferent, holds a money bribe before the eyes of the industry that can get its rates, and the industry under the influence of this bribe will one day control any special tribunal set up to administer its affairs and to pass upon and to control its destinies. I do not wish to be understood as aiming personal criticism at some of the men who now serve and who have served upon the Commission. I might do it, but I do not want to inject that into my argument.

It has been recited how at least one commissioner found no impropriety in sitting in a case in which his nearest relative by marriage, his wife, was directly interested until it became a matter of public notice, and he was finally persuaded to desist. Another member of that Commission was at first a lobbyist for pottery interests, then a member of the Commission, and now a lobbyist for pottery interests, verifying the adage and axiom. "Once a lobbyist always a lobbyist"; for he said before the committee that he was not here in the interest of anyone but merely in the interest of the public good. Then another member of the Commission, taken from the chairmanship of the Home Market League of Boston, transferred the fervor of his former calling as a minister of the gospel, I believe, to the service of special interests that demand protection, which to the fullest extent that lay within the power of Thomas Marvin have obtained it in every case considered by the Tariff Commission.

[From the CONGRESSIONAL RECORD of Sept. 26, 1929]

Mr. BORAH. Mr. President, I want to say something—and I hope to be brief—upon the merits of this proposition aside from what I deem to be its practical features as I have been discussing them. First, what is the extent and nature of the power which we are asked to delegate? I venture to say that there has never been anything like these proposals in the history of the United States; there is no precedent for them. There has never been an instance in which the Congress of the United States has undertaken to delegate any such power prior to the time when these delegations were proposed. They are without parallel or precedent in our history.

This is the House provision:

"In order to put into force and effect the policy of Congress by this act intended, the President shall investigate the differences in conditions of competition in the principal market or markets of the United States between domestic articles and like or similar competitive imported articles."

Mr. President, that covers every function, every intellectual effort that may be involved upon the part of the legislator when he writes duties in a bill of this character. There is first an effort made to ascertain the facts. They are ascertained, we will assume, as nearly accurately as practicable; but we all know that accuracy in that matter is simply impossible.

When the facts are ascertained, then comes the exercise of the judgment of the party who is to lay the duty. What is equality of competition as it is mentioned here? Into that enters transportation. Into that enters the conditions of the people in other countries. Into that enters labor. Into that enters the kind of government under which the people live, and the opportunity which they have to develop their individual initiative. Into that enters everything, and when that is finished at last, the party reflects and determines what in his judgment is equality of competition. When he has determined it, he establishes a rule, which is a rule of conduct for every citizen in the United States. In other words, he establishes a duty and it becomes the law of the United States, a rule of conduct which is the test of legislation.

Of course the Congress has the power to pass a law providing for certain contingencies. The law must be complete within itself. Congress also has the power in a law to provide that upon the ascertainment of certain facts, and the facts being promulgated, the law shall operate in this or that way; but the law must be complete. That which is necessary for a complete rule of conduct must be there.

The only thing Congress can delegate is the simple duty of ascertaining whether this or that particular fact is true, but when they attempt to delegate power to exercise judgment, or to reflect upon a proposition, or to determine a policy, and to write that into a rule that will become the law of the land, that is a power which, in my judgment, it is far from the power of the Congress to delegate; that is legislating, that is lawmaking, something we cannot delegate.

In the amendment offered by the able Senator from Utah [Mr. Smoot] it is provided that the President shall determine the difference between the costs of production at home and abroad. The House committee determined that that could not be done, that the results would be inaccurate and uncertain, that there was no way to arrive at that with any degree of accuracy. Hence, they declared that it was necessary to adopt a different standard, and, in my opinion, it is impossible to make such determination. But the exercise of those attributes of mind, those elements of mind, of reflection and judgment, are essential in the determination of both propositions.

Let us assume that when the Tariff Commission made a report it would make it to the Congress. What would the Congress do? The Congress would take the facts, ascertain as nearly as it could the conditions according to the facts, and then in its judgment write into the law what it deemed to be a proper duty under the circumstances.

What does the President do? He takes the report of the Tariff Commission, and, as shown by President Coolidge, he exercises his own judgment upon it. He does not say, "These facts show this as a mathematical proposition, and therefore I issue the proclamation." He says, "This does not appeal to me. This is not according to sound policy. This is not according to my judgment. Reflecting upon this matter I will do it," or "I will not do it." That is precisely what the Congress should do. The result of our action in both instances is precisely the same.

Mr. President, secondly, what power is it to which this delegation of power will relate? It is the power of taxation, it is the power of raising revenue, a power which has fundamentally, basically, peculiarly belonged to the legislative function in Anglo-Saxon history from its beginning. It is the most ancient of all legislative prerogatives. It comes down from the first meetings of the great council of the realm. There has been one power from which the Anglo-Saxon people have never been willing to divorce themselves, even under the most exacting conditions, or the most determined dominancy of great kings, and that is the power to raise revenue, the power to levy taxes. Yet, if we accept the argument of the President as he presented it on Tuesday, we are transferring to the Commission and to the President the power to say what duties shall be, and determine what taxes, if any, shall be levied, and what law shall obtain.

Mr. President, suppose we passed a bill here saying that every man should pay an income tax according to his ability to pay, and then appointed a commission to determine the facts, and authorized the President to determine the amount of the tax. If this provision here is sound, in my judgment that would be a power which we would be entitled to delegate, and a power which the President could exercise.

The true rule in regard to this, I believe, was stated by the President in his campaign. I had put this aside for reference before I read the President's statement on Tuesday, and I do not care to turn aside from my intended remarks, because while it may or may not express the President's view at this time it expresses mine. The President said:

"The Tariff Commission is a most valuable arm of the Government."

With that I agree. I would be glad to have a tariff commission with as nearly quasi-judicial powers as possible, to ascertain the facts and to have in mind, when they are ascertaining the facts, nothing but the ascertainment of the facts, and to report those facts to the law-making body and the tax-levying power of the United States, which is the Congress.

"It can be strengthened and made more useful in several ways. But the American people will never consent to delegating authority over the tariff to any commission, whether nonpartisan or bipartisan."

If this does not delegate that power, I cannot understand human language.

Mr. MCKELLAR. Mr. President, what was the date of that speech?

Mr. BORAH. October 15.

Mr. MCKELLAR. 1928?

Mr. BORAH. Yes. He continued:

"Our people have a right to express themselves at the ballot upon so vital a question at this."

Quite right. It is fundamental. The people have a right to say, when they are voting for their Senator or their Representative, what their view is and what their policy is with reference to tariff, free trade, tariff for revenue, protection, ample or less ample.

That is something, in the language of the President properly construed, that can never be delegated to an irresponsible body. I say "irresponsible." I mean irresponsible to the people themselves—a body which they cannot select, elect, recall, or control. Upon the question of how much tax they shall pay, they have a right to vote. If not upon that question, pray what question would be interesting to the people?

There is a disposition in this country to transfer all power which is a vexing and troublesome power to some commission. It makes campaigns more agreeable. It shunts responsibility and avoids criticism—

"There is only one commission to which delegation of that authority can be made. That is the great commission of their own choosing, the Congress of the United States and the President. It is the only commission which can be held responsible to the electorate."

What does that language mean? It means that the people are not willing to part with the power of laying taxes and to delegate it away from those of their own choosing. That has been the fundamental principle of Anglo-Saxon jurisprudence and Anglo-Saxon history from the first meeting of a legislative body. Kings have lost their heads in contending for this power, and men have been willing to die that the people be not deprived of the right themselves to elect those who are to lay upon them the taxes.

There is no subject over which government assumes to exercise authority of more concern to the government and citizen alike than the subject of taxation. When the citizen faces the government in the matter of taxes he is practically helpless, save when he chooses to appeal to the sovereign right of revolution. The tax which the government exacts he must pay. To pay it may imperil or ruin his business; it may take the roof from over his family; it may impoverish his children and deny them the advantages of education; but the will of the government is supreme and remorseless. Taxation has a thrilling history. It is the bravest and also the sorriest chapter in the history of the English-speaking race. It is the story of liberty, of free and independent citizenship; a story, in short, of free institutions. This the fathers understood quite as well as we understand it.

And this the fathers heeded far better than we seem disposed to do. How carefully, how persistently, they undertook to place the power of raising revenue, of imposing taxes, where it was least likely to be abused and where those who must pay the taxes could most immediately and wisely interpose political check in case of its abuse—political check, that the revolutionary spirit so often invoked in the past might not be invoked again. The House of Representatives are elected every 2 years—the House alone can originate bills for raising revenue. The Congress alone may impose taxes. The principle of government underlying taxation they thoroughly understood. But when you think of the burden of government in these days, the crushing weight of expenditures increasing year by year, one must conclude that the power to impose taxes is even more vital than when the Constitution was framed—it is the power of life and death over the citizen; it is the power to destroy. We are accustomed when speaking of the history of taxes to refer to the kings who have lost their heads or their crowns in attempting to impose taxes without the consent of the people. But I am interested in a more homely and a more common tragedy, that of millions of men, women, and children who daily make sacrifices that they may meet the burdens of government. I want to keep the power to levy taxes close to those who pay the taxes and do the voting.

The fathers provided that the House should originate measures of revenue, and they placed the power there. In the name of God, let us keep it there! It is not the question of an hour. It is not the question of a day. It is a question of years—I trust of centuries—and whether we are going to preserve this Government as it ought to be preserved and make it the obedient instrument of the people.

If Congress instinctively senses its inability to discharge the duties imposed upon it by the Constitution, if the Congress would evade or shirk the trust reposed in it by the people, let it at least summons the courage to propose openly through an amendment to the Constitution these fundamental changes, this redistribution of power. If Congress hungers for political subserviency, if it covets the ignominious role of display without power, of debate without authority, will we not as a parting act of courage and self-respect propose that the fundamental law be changed? Are we not willing to give the people a chance to say whether they wish the taxing power to be reposed in one man? We should not seek through subtlety, through trickery, what we dare not propose openly before those who sent us here. I do not know of a more shameless betrayal of a public trust than that of surrendering the power with which we are temporarily intrusted than of evading the obligation which for a brief season we have been willing to assume.

An ex-President of the United States said a few days ago that the President of the United States enjoys greater power than any living sovereign. Woodrow Wilson once said to me, or said in my presence, that he shuddered when he thought of the power which he possessed as a President. He is Commander in Chief of the Army and Navy. He is in charge of the foreign affairs of our Government. He has practically the war-making power, because he may so conduct foreign affairs that the declaration of war by the Congress is a formality. He has the veto power; the pardoning power. He has the appointing power of all the officers in the Federal Government. The Supreme Court of the United States has now decided that he has the dismissing power. No Senator who has served very long in this body will underestimate the influence of that power. No Senator who has witnessed the subtle influence of the appointing power upon legislation will underestimate that power of the President.

Truly, as has been said, the President enjoys more power than any living sovereign. Shall we delegate now the most exceptional power, the most delicate power, the most precious power of the people also to the President of the United States? Not this President. Let us dismiss that idea. Individuals and persons have nothing to do with this debate. But shall we turn over to the Executive, with all his tremendous powers, the additional power which enables him to levy duties as a practical proposition which the people of the United States are to pay? Mussolini was put to the inconvenience of seizing power, but we as a Congress are going like a bastinadoed elephant, bowing at the feet of the President and surrendering to him the power which the people repose in us.

Something is happening here, my friends, which the fathers of the Constitution never dreamed of. In studying and discussing the question of the division of power—the legislative, the executive, and the judicial—they surveyed the whole field of experience and the entire realm of thought as to what might happen. Hamilton and Madison were deeply interested in the subject. Madison said that the accumulation of all power—legislative, executive, and judicial—in the same hands may be pronounced as the very definition of tyranny. He further said in the same discussion that power is of an encroaching nature and ought to be restrained from passing the limits assigned to it. It was a subject in which they felt profoundly, and they undertook to survey the conditions under which that power might be frittered away from one department to the other. But they never dreamed, nowhere discussed, and nowhere contemplated that the Congress of the United States would voluntarily surrender its power. It never entered their minds that the people would elect a Congress which from time to time and year to year would voluntarily surrender its power—as one Member of the other body said, get rid of the details, get rid of our troubles; leave us a debating society.

My friends, I am not going to discuss today the legal question, although I do want to say a few words in regard to it. The flexible-tariff provision is not a new subject with me. I have been opposing it ever since it has been proposed in the Congress. If I may be permitted to say so, I voted against the last tariff bill because, among other reasons, it was in that bill. I regarded it of such a grave nature that I have not yet felt that I could surrender my views in regard to it. I declared then that the law as passed in 1922 was unconstitutional. I know that the Supreme Court has decided that it is constitutional. I cannot follow their reasoning, though I must bow to the decision. Perhaps it is for us to accept the decree of the Court and go forward. But even if we do that, the question of policy would remain.

The Supreme Court decides these matters under different circumstances than those under which we enact laws. When a congressional enactment goes to the Supreme Court, the Court gives an immediate presumption in favor of the law. It gives every presumption in favor of the power of Congress to enact the law, and it often determines such questions upon that presumption. But I wonder what the members of the Supreme Court would do as Members of this body if each and every one of them were sitting here and called upon to delegate that power where they were free to exercise their judgment relieved from the presumption that Congress acts within its authority and relieved from the presumption that Congress intended to delegate power which it had the power to delegate.

I thought, when I read the President's interview, what would President Hoover do if he were a Senator here from some State sitting upon the question? Does anyone think, judging his history and judging his character by his history, that he would give up any power he possessed if the Senate of the United States attempted to delegate it away?

We are sitting here determining a policy, notwithstanding the decisions of the Supreme Court. Let us review these decisions briefly, because I must not detain the Senate more than a few moments longer.

The case to which we go back and to which all decisions go back when they seek to find authority for this kind of delegation of power is the famous case of the brig *Aurora*, decided, I think, in 1809. At least, it involves the law known as the "non-intercourse law", enacted under President Jefferson. That law forbade the importation of goods from Great Britain and France.

The law provided, however, that in case either France or Great Britain should revoke their decree, revoke their pronouncement with reference to neutrality, then upon the instance of that revocation the President would so declare and trade be resumed. The law itself provided that upon the promulgation of that fact the law should operate so-and-so, and that the two countries should be permitted to trade.

That is the decision to which we go back when we are seeking for the beginning of authority for this delegation of power. But, Mr. President, that was a complete law in itself. There was nothing for the President to determine except a specific fact, to wit, that either of the governments have revoked their decree. That

rule has never been doubted. That is the rule in all the State courts. The test is this: If the facts may be definitely stated and accurately ascertained, then the power may be delegated to do the particular thing based upon those facts.

Then came the case of Field against Clark, so far as this particular question is concerned. The law, enacted under President McKinley, provided that certain products should come into this country free—molasses, hides, and some other things. But the law provided that in case those countries from which those goods were coming should enact a law imposing duties upon our agricultural products, then, upon the ascertainment of that fact and the President of the United States pronouncing it, certain duties provided in the law—not made by the President, not determined by the President, but specifically provided in the law—should go into effect.

That law was complete within itself. The duties were specified. There was nothing left except the fact as to whether or not a duty had been imposed such as the President believed constituted want of reciprocity.

In that case there was a division of the court. Justice Lamar and Chief Justice Fuller dissented, and while, of course, the decision of the Court as a decision established the law of that case, I cannot read the dissenting opinion without coming to the conclusion that the sounder law and certainly the wiser policy were stated by the dissenting justices.

Then, Mr. President, came the case of Hampton against the United States, decided in Two Hundred and Seventy-sixth United States Reports. The Court passed upon the law of 1922 and held that law constitutional. Here we come to the first instance in which the Court jumped clearly from the ascertainment of a fact, where the power was not given to levy duties, over to the proposition of the ascertainment of a fact and the finding and levying of duties, the establishing of duties. The law was incomplete because it was necessary for the President to establish the duties and proclaim them before the law became complete. With all due respect to the Supreme Court of the United States, that decision was a great surprise, I will say, to me. But if it establishes the law in that case it only enjoins upon us more definitely the proposition of guarding our rights here as a law-making body.

The policy is for us to establish. I ask in all sincerity, and I ask my able friend from Pennsylvania [Mr. REED], if that is the law, if the Congress may delegate to the President upon ascertaining the difference between the cost of production at home and abroad, the power, according to his judgment, to declare what the duties shall be, and thereby piece out the law to make it complete, where are we going to stop?

If we transfer to the Executive the power we here propose to transfer, when and where shall we halt in our mad and reckless generosity? If we set the pace, what Congress may we hope will have the integrity of purpose, the courage, and the patriotism to stay the craven surrender of power now going on and to put an end to this chronic renunciation of the obligations given to and imposed upon us by the Constitution? Precedents established by timid or indifferent men will be cited by sincere and conscientious legislators upon the assumption that they were honestly established. If we are justified either by the Constitution or expediency in giving the Executive this authority to deal with customs revenue, is there any convincing argument to be adduced against granting equal authority over income taxes and all other taxes? Why should we surrender the powers which so clearly belong to the law-making department? What a shirking, apologetic admission upon the part of Congress that it is unworthy of the trust. What a shameless confession upon our part that representative government is a failure. No more unworthy public servant slimes his way through the corridors of the Government than the public servant who evades or barters away solemnly imposed obligations. There is something to be said for the public servant who weighs well his public duty and fails. There is something to be said for the man who dishonors his place of honor but leaves it all intact for a competent and faithful successor. But there is no plea to be made for the man who goes out and seeks from the people these places of honor and trust, of obligations and power, and then surrenders them over to another. This is an act for which there is no defense to be found.

The argument is made that this transfer of power is born of necessity, that the construction of the Constitution permitting this transfer arises out of the inherent necessity of the situation. This doctrine of necessity has even found its way into the decisions of the courts. Necessity, as has often been said, knows no law, regards no constitution. When I hear men appeal to necessity in justification of their acts, I am bound to conclude that they thus admit they cannot find any justification for their course within the terms of the Constitution. If the Constitution, or any reasonable rule of construction, would authorize this delegation of power, there would be no occasion to invoke the doctrine of necessity. That is an argument that is made solely and alone in the absence of constitutional authority. This word "necessity" has an ancient and unsavory reputation. It is closely associated with arbitrary government. It smacks of personal power. It has always been the plea of the lawless. It has no place in constitutional government. There may be reasonable and just grounds for changing and rewriting the Constitution. If so, let that appeal be made to those alone who are authorized to change it. But so long as the Constitution stands, the plea of necessity can never be heard without disregarding every principle upon which our form of government rests.

Mr. President, there have been two books lately written, which are very interesting books, and I think very great books. One was written by Lloyd Paul Stryker, a lawyer, of New York, which is entitled "The Life of Andrew Johnson." The other was written by that brilliant young writer, Claude G. Bowers, and is entitled "The Tragic Era." Both books cover practically the same period in American history, the most regrettable and unfortunate period in our entire history—that is, the reconstruction period. The Constitution was tested even beyond the test of civil war. Acting under passions born of the recent struggle, guided by a spirit of revenge rather than a spirit of justice, strong men searched the Constitution for power, for authority to do those things which the wise framers of that instrument never intended should be done. The authority could not be found. Baffled and discouraged in their search for authority to justify their acts and deeds and wholly unable to find it, they raised the old cry of necessity. The necessity of the situation. Under this plea they proceeded to put this Constitution to the severest strain yet recorded in our history.

The student of that period rises from his survey of those events with a deep-seated distrust of all constitutional plans and all constitutional arguments which must be supported and propped by the plea of necessity. Once the plea is admitted, where is the limitation of power? Once the plea is accepted, and who will be bound by the authority thus invoked? Once the plea is admitted, and there is no constitution except the will and purpose of those who happen to be in power at that particular period.

But if those acting under the fierce feeling of internecine strife are not to be pardoned—and, in my judgment, they are not—what will be said of those who raise the plea, the fierce, demoralizing plea, in times of peace, in times which admit of reflection and considered judgment? Let us conserve and preserve the principles of the Constitution faithfully and religiously until the people remake that Constitution. There is no excuse to be given for any other course. Such excuses as may be conjured up do credit neither to our integrity of mind nor our sincerity of purpose.

Necessity has no proper place in our vocabulary when we are exercising the constitutional powers of this Government. We must either find the authority in the Constitution or we must halt and go back to the people and ask the people if they themselves want to delegate that power. Upon no other principle can a republican government long endure.

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Mr. WALSH of Montana. Now, Mr. President, to the matter before us.

The essential feature of the provisions under consideration contemplates the transfer of a part of the taxing power, as the present law transfers a part of the taxing power, from the Congress of the United States, the legislative branch, to the President, the executive branch. Whatever technicalities may be appealed to in this connection, there is no doubt at all that the power is thus given to the President of the United States to raise or lower duties on imports, and thus in effect to exercise the taxing power.

It is urged in behalf of this legislation that in the first place the Congress is unequal to the task of determining with that accuracy with which it ought to be determined the question as to what the rates should be upon the basis of the principle proclaimed, the difference in the cost of production at home and abroad; second, that it is unable to grant relief where relief is necessary with the celerity which is requisite to preserve industries that are threatened by foreign competition. These reasons were elaborated in the address with which this discussion was opened by the Senator from Utah [Mr. SMOOT], and were repeated in the interview with the President published in the papers on yesterday. They are, however, epitomized in the report of the committee which accompanies this bill. I read from it:

"In recognition of the obvious inability on the part of Congress to ascertain with exactness all the essential facts relating to the myriad items in a tariff act and to fix effective protective tariff rates to meet constantly changing competitive conditions, Congress in section 315 of the Tariff Act of 1922 empowered the President, after investigations by the Tariff Commission, to adjust and readjust the rates fixed by statute (subject to the limitations prescribed), so as to equalize foreign and domestic costs of production."

But, Mr. President, the power of the President in the premises was limited. He is authorized to raise or lower the duties only to the extent of 50 percent of the rates prescribed in the bill.

The first question is, Why should there be any such limitation? If the Congress is unable accurately to fix the rate under existing conditions, or if the necessary celerity in the dispatch of the business cannot be attained through action by Congress but must be reposed in the President, why should his power be limited to 50 percent?

Take the case of pig iron, for instance: This bill, it is said, has been framed upon the basis of equalizing the differences in conditions of competition, and the Senate Finance Committee conceives that in order to do that it is necessary to raise the rate on pig iron just 100 percent. If 100 percent is necessary in order to equalize the differences, why should not the President of the United States be given that power? If it is the purpose to remove injustices and to correct errors in the bill, why allow them in part to remain?

Likewise, Mr. President, if a rate is too high and there no longer remains any difference in the costs of production of that particular article in this country and abroad, why should the President be restrained in his power to reduce the rate to a

nullity, or to such a degree as to equalize the difference in the cost of production at home and abroad, however low it goes?

Moreover, why should we undertake to fix the rates at all? Why not just declare in the bill what commodities shall go on the dutiable list and what commodities shall go upon the free list, and then provide that the Tariff Commission shall ascertain the difference in the cost of production with respect to these commodities at home and abroad and give the Tariff Commission power to fix the rates?

It is a very simple thing. We could say these things go upon the free list, the other things go upon the dutiable list. Then the Tariff Commission could be authorized and directed to ascertain the difference in the costs of production, and the President would fix the rates accordingly.

If we gave that power to the President, what would be the difference in principle between that and giving him the power to raise or lower the rates 50 percent? No one thinks of granting any such power as that to the President. It would be perfectly obvious, under those circumstances, that we would be granting to him a power which the people reposed in us.

Why was this extra session called at all? If the Congress is unequal to the task of ascertaining with reasonable accuracy what the difference is between the cost of production at home and abroad, or if the necessary celerity of action cannot be secured through Congress, why was this extra session called?

It is said that, in addition to agriculture, some specific industries are in a depressed condition because of competition from abroad. Then why go farther than the agricultural rates and refer to the commission the obligation and the duty to ascertain what is the difference in costs of production in those lines of industry that are supposed to be suffering and delegate the power and move the commission to act in those specific cases? Is not the logic of the situation that the resolution of the Senator should have been adopted and the relatively few suffering industries among so many that are prosperous be relegated to the commission and the President under the flexible provisions of the law?

Mr. President, the rule which ought to govern in this matter is expressed in very persuasive language in a work on Limitation of the Taxing Power, written by Mr. Gray, recognized as a standard by lawyers, in which the author says:

"Legislative power is a trust for the whole people which the legislature cannot transfer. The best safeguard of equality in taxation, as well as in other subjects of governmental action, is in the responsibility of the legislature to the people. So long as the power of taxation is directly exercised by the popular representatives, each section having its representative, the burden is far more likely to be distributed evenly among the people than if the power is exercised by some person or body not directly responsible to the whole people or perhaps not chosen by them.

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Mr. WALSH of Montana. After that bill was reported containing the provisions to which I have called attention, argument followed upon the floor of the Senate against the constitutionality of that feature of the measure, and eventually the provisions so assailed were eliminated, and those which now appear in the law were substituted in their stead.

Another change was made with respect to language which I shall now read:

"Whenever the President * * * shall find it thereby shown that the duties fixed in this act do not equalize the said differences in conditions of competition in trade, he shall, by such investigation, ascertain said differences and determine and proclaim" now observe "changes in classification or forms of duty or increases or decreases in any rate of duty."

In the revised Senate committee amendment the words "forms of duties" were eliminated. The argument had evidently alarmed the sponsors for the bill, and an effort was made to free it from its more vulnerable features.

The Smoot amendment and the present law are the same in that respect. They both omit the words "forms of duties" but retain "changes in classification."

"Changes in classification", as I understand, relates to changes from one paragraph to another where a different rate prevails, and "changes in forms of duty" I understand to be a proposal to change ad valorem duties to specific duties, or vice versa.

Mr. President, if we can constitutionally grant this power to the President, why should we not give him the right to transfer specific rates to ad valorem rates in order to equalize the difference in the cost of production? Evidently Senators on the other side, enlightened by whatever discussion took place upon the floor, concluded that they had better not take a chance on giving any such power to the President. So I believe it has been the reasoned conclusion of the Senate of the United States that an act would be unconstitutional framed in the language of the House provision of the bill before us.

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Mr. WALSH of Montana. Let us recur, Mr. President, to the reasons that are offered why we should grant this extraordinary power to the executive branch of the Government—that the Congress cannot do the work well; that it is diverted from this duty with so many other important obligations; that it is impossible for the Congress to determine accurately the differences in the cost of production or the differences in the conditions of competition; that many injustices will thus creep into a tariff bill and that it will take a long time to get them corrected; in other words, that the President can do these things very much better than the Congress can.

That is the song that has been sung by despotism throughout all the ages. That is why it is that all power in Italy is vested in Mussolini, because the representatives of the people are inadequate to the task of legislation imposed upon them. That is the reason why the Cortes in Spain has become no longer an active legislative body and all power has been assumed by Primo de Rivera. Pilsudski believes that the Diet of Poland is incapable of discharging the important duties that should devolve upon it, and thus he absorbs all the power of the State. Louis XIV expressed the same view in an epigram.

Let us, as suggested by the Senator from Idaho [Mr. BORAH] this morning, avoid giving any countenance to doctrines of that kind subversive of every principle upon which our Government is established. The Tariff Commission ought to be continued to discharge the work for which it was created. We should not impose upon it the obligation to levy duties—and that is what this scheme amounts to, because it is perfectly obvious to everybody that the President cannot possibly devote the necessary time to it, that his connection with the thing will be largely nominal. To repose any such power in the President or the Tariff Commission is not only violative of fundamental principles of government but it is contrary to sound business principles.

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Mr. TYDINGS. Mr. President, I should like to submit a few brief remarks against the flexible provisions of the pending tariff bill giving the President, as they do, a power which is lodged in the Congress under the Constitution. It has occurred to me in listening to the various arguments on both sides of the question that if the advocates of the flexible tariff provisions are right in their position their position could very well be enlarged and applied to all the other powers granted by the Constitution. Briefly, I should like to carry out that illustration to see where the Government would come if the policy now before us should be adopted.

Section 8 of article I of the Constitution gives to Congress all of the power that it possesses. It has not one single, solitary power that is not either expressly or impliedly stated in section 8 of article I. The President's powers are also stated in the Constitution, it being the thought of the framers that the Government would be operated in various departments—executive, legislative, and judicial.

The first power given to Congress is the power with which we now have to deal, and I wish to read it from the Constitution:

"The Congress shall have power to lay and collect taxes, duties, imposts, and excises, to pay the debts and provide for the common defense and general welfare of the United States; but all duties, imposts, and excises shall be uniform throughout the United States."

The thought is that we will give to the President the right to lay taxes by enabling him, if the bill is passed in its present form, either to increase or decrease the taxes on goods coming into the country. If that is wise, if it is sound, if it is far-seeing, if it is right, let us see how such a policy would apply to some of the other powers granted to the Congress under the Constitution.

The second power given to Congress is "to borrow money on the credit of the United States." Therefore let us set up a board of financiers in the country, let us constitute a financial commission of the big bankers of the United States; and when they see fit to tell the President to borrow money, no law of this body will be required. It is just as sensible to have the financial experts advise the President when money should be borrowed as it is to have the tariff experts advise the President when tariff rates should be raised or lowered.

But let us go a step further. Let us take the next power, which is "to regulate commerce with foreign nations and among the several States, and with the Indian tribes." I will revert to that later. Let us pass on to the raising of an Army. Congress now has the power "to raise and support armies."

Let us set up a board of generals who know what an army should be, who understand what poison gas, machine guns, and tanks are needed, what personnel and what training are required; and instead of Congress fixing the number and the kind of soldiers who shall be in the Army and providing the amount of equipment they shall have and the money to maintain the Army, let us have this military board advise the President and give him the right to raise an army of a million men overnight or decrease it to 5,000 men as he sees fit.

Let us go to the next power, "to provide and maintain a navy." Let us set up a board of admirals. They are experts in that particular field. They know how many guns are needed on battleships, how many destroyers are required, how many submarines are needed, how many airplanes must be in the air, what shells must be made of, the speed of ships, and the personnel that is to be placed upon them. Let us have this board of admirals say whether we shall build cruisers or not build cruisers, and whether we shall build battleships or sink battleships. Why not? It is just as sensible to have the naval experts advise the President and for the President to have the power to act as he sees fit on this subject as it is to have the tariff experts advise the President and have him exercise the power to tax, a power which Congress now exercises when it lays taxes on imports.

What is another of the powers given to Congress? "To provide for the punishment of counterfeiting the securities of the United States and current coin of the United States." There would no longer be need for us to have courts to deal with such matters. There would be no use to have a writ of habeas corpus or a bill of rights. Just give the power to the President, and if someone is

guilty of counterfeiting and the President happens to be a despot, he can hang the man if he sees fit without reference to courts. We do not need any laws on the part of Congress. We would have no right to exercise that power.

Does the Senator from Utah [Mr. SMOOT] advocate that the President of the United States should have the power at his disposal to decrease and increase the number of battleships and cruisers and the number of sailors and officers in our Navy whenever he sees fit to take action in this matter and without reference to Congress? Of course he does not! Does the Senator from Utah advocate that the President of the United States should have the right either to make a larger army or a smaller one than we now have without reference to the will of Congress? Of course he does not! Why, then, is the Senator from Utah not willing that the power to lay taxes, which the bill will take away from us and give to the President, should not be retained in this body? If all the other examples I have set out are unwise or are wrong, why is this particular example right, the exception to the rule?

Suppose we had a Presidential election and a President and the Members of the House and one-third of the Members of the Senate of one political party should be placed in power. Suppose they would write a new tariff bill just as it has been written here. Suppose the bill should be so iniquitous, so obnoxious, and so ill-advised that the people would rise in their righteous wrath and defeat the Members of the House who helped to frame it at the next election, and that a new House of Representatives would come to take the place of the old one. Could they get rid of the excessive rates if the Tariff Commission and the President had the power to fix them? Of course not, because even though the new House would pass a new tariff bill reducing the rate, it would come over to this body, which could not be removed until 4 years after the act had become a law, and, therefore, the proposed change would die, although the people of the country would be in a revolt against every provision it contained. The answer would be, "We have just had a new tariff act."

Notwithstanding a new House had been elected in protest—a House from the people, a House representing the people of the country more than this body directly represents the people of the country—notwithstanding that fact, we would not act on the Senate side of the Capitol. "There will be no tariff legislation at this session of Congress" would be the slogan. "If you have a case needing change, go down to the Tariff Commission and through the Tariff Commission up to the President and there you will get the relief which you seek. We have surrendered to the President the power which was once in the hands of those directly elected by the people."

Mr. President, if we needed more to show that the purpose back of this measure is simply expediency and not a philosophy of government, not a political belief, not a strong conviction, it is the fact that no other power now granted to the Congress would we dare delegate to the President as it is proposed to delegate power to him under this provision. We surrender the right to collect taxes; we say, in effect, Congress never ought to collect them. The President can change the schedule of tax levies 5 minutes after he has signed his name to the bill if this flexible provision remains in it. We might as well have passed no bill, because the voice of the people is then stilled as far as Congress is concerned. The only man who can reduce or change a schedule is the President of the United States. We may have had good men for President. They may have been well equipped. They may in the past have had fine characters. But we should remember that good fortune does not always bring the best-equipped men to public office. There have been brought to public office in the past men who have lost their heads upon the guillotine, men who have been dragged from the throne of power by an outraged people, men who have been driven into exile shortly after they had been elected. But in this country we say we are always going to have such a President of the United States that the power to tax by him will not be abused.

Let us turn the picture which I have just painted around and look at it from the other side. Suppose the flexible-tariff provision had been in force 2 years previous to 1922 or, to use an ill-advised expression, suppose a "radical" President, one who was not in favor of a tariff, was seated in the White House, would Senators on the other side of the Chamber be in favor of keeping the flexible provision in the tariff law under those conditions? Of course not. No voice louder than that of the Senator from Utah would be raised in this body in favor of repealing the provision. He would say that it would be an abuse of power if it should be exercised by one not in line with the philosophy of this particular bill; but so long as one in line with the philosophy of the bill has the exercise of that power it is right, it is constitutional, and so forth.

I want to say to Senators on the other side of the Chamber who wish to see this bill enacted into law that if this provision shall be retained in it, there will be more than one Senator on the other side who will live to regret it, who will hang his head in shame when he sees the result that will flow from the abuse of this power placed in the hands of a President without the discretion and the balance to use it properly. We have previously had Presidents who thought in terms of liberty, not in terms of money; and they have been among the greatest in this Republic, though they would not be adapted, perhaps to the complex business conditions which now exist throughout the Nation. We may again have a President like that, and, so far as opinion is concerned, he might be on the side opposite to that of those Senators who now favor the measure. Would they want him to exercise the power granted by this flexible tariff provision? I am not arguing the expediency of the matter. I have simply presented the picture to show that the President may not always be relied upon to exercise the power as Senators now contemplate it will be exercised; and if we shall adopt this policy in one case, if it is right in one case, should it not be adopted in all?

There is no analogy between the Tariff Commission and the power proposed to be given to the President on the one hand and the power heretofore given to the Interstate Commerce Commission. The Interstate Commerce Commission is the creature and arm of Congress; it belongs to Congress. The President has not a thing to do with it except to appoint its members, by and with the advice and consent of this body. The members of the Tariff Commission, however, under the flexible provisions of the tariff law, are nothing more than Presidential clerks charged with the duty of digging up such information as the President may require. He may, in effect, discharge or promote them or disregard their advice whenever he wishes to do so. We have not given to the President a legislative power in the Interstate Commerce Commission Act, but we propose to give to the President a legislative power in the flexible provision of the pending tariff bill.

Mr. President, the first break in the dam is always a little one, but the flood is frequently a catastrophe. Nations sometimes make their present history by a small event which happened 50 years previously. In 1922 we departed from a distinct philosophy of government. Our country was prosperous; it had obtained peeminence in the world in the field of commerce. There are always persons who want to tinker with the carburetor when the engine is running well. Such men were present in this body and in the other House in 1922. We had exercised the power to enact tariff legislation before 1922 without the flexible-tariff provision, and, so far as I know, it did not result in great danger to the Nation.

The Congress had taken care of tariff matters for more than a century previous to 1922 without any injury to the Republic. We then turned our back on that policy, under which the fixing of tariff duties was a duty devolving absolutely upon us, and not upon the President of the United States.

Let us turn over to another section of the Constitution—for that is what we are really debating—the policy and the power of the Congress. What are the duties of the President? The Constitution provides what shall be the qualifications of the President and then goes on to say that he is to be the Commander in Chief of the Army and the Navy and Militia, that he may secure the opinion of the officials who serve under him on any subject he may wish, and that he shall have the power, by and with the advice and consent of the Senate, to make treaties, and so on; that he shall have the power to fill vacancies, and shall from time to time give to Congress information on the state of the Union. The Constitution says that the President shall be the executive—not the legislative—head of the Government.

What do the Senator from Utah [Mr. SMOOT] and the Senator from Connecticut [Mr. BINGHAM], or the other advocates of this measure, care that men marched through the snows of Valley Forge for the right to express their will through their representatives in our Congress? What does the Senator from Utah care that men died through 4 years of civil war to preserve this Constitution written as it was and in all that its spirit and letter imply? This is the break in the dike; we have been tinkering around this very weak spot for a long while, and now we are going to hit it, to open the crack and destroy the legislative branch of our Government. Once open it, and remember you will be eventually on that side where the water escapes down into the valley, where the catastrophe is impending, and to none will it come quicker than to the business interests of the country, once the people find that they cannot through their representatives change the law of the land.

Men have smiled at such remarks as I am making through all the centuries; there have always been men to scoff. There have always been those who could not see that power wisely used today may not be so wisely used tomorrow.

I suggest that instead of writing into the pending bill the flexible tariff provision it would be a good idea to write into it a repeal of the thirteenth amendment, which I should like to read, because it is particularly apropos at this point. The thirteenth amendment as it now stands reads in this fashion:

"Neither slavery nor involuntary servitude, except as a punishment for crime whereof the party shall have been duly convicted, shall exist within the United States or any place subject to their jurisdiction."

The minute, Mr. President, you take from the people the right of their representatives to levy taxes and put that right in the hands of a man who can practically perpetuate himself in office for 8 years, you repeal the thirteenth amendment in effect, because we are all economic slaves, and the only difference is that we have a little hope in 8 years of removing our bonds, where under most forms of slavery that hope cannot be entertained.

There is an amusing side to this controversy which I think is worthy of mention. I remember in the campaign of 1924, when the then Senator from Wisconsin, the senior LA FOLLETTE, was a candidate, when Republican orators were going all about the West saying that LA FOLLETTE was attempting to tear the Constitution from its base; that he was attempting to tear down the institutions of Government because he advocated some amendments to the Constitution. It is surprising that those who applauded on that occasion should sit in the Senate some years afterwards and see the son of that same Senator standing here struggling to maintain the Constitution in all of its letter and spirit and vigor, while those who then opposed his father are trying to tear it down in the most dangerous fashion that has ever been attempted.

Mr. President, if this amendment shall be adopted, if it is right to take away the taxing power from the representatives of the people and give it to the President, then let us give all other powers to the President. Let the Navy be regulated by a commission of admirals; let the President have the power to decrease it or increase it at will; let the Army be regulated by a commission of generals, and give the President authority to enlarge it or decrease it at will. If it is right in one instance, it is right in every instance; and if it is wrong, no argument can make it right. Certainly if those who favor the flexible-tariff provision are not willing to concede that the President be given other similar powers, then their case is none too strong. To give part only of such power is wrong; it may be less wrong, but it is wrong just the same.

The adoption of this amendment will mean that Congress has formally said to the President of the United States, "Henceforth you, not the representatives of the people, shall lay taxes in this country."

Mr. McKELLAR. Mr. President, I sometimes wonder what we are coming to. I sometimes think we have reached the point where men and women in this country have little respect for anything. One would think that the officials of this Government would concern themselves somewhat about the Constitution under which they are officials; but we find that from the highest to the lowest they pay very little attention to it.

I quote just a word from the Constitution:

"He" meaning the President "shall from time to time give to the Congress information of the state of the Union, and recommend to their consideration such measures as he shall judge necessary and expedient."

And yet we find the remarkable spectacle within the last day or two—I believe on Tuesday, to be exact—of the President of the United States making a recommendation about legislation, and paying no more attention to the Congress than if it did not exist. He made no recommendation to the Congress, but he joined in the newspaper debate; and I find another remarkable thing about that communication, Mr. President: Although this communication was made on September 24, 2 days ago, no Republican Senator has even put it in the RECORD. It is not officially before us, and I am going to put it in the RECORD now. Some of our Republican friends, I believe, have repudiated it. At any rate, some of them have denied the propriety of the President's saying anything at all.

[From the CONGRESSIONAL RECORD of Sept. 27, 1929]

Mr. TYDINGS. If the Senator from Texas will yield to me for about 2 minutes, I should like to point out that the Senator from Ohio [Mr. FESS], while not intentionally, of course, has been somewhat unfair in his statement. There are any number of men who believe in the principle of a flexible tariff who do not believe, however, that the power under the flexible provision should be placed in the hands of the President of the United States. To argue for the flexibility of the tariff is one thing; to argue that the President shall exercise the power given under the flexible provision of the law is another thing.

There are many Senators in this body who are not opposed to the pending amendment who would not be opposed to having the flexible provision retained in the law were the power under it to be exercised by some agency of the Congress. What we are contending against, as the Senator from Ohio is contending to the contrary, is that Congress should not give up its power to lay taxes and transfer that power to the President of the United States. Mr. Chester Gray is with those of us who take the view that Congress should retain that power. He is not with the Senator from Ohio, who has just put his letter into the RECORD, because Mr. Gray wants the President eliminated so far as the exercise of that power is concerned.

I can see the logic and the force and the wisdom of having some agency set up between that may take care of injustices and inequalities which may develop in any tariff law, the passage of one bill and the enactment of another, but we can do that without surrendering the legislative power to the Executive of this country. If such a measure shall be offered, drawn along fair and proper lines, I will be inclined to support it, but I am unalterably opposed not to the flexible provision itself so much as I am placing the power to exercise that flexibility in the Executive, who is not the lawmaking branch of the Government and has no more right to lay taxes than has the Chief Justice of the Supreme Court, who heads the judicial department of the Government. Why not transfer the authority under the flexible provision to the Supreme Court and have judicial determination of questions arising under it, rather than transferring the power to the Executive? It would be just as logical and just as reasonable.

I only rose, I will say to the Senator from Texas, to point out that the Senator from Ohio in his argument has placed those who oppose this amendment in the position of being opposed to the theory underlying the flexible tariff provision, when, as a matter of fact, many are in favor of that theory but opposed to the transfer of legislative authority to the Executive.

[From the CONGRESSIONAL RECORD of Oct. 1, 1929]

Mr. TYDINGS. Oh, no; I hope the Senator will not do that.

The way the Senator from Kansas proposes to bring this question fairly before the Congress is, not that it may be fairly and scientifically debated, but to wave the bloody shirt of partisanship; to inject the heat of the last Presidential campaign into it, and to drive a little bit of party heat into this so-called "great, scientific, and intellectual discussion, the tariff question."

The Senator from Kansas also neglected to state that the real issue here is not whether the flexible provision should be or should not be inserted in the law. The real issue is whether Congress or the Executive branch of the Government shall exercise that power. Why did he not debate the pending question?

If the Senator from Kansas is hoping to write a tariff bill on that sort of basis, it will be even worse than that which can be conceived of the President exercising the taxing powers given him in the flexible provisions of the bill now before us.

Mr. TYDINGS subsequently said: Mr. President, I desire to announce that under laws passed by the Mexican Congress the President of that Republic has the power to raise and lower and make tariff taxes or duties. I have in my hand a number of translations of decrees issued by the President of Mexico and one by the President of Guatemala. This power has been in the Mexican law at least since 1885. I should like to have these translations printed in the RECORD. I also have prepared an American decree such as might be issued by the President of the United States in line with the decrees issued by the Presidents of Mexico and Guatemala. I should like to have all of these printed in the RECORD.

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"TARIFF DECREE BY THE PRESIDENT OF THE UNITED STATES

"(Plutarco Elias Calles model)

"TREASURY DEPARTMENT

"The citizen constitutional President of the United States of America has sent me the following decree:

"'Herbert Hoover, constitutional President of the United States of America, to the inhabitants of these States makes it known:

"'That under the extraordinary powers granted the Executive of the Union by the Hawley-Smoot Tariff Law of 1929 I have seen fit to issue the following decree:

"'TARIFF

"'*Transitory provision*

"'This decree will become effective on the day of its publication in the United States Daily.

"'Therefore, I command that it be printed, published, circulated, and duly carried out.

"'Executed in the White House, Washington, on the 1st day of the month of April of 1930.

"'HERBERT HOOVER.'

"ANDREW MELLON,
"Secretary of the Treasury."

[From the CONGRESSIONAL RECORD of Sept. 27, 1929]

Mr. CONNALLY. Mr. President, I listened with a great deal of interest to the very learned and earnest Senator from Ohio [Mr. FESS], who concluded his remarks a little while ago.

I heartily agree with the sentiments expressed by the Senator in his closing words, when he made an appeal that Senators in this Chamber should demean themselves as Senators of the whole Union rather than Senators of any particular geographical section. I suggest to the Senator from Ohio that he carry that idea a little further, and enjoin upon Senators the duty, at least in considering changes in fundamental policies, of acting as Senators for all of the people of the United States rather than to be willing to change a fundamental governmental policy in order that industry may have a quickly efficient and easily handled agency to give it a special and selfish service whereby to raise protective tariff rates whenever it may please, at the expense of all of the people of the United States.

Mr. President, the Senate is soon to vote upon section 336 as embodied in the amendment submitted by the Senator from Utah [Mr. SMOOT] and known as the "flexible-tariff provisions." In 1922 for the first time the Congress adopted the policy of giving the President of the United States the power, first, to change a rate of tariff; second, to change the classification of a commodity; or, if his purpose to fix tariff rates cannot be accomplished in either of those fashions, then to change the basis of valuation from the foreign valuation to the domestic valuation or the American selling price.

For myself, Mr. President, my conviction is that that power, surrendered in 1922, ought to be recaptured by Congress and redeposited where it belongs, in the legislative department of the Government.

But it is said that the Supreme Court, in the case of *Hampton* v. *The United States* (276 U.S. 394), has held it to be constitutional to give this power to the President as it was given in section 315 of the act of 1922. But, Mr. President, that decision is not binding on the Congress of the United States. Congress may, and should, repeal the law which it construed. It is not binding upon our policy or our course of future action. But let us just for a moment examine the reasons which actuated the Court in Hampton against The United States in upholding section 315.

The Court's action was based upon the theory—and it was only a theory—that under that section Congress had authorized the President merely to find particular facts, and, upon the finding of those facts, then to put into operation tariff rates already fixed by the Congress. But, Mr. President, section 336 as now proposed goes far beyond section 315 of the existing law. The amendment of the Senator from Utah proposes, first, to give the President the power that he now has under section 315, and then there is to be superadded a further power. Let me read it just for a moment.

It is provided that in exercising the power of fixing a new tariff rate or the power of transferring a commodity from one classifica-

tion to another or of transferring from the foreign valuation to the American selling price, the President shall bear in mind the following things with this qualification:

"The President, insofar as he finds it practicable, shall take into consideration," and so forth.

Mr. President, in that language, "insofar as he finds it practicable", is introduced much more than authority to find facts. Therein is vested the widest exercise of judgment or discretion on the part of the President of the United States. Is it the finding of a fact to determine whether or not a certain element is practicable of application? Does not that involve the exercise of judgment on the part of the President—discretion, if you please—the exercise of will and of choice?

The President may consider these elements or factors, or he may reject them. But the crowning authority that the Senator from Utah seeks to give to the President under this clause is contained in subsections (3) and (4).

The President may or may not consider "(3) Advantages granted to a foreign producer by a foreign government, or by a person, partnership, corporation, or association in a foreign country; and (4) transportation costs and any other advantages or disadvantages in competition."

By the employment of that language, "any other advantages or disadvantages in competition", this bill, if adopted by the Senate and by the House, will give to the President the option of considering any factor or any element which might appeal to his judgment or to his discretion. After the enumeration of certain factors which he must consider only if he finds them practicable, then the blanket authority is granted the President to consider any other advantages or disadvantages. The determination as to whether the thing is an advantage or not is the exercise of judgment and discretion.

The question, then, as to what particular advantages or disadvantages the President may select, necessarily, involves judgment and action upon the part of the President.

Mr. President, it seems to me that it cannot be reasonably contended here that the power that is granted to the President by this section is merely the power of finding facts. The Supreme Court of the United States, in the Hampton case, assumed that Congress was speaking the truth when it said that the President was to find facts and facts only.

Mr. WALSH of Montana. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. WALSH of Montana. I wanted to inquire of the Senator whether the Supreme Court in its opinion canvassed these elements of discretion and judgment to which our attention has been called?

Mr. CONNALLY. From my reading of the opinion, I did not so understand it. It simply used the term "the differences in costs of production."

Mr. WALSH of Montana. In other words, these matters involving judgment and discretion on the part of the President of the United States in arriving at a conclusion were not canvassed at all in the opinion?

Mr. CONNALLY. That is as I read the decision. But let me say, Mr. President, that the Supreme Court of the United States in its endeavor to uphold a statute of Congress always indulges every presumption that what Congress has done is supported by the Constitution, if possible. It always presumes that any declaration of fact made by Congress is in truth a declaration of fact. Because of its respect for the Congress, a coordinate department of Government, it indulgences every reasonable presumption that what it intends is legal and that its declarations speak the truth.

In the decision in the case of Hampton against The United States the Court simply found that, by the standard of measurement "differences in cost of production", the President could ascertain those particular facts, because Congress had said that all that the President should do was to find facts.

Mr. President, it is the duty of Congress, in exercising its authority, to look at the substance and not at the form, and all of us here know that what the President is to do, in fact, is not simply to find facts but that the President is to change a law enacted by the Congress. But it is said that he has only the power to change it within certain limitations. Regardless of what the extent of the change may be, the very power which the Senator from Utah seeks to grant to the President is the power to change a tariff rate, a power which, prior to 1922, was never undertaken to be exercised anywhere except in the legislative branch of this Government.

Action by the President is to be substituted for the action of Congress. Such is openly avowed.

Whatever the President may do, whether we call it the finding of a fact, or the changing of a rate, or a valuation, or a classification, whatever the President may do is to be employed as a substitute for the action of the Congress. What is the action of the Congress? The action of the Congress is the laying of a duty. The action of Congress is the fixing of a rate; and if, by any device or any particular contrivance, the same effect is to be accomplished in some other way, the result being the same, the two things are the same. When, by this particular device, the committee proposes to substitute for the action of the Congress the action of the President, they are seeking to empower the President to lay a duty.

Let us for a moment, without, I hope, painful reiteration of what has already been much better said than I can possibly express it, examine what are our constitutional warrants for doing anything with relation to taxation or the levy of tariff rates.

As I recall it, section 1 of article I of the Constitution provides that all legislative power shall be vested in the Congress of the United States. The power to make laws, the power to make those rules of action which shall govern and bind the people of the United States—all legislative action, not some, not particular kinds, but all, without any restriction and without any boundary whatever to its domain—is vested in the Congress. All legislative power includes the power of making and laying duties and taxes.

What are the other constitutional provisions? Another provision is that the Congress shall have power "to lay and collect taxes, duties, imposts, and excises." To do what? To lay and collect duties. Within those words and within the language "all legislative power is vested in the Congress" are the only grants anywhere in the Constitution under which we can assume to act. All of the power the Constitution granted anywhere to do either of those things was granted to the Congress and to the Congress alone.

Mr. President, it is said that the President of the United States is merely to find the facts. It is claimed that after he has found the facts, he is to take the law made by Congress and apply those facts to the law. I submit that in the case of Field against Clark, which is the case upon which the opinion in the case of Hampton against United States is based, that was more nearly a correct statement. In the Tariff Act of 1890, the provisions of which were construed in Field against Clark, the Congress of the United States clearly and definitely provided for the free entry of certain articles of commerce and commodities. It then, in another clause, provided that whenever any country should discriminate against the agricultural products of the United States, and the President should ascertain that fact, then rates of duty should apply to articles specifically mentioned and set out in particularity—to molasses and certain other products from the discriminating country. So in the case of Field against Clark it was held that it was the duty of the President simply to find a fact, the fact of discrimination by a foreign country; and finding that fact, to put into effect rates of duty already specifically defined and prescribed by the Congress in the act itself.

Let us see if that is the case before the Senate today. I submit that the very reverse is the case under section 336. What is the President to do? Is he simply to find facts? He may find facts, if you can term as fact finding the exercise of choice and judgment and discretion as to the variety, yea, the multitude, of factors which he may consider. But what is he to do after he finds these so-called "facts"? The President, after he finds the facts, is not to take those facts and fit them into existing rates of duty already proclaimed by the Congress. The President is to make new rates. In other words, instead of fitting the facts to the law, the President is to fit the law to the facts. It is a reversal of the theory upon which the case of Field against Clark was based by the Supreme Court.

Let me repeat, under section 336 of the present act of the President of the United States, if he is able to find the facts, then cuts the law to fit the facts, whereas the theory, in order to avoid constitutional objections, is that the Congress makes the law—inexorable, unchanging, unyielding—but the President, when he finds the facts, simply fits the facts to the law. The pending bill reverses that policy.

Of course, all of us know that when we strip this section 336 of all its adornments, of all of its masks, and of all of its attractive raiment, the purpose of it is not to authorize the President to find facts but to make new tariff rates.

In theory, in order to avoid the constitutional inhibition that the President cannot make tariff rates, the President is simply to be an adding machine; the President is simply, by pushing the buttons on the adding machine, to determine the various calculations or factors entering into the fact findings. The President is to be merely a robot, as it were, a mechanical man, using only those particular faculties of his mind that deal with mathematical facts, adding and subtracting and dividing, by that process arriving at the differences in costs of production, transportation, and all of the other factors and elements.

In order to avoid the constitutional objection the President is simply to be a mechanical contrivance, registering accurately and without any deviation from the rule of precision certain mathematical calculations. He is, as it were, to be a sort of animated barometer, registering scientifically and specifically every change anywhere in the world in industry, and as he registers those changes, up the tariff rate goes or down it may decline.

The President is to be a sort of a seismograph, but a seismograph with a brain, registering every little shock, every seismic disturbance anywhere in the commercial or manufacturing world.

That is the fiction, that is the theory, that is the process by which the proponents of the flexible provision seek to avoid the constitutional impediments in the way of the President making tariff rates.

What is the President in fact? The President, who shall receive and exercise the power of making rates or changing valuations, will not be a mere mechanical device; he will still be a man, with blood in his veins and a brain in his head. He will be a man, I dare say, with some human frailties. Perhaps he will be a human being with the impulses of gratitude. He will be more than President; he will be still the leader of a great political party, and a candidate for its continued favor. He will have all the human passions and the human ambitions and the human weaknesses that other men possess, and to say that to give the President the power proposed is to grant the power only to ascertain mathematical results is to fly in the face of what we all know to be the truth.

Mr. President, the effect of the amendment, if adopted, will be to give the President full and complete power. There is no veto

on the President's power. If the Congress makes a tariff rate and the President in his judgment may not agree to it, the Constitution wisely provides a check upon that act in his veto. But if the President under this particular provision of the bill enacts a new tariff rate, it is not repealable save by the action of the Congress, and by the same power of veto which he could use on other legislation he could defeat the action of the Congress and continue to make the tariff.

How has the Tariff Commission worked out during the 7 years of its existence? I shall not trespass upon your patience, Mr. President, by repeating all of the statements that have been so ably made here by the Senator from Wisconsin [Mr. LA FOLLETTE] and other Senators detailing the history of the Tariff Commission during the past 7 years. The Senator from Tennessee [Mr. MCKELLAR] on yesterday in an instructive and entertaining address laid before the Senate the history of the Tariff Commission and the results of its labors. Without going into the particular details, what, in short, has been the history of the Commission?

The history of the Commission discloses that frequently the Commission has divided 3 and 3; 3 Democrats and 3 Republicans. And yet the President, though he be the head of a great political party, at the same time would be supposed to decide these questions without any partisanship, without any economic bias, without any ingrained political or economic belief. Under the section we are discussing the President of the United States may adopt the finding of the Tariff Commission or he may reject it. In the past President Coolidge adopted some of the findings of the Tariff Commission and disapproved other findings. There is no compulsion upon the President; and yet Senators would have us believe that this process is to be merely automatic, merely a mathematical determination; but when it is all over, when all the investigation is completed, the President may or he may not put into effect the rates so found.

Has the Tariff Commission been free of politics? The Senator from Ohio [Mr. FESS] made an eloquent appeal for taking the tariff out of politics. Does anyone believe that any serious effort will be made in the future to take the tariff out of politics when it reaches the Tariff Commission? The Republican leader, the senior Senator from Indiana [Mr. WATSON], a few days ago said that the tariff always had been a political question, and that he never tried to take politics out of the tariff and did not intend to do so. But before the Tariff Commission, have we not had politics? Before the Commission, have we not had lobbying? It has been disclosed in the debate that in hearings before the Tariff Commission swarms of lobbyists, Congressmen, Senators, and others were there using their influence and pulling every string that might operate to influence the Commission.

Mr. President, it has been disclosed that at least one member of the Commission personally interested in schedules has participated in the action of the Commission. It has been well pointed out that a court which had upon it a member interested in a case before it, if it continued to condone that action, would be a proper subject of impeachment at the bar of the Senate.

The Tariff Commission, however, wants more power. With 7 years of operation under the flexible-tariff clause it wants increased power. The only reason why the Senate is not to vote today upon that clause in the bill placed there by the House is because the Senator from Utah [Mr. SMOOT] and others do not believe they can command enough votes to adopt the provision that the President shall have the power to pass upon conditions of competition instead of differences in cost of production. I observe the Senator from Utah smiles when I intimate that the reason for his lack of action is that he does not think he has the votes.

Mr. President, Senators on the Republican side of the Chamber, particularly the Senator from Ohio [Mr. FESS], have devotedly labored to demonstrate that section 336 as offered by the Senator from Utah is constitutional. Suppose it is constitutional. My objection to it is not based upon the fact that it may or may not be constitutional. If unconstitutional, the Supreme Court of the United States, perhaps, would relieve us of that particular provision. But my objection to the provision is that though it be constitutional I am opposed to the policy that section 336 proposes and would resist the effort of the Senate to adopt such a policy regardless of the decision of the Supreme Court.

When the makers of the Constitution assembled in convention in Philadelphia, I dare say that assemblage was as wise, perhaps, even as the Senate, and it proceeded upon the policy that in dividing the Government into three branches there ought to be established a certain system of checks and balances. In other words, it thought that the President ought to execute the laws, but that he ought not to have the power to make the laws. It thought that the President ought to be Commander in Chief of the Army and Navy, but it also said to him at the same time, "You cannot have a dollar to pay for the Army or the Navy until the representatives of the people, the Congress, grant you the money and the supplies." It thought that the President ought to have the power of the appointment of officers, but that there ought to be a check upon that authority and that their names must be submitted to the Senate for confirmation. It provided that the courts might construe the law and interpret the law, but that the courts have no right to make the law.

So, Mr. President, irrespective of the constitutionality of the particular provision to turn over to the President of the United States the power to make tariff rates, the result would be to disturb that system of checks and balances. It would throw out of balance the whole theory of parliamentary government under our system.

It was said wisely by members of the Constitutional Convention that the union of the power to make the laws and the power to execute the laws was the very essence of tyranny. That was a compelling motive in the distribution of the powers among the several departments of the Government. But, let me suggest that the power of taxation and the power of appropriating money are peculiarly the two functions which from time immemorial have been reserved to the representatives of the people. In the long struggle in England for parliamentary government, a struggle extending over 600 years, a struggle waged in the forum and in the field, the triumphs of the people were often brought about by their ability to exact from the King, through control of taxes and appropriations, rights which they could not otherwise exact. These things lie at the very root of representative government under our system—the right of the people's representatives and of no other branch of the Government to levy taxes and to make grants of money.

Mr. President, why delegate this authority to the President? Even if we have the power to do it, why should we do it? It has been suggested by Senators that the President can act more quickly, that the President can fix a rate more efficiently. It would seem that this is to be a theoretical and mechanical device, quickly registering the currents and the tides and the recession of the tides in trade and commerce; that it will infallibly register with a few dots and dashes such a result as to absolutely accommodate the tariff law to conditions throughout the world. Could the President do it more efficiently and more effectively?

It has been pointed out in the course of the debate that the Tariff Commission has not only been inefficient in making its reports but that it has caused interminable delay in finding the purported facts and in the making of its investigation.

It has been said that the power of handling tariff legislation would interfere with other business of the Congress. Why was the Congress created, unless it is to legislate upon the concerns of the people of the United States? Are we merely to draw our salaries? Are we merely to be functionaries of dignity—to officiate at ceremonies? The business of the Congress of the United States is to legislate upon the vital concerns of the people of the United States. If one of those concerns be the tariff, it is the duty of the Congress to consider the tariff, and not seek to escape its responsibility, not seek to evade its duty by handing over to the Executive the power of making tariff duties.

Mr. President, let me say that the plea of efficiency and the plea of speedy action are arguments which have been made in behalf of every despotism that ever cursed the earth. "Let the President or the King do it. He can do it more efficiently and more quickly." A benevolent despotism is the most efficient government on earth. If it would function according to the principles of benevolence continuously, it might be a great blessing; but the trouble about benevolent despotism is that the benevolence dies, while the despotism survives.

Why should not the power be delegated? What are the objections to delegating the power? One objection is that the Congress of the United States, under its authority granted by the Constitution, has the right to legislate upon all matters affecting the welfare of the people according to its own will, not according to some mathematical formula, not according to some mental straitjacket, not according to some particular line of treatment, but the Congress is privileged to exercise its choice and its will in selecting the instruments by which it believes the welfare of the people of the United States may best be served. When the Congress surrenders to the President the power to change tariff rates, it is surrendering to the President its right to exercise its will and choice; it is surrendering to the President its right to deliberate; it is surrendering to the President the right to have the questions involved discussed in the open.

Mr. President, the American people expect the Congress of the United States, in the transaction of the public business, to transact it where people may see what is transpiring, to transact it in a forum where the people may hear the arguments and the debates with relation to these great questions. Then shall we delegate to the Tariff Commission, sitting in a secret chamber, the most solemn functions of legislation which ought to be discharged here in the white light of publicity, in the crucible of public debate, and decided according to what we deem to be the welfare and the interest of the people of the United States and not what some functionary of the Tariff Commission may consider to be the welfare of the people of the United States?

Congress, if it sees fit, has the right to act arbitrarily upon legislation; that is a valuable prerogative for the people's representatives to possess; and I denounce the suggestion that the Congress of the United States should become merely a fact-finding, mechanical device to change tariff rates and policy according to some mathematical formula laid down in advance.

Mr. President, I assert that under the flexible provision the President of the United States, if he might so desire, could defy the will of the people and could defy the will of the Congress. Under the Constitution the House of Representatives, and consequently a new Congress, is elected each 2 years, and one-third of the Members of this body is elected each 2 years. Why was that provision inserted in the Constitution? There must have been a reason; there was a reason. That reason was that the makers of the Constitution intended that there should be frequent recourse to the people at the ballot box in order that they might express their views upon public questions. The President of the United States, however, on the other hand, is elected for 4 years. Suppose a new Congress coming into power should want to increase the rates or to decrease the rates, as the case may be;

the President by his veto could defeat any such action, because it is not likely that there would be a two-thirds majority against him; yet, after defeating by veto the will of the Congress, the President could pursue the contrary course. He could continue either to raise the tariff duties or to lower the tariff duties as he might see fit, in absolute defiance of the will of Congress and of the decision of the people at the ballot box in the preceding election. Would that be consistent with our theory of representative government, and would it be consistent with the theory that runs all through the Constitution of our country?

Mr. President, it is said that the flexible provision of the tariff law has been decided to be constitutional. Suppose that has been so decided. I dare say that under the Constitution the Senate of the United States might approve every treaty which the President might negotiate; but because that could be constitutionally done, is there any Senator within these four walls who would say that he would agree in advance to vote for the ratification of each treaty which the President might negotiate without examining into its terms and provisions? Yet the President could dispose of the treaty much more quickly without waiting for senatorial approval. The President could, with greater exactitude and promptness and facility and ease, negotiate a treaty if he did not have to come back to the Senate to secure its approval. Under the Constitution, if we so desired, the Senate may approve by confirmation each appointment the President may make; but is there any Senator here who would say that the Senate ought to forego its power and its duty of passing upon the merits of all of the nominees whose names are submitted here?

As has been wisely suggested by the senior Senator from Maryland [Mr. TYDINGS], if it be sound policy to give the President the power to fix tariff rates, why would it not be wise to allow the President to determine the size of the United States Army? The President is in contact with foreign affairs; he might investigate and ascertain according to his view the necessity for a standing army and its size. Why not give the President the power to find the facts, let him determine by investigation as to the state of our foreign relations, and then, in accordance with those findings determine the size of the standing army? The same thing may be said as to the United States Navy. I am sure, however, that no Senator would advocate such a policy; I am sure that the Senator from Pennsylvania [Mr. REED], the Chairman of the Committee on Military Affairs, would not believe that the President ought to have such authority as to the Army.

If it be wise to give the President the power to fix tariff rates, why not authorize the President to fix income-tax rates? Let him ascertain through the Budget, as he does now, the financial needs of the various departments; let him find the fact as to how much money may be needed, and then, after finding the fact, graduate the rates in such fashion as to produce the amount of money needed by the Budget.

Why go through the toil and the drudgery of hearings on appropriation bills? It would be much more easy, much more convenient, much more efficient to allow the Executive to determine what appropriations were needed for the support of the various departments of the Government, and let him make them. Ah, Mr. President, I do not believe that Senators here would agree to such a course.

The President of the United States already possesses, as has been pointed out, tremendous power. He has the appointment of five or six hundred thousand civilian employees of the Government. Did you ever stop to consider, Mr. President, that out of the great host of functionaries and officials scattered throughout the Federal Union only 533 officers of the United States are elected by the people themselves? The 435 Members of the House of Representatives, the 96 Senators, the Vice President, and the President of the United States—533 officers—are the only ones that must submit their fortunes at the ballot box and receive the approval or the condemnation of the people. Yet, as to taxation through the tariff, it is proposed to transfer and subtract from the power left in the Congress of 531 Members and place that power in the hands of the President of the United States, who has under him the vast army of officials who are not elected by the people.

Mr. President, a couple of days ago the President of the United States sent to the Senate a message asking that the power delegated under the flexible tariff provision be continued. I said "he sent to the Senate a message." That was an inaccurate statement. He sent a message through the press to the people of the United States for its effect upon the Senate of the United States. It may not be improper here to suggest that whenever the executive branch, or any other branch of the Government for that matter, acquires a certain degree of increased power it always is reluctant to surrender it. So the President of the United States gave to the country a statement with reference to the flexible tariff. Of course, the President would not have given utterance to that public statement if he did not have fear as to the fate of the flexible-tariff provision in the Senate. Of course, the President's statement was given to the press in order to create a sentiment throughout the country which he hoped would react upon the Senate and aid in the adoption of the amendment in relation to the flexible-tariff provision.

We recall, Mr. President, when there was pending before the Senate the so-called "debenture amendment" to the farm-relief act. The Senator from Ohio [Mr. FESS] this morning defended the action of the President in issuing a statement regarding the debenture plan while it was pending before the Senate by stating that the President had first been visited by a committee of the Senate, and it would have been impolite and inconsiderate for the President not to have expressed himself. Let it be remembered, Mr. President, that when the Committee on Agriculture and Forestry of the Senate went before the President of the United States and sought his views and his position on the debenture proposal, the President at that time had no views which he desired to communicate, and refused to express any opinion upon that particular amendment; but at a later stage, when the debenture had acquired strength in this body and it appeared as though it might be adopted, there went out a distress signal, an emergency call, and the President issued a stinging repudiation of the debenture measure.

Of course, it was not improper for the President to give out the statement. I do not criticize the President for doing that. The Constitution authorizes and directs the President to advise the Congress as to measures of government. It is true that that provision of the Constitution intended that the President should file such communications as he might care to make with the Congress in the form of a message rather than with the public press.

The President says, in his statement to the press, that in his message in April he gave his reasons as to broad principles important in tariff legislation and that he advocated the flexible tariff when enacted in 1922. I quote his language:

"I advocated it at that time and since as a necessity in protection of public interest."

Mr. President, the language of the President is strong. He says that the flexible tariff is "a necessity in protection of public interest." I wonder how the President can give the sanction of his great office and the prestige of his high station to a statement of that kind, in view of the rather sorry and miserable record which the Tariff Commission has made in the administration of the flexible tariff within the past 7 years? Viewing that record, the President now tells the country and the Congress that the continuance of the Tariff Commission is a necessity in the public interest!

Of course, the action of the Commission in the future will be the action of the President. President Hoover, in his message in April, desired that the Commission be reorganized. With the power of appointment in the hands of the President, with his power to remove them, with every member fearful of removal, with every member actuated by fear on the one hand and by hope of reward on the other, of course the action of the Commission will be the action of the President of the United States in substance and in fact.

But the President further said:

"No tariff bill ever enacted has been or ever will be perfect."

I heartily agree with the President; but I think it might very well be added that no President has been or ever will be perfect. If the Congress of the United States cannot be trusted to pass a tariff bill which is perfect, and if this bill shall not be perfect, the implication is that the President, through the power to be given to him in this particular section, will be enabled to correct its imperfections.

If that be the view of the Executive, I wonder why this session of Congress? Why bother with the tariff? The President was in possession of the Tariff Commission—a willing, a pliant, a subservient instrument. He could have revised the rates on the limited number of commodities on which he thought they ought to be revised. Why did he not revise those rates under the flexible tariff, without having the Congress spend the summer and fall in the consideration of the tariff question?

Mr. President, the Executive also says:

"Any person experienced in tariff legislation in the last half century knows perfectly well that Congress cannot reopen single items of the tariff without importing discussions all along the line, without the constant unsettlement of business and the importation of contentions and factious questions to the destruction of other important duties by Congress."

The President of the United States uses rather censorious language toward the Congress. In other words, he advises the public that the Congress of the United States cannot adequately and properly discharge its duty of fixing tariff rates because the Congress, in its inefficient and inept processes, cannot do so without interfering with other important business.

What more important business has Congress to perform than to exercise the taxing powers of this Government that shall affect the welfare and the weal and perhaps the prosperity of 120,000,000 people? The President would be glad to have Congress hand over to him that power, and have the Congress busy itself with matters of another nature—the fixing of the salaries of clerks, and the decision as to how many policemen we shall have on Capitol Hill, and how many streets shall be widened in the District. Mr. President, the levy of taxes is of paramount importance. The power of taxation and the grant of appropriations are among the proudest prerogatives of Congress. What is of greater importance?

Let me suggest, Mr. President, that under the Constitution of the United States the President has a great many legitimate duties. One of his chief functions is the enforcement of the law. It is his duty under the Constitution to carry on the executive and the administrative functions of the Government. I dare say if the Executive executes all of the functions that the Constitution devolves upon him, all the legitimate functions already devolved upon him, he will have sufficient to command all of the time and all of the labor which the country ought to demand of any Executive.

But, Mr. President, the Senator from Ohio [Mr. FESS], echoing the sentiments of the President's statement, said that he, too,

agreed that "the flexible provision is one of the most progressive steps taken in tariff making in all our history."

The Senator from Ohio usually is in agreement with the sentiments of the White House, if he knows them. Progressive, yes—"one of the most progressive steps taken in tariff making in all our history." Progressive—toward what? Is it progressive toward the people's representatives having a voice in the Government or is it progressive toward reaction? Is it progressive toward the centralization of power in the President?

Mr. President, it is progression, but it is progression backward; not toward liberal theories; not toward democratic beliefs in the distribution of the powers of government and in the discharge of the functions of legislation by the representatives of the people.

Mr. President, a moment ago I made the statement that a Tariff Commission removable at will by the President would simpy be a pliant and subservient instrument. Senators will recall, I am sure, the fact that President Coolidge some years ago approached Mr. David J. Lewis, a Democratic member of the Tariff Commission, and assured him that he would be reappointed provided he would deliver into the hands of the President his resignation in advance, subject to acceptance at the President's will. Let it be said that Commissioner Lewis spurned and scorned such a humiliating condition. But if that be the spirit of the Executive with reference to members of the Tariff Commission, with the ax constantly hanging over their heads, the threat of removal by Presidential edict always present, the Tariff Commission can be nothing more than the instrument of the President's will; and will the President be importuned by lobbyists? Will not the President be surrounded with influences? Should we impose further duties upon the President? Already burdened with duties so onerous and multitudinous, is it wise or just to impose upon the President new and vexatious duties?

Mr. President, throughout history the accumulation of power in the hands of a monarch or a despot has usually been the result of a long course or process of acquiring, inch by inch, more and more authority. The President, in his statement to the country a few days ago, said that there was no despotic power involved in the grant to him of the right to regulate the tariff. Yet, Mr. President, throughout the years in the United States the Executive has been growing stronger and yet stronger at the expense of other branches of the Government. I have listened to Senators and Members of the House of Representatives declaim upon the floors of their respective Houses against the centralization of more power in the hands of the Executive; yet I have later listened to the same men speak in advocacy of the delegation of power to the President of the United States.

As was so well observed on yesterday, the President of the United States is already the possessor of greater power than any king or potentate of this earth.

Mr. President, power fattens upon each new morsel. Its appetite increases. With each accession of new power it demands more, just as the Senator from Utah here today is demanding an increase of the power of this Commission over the power that was conferred in 1922 in the flexible clause of section 315. The accumulation of power and the resulting creation of despotism runs through the history of the past.

Augustus Caesar was emperor long before he wore the crown. He accumulated in his hands the powers of the judges, the powers of administrators, and then the power to make the law. After there had been gathered into his hands all of the powers of the Roman state, the throne and the imperial title were assumed.

The First Consul of the French gradually absorbed the powers of government, gradually accumulated in his hands the powers which had been wrested from the Kings of France by the French people; after he had accumulated these vast powers, Bonaparte, with but a single step, ascended a throne.

Mr. President, it is the exercise of power that makes a king. What is a king? Sovereignty does not reside in the insignia and emblems which monarchs were wont to wear.

What is a throne? Napoleon said that a throne was but a bit of gilded wood. Mr. President, a throne is but a gaudy and glamorous seat designed to convey the pretense of eminence. Royal robes do not make a king. A scepter is but a jeweled bauble; a crown nothing more than an ornamented toy. These are but the vain and cheap and tawdry trappings that were a part of the pomp and pageantry of power.

Kingship is the authority to rule. One may wear a sack suit and a straw hat, and yet be more a monarch than one with royal blood in his veins and purple robes about his body.

Mr. President, the President of the United States today is the greatest ruler on the globe. He is the Commander in Chief of the Army and of the Navy. He appoints five or six hundred thousand Federal civilian officials, who go scurrying about all over the Union, men who are appointed by his will, and are removable at his will. He carries on the foreign relations of the United States. He makes treaties which carry with them the fate and the fortunes of a people, perhaps war, perhaps peace.

Mr. President, he appoints the judges who shall construe the law which shall bind 120,000,000 of people. He has the veto over the powers of the Congress, though the people's representatives are assembled here.

The President of the United States is greater than any monarch on this earth. Let us look about us, and what do we see?

The King of Spain is but a shadowy phantom of the power that once ruled in his ancient dominions.

The Presidency of France is but an office of ceremony and of dignity.

The King of Italy is but an almost inaudible echo of the royal power that once walked the streets of Rome.

The President of Germany possesses not a tithe of the power of the Hohenzollerns.

The King of England, with all of his castles, with all of his titles, with all of the stately pomp and ceremony with which he is surrounded, is little more than a painted king upon a painted throne. He is merely the husk, the shell, the gilded crust of power which the English people have long since taken over for themselves.

Mr. President, the President of the United States is greater than all of these; but, great as are his powers under the Constitution, there was reserved from his authority the field of taxation. The Constitution of the United States never intended that the President of the United States should levy taxes upon the people. Taxes and appropriations were sacred ground. They were reserved to the Congress—the Senate and the House. This ground was sacred to their servants. The Constitution 140 years ago denied the right of the President to levy taxes, and I shall not vote to give him that power now.

[From the CONGRESSIONAL RECORD of Sept. 27, 1929]

Mr. BRATTON. Mr. President, it is not my purpose today to discuss the rate provisions of the pending tariff bill but rather to confine myself to submitting some observations in respect to the so-called "flexible features" of the measure. I am entirely conscious of the fact that much has been said upon that subject, and that anything which may be declared on the floor now necessarily will be to some extent in the nature of repetition or overlapping. Likewise, I am entirely sensible of the indifference that usually attends upon a discussion of the fundamental doctrine of our three coordinate branches of government and the reluctance with which any one of them should transgress upon the prerogatives of the other two or either of them. Even so, Mr. President, I conceive that principle to be of sufficient importance that it may well bear frequent discussion here and elsewhere.

Although the tariff resting upon the doctrine of protection had existed for almost 70 years prior to 1922, anything like the flexible provision that found its way into the act of that year had theretofore never been advocated with any substantial force from any quarter in the country. The provision was proposed and adopted in 1922 because we were then confronted with unusual and exceptional conditions growing out of the World War. The economic world was abnormal; Europe was torn asunder during the war; the wounds had not been healed. We were dealing with an uncertain future, and the rates were placed unusually high, with a view of constituting almost an embargo against the importation of European-made products.

So, Mr. President, realizing that fact, and anticipating that, in all probability, as economic conditions readjusted themselves the trend of the tariff should be downward, the flexible provision was inserted in that act in order that it might be employed in effectuating that downward trend. The Senator from Idaho [Mr. BORAH] so stated on yesterday upon the floor of this Chamber. He quoted the chairman of the committee, now in charge of the pending bill, in the presence of the chairman, who quietly acquiesced in the declaration so made. That, Mr. President, was the moving cause which prompted the original suggestion that resulted in the flexible tariff provision being incorporated in the act at that time.

I have already said it was never contained in any previous act. It was advanced, adopted, and enacted into law in order to cope with conditions of an uncertain nature occasioned by the then recent war. It was then advocated because it was anticipated that a downward trend of the tariff would be in order; it was advocated here upon that theory. It was adopted here pursuant to that advocacy. No man will be heard to controvert the statement that the economic world was in an abnormal condition at that time, nor that such fact did not enter as a factor in the enactment of that act. No one will contend here that those who participated in the passage of that bill could foresee with the usual degree of accuracy what the future would bring about in the readjustment of economic conditions following the war; and so the flexible provision was inserted in the tariff bill, giving to the President the power, pursuant to an examination and report of the Tariff Commission, to deal with the subject of duties by raising or lowering them within the 50-percent limit, or changing classifications as the act provided.

It was said 2 or 3 days ago by the chairman of the committee having charge of the bill that we could only judge the future by the past; that this was one of the outstanding achievements of the Republican Party in dealing with the subject of the tariff. He declared that to abandon the theory would be a retrogression in the field of tariff legislation.

I want to quote his words, Mr. President, in order that we may get the present viewpoint of the Senator from Utah, who advocated this provision in its inception 7 years ago upon the theory that the trend would be toward scaling down the rates instead of raising them. In laying before the Senate the present proposal of the committee to continue the substance of the act of 1922, he stated that we must have a modern system that operates expeditiously, and meets, with promptness, changing conditions in the economic world. He used this language, Mr. President:

"In at least one important respect, however, we have made a distinct advance in tariff making. The Tariff Act of 1922 recognized the desirability and importance of a flexible tariff system. That act departed from the inelastic, unnecessarily rigid, principal

of all prior tariff laws. It permitted changes in the tariff rates prescribed by the Congress to meet changes in economic and industrial conditions. It was distinctly a sound, progressive contribution by the Republican Party."

Later in his address, in submitting this phase of the bill, he said that promptness and expedition was the end sought to be attained through the operation of the flexible provision.

Mr. President, we have had that provision now for 7 years. The Tariff Commission has been vested with that power during that period of time. It has ordered some 83 investigations. It has made fifty-odd reports to the President. The President has effectuated 31 increases and 5 decreases in the schedules fixed by the act of 1922. These are the facts in face of the statement of the present chairman of the committee that the object sought was a general downward trend of tariff duties.

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Mr. BRATTON. Mr. President, at the time of the interruption, which I welcomed, I had adverted to the statement of the Senator from Utah, Chairman of the Finance Committee, urging that the provision be retained in the law and obviously apologizing in advance for the snail's pace at which the Commission had proceeded when he said that during the early part of that period the Commission was reorganizing for its new functions and securing its necessary staff of experts and otherwise organizing its necessary machinery; it was building up a highly technical personnel.

Still, Mr. President, in face of that statement the fact is disclosed that more changed rates went into effect in 1924 than in 1928. But in his further zeal to retain the provision in the law, and basing the necessity for it upon the ground of haste, of expedition, in meeting changed conditions, the distinguished Senator from Utah [Mr. SMOOT] said:

"These economic and political changes arise in the interim between general congressional revisions of the tariff law. These changes frequently constitute emergencies that call for prompt action. The element of time becomes all important."

I think, Mr. President, that the Senator from Utah could better bottom his contention upon the theory that it is an effort to take the tariff out of politics. I do not think he can contend that the administration of the law has served with any degree of efficiency so far as hastening or expediting changes in rates is concerned.

Adverting now to what the Senator from Arkansas said a while ago, the action of the committee presided over by the Senator from Utah obviously and incontestably means that in the judgment of the committee, after consuming all of that time, the Tariff Commission made an error in virtually every case which it reviewed and in relation to which it acted, because the committee has almost universally overridden what the Commission did; it has changed the rate in nearly every case—to be exact, in 29 out of 37 cases—thereby placing the committee in the incontestable attitude of asserting that, after consuming all of this time, the Tariff Commission fell into an error in practically every case where action has been taken.

Mr. President, a great deal has been said about delegating the authority to change tariff rates. Frequent reference has been made to the case of Hampton against United States, reported in Two Hundred and Seventy-sixth United States Reports, page 394. It may be that the power to delegate this authority to levy duties can be justified upon some theory other than by an analogy between this kind of a case and the delegation of rate-making power in relation to interstate commerce. I assert that there is not the slightest legal analogy between vesting the rate-making power in the Interstate Commerce Commission, its action in each case being subject to review by a judicial tribunal of competent jurisdiction, and delegating the power to tax money out of the pockets of the people of this country in such a way that there is no review, no redress, and no appeal to any judicial form. Yet the Hampton case rests, at least in part, upon an attempted analogy between those two propositions.

It is said that the Hampton case follows the case of *Field* v. *Clark* (143 U.S. 649). Indeed, Field against Clark was cited in the Hampton case. In Field against Clark, Mr. President, the facts were that by the very terms of the tariff act there involved certain enumerated commodities were placed upon the free list, but the act itself expressly provided that when the President canvassed the situation and ascertained that other nations were imposing duties upon commodities produced here and imported into those countries, which brought about an unequal economic condition, and he should issue a proclamation to that effect, then and thereupon, by the terms of the act itself, by operation of its own provisions, if you please, the rates specified in the act should go into effect and should apply thereafter. Those commodities should no longer be free. They were automatically subject to duty at the rates specified in the act.

The President did not tax in that case; the President fixed no rates. The situation there was that the Congress itself withheld the imposition of duties upon certain commodities until and unless a certain condition existed; but when the President canvassed the situation, and by proclamation declared the condition to exist, then, by operation of the act of Congress itself, a duty was levied upon each of the specified commodities. In that case, however, the Executive had no power to change any rate, upward or downward; all he could do was to issue a proclamation resulting in the imposition of a duty under the terms of the act itself. The Congress, by virtue of its own declaration, withheld or suspended the imposition of duties upon each of those commodities until a certain condition obtained, whereupon the terms of the act itself were brought into play. That was an act of repose. It was one of suspension. It withheld its operative effect until the President proclaimed the existence of a certain condition, whereupon its own fixed and specified rates became operative. The edict of Congress fixed the rates. Yet it is argued that under that case it is constitutional to delegate to the Tariff Commission and the President together—the executive branch of the Government—the power to lay duties, exact payment of taxes from the pockets of the people of this country.

Mr. President, the victory of the Anglo-Saxon race in the struggle not to be taxed except through their duly elected representatives is one that we cherish; it is one that we hold dear; it is one for which a tremendous price was gloriously paid. Now we are asked to delegate to the executive department, for an indefinite period in the future, the power to tax through action of appointees not elected by the people and not responsible to the electorate of the country—members of a commission who function in a chamber where the light of publicity is excluded.

The Senator from Utah, however, notwithstanding the serious question of policy, can better justify the system upon this theory than he can upon the idea of promptly meeting changed economic conditions or in saying that the element of time is all important. Mr. President, it would bankrupt the English language to describe adequately the miserable failure in the administration of this law if its sole purpose is to expedite and meet promptly changed economic conditions. If that is the theory on which the proposal rests, I think it will come under the condemnation of a majority of this body and that we shall revert to the theory of laying taxes and levying duties only through an act of Congress rather than giving that precious power to a commission in the executive department of the Government.

I know, Mr. President, that indifference is marked when a discussion of the prerogatives of the different departments of the Government is under way. I am conscious of the fact that there is a disturbing indifference to discussion of those fundamental principles. I think, Mr. President, they are of sufficient importance to justify a repetition here and frequent consideration of them elsewhere. I think the time will come in the not-far-distant future when we shall swing back to a higher degree of respect for those fundamentals of government which so much concerned the founders of the Republic. At least that is my earnest hope.

[From the CONGRESSIONAL RECORD of Oct. 1, 1929]

Mr. BARKLEY. However, my admiration for the work of the Tariff Commission in that respect, my confidence in the unselfish attempt on the part of its experts to obtain information for the benefit of Congress and for the benefit of the President, does not in any way cloud my judgment as to the propriety of the delegation of power involved in the pending amendment.

Mr. President, the Senator from Pennsylvania—who, I regret, is not on the floor at present—undertook to justify this delegation of power by going back to the year 1794, in the administration of George Washington, and making reference to an act of that year, passed by many men in the Congress who had been members of the Constitutional Convention, and signed by the President of the United States, who happened to be the president of the convention which wrote the Constitution; and he said:

"Surely if these men, who ought to have known what the Constitution meant, who ought to have had some conception of its powers and obligations, saw fit, almost within the shadow of the convention hall in Philadelphia, to confer upon the first President power to issue embargoes, and" as the Senator from Pennsylvania inaccurately said "to fix rates of duty upon commerce, we ought not to hesitate to do it now."

Mr. President, the exercise of that power in 1794 was not the exercise of the taxing power conferred upon Congress by the Constitution. In the act referred to by the Senator from Pennsylvania there is no mention of duties or imposts. There is no attempt to delegate to the President the power to levy taxes, the power either to increase or decrease rates; but the delegation of power in the act of 1794 was purely a delegation of war power because of the situation that then existed, with an impending or threatening conflict between the United States and France and possible difficulties between the United States and Great Britain.

In order that the Senate may understand precisely what this act did, I shall read it. It is very brief. It is the act of June 4, 1794:

"*Be it enacted, etc.*, That the President of the United States be, and he hereby is, authorized and empowered, whenever, in his opinion, the public safety shall so require, to lay an embargo on all ships and vessels in the ports of the United States, or upon the ships and vessels of the United States, or the ships and vessels of any foreign nation, under such regulations as the circumstances of the case may require, and to continue or revoke the same, whenever he shall think proper. And the President is hereby fully authorized to give all such orders to the officers of the United States as may be necessary to carry the same into full effect: *Provided*, The authority aforesaid shall not be exercised while the Congress of the United States shall be in session. And any embargo, which may be laid by the President as aforesaid, shall cease and determine in 15 days from the actual meeting of Congress next after laying the same."

So that, Mr. President, in the exercise of a war power that might be found necessary during a recess or vacation of Congress, the President of the United States was not authorized to lay and collect taxes. He was not authorized to transfer commodities from one classification to another. He was not authorized to reduce or to increase any rate of tariff taxation or any other form of taxation

which had been enacted by the Congress, but he was merely given the power to lay an embargo, not only upon foreign ships that might be in our ports or might be headed to our ports but upon American ships transporting commerce between the United States and every other country; and even in that effort to delegate the war power to the President it was provided that it should not be exercised at any time when Congress should be in session, and that the power conferred upon the President, or any embargo laid by him under that authority, should cease within 15 days after the assembling of Congress next after the proclamation had been issued.

So it does not seem quite appropriate for the Senator from Pennsylvania to seek to persuade us that because one-hundred-and-forty-odd years ago Congress empowered a President to lay an embargo upon commerce with certain foreign countries we are to take that as an example of the right or power of Congress to delegate to the President authority to levy and collect taxes.

I presume that it is, as some Senators have suggested, purely academic to discuss the constitutionality of a law upon which the Supreme Court has passed judgment; and if we are prepared to admit that the discussion of that decision and the wisdom or propriety of it is beyond cavil or question, we are at least not denied the right to discuss the wisdom of the policy. In order that we may understand what the Constitution did, what its environment may have been, what was in the minds of the framers, it may not be entirely out of place to draw briefly a picture of the background which was responsible for it.

Our forefathers met in convention to protest against the exercise of the taxing power by the King of England without the consent of the Colonies. It was not because they objected to the size of the stamp tax. It was not because they objected to the form of that taxation as compared with any other form of taxation that might have been laid upon the Colonies by the British Crown. It was not, either, because they objected to being taxed, because it would have been infinitely cheaper, infinitely more easy and more convenient for the colonists to have submitted to the pittance of a tax as compared to the enormous expense in treasure and blood involved in resisting the power of the mother country to tax them without giving them a voice in the processes of taxation. So when the framers of our Constitution—many of whom had been soldiers in that war, all of whom understood the fundamental doctrines that underlay that war, many of whom had been members of the convention that promulgated the Declaration of Independence—met in Philadelphia to write a constitution, they had behind them the whole history of Anglo-Saxon conflicts of authority between the people and the Crown. And so we must, if we can, undertake to insert our eyes into their bosoms to find what actuated them in writing this Constitution under which we have lived for nearly a century and a half.

I do not desire to discuss the academic question of the wisdom of the separation of our powers into executive, legislative, and judicial; but I do desire to emphasize, if I may—and emphasis seemingly is needed now—the impropriety and the short-sightedness of undertaking to shirk the responsibility which in my judgment was irrevocably placed upon the shoulders of Congress.

I desire rather to approach this subject from the standpoint not only of its constitutionality but the wisdom of the course which is urged upon us by both sides to the controversy.

In the Constitutional Convention which produced the instrument under which our Government has grown and prospered there were lengthy discussions as to the functions of the three branches of the Government which were to be established. The framers of the Constitution had before them the background of events out of which had grown the Revolution and the independence of the Colonies. They were particular to emphasize their determination that all legislative functions should be performed by the representatives of the people. Therefore, one of the first things which they provided was that "all legislative power shall be vested in a Congress composed of a Senate and House of Representatives," and so forth.

What did they mean by all legislative power? Did they mean all legislative power except that which Congress might at a later date attempt to shirk? Did they mean all legislative power except the power of taxation? Every part of the Constitution answers these questions in the negative. In later articles and clauses of the instrument taxation is dealt with specifically so that we cannot doubt that the Constitution intended that all tax legislation, as well as other legislation, should be vested in the Congress.

As stipulated that all legislative power should be vested in Congress, the framers proceeded to outline some of the exclusive powers of Congress, among them being—

"The power to levy and collect taxes, duties, imposts, and excises."

What is the legislative power? The power to promulgate a rule of action by which the people who are subject to that law are to be governed in their relationship not only to one another but to this thing we call government, which is only another name for organized society. Therefore, we are compelled to draw the conclusion that among the powers included in the definition of legislative power must be included the power of taxation; for it was upon the principle of taxation largely that our independence as a Nation was established in all of the documents that accompanied our separation from the mother country. It was in the debates of the Constitutional Convention, for in that Convention there were present, as there are always present in the inception of governments and in the exercise of their authority, two distinct schools of thought. One school believed that we should not confer power upon the people, and that only the educated and the well born and the wealthy should be clothed with the power of self-government, and that such blessings as the masses might enjoy under the Government should fall into their mouths as the crumbs fell into the mouth of Lazarus from the table of Dives.

On the other hand, there was the opposite of that theory, to which I have already referred, that, without regard to distinctions of wealth, without regard to distinctions of physical power or prowess, without regard to ancestry, without regard to education or ignorance, every man upon whose shoulders lay the responsibility to support his government, either by his own blood or by his money in the form of taxes, was entitled to representation in the body that levied those taxes upon him and compelled him to pay them.

Therefore, Mr. President, the language of the Constitution which confers upon Congress the power of exclusive legislation must have included the power of taxation, because taxation is legislation, and has always been recognized, not only in our country but in the world at large, as the exercise of legislative power. Not only is it recognized as legislation on the part of the National Government but in every State constitution in the 48 States of the American Union the right to levy and collect taxes is an exclusive right which is conferred upon the legislature of the State, and in no State constitution with which I am familiar is there any authority given to lay and collect taxes, to raise or lower income taxes or property taxes, by even so much as a penny, that may come out of the pockets of the people of that Commonwealth.

What kind of taxation does this power relate to? The Constitution does not specify or limit. It does not attempt to segregate the different methods of taxation. Therefore, it must include all forms of taxes which can be levied.

It includes not only tariff duties but income taxes and all other forms of taxation which the Federal Government may levy and collect to raise revenues for its support.

Taking the background of Anglo-Saxon history, the cause of the Revolution itself, which was the claim of the mother country that it had the right to tax Americans without their consent, we cannot believe that this provision or any provision of the Constitution was intended, or contemplated that taxes could be levied by any other authority than the Congress of the people, chosen by them, responsible to them, and subject to be removed by them at frequent elections.

President Hoover must have had in mind this background when, on October 15, 1928, in the city of Boston, he uttered this sentiment:

"The Tariff Commission is a most valuable arm of the Government. It can be strengthened and made more useful in several ways. But the American people will never consent to delegating authority over the tariff to any commission, whether nonpartisan or bipartisan. Our people have the right to express themselves at the ballot on so vital a question as this.

"There is only one commission to which delegation of that authority can be made. That is the great commission of their own choosing, the Congress of the United States and the President. It is the only commission which can be held responsible to the electorate."

And so forth. What did the President have in mind when he used that language? Did he have in mind possible action by either of these agencies without the cooperation of the other? His language admits no such interpretation. He meant the orderly process under the Constitution of enactment by both Houses of Congress and the approval of the President, both of which are required to complete an act of legislation.

Not only did the framers of the Constitution confer the exclusive power upon Congress to levy and collect taxes, but they limited the power to initiate such taxation. In section 7 of article I it is provided that "all bills for raising revenue shall originate in the House of Representatives."

Why was this limitation placed in the Constitution? Because the framers were so determined to retain in the hands of the people power over their purse that they were not willing for any other branch or subdivision of the Government to start the processes of taxation except that branch which was directly responsible to them, which could be punished or rewarded for their course in all matters of taxation and expenditure.

Under the Constitution the Senate, even though now Senators are elected by the people and are responsible to them, cannot originate a tax bill. It cannot originate a measure laying one dollar in taxes upon the American people. Yet we are seriously asked to delegate to the President a power which we do not ourselves possess.

For, you may gloss it over by any language that suits your fancy, when the President by an Executive order increases the taxes which must be paid by the American people, he originates a measure for raising revenue, a thing which the Senate of the United States cannot do.

We are told that this delegation of legislative authority is wise and proper, because it is limited in scope; that the President can only raise or reduce rates of tariff taxation to the extent of 50 percent of the rates fixed by Congress.

But if it is constitutional and wise to permit him to undo the work of Congress to the extent of 50 percent, why not give him full sweep of power to fix all rates, to reduce them or increase them according to his inclinations?

Why deny to unprotected, and maybe helpless, industries any relief whatever under this benign arrangement, when it may be that those which Congress has neglected need assistance more than those who have received a portion of what they demand? If we can abdicate a portion of the exclusive constitutional power with which Congress was invested by the forefathers, why stop

at a portion? Why not let Congress relieve itself of all the burdens of drudgery in matters of taxation and turn it over to the Executive?

And if we have the power, and it is wise, to abdicate our constitutional responsibility in the levying of tariff duties in the way of taxation for raising revenue, why not abdicate it with reference to all forms of taxation?

If the Executive is more prompt and more wise in changing rates of tariff taxation, why is he less prompt and less wise in the matter of changing rates of income taxes?

We are told that there will be a surplus in the Treasury at the end of the year that will justify another reduction in taxes.

Then why waste the time and the money of the people by holding or prolonging a session of Congress to reduce the income taxes? Why not delegate to the President the power to reduce income-tax rates so as to absorb the expected surplus? And if this would be wise and proper, why not also clothe him with power to raise income-tax rates when there is an approaching deficit in the Treasury?

The exclusive power to levy taxes is exclusive as to all forms of taxation; and if we can delegate a part of it as to one form of taxation, we can delegate a portion or all of it as to all forms of taxation.

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Not only did the framers of the Constitution propose to hold Congress responsible to the people for the amount of revenue raised for the Government, and the manner of its assessment and collection, but they also proposed to hold Congress responsible for its expenditure. For in section 8, article I, of the Constitution, in the enumeration of its powers, it is provided that Congress shall have power "to raise and support armies, but no appropriation of money to that use shall be for a longer term than 2 years."

Would any person contend that Congress could delegate to the President, or to any other agency, the power to extend an appropriation for the Army for a longer period than 2 years?

In paragraph 7 of section 9, article I, the Constitution says:

"No money shall be drawn from the Treasury but in consequence of appropriations made by law," and so forth.

Would it be seriously contended that Congress could delegate to the President or any other agency the power to draw money from the Treasury without the passage of a law providing for its expenditure?

Congress cannot abdicate its authority over the money in the National Treasury, and it cannot properly do it with reference to the collection of that money in the form of taxes.

But we are told by some of the advocates of this congressional surrender that Congress is slothful, slow of action, and cannot act with that precision and foresight which is necessary to those who are in a hurry.

We are told that Congress is possessed of nothing but incapacity; that it cannot obtain the facts upon which tariff legislation should be based; that it engages in logrolling and back scratching, as a result of which unjust and indefensible rates are inflicted upon the people; that it can only revise the tariff once in many years; and that somebody else ought to have the power to revise it piecemeal during these congressional lapses into innocuous desuetude.

We have heard dignified and venerable Senators, who are suspected of a desire to be returned here, denounce both branches of Congress in terms which make it difficult to understand why they would want to remain in such company.

We are told that Congress can only engage in tariff revision at long intervals, and that even if it desires or is capable of dealing with limited articles it cannot do so because of delays and the inclusion of other articles.

This has not been the history of Congress. It is true that a general revision of all the schedules generally requires several months. But it has required several years for the Tariff Commission to investigate single items and report them to the President under the flexible provisions of the present law. I say this not in criticism, but merely as the statement of a fact.

But Congress has on numerous occasions dealt with a limited number of schedules or even items in matters of tariff rates and has been able to produce legislative results with promptness and certainty.

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These are but a few instances to confound those who put forth the spurious claim that Congress cannot be relied upon to act with promptness and effectiveness, even in the passage of tariff bills, when the circumstances justify prompt and effective action.

Those who seek this unwise departure are not actuated by the fear that Congress will not act. They desire to take the enactment of tariff legislation away from the representatives of the people, away from public discussion, away from the view of the people to the quiet precincts of secrecy, where the people who have to bear the burden and pay the tribute will not know what is happening to them until it is too late to protest.

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Mr. BARKLEY. The Senator from Ohio evidently fails to catch the drift of my argument. I am not contending that Congress can pass a general tariff bill as rapidly as it can pass a measure with a single item or schedule affecting the rates in all schedules. What I am attempting to do is to show that whenever Congress is confronted with a necessity, with an emergency, with the facts before it as to a limited number of items, it can act more promptly and more efficiently than can the executive branch of the Government, and can act much more promptly and efficiently and expeditiously than has been done by the Tariff Commission up to date; although I do not say that in criticism of the Tariff Commission but merely as a statement of a fact. What I am saying is that upon a report by the Tariff Commission to the Congress of the United States setting forth the facts with respect to any item of taxation in the tariff law, we can promptly act upon that recommendation without delay, as has been shown even when we have had no report from a tariff commission and when we were required to rely upon our own information, gathered more or less at random from whatever sources were available, in considering the wisdom of an increase or a decrease in the tariff rate on a given commodity. Under the amendment which has been offered by the Senator from Nebraska [Mr. NORRIS], which, I understand, we shall accept as a part of the amendment offered by the Senator from North Carolina [Mr. SIMMONS], when such a bill is introduced after a report from the Tariff Commission and is being considered by either House of Congress any amendment not germane to that item is not permissible under the law, and it is not permissible even now in the House of Representatives under the rules which are in vogue there.

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Mr. BARKLEY. I have no doubt that many instances of that nature would occur. Where a report is made to Congress and under the constitutional provision a bill based on such report originates in the House of Representatives and is passed there and comes here with a report from the Tariff Commission, I have not any doubt whatever that such a measure would receive prompt and almost unanimous approval of the Senate of the United States, which would be in compliance with my conception of my duty as a member of the legislative branch of our Government. So, Mr. President, because that can be done and will be done, there is certainly no reason why this great taxing power should be delegated to anybody except the representatives of the people as provided in the Constitution of the United States.

Mr. President, we frequently hear criticism hurled against the legislative branch of our Government by men on the outside, and sometimes by Members of the Congress itself. We are told that we are slothful and inefficient. It is only a continuation and prolongation of the fear which found expression at the Constitutional Convention and among the Tories of the Colonies who refused to cooperate with the patriots in establishing independence, that the people are incompetent to govern themselves; that they ought not to be allowed by the right to choose their representatives. Even now we hear reactionary men declare that the Senate of the United States has deteriorated very materially and substantially since the people were given the right to elect United States Senators.

Mr. President, I have faith in this body and I have faith in the other body which is a coordinate branch of the Legislature of this Nation. Whenever I lose faith in the honesty and in the integrity and the ability and single-mindedness of the two branches of Congress, then will I lose faith in the people of our country and of all countries and of all parliamentary governments. I hope the time may never come when I will lose so much confidence in the exercise by the American people of the right to have a voice in their legislation and in the choice of their representatives and then lose faith in those men when they have been chosen, that I would be willing to crawl out from under any part of the responsibility placed upon me by that Constitution.

I do not believe, in spite of all their frailties and shortcomings, that the American people are yet ready to surrender this great power to levy taxes upon them and to expend the money after it has been received in the Treasury as revenue of the Government. For that reason I shall support the amendment offered by the Senator from North Carolina [Mr. SIMMONS] and the amendment offered to that amendment by the Senator from Nebraska [Mr. NORRIS] in the hope that they may be adopted.

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Mr. WALSH of Massachusetts. Undoubtedly much of the unfavorable sentiment that has been voiced against the Congress, perhaps particularly against the Senate, and especially in connection with the tariff, has arisen from a growing feeling of our incompetency. We have created conditions with respect to tariff complexities that make congressional control of the tariff necessarily difficult; and then we turn with zest for refuge to bureaucracy, and sink still further into a mire. Such in general is the present state of the public mind that we turn to meet every evil with boards to regulate, direct, control, and even imprison the private citizen for breaches even of bylaws of these subordinate arms of the Government. And then comes a fresh crop of evils and more boards. Edmund Burke hit off this state of mind and this practice by saying that there is inherent degradation and oppression in the acts of a central government always "as it descends from a kingdom to a province, from a province to a parish, and from a parish to a private house."

The growing tendency, upon the basis of the theory of time-saving and securing efficiency, of abandoning direct and complete control of lawmaking by the elected representatives of the people is the great menace of our times. We have gone too far in that direction already; and furthermore we have discredited ourselves when we have created commissions and boards innumerable and given them carte blanche power to direct and control the interests of our people, subject only to the limitations of the courts in cases where they obviously and flagrantly exceed their authority. Another challenge is here and we must meet it. Just now it is the shunting and dismissing of tariff discussion, tariff consideration, and tariff control from the Congress to a bureau—to an agency of the Government other than that provided for lawmaking by the Constitution.

Let me remind you that whatever excuse and justification you have had in the past in delegating the power and responsibility of the Congress to indirect agencies, that excuse has passed; and especially with respect as to this subject of taxation above all others. If you recall to mind the story of the struggles and the sacrifices of your forefathers and their imperishable words, your eyes should be open now. Here and now you are dealing with a subject that no human being can say was outside and beyond the domain of the deliberations and plans of the founders of this country. And for 140 years the exclusive right of exercising the taxing power has been preserved in the form that the Constitution prescribed. However else we may have abridged or compromised the basic principles of the Constitution, we at least have not abandoned this one.

Gentlemen, you are engaged in an assault upon parliamentary government. No one can foresee where this movement will lead or end. One thing is certain; it risks the beginning of the end of that fundamental principle upon which our institutions were built, our happiness secured, and our prosperity maintained up to the present hour. This proposed change would not even be thought of except it is the fashion of the time to belittle and discredit parliamentary government. But the tragedy of it all is that we ourselves are joining in the movement to undermine parliamentary government, which means to put ourselves in the limbo of rejected things.

I repeat, in order that there be no misunderstanding and scuttling behind fogs or imaginary issues, that the primary, the crucial, and the final question here is: Shall we abdicate and relinquish the taxing power and place it where the Constitution expressly forbids it to be placed? Do not plead that it is only partial; that it is confined and limited by a rule; that it is only temporary. It is the step that counts and in all probability one that counts finally. The first proposal in 1922 was only for 2 years; and then that limitation was abandoned. At first it was to be greatly safeguarded and restricted; now it is proposed to expand it, extend it, and make it permanent.

You say the need is to provide a means of meeting an emergency. What would you think of a proposal giving the President the authority to increase the Army or the Navy upon investigation and advice by boards of Army or Navy officers, whenever he deemed an emergency existed? If increase of power and responsibility in the field of taxation when emergencies exist can safely and advantageously be lodged in the President, why not let him be the judge of the extent of preparations that are necessary to provide for public defense without the concurrence of the Congress? Why stop at the mere protection or safeguarding of property? Is not the protection of life and the defense of the country of greater moment?

Mr. President, during this entire discussion no wholehearted or sincere words of commendation have been expressed for the manner in which thus far the flexible tariff has functioned. Throughout the discussions there has been criticism and an expression of general lack of confidence. Even the proponents of the measure have been apologetic. But in the very breath that they allege that things have not been as they ought to have been, and that the results have not been as expected, they urge us to continue the abandonment of our powers because, forsooth, the future will resuscitate, remodel, and restore the particular example of bureaucracy that thus far has failed. The servant has been unfaithful in some things, so make him ruler over many.

Reform! Drive politics out of a department of government that deals with a question that is saturated with political philosophy fought over in every political conflict by every political party since the beginning of the Nation! Do you think that by delegating this power that a candidate for the Senate can be elected to office in Louisiana by stating that the sugar question has been removed from politics and is in the custody of a mere fact-finding commission, and that the people of Louisiana must appeal not to their Senators for relief but hereafter to a fact-finding board that has already decreed their sugar protection excessive? Do you think any Senator, be he Democrat or Republican, elected in Massachusetts can escape declaring to distressed industries that the tariff is now taken care of by officials outside the Halls of Congress and that he is powerless? What of the Senators from other States? What will you say to a constituent after a fact-finding commission has refused an application for tariff revision? Are Senators from the woolgrowing and from the lumber States going to sit down and fold their hands now that you have passed a law taking this authority in large part from yourselves?

I dislike to prophesy, but a statesman must do it. The founders did it, they looked back and saw the awful story that history revealed, and that they had personally experienced, of the usurpation of the power of taxation. And then they prophesied that history would repeat itself here in America unless the control of the people's pocketbook and the control of commerce through the imposing of taxes was separated clearly and absolutely from the Executive and kept on the broadest basis possible. They were not so gulleless as we, or shall I say such tricklers to expediency? They were students of the science of government. They were sagacious. Well they knew that lodging power in the hands of one man makes for celerity and efficiency; but they also knew that something else was of vastly more consequence. They were willing to make certain sacrifices of efficiency for greater ends. They preferred less efficiency and the retention of liberty, rather than the maximum of efficiency with the possibility of despotic abuse.

After all is said and done is not the answer to the impression that visitors to these galleries receive, and frequently express, of our apparent inefficiency and other shortcomings summed up succinctly in the words of the French leader when criticism was made of the delay and disorderly conduct of the French Assembly: "These are the manners of liberty"?

If there is one idea more than any other that I have been impressed with as I read the stirring story of the deliberations and struggles for the founding of this Republic, and studied the political philosophy of its creators, it has been this: That they were not unmindful of the possibility that the form of government which they outlined might in time bring to their descendants tyranny, but they were convinced, first, that if that tyranny came it was more likely to come through abuse of the taxing power than any other, and, secondly, that it was better to have that abuse come through the failure of many rather than of one. In a word, they believed that since abuses could not be foreseen or surely prevented, they were in the long run less likely to come through their parliament than through some of the other agencies of government which they necessarily provided for; and consequently they lodged, first of all, the taxing power, permanently, as they thought, in the charge of our parliament—the American Congress.

I said I would venture to prophesy, and here is what I do not hesitate to say, weighing the responsibility of my words, that this decision to make the flexible provisions of this tariff a permanent policy of our Government, for that is what it amounts to, means the end of a scientific judicially minded commission, and it likewise means the end of tariff reviews in the open before the country by the Congress.

The personnel of the United States Tariff Commission, and I say this without any desire to enter into the realm of discussion of personality, since the Commission began the administration of the flexible tariff, has become more political. Previous to 1922 it may not have done much, for it was only starting, but what it did was scientific and commanded respect. Men of scientific integrity and purpose were sought and obtained both for commissioners and for leading positions on the staff. With the coming of the flexible tariff the whole complexion of the Commission changed, a new type of commissioner was appointed, and the better members of the staff resigned and were replaced by inferior and more subservient assistants. It could not be otherwise. The change in the work was from investigation and research removed from politics to research, investigation, and decision controlled by politics. What has happened is inherent in an institution dealing with such a highly political subject, which is possessed with the power to loosen or bind men's wages and profits through governmental action.

What we did then and what we are doing now, if this proposal succeeds, is to transfer political conniving, scheming, improper suggestions of every kind from this open public forum to a commission that necessarily does its work away from the public eye. Is there any Senator on this floor who seriously doubts that pressure of tremendous proportions will not be exerted with success in naming in the future to this law-altering body textile commissioners, wool commissioners, sugar commissioners, lumber commissioners, and that men will also be appointed as members of the staff for the purpose of protecting and insuring the supposed rights of particular industries and interests?

You say that intrigue, scheming, and conniving is here in the Congress. True; but it is brought to bear on 600 men and not on 6 men who are the appointees and advisers of 1 man. You say that politics in tariff making is here. Yes; but here it is in the open; it is a recognized and expected part, unfortunate and, I fear, unavoidable of the surroundings and functioning of parliamentary government. What an exalted opinion of the immunity from political pressure and subtle suggestions and possession of infallibility you place in bureaus and in the Presidential office: How you do look gullelessly for a miracle!

Why are these things here? It is because we are engaged in the business of handing over favors and benefits through the possession of the opportunity and power to grant, in the exercise of our discretion, the demands of selfish and greedy interests. Our necessarily plenary power with respect to taxation gives us the power to abuse it; but there are limits to abuse in our hands. There is none when it is concentrated and out of sight.

Mr. President, there have been some momentous debates and decisions in the Senate of the United States, but none that were fraught with more serious consequences for the future of our country and for the welfare of the people than the decision we are making now. It is more than a fight between old-fashioned constitutionalism and modern constitutionalism, as it has been called. It is a fight to safeguard parliamentary government against the usurpation of the taxing power.

I see in vision a future day when men sitting in our places here will turn back the pages of the record of this body to scan the names and the motives of those who changed the settled policy of 140 years and turned this most sacred, precious, and dangerous power—that even to destroy property and freedom of action—into an uncharted political course that every liberty seeker familiar with the science and experience of government has hitherto renounced and avoided.

Senators, pause, I plead with you, before you vote for such a destructive interference with the liberties and rights of our people.

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[From the CONGRESSIONAL RECORD of Oct. 2, 1929]

Mr. WALSH of Massachusetts. Mr. President, I ask unanimous consent to have inserted in the RECORD a statement issued and published on September 30 by the minority members of the Senate

Finance Committee setting forth their objections to the flexible provisions of the tariff law.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

"JOINT STATEMENT BY THE MINORITY MEMBERS OF THE SENATE FINANCE COMMITTEE

"A question of far-reaching consequences transcending considerations of party prompts us to issue a public statement in relation to the so-called "flexible provisions" of the tariff bill now pending before the Senate.

"The question involved is one that in our opinion strikes at the very roots of constitutional government. It concerns the preservation unimpaired or the abandonment of the power of levying taxes by that branch of the Government which the forefathers agreed should alone be charged with that duty and responsibility.

"Whatever argument could be advanced during the war and immediately following for delegation to a degree of the taxing power to the Executive unquestionably no longer exists. To incorporate now in the law any recognition of a right of the Executive to impose taxes without the concurrence of the legislative branch is without justification.

"Authority in the Executive to make the laws that govern the course of commerce through taxation is especially objectionable. It is an entering wedge toward the destruction of a basic principle of representative government, for which the independence of the country was attained and which was secured permanently in the Constitution.

"There is no issue here as to the integrity of any Executive who has had or may have extended to him the exercise of this power. The issue is one of taxation by one official, be he president or monarch, in contrast to taxation by the representatives of the people elected, intrusted exclusively with the power to seize the property of the citizen through taxation. If proof be needed that the danger which the forefathers foresaw is inherent in this issue, a mere casual inquiry into the methods employed, selfish influences used, sinister schemes and contrivances brought to bear, one need but examine the record.

"PROCESS HELD VIRTUALLY SECRET

"The principle is: Are taxation laws and their application to be made virtually in secret, whatever may be said about a limiting rule, or are they to be enacted by the responsible representatives of the people in the Congress, where public debate is held and a public record made of each official's conduct?

"The arbitrary exercise of the taxing power, all the more dangerous if disguised and not obvious, in its basic character is tyranny. Resistance to the impairment of this popular right has largely occasioned many of the wars and revolutions of the past.

"An issue of this importance should not be associated with the opinions or necessities of those interests, States, or sections that directly profit by some rate schedule in the body of the tariff act. With respect to the principle here at stake any trading or logrolling is especially unjustifiable and indefensible. Neither should we be unduly influenced by the attempt to divert attention from this momentous issue by condemnation of and emphasis upon the dilatory and unsatisfactory results of congressional procedure.

"POINT TO AMENDMENTS

"No one seeks to prevent or in any way to interfere with the investigations and reports of the Tariff Commission in connection with emergency tariff legislation. The point is, we emphatically insist that final action and responsibility based on Tariff Commission reports shall be taken by the Congress.

"For the purpose of preventing apprehended congressional delay an amendment has been made providing for the submission of the reports to the Congress by the President, and furthermore, an amendment will be presented strictly limiting action by the Congress to matters germane to the particular subject matter or rates recommended by the President after investigation by the Tariff Commission.

"We do not hesitate to say that if this extraordinary and what we believe to be unconstitutional authority passes now from the Congress, it is questionable if there will ever again be a tariff bill originated and enacted by the Congress.

"It is our solemn judgment that hereafter all taxation through the tariff and regulation of commerce thereby will be made by the Executive. It is the inherent tendency of this tariff-changing device and the apparently conscious purpose of its proponents to use it to keep the tariff out of Congress, where it is such an embarrassing business, as everybody knows, to the party that profits politically by it. So also it will be of distinct advantage to the interests that are the direct beneficiaries of the tariff.

"In an age where there has been a steady tendency to rob the individual citizen of his power and influence in his Government through bureaucracy, we deem it our duty to vigorously protest any further encroachments in this direction, and especially with respect to taxation.

"In the hope of arousing the people, regardless of party, to take a broad and public view of this important public question, we make this appeal."

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Mr. SWANSON. Mr. President, I do not expect to add much to the splendid addresses which have been delivered upon this all-important question. The debate has gone to the fundamentals of government and in character measures up to the debates which have occurred in the palmiest days of this Republic or in any legislative body of the world where the rights of the people were being fought for in opposition to executive or arbitrary power. The speeches we have heard in opposition to the flexible provision of the tariff bill have been worthy of Burke, worthy of Chatham, worthy of Mirabeau, and worthy of the fathers of this Government, who sounded the clarion note for popular rights. The arguments which have been advanced in behalf of the flexible provision of the tariff bill, placing in the hands of the President the right to give favors and the right to impose taxes upon the people, embody exactly the same excuses which have been made from time immemorial in behalf of arbitrary and one-man power. They have added nothing to all of the excuses which have heretofore been made for the bestowal of such power.

I wish in a brief way to present this issue so that the American people may clearly and distinctly understand it. First, I wish to state in what respects both sides of this controversy agree, and then I wish to point out where they part company.

Both sides to the controversy agree that there should be a Tariff Commission. Both sides to the controversy agree that that Tariff Commission should be empowered to ascertain all the facts, all the information, scientifically and thoroughly, as to the cost of production abroad and the cost of production in America, in order to frame a reasonable, scientific, fair, and just tariff, which will be protective of American interests. There is no difference of opinion as to that; we all equally agree to the provision for the creation of a fact-finding tariff commission.

After the Commission shall have performed its work, after it shall have ascertained the facts, after it shall have made a thorough and scientific investigation, we then part company. A portion of the Senators on the other side of the Chamber, constituting a majority, say that the facts thus thoroughly and scientifically found shall be sent to the President, and that his judgment, his will, shall make those findings operative.

Senators on this side of the Chamber say that, when ascertained by this method, the facts as to the cost of production at home and abroad should be sent to the Congress, and that the congressional will and congressional action alone should make effective those findings of the Tariff Commission. There is where the difference between Senators on either side of the Chamber is specific and well defined. However, it has been sought to impress the country with the idea that we are trying to destroy the Tariff Commission by advocating a provision that will send the report to Congress for action and not to the President.

The issue now presented has been an issue from time immemorial. It is, Shall the taxing power in a nation be placed in the hands of one man or shall the people reserve that power to themselves and exercise it as their will and their judgment may dictate? That is a conflict that has existed in the world since man first became civilized. It is fundamental; it is far-reaching; it cannot be shirked. That is the issue here today, and no subterfuge, no sophistry can avoid that one specific issue.

Mr. President, I am opposed to sending the information obtained by the Tariff Commission to the President; I favor sending it to Congress; and I shall give my reasons for my position. First, I am opposed on historical grounds, by tradition, and because of what history and its proven truths tell mankind, to conferring such power on the President. How was America settled? What were the conditions under which this Nation was founded? The world was dominated by executives and despots. The Cortes of Spain had been abolished when America was settled, and the will of the King of Spain was the law of three-fifths of the world. The great States-General of France had been abolished; it was not called together again until it met on the eve of the French Revolution. James I had prorogued Parliament and his will was the law of England. The English Parliament did not assemble for 7 years, and during that time James I was the ruler whose dominant will controlled England. With that situation in the world, America was settled by people who believed they had a right to control their own destiny, the right to control the imposition of their own taxes, the right to control their private affairs. For all the world, Mr. President, liberty, popular rights, had but one refuge, and that was in the woods of America. Here we have protected liberty, until now, when it is sought to make an abject surrender of the popular rights of the people which our forefathers would not have thought possible in the great Republic which they founded. This is the issue and it cannot be evaded.

What does it mean when the President is given the power to impose customs duties or tariff taxes on 120,000,000 people? First, that taxes are imposed on the American people by the Executive, and, second, that there is bestowed on the Executive without limit and without stint the power practically of granting monopolies and conferring favors upon anyone according to his own will.

What was the great curse of monarchy? It was the power on the part of the king to grant monopolies to a few to trade in England or in France or in Spain, as the case might be. One of the greatest curses of government until America was settled was the power given to monarchs to show favoritism, to bestow favors upon their particular friends and adherents, to make men rich or poor as the will of the monarch might dictate. In England privileges were given to favorites which resulted in monopolies in the woolen trade, the sugar trade, the cotton industry, and similar favors were bestowed in France and Spain. Court favorites were made rich by the monarchs who had it in their power to bestow such favors. That was one of the abuses denounced in our Declaration of Independence; it was one of the main grievances which resulted in the wrestling of the Magna Carta from King John, for the King could bestow favors to the enrichment of his favorites.

Mr. President, what does the flexible provision propose? It proposes to give the President power to create monopolies in America, if he shall so desire, and to create them for the benefit of favorite

interests; it proposes to give the President the power to determine how 120,000,000 people shall trade. Of all the power ever bestowed in the history of time none exceeds the power given the President under this flexible provision of the pending bill to bestow favors and monopolies and benefits on individuals, industries, and corporations according to his own will and desire.

I am opposed to that. When a Senator votes for the flexible provision of the pending bill he votes—and he cannot evade the issue—to give that power, that opportunity to the President without stint and without limit except that the President cannot raise or lower a tariff duty in excess of 50 percent of the rate fixed by the bill. Those who think that such a power as belonged to the kings and potentates of the world in former times should be bestowed upon the President and that the opportunity for favoritism should thus be afforded will vote for the flexible provision of the tariff bill. That is what it means.

In addition to giving to the President this unlimited power of enriching favorites, as he may desire, it confers upon the President the right to impose taxes. I am opposed to that. I think it is contrary to the Constitution. I do not care one iota for the decision which was rendered upholding the flexible provision of the tariff. What did that decision hold? It held that if Congress sees proper to abdicate its power under the Constitution and turn that power over to the President, and if in the opinion of Congress the provisions of the law do not leave any discretion in the President, then the provision is legal. I believe the decision is wrong. From time immemorial it has been held that legislative power cannot be taken away from the Parliament or the Congress when any discretion is left in the exercise of the power on the part of the Executive. That is a fundamental principle. The decision was based on a subterfuge that the flexible provision left no discretion in the President because he was bound by the conditions fixed in the law, but anyone may read the provision and see that it is not specific. It gives the President the discretion to raise tariff duties to the extent of 50 percent of the rates provided in the bill. We should vote according to our idea of the Constitution, regardless of any decision of the Supreme Court.

The founders of the Government, fearful of the taxing power, provided that the people could not be taxed except by Congress and that all tax measures must originate in the House of Representatives. They were so concerned about the taxing power that they provided that the House of Representatives should be elected every 2 years, which is one of the shortest election periods in the history of constitutional government. Yet it is proposed to give to the President the power to impose taxes, to increase tariff rates 50 percent or decrease them 50 percent. When he is given that power, what does it mean? It means that power thus given to him, in the absence of his consent, can only be withdrawn from him by a vote—two-thirds of a majority of the House and of the Senate. If this flexible provision shall be embodied in the law and it is desired subsequently to repeal it or to change it, and the consent of the President cannot be obtained, it can only be repealed or changed by a two-thirds vote. That statement cannot be denied. It means that we confer on the President for all time the power to increase taxes unless two-thirds of Congress shall take that power away from him, for it would take two-thirds to override his veto. So it appears that when Senators vote for the flexible provision they vote to deprive a majority of Congress of the right to handle this matter; they vote to leave it entirely to the President to continue to exercise this power unless he consents to the withdrawal of the power or unless two-thirds of the House and the Senate withdraw it from him. I say that that strikes at the fundamental principle of majority government and is ruinous to our institutions.

Mr. President, under the power granted to the President by the flexible provision, how is it to be exercised? No publicity surrounds the proceedings of the Tariff Commission. The President is not required to act publicly. So the hearings and the proceedings in connection with the operation of the flexible provision are of a star-chamber character. The President can hear a case openly or he can hear it secretly. Six members of the Commission and one other man, the President, without publicity, without the case being presented, can absolutely control the industries, the enterprise, the foreign trade and commerce, and the industrial growth and development of 120,000,000 people, secretly and by means of star-chamber proceedings.

One of the great fights made in England against Charles I and James I was that the rights of England were bartered and sold in star-chamber proceedings, secretly, without publicity, and without knowledge on the part of the people. Yet it is proposed to place our industries, the taxing power, and our entire prosperity in such a position that we cannot compel publicity, but star-chamber and secret proceedings may determine their fate. In Congress it must be done publicly. The votes are public; the debate is public; there is a public record; and the American people know from their representatives who has been true and who has failed.

Who is willing to have the interests of his State controlled, determined, and decided by the star-chamber proceedings of a commission, and a President who is not compelled to have publicity?

It is said that this flexible provision is necessary to prevent a general tariff revision, and every time we want a change we will have to have a prolonged, elaborate tariff debate. To answer that, an amendment was offered to the Simmons amendment by the Senator from Nebraska [Mr. NORRIS], which provides what? That Congress, the House of Representatives and the Senate, can only consider and vote upon the items sent in the report with the Commission's recommendations. That is exactly what the President would have to do. He would pass on the item. It is sent to him precisely as it is sent to us. He has to accept that item and recommend it; and if it comes to Congress, we have to do the same thing, and cannot change the rate except so far as that item is concerned. That gets rid of all the complaint that it means, general tariff debate and general tariff revision. Consequently that objection disappears.

The next argument advanced is the celerity with which the tariff can be changed under the flexible provision. Now, everybody knows that a President is overworked. The President will hardly have time to read the reports. The President would simply send them to one of his Cabinet members and direct him to pass on them. Everybody knows that he is overworked. Everybody knows that he could not read the evidence. Everybody knows that he could not give it consideration, in view of the great burdens that rest upon him in foreign affairs, in financial affairs, and other numerous matters. Consequently, it simply means that the matter must be referred by the President to a person that we do not know and possibly never heard of.

It is all folly to talk about the President's having an opportunity to investigate the matter, an opportunity to reach a conclusion about it. It is an absolute impossibility; and those who present that view know that it is impossible.

Now, the question is, Can Congress pass upon this item, and either increase or decrease the duty upon it as recommended by the Tariff Commission, or is it better for the President to do it? We will have more celerity, we will have better judgment, it will be a better way to exercise it if Congress does it than if we leave it to the President.

Senators talk about the speed of the procedure. Let us see whether the Tariff Commission is better than the Congress in that respect.

It has been conceded—it is not denied—that in 7 years the Commission has passed on 37 items. A little more than 5 a year has this wonderful Commission been able to consider and reach a conclusion on—a little over 5 a year! There are between four and five thousand items in this bill. I have made an estimate; and I find that at that rate, in order to make a report and have a bill ready for this session of the Senate to act on, the Tariff Commission would have been compelled to meet at the time William the Conqueror went to England in the tenth century and work night and day from that time to this. That would have been necessary in order to have a tariff bill ready now for the action of Congress. This is the speed which these advocates of Executive power invite Congress to approve.

What excuse can exist for the abdication by Congress of its power, its right of publicity, its right of taking care of the interests of the States, and surrendering it to the star-chamber proceedings of a President and of a commission?

Mr. President, these are the views that animate me. I think this is a fundamental question of popular rights and popular liberty. If parliamentary government cannot be sustained in the United States, it is a failure; and yet we are asked practically to abolish parliamentary government, to do it in an unconstitutional way, and to create in America by indirection powers of a President superior to Congress and superior to the people, and a power that we can never withdraw from him without his consent except by having a two-thirds vote in the House and the Senate.

Mr. President, I think this is a serious question. This is the time when we must make a stand for popular rights, for popular liberty, for the right of the people to govern themselves through their parliaments, which is the very principle upon which the American Government and American institutions have been founded.

I am not for creating in America a Mussolini. I am not for creating in American a despot. I am not for creating in America a President with more constitutional powers than any monarch ever possessed, and then supplementing that with power to give riches, wealth, monopoly to his favorites by the flexible provision of a tariff bill.

Mr. President, we cannot shirk the issue. It cannot be shirked. Right here today, when the roll is called, Senators will answer whether they are for popular government, whether they are for the rights of the people, whether they are for constitutional government, whether they intend to let our Constitution continue as it was founded, with the power of taxation by Congress and not by an Executive.

I, for one, have been proud of the eloquent voices that have been raised, the ability that has been displayed, in keeping America true to her traditions, in keeping her true to her institutions as the leader and the champion the world over of popular rights and the liberties of the people, and the right of the people to control their own destiny and make their will law, and not turning it over to the Executive.

[From the CONGRESSIONAL RECORD of May 10, 1932]

Mr. HULL. Here comes the giant oil industry, a great $12,000,000,000 business in this country, involving a natural resource which does not cost anybody a penny to create, a great industry which has had to its advantage during the past 10 years a favorable balance of exports in the huge amount of $3,600,000,000, coming here and complacently demanding that the peoples' representatives, the representatives of the American public, shall vote to this huge octopus—and I say that in no spirit of criticism—a special subsidy running up into the hundreds of millions of dollars, to be paid for largely by the 30,000,000 farm population, hopelessly prostrate, overwhelmed with debt, with commodity prices so low it does

not pay to remove farm products from the farm; a demand also that the wage-earning population, which, with their families, aggregate sixty to seventy million, together with the agricultural population, shall bear the lion's share of this bald, unadulterated subsidy in the way of an increased price, under tariff shelter, above what the price to the farmer and wage earner would otherwise be.

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Our friends who espouse the other and opposing economic course seem to have an idea that when we bring the agencies of Congress and other departments of Government into operation to shut out a few dollars of imports here and there which are trickling into the United States in the way of specialties or novelties or something of the sort, that we are accomplishing some sound and profitable economic purpose. And yet no economic truth is more patent than that whenever we today shut out $1 of imports by these extreme obstructions which we are undertaking to erect from time to time we shut in at least $5 worth of automobiles and foodstuffs and machinery and other surpluses in all industrial and productive lines, including wheat and cotton.

What boots it if a few dollars' worth of oil comes in to some bay or some harbor or locally on the seaboard if we are able in return to send out and sell five times that value in surplus cotton or wheat or automobiles or these other enormous surpluses which are binding down so heavily and almost hopelessly depressing our entire economic situation? Yet wherever and whenever on both oceans somebody finds where a few dollars of imports are trickling in he catches the first train, or perhaps does not wait that long but gets on an airship, and comes through to Washington overnight.

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Mr. President, commodity prices have been pulled down and held down to the world level in every instance where they are bought and sold in world markets and where they are produced on a surplus basis by any particular country. I desire to call attention to the facts in order to illustrate where we have gotten after this long string of so-called "remedies" that have been set forth by the administration in charge of the Government. As an illustration for my friends who imagine that they can single out different surplus-producing industries and by the imposition of tariffs lift the prices up ad libitum, let me refer to wheat and sugar, on both of which tariff duties are imposed; to hides, having a tariff; to rubber, which has no tariff; to silk, which has no tariff; to cocoa, which has no tariff; to copper, which has no tariff; to zinc, which has a tariff; to silver and petroleum, which have no tariff protection. Those are 10 commodities of world use, many of which this country itself produces a surplus of. According to the index of wholesale prices, these 10 raw materials on May 16, 1932, had registered a new low all-time price level. Zinc, Mr. President, on which there has been a tariff from the time when the memory of man runneth not to the contrary, went to 2.38, an all-time low price. Whether we take hides or corn or wheat or oats or rye, zinc or lead, or any other products, of which a substantial surplus is produced and which are commodities of world use, no lesson has been more conclusively learned by intelligent, fair-minded people everywhere than that such tariffs mean nothing, or practically nothing, but they do have this effect——

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For instance, take the price of corn on which there is a tariff of 25 cents a bushel and which is a world-wide commodity. On the farms on April 15, 1932, it was selling for 31.4 cents a bushel. The price of wheat was 43.1 cents a bushel, with a tariff of 42 cents a bushel upon it. The price of eggs has gone down to 10.2 cents; the price of chickens has gone down to 12.6 cents; the price of butter, with 14 cents a pound tariff, has gone down to 20.1 cents, which is the lowest price for butter in 25 years. Hogs in Chicago are selling as low as 3.53 cents a pound, which is the lowest price in 30 years. Hides are down to 5¾ cents, 56 percent off from 1929, and oats just a few month ago were down to 11 cents on the farm.

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The second point the President makes is as to tariff protection. He says:

"As a matter of fact there never has been a time in the history of the United States when tariff protection was more essential to the welfare of the American people than at present."

What in the world will be announced next from the White House? That sentence by itself was an impertinence in this sort of a state paper, which, I must say, contains more of sophistry and more of misstatement than any state paper since 1789. This sounds more like a fat-frying veto than a veto based on any sort of economic consideration. It sounds as if an election was approaching and an appeal to the pocketbooks of the chief tariff beneficiaries might be advisable.

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The President goes further and refers to the retention of the flexible tariff clause. At the time this clause was enacted I called attention in a speech in the House to the significance of this flexible tariff policy and the effect of the proposed enactment of the present law in the following language:

"I am unalterably opposed to section 315 of the tariff act and demand its speedy repeal. I strongly condemn the proposed course of the Republican Party, which contemplates the enlargement and retention of this provision with such additional authority to the President as would practically vest in him the supreme taxing power of the Nation, contrary to the plainest and most fundamental provisions of the Constitution—a vast and uncontrolled power, larger than had been surrendered by one great coordinate department of government to another since the British House of Commons wrenched the taxing power from an autocratic king."

Mr. President, unless and until the executive department can make permanent the policy of the present Tariff Commission law, with its flexible provision, Congress can lay claim to some semblance of its taxing power under the Constitution, but I deny the right of the executive department practically to assume, to arrogate to itself the chief power of tariff taxation in this country, while it ignores the great law-making body charged with that function and duty under the language of the Constitution.

The President dismisses this entire industrial and domestic trade situation, as it relates to tariffs, by the flippant remark that the Tariff Commission, through the operation of the flexible provision, will be amply able to raise or lower a tariff in response to all the sound needs and demands of industry and commerce in this country, both domestic and international.

There is an issue sharply presented as to whether this hand-picked high-tariff commission, under the domination of the President, who, at the same time, shows an amazing subserviency to the chief tariff beneficiaries of this country, shall be vested with the chief control of tariff making. I am opposed to it, and I believe that the sober second thought of the American people will repudiate this unprecedented and unusual and wholly unjustifiable arrogation of power and authority to the President.

He proceeds a little further by the Smoot-Hawley Act; and I want to say that if I had my way, I would offer a bill to abolish the present rather partisan Tariff Commission and seek the installment of a broad, impartial, fact-finding organization. I would repeal the flexible provision and restore to the Congress its rightful authority in tariff making.

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The real question goes further back than that. The question is whether a political party in charge of the Government receives substantial campaign contributions from the tariff beneficiaries. Whenever it is permitted to receive such contributions, those beneficiaries sweep down here on Washington and brush aside, and kick aside, if necessary, all agencies or obstructions and write their own embargo rates.

There will be no sound or wholesome tariff legislation in this country until a divorce is effected between politics and vested interests; and we have been sitting here all winter and all spring talking about the superficial and temporary palliatives, and about how the Tariff Commission might function, about scientific tariff revision, but this, the real seat of the trouble, has scarcely been mentioned, if at all. That presents one of the real issues in connection with the President's veto message.

Some of our Democratic and Republican friends imagine we are living 50, 75, or 100 years ago, when the academic question of whether one stands for an ultra high tariff or for moderate tariff or for revenue tariff or for free-trade tariff would become pertinent and timely. The truth is that at this stage of development of our commerce and our tariff and our politics the chief beneficiaries have a strangle hold on the dominant forces in the Republican Party, and they come here as stated and write their own prohibitive tariffs. The question and the task for those who favor moderate tariffs instead of high and still higher tariffs from year to year is to organize themselves together, whether they be moderate protectionists or tariff-for-revenue advocates or free-trade advocates, and make the common fight on this condition to which I have referred. Until they succeed in divorcing and separating the chief beneficiaries of this phase of special privilege and that branch of politics in control of the Government no other step can be successfully taken. It is idle and futile to talk about any other step.

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The President undertakes to make a wholly erroneous impression that the international conference proposed in the vetoed bill is intended to usurp some of the tariff-making power of this Nation. Nothing is more absurd than that intimation. Nothing was further from the minds of the Members of Congress in dealing with that matter.

I wish for just a moment to call attention to what was really in the minds of those who were in charge of that measure. Speaking of these three proposals embodied in the tariff bill which the President vetoed, in a recent speech I said this:

"The first proposal to this end is for legislation authorizing a permanent world economic conference called by the President, the action of which, more than any other first step, would restore confidence and credit; such conference having for its purposes the development of a spirit of simultaneous tariff revision downward, and liberal commercial policy, mutual agreements eliminating many discriminations in commerce, unshackling international finance, credit and exchange, and liberalizing the network of reprisals, prohibitions, embargoes, and other restraints which accompany the policy of superprotection.

"Second, legislation authorizing the President to negotiate trade agreements based upon mutual tariff concessions and the unconditional most-favored-nation doctrine.

"Third, that the American Congress, with the legislative bodies of other countries acting as nearly in concert as they will, should, according to their own separate and independent judgments, proceed with all necessary preliminary preparations, with the aid on the part of our Congress of an impartial fact-finding commission, for the careful and gradual readjustment downward of existing excessive tariffs with a level of moderate rates that will not permit conditions of domestic price monopoly, and a liberal, fair, and friendly commercial policy as the ultimate objectives. This broad

policy would, in addition to impregnable home markets, insure wider and better foreign markets for our surplus, healthier domestic industry, and regular employment at suitable wages for all of our labor. I myself would reorganize the present Tariff Commission, repeal the flexible clause, and adopt a more modified formula for assembling all the facts and factors relating to competitive strength here and elsewhere."

There, Mr. President, is a frank statement of the purely innocent scope and purpose of the international conference proposed in this recent enactment.

All the nations of the world are afflicted with many conditions in common. All have experienced a common falling of commodity prices. All have experienced alike a collapse of credit and undue restrictions of the exchange situation, a hopelessly dislocated financial condition, with resulting monetary instability. All the nations are equally interested in restoring the structure of international trade, now prostrate. All are interested in bringing back to a higher level the commodity price situation. Yet, Mr. President, while every respectable business man and economic authority in the world today agrees that the controlling causes of this panic have now extended themselves to every important country, and that the necessity for some degree of cooperation is patent to every intelligent person, if we are to make satisfactory progress back to a stable and sound business recovery, the President flippantly and carelessly and recklessly vetoes this proposition upon the absurd suggestion that the international economic conference would interfere with our domestic tariff policy.

Why, Mr. President, after all countries under our leadership have raised their tariffs to such heights that they have choked international trade down to its knees, some step to check this constant increase upward is necessary. No plan would be more practical than that of concerted action among all the countries of any importance to the end that they may, as nearly simultaneously as possible, through their domestic parliaments revise tariffs downward in the direction of a moderate level and to the end that the nations of the world may by mutual agreement eliminate many of the retaliatory and unfair trade methods and trade practices which are so conducive to trade strife and declarations of economic war. Of course, we could not get all of them to meet in a 40-acre lot to conduct negotiations to revise tariffs. Who would have thought of such a suggestion except some adviser of the President?

We propose bilateral treaties or treaties negotiated between two countries to revise tariffs downward in a spirit of mutual concession. If after a nation should negotiate half a dozen or more with other nations, they should all meet together and see fit to merge them into a multilateral treaty, and it was mutually acceptable in every way, they might do that. But that is as near as the President's sweeping condemnation of this provision comes to the truth. No American citizen could reasonably take exception upon the ground that it remotely interferes with the fullest prerogatives of the American Government and the American Congress.

EXHIBIT A

Dutiable imports into the United States from France, 1931

DUTIABLE IMPORTS FOR WHICH FRANCE WAS THE LEADING SOURCE OF SUPPLY, 1931

[(U) Unconditional; (C) Conditional]

Article	Percent from France	Percent from most-favored nations		
		Unconditional	Conditional	Principal countries
1. Cigarette papers, paper, books, and covers:				
Quantity	98	1.0	1.00	Italy (C), Spain (U).
Value	98	1.0	1.00	Italy (C), Germany (U).
2. Cotton laces, machine-made: Value.	75	7.0	18.00	United Kingdom (C), Germany (U).
3. Shelled walnuts:				
Quantity	31	64.0	2.00	China (U), Turkey (U).
Value	43	53.0	2.00	China (U), Rumania (U).
4. Cotton floor covering:				
Quantity	12	.3	85.00	Japan (C), Italy (C).
Value	43	1.0	49.00	Do.
5. Other wool-knit goods:				
Quantity	73	14.0	12.00	United Kingdom (C), Czechoslovakia (U).
Value	58	16.0	23.00	Germany (U), Austria (U).
6. Silk laces and lace articles: Value.	91	1.0	7.00	United Kingdom (C), Germany (U).
7. Pearls and parts, not strung or set: Value.	68	6.0	23.00	Do.
8. Silk wearing apparel, embroidered or of lace: Value.	75	17.0	8.00	China (U), Japan (C).
9. Vanilla beans:				
Quantity	80	0	.30	United Kingdom (C).
Value	54	0	.20	Do.
10. Cotton sewing thread, crochet, cotton, etc.:				
Quantity	64	17.0	19.00	United Kingdom (C), Germany (U).
Value	87	7.0	6.00	Germany (U), United Kingdom (C).
11. Canned mushrooms:				
Quantity	96	.1	4.00	Japan (C), Italy (C).
Value	94	.1	5.00	Do.

Dutiable imports into the United States from France, 1931—Con.

Article	Percent from France	Percent from most-favored nations		
		Unconditional	Conditional	Principal countries
12. Other silk wearing apparel: Value.	53	6.0	40.00	Japan (C), United Kingdom (C).
13. Perfumery, bay rum, toilet water: Value.	95	1.0	3.00	United Kingdom (C), Germany (U).
14. Silk pile fabrics:				
Quantity	59	38.0	2.00	Germany (U), Italy (C).
Value	52	42.0	5.00	Do.
15. Silk pile fabrics manufactures:				
Quantity	85	6.0	1.00	Germany (U), United Kingdom (C).
Value	84	3.0	1.00	Do.
16. Wood furniture, n.e.s. (except chairs and bent-wood furniture): Value.	36	7.0	53.00	United Kingdom (C), Italy (C).
17. Silk broad fabrics, Jacquard figured, over 30 inches wide:				
Quantity	39	21.0	37.00	Italy (C), China (U).
Value	45	11.0	40.00	Italy (C), Austria (U).
18. Body-supporting garments and elastic fabrics: Value.	89	1.0	10.00	United Kingdom (C), Czechoslovakia (U).
19. Paper boxes: Value	51	39.0	8.00	Germany (U), United Kingdom (C).
20. Perfume materials, dutiable: Value.	58	15.0	7.00	Do.
21. Rayon fabrics:				
Quantity	36	42.0	13.00	Germany (U), Italy (C).
Value	46	35.0	9.00	Germany (U), Austria (U).
22. Cosmetics, powders, creams, etc.: Value.	72	11.0	16.00	Germany (U), Japan (C).
23. Braids, fabrics, laces, metal: Value.	85	9.0	3.00	Germany (U), United Kingdom (C).
24. Cotton velvets and velveteens:				
Quantity	53	42.0	4.00	Germany (U), Italy (C).
Value	52	43.0	5.00	Do.
25. Glove leather, seal, chamois, and other: Value.	45	32.0	22.00	Germany (U), United Kingdom (C).
26. Beaded bags, fabrics, articles: Value.	49	26.0	26.00	Belgium (C), Germany (U.)
27. All other art works: Value.	38	23.0	37.00	Italy (C), Germany (U).
28. Mineral water:				
Quantity	58	27.0	13.00	Germany (U), Italy (C).
Value	49	38.0	11.00	Do.
29. Containers, bottles, vials, jars, etc.: Value.	45	48.0	6.00	Germany (U), Czechoslovakia (U).
30. Red-clover seed:				
Quantity	100	0	0	
Value	100	0	0	
31. Opera and field glasses:				
Quantity	89	10.0	1.00	Germany (U), United Kingdom (C).
Value	80	19.0	1.00	Do.
32. Briar, ivy, or laurel root: Value.	41	41.0	0	Italy (U), Yugoslavia (U).
33. Band and orchestra instruments: Value.	39	58.0	4.00	Germany (U), Czechoslovakia (U).
34. Edible gelatin:				
Quantity	36	15.0	16.00	Germany (U), Belgium (C).
Value	38	14.0	16.00	Do.
35. Toilet soap:				
Quantity	52	21.0	27.00	United Kingdom (C), Germany (U).
Value	44	22.0	33.00	Do.
36. All other silk manufactures: Value.	43	14.0	36.00	Japan (C), Italy (C).
37. Coney and rabbit furs, dressed:				
Quantity	51	45.0	3.00	Germany (U), United Kingdom (C).
Value	50	47.0	3.00	Do.
38. Silk embroideries: Value.	42	43.0	11.00	China (U), Japan (C).
39. Spun silk, plied:				
Quantity	63	1.0	.20	Germany (U), Italy (C).
Value	60	2.0	.40	Germany (U), United Kingdom (C).
40. Hair of cashmere, goat, alpaca, etc.:				
Quantity	6	14.0	38.00	United Kingdom (C), China (U).
Value	50	8.0	26.00	Do.
41. Cast-iron pipe and fittings:				
Quantity	82	.1	18.00	Belgium (C), United Kingdom (C).
Value	82	.2	17.00	Do.
42. Celery seed:				
Quantity	99.9	0	.10	Italy (C), Belgium (C).
Value	98.9	0	.50	Denmark (C), Italy (C).
43. Lahn, tinsel thread, bullion, etc.:				
Quantity	43	57.0	.01	Germany (U), Czechoslovakia (U).
Value	63	37.0	.10	Germany (U), Japan (C).
44. Sheep and lamb leather:				
Quantity	54	24.0	22.00	Germany (U), United Kingdom (C).
Value	59	21.0	20.00	Do.

Dutiable imports into the United States from France, 1931—Con.

Article	Percent from France	Percent from most-favored nations: Unconditional	Percent from most-favored nations: Conditional	Principal countries
45. Yarns of rabbit hair:				
Quantity	87	0	43.00	United Kingdom (C), Italy (C).
Value	59	0	41.00	Do.
46. Feathers, advanced and manufactured: Value.	62	29.0	8.00	Germany (U), Hungary (U).
47. Cotton wearing apparel, embroidered or of lace: Value.	37	32.0	10.00	Do.
48. Crude glycerin:				
Quantity	26	25.0	30.00	United Kingdom (C), Cuba (U).
Value	22	28.0	31.00	Do.
49. Prepared poultry:				
Quantity	16	20.0	2.00	China (U), Germany (U).
Value	42	16.0	3.00	China (U), United Kingdom (C).
50. Wool wastes:				
Quantity	50	11.0	34.00	United Kingdom (C); Germany (U).
Value	49	11.0	33.00	United Kingdom (C); Belgium (U).
51. Combination sheet envelops and papetries: Value.	43	50.0	6.00	Austria (U); Germany (U).
52. Ochers and siennas:				
Quantity	70	7.0	15.00	Italy (C); United Kingdom (C).
Value	56	7.0	31.00	Do.
53. Manufactures of human hair (except nets and nettings): Value.	97	2.0	1.00	Germany (U); China (U).
54. Other jute manufactures: Value.	33	31.0	33.00	Czechoslovakia (U); Italy (C).
55. Hanging paper:				
Quantity	12	38.0	21.00	Germany (U); United Kingdom (C).
Value	31	21.0	24.00	Do.
56. Maresites: Value	86	14.0	0.00	Czechoslovakia (U).
57. Silk wearing apparel, knit: Value.	50	9.0	24.00	Germany (C), United Kingdom (C).
58. Worsteds, not over 4 ounces per square yard:				
Quantity	39	8.0	39.00	United Kingdom (C), Germany (U).
Value	43	10.0	35.00	Do.
59. Wearing apparel, linen: Value.	41	7.0	30.00	United Kingdom (C), Belgium (C).
60. Silk drawn work, trimmings, etc.: Value.	68	5.0	28.00	Japan (C), Italy (C).
61. Rosaries, chaplets, and similar articles:				
Quantity	60	38.0	.50	Czechoslovakia (U), Germany (U).
Value	56	37.0	1.00	Do.
62. Wool tapestries over 4 ounces per square yard:				
Quantity	49	12.0	39.00	United Kingdom (C), Germany (U).
Value	52	12.0	36.00	Do.
63. Gold or platinum jewelry: Value.	08	9.0	16.00	Do.
64. Spun silk, singles:				
Quantity	68	.3	0	Germany (U).
Value	59	1.0	0	Do.
65. Yarns of wool and hair, n.e.s.:				
Quantity	35	46.0	20.00	Germany (U), United Kingdom (C).
Value	36	37.0	27.00	Do.
66. Airplanes, hydroplanes, and parts: Value.	47	20.0	8.00	Do.
67. Silk fabrics, fast edges not over 12 inches wide: Value.	76	14.0	8.00	Do.
68. Cement (except hydraulic):				
Quantity	96	4.0	.10	Do.
Value	75	22.0	2.00	Do.
69. Wool knit fabrics:				
Quantity	35	48.0	11.00	Do.
Value	45	40.0	10.00	Do.
70. Straw hats, blocked or trimmed:				
Quantity	34	.5	65.00	Italy (C), United Kingdom (C).
Value	69	1.0	29.00	Do.
71. Cherries, dried, prepared or preserved:				
Quantity	32	44.0	24.00	Yugoslavia (U), Italy (C).
Value	49	33.0	17.00	Do.
72. Fruit stocks:				
Quantity	99.9	0	.03	United Kingdom (C), Italy (C).
Value	99.1	0	.40	Do.
73. Manufacturers of wool pile fabrics:				
Quantity	78	17.0	5.00	Germany (U), United Kingdom (C).
Value	86	11.0	3.00	Do.
74. Asbestos shingles:				
Quantity	60	0	33.00	Belgium (C), Italy (C).
Value	30	0	35.00	Do.

Dutiable imports into the United States from France, 1931—Con.

Article	Percent from France	Percent from most-favored nations: Unconditional	Percent from most-favored nations: Conditional	Principal countries
75. Boiler or other plate iron or steel:				
Quantity	71	0.2	22.00	Belgium (C), United Kingdom (C).
Value	36	2.0	41.00	United Kingdom (C), Belgium (C).
76. Buckles, not gold or platinum:				
Quantity	47	46.0	8.00	Germany (U), Austria (U).
Value	68	31.0	1.00	Do.
77. Other gums and resins, dutiable: Value.	39	57.0	2.00	Germany (U), Spain (U).
78. Spectacles, eyeglasses, and parts:				
Quantity	55	36.0	9.00	Germany (U), Japan (C).
Value	48	39.0	12.00	Do.
79. Rayon handkerchiefs:				
Quantity	40	41.0	14.00	Japan (C), Austria (U).
Value	66	29.0	5.00	Austria (U), Germany (U).
80. Gold or platinum decorative article: Value.	86	9.0	5.00	Czechoslovakia (U), United Kingdom (C).
81. Glass mirrors:				
Quantity	33	2.0	25.00	United Kingdom (C), Italy (C).
Value	44	1.0	31.00	Do.
82. Mica manufactures:				
Quantity	4	7.0	16.00	United Kingdom (C), Germany (C).
Value	49	23.0	12.00	Germany (U), United Kingdom (C).
83. Leather, cut into shoe uppers, vamps, etc.:				
Quantity	6	3.0	73.00	United Kingdom (C), Germany (U).
Value	44	14.0	34.00	Do.
84. Cotton pile fabrics, except velvets and velveteens; and manufactures of pile fabrics.	44	24.0	31.00	Italy (C); Germany (U).

EXHIBIT B

[H.Doc. No. 319, 72d Cong., 1st sess.]

VETO MESSAGE RELATING TO THE TARIFF ACT, 1930

To the House of Representatives:

I am returning without my approval H.R. 6662, entitled "An act to amend the Tariff Act of 1930, and for other purposes."

My first objection to the bill is the misimpression and uncertainty it may convey as to its purpose. If the purpose of the proponents of this act is to secure lower tariffs on the 35 percent of our imports which are not on the free list, it would seem that the direct and simple method of so doing would be to recognize that tariffs are duties applied to particular commodities, and to propose definite reduction of the duties on such particular commodities as are believed to be at fault and upon which the full facts can be developed. Alternatively, the Congress is able to direct the Tariff Commission under the flexible provisions of the act of 1930 to act upon such schedules as are believed to be too high.

As a matter of fact, there never has been a time in the history of the United States when tariff protection was more essential to the welfare of the American people than at present. Prices have declined throughout the world, but to a far greater extent in other countries than in the United States. Manufacturers in foreign countries which have abandoned the gold standard are producing goods and paying for raw materials in depreciated currency. They may ship their goods into the United States with great detriment to the American producer and laborer because of the difference in the value of the money they pay for their raw materials and the money they receive for their finished products. Under such conditions it is imperative that the American protective policy be maintained. If the intent or the effect of the proposed bill is to remove the possibility of Executive action or to reduce tariff protection, there never was a time more inappropriate on account of wide-spread domestic unemployment and the possibilities which lie before us.

The second objection to the bill is that it practically destroys the flexible tariff through the removal of Executive authority to render conclusions of the Tariff Commission effective. This bill would again reduce the Tariff Commission to a purely advisory body to the Congress, and thus defeat a reform so earnestly sought ever since its first advocacy by President Roosevelt and finally fully realized in the Tariff Act of 1930. By the act of 1930 the principle of a flexible tariff based upon determinations by a bipartisan commission, subject to approval of the Executive, was firmly and effectively established. Beyond the ability to change the duties by 50 percent there lies within the provisions the development of the definite principle of preference of the home market for American industry, workmen, and agriculture, based upon the difference of cost of production at home and abroad, plus transportation to the principal markets. This open process, upon the application of any responsible party, is an assurance against either excessive duties or nonprotective tariffs upon dutiable goods.

The broad purpose of the present form of Executive action upon the "flexible" provision is promptly to remedy inequities and injustices in the tariff as they may be discovered; to prevent any tariff system being frozen upon the Nation despite economic shifts; and by providing this flexibility to meet changing economic conditions, greatly to lessen the necessity for periodic general revision of the tariff with its disturbance to economic life and its orgy of politics and logrolling. The flexible provision has, since the act of 1930, proved its high usefulness in these particulars. The Commission has completed or has in progress investigations covering 291 different articles. Of those which come under the flexible provisions, the recommendations were for no change in about 54 percent of the cases, increases in 16 percent, and decreases in 30 percent, which were placed in effect within a few days. This effective flexible tariff as a protection to sound progress and for the future protection of our farmers, workmen, industries, and consumers should be maintained in our American system. The proposal in the bill under consideration will effectively destroy it and is a step backward.

Under the present law the Congress has the benefit of the advisory functions of the Tariff Commission, upon which it can act at any time. If this bill is to have any practical result by reserving to the Congress incidental or occasional readjustment of the tariff, it simply opens the way for logrolling every time Congress is called upon to consider a report of the Tariff Commission recommending any specific change in rates or schedules. In an effort to avoid this obvious objection the act attempts to limit Congress, in legislating upon the recommendations of the Commission, to the specific items included in the report. But no Congress can bind another Congress in any such manner, relating as it does to a question of legislative procedure.

My third objection to the bill lies in the conditions stipulated for action in an international conference which it is proposed should be called to deal with trade questions. I wish to say at once that I am in fullest accord with the proposal for an international action or conference to "eliminate discriminatory and unfair trade practices", "preventing economic wars", and "promoting fair, equal, and friendly trade and commercial relations among nations." The American Government has participated in several international economic conferences for these identic purposes since the Great War. They have resulted in very little accomplishment.

But the objectives proposed in this bill for such a conference are not limited to the constructive purposes above mentioned. Some of the proposals in the bill for such a conference raise questions of futility or alternatively of abandonment of essential American policies. The first legislative act of Washington's administration was a tariff bill. From that day to this one of our firm national policies has been that tariffs are solely a domestic question in protection of our own people. It is now proposed that an international conference should be called with view to "lowering excessive tariffs." The very implication of calling other nations into conference with view to changing our tariff duties is to subject our tariffs to international agreement.

For myself I hold that any inequalities or excessive duties in the American tariff can be corrected through the flexible provisions of the present tariff law. If other nations should adopt this principle and such an instrumentality, it would automatically remove excessive duties and unequal treatment throughout the world without interference with domestic control of tariff policies.

If the meaning of the Congress is that such a conference should discover and negotiate the elimination of particular excessive duties throughout the world, then I do not need to elaborate upon the direction in which such action leads, for it means simply attempting the futility of negotiating a world tariff amongst 60 or 70 nations, subject to confirmation of their legislative bodies. If, on the other hand, what the Congress means is to undertake a general lowering of American tariffs in exchange for lowering of tariffs elsewhere in the world, and if the Congress proposes to make such a radical change in our historic policies by international negotiation affecting the whole of American tariffs, then it is the duty of the Congress to state so frankly and indicate the extent to which it is prepared to go.

I am fully alive to the effect on our own and world commerce of the many arbitrary restrictions now in existence. The Departments of State and Commerce are actively engaged in protecting our export trade from unfair discriminations and infractions. If at any time circumstances are such as to permit the hope that such barriers to international trade and commerce may be removed through the medium of an international conference without sacrificing American interests or departing from the historic policies followed by our country, I shall not hesitate to take the lead in calling such a conference.

If this measure is intended to do more than this, then the new policy should be clearly indicated for clarity to the American people and for the guidance and judgment of the Executive. An established national policy should not be changed by implication.

My fourth objection to the bill lies in the further request that I should "negotiate with foreign governments reciprocal trade agreements under a policy of mutual tariff concessions." The proposal is in direct conflict with the other proposal "to eliminate discriminatory tariffs; prevent economic wars; and promote fair, equal, and friendly trade", all of which latter are desirable.

A firmly established principle of the American tariff policy is the uniform and equal treatment of all nations without preferences, concessions, or discriminations (with the sole exception of certain concessions to Cuba). No reform is required in the United States in this matter, but we should have at once abandoned this principle when we enter upon reciprocal concessions with any other nation. That is at once unequal treatment to all other governments not parties thereto. That is the very breeding ground for trade wars. This type of preferential tariff agreement which exists abroad today is one of the primary causes of trade wars between other countries at the present moment.

It has been the policy of our Government for many years to advance most-favored-nation treaties with view to extinguishing these very processes, preferences, and trade frictions and to secure equal treatment to us by the other nations in all their tariff and economic arrangements. We have such treaties or Executive agreements with 31 nations. If we adopted this complete reversal of policies and now negotiated reciprocal tariff agreements, we should either under our most-favored-nation obligations need extend these rights to all nations having such treaties with us, or to denounce such treaties.

The struggle for special privileges by reciprocal agreements abroad has produced not only trade wars but has become the basis of political concessions and alliances which lead to international entanglements of the first order. These very processes are adding instability to the world today, and I am unwilling to enter upon any course which would result in the United States being involved in such complexities and such entanglements.

Of high importance to us also in consideration of these matters is that the principal interest of a majority of the 60 or 70 other nations which might be approached for mutual tariff concessions would be to reduce the American agricultural tariffs. No concessions otherwise than those related to agricultural products would be of any importance to those particular nations. The effect of such a shift in the basis of our agricultural tariffs would be to make us large importers of food products, to demoralise our agricultural industry and render us more and more dependent upon foreign countries for food supply; to drive our farmers into the towns and factories, and thus demoralize our whole national economic and social stability.

Moreover, the futility of the Executive negotiating such treaties as reciprocal tariffs has been often demonstrated in our past. Before we definitely adopted the policy of equal treatment to all nations, the Congress had from time to time authorized such treaties. Out of some 22 such treaties providing for reciprocal tariff concessions, the Congress either refused to confirm or failed to act in 16, and 2 of the remaining 6 failed of confirmation by other governments. On another occasion the Congress conferred upon the Executive a limited authority to conclude reciprocal or preferential tariffs without confirmation. Twenty-two such agreements were entered upon, all of which were repealed in subsequent tariff acts. The experience would not seem to be encouraging for this type of action.

There are other objections which might well be taken to this bill. It is enough, however, that this bill would destroy the effectiveness of the flexible tariff which for the first time gives protection against excessive or inadequate tariffs, prevents a system of frozen tariffs upon the country irrespective of economic change, and gives relief from logrolling and politics in tariff making. It would surrender our own control of an important part of our domestic affairs to the influence of other nations or alternatively would lead us into futilities in international negotiations. It would start our country upon the road of a system of preferential tariffs between nations with all the trade wars, international entanglements, etc., which our country has sought to avoid by extending equal treatment to all of them.

HERBERT HOOVER.

THE WHITE HOUSE, *May 11, 1932.*

[H.R. 6662—Seventy-second Congress of the United States of America; at the first session, begun and held at the city of Washington on Monday, the 7th day of December 1931]

An act to amend the Tariff Act of 1930, and for other purposes

Be it enacted, etc., That section 336 of the Tariff Act of 1930 is amended to read as follows:

"SEC. 336. Recommendations for adjustment of duties: (a) Upon the request of the President of the United States, or upon its own motion, or upon application of any interested party showing good and sufficient reason therefor, the Commission shall investigate and ascertain the differences in the costs of production of any domestic article and of any like or similar foreign article, whether or not actually imported into the United States. If the Commission finds it shown by the investigation that the duty imposed by law upon the foreign article does not equalize the differences in the cost of production of the domestic article and of the foreign article when produced in the principal competing country or countries, then the Commission shall report to the President and to the Congress such increases or decreases in the duty upon the foreign article as the Commission finds to be necessary in order to equalize such differences in the costs of production. Any such increased or decreased duty may include the transfer of the article from the dutiable list to the free list or from the free list to the dutiable list, a change in the form of duty, or a change in classification. The report shall be accompanied by a statement of the Commission setting forth the findings of the Commission with respect to the differences in cost of production, the elements of cost included in the cost of production of the respective articles as ascertained by the Commission, and any other matter deemed pertinent by the Commission.

"The President, upon receipt of any such report of the Commission, shall promptly transmit the report to the Congress with his

recommendations, if any, with respect to the increase or decrease in duty proposed by the Commission.

"Any bill having for its object the carrying out, in whole or in part, of the recommendations made by the Commission in any such report shall not include any item not included in such report; and in the consideration of such bill, either in the House of Representatives or in the Senate, no amendment thereto shall be considered which is not germane to the items included in such report.

"(b) No report shall be made by the Commission under this section unless the determination of the Commission with respect thereto is reached after an investigation by the Commission during the course of which the Commission shall have held hearings and given reasonable public notice of such hearings, and reasonable opportunity for the parties interested to be present, produce evidence, and to be heard. The Commission is authorized to adopt such reasonable rules of procedure as may be necessary to execute its functions under this section.

"(c) In ascertaining the differences in costs of production under this section the Commission shall take into consideration, insofar as it finds them pertinent and practicable—

"(1) The differences in conditions of production, including wages in terms of labor cost per unit of product, costs of materials, and other items in cost of production of like or similar articles in the United States and in competing foreign countries;

"(2) Costs of transportation;

"(3) Other costs, including the cost of containers and coverings of whatever nature, and other charges and expenses incident to placing the article in condition, packed ready for delivery, storage costs in the principal market or markets of the United States and of the principal competing country or countries, and costs of reconditioning or repacking wherever incurred;

"(4) Differences between the domestic and foreign article in packing and containers, and in condition in which received in the principal markets of the United States;

"(5) Invoice prices or values and/or wholesale selling prices in the principal market or markets in the principal competing country or countries, insofar as such prices or values are indicative of cost of production, provided such costs cannot be satisfactorily obtained;

"(6) Advantages granted to a foreign producer by a foreign government or by a person, partnership, corporation, or association in a foreign country;

"(7) Any other advantages or disadvantages in competition which increase or decrease in a definitely determinable amount the total cost at which domestic or foreign articles may be delivered in the principal market or markets of the United States; and

"(8) Definition of costs of transportation: Costs of transportation for the purposes of this section shall be held to include, insofar as applicable, freight charges and all other charges incident to transportation, including transit insurance, costs of loading and unloading, and port charges and landing charges. These costs shall be computed from the principal producing areas (in the United States and in the principal competing country or countries) that can reasonably be expected to ship to the principal consuming region or regions of the United States and shall be computed to such principal market or markets of the United States as may most nearly insure equal competitive opportunity to domestic articles and like or similar foreign articles in such region or regions. If this purpose may be best accomplished thereby, such costs on domestic articles and on like or similar foreign articles shall be computed to different principal markets of the United States.

"(d) In determining costs of production in the United States and in the principal competing country or countries for the purposes of this section the Commission shall take into consideration the costs of production only of such establishments as are economically located and efficiently operated and shall obtain such costs for a normal and representative period.

"(e) In connection with its investigations as to differences in costs of production the Commission shall inquire into the following matters and shall include in such report pursuant to this section a summary of the facts with respect to such matters:

"(1) The efficiency and economic operation and location of the domestic industry under consideration;

"(2) The conditions of such domestic industry with respect to profits and losses, the extent to which productive capacity is utilized, and the extent of unemployment;

"(3) The extent to which adverse conditions of production may be due to foreign competition or to other specified factors;

"(4) The extent to which adverse conditions of production may be remedied by adjustments in the tariff law, taking into consideration the substitution of articles used for the same purposes as the articles under consideration, and taking into consideration any other pertinent competitive factors; and

"(5) The effects of any proposed increase or decrease in rates of duties on other domestic industries and on the export trade of the United States."

SEC. 2. All uncompleted investigations instituted prior to the approval of this act under section 336 of the Tariff Act of 1930 prior to its amendment by this act, including investigations in which the President has not proclaimed changes in classification or in basis of value or increases or decreases in rates of duty, shall be dismissed without prejudice; but the information and evidence secured by the Commission in any such investigation may be given due consideration in any investigation instituted under the provisions of section 336 of the Tariff Act of 1930, as amended by this act.

SEC. 3. Consumers' counsel: (a) There shall be an office in the legislative branch of the Government to be known as the "office of the consumers' counsel of the United States Tariff Commission." The office shall be in charge of a counsel to be appointed by the President, by and with the advice and consent of the Senate. No person shall be eligible for appointment as counsel if such person has at any time acted in tariff matters before Congress or the United States Tariff Commission, either on his own behalf or as attorney, at law or in fact, or as legislative agent. The counsel shall be appointed for a term of 4 years and shall receive a salary of $10,000 a year. The counsel shall not actively engage in any other business, vocation, or employment than that of serving as counsel.

(b) It shall be the duty of the counsel to appear in the interest of and represent the consuming public in any proceeding before the Commission. In any proceeding before the Commission in which the counsel has entered an appearance the counsel shall have the right to offer any relevant testimony and argument, oral or written, and to examine and cross-examine witnesses and parties to the proceeding, and shall have the right to have subpena or other process of the Commission issue in his behalf. Whenever the counsel finds that it is in the interest of the consuming public to have the Commission furnish any information at its command or conduct any investigation as to differences in costs of production or other matters within its authority, then the counsel shall so certify to the Commission, specifying in the certificate the information or investigation desired. Thereupon, the Commission shall promptly furnish to the counsel the information or promptly conduct the investigation and place the results thereof at the disposal of the counsel.

(c) Within the limitations of such appropriations as the Congress may from time to time provide the counsel is authorized (subject to the civil-service laws and the Classification Act of 1923, as amended) to appoint and fix the salaries of assistants and clerks, and is authorized to make such expenditure as may be necessary for the performance of the duties vested in him.

SEC. 4. International Economic Conference: That the President is respectfully requested to initiate a movement for an International Economic Conference with a view to (a) lowering excessive tariff duties and eliminating discriminatory and unfair-trade practices, and other economic barriers affecting international trade, (b) preventing retaliatory tariff measures and economic wars, and (c) promoting fair, equal, and friendly trade and commercial relations between nations; but with the understanding that any agreement, treaty, or arrangement which changes any tariff then in existence or in any way affects the revenue of the United States must first be approved by the Congress of the United States.

The President be, and he is hereby, authorized and requested, at as early a date as may be convenient, to proceed to negotiate with foreign governments reciprocal trade agreements under a policy of mutual tariff concessions. Such agreements shall not become operative until Congress by law shall have approved them.

SEC. 5. Maintenance of competition among domestic producers and distributors: In effectuating the purpose of a tariff policy to encourage domestic industries by the imposition of duties upon imports from other countries it is also the purpose to protect domestic purchasers and consumers against the exaction of excessive or artificial prices in respect to any and all the articles, commodities, and things subject to such duties by the maintenance of full conditions of unrestrained competition among domestic producers and distributors. In order to assure the maintenance of such conditions of competition, any citizen of the United States or the consumers' counsel established in this act shall be entitled to file a complaint in the United States Customs Court alleging that such conditions of competition do not prevail with respect to the production, distribution, or sale of any such dutiable article or commodity and setting forth the facts and circumstances supporting the allegations in such complaint which shall be verified by the oath of the complainant or others.

Upon the filing of such complaint the said United States Customs Court shall have jurisdiction to hear and determine the truth and merit of such complaint and shall immediately cause public notice to be given by publication in the Treasury Decisions of the Department of the Treasury and the Commerce Reports of the Department of Commerce to all persons and corporations or associations concerned in the domestic production, distribution, or sale of such article that it will hold a hearing on the questions of fact and law contained in such complaint upon a day to be named therein when relevant testimony and argument may be offered to determine whether such full conditions of domestic competition prevail and to what extent if any price-fixing agreements or practices, or production limiting agreements or practices obtain in the production, distribution, or sale of such article or commodity—and following such testimony and hearing the said court shall report its findings to the President.

Upon the receipt of such findings, if it be shown thereby that the full conditions of competition contemplated by this act do not prevail with respect to the dutiable article, commodity, or thing described in such complaint, then it shall be the duty of the President within 1 month to issue a proclamation suspending the imposition and collection of the duty or duties levied in this act upon such article, commodity, or thing and declaring such duty or duties inoperative until and unless it shall be established before such court, and such court shall make findings to the effect that the full conditions of competition aforesaid do prevail and shall report such findings to the President, who shall then proclaim a cessation of the suspension of such duty or duties.

The said court shall be governed by the preponderance of the evidence in making its findings and shall have power to make reasonable rules and regulations to govern its procedure in such cases: *Provided*, That nothing herein and no proceeding brought hereunder shall be held to weaken or otherwise adversely affect the laws of the United States applicable to conspiracies in restraint of trade or the enforcement thereof.

JNO. N. GARNER,
Speaker of the House of Representatives.
GEO. H. MOSES,
President of the Senate pro tempore.

FOREIGN DEBTS AND RECIPROCAL TARIFF AGREEMENTS

Mr. LEWIS. Mr. President, I shall burden the Senate only for a very few minutes.

I am moved to a departure from the subject matter of the debate by reason of a statement sent to this Government which reaches it this morning from a source of some potency, and to a source of official property, in which the governments which are indebted to the United States are being spoken for by an envoy, who, noting that we have been for the past week debating a measure looking to the negotiation of treaties between our country and foreign lands for exchange of trade, asserts that the new proposition of the international debtors—of whom we may give curt descriptions, as illustrations, as England, France, and similar countries—tendering in their behalf a new payment and a promise of further payment, is being largely offered, and, to use the quotation, is wholly stimulated by the belief that under the system of exchange afforded by the treaty power which the pending legislation would give the President, opportunity will be given to the debtors to return to this country so much more of their products, for which so large a sum of profit may be obtained, that they will offset the amount of the debt that is being paid as a "token", or the sign of what we lawyers of the earlier practice called "earnest money", and as an indication of good faith.

Mr. President, I am not at all willing to believe that the statesmen of these eminent debtors have given their approval to such accusation, and I cannot for a moment concede that this, our country, will, under any conditions, encourage the hope of this meretricious mésalliance.

Mr. President, I have from time to time within, say, the past month, burdened the patience of this honorable body by calling attention to the changing form and varying phase of disposition on the part of our debtors: First, declining to pay us anything whatever; then the subsequent statement that one will declare itself in "default"; third, that another omits from its budget any reference whatever to the coming obligation, indicating no intention to treat it as one to be acknowledged. Finally, sir, a further statement that the point had been reached when a proposition would be made to America to "take it or leave it." If accepted, the situation is at an end. If declined, it will be treated as having wholly come to a conclusion by reason of our action in declining the offer made by the debtor.

Mr. President, there is before us that which we can recognize as the existing fact—the suggestion from the debtors that a payment will be made—as to one debtor, the payment that is now due; as to the other debtor, that a negotiation will be entered upon from which new terms may be expected and new conditions enjoyed. These, it is assumed, will enable the debtor to continue in the attitude of good faith as both a friend and a debtor.

Mr. President, I rise particularly to invite attention to the fact that in the different instances where I have burdened this honorable body by calling attention to these changes in the spirit of the debtor, this Senate in response ever replies by giving to the President our constant, unanimous support of his efforts to collect the debts of this country. We have let the debtors of Europe behold that there was no spirit in this body on either side of party alinement to encourage them in flouting this Nation. This Senate has displayed every spirit to indicate a legitimate form of retaliation if an unjust thing, commercially or industrially, should be attempted by any debtor upon the Nation of America.

I delight, sir, in this concluding observation to call attention now to the fact that these countries, having beheld the attitude of this honorable body, have concluded that the only step which America will permit, which it can approve, is one of good faith on the part of the debtors. Now that good faith is being again revived, let it be understood that the new situation is without any surrender or concession of any of the rights by the United States, and under no circumstances visiting any humiliation upon the debtor. But I urge upon this honorable body that we very early have it asserted, as we discuss the treaty power which we seek to give the President, that the President of the United States, as the servant of America and the protector of its interests, will under no circumstances gratify the wish from any source to allow any nation, debtor or otherwise, to take advantage of an opportunity to dump upon the shores of America the products of its own land under the guise of reciprocity. We will not allow any people to unjustly burden the commerce of America to its embarrassment, perchance to its destruction. While we will seek equity and a just distribution of favor, I trust it may soon be made clear that we will not tolerate, nor will we endure, either as a consideration for obtaining the money due us on the debt or for the mere exchange of what may be called fraternal relations, any form of commercial exchange or commercial undertaking that will reduce the business of America to a subordinate state, where it may be overcome by a rush of imports that violate the legitimate defense of America and overcome the just preservation of its merchants, its manufacturers, and its people.

With this very clear understanding, I trust we may be moved to carry out these treaties, when they shall be consummated, all in the proper spirit intended, as a legitimate exchange of rights between nations of equality; but under no circumstances is the United States to endure a wrong as an inducement for justice from other nations.

I thank the Senate for allowing me to express the viewpoint that I feel should at this time be urged, and I make bold myself to do so.

AMERICA'S FUTURE

Mr. FESS. Mr. President, last night a number of very notable addresses were made on the occasion of reopening the Century of Progress International Exposition at Chicago. Mr. W. R. Hearst sent to those present a short statement which I think everyone ought to read. In order that the statement may come to the attention of a larger number than those who are in the Chamber at this time, I should like to have it inserted in the RECORD, and I also ask that it may be read. It is very brief.

The PRESIDING OFFICER. Without objection, the clerk will read, as requested.

The legislative clerk read as follows:

CHICAGO, *May 25.*

(William Randolph Hearst tonight addressed the following to 300 notables, assembled here at the invitation of Alfred P. Sloan, Jr., president of General Motors Corporation, on the eve of the opening of the World's Fair:)

I think the Century of Progress is ahead of us and not behind us.

The world has progressed consistently as the centuries have passed.

If it has not progressed in one place it has in another, and the sum total has spelled consistent progress.

There is no reason to believe that the human mind has reached the limit of its development, or that America has ceased to be the center of intellectual development and industrial progress.

There is consequently every reason to believe that this great Nation will go forward with greater and surer strides than ever before and that the beginning of the greatest era of progress is now—not at some distant date, not even on the morrow—but now.

We are already on our way.

We can be helped or hindered by governmental action, but nothing can prevent our progress.

Communism may confuse, fascism may complicate our situation.

A sounder financial program, a more flexible monetary system may stimulate recovery.

Extravagance of administration, unjust and excessive taxation may hamper it.

But nothing can preclude an immediate era of prosperity greater than we have ever known.

If I could have the pleasure of being with you this evening, I would offer a toast to what your great exhibition signifies and signalizes in my mind—

A toast to the Century of Progress ahead of us—a toast to the greatest country, to the greatest century, to the greatest progress in the history of the world.

WILLIAM RANDOLPH HEARST.

Mr. FESS. Mr. President, I believe that short statement epitomizes the possibilities of our great country. Many of us in times of depression are apt to think that all the greatness is behind us, that the day of accomplishment is past.

Not long ago I enjoyed the opportunity of listening to a speculative utterance as to the possibilities of development in the field of science and discovery as suggested by Mr. Charles Kettering, one of the great scientists of the day. I have not yet received a copy of the remarks he made on the occasion when Mr. Hearst's address was delivered, but I heard him, and I hope the whole country will have the pleasure of reading what he said as to the possibilities of the future in the field of science.

Mr. President, the owner and publisher of the Toledo Blade is a progressive citizen of the country, and very ardently, at the outset, espoused the program of the new deal. He has come to the conclusion ,as expressed about 2 months ago, that, the program having been tried out, he has lost his former hope that it could eventuate into what the advocates of many of the proposals declared would be the result. He has just written an editorial, which appeared in the Toledo Blade, which indicates his present concern. The editorial was written in what might be called a form of irony, but it indicates how the American people are beginning to question just where we are going, and what is to be the actual result of all of these new fads and theories which are being adopted and put into operation.

I shall not ask that the editorial be inserted in the RECORD, but I take the opportunity now of reading it:

ELIMINATE THE WASHINGTON "DREAM WALKERS"

Some months ago two very successful composers wrote the lyrics and music of a new song, which, among other words, included:

"Did you ever see a dream walking?
Well, I did—
Did you ever hear a dream talking?
Well, I did—
Did you ever see a dream dancing?
Well, I did—
Did you ever see a dream romancing?
Well, I did." (Etc., etc., etc.)

The young men who wrote the song did it for entertainment and enjoyment, and the fact that it is being played and sung everywhere proves its great success.

Hearing this song recently brought to our mind some of the "dreamers" in Washington, the "brain-trust" dreamers who are trying to help President Roosevelt and his administration with their "romancing ideas."

You laughed at them first, until they became tragic. They often changed their dreams. When the "walking dream" did not work out they changed it to the "talking dream", and when that proved a myth they changed to "romancing dreams."

Someone should awaken them and hand them a one-way ticket for home, or, as the famous liberal thinker and writer, Mr. H. L. Mencken, recently stated: "Go back", he said, addressing these inexperienced dreamers, "go back to you college posts and teach the sophomores to be ashamed of their fathers."

We do not believe and never have believed that President Roosevelt sympathizes with these "dream walkers", but unfortunately he has been too patient with them, and this has been harmful.

I stop the reading merely to repeat what I stated a moment ago, that Mr. Paul Block, the owner of a series of papers and the writer of this editorial, is and has been a great admirer of the President.

The writings and speeches of Professor Tugwell, now Assistant Secretary of Agriculture, are clearly socialistic if not communistic, and he should be asked to resign. "I shall roll up my sleeves—make America over", he once wrote. "The first series of changes will have to do with statutes, with constitutions, and with government", he stated in one of his speeches; and in his last book he wrote, "the next series of changes will have to do with industry itself. It has already been suggested that business will logically be required to disappear. This is not an overstatement for the sake of emphasis; it is literally meant."

Another "dream walker" is the young lawyer Jerome Frank, serving as general counsel of the Agricultural Adjustment Administration, for whose removal a petition was sent last month to Congress by the 131 executives of the Dairy Cooperative Marketing Association, representing 44 States. "We demand the immediate removal of those persons in the Department of Agriculture who have so unequivocally demonstrated their inexperience, inability, inefficiency, and inaptitude in dealing with fundamental problems facing our dairy farmers, etc., etc." And so another "dream walker" is asked to step out so the farmers' problems will not be made more difficult.

There is the "dream romancer", Mr. James M. Landis, who, with Professor Frankfurter, has been credited with authorship of the securities law, which has prevented the flow of new capital into business and which act is now being rewritten, however, after much harm has already been done to business and employment.

Prof. Irving Fisher, of Yale, a former member of the Washington "brain trust", after watching the young professors "dream walk", made the following statement: "The administration has gone too far toward the Russian way and not far enough or fast enough in the American direction. The stock-exchange bill threatens to go too far in the Russian direction. The Securities Act has gone too far in the Russian direction. The N.R.A., the P.W.A., C.W.A., A.A.A., and perhaps some others in our alphabet soup have gone too far in the Russian direction. The time has come to call a halt, and the American people are beginning to see it."

And now comes another "dream" committee, headed by the well-known Clarence Darrow, who, in his report on the review of the N.R.A., advocates socialized ownership and control of American industry with elimination of the profit system. Mr. Darrow's report includes constructive criticism of some N.R.A. codes, especially as it concerns small business, but he and his committee go much further and advise what is virtually the present Russian communistic system. We feel certain President Roosevelt will pay no attention to this report.

There are other "dream walkers" in Washington, many of them. One wonders where they all came from. Like a grasshopper plague they just appeared, and it is to be hoped that the same rain which drives away these plagues will be enough to also eliminate this "brain plague", before the voters next fall help to accomplish it.

Come Mr. President, come gentlemen of the Congress, cleanse the administration of ultra Socialists and Communists before it is too late. America does not want them. This is still the country of Washington, Jefferson, and Lincoln. A free America. A democratic America, where free speech, a free press, religious tolerance and freedom from dictatorship are desired.

PAUL BLOCK, *Publisher.*

I submit that editorial for the country to think over for a while.

Mr. LEWIS. Mr. President, before making a motion which my authority here commands, I wish to join the Senator from Ohio in the commendation he paid to the statement of Mr. William R. Hearst.

I speak of Mr. Hearst as publisher. I do not agree with him politically at all times, and oftentimes we find ourselves at very great variance, I living in one of the cities where one of his very great papers is published, and oftentimes being forced, from my own convictions, to contest the views and attitude asserted by this eminent American from his convictions. But the speech made by Mr. Hearst to a banquet at the city of Chicago held in his honor the night before the appearance of the editorial which my eminent friend from Ohio brings to our attention, was another exhibition of a man of large wealth, large engagements, a great employer, disclosing complete confidence in the future of his country, refusing to enter upon doleful, dismal prophecies of danger and destruction. To the contrary, he points out the superiority in which his Nation is placed, and the sure future that awaits her people, both in prosperity in their business and great success and happiness in their careers.

For myself I would wish there were many other eminent publishers as this statesman-editor, Mr. Hearst, who could indulge a little more in imparting their countrymen confidence in their own Nation, and disclosing, upon the facts, how much there is to be confided to the honor and industry of our country. It is well that such patriots may speak often, and we trust they may do so for the benefit of America.

As to the latter editorial read by the able Senator from Ohio, we have seen that editorial reproduced in one form or another, in which much is said concerning what are called the "dream walkers."

I do not exactly understand all of this, but there is one thing I wish to depreeate. There seems to be a general disposition to discredit the young college gentlemen who are the employees of the Government in different branches—these who have come from college, educated, independent, who have no desire to make money from the Government, but are giving up their own chances of life, whatever they would undertake, and dedicating themselves to what they feel is a redemption from evil times and a reformation in the perverted institutions of the American Government.

Their viewpoint may be wrong compared with and measured by the viewpoint of some others, but to be constantly holding them up as unworthy of consideration merely be-

cause they are young collegiates, leaving college life to perform public service, and sending forth their views, such as they have drawn from their eminent, sage professors of older age in the institutions from which they come—holding them up as unworthy of their citizenship, and charging them with being in the engagement of a dismemberment of the Union. These are charged to be initiating policies which their sense of patriotism should wholly deprecate, and which are charged as being destructive of the Republic. Sirs, in my judgment, this impeachment is unjust to these well-meaning and now wrongly berated patriots of a valorous effort to protect their people and rescue their country.

While we may not agree with all the views of these eminent aides of our administration, and though we will differ with them, and while our legislation will take on color that shows that we deny them the wisdom they would indicate—ours born of an experience in government—theirs the expression of a theory, of belief—still, sir, we must not discourage all the young men of the schools of America, all the young men and women of the colleges of our land, from hoping on that they, too, can offer something to the affairs of the world to smooth it out from its present disorder. In the wisdom that they bring from their colleges they contribute their information to the lifting of their country from out of the distress in which it finds itself. In doing all this they tender what they feel to be the exhibition of their own patriotism, and to that extent they should be commended, and in nowise held up, as they have been in too many instances, as unworthy of association with intelligent mankind, nor to be scoffed as dreamers. All creators of reform were at the start of fulfillment dreamers. The fathers of our Revolution and the founders of our form of government were dreamers before they awoke to the shape and character of the new-molded United States of America. Only through the dreams could their industry persist, their sacrifice multiply, and their devotions contribute the fulfillment of the hope of liberty and the blessing of justice.

I trust there will be much less, sir, of what we have been observing and enduring. Particularly I refer now to those adjuncts and aides of every nature of effort who now contribute their lives and efforts to the aid of oppressed people and relief of an embarrassed government under an honest conviction that they are serving the Government to its betterment.

One other word, finally: I do not know to what the eminent editor alludes as to these "dream walkers", and the appropriation of the song of the clever song writer and littérateur who has written the production. I have from time to time been in public life, not altogether consecutively, Mr. President, for I live in an overwhelmingly Republican country, with their loveliest citizenship in the world, but they disclosed their excellent judgment at times in not trusting me twice in succession [laughter], so there is always an intermission between coming and going; yet I have seen the exhibition of dreams on the part of eminent and seasoned statesmen who have been long in service, as disclosed in their different attitudes of government; these who contended for propositions as widely varient from anything that common sense could ever have adopted as possibly could be conceived even in the genius of the ballad writer or the inspired conception of youth's enthusiasm. So whatever was meant by these "dream walkers", so far as I am concerned, I know of no era in government which has not produced them. We recall that it is from Dean Dugelow we have the text, "The toiler dies in a day, but the dreamer lives always." As to this particular substance which has been read by my eminent friend, it is, as the bard puts it in the words of Prospero in The Tempest—"such stuff as dreams are made on."

I trust that these who now appear throughout our country as engaged in some internecine strife may soon find it agreeable "in well-beseeming ranks to march one way", and that for America.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. SHEPPARD in the chair), as in executive session, laid before the Senate several messages from the President of the United States submitting nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

ADJOURNMENT

Mr. LEWIS. I move that the Senate adjourn until 12 o'clock noon on Monday.

The motion was agreed to; and (at 1 o'clock and 52 minutes p.m.) the Senate adjourned until Monday, May 28, 1934, at 12 o'clock m.

NOMINATIONS

Executive nominations received by the Senate May 26 (legislative day of May 10), 1934

ASSISTANT ATTORNEY GENERAL

Joseph R. Jackson, of New York, to be Assistant Attorney General, Customs Division, to succeed Charles D. Lawrence, resigned.

UNITED STATES DISTRICT JUDGE

Augustine V. Long, of Florida, to be United States district judge, northern district of Florida, to succeed William B. Sheppard, deceased.

REAPPOINTMENTS IN THE OFFICERS' RESERVE CORPS OF THE ARMY

GENERAL OFFICERS

To be major general, Auxiliary Reserve

Maj. Gen. George Herbert Harries, Auxiliary Reserve, from September 16, 1934.

To be brigadier general, Auxiliary Reserve

Brig. Gen. John Miller Turpin Finney, Auxiliary Reserve, from September 24, 1934.

PROMOTIONS IN THE NAVY

Lt. Comdr. Hamilton V. Bryan to be a commander in the Navy from the 16th day of January 1934.

Lt. Comdr. Terry B. Thompson to be a commander in the Navy from the 10th day of March 1934.

Lt. Edward B. Peterson to be a lieutenant commander in the Navy from the 4th day of January 1934.

Lt. (Jr. Gr.) Richard C. Webb, Jr., to be a lieutenant in the Navy from the 1st day of September 1933.

Lt. (Jr. Gr.) John C. Daniel to be a lieutenant in the Navy from the 17th day of May 1934.

The following-named passed assistant paymasters to be paymasters in the Navy, with the rank of lieutenant commander, from the 16th day of January 1934:

James E. Brennen	Harry G. Kinnard
George P. Smallman	Golden F. Davis
Robert R. Thompson	John H. Gallion
Edward Mixon	

The following-named midshipmen to be ensigns in the Navy, revocable for 2 years, from the 31st day of May 1934:

Neil E. Kingsley	Leslie M. Slack
Frank A. Nusom	George F. Pittard
Walter E. Baranowski	Melvin W. Woods
Verne L. Skjonsby	John V. Smith
Charles H. Gerlach	William R. Smith, 3d
Arthur R. Gralla	Homer H. Nielson
George C. Wells	Reginald Rutherford
Edward J. Fahy	Harley K. Nauman
Edward R. Tilburne	Marvin E. Lundfelt
James P. Craft, Jr.	William F. Cassidy
Edgar H. Batcheller	Paul T. Metcalf
James E. Halligan, Jr.	Edwin H. Schantz
Bernard A. Smith	James M. Wright
William A. Brockett	Russell H. Maynard
Richard F. Kane	Lester S. Chambers
Frank L. Pinney, Jr.	William B. Brooks
Forrest R. Biard	William W. Walker
Spencer M. Adams	Francis J. Novitski
Edward G. Bauer	James R. Davis
George H. Browne	Robert D. Rissor
Robert K. Johnston	Grayson Merrill

Claude S. Kirkpatrick	Alexander G. Hay
Edwin S. Lee, Jr.	Alfred D. Kilmartin
Fred D. Pfotenhauer	Robert M. Brinker
William W. Keller	Joseph B. Tibbets
Ernest S. Bathke	Dennison C. Ambrose
Jacob T. Bullen, Jr.	John M. Hyde
John J. Hyland	William H. Lawrence
Lewis C. Coxe	Carl W. Middleton, Jr.
Lester R. Schulz	Lewis Freedman
Cedric W. Stirling	Robert J. Oliver
William M. McCormick	George W. Lautrup, Jr.
Grafton B. Perkins, Jr.	Duncan P. Dixon, Jr.
Brown Taylor	Donald G. Irvine
Richard L. Mann	Robert J. Hardy
John W. Kearns	John B. Morland
Royal R. Ingersoll, II	Christy C. Butterworth
Paul Van Leunen, Jr.	Thomas C. Edrington, 3d
Robert L. Townsend	George S. Bullen
Eugene C. Rider	Wilson M. Coleman
Edgar S. Powell, Jr.	Joseph J. Staley, Jr.
William C. G. Church	Statton R. Ours, Jr.
Charles M. Henderson	Richard E. Nichols
Albert L. Becker	Herman H. Kait
Clyde J. Van Arsdall, Jr.	William A. Smyth
Rollin E. Westholm	Arden Packard
James S. Shilson	Richard D. Shepard
Howard T. E. Anderson	Carl W. Rooney
Robert J. Ovrom	Joseph E. Stulgis
Hugh M. Maples	Harold D. Fuller
Arthur C. Smith	Earl K. McLaren
Willard J. Bain	Clarence E. Dickinson, Jr.
Richard C. Latham	Albert L. Gebelin
John M. Phelps	Edward N. Blakely
William I. Robbins	Allan G. Schnable
John P. Condon	Benjamin C. Fulghum
Donald A. Scherer	Ernest V. Bruchez
William L. Guthrie	Eric L. Barr, Jr.
Charles R. Stephan	Samuel Bradbard
Otto C. Schatz, Jr.	Paul L. Joachim
Charles C. Mann	Terry L. Watkins
John M. McMahon	Walter H. Baumberger
Charles B. Paine, Jr.	Charles H. Clark
Ernest E. Christensen	Arthur E. Krapf
Richard R. Boutelle	James E. Smith
Orme C. Robbins	Raymond L. Abrahamson
Charles Blenman, Jr.	Nels C. Johnson
Robert H. Close	Lyle E. Strickler
Juan B. Pesante	William C. Hembury
James R. Compton	Sidney L. Erwin
Walter T. Griffith	John G. Roenigk
Edward F. Dissette	John Harllee
John W. Howard	Wayne R. Merrill
David S. Edwards, Jr.	Cecil K. Harper
William E. Sweeney	Benedict J. Semmes, Jr.
John Metcalf	Richard G. Kopff
John R. Bromley	Warren S. Macleod
William S. Maddox	Barton E. Day
John C. Nichols	Harry H. Greer, Jr.
William C. Murphy	Frederic G. Pegelow
James D. Fulp, Jr.	Allyn Cole, Jr.
Earl K. Solenberger	Francis O. Fletcher, Jr.
James S. Nutt	William J. Drumtra
Frederic W. Hawes	Robert A. Paton
Robert N. Robertson	Edgar J. Hailey
Robert C. Houston	Lowell S. Price
Charles W. Fell	Robert Donaldson
Marvin I. Rosenberg	Richard E. Bly
Melvin H. Dry	Ellis B. Rittenhouse
Reuben T. Whitaker	Robert E. Wheeler
Arthur L. Newman	Philip H. Torrey, Jr.
Howard E. Day, Jr.	James M. Clute
Beverly R. Van Buskirk	William M. Collins, Jr.
George E. T. Parsons	Frank K. Upham
Charles W. Brewer	Stanley S. Daunis
John A. Horton, Jr.	Curtis H. Hutchings
Harry L. Thompson, Jr.	William R. Peeler
Keith E. Taylor	Arthur C. House, Jr.
Marshall W. White	Douglas M. Swift
Thompson C. Guthrie, Jr.	Francis A. G. Kelly
Robert R. Williams, Jr.	Paul S. Savidge, Jr.
Thomas B. Oakley, Jr.	Kendall Casey
Irving S. Presler	Arthur R. Manning
John F. McGillis	Henry C. Spicer, Jr.
Richard H. O'Kane	Ronald Q. Rankin
Charles F. Fischer	Henry L. Miller
George W. Welch	Willard E. Hastings
George M. Clifford	Walker Ethridge
James W. Brock	Frank M. Whitaker
John W. Florence	Francis W. Scanland, Jr.
Charles Antoniak	Forrest M. Price
Edward M. Fagan	Francis D. Boyle
Jackson D. Arnold	John T. Lowe, Jr.
Arthur L. Benedict, Jr.	James H. Newell
Louis Lefelar, Jr.	Martin H. Ray, Jr.
Bernard A. Clarey	

MARINE CORPS

The following-named midshipmen to be second lieutenants in the Marine Corps, revocable for 2 years, from the 31st day of May 1934:

Clyde R. Nelson	Robert E. Hommel
Joseph L. Dickey	Joseph P. Fuchs
Elmore W. Seeds	John W. Sapp, Jr.
John P. Condon	Harry W. G. Vadnais
John A. Butler	Frank C. Tharin
Ralph K. Rottet	Bennet G. Powers
George C. Ruffin, Jr.	Samuel F. Zeiler
Roger S. Ahlbrandt	Lawrence B. Clark
Harold O. Deakin	Ernest L. E. Ritson
Maurice T. Ireland	Colin J. Mackenzie
Henry W. Buse, Jr.	George B. Nicol
Samuel R. Shaw	Joe McK. Alexander
Robert S. Fairweather	

SENATE

MONDAY, MAY 28, 1934

The Chaplain, Rev. ZeBarney T. Phillips, D.D., offered the following prayer:

Gracious Lord and Heavenly Father, Author of Peace and Lover of Concord, breathe into our souls the love of beauty, truth, and goodness that, all confusion and discord being removed, we may abide under the holy influence of Thy calm. Help us this day to remember that we are Thy children, in whom should dwell no fear save that of being faithless to our trust. So shall our tasks be willed, in hours of insight, by deep and fervent effort to perform the common round of duty which unfailing love demands within the circle of Thy sovereign will. We ask it in the name of Him whose human life was the supreme expression of self-subjecting love, Jesus Christ our Lord. Amen.

THE JOURNAL

The Chief Clerk proceeded to read the Journal of the proceedings of the calendar day, Saturday, May 26, when, on motion of Mr. ROBINSON of Arkansas, and by unanimous consent, the further reading was dispensed with, and the Journal was approved.

ORDER FOR THE CONSIDERATION OF THE CALENDAR

Mr. ROBINSON of Arkansas. I ask unanimous consent that at the conclusion of morning business the Senate proceed to the consideration of unobjected bills on the calendar.

The VICE PRESIDENT. Is there objection?

Mr. LONG. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. LONG. We want to move to discharge the Finance Committee from the further consideration of House bill no. 1 this morning. Would agreeing to the request of the Senator from Arkansas disturb our position? This morning is the only opportunity we have had for some time to bring up that question.

The VICE PRESIDENT. The Chair will state to the Senator that agreeing to the request would disturb the sug-

gested motion, if that motion were in order; but the call of the calendar is in order anyway.

Mr. ROBINSON of Arkansas. In reply to the inquiry of the Senator from Louisiana, let me say that under the rule of the Senate the Senate will proceed to the call of the calendar under rule VIII in any event, unless the request submitted by me shall be granted.

The VICE PRESIDENT. On any other day except Monday it would be in order to move to discharge the committee, but on Monday the Chair thinks it is not in order to move to discharge the committee. Rule VII provides that the calendar under rule VIII shall be called on Mondays, and this call shall begin at the conclusion of the morning business.

Mr. LONG. On Monday, as I understand, I cannot move to discharge the committee.

The VICE PRESIDENT. That is correct.

Mr. LONG. Might I inquire, would there be any objection on the part of the Senator from Arkansas if we did this morning take up the matter, without any debate, to discharge the Committee on Finance from the further consideration of House bill no. 1?

Mr. ROBINSON of Arkansas. Yes; I should object.

The VICE PRESIDENT. Is there objection to the request of the Senator from Arkansas that at the conclusion of the routine morning business the Senate proceed to the consideration of unobjected bills on the calendar? The Chair hears none, and it is so ordered.

INVITATION TO REVIEW OF THE FLEET

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Navy, which was read and ordered to lie on the table, as follows:

DEPARTMENT OF THE NAVY,
OFFICE OF THE SECRETARY,
Washington, May 25, 1934.

MY DEAR MR. VICE PRESIDENT: Owing to the limited facilities on board the cruiser *Louisville* it has been impracticable to invite all the Members of the Senate to witness the review of the United States Fleet by the President on May 31.

It is my earnest desire that all Senators be given an opportunity to view any or all of the ships of the Fleet during their coming stay at New York from June 1 to June 17, and I am accordingly taking this opportunity to extend a most cordial invitation for them to do so.

In order that each Senator who may desire to visit the fleet will be accorded the proper facilities I have requested the Commander in Chief to issue courtesy cards to those who so desire. Should it be desired to visit any particular ship or ships the name or names should be given in the request.

Requests for courtesy cards should be addressed to the Commander in Chief United States Fleet, care Postmaster, New York City.

It will be greatly appreciated if the above information is promulgated to the Members of the Senate.

Sincerely yours,

CLAUDE A. SWANSON.

The VICE PRESIDENT,
United States Senate, Washington, D.C.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

A message in writing from the President of the United States was communicated to the Senate by Mr. Latta, one of his secretaries, who announced that the President had approved and signed the following acts:

On May 25, 1934:

S. 3114. An act to extend the times for commencing and completing the construction of certain bridges in the State of Oregon; and

S. 3436. An act limiting the operation of sections 109 and 113 of the Criminal Code and section 190 of the Revised Statutes of the United States with respect to counsel in certain proceedings against the Electro-Metallurgical Co., New-Kanawha Power Co., and the Union Carbide & Carbon Corporation.

On May 26, 1934:

S. 2042. An act to establish a department of physics at the United States Military Academy at West Point, N.Y.;

S. 2442. An act for the protection of the municipal water supply of the city of Salt Lake City, State of Utah;

S. 2794. An act to amend the Longshoremen's and Harbor Workers' Compensation Act with respect to rates of compensation, and for other purposes; and

S. 3355. An act to authorize the coinage of 50-cent pieces in commemoration of the two hundredth anniversary of the birth of Daniel Boone.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a letter in the nature of a memorial from J. Neilson Barry, secretary of the Historical Research Council, Portland, Oreg., remonstrating against the passage of the so-called "Mott resolution", requesting the President to issue a proclamation to honor the Jason Lee's Establishment of the First Permanent Settlement in Oregon, which, with the accompanying paper, was referred to the Committee on the Library.

He also laid before the Senate a telegram in the nature of a petition from Albert E. Hayes, of Denver, Colo., praying an amendment to pending silver legislation providing for the remonetization of silver on a legal basis, which was ordered to lie on the table.

He also laid before the Senate a resolution adopted by the Council of the City of Dearborn, Mich., endorsing a resolution adopted by the Detroit section of the American Society of Civil Engineers, favoring the enactment of legislation to remove certain restrictions as set forth in section 304–A of the National Industrial Recovery Act, which was referred to the Committee on Finance.

DIVERSION OF WATERS FROM PYMATUNING RESERVOIR

Mr. DAVIS. I ask unanimous consent to have printed in the RECORD and appropriately referred resolutions of the Town Council of the borough of Sharpsville, Pa., together with my acknowledgment of the same, protesting the diversion of the waters of the Pymatuning Reservoir into the Mahoning Valley of the State of Ohio. The State of Pennsylvania has appropriated several million dollars for the acquisition of lands at the site of the Pymatuning Reservoir and for the erection of the Pymatuning Dam. I believe that the diversion of this water is unwarranted.

There being no objection, the resolutions were referred to the Committee on Commerce and ordered to be printed in the RECORD, as follows:

Whereas the State of Pennsylvania has appropriated several millions of dollars for the acquisition of lands at the site of the Pymatuning Reservoir, and for the erection of the Pymatuning Dam, this for the primary purpose of supplying water to the industries of the lower Shenango Valley; and

Whereas a proposal has been made to divert the waters of the Pymatuning Reservoir into the Mahoning Valley in the State of Ohio for the purpose of feeding a proposal canal: Now, therefore, be it

Resolved, That the burgess and town council of the borough of Sharpsville object to and oppose the diversion of the waters of the aforesaid Pymatuning Reservoir and in behalf of the people of the borough protest against the proposed diversion of the aforesaid waters; be it further

Resolved, That copies of this resolution be forwarded to the Honorable Gifford Pinchot, Governor of the State of Pennsylvania; the Honorable David A. Reed, United States Senator; the Honorable James J. Davis, United States Senator; the Honorable T. C. Cochran, Representative in Congress from the Twentieth District of Pennsylvania; and to Alexander W. Davis, chairman of Pennsylvania Canal Board, Pittsburgh, Pa.

Ordained and enacted this 9th day of May 1934.

[SEAL] JOHN E. CLEARY,
President of Council.

Attest:

MAME K. ROBINS, *Secretary.*

Approved by me this 11th day of May 1934.

H. R. PARSONS, *Burgess.*

UNITED STATES SENATE,
COMMITTEE ON NAVAL AFFAIRS,
May 24, 1934.

Mr. JOHN E. CLEARY,
Sharpsville, Pa.

DEAR MR. CLEARY: Please pardon my delay in acknowledging the resolution adopted by the council of Sharpsville. Needless to say, my interest is in protecting the natural resources of Pennsylvania, and I have repeatedly informed advocates of canal routes which extend beyond the borders of Pennsylvania that I could not see my way clear to approve the diversion of Pennsylvania water for

the building and maintenance of a canal in another State if it would deprive Pennsylvania of her economic share of our national wealth.

Most cordially yours,

JAMES J. DAVIS.

PREVENTION OF LYNCHING

Mr. COSTIGAN. Mr. President, I have here a memorial, and before presenting it wish to make a brief statement about it.

It has been reliably reported that at the White House press conference last week the President of the United States expressed his desire that the antilynching bill (S. 1978), which, with amendments, has been favorably reported to the Senate by the Judiciary Committee and is now on the Senate calendar, be voted on by Congress before its adjournment. Under such circumstances, the extraordinary and deserved popularity and leadership of President Roosevelt in all parts of America justify the Senator from New York [Mr. WAGNER] and myself, who are cosponsors of this measure, in appealing alike to the able Democratic and Republican leadership of the Senate to assist us in our reasonable request for affirmative action in line with this deliberate expression of the President in favor of a vote by Congress at this session on a fundamental measure, in which are involved law, order, justice, and humanity for millions of underprivileged citizens of this country.

Congress can ill-afford to adjourn without such action. The measure before us has been petitioned for and endorsed during the last few months by authorized spokesmen of organizations having memberships in this country totaling approximately 40,000,000 American citizens. Indeed, never in our history have protests against the anarchy of lynching risen to any comparable high level of popular conviction. Support for the proposed legislation is today neither partisan nor sectional. To the honor of the South, let it be recorded that since the introduction of the bill editorials in behalf of its enactment have appeared as widely in leading newspapers of the South as of the North, and that no utterances in behalf of it have been more sober, well-considered, or impressive than those of southern leaders, and, even more moving, of noble, home-loving southern women, who are determined to do what they can to erase the age-old stain on our flag and civilization caused through the denial by irresponsible mobs and riotous assemblages of trial by jury, due process, and the equal protection of our laws. All law-abiding Americans should cooperate with and acknowledge the debt of gratitude we owe to such wise, patriotic, and humane southern leadership.

About 75 years ago Abraham Lincoln denounced lynching as "dangerous in example and revolting to humanity." Sixteen years ago Woodrow Wilson appealed to "the Governors of all States, the law officers of every community, and, above all, the men and women in every community in the United States, all who revere America and wish to keep her name without stain or reproach, to cooperate, not passively but actively and watchfully to make an end of this disgraceful evil." Last December the present President of the United States, following California's shocking Governor-sanctioned tragedy, denounced lynching as "collective murder" and declared: "We do not excuse those in high places or in low who condone lynch law."

That declaration of President Roosevelt, followed by a message in which, in effect, he properly classified lynching with the merciless brutalities of kidnaping and other first-degree offenses against life, provided a wholesome stimulus to awaken public opinion, and during this session Congress has been deluged with expressions of sound popular judgment in favor of immediate and remedial Federal legislation.

It is not my intention at this hour to do more than stress the precedence which should be given to the President's immensely important suggestion. In support of it I hope to have read at the desk of the Senate certain significant resolutions adopted by the Woman's Missionary Council of the Methodist Episcopal Church South, at Birmingham, Ala., in March of this year. In a letter of Mrs. Fitzgerald Sale Parker, recording secretary of that council, she affirms its representation of approximately 225,000 American women. As their church affiliations indicate, these women are the inheritors of the South's proudest traditions. By way of further preface to the resolutions it should be said that they definitely urge the approval of pending Federal antilynching legislation by this Congress. They recognize, of course, that if this action shall be taken we will have adopted a reasonable Federal legislative enactment directly tending to emancipate millions of Americans from needless and long-unlifting shadows of fear and horror.

We are faced by a problem which at last has become everybody's business because too long it has been nobody's business. And, fortunately, the legislative proposal for dealing with it is so temperate, unimpassioned, and impartial, that if passed, it may well be termed an enactment not to compel but to assist by simple and common-sense safeguards sound and law-abiding local public opinion in its efforts to control irresponsible lawlessness.

Mr. McNARY. Mr. President——

The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from Oregon?

Mr. McNARY. Mr. President, I rise to a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. McNARY. I thought we were proceeding under the order of what is known as "routine morning business."

The VICE PRESIDENT. The Senator is correct; and if there is any objection to the Senator from Colorado proceeding, he may not proceed.

Mr. COSTIGAN. Mr. President, I trust the Senator from Oregon will interpose no objections. I am sure that the Senator did not hear my opening declaration that I would limit myself to a brief statement. I have nearly concluded.

Mr. McNARY. If the Senator will conclude in a few moments, I shall not interpose an objection.

Mr. COSTIGAN. Mr. President, out of many petitions and memorials in my possession in support of the antilynching bill, I now request that the letter of transmittal and the historic resolutions of the Southern Methodists' Woman's Missionary Council, adopted in March of this year, be read to the Senate by the clerk.

The VICE PRESIDENT. Without objection, the clerk will read, as requested.

The Chief Clerk read as follows:

WOMAN'S MISSIONARY COUNCIL,
METHODIST EPISCOPAL CHURCH SOUTH,
Nashville, Tenn., April 2, 1934.

Hon. EDWARD P. COSTIGAN,
United States Senate, Washington, D.C.

DEAR MR. COSTIGAN: I am handing you herewith the action concerning the Costigan-Wagner bill taken at the meeting of the Woman's Missionary Council in Birmingham, March 7–12. This organization represents approximately 225,000 women in the Methodist Episcopal Church South.

Yours very truly,

(Mrs. F. S.) L. P. PARKER.

Whereas lynching records show that for a period of 44 years (1889–1933) 3,781 persons have met death at the hands of cruel lynchers, and more appalling still only 12 of those guilty of participation in these mobs have been convicted; and

Whereas the weakness of the local courts in dealing with mobs, as shown in the above figures, inheres in their purely local character, giving little hope for delivering us from the terrible situation of mob violence and outlawry in which we find ourselves: Therefore be it

Resolved—

1. That we, the members of the Woman's Missionary Council in annual session at Birmingham, Ala., March 7–12, 1934, do hereby give our endorsement to the Costigan-Wagner bill, which seeks to stimulate local State governments to perform their duty in protecting life and property and which gives to the Federal Government the responsibility of apprehending and convicting persons guilty of mob murder in cases where local government has failed to perform its duty.

2. That a copy of this resolution be sent to the following: Hon. FREDERICK VAN NUYS, chairman of the Senate committee conducting the hearings on the bill; Hon. EDWARD P. COSTIGAN and Hon. ROBERT F. WAGNER, who are sponsoring the bill in the Senate, and Hon. THOMAS F. FORD, who sponsors it in the House of Representatives.

3. That we urge missionary women throughout the church to communicate with their Senators and Representatives asking them to promote the passage of this bill.

Mrs. J. W. PERRY, *President.*
Mrs. FITZGERALD S. PARKER, *Secretary.*

Mr. KEAN. Mr. President, there have been few occasions in the history of our country when the serpent of mob rule has raised its ugly head and bared its cruel fangs more menacingly than during the past few months.

An unfortunate situation has developed during the past fortnight that must give solemn pause to every thoughtful, patriotic American and particularly to every man charged with the duty of safeguarding the life, liberty, and right to pursue happiness without unlawful molestation. I refer, of course, to the Congress of the United States, the supreme lawmaking tribunal of the country.

Is it not fitting and proper, Mr. President, in view of the appalling situation that has developed recently, that we should strike a blow at mob rule at this session while we may? With class and racial hatreds running rampant, I believe it is only fitting and proper that we should pass the bill referred to by the Senator from Colorado [Mr. COSTIGAN], which would go far toward wiping out the cruel, cowardly, un-Christian, and un-American crime of lynching which has for too long been a scourge to a great body of law-abiding and patriotic Americans. I refer to the members of the Negro race.

REPORTS OF COMMITTEES

Mr. DAVIS, from the Committee on Naval Affairs, to which was referred the joint resolution (S.J.Res. 117) authorizing the President of the United States to present the Distinguished Flying Cross to Emory B. Bronte, reported it without amendment and submitted a report (No. 1190) thereon.

Mr. ERICKSON, from the Committee on Mines and Mining, to which was referred the bill (H.R. 1503) to amend the act entitled "An act to create the California Debris Commission and regulate hydraulic mining in the State of California", approved March 1, 1893, as amended, reported it without amendment and submitted a report (No. 1191) thereon.

Mr. WHITE, from the Committee on Claims, to which was referred the bill (S. 621) conferring upon the United States District Court for the Northern District of California, southern division, jurisdiction of the claim of Minnie C. de Back against the Alaska Railroad, reported it with an amendment and submitted a report (No. 1192) thereon.

Mr. SHEPPARD, from the Committee on Commerce, to which was referred the bill (S. 3641) to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Ogdensburg, N.Y., reported it without amendment and submitted a report (No. 1193) thereon.

Mr. McKELLAR, from the Committee on the Library, to which was referred the bill (H.R. 8910) to establish a National Archives of the United States Government, and for other purposes, reported it with an amendment and submitted a report (No. 1194) thereon.

Mr. HAYDEN, from the Committee on Appropriations, to which was referred the bill (H.R. 9410) providing that permanent appropriations be subject to annual consideration and appropriation by Congress, and for other purposes, reported it with amendments and submitted a report (No. 1195) thereon.

Mr. HATCH, from the Committee on Public Lands and Surveys, to which was referred the bill (H.R. 5369) providing for the issuance of patents upon certain conditions to lands and accretions thereto determined to be within the State of New Mexico in accordance with the decree of the Supreme Court of the United States entered April 9, 1928, reported it with an amendment and submitted a report (No. 1196) thereon.

Mr. ADAMS, from the Committee on Irrigation and Reclamation, to which was referred the bill (S. 3116) to amend sections 3 and 4 of the act of July 3, 1930, entitled "An act for the rehabilitation of the Bitter Root irrigation project, Montana", reported it with an amendment and submitted a report (No. 1198) thereon.

Mr. CONNALLY, from the Committee on Public Buildings and Grounds, to which were referred the following bills, reported them severally without amendment and submitted a report thereon, as indicated:

H.R. 7428. An act providing for the transfer of certain lands from the United States to the city of Wilmington, Del., and from the city of Wilmington, Del., to the United States;

S. 1221. An act to make provision for suitable quarters for certain Government services at El Paso, Tex., and for other purposes; and

S. 2724. An act to provide for a customs examination building at Tampa, Fla. (Rept. No. 1199).

AMENDMENT OF RAILWAY LABOR ACT—MINORITY VIEWS

Mr. McNARY (for Mr. HASTINGS), from the Committee on Interstate Commerce, submitted minority views to accompany the bill (S. 3266) to amend the Railway Labor Act, approved May 20, 1926, and to provide for the prompt disposition of disputes between carriers and their employees, which was ordered to be printed as part 2 of Report No. 1065.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. JOHNSON:

A bill (S. 3687) to amend the National Defense Act of June 3, 1916, as amended;

A bill (S. 3688) to readjust the pay of certain warrant officers and retired enlisted men;

A bill (S. 3689) for the relief of Samuel I. Johnson; and

A bill (S. 3690) authorizing the appointment of John E. Gibson as a warrant officer, United States Army; to the Committee on Military Affairs.

By Mr. WALCOTT:

A bill (S. 3691) granting Stanley Harrison the privilege of filing application for benefits under the Emergency Officers' Retirement Act; to the Committee on Military Affairs.

By Mr. BLACK:

A bill (S. 3692) to amend sections 2 (c) and 4 (d) of the Home Owners' Loan Act of 1933, as amended; to the Committee on Banking and Currency.

By Mr. GIBSON:

A bill (S. 3693) granting the consent of Congress to the State Board of Public Works of the State of Vermont to construct, maintain, and operate a toll bridge across Lake Champlain at or near West Swanton, Vt.; to the Committee on Commerce.

By Mr. HATCH (by request):

A bill (S. 3694) to permit relinquishments and reconveyances of privately owned and State school lands for the benefit of the Indians of the Acoma Pueblo, N.Mex.; to the Committee on Indian Affairs.

By Mr. McNARY:

A bill (S. 3695) authorizing and directing the Secretary of the Treasury to reimburse Carrol D. Ward for the losses sustained by him by reason of the negligence of an employee of the Civilian Conservation Corps; to the Committee on Agriculture and Forestry.

By Mr. GORE (by request):

A bill (S. 3696) authorizing the President to make rules and regulations in respect to alcoholic beverages in the Canal Zone, and for other purposes; to the Committee on Interoceanic Canals.

By Mr. NORBECK:

A bill (S. 3697) granting a pension to Mrs. Daniel Ojinca or Bobtail Bull (with accompanying papers); to the Committee on Pensions.

CHANGE OF REFERENCE

On motion of Mr. SHEPPARD, the Committee on Military Affairs was discharged from the further consideration of the bill (S. 1850) to establish a national military park to commemorate the campaign and Battles of Saratoga, in the State of New York, and it was referred to the Committee on Public Lands and Surveys.

AMENDMENT TO PETROLEUM REGULATION BILL

Mr. ROBINSON of Arkansas submitted an amendment intended to be proposed by him to the bill (S. 3495) to

regulate commerce in petroleum, and for other purposes, which was referred to the Committee on Mines and Mining and ordered to be printed.

RECIPROCAL TARIFF AGREEMENTS—AMENDMENT

Mr. STEIWER submitted an amendment intended to be proposed by him to the bill (H.R. 8687) to amend the Tariff Act of 1930, which was ordered to lie on the table and to be printed.

FINANCING OF HOME CONSTRUCTION AND REPAIR—AMENDMENT

Mr. BLACK submitted an amendment intended to be proposed by him to the bill (S. 3603) to improve Nation-wide housing standards, provide employment and stimulate industry; to improve conditions with respect to home-mortgage financing, to prevent speculative excesses in new mortgage investment, and to eliminate the necessity for costly second-mortgage financing, by creating a system of mutual mortgage insurance and by making provision for the organization of additional institutions to handle home financing; to promote thrift and protect savings; to amend the Federal Home Loan Bank Act; to amend the Federal Reserve Act; and for other purposes, which was referred to the Committee on Banking and Currency and ordered to be printed.

INVESTIGATION OF FEDERAL RADIO COMMISSION

Mr. DICKINSON submitted the following resolution (S.Res. 250), which was referred to the Committee on Interstate Commerce:

Resolved, That the Committee on the Judiciary is authorized and directed to investigate the Federal Radio Commission, the records, documents, and decisions thereof, and each of the personnel thereof, with particular reference to the conduct and deportment of the several members of the Commission while engaged in exercising judicial or quasi-judicial functions under the Radio Act of 1927, and with further reference to the fitness of said several members of the Commission to exercise judicial or quasi-judicial functions either as members of the Federal Radio Commission as now constituted or as members of any commission which may be hereafter established to take over its powers and duties.

The committee shall report to the Senate the results of its investigation, including such recommendations as it deems advisable.

For such purposes the committee, or any subcommittee thereof, is authorized to sit and act at such times and places in the District of Columbia and elsewhere, whether or not the Senate is in session, to hold such hearings, to employ such experts, and such clerical, stenographic, and other assistants, to require the attendance of such witnesses and the production of such books, papers, and documents, to take such testimony, to have such printing and binding done, and to make such expenditures as it deems necessary.

LUCY R. GEHMAN

Mr. TOWNSEND submitted the following resolution (S.Res. 251), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay out of the contingent fund of the Senate to Lucy R. Gehman, widow of William H. Gehman, late an employee in the folding room, a sum equal to 6 months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

RECIPROCAL TRADE AGREEMENT WITH COLOMBIA

The VICE PRESIDENT. The Chair lays before the Senate a resolution coming over from a previous day, which will be read.

The resolution (S.Res. 247) submitted by Mr. HATFIELD on May 22, 1934, was read, as follows:

Resolved, That the Secretary of State is requested to transmit immediately to the Senate a copy of the reciprocal trade agreement between the Governments of the United States and Colombia, agreed upon and signed on December 15, 1933, relating to certain import duties, excise taxes, and prohibitions on importation affecting specified products of such countries.

Mr. ROBINSON of Arkansas. Mr. President, I ask that the resolution go over.

The VICE PRESIDENT. The resolution will go over.

WITHDRAWAL OF PAPERS—DAVID HUFFMAN

On motion of Mr. PATTERSON, it was

Ordered, That the papers filed with the bill (S. 44) granting a pension to David Huffman (73d Cong., 1st sess.) be withdrawn from the files of the Senate, no adverse report having been made thereon.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 195. An act respecting contracts of industrial life insurance in the District of Columbia;

S. 2508. An act authorizing the Secretary of the Interior, with the approval of the National Capital Park and Planning Commission and the Attorney General of the United States, to make equitable adjustments of conflicting claims between the United States and other claimants of lands along the shores of the Potomac River, Anacostia River, and Rock Creek in the District of Columbia; and

S. 3257. An act to change the designation of Four-and-a-half Street S.W. to Fourth Street.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 9068) to provide for promotion by selection in the line of the Navy in the grades of lieutenant commander and lieutenant, to authorize appointment as ensigns in the line of the Navy all midshipmen who hereafter graduate from the Naval Academy, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. VINSON, Mr. DREWRY, and Mr. BRITTEN were appointed managers on the part of the House at the conference.

SALOON CONDITIONS IN CHICAGO

Mr. SHEPPARD. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by Dr. F. Scott McBride, general superintendent Antisaloon League of America, on the subject Old Chicago Saloon Plus Women Equals New Chicago Tavern.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

OLD CHICAGO SALOON PLUS WOMEN EQUALS NEW CHICAGO TAVERN

In Chicago the Republican National Convention, less than 2 years ago, witnessed a demonstration against the eighteenth amendment and declared for a "proposed amendment" which would "safeguard our citizens everywhere from the return of the saloon and its attendant abuses." In Chicago, less than 2 years ago, during the Democratic National Convention, galleries packed with wets howled down every speaker who ventured to support prohibition, and the delegates overwhelmingly adopted the following resolution:

"We advocate the repeal of the eighteenth amendment. * * * We urge the enactment of such measures by the several States as will actually promote temperance, effectively prevent the return of the saloon, and bring the liquor traffic into the open under complete supervision and control by the States."

In Chicago, less than 2 years ago, the nominee of the Democratic Party in his speech of acceptance delivered to the convention, declared, "We must rightly and morally prevent the return of the saloon."

Now Chicago, where the big drive for repeal started and where both major political parties pledged that the saloon must not come back, should present the Nation's most conspicuous example of a successful solution of the liquor problem. But what do we find? Despite all promises, the saloon is back in Chicago, worse, more vile, more degrading, more dangerous than ever before in the history of that city.

In Chicago may be viewed at one and the same time a century of progress in industry, the arts, and science, and a century of retrogression so far as the liquor problem is concerned. In Chicago, saloons are back not only in the Loop but throughout the residence districts of the city. In Chicago, saloons are once more the gathering places of drinking and drunken men, and with them now women, "good and bad", mingle at the bars and in the wine rooms. In Chicago saloons high-school girls and boys by the hundred every night, drinking and dancing, rush madly on the downward path. In Chicago saloons every day and night millions of dollars are spent for intoxicating liquors to enrich the brewers and distillers and impoverish the people.

The abhorrent conditions in the saloons of Chicago, the very city from which "no saloon" promises were broadcast throughout the Nation during the party conventions, were recently investigated by the Committee of Fifteen, one of the leading social-service organizations of the city, Charles E. Miner, executive director, accompanied by trained representatives of the Chicago Herald and Examiner and the Chicago American. Their reports, as published in the above newspapers (whose policies had been against prohibition), are so revolting that many of the details must be omitted. The following excerpts, however, indicate the failure of the wet forces to keep their promises that the saloon would not come back. They show not only that the saloon is back but that its evils under modern social conditions are infinitely worse than those against which the people rebelled when the eighteenth amendment was adopted. In the worst places during the worst

days of the old saloon in Chicago conditions were not as bad as they are now shown to be by the following headlines and verbatim excerpts from the day-by-day newspaper reports.

[From the Chicago Herald and Examiner, Mar. 6, 1934]

"SHOCKING SALOON REVELS OF SCHOOL CHILDREN REVEALED—SURVEY BARES LAWLESS BARS

"Shocking evidence of how Chicago's high-school girls and boys—children ranging between 13 and 18 years of age—are being lured into depravity by saloonkeepers, who flagrantly violate the law by plying child patrons with liquor, has been * * * discovered during a fortnight's survey of the city's unregulated saloons * * *, orgies which outrivaled the debauches of Paris' notorious Quartier Latin. * * * Drunkenness and laxity of morals are common in the dimly lit back rooms of these saloons, many of which carry on their vicious trade in the very shadows of the city's schools.

"Graphic evidence of the wide-spread and tragic adolescent delinquency nurtured by liquor was gathered by a special camera. The Herald and Examiner, however, will not use these photographs. Publication of these pictures would instantly wreck young careers already threatened with ruin by the outlaw saloon."

"Lured into depravity by saloonkeepers" is one of the first things observed about the children who frequent the saloon which has returned to Chicago. Thus does the saloon "promote temperance" in the lives of the coming generation. Ask the parents of these Chicago children whether they still believe in the promise that the saloon must not return.

Continuing with the story on the same day, the Herald and Examiner says:

"YOUTHS AND GIRLS 'NECKING' AND STAGGERING—FALL TO FLOOR

"Sprawled on the floor and asleep at the long tables were a dozen young boys and nearly as many girls. Some were obviously 14 and 15 years old. The older ones were 17 and 18. These children were students of Lake View High School. * * * A score or more of couples were locked in tight embrace. Others staggered about the dance floor. A beer stein crashed against the wall. Fights broke out * * * the beer was still flowing.

"Here was a party, made up almost entirely of children, a revolting drunken orgy—a spectacle which epitomizes the vicious growth of juvenile delinquency furthered by greedy and unscrupulous saloonkeepers operating under a city administration which ignores the law and popular sentiment calling for regulation of liquor sales. * * *

"A Lake View senior is taking tickets at the door. * * * To the reporters he says: '* * * The high-school kids make up 90 percent of our parties. They pay the freight.' * * * Underneath the orchestra stage three boy bartenders brawl with patrons. * * * Young drunkards fight and push to reach the bar. * * * A member of the committee points to 10 kegs of beer—all they have for a party of school children. * * * 'How', ventures one reporter, 'can these youngsters finish the 10 kegs of beer?' 'They always manage to get rid of them', chuckled the girl (barmaid). 'They certainly can drink. We rent out the hall to a crowd of them almost every Friday and Saturday night.'

"A blond child of about 16 is dancing for the crowd at the bar. Her skirts are to her hips. She is very drunk. * * * There are four little girls with 'crying jags.' * * * Lots of these children can't take it. Girls have 'passed out', their heads in their escorts' laps. Boys have fallen asleep on the shoulders of their 'dates.' * * * They're raffling off a pint of bonded whisky for a dime a chance. * * * A 16-year-old girl screams with pleasure when she wins it."

This is how "temperance" is being promoted in Chicago under repeal. The saloon keepers, brewers, and distillers are making the profits, but the children "pay the freight."

The Chicago Herald and Examiner of March 7, 1934, reports:

"DARKENED BOOTHS LURE PUPILS TO SOUTH SIDE DRINKING DENS; CHILDREN IN TIPSY EMBRACE

"Lured by darkened drinking booths, by dimly lit dance floors, and the sensuous syncopation of hot-cha orchestras, by liquor prices within the average schoolboy's allowance, pupils of South Side high schools frequent saloons where bartenders flagrantly violate the law forbidding the sale of intoxicants to children. * * * Some of them were plainly intoxicated and their conversation centered on how drunk they had been the night before. * * * The reporters encountered two boys and a girl, the latter about 15, drinking at the bar. The barkeep was serving them straight whisky. * * * Like the Parnell, this saloon has no permit. Both operate in dry territory through court injunctions obtained January 31. * * * There were no booths, but the room was so dimly lighted that shadows gave the corners privacy for boys and girls who drunkenly fondled one another."

Quite as in the days of the old-time saloon, "bartenders flagrantly violate the law forbidding the sale of intoxicants to children", in Chicago and elsewhere.

[From the Chicago Herald and Examiner, Mar. 8, 1934]

"WEST SIDE PUPILS PACK DENS; CHILDREN REVEL IN DARKNESS; BRAG OF LIQUOR AS THEY FALL

"The Club Ritz is * * * in Berwyn, but its dark booths and the sensual temptations they offer draw girls and boys from Austin and west suburban high schools. * * * Gin fizzes and beer steins littered the tables. * * * The reporters returned, guided by two Austin students, 16 and 15. * * * The interior of this saloon is so dark that the reporters at first could not find their way to tables. It was late afternoon, and there were no other students in the place. But the waiter recognized the two girls as steady patrons. He carelessly pushed their school books aside and served them with gin bucks. * * * Drinking at tables were eight unescorted young girls."

This is how Chicago is heeding the solemn injunction to "safeguard our citizens everywhere from the return of the saloon and attendant abuses."

[From the Chicago Herald and Examiner, Mar. 9, 1934]

"NORTH SIDE PUPILS HOLD DEBAUCH AT BEACHVIEW GARDENS

"Students encountered in other dives had told them (the reporters) of the Beachview Gardens * * * and had described it is 'a joint where you can get away with anything.' * * * A dozen high-school couples, children from 15 to 17 years old, swayed unsteadily over the dimly lighted dance floor. * * * The music became wilder as the orchestra encouraged them. * * * The reporters wondered where the bouncer was. But the Beachview Gardens, first selling liquor to children, makes no attempt to curb them later. This accounts in part for the saloon's popularity. * * * A slender little girl of 15 had passed out at another table. * * * It was 2:30 in the morning, and the reporters were getting tired. * * * There was a dozen intoxicated children staggering about the floor, and some had passed out, sprawled over the tables. * * * Downstairs, under the pretentious awning, the reporters waited for a cab. About them hovered the colored doorman. 'Big night, sir,' he said. 'Guess all the boys and girls up there are happy by this time.'"

The same number of the Chicago Herald and Examiner contains a statement by Rev. Alice Phillips Aldrich, welfare superintendent of the Illinois Vigilance Association. She charges:

"Chicago's present-day saloons are causing delinquency among young girls to an extent never equaled even in the old days of segregated vice. I began my work here with girls back in 1910, when the vice districts were in full blast. * * * But there was nothing to compare with what Chicago today is tolerating, when young people of opposite sexes, often strangers to each other, drink openly until they no longer are responsible for their actions."

Dr. Aldrich has seen the actual results in her study of more than 400 delinquent girls and she declared emphatically that the saloons, with their "back rooms" and upstairs facilities, constitute "an alarming cause of immorality and delinquent girls not known before in the history of Chicago."

"We must rightly and morally prevent the return of the saloon," said the Democratic candidate for President to the convention in Chicago which nominated him. And yet, in less than 2 years, social workers in that city find moral conditions more intolerable and delinquency greater under the repeal saloon-tavern than even in the old days of the saloon.

[From the Chicago Herald and Examiner, Mar. 10, 1934]

"SCHOOLGIRLS PLAY HOOKEY IN 'TAVERN'; BOYS SUPPLY LIQUOR

"Their unsteady feet dancing blindly down the path to moral disintegration, hundreds of Chicago's unguarded school children are exposed to ruin because of the uncurbed greed of saloon keepers who, flaunting the law, seek their profits from boyish pockets. * * * Victims of liquor which shattered their inhibitions and aroused them emotionally, two girl students of Senn High School shared in a conversation which laid open the degradation into which they, and scores of other pupils, have fallen. * * * Most of the conversation is unprintable.

"Only a few blocks from the high school the playground runs wide open. * * * As he poured drinks for the girls the bartender asked if they were 'ditching classes again.' * * * They urged her (girl reporter) to accompany them on their date that evening. * * * The girls * * * telephoned their mothers they would not be at home that evening because they were going to friends' homes to study. First 'spot' to be visited was the Hoosegow saloon * * * where the pupils crowded into darkened booths. At other tables drunken youths shouted suggestive remarks at a child entertainer—a toe dancer. * * * The party moved on to a restaurant * * * where students find the 5-cent beer * * * within their means. A barmaid served several rounds of beer. She watched the boys half empty their steins, then 'spike' the beer with whisky. The boys had several straight whiskies from their bottle, and then more beer. * * * Everyone was getting pretty tipsy."

In the new saloon in Chicago little girl entertainers are employed, a novel way to protect youth from "the saloon and attendant abuses."

[From the Chicago Herald and Examiner, Mar. 11, 1934]

"POLICE LOOK ON AS GIRL, 14, REVELS IN PUPILS' RUM DEN

"Under the indecent drawings and vulgar wall decorations of the smoky dive known as 'Jack's Nut House', * * * a shabby, drunken little girl of 14 * * * staggered about the bawdily decorated room. * * * She was wheedling drinks from older topers. * * * She had been intoxicated so long, they explained, she was becoming a nuisance. * * * Her newly discovered friend was opening an acquaintanceship. He was middle-aged, well dressed, and quite drunk. * * * The bartender made no move to protect the child. Two men, later identified through their conversation as detectives from the Wabash Avenue station, looked straight ahead as they drank. But several cus-

tomers voiced their protests in undertones. (The Nut House is not a place to complain too loudly.)"

This is how "complete supervision and control by the States" works in Chicago. As in the old days, the saloon controls politics and politicians, instead of being controlled by them.

The survey conducted for a month by the Chicago American and the Committee of Fifteen was purposely confined to residential areas—home and apartment neighborhoods such as Ravenswood, Englewood, South Shore, Edgewater, Hyde Park, Rogers Park, and Humboldt Park and their adjacent shopping centers. Night clubs, as such, the night-life sections of the city, and the Loop were deliberately neglected to study conditions in good home neighborhoods.

The Chicago American for March 5, 1934, says:

"YOUNG GIRLS, BOYS DISPORT AT ALL HOURS IN TAVERNS

"It is now a little after 1 a.m. Drinks of all kinds are being served over the bar. Almost all of the men at the bar are standing; the stools apparently are tacitly reserved for the women and girls present as a sort of new repeal-era etiquette. * * * A taxi deposits a red-headed girl in evening dress at the door. * * * A little later she is telling us: 'This is a real bright spot. The alderman's nephew runs it and the police are fixed. They can run the joint as they please.'"

The investigators define the new "tavern" as "a cross between and old-fashioned saloon and a speak-easy." The speak-easy atmosphere is apparent immediately after 1 a.m., 4 out of 5 of the more than 700 taverns visited evading or openly flouting the 1-o'clock closing law. Apparently the only ones that close at 1 a.m. are the places in which there are no customers at that hour.

[From the Chicago American, Mar. 6, 1934]

"OLD SALOON PLUS WOMEN EQUALS NEW TAVERN

"Ten saloons in one block—the Barbary coast in the '90s. Ten 'taverns' in one block—Chicago, 1934! And this is not down around Twenty-second Street, not down around the near North Side, noted for its 'hot spots' and night-life rendezvous, but in one of the supposedly nicer residential sections of the city—Rogers Park!

"According to Charles E. Miner, executive director of the Committee of Fifteen, 'There is only one change, and that not for the better.' * * * Women! The old saloon plus women equals the new 'tavern.' Women at the bars! Women in the barrooms at tables! * * * Good women and bad women, schoolgirls and prostitutes, all mingled together indiscriminately, rubbing shoulders in this amazing sequel to the old-time saloon—the 'tavern.' * * * Something like 8,000 'taverns' exist. They have spread into all districts, into areas that never before have known the immediate proximity of a saloon. * * * And they are, indeed, many of them, true red lights. * * *

HOW WOMEN ADD "RESPECTABILITY"

"At that table over there is a young girl—surely not more than 19 or 20—slopping all over the table, while her companions urge her not to 'pass out and spoil the party.' * * * One of the girls at the bar slips sideways on her stool and falls backward, flat on the floor. * * * The boy friend goes back for another drink, and another, and a couple more. With each drink he becomes louder, noisier, more obstreperous. Finally, the bartender orders him out. He refuses, and the bartender comes from behind the bar. Out goes the obstreperous one, wham, into the street. You've seen it done in the movies, but you hardly expect to find it being done in the respectable neighborhood of upper Edgewater.

"A block away * * * is the 'Silver Slipper.' Two hostesses 'double in brass' as waitresses, dancing with patrons and also waiting on table. * * * We find the front lights dimmed and the barstools piled up on the bar after the legal closing hour. But the orchestra still is going full blast, tables are full, and we have no difficulty in obtaining drinks. Liquor is served to us in white, translucent glasses instead of the 'regular' kind, and for a moment we are transported back to the old speak-easy times."

Mayor Kelly, of Chicago, was reported in the Chicago Tribune of December 19, 1933, as saying:

"In my opinion, the presence of women will add respectability to the premises handling liquor."

Experience of only a few weeks with the new saloon in Chicago evidently partially opened the mayor's eyes. He still does not oppose women in saloons, but believes that if they will sit at tables the situation will be improved. The Chicago Tribune of December 30, 1933, quotes him as saying:

"After a few weeks of noting the general effect of women drinking at counters, I am convinced that people generally regard it as an obnoxious practice. * * * Women at counters just don't seem to mix. * * * If women want to drink, they can do it just as well * * * sitting down at a table as standing up or sitting on a high chair at a counter, the latter seeming to promote less feminine reserve and more roughness and loose talk—to the disgrace of women in general. I do not know anything that will stir up public opinion against personal liberty as far as liquor is concerned more than the regular sight of women drinking and carousing at tavern counters."

It is interesting to note that it is the standing or sitting position of the drinker which agitates the saloon apologist; never the thing that makes the saloon the menace it was and is—liquor. Whether there are screens and bars, or tables, seems to them the important thing, not that an intoxicating, narcotic, habit-forming poison is there dispensed.

[From the Chicago American, Mar. 7, 1934]

"GIRL MAKES WINDOW OF TAVERN STAGE FOR SEDUCTIVE DANCE

"A woman dancing in a 'tavern' window * * *. A dimly lighted dance floor at the rear of a 'tavern' where silent couples twist and writhe in drunken rhythm * * *. Young men and women, some of them mere boys and girls, dropping in for casual drinks and even more casual 'necking' in 'taverns' in their home neighborhoods.

"Investigators' reports disclose that in virtually all of the neighborhood business centers of the city the new, low-licensed 'taverns' are regarded by neighborhood business men as actively menacing the welfare of established and well-regarded amusement places.

"Many a young girl, the Committee of Fifteen's investigator tells us, starts out for a perfectly respectable evening at a reputable place * * * and winds up at a 'tavern' where everything is free and easy. * * * Reputable places, we are told, do everything in their power to discourage 'pick-ups' and the presence of undesirables, but where 'pick-ups' occur on the street even before the girl reaches her originally intended destination the managements are helpless.

"TAVERNS REPLACE OLD 'SPEAK-EASIES'

"Throughout the West Side we find open 'taverns' where formerly there were known speak-easies. * * * The only difference is that now they are running wide open, where formerly there was necessity of camouflage. Throughout the place men and women are mingling freely. We find no introductions necessary, nor any need to take the initiative."

The saloon has, indeed, been brought "into the open" and it is found to be as competent as ever in evading and ignoring the laws made to control it and to be even more disreputable than the speak-easy it was to displace but has succeeded only in supplementing.

[From the Chicago American, Mar. 9, 1934]

"PHONE CALLS BRING IN GIRLS FOR VISITORS IN HOME AREAS

"Upstairs rooms, hidden peepholes, concealed basement bars, and above all the ever-ready telephone—women for sale! This is what the unsupervised, irresponsible 'tavern' has brought into the home neighborhoods of Chicago!

"The telephone, we have discovered in the course of our survey, is one of the most important pieces of equipment in these hot-spot 'taverns.' They form the direct connecting link between the 'tavern' and the homes of the neighborhoods in which these 'taverns' are located. Many a young woman who tells her parents or other relatives with whom she is living that she is going out to meet a girl friend is in reality going to keep a 'date' made for her via one of these 'tavern's' telephone messages."

HIDDEN BARS

"We are led through a barroom with the usual bar and booths lining the wall, back through the kitchen, and down into the basement. Here is a basement bar, concealed from prying eyes, in which a half dozen couples locked in close embrace dance to the music of two Hawaiian guitars. We count all of 15 'drunks' in this place—7 men and 8 women and girls. Two of the girls appear to be no more than 17 or 18. * * * Upstairs, as we came in from the street, we passed a police sergeant in uniform. * * * With him was a man in civilian clothes, whom the Committee of Fifteen's investigator recognized as a detective. It is after the 1 o'clock legal closing time, but the sergeant and the plainclothesman apparently have no watches. They are laughing and talking, and apparently enjoying themselves hugely. At 2:45 a.m. we leave. The sergeant and the plainclothesman have departed, and a doortender lets us out the kitchen door after first making sure that all is clear through a concealed peephole."

Following the exposé of conditions in Chicago, William F. Ogburn, professor of sociology and director of the social trends committee at the University of Chicago, said (Chicago American, Mar. 9, 1934):

SALOON IN "MODERN GUISE"

"Control over our younger people has been weakening ever since the advent of the 'jazz age', and now, finally this laxity has found its outlet in the new, unsupervised 'tavern.' Whereas the youngest customer the old-time saloon ever encountered was the youth at least in his early twenties, we find irresponsible 'taverns' of today patronized by young people, boys and girls alike, in their teens. * * *

"In my opinion, the close alliance of politics with these new 'taverns' is inevitable. The 'tavern' will become the meeting place of politicians, the trading place for votes around election time. This in itself is a sufficient evil, but drinking by women and young people at 'tavern' bars and tables is a blight upon our Nation."

Anton J. Carlson, widely known head of the University of Chicago's department of physiology, declared (Chicago American, Mar. 9, 1934):

"Today's 'taverns' rapidly are becoming worse than the old-time saloon. The saloon, at least, with all its abuses, did not encourage the presence of women and young people."

In Chicago, where the repeal movement gained its greatest momentum in the national party conventions and where the most solemn promises of "no saloon" were made, we have in less than 2 years' time the tragic demonstration of the complete failure of so-called "true temperance" and "liquor control." Is more proof needed to indicate what will happen wherever the wet forces cap-

ture control of the Government? Has not enough of the wet plan already been revealed to warrant the people in States which still have prohibition laws to devote their utmost efforts and diligence to a defense of these laws? Will they meekly surrender to the ruthless greed of the liquor traffic, which will not rest until the modern saloon prevails everywhere, in residence districts as well as business sections, and catering to children and women as well as to men?

Certainly now is the time for the Anti-Saloon League, the Woman's Christian Temperance Union, and all other antiliquor agencies to fight the new saloon as vigorously and relentlessly as they did the old saloon.

Certainly the good men and women of America will not stand idly by while the modern saloon, which they were promised should not come back, destroys the bodies and souls of thousands of boys and girls in every city which has liquor control—control by liquor. Will the people in the States still dry rely on political promises that will not be kept, or will they rely on the ballot cast for prohibition, the only protection against the saloon?

POLICIES OF THE ADMINISTRATION—ADDRESS BY ARTHUR M. HYDE

Mr. PATTERSON. Mr. President, I ask unanimous consent to have printed in the RECORD a very able address delivered by Hon. Arthur M. Hyde, former Secretary of Agriculture, on the subject of the policies of the present administration. The address was delivered before the Missouri Republican Club of Kansas City on the evening of May 25, 1934.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

This is not a new era. It is only another depression. The fundamentals of human relationships still remain true. The laws of economics and of morality have not been repealed. The institutions of political and economic liberty have not been outmoded.

The hard-learned lessons of 10,000 years of human experience are as valid as ever. What we suffer today had its origin in what we did yesterday. We shall reap in satisfactions or in sorrow a logical crop from the seed we sow today. Men have tried to beat every depression in history by artifice, by legerdemain, by great schemes of statecraft. They have always failed. They always will fail. We cannot get something for nothing.

Nobody quarrels with practical experiment. America, for 150 years, has experimented. But sane experimentation does not mean trying all the old mistakes over again; it does not mean defying known laws of economics; it does not mean revolution and the destruction of social institutions. It does mean trying to meet problems by experiments which are in harmony with the facts of experience, the laws of economics, and demonstrated principles.

Do you think that America, which has enjoyed the widest diffusion of wealth that the world has ever known, should experiment with the Russian plan, which produces the lowest standard of living in the civilized world?

Does anyone believe that the structure of recovery can be built upon such foundations as an unbalanced budget, rubber dollars, staggering expenditures, and a chaotic public policy?

Neither men nor governments can squander themselves into prosperity or borrow themselves out of debt. The other side of waste is want. There is nothing experimental about that. The inevitable result of reckless spending is more debt and burdensome taxes. This year government in the United States has spent an amount equal to 42 percent of the national income. If the Government takes in taxes one-fourth of the national income next year in taxes, that means that the people must work one-fourth of their time for the Government. Neither men nor governments can eat next year's seed corn without foreclosing the hope of next year's crop.

Somebody must pay. Somebody must pay the processing taxes levied upon bread and meat and clothing. They will amount, we are told, to $1,800,000,000 for the first 2 years. Somebody must pay the mounting deficit. Somebody must pay for the $10,000,000,000 program. Somebody must pay for manicuring the nails of the inmates of southern hospitals, for cleaning up rural fence rows, for hiring artists to paint murals, for catching rats in Brooklyn, for the army of bureaucrats scattered through every county in America drawing money which was appropriated for the relief of the needy.

Somebody must pay these huge sums, these mounting deficits. The Government has no funds except those it collects from its citizens by taxation. Who pays? The consumer pays. Sometimes he pays directly in taxes; sometimes he pays indirectly in the price of what he buys. But always the consumer pays, because the consumer is all of us.

Debasing the currency has been frequently attempted. The ancient form of the new deal was coin clipping. One of the crimes of ancient kings consisted in calling in the coinage and clipping pieces of metal off for their own profit. The difference between devaluing the dollar under the new deal and the pilfering of kings is that the new deal locks up all the metal and no king ever dared to take 41 percent of the value. Such is the ancient lineage of the currency-debasement part of the new deal, and such is the source of the $2,800,000,000 profit of which the new deal boasts.

You cannot make more milk by reducing the size of a quart cup. Neither can you make more money by reducing the contents of a dollar. Money is merely a measuring device, a medium of exchange. If it is to function as a medium of exchange, it must have value. People will not always exchange 100 cents' worth of work for 50 cents worth of money. They are doing it now only because no man now living can remember a time prior to a year ago when a dollar was not worth 100 cents. Decades of honest money have given people confidence. The full effect of devaluation is yet to come.

But, say the inflationists, suppose the Government does debase the dollar; suppose it does try printing-press money; nobody is hurt except the rich. Let us see about that. Debasement of the dollar means that the dollar will not buy as much as formerly. Debasement reduces the value and the purchasing power, not only of coins and currency but equally it reduces the value of every obligation payable in dollars. That means that the purchasing power of wages, of salaries, of every insurance policy, every bank account, every building-and-loan certificate, every Liberty bond is reduced. That means they will not buy as much food and clothing. Already the dollar will not buy what it did. Wages will not buy as much. Since April 1933 the average weekly income in the United States has risen 7½ percent, food costs have increased 17 percent, clothing 27½ percent.

Who owns the mortgages and Liberty bonds? Banks, insurance companies, savings institutions. They bought the mortgages and bonds with the money of their depositors, their policyholders. If the Government pays the bonds in a debased dollar, the banks and insurance companies must pay in debased dollars, and the hundreds of thousands of savings depositors must take their pay in debased dollars. Who owns the savings accounts, the insurance policies? Widows, orphans, white-collar workers, school teachers, the frugal and the thrifty of all classes who have sought to protect their old age or to give their children an education by putting their scanty savings into that security which until March 4, 1933, was the safest investment on earth. If the Government pays its bonds in debased currency, and if borrowers pay their mortgages in debased currency, then insurance companies must pay widows and orphans in debased currency. Any program which takes half of the value of the widow's insurance policy, of the worker's wage, of the small investments of the thrifty, is a dishonest program. That goes even if it does soak the rich. There are only a few millionaires. There are millions of holders of insurance policies and savings accounts.

If we inflate, who suffers? Everybody suffers, rich as well as poor, poor as well as rich; but mostly the poor suffer, because they are least able to protect themselves. The history of inflation in France, in Germany, in Russia, everywhere, has been the ultimate bankruptcy of the great middle class. Only the speculator profits.

The subject of rubber dollars and printing-press money is vastly cluttered and confused, but mark this down: Neither men nor governments can print value on pieces of paper. If they could, mankind would have been living for centuries without any work except running printing presses. We cannot get something for nothing. Such a program will hurt the rich; it will ruin the poor. Where it soaks one rich man, it will destroy a thousand small savers. It is morally indefensible. Nor is there justification for it in the fact that a few great financiers were crooked. That fact would not justify the great Government of the United States in following their example. The Government reaches thousands of small savers who never wander into Wall Street. No matter how great the economic emergency the moral guilt is the same. The laws of morality, like the laws of gravitation, operate all the time regardless of economic emergencies.

A little more than 150 years ago our forefathers declared that "all men * * * are endowed by their Creator with certain inalienable rights; that among these are life, liberty, and the pursuit of happiness"; that "to secure these rights governments are instituted among men." In these words lie the distinctive characteristic of the American system of government. The Bill of Rights contains specific definition of the rights of the individual; the Constitution sets up a form of government to defend those rights. The Government so set up was to possess only such powers as the people ceded to it; the individual possesses God-given inalienable rights which not even the Government can infringe or abrogate.

This ideal was a denial of all former ideas of the State. It was a denial of the divine right of kings to control the property, to regiment the lives, or to dictate the means and methods by which the individual should earn his living or pursue his happiness. It was a denial of dictatorships in any form. It still stands as a denial of dictatorships, whether nazi-ism, fascism, socialism, or communism. The new deal, in common with all these forms of dictatorship, is based on the idea that the state, in order to compel economic good, has the right, if not the duty, to regiment the lives, to control the industries, and to restrict the liberties of its citizens. All such isms regard the state as absolute; the individual has only such rights and liberties as the state concedes to him. Americanism, alone among isms, endows the individual with the right to pursue his life, liberty, and happiness in his own way, with rights which not even the state may infringe.

Between these two conceptions lies a gulf as wide as the poles. For thousands of years the world experimented with kings, tyrants, and dictators, with the absolute state. In America liberty was enshrined, kings were rejected, the individual was exalted.

Two thousand years ago there came the Man, who said: "The truth shall make you free." Free—not rich—that was the promise.

The centuries have waxed and waned, economic tides have come and gone, kings have risen and fallen, but the stream of life has never ceased its unending quest to be free. Kings and emperors

have enslaved large sections of the stream of humanity, dictators have regimented it, tyrants have divided it into stagnant pools, but they have never completely stopped its upward surge. In the American system of constitutional government, guaranteeing the citizen his unalienable rights, mankind has found the answer to that 2,000-year-old promise—freedom. In the 150 years since that happy event, this old world, released from tyranny, watered by individual liberty, revivified by the initiative of millions of freemen working in their own way for themselves and their children, has produced more of human happiness and has made greater progress in art, science, education, and economic prosperity than in all the previous centuries of experimentation with state control and regimentation put together.

Fifteen months ago there was a change of administrations at Washington. The old administration had kept the American faith.

The Constitution had been upheld as the unchallenged basic law of the land. American courts had been kept free, independent, and untrammeled. The rights of the States were unimpaired by any act of the Federal Government. The legislative branch of the Government was in full possession of its independent powers. The dollar of the United States was the one unimpeachable standard of value throughout the world. The bonds of the United States were the honorable obligations of a nation which had never up to that time repudiated a just debt or dishonored a national promise. The Government still adhered to the faith that all men "are endowed by their Creator with certain unalienable rights, among which are life, liberty, and the pursuit of happiness." Freedom of speech, of the press, of religion were held to be inviolable. The Government had not attempted to infringe upon them or abrogate them. The outgoing administration handed over to the new, unsullied, the ideal of a free people—a government of laws, not of men.

Today not one of those ideals and institutions which were committed to Mr. Roosevelt is unqualifiedly secure, inviolate.

Far-reaching changes have been made in our social, economic, and political institutions. Under the whip of Executive urging, Congress has granted to the President revolutionary and dictatorial powers. These grants have not been made in carefully limited and clearly defined acts but are grants in bulk of powers heretofore reserved by the Constitution for the representative of the people in Congress. Authority has been granted for the debasement of our currency, the repudiation of national obligations, and for a Government-controlled and Government-directed system of economics and finance which is alien to American ideals, traditions, and institutions. Power to levy taxes has been vested in an appointive official. Power to legislate rules and regulations of far-reaching character has been granted to appointive boards and bureaus. For months those high in the administration have been telling us that this program constitutes a great but bloodless revolution.

Through it all Republicans have withheld merely captious criticism. We were told at the beginning that relief from economic distress, not reform, was the objective. There is no reform worthy of the American people which cannot be made within the limits of the American system. Republicans have stifled their fears in the hope that somehow the new deal might, as an emergency program, and without overturning American institutions, prove beneficial to the country. Now, however, Mr. Roosevelt himself tells us that the purpose of the new deal is no longer relief, but reorganization, that its objective "was not only to bring back prosperity. It was far deeper than that. The reorganization must be made permanent for all the 'rest of our lives.'"

For good or for evil there is a vast gulf between emergency relief and permanent revolutionary reorganization. It has probably been the part of patriotism to acquiesce in any temporary measure for relief. It is the imperative duty of patriotism to challenge such programs of reorganization as propose permanent revolutionary changes in our social, political, or industrial institutions. Changes of which, to quote again Mr. Roosevelt's own words, "only one thing is certain. We are not going back to the old conditions or to the old methods."

Thus, in 1 short year, sweeping powers which were obtained as emergency measures, which were based upon the economic emergency which were constitutional, if constitutional at all, solely because of the emergency, and which were to expire with the emergency are now demanded as permanent.

Today, for the first time, American institutions and American liberties are in need of defense against a national administration. This is the challenge of the hour. This is the call to arms to the Republican Party.

What were the old conditions and the old system at which the administration sneers? What was the old system, the American system, which had been slowly built up over 150 years of unparalleled progress? Its inspiration was the Declaration of Independence. The legal and political base of that old system was the Constitution, not merely as a legalistic document but as a covenant among freemen to respect and to maintain their mutual rights. The spiritual and moral base of that system was the Bill of Rights with its guaranty of freedom of speech and freedom of religion; the right of private property and the inviolability of the home; individual liberty of action, not as a license to do wrong but as a stimulus to individual initiative for personal achievement and national progress.

Under that system the struggle never has ceased and, so long as men are free, never will cease to eradicate the evils and to curb the abuses, whether financial, economic, or criminal, which human selfishness always imports into any system. Under that system we cannot say that we had attained perfect justice in all our social, political, or industrial institutions, but we can confidently say that no nation in history had ever attained for its people a broader liberty or a more equal opportunity. We cannot say that under that system we had achieved a utopia in which all men dwelt together in peace, plenty, and happiness; but we can say that in no nation upon which the sun ever shone had the average man enjoyed a higher standard of living, a broader distribution of the good things of life, been better fed, better clothed or better housed, had the way opened for him to climb as high and advance as far as his industry and his abilities could achieve. Call the roll of the Nation's great, of business and industrial leaders, of clergymen and professional men; they are not the product of an aristocratic wealthy class; they are sprung from the people.

Mr. Roosevelt describes the old conditions as "ruthless self-seeking, reckless greed and economic anarchy." Sneers at the America of yesterday and of her institutions are sown thick in the speeches not only of Mr. Roosevelt but of the professorial secretariat upon which he relies. Mr. Wallace demands to know if we want to go back to the "vomit of capitalism." Dr. Tugwell refers to "the unreasoning, almost hysterical, attachment of certain Americans to the Constitution." Dr. Moley sneeringly brands as hypocritical "any expression of devotion to our traditional liberties." Mr. Roosevelt says that "for a number of years in our country the machinery of democracy had failed to function." He describes his program as a "struggle against ruthless self-seeking, reckless greed and economic anarchy."

Dr. Tugwell recently addressed the students at Oberlin College. He called upon them to help liberate "the American people from the deadweight of outworn ideas and obsolete institutions." This description of America is a typical "brain trust" brainstorm, indulged by all and sundry from Mr. Roosevelt up or down.

Whence came the great college of Oberlin? Obviously from the life of America, burdened as it is with "outworn ideas and obsolete institutions." More specifically from men who wanted to establish a broader opportunity and a wider liberty for their children? Still more concretely, Oberlin was and is one of the products of capitalism. Whence came the audience which Dr. Tugwell addressed? They are the sons and daughters of men who used their own rugged individualism (hated words) to create for themselves better conditions, to send their children to school, to create for others better conditions of living, and so forth, ad infinitum.

Under the "deadweight of outworn ideas and obsolete institutions" there are more such audiences sprung from capitalistic daddies in colleges in America than in any other nation on earth. Dr. Tugwell never though of that. That is characteristic. The mind of the "brain trust" is of that myopic, microscopic type that it can see a speck on an apple at 100 yards, but it will never see the apple.

The Bible furnishes an excellent example of an early attempt at communism. Filled with zeal and brotherhood, the early church at Jerusalem decided to go Communist. To quote: "And the multitude of them that believed were of one heart * * * they had all things common" (Acts 4 : 32). "For as many as were possessors of land or houses sold them and brought the prices * * * and laid them down at the apostles' feet, and distribution was made unto every man according as he had need" (Acts 4 : 34–35).

A noted character known as "Ananias" "sold a possession" but "kept back part of the price" (Acts 5 : 1–2).

Thus the Bible recounts the first new deal, and thus Ananias became the first chiseler.

Little more is said of this early experiment in communism. The Bible quaintly dismisses the subject with the remark that the church at Antioch, viewing from a safe distance the communistic experiment of the church at Jerusalem "every man according to his ability determined to send relief unto the brethren which dwelt in Judea, which also they did * * * by the hands of Barnabas and Saul" (Acts 11 : 29–30).

Thus the first N.R.A. wound up on the relief rolls. Thereupon the Bible drops the subject—so do I, except to remark that the church at Antioch, which was still a going concern, was no commune, but devoted rather to rugged individualism, because they sent relief "every man according to his ability."

No one of the "brain trust", however, has faced the facts more frankly or stated the issue more candidly than Donald Richberg, general counsel of the N.R.A.

"There are only two alternatives which can be presented by those who cry 'Scrap the N.R.A.' The first is to scrap all effort at a planned economic recovery * * * to return to the law of the jungle and to let the most ruthless and selfish of our breed survive. * * * The second alternative is to establish a new government endowed with power to own and operate all essential enterprises, free from any obligation to preserve individual liberty of action or individual rights of property."

Boiled down, if N.R.A. fails, there are only two paths left to travel. One is to do what Mr. Roosevelt says is the only thing we will never do, and that is to return to old conditions and old methods which he describes in words curiously paralleled to Mr. Richberg's as "ruthless self-seeking, reckless greed, and economic anarchy." The only alternative again quoting Mr. Richberg is "scrap the Constitution and set up a new government endowed with power to own and operate industry and free from any obligation to preserve individual liberty."

Here is frank recognition of the fact that private ownership of industry and individual liberty are obstacles in the way of N.R.A. If the present program of regimentation of N.R.A. should break upon the rocks of individual liberty and of private ownership, then liberty and individualism must be removed to clear the way for N.R.A. Here is frank avowal that at the end of the road down which the administration has set its feet lie Government ownership and operation of industry, the abrogation of the bill of rights, the destruction of individual liberty.

When 125,000,000 people are dazed by disaster, beset with doubts, and eager to grasp any project which seems to hold out hope, is not a proper time for statesmen to set their feet upon a road which might in any extremity lead to a government "free from any obligation to preserve individual liberty of action."

Lately there has come a slight halt in expressions of contempt for American institutions. Professor Tugwell has taken occasion to avow his conservation and his devotion to the processes of democracy. Administration spokesmen, heretofore fond of rolling the word "revolution" from their tongues, have dropped the "r" and adopted, pianissimo, the word "evolution." More discreet, the President describes the revolution as reorganization, and the N.R.A., as "representative government in industry." All this sounds fine, but the demands for more and more power continue insatiably. The communications bill, with its potentialities for the control of the press; the stock exchange bill, with its extension of power over credit to industry; the A.A.A. bill, with its broader power to license and regiment food producers; the threat to force a code upon telegraph companies; these and other measures upon which the administration is insisting, even while they soft-pedal their public utterances, are not reassuring. Can anyone doubt that the "r" will be added to evolution if the present supine Congress is continued?

But someone will say, "You are shadow-boxing; American liberty is not endangered."

Is liberty safe when hundreds of millions of dollars are appropriated in bulk to be expended at the discretion of the Executive? The jealous control by the people of taxation and of Government expenditures has, throughout many centuries, been the first line of offense and the last line of defense for freemen in their struggle against tyranny. Burdensome and unjust taxation, grinding down the people, and encumbering their means of livelihood have been the prolific cause of revolts and revolutions.

Is liberty safe when Congress, at the behest of the Executive, hands over to an appointive officer, not only the power to lay heavy taxes upon the necessaries of life but power also to designate the beneficiary class which shall receive proceeds of such taxation?

Is liberty secure when Government, without even a hearing, can abrogate contracts in the fulfillment of which individuals have invested their personal resources and upon which thousands of people depend for their daily bread?

Is liberty safe when Government not only countenances but advises boycotts? When it is a crime to possess gold coins? When a tailor can be sent to jail for cutting a nickel off the code price? Except in degree, what is the line of distinction between sending that tailor to jail and the Soviet method of shooting railway engineers for bringing trains in late?

Is liberty safe when government boards or bureaus of officials can legislate rules and regulations which interfere with every phase of private business, which regiment and control whole industries, which discriminate or fail to discriminate between localities and local conditions, and which not only can but have closed coal mines, textile industries, and many industries, not merely in Kentucky but right here in Missouri?

Make no mistake about it. "You cannot extend the mastery of government over the daily lives of the people without somewhere making it the master of men's souls and thoughts. * * * Free speech does not live many hours after free industry and free commerce die." No man can be politically free whose associates are regimented, whose prices, wages, and volume of production are fixed by law, whose business is licensed. Economic liberty is an inseparable part of individual liberty.

Is liberty safe when government piles bureau upon bureau, beneficiary class upon beneficiary class? When the number of those who are employed by the Government, plus the number of those who are beneficiaries of class taxation, plus the voting dependents of these classes, equal half of the voting population, what then has become of free government?

Is liberty safe when the Government is ceaselessly extending its control into fields hitherto reserved for States, cities, and individuals? The inevitable mistakes of government in these fields will be followed by new, more drastic, and more radical measures to cloak the first mistake and cover retreat from it. Government propaganda is the logical camp follower of such a program. The next step is the choking of free speech, free press, to suppress information at the source.

Is liberty safe when $3,000,000,000 deftly extracted from the savings of the people—from insurance policies, savings accounts, building-and-loan certificates, and Liberty bonds—is set up in the hands of an appointed official to be used, without accounting until after the next Presidential election, to speculate in the markets for bonds and foreign exchange?

Is liberty secure, when government is continually reaching out for new methods and more power to consolidate and concentrate the control of currency and credit in politically controlled Federal agencies and to dictate the flow of private credit, the lifeblood of business, to private industries?

Is liberty safe when all the old institutions under which America has grown great are sneered at; when individualism and human liberty are scorned; when the administration and its advisors, the Moleys, Tugwells, Richbergs, Frankfurters, and others, recognize no restraints upon the new-deal program, although their program consists principally of restraint for others?

Is liberty safe when a program put forward as a temporary measure of economic recovery becomes first a measure for reform and later is demanded as a permanent revolutionary change in the structure of government? In one short year unrestrained power has advanced from relief to revolution; from temporary regulation to permanent reorganization. Contemplating merely this one phase of the new deal, we can better understand what our forefathers meant when they counseled jealous and watchful guard over our liberties.

Is liberty safe when the wisest and far-seeing of our fellow citizens are warning that we have already traveled more than half the distance away from the American system of ordered liberty and toward the theory of dictatorship?

I quote again from the prophetic warning of Herbert Hoover:

"Not regimented mechanism * * * but freemen is our goal. Herein is the fundamental issue: A representative democracy, progressive and unafraid to meet its problems, but meeting them upon foundations of experience, and not upon the wave of emotion or the insensate demands of a radicalism which grasps at every opportunity to exploit the sufferings of a people."

We are told by some that the Republican Party is dead. If that is true, the cause of individual liberty is indeed friendless. Others tell us that the party must be reorganized and turn sharply to the left; conservative in part, but red enough to weaken the opposition. That is the counsel of opportunism.

Before we run up the white flag of despair or trim the sails of passing madness, let us remember that 16,000,000 men and women in 1932 loyally stood by the colors refusing, even under the stress and strain of depression, to abandon the Republican faith. In what respect does patriotism, not political opportunism, demand a change in their faith?

Republicans believe that society can and ought to provide relief for all who, though able and willing to work, are, through no fault of their own, unemployed. Undernourishment, sickness, technological unemployment will be with us long after the depression has passed. These, too, are social problems which must be met. The name of relief should not be used as a cloak to promote expensive, nonproductive projects, to employ men to do vain and useless tasks, to foster indigence, or to recklessly dissipate the resources of those people who are still able to care for themselves. The administration of relief is always a local problem. The Red Cross and local agencies of community service should be used. They should not be scrapped to build upon the sympathies and the distress of the people a political machine.

Republicans earnestly desire economic recovery. They have submerged considerations of party advantage and have supported all proper measures for recovery. They will continue to support all measures which hold reasonable hope for recovery and are in harmony with American institutions.

Our people were not informed that the administration purposed revolution. They were not told that permanent reorganization of our social, political, and economic systems was intended. Any such purpose was on the contrary concealed. No such program has ever received even a casual approval of the American people. Such a program is fraught with such grave perils to the liberties and the welfare of our people that a decent regard for their safety demands that it should not be attempted unless and until the people, after full opportunity for information and debate, shall sanction it.

Republicans will utterly oppose the managed economy of political dictators; whether Fascist or Communist. We deny the statement that representative government has failed. We do not believe that any man or any set of men, any board, bureau, or commission, or any combination of governmental agencies can control the means of earning a living, or plan the daily lives of 125,000,000 as wisely as the people themselves. We do not believe that prosperity will return through the forced regimentation of industry, or the planning of dictatorial alphabetical agencies. We do believe it will speedily return through the release and free exercise of the energies, the initiative, and the liberties of the people—uncontrolled and unregimented save only to prevent abuses and to preserve equal opportunity to all.

A Republican is one who believes that the fundamental duty of government is to create and preserve conditions of peace, order, and security under which every citizen has an equal opportunity to compete on equal terms with every other in the race of life. That does not mean that government shall penalize or handicap the winners, nor that government shall so regulate the race that all competitors shall have the same reward. It does mean that every man shall have the right to work and to earn in accordance with his own desires, and to enjoy, free from unwarranted intrusions either by individuals or the Government itself, the fruits which his abilities, his industry, and his initiative have earned.

In this connection we quote with full approval the words of Lincoln: "Property is the fruit of labor; property is desirable; is a positive good in the world. Let not him who is houseless pull down the house of another, but let him work diligently and build one for himself, thus assuring, by example, that his own shall be safe from violence when he builds it."

Republicans believe in sound, stable, unmanaged honest money. The experience of centuries has demonstrated that gold is the most satisfactory basis for such a currency.

A Republican is one who believes in the inviolability of a public obligation. Never under Republican administration has the good faith and rigid integrity of government obligations been violated. The willful, needless abrogation of the gold clause in public obligations and its concomitant abrogation in private contracts was and is an act of moral and intellectual dishonesty, which is alike disastrous and unnecessary.

Republicans believe with Lincoln that "a majority held in constraint by constitutional checks and limitations is the only true sovereign of a free people." They believe in the constitutional division of power into the three independent departments—executive, legislative, and judicial. They believe in a strong central government possessing the powers ceded in the Constitution, but they also believe in local government in local and State matters.

They condemn the practical consolidation of the legislative and executive departments under the "new deal"; the intrusion of the Federal Government into State concerns; the attempt to control business enterprises which do not reach beyond State lines.

Republicans believe that individual liberty is the most precious possession of the American people. If they possess liberty, economic ills can be endured, economic losses can be recovered. If they have liberty, they will wrest prosperity from a wilderness of woe. If liberty is lost, all is lost.

To guarantee liberty, our forefathers set up the Constitution with its bill of rights. They enumerated freedom of religion; freedom of speech; freedom of the press; the inviolability of the home; the security of life, liberty, and property under due process of law; and the right of trial by jury as rights which are possessed by every citizen, high or low. These rights they held to be God-given, unalienable—rights so sacred that not even the Government could infringe upon them or abrogate them.

On this Thomas Jefferson, who penned the Declaration of Independence, strikes hands with Abraham Lincoln, who said he had "never held a political principle not embodied in the Declaration of Independence."

The founders of America held that the Government has no rights or powers except those which the people, through the Constitution, have ceded to it; the new deal proceeds upon the assumption that the people have no rights except such as the Government concedes to them.

Republicans utterly deny and condemn this principle of the new deal. It is the principle which under the guise of "divine right of kings" held the world stagnant for a thousand years. It is the foundation stone of dictatorship. We point to its failure as a stimulus of progress throughout all history. We point to its present practice in Russia, Italy, and Germany, where it has ripened logically into complete dictatorships. We are alarmed and concerned by the spread of this principle on our own soil, as evidenced by the attempted regimentation of industry and agriculture by the willful violation of personal and property rights without a hearing, by the suppression of information, the attempts to consolidate and control our communications system, by the abdication of its duties by Congress, and by the many instances of Executive usurpation.

Republicans have traditionally upheld the Constitution and the bill of rights as the bulwark of American liberty. They reaffirm their allegiance to it. They deny that it may be emasculated or suspended because of emergency. Liberty is not seasonal. The guaranties of the Constitution do not ebb and flow with the economic tides. When discouragement is greatest, when initiative is lowest, when difficulties pile highest, that is the time to cling closest to the guaranties of liberty defined in the American Constitution.

These, I believe, are the cardinal tenets of the Republican faith. They are lamely stated. They cannot be adequately stated in a few paragraphs. They are as conservative as the sober lessons of experience. They are as liberal as the attainable longings of the human heart. Under their operation this Nation has developed a civilization unequaled in history. Under them wealth has been more broadly diffused, the good things of life more widely enjoyed, the common man more highly exalted than under any other system ever devised. Within the limits of their application there is abundant room for all useful efforts to reform, all practical measures for the advancement of justice, equality of opportunity, and promoting human happiness. Within them there are no impediments; there is only incentive and stimulus for the development of a fairer, higher, and holier civilization than this one.

On the basis of these principles we invite the cooperation and the support of all Americans in the perpetuation of the American liberty under the ordered rule of equal laws, in the maintenance of a government not of men but of laws, and in the defense of the rights, the opportunities, and the liberties of a free people.

THE NEW DEAL—ADDRESS BY FORMER REPRESENTATIVE J. N. TINCHER

Mr. DICKINSON. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by former Representative J. N. Tincher, of Kansas, at a Reno County (Kans.) bar banquet on the subject of the New Deal.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE NEW DEAL

(At a Reno County (Kans.) bar banquet, held in honor of the justices of our circuit court of appeals, the committee on program assigned to J. N. Tincher the duty of speaking affirmatively for the new deal. He said:)

Surely it is disloyal, if not treason, to criticize the new deal.

On the subject of farm relief our leader said in Topeka during the campaign:

"When the futility of maintaining prices of wheat and cotton through so-called 'stabilization' became apparent, the President's Farm Board invented the cruel joke of advising farmers to allow 20 percent of their wheat lands to lie idle, to plow up every third row of cotton, and to shoot every tenth dairy cow. Surely they knew that his advice would not, indeed, could not, be taken. It was probably offered as the foundation of an alibi. They wanted to be able to say to the farmers, 'You did not do as we told you to do. Blame yourselves.'"

We want to call your attention to how unfair the opposition to our new leader is. They claim now that under the new deal they have the matured cotton of the 1933 crop plowed under; they claim that under the new deal they are having wheat production reduced 20 percent and corn production reduced 20 percent. They even go so far as to claim that they are buying up dairy cows for slaughter; they print the statement that in the fall of 1933 millions of pigs were slaughtered and their carcasses cast into the river, and they claim that since that time the process tax is about the same as the farmer receives for hogs.

We deny these false charges against our leader; deny that these things are being done in conflict with the principle enunciated in the Topeka speech.

In this same Topeka speech our leader said:

"The plan must not be coercive; it must be voluntary; and the individual producer at all times shall have the opportunity of nonparticipation if he so desires."

The enemies of the new deal claim that our leader and those working under his direction have not kept faith in this regard, and they claim that a bill has been passed in Congress called the "Bankhead bill." This bill was signed by our President, and they claim that it provides for a confiscatory tax to be collected on every bale of cotton produced by the American cotton producer in excess of the amount he has been granted leave to produce. They claim this law not only confers upon the Secretary of Agriculture the power but obligates the Secretary to not permit a farmer to produce more than 60 percent of what he had previously produced.

The enemies of the new deal claim that the "brain trusters" working under the direction of the President are in favor of extending the provisions of this law to other agricultural products so that before any farmer could run his own business he would have to get a permit. We who live here in Kansas know that these statements are false. We can still hear our great leader's voice ringing out when he said:

"The plan must not be coercive; it must be voluntary; and the individual producer at all times have the opportunity of nonparticipation if he so desires."

We brand as false the statement that the Bankhead bill was ever passed or was ever signed by the President. It is my privilege to know the Bankheads. They have always been a family of statesmen, standing strong for personal liberties, State rights, and would never surrender the right of the individual farmer to raise as much crop as he wanted to, and they would never advocate a bill that would submit a farmer to the indignities of having to obtain licenses from the Federal Government before he could plow his field.

Such propaganda against the new deal is unfair, and I personally object to my friend BANKHEAD, in particular, being charged with being connected with "the first compulsory farm control", and I insist that we are still standing on the principle enunciated at Topeka: "The plan must not be coercive; it must be voluntary."

I will now discuss some other matters.

Take for instance the attitude of Orville Wright, Charles A. Lindbergh, Clarence Chamberlin, Eddie Rickenbacker, and that class and type of men offering their judgment on aviation as against the impulse or guess of "new dealers" like James A. Farley or Hugo L. Black.

It may take some little time to educate some of the public on the new deal. Now, it may be that some of you judges and justices may now know the new deal on fraud. It is presumed, and, like insanity in a criminal case, its suggestion stops everything. When suggested, fraud cancels everything nationally. Of course, if your previous conduct has been satisfactory, especially in the even-numbered years, like 1932, it is different. Let me state the new rule accurately for the benefit of our guests.

The naked charge of fraud not proven vitiates everything domestic and within our boundaries, but this rule does not apply "Pan American"; and if any part of the contract vitiated is "Pan American", or otherwise foreign, that portion of the contracts remain in force until otherwise ordered by the "brain trust."

Speaking of contracts, our beloved President made one with the American people in 1932. It was in the form of a platform in writing, which document he construed and explained so there could be no misunderstanding of its meaning.

It would take me a long time to properly defend against what must be the false charges of abandonment of that contract, so I must confine myself to a few specific instances.

SOUND MONEY

Remember Hoover told at Des Moines how close an escape our country had a few months before from being forced off the gold standard.

REMEMBER

Our leader of the new deal at Seattle, at Butte, and at Brooklyn said:

"The Democratic platform specifically declares, 'We advocate a sound currency to be preserved at all hazards.'"

He said:

"That is plain English. It is stated without qualifications in the platform, and I have announced my unqualified acceptance of that platform."

He said that the statement of Hoover was "a libel on the credit of the United States."

He quoted CARTER GLASS to prove by what our leader termed the "magnificent philippic of Senator GLASS" that the Republicans were seeing visions of rubber dollars and called those charges a campaign of fear, and he said, "Sound currency must be maintained at all hazards."

Surely the claim that our leader has violated these statements, agreements, and promises is unfounded. Take this news item of March 6, 1933—

"The gold standard is suspended internally under trading with the enemy act."

This news item, we, the defenders of the new deal, brand as false.

April 20, 1933: "Yes; we are off the gold standard.—William H. Woodin."

Whoever Woodin is, or was, we deny that statement.

News item, January 31, 1934: "The President today signed the gold reserve bill fixing the value of the dollar at 59.06 cents in gold."

We pronounce this item false and the agencies that circulate it as disloyal. If such things are to be continued by the press, we will censure it.

Henry Morgenthau, Jr.: "This country is on a gold-bullion standard with its dollar marked down to 59 cents. It might be termed the 1934 model of gold standard, with knee action, air flow, and stream-lined."

For shame, Mr. Morgenthau, Jr., you old neighbor; you who was the forgotten man until our leader remembered you.

Pardon me for taking so much time defending the new deal on the currency, but I was talking with a fellow a few days ago who recently saw some currency, and he assures me it is still sound even though CARTER GLASS, the author of the "magnificent philippic", has slipped and "don't" seem to fully comprehend the new deal. Funny how men like GLASS can change between campaigns, but our great leader remains firm.

There are a lot of things I should like to close with. Take for instance, we have been just as consistent in our foreign policies, contracts, and pledges as in our domestic dealings, and much could be said on that subject, but there is one thing I simply must not pass up. October 20, 1932, our leader said at Indianapolis—

"The Hoover administration is committed to the idea of central control in Washington"—

Our leader said:

"Now, ever since the time of Thomas Jefferson, that has been the exact reverse of the Democratic concept."

Our leader in that same speech said that Hoover's conduct in that respect had increased the cost of government $1,000,000,000 in 4 years by such conduct. He said:

"I regard reduction in Federal spending as the most important issue in this campaign."

He said:

"The reduction of Federal spending will be the most direct and effective contribution that Government can make to business."

At St. Louis, October 21, he said:

"The Hoover administration has been responsible for deficit after deficit."

He said:

"It is my pledge and my promise that this dangerous kind of financing shall be stopped and that rigid governmental economy shall be forced by a stern and unremitting administrative policy of living within our income."

I am sure our leader of the new deal meant every word uttered, so I brand as false propaganda the claim that he has set up new agencies in Washington, such as A.A.A., C.A.B., C.C.C., C.W.A., C.W.S., E.H.C., E.H.F.A., F.A.C.A., F.C.A., F.C.T., F.D.I.C., F.D.L.B., F.E.R.A., F.S.R.C., H.L.B., H.O.L.C., N.L.B., N.R.A., P.W.A., R.F.C., T.V.A.

We, for the sake of consistency, deny that the new deal has created a single new bureau or new office.

We especially deny that our leader of the new deal in his message of January 4, 1934, said that the excess of expenditures over receipts for the fiscal year had been $7,000,000,000.

We most strenuously deny any desire for power or the stronger Central Government, and we promise to balance the Budget sometime.

We defy all doubters in the new deal, and we pronounce all critics, such as Lindbergh, etc., publicity seekers or money changers or some other brand of disloyal crooks or traitors.

And now, at final close, I quote CARTER GLASS of April 10 as saying:

"The new deal, taken all in all, is not only a mistake, it is a disgrace to the Nation, and the time is not far distant when we shall be ashamed of having wandered so far from the dictates of common sense and common honesty."

This statement or quotation was published in the Washington Post and published in our western papers April 10. I would not designate this statement as a "magnificent philippic." In fact, I never designated any of Senator GLASS' statements as magnificent philippics; however, as the author of the law on which our whole financial structure is based, the Federal Reserve Act, as an author and coworker in the formation of the farm-land loan banks and so many other so-called "reforms" of our old system, Mr. GLASS is deserving of some notice. We cannot have a campaign based on the success of the new deal and ignore his charges against it. So far as I am concerned in defending the new deal, I must be content to say in the true Democratic way that his charges are false; that his statements are without foundation; that he was probably jailed during the World War for disloyalty, and that if he does not quit talking that way in the American Congress, BULWINKLE, or some other kind of a "winkle" will expose his past. I guess that is the way we will handle the situation.

So far as my opponent, Mr. Huxman, is concerned, I have tried to respect his processes of reasoning in delivering this address. I have heard him reason for about 20 years now, and I know I am reasoning absolutely in accord with his line of thought. While he was yet a Democrat and before he joined the opposition he used to advance just about such denials and affirmative statements as I have made tonight.

(Mr. Huxman, an active Democrat, was assigned the negative. His speech was not preserved.)

THE CALENDAR

The VICE PRESIDENT. Morning business is closed. The clerk will proceed to call the calendar for unobjected bills under the unanimous-consent agreement previously entered into.

BILLS PASSED OVER

The bill (S. 882) to provide for the more effective supervision of foreign commercial transactions, and for other purposes, was announced as first in order.

Mr. KING. Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 506) conferring upon the President the power to reduce subsidies, and for other purposes, was announced as next in order.

Mr. WHITE. Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 583) relating to the classified civil service was announced as next in order.

Mr. VANDENBERG. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 316) relative to the qualifications of practitioners of law in the District of Columbia was announced as next in order.

Mr. McKELLAR. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 2359) to provide for the disposition of unclaimed deposits in national banks was announced as next in order.

Mr. McNARY and Mr. McKELLAR. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 2500) to aid in relieving the existing national emergency through the free distribution to the needy of cotton and cotton products was announced as next in order.

Mr. KING. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 2018) relative to Members of Congress acting as attorneys in matters where the United States has an interest was announced as next in order.

Mr. McKELLAR. Over.

The VICE PRESIDENT. The bill will be passed over.

WILSON G. BINGHAM—RECOMMITTAL

The bill (H.R. 2632) for the relief of Wilson G. Bingham was announced as next in order.

Mr. KING. Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

Mr. SHEPPARD subsequently said: Mr. President, I ask permission to recur to Calendar 448, the bill (H.R. 2632) for the relief of Wilson G. Bingham, for the purpose of moving to recommit the bill. It has been objected to three or four times, and I think the committee, in the light of the objections, should reframe the bill.

Mr. McNARY. Mr. President, to what bill does the Senator refer?

Mr. SHEPPARD. It is Order of Business 448, being the bill (H.R. 2632) for the relief of Wilson G. Bingham.

Mr. McNARY. I have no objection.

Mr. SHEPPARD. I wish to move to recommit the bill.

The VICE PRESIDENT. Is there objection to recurring to Order of Business 448 for the purpose indicated? The Chair hears none.

Mr. SHEPPARD. I move that the bill be recommitted to the Committee on Military Affairs in order that the committee may reframe the bill.

The motion was agreed to.

BILLS AND JOINT RESOLUTION PASSED OVER

The bill (S. 2411) to amend the Emergency Railroad Transportation Act of 1933 was announced as next in order.

Mr. KEAN. Over.

The VICE PRESIDENT. The bill will be passed over.

The joint resolution (S.J.Res. 31) consenting that certain States may sue the United States and providing for trial on the merits in any suit brought hereunder by a State to recover direct taxes alleged to have been illegally collected by the United States during the fiscal years ending June 30, 1866, 1867, and 1868, and vesting the right in each State to sue in its own name was announced as next in order.

Mr. KING. Over.

The VICE PRESIDENT. The joint resolution will be passed over.

The bill (S. 2788) to amend section 5219 of the Revised Statutes as amended (relating to State taxation of national banking associations) was announced as next in order.

Mr. McKELLAR. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 2800) to prevent the manufacture, shipment, and sale of adulterated or misbranded food, drink, drugs, and cosmetics, and to regulate traffic therein; to prevent the false advertisement of food, drink, drugs, and cosmetics; and for other purposes was announced as next in order.

Mr. McKELLAR. Over.

The VICE PRESIDENT. The bill will be passed over.

MISSOURI RIVER BRIDGES NEAR ATCHISON, KANS.

The bill (S. 2334) authorizing the city of Atchison, Kans., and the county of Buchanan, Mo., or either of them, or the States of Kansas and Missouri, or either of them, or the highway departments of such States, acting jointly or severally, to construct, maintain, and operate a free highway bridge across the Missouri River at or near Atchison, Kans., was announced as next in order, being the same as calendar 703.

Mr. BULKLEY. Mr. President, I want it made clear that I am not unalterably opposed to this bill. The Senator from Kansas [Mr. CAPPER] who is in charge of the bill is familiar with negotiations which are going on and which will undoubtedly result in the removal of the objection which I have to the bill. For the present I ask that it may go over.

Mr. CAPPER. Mr. President, I am glad to hear the statement of the Senator from Ohio. A great many people in Kansas are deeply interested in the measure. There is every reason why it should be passed at once. The present facilities for bridge purposes across the Missouri River at Atchison are entirely inadequate. This meritorious measure has the approval of the State highway departments of both Kansas and Missouri. I hope very much we may have definite action on the measure before the adjournment of the present session of Congress.

The VICE PRESIDENT. On objection, the bill will be passed over.

The bill (H.R. 6898) authorizing the city of Atchison, Kans., and the county of Buchanan, Mo., or either of them, or the States of Kansas and Missouri, or either of them, or the highway departments of such States, acting jointly or severally, to construct, maintain, and operate a free highway bridge across the Missouri River at or near Atchison, Kans., was announced as next in order.

Mr. BULKLEY. Let the bill go over for the same reason just stated as to Order of Business 617.

The VICE PRESIDENT. The bill will be passed over.

BILLS AND JOINT RESOLUTION PASSED OVER

The bill (H.R. 7581) to authorize a board composed of the President, the Secretary of the Treasury, the Secretary of Commerce, and the Secretary of Agriculture to negotiate with foreign buyers with the view of selling American agricultural surplus products at the world market price and to accept in payment therefor silver coin or bullion at such value as may be agreed upon which shall not exceed 25 percent above the world market price of silver, and to authorize the Secretary of the Treasury to issue silver certificates based upon the agreed value of such silver bullion or coin in payment for the products sold, and for other purposes, was announced as next in order.

Mr. McKELLAR. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1978) to assure to persons within the jurisdiction of every State the equal protection of laws and to punish the crime of lynching was announced as next in order.

SEVERAL SENATORS. Over.

The VICE PRESIDENT. The bill will be passed over.

The joint resolution (S.J.Res. 7) proposing an amendment to the Constitution of the United States relative to taxes on certain incomes was announced as next in order.

Mr. ROBINSON of Arkansas. Let the joint resolution go over.

The VICE PRESIDENT. The joint resolution will be passed over.

OLD-AGE PENSIONS

The Senate resumed consideration of the bill (S. 493) to protect labor in its old age, the amendments to which up to page 5 had heretofore been agreed to.

The next amendment of the Committee on Pensions was, on page 5, line 6, in section 10, after the word "State", to insert the words "or Territory"; in line 8, after the words "State-wide", to insert "or Territory-wide"; in line 9, after the word "State", to insert "or Territory"; in line 13, after the word "State", to insert "or Territory"; in line 14, after the word "State", to insert "or Territory"; in line 16, after the word "old", to strike out "or over" and insert in lieu thereof "except up to January 1, 1939, plans may be approved in which the age requirement is above 65 but no more than 70 years"; in line 23, after the word "State", to insert "or Territory"; and on page 6, line 10, after the word "State", to insert "or Territory", so as to make the section read:

CONTENTS OF PLAN

SEC. 10. The bureau shall not approve any plan submitted by the State or Territory authority which does not provide that—

(1) The plan shall be State-wide or Territory-wide, and if administered by subdivisions of the State or Territory shall be mandatory on such subdivisions.

(2) An old person entitled to relief under it:

(a) Is a citizen of the United States and a resident of the State or Territory for a period of years determined by the State or Territory law providing old-age assistance;

(b) Is 65 years old, except up to January 1, 1939, plans may be approved in which the age requirement is above 65 but no more than 70 years;

(c) Does not possess real and/or personal property of a value in excess of $5,000; and

(d) Has no child or other person responsible under the law of the State or Territory for his support and able to support him.

(3) There shall not be charged against the allotment made under this act more than one-third of the total sum paid to aged persons under the plan, except that payments made in excess of $1 a day to any such person and payments made to persons who are not citizens of the United States shall not be taken into account.

(4) So much of any sum paid as assistance, which shall be equivalent to the share paid from the allotment under this act, shall be a lien on the estate of the assisted person, and upon his death shall be collected by the State or Territory and reported to the bureau provided in this act.

The amendment was agreed to.

The next amendment of the Committee on Pensions was, in section 11, on page 6, line 13, after the word "State", to insert "or Territory", so as to make the section read:

SEC. 11. The State or Territory authority may at any time submit proposed changes in the plan to the bureau, which may approve such changes if they are in accord with the provisions of this act.

The amendment was agreed to.

The next amendment was, in section 12, on page 6, line 17, in the subtitle after the word "State", to insert the words "or Territory"; in line 18, after the word "State", to insert the words "or Territory"; in line 23, after the word "State", to insert the words "or Territory"; on page 7, line 2, after the word "State" to insert "or Territory"; and in line 6, after the word "State", to insert "or Territory", so as to make the section read:

REPORTS BY STATE OR TERRITORY AUTHORITY

SEC. 12. (1) The State or Territory authority shall annually, on or before the 1st day of May of each year, or as soon thereafter as possible, submit to the bureau a statement—

(a) Of the amount of the appropriation made by the State or Territory for the period of the ensuing fiscal year for the purpose of assistance without including any part of the expenses of administration;

(b) An estimate of the sum which must be contributed by any political subdivision of the State or Territory during such year for the purpose of assistance without including any part of the expenses of administration;

(c) A statement of the amount collected, if any, from the estate of any assisted person for which the State or Territory is accountable to the United States under section 10, subsection (4); and

(d) An estimate of the amount unexpended of any allotment made from appropriation under this act for the current year.

The amendment was agreed to.

The next amendment was, on page 7, line 13, after the word "State", to strike out "at one-half" and insert "or Territory at one-third"; and in line 15, after the word "such", to strike out "one-half" and insert "one-third", so as to make the paragraph read:

(2) (a) The bureau shall compute annually the amount of allotment to be given such State or Territory at one-third of the sum of (a) and (b) of subsection (1) of this section, after deducting from such one-third the sum of (d) and (c) of such subsection.

Mr. ROBINSON of Arkansas. Mr. President, this is a very important measure. I am in sympathy with the purposes of the proposed legislation. I think, however, that its provisions ought to be discussed, and I request the Senator from Washington [Mr. DILL] to explain the bill.

Mr. DILL. Mr. President, the bill was reported unanimously to the Senate at the last session of Congress, but we never had a chance to take it up for consideration. At this session the committee had further hearings, and the bill was further considered and again reported unanimously.

I invite attention to the fact that the President is authorized, for the purpose of carrying out the provisions of the measure, to take funds from the relief instead of the Treasury. There are 28 States which now have old-age pension laws, and this bill is for the purpose of assisting those States and others which may later adopt old-age pension laws.

Mr. ROBINSON of Arkansas. What is the arrangement for cooperation between the Federal Government and the States?

Mr. DILL. The Government will provide one-third of the money in those States which have old-age pension laws. As originally proposed, the bill provided for the Federal Government to contribute one-half, but the Secretary of Labor suggested it be made one-third, and the committee was glad to agree to the suggestion.

Mr. McKELLAR. Mr. President, what about those States which have no old-age pension laws?

Mr. DILL. They would not come under the provisions of the bill.

Mr. McKELLAR. Does it provide for them to come under the provisions of the bill in any way?

Mr. DILL. Yes; if they enact old-age pension laws in conformity with the provisions of the bill.

Mr. ROBINSON of Arkansas. What would be the total cost to the Government?

Mr. DILL. Not to exceed $10,000,000. If every State in the Union were to come under the terms of the bill, it is estimated it would cost not to exceed $35,000,000 or $40,000,000, which could be used if all the States should enact old-age pension laws. That will be some years in the future, of course.

Mr. ROBINSON of Arkansas. The total amount would be three times the amount contributed by the Federal Government?

Mr. DILL. Yes.

Mr. COSTIGAN. Mr. President, may I ask the Senator if the bill follows the precedent of State-aid acts?

Mr. DILL. It is designed to permit certain States to modify their acts within a certain period of time if they do not now conform to the terms of the bill.

Mr. COSTIGAN. Is it a bill proposing to extend aid to the States in granting old-age pensions rather than to have the Federal Government provide such pensions direct to individuals?

Mr. DILL. That is its purpose.

Mr. ROBINSON of Arkansas. Has the Senator information as to the States which have already enacted old-age pension laws?

Mr. DILL. We have only the information which was given in the hearings. In every State where such a law has been enacted it has been found so successful that the example has spread to adjoining States. After many years the cost of taking care of the aged poor is found to be about one-third less under this system than by the poorhouse system, and it is because of that fact that it has become so popular among the States.

Mr. BLACK. Mr. President, may I ask the Senator if it is not true that a number of States have enacted measures of this type recently and have voted overwhelmingly for them?

Mr. DILL. Oh, yes; overwhelmingly. The popular support of this kind of relief is amazing.

Mr. ROBINSON of Arkansas. Mr. President, I think legislation of this character is inevitable, and I shall make no objection to its consideration at this time.

Mr. DILL. I thank the Senator.

Mr. METCALF. Mr. President, I think the bill ought to go over. It is a very important bill, and we have not had time to study it.

The VICE PRESIDENT. Objection being made, the bill will be passed over.

BILL INDEFINITELY POSTPONED

The bill (S. 2439) for the relief of the Goldsmith Metal Lath Co., Price-Evans Foundry Corporation, and R. W. Felix was announced as next in order.

Mr. BULKLEY. Mr. President, the entire text of this bill was adopted by the Senate as an amendment to another bill which has since become law. This bill, therefore, should be indefinitely postponed.

The PRESIDING OFFICER (Mr. CLARK in the chair). Without objection, the bill will be indefinitely postponed.

BILL PASSED OVER

The bill (S. 1842) to amend sections 211, 245, and 312 of the Criminal Code, as amended, was announced as next in order.

Mr. McNARY. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

SALE OF REAL ESTATE UNDER COURT ORDER

The bill (H.R. 1567) amending section 1 of the act of March 3, 1893 (27 Stat.L. 751), providing for the method of selling real estate under an order or decree of any United States court was announced as next in order.

Mr. McKELLAR. Let that go over.

Mr. STEPHENS. Mr. President, will the Senator from Tennessee withhold the objection for the present?

Mr. McKELLAR. Yes; I will withhold it.

Mr. STEPHENS. When this bill was last called, I was asked whether or not the Attorney General had given his approval to it. I wrote him about the matter, and have a letter from him. After discussing it he says:

In my opinion, this is a desirable amendment.

Referring to the bill which we have before us. He suggests, however, that there should be an amendment, on page

2, line 6, after the words "*Provided further*, That", to insert "in the event of a private sale."

I stated the other day that the former Attorney General had approved the bill, and the present Attorney General has approved it, and I understand that this is now the law in many States. I hope the Senator will not object.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. McKELLAR. I will say to the Senator that I have not examined the bill. The private sale of property in the hands of a chancery court or a court of equity is so foreign to what we have been accustomed to in our State that I think we ought to give the bill a little more consideration; and I ask that it go over for the day.

Mr. STEPHENS. Very well.

Mr. ROBINSON of Arkansas. Mr. President, on a former occasion when this bill was called on the calendar I objected to its consideration. I have made some study of it, and find that a sale shall not be confirmed if it shall have been made for less than two-thirds of the apprized value. The apprized value is to be ascertained by three disinterested persons appointed by the court. The court has entire control of the matter.

There probably are instances in which more would be realized from the sale of property under the arrangement contemplated in this bill than under the ordinary public sale. Personally, I have no objection to the consideration of the bill.

The PRESIDING OFFICER. The Senator from Tennessee asks that the bill go over. The clerk will state the next bill on the calendar.

SNARE & TRIEST CO.

The bill (S. 1760) for the relief of the Snare & Triest Co., now Frederick Snare Corporation was announced as next in order.

Mr. KING. Let that go over.

Mr. COPELAND. Mr. President, will the Senator withhold his objection to this bill?

Mr. KING. Yes.

Mr. COPELAND. I have a letter relative to this bill under date of the 24th of May from the Secretary of the Navy. I read one sentence from it:

> While it is clear from the decision of the court, as set forth in detail in the Navy Department's report of December 8, 1933, on said bill, which report is printed in Senate Report No. 836, the United States is not legally liable for the losses suffered by the contractor, the Navy Department believes that from the viewpoint of equity the granting of relief is justified by the circumstances existing in this case and it, therefore, recommends the enactment of the bill, S. 1760, as amended by the Committee on Claims.

Mr. KING. Mr. President, with one observation I shall withdraw the objection.

I think that where litigation follows the contention that the Government is indebted to the plaintiff, and the plaintiff, through inadvertence or negligence or otherwise, fails to present his case in full, and a period of time goes by, and the statute of limitations has run, it is a very bad precedent to open up such cases and permit reconsideration or a direct payment. I should not object so much to letting the matter go to the Court of Claims.

Mr. McKELLAR. I think it ought to go to the Court of Claims. Why should it not go there?

Mr. WHITE. Mr. President, if the Senator will yield, the facts in this case are somewhat complicated, but the issue which I think is presented to the Senate is very simple.

This case did go to the Court of Claims. The amount carried in the bill was the amount found by the Court of Claims to be occasioned by the delay complained of; but the Court of Claims held that it could not enter judgment against the United States, because the acts complained of arose out of the sovereign acts of the Government rather than out of its acts as a contractor. The simple question is, I think, whether an entirely innocent contractor shall suffer this loss or whether the Government shall pay the amount of damages which its court had found to be due because of its failure to provide the necessary funds as and when they were contemplated.

That is all there is in the case. The amount has been found by the Court of Claims, and it has been found to be due to 420 days of delay in fulfilling the contract, due entirely to the Government's own default.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Claims with an amendment to strike out all after the enacting clause and to insert:

> That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Snare & Triest Co., now Frederick Snare Corporation, the sum of $83,978.05, in full settlement of all claims against the Government of the United States, for damages for delay in carrying out its contract with the Navy Department, no. 3762, and agreements supplemental thereto for waterfront improvements, piers, and breakwater, at the submarine base, Key West, Fla., as reported January 13, 1925, by a board of which Rear Admiral H. H. Rousseau, Civil Engineer Corps, United States Navy, was senior member.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. COPELAND. Mr. President, I ask that the letter from the Secretary of the Navy, to which I have referred, be printed in connection with the bill.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE NAVY,
OFFICE OF THE SECRETARY,
Washington, May 24, 1934.

MY DEAR SENATOR COPELAND: Further reference is made to your letter of May 14, 1934, submitting a copy of the amended bill, S. 1760 (for the relief of the Snare & Triest Co., now Frederick Snare Corporation), together with a copy of Senate Report No. 836, Seventy-third Congress, second session, and requesting that you be advised "if the Department can see its way clear to concur in the view taken by the Committee on Claims that the bill should be passed, as amended, for the reasons stated in the report of the committee."

The bill as originally introduced, conferred jurisdiction on the Court of Claims to hear and adjudicate the claim of the corporation for damages alleged to have been sustained as the result of delays due to the Government or from other causes arising out of contract no. 3762, dated November 13, 1919, for the development and completion of a submarine base at Key West, Fla., for which the United States may be justly liable.

The amended bill accompanying your letter authorizes the direct payment to the claimant of $83,978.05 for the aforesaid delays "as reported January 13, 1925, by a board of which Rear Admiral H. H. Rousseau, Civil Engineer Corps, United States Navy, was senior member."

The amount proposed is the additional expense that was found by the aforesaid board and by the Court of Claims to have been incurred by the contractors by reason of 420 days' delay, in completing the work under contract no. 3762. This delay, the court found, was due to three causes: (1) Storms, bad weather, and break-downs of the dredging equipment, (2) changes made by the Government from time to time in the work, and (3) the delay of the Congress in making supplemental appropriations for the work; and while unable to determine just what part of the total delay was chargeable to the contractor and to the Government, respectively, the court stated that cause (1) "contributed in a substantial way to the slowing down of the progress of the work", and that "a greater portion" of the delay arose out of cause (2), but that "principally" the delay arose out of cause (3). The court expressed disapproval of the view taken by the board with respect to cause (1) that:

"The board does not understand that these delays, which, after all, are of comparatively minor character and are incidental to the execution of almost any public-work contract, and which ran concurrently with the delays caused by the Government, would modify or reduce the responsibility of the Government in case the Government is actually liable for damages arising out of the two major delays."

While it is clear from the decision of the court as set forth in detail in the Navy Department's report of December 8, 1933, on said bill, which report is printed in Senate Report No. 836, the United States is not legally liable for the losses suffered by the contractor, the Navy Department believes that from the viewpoint of equity the granting of relief is justified by the circumstances existing in this case, and it, therefore, recommends the enactment of the bill S. 1760 as amended by the Committee on Claims.

Sincerely yours,

CLAUDE A. SWANSON.

HON. ROYAL S. COPELAND,
United States Senate.

Mr. McKELLAR. Mr. President, does the letter recommend payment?

Mr. COPELAND. Yes; the Secretary recommends this amendment.

Mr. KING. I regret that there is nothing to indicate why the Navy was negligent in carrying out the contract, or, if it was in default, the reason for such default. It seems to me the Navy ought to be censured for its delay if it is at fault, as a result of which the Government is now compelled to pay $83,000.

BILL PASSED OVER

The bill (S. 2915) requiring national banks to obtain indemnity bonds from State-qualified bonding companies, was announced as next in order.

Mr. McNARY. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

LOANS TO CORPORATIONS ENGAGED IN FARMING AND FRUIT GROWING

The Senate proceeded to consider the bill (S. 1744) enabling certain farmers and fruit growers to receive the benefits of the Federal Farm Loan Act and amendments thereto, and the Emergency Farm Mortgage Act of 1933, which had been reported from the Committee on Banking and Currency with an amendment, on page 1, line 7, after the word "individuals", at the end of the bill, to insert a proviso, so as to make the bill read:

Be it enacted, etc., That corporations engaged solely in farming or in fruit growing shall be eligible for loans or for refinancing under the Federal Farm Loan Act and amendments thereto and under the Emergency Farm Mortgage Act of 1933 in the same manner and to the same extent as individuals: *Provided*, That no such loan shall be made unless the notes or evidences of indebtedness of the corporation are endorsed by the principal executive officers and the majority of the directors of such corporation.

The amendment was agreed to.

Mr. KING. Mr. President, I should like an explanation of this bill. I should like to know in what respect it modifies existing law or extends the provisions of any of the laws relating to loans to agriculture or industry.

Mr. McNARY. Mr. President, I suggest to the Senator that the Senator from Florida [Mr. FLETCHER] is in the rear of the Chamber.

Mr. KING. I should like to ask the Senator from Florida for a brief explanation of Senate bill 1744, enabling certain farmers and fruit growers to receive the benefits of the Federal Farm Loan Act and amendments thereto, and the Emergency Farm Mortgage Act of 1933.

Mr. FLETCHER. Mr. President, in some States corporations have been formed which actually operate farms—fruit groves and that sort of thing. The idea of this bill is to give such corporations the same benefit under the law that an individual farmer has. In Wyoming, for instance, I understand that most of the stock raising is done by corporations which at present are not eligible for loans. In the State of Florida there are a great many large groves, comprising thousands of acres, owned and operated by corporations. They are not eligible for loans under the Farm Loan Act.

Mr. ROBINSON of Arkansas. Mr. President, may I ask the Senator a question?

Mr. FLETCHER. Yes.

Mr. ROBINSON of Arkansas. When the Federal farm loan bill was under consideration it was, I believe, before a committee of which the Senator from Florida was a member, if he was not chairman of it. I am not certain as to that.

Mr. FLETCHER. Yes.

Mr. ROBINSON of Arkansas. I ask the Senator from Florida if this subject was not fully considered and discussed, and if it was not concluded by his committee and by the Senate at that time that the benefits of the bill should be made available only for individuals or natural persons who engage in farming. I ask him if it was not thought then that it was questionable policy to invite and encourage and assist corporations to engage in farming in competition with natural persons.

Mr. FLETCHER. I think that is quite true, and for that reason I think the committee recommended the amendment to this bill which obliges the officers of the corporation to assume the obligation.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. FLETCHER. I yield.

Mr. VANDENBERG. In line with what the Senator has said, there are many orchardists in the State of Michigan who are incorporated. They are in effect individual farmers, but legally they are operating incorporated entities. The necessity for farm-loan credit is precisely as great in their instance as in any others; and I cordially agree with the Senator from Florida that equality of treatment requires some action of this character.

Mr. FLETCHER. I am inclined to think so. I do not see why people forming a corporation and actually engaging in agriculture and horticulture should not be eligible for loans under the farm-loan system.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

EXTENSION OF TEMPORARY PLAN FOR DEPOSIT INSURANCE

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 3025) to amend section 12B of the Federal Reserve Act so as to extend for 1 year the temporary plan for deposit insurance, and for other purposes.

Mr. FLETCHER. I move that the Senate disagree to the amendment of the House, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. FLETCHER, Mr. GLASS, Mr. BULKLEY, Mr. WALCOTT, and Mr. TOWNSEND conferees on the part of the Senate.

Mr. FLETCHER. I also move that the bill be printed showing the amendment of the House.

The motion was agreed to.

ADJUSTED COMPENSATION OF WORLD WAR VETERANS

Mr. SHIPSTEAD. Mr. President, I move that the Committee on Finance be discharged from the further consideration of the bill (H.R. 1) to provide for controlled expansion of the currency and the immediate payment to veterans of the face value of their adjusted-service certificates.

Mr. ROBINSON of Arkansas. I make the point of order that the motion is not in order.

The PRESIDING OFFICER. The Senator from Arkansas is correct. The Chair sustains the point of order.

BILLS AND JOINT RESOLUTION PASSED OVER

The bill (S. 2980) to modify the effect of certain Chippewa Indian treaties on areas in Minnesota was announced as next in order.

Mr. McKELLAR. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

The joint resolution (S.J.Res. 102) authorizing and directing the Comptroller General of the United States to certify for payment certain claims of grain elevators and grain firms to cover insurance and interest on wheat during the years 1919 and 1920 as per a certain contract authorized by the President was announced as next in order.

Mr. McKELLAR. Let that go over.

The PRESIDING OFFICER. The joint resolution will be passed over.

The bill (S. 2426) to provide funds for cooperation with the public-school board at Wolf Point, Mont., in construction or improvement of a public-school building to be available to Indian children of the Fort Peck Indian Reservation, Mont., was announced as next in order.

Mr. KING. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 3484) relating to the sale of cotton held for producers by the 1933 cotton producers' pool was announced as next in order.

Mr. KING. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H.R. 8687) to amend the Tariff Act of 1930 was announced as next in order.

The PRESIDING OFFICER. This bill is the unfinished business, and will be passed over.

LOSSES OF COOPERATIVE MARKETING ASSOCIATIONS

The joint resolution (S.J.Res. 86) for adjustment and settlement of losses sustained by the cooperative-marketing associations was announced as next in order.

Mr. KING. Let that go over.

Mr. McKELLAR. Mr. President, I was about to ask that this measure go over, but the Senator from Utah has objected.

Mr. FRAZIER. Mr. President, I wish the Senator from Utah would withhold his objection for a moment.

Mr. KING. I withhold the objection.

Mr. FRAZIER. This joint resolution simply provides that there may be an investigation and an adjustment in behalf of both cotton and grain cooperative organizations which made contracts and cooperated with the Farm Board and the Stabilization Corporation in carrying out the provisions of the Farm Board Act. They held their grain and cotton off the market at the request of the Farm Board, they paid storage on it, they paid insurance, and when the market finally broke they lost money. I believe they are entitled to some consideration, and they cannot get it from the present set-up.

Mr. McKELLAR. Mr. President, how much would be involved in the settlement of these claims?

Mr. FRAZIER. Not a great amount. I think, perhaps, it would be some three or four hundred thousand dollars. It involves many cooperative organizations, both cotton and grain.

Mr. KING. Mr. President, will the Senator permit an inquiry?

Mr. FRAZIER. Certainly.

Mr. KING. My understanding is that some of the cooperatives of the South, organizations alleged to be cooperatives, which are scarcely entitled to that appellation, are making claims amounting to millions, notwithstanding the fact that a very large sum, tens of millions of dollars, was expended in their behalf, under the direction of and by some of the officials now controlling some of the activities of the Department of Agriculture.

Mr. FRAZIER. So far as I know, there is no claim that runs into any excessive amount at all. Of course, it would be up to the present set-up to conduct the investigation and make a report.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution, which had been reported from the Committee on Agriculture and Forestry with amendments, on page 1, line 8, after the word "grain", to insert the words "and/or cotton"; on page 2, line 6, after the word "grain", to insert the words "and/or cotton"; and on line 7, after the word "grain", to insert the words "and/or cotton", so as to make the joint resolution read:

Resolved, etc., That for the purpose of adjustment and settlement of losses sustained by the cooperative marketing associations dealing in grain during the stabilization operations of the Federal Farm Board in the years 1929 and 1930, when such cooperative marketing associations were induced and requested by the Federal Farm Board to withhold grain and/or cotton from the market and to make advances to their members in order to stabilize prices, the Federal Farm Credit Administration is hereby authorized and directed to make such adjustments and settlements in accordance with the understanding that such cooperative marketing associations had with the Federal Farm Board, and on the basis of a price or a sum equal to the amount directly loaned or advanced to such associations plus carrying charges and operation costs in connection with such grain and/or cotton from the date of the loans or advances to the date that such grain and/or cotton was finally taken over by the Federal Farm Board or delivered pursuant to its instructions.

The amendments were agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

APPOINTMENT OF ASSISTANT UNITED STATES ATTORNEYS

The bill (S. 2082) to amend the first sentence of section 8 of the act of May 28, 1896, chapter 252, relative to the appointment of assistant United States attorneys was announced as next in order.

Mr. KING. Mr. President, let the bill be read.

The PRESIDING OFFICER. The clerk will read.

The bill was read, as follows:

Be it enacted, etc., That the first sentence of section 8 of the act making appropriations for the legislative, executive, and judicial expenses of the Government, approved May 28, 1896 (29 Stat. 181), as amended (U.S.C., title 28, sec. 483), be, and the same is hereby, amended to read as follows:

"That whenever, in the opinion of the district attorney of any district, evidenced by writing, the public interest requires it, one or more assistant district attorneys may be appointed by the Attorney General; but such opinion shall state to the Attorney General the facts as distinguished from conclusions, showing the necessity therefor."

Mr. KING. I should like to have an explanation of the bill from the Chairman of the Committee on the Judiciary. It seems to me we have made prior provisions for the appointment of assistant attorneys and district attorneys which have been very generous.

Mr. ASHURST. Mr. President, this bill was drafted by the Department of Justice. Under the present law, in certain cases, in order to appoint an assistant district attorney, an opinion of the district judge and of the district attorney is required. This bill simply eliminates the necessity for requiring the opinion of the judge. The Attorney General may, under this measure, not upon the opinion but upon a statement of the facts by the district attorney alone, appoint such assistant district attorney.

The district judges throughout the country take various views about the necessity for such appointments. Sometimes a district judge declines to make recommendations; others make recommendations. That has produced confusion, which has led to the belief that if the Attorney General were authorized to make such an appointment upon a statement of the facts by the district attorney alone the public interest would be served.

Mr. ROBINSON of Arkansas. Mr. President, the district attorney would be required to state in writing the facts making necessary the appointment of the assistant.

Mr. ASHURST. That is true. The bill expressly provides that he must state the facts.

Mr. McNARY. Mr. President, I am not familiar with the bill, other than from the statement of the able Chairman of the Committee on the Judiciary; but, from that statement, I believe the existing law is preferable to this measure. I wish to look into the matter, and for that reason I ask that the bill go over.

Mr. ASHURST. Certainly.

The PRESIDING OFFICER. The bill will be passed over.

LOANS TO INDUSTRY

The bill (S. 3520) authorizing the Reconstruction Finance Corporation to make loans to industry was announced as next in order.

Mr. BULKLEY. Mr. President, this bill was adopted as an amendment to the bill providing for loans by the Federal Reserve banks and should be indefinitely postponed.

The PRESIDING OFFICER. Without objection, Senate bill 3520 will be indefinitely postponed.

ADDITIONAL JUSTICE OF THE COURT OF APPEALS OF THE DISTRICT OF COLUMBIA

The bill (S. 1777) providing for an additional justice of the Court of Appeals of the District of Columbia was announced as next in order.

Mr. ROBINSON of Arkansas. Mr. President, I ask for a statement of the reasons for this additional justice.

Mr. KING. Mr. President, I shall very gladly furnish a statement of such facts as are within my knowledge.

One of the present justices of the court of appeals, because of very long and protracted service and because of his ill health, it is felt should be relieved of the very heavy duties and responsibilities of the position. In order that

that may be accomplished the appointment of another justice is necessary. This proposed legislation is in line with similar legislation which has been passed with respect to districts where the judges have been infirm or incompetent to discharge their duties, and other judges have been named. Upon the death or incapacity or retirement of the one who is to be relieved, the new justice continues to serve, thus ultimately not increasing the number of justices.

Mr. ROBINSON of Arkansas. The Senator is satisfied that the appointment of this additional justice is essential to the proper administration of the law?

Mr. KING. I think so, Mr. President. I want to say to the Senator from Arkansas that the able Chairman of the Committee on the Judiciary, together with the members of the Judiciary Committee, have resolutely set their faces against increasing the number of Federal judges, at least for the present.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with an amendment, on page 2, line 2, after the word "filled", to strike out the words "without further authorization of Congress", so as to make the bill read:

Be it enacted, etc., That the President is authorized to appoint, by and with the advice and consent of the Senate, an additional justice of the Court of Appeals of the District of Columbia, who shall possess the same powers, perform the same duties, and receive the same compensation and allowance as the present justices of said court.

SEC. 2. That whenever a vacancy shall occur in the office of justice of said court because of the death or retirement of Justice Charles H. Robb, such vacancy shall not be filled: *Provided*, That not more than five justices of said court shall sit at any one time, to be designated by the presiding justices of said court.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. AUSTIN subsequently said: Mr. President, I ask unanimous consent to recur to Calendar No. 977, being the bill (S. 1777) providing for an additional justice of the Court of Appeals of the District of Columbia.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Vermont to recur to Order of Business 977, Senate bill 1777? The Chair hears none.

Mr. AUSTIN. Now, Mr. President, I ask unanimous consent that the vote by which that measure was passed be reconsidered.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Vermont to reconsider the vote by which Senate bill 1777 was passed?

Mr. McKELLAR. Mr. President, just a moment.

Mr. ROBINSON of Arkansas. Mr. President, that is the bill, is it not, providing for an additional justice of the Court of Appeals of the District of Columbia?

Mr. AUSTIN. It is; and the cause for the passage of the bill has ceased to exist. It seems that Mr. Justice Robb was alleged to have been very ill. Word has been received from Mr. Justice Robb that, while he was ill, he has recovered and that he is performing his duties as usual.

Mr. ROBINSON of Arkansas. Mr. President, I think the motion to reconsider should be agreed to. The statement was made by a Senator, at my request for information as to the necessity for the passage of this bill, that the justice referred to by the Senator from Vermont was ill and that the passage of the bill was necessary in order that justice might properly be administered.

Mr. McNARY. Mr. President, if I may be permitted to say so, I think the proper motion would be a reconsideration of the vote by which the bill was passed, and then the indefinite postponement of the measure.

Mr. McKELLAR. Mr. President, the Senator who has charge of the bill, and who made the statement regarding it, is out of the Chamber at the present moment. Let it go over for the day.

Mr. ROBINSON of Arkansas. I suggest that the motion to reconsider be entered in order that the Senator who made the statement to which I referred may have an opportunity of being present.

Mr. AUSTIN. I have charge of this bill; I introduced the bill and I reported the bill; but I am informing the Senator the cause for the passage of the bill has passed.

Mr. McKELLAR. The Senator from Utah [Mr. KING] made the explanation of the bill a while ago, upon the request of some Senator, and it seems to me that it would be better to wait until he shall return to the Chamber.

Mr. AUSTIN. Very well; but I should like to enter the motion to reconsider the vote by which the bill was passed.

The PRESIDING OFFICER. The Senator from Vermont enters a motion to reconsider the vote by which the bill was passed.

RETIREMENT OF RICHMOND PEARSON HOBSON AS REAR ADMIRAL

The bill (S. 3380) providing for the appointment of Richmond Pearson Hobson, formerly a captain in the United States Navy, as a rear admiral in the Navy and his retirement in that grade, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the President be, and he is hereby, authorized to appoint Richmond Pearson Hobson, formerly a captain of the United States Navy, a rear admiral in the Navy, with the rank, pay, and allowances thereof, and upon his acceptance of such appointment and the issuance of the commission in pursuance thereof, he shall be retired by the President as from active service and be placed upon the retired list in the grade of rear admiral, as of 30 years' service, and with the pay of that grade.

MONONGAHELA RIVER BRIDGES, PENNSYLVANIA

The Senate proceeded to consider the bill (H.R. 8241) to authorize the construction and operation of certain bridges across the Monongahela, Allegheny, and Youghiogheny Rivers in the county of Allegheny, Pa.

Mr. DAVIS. Mr. President, I ask the Senate to pass this bill, which was reported to the Senate on April 26, authorizing the construction and operation of certain bridges across the Monongahela, Allegheny, and Youghiogheny Rivers in Allegheny County, Pa. I have lived in this vicinity for many years and have been in a position to realize the need for this construction work. The bridges called for would facilitate interstate commerce, improve the postal service, and would safeguard the military interests of the Nation. The bill has the approval of the War and Agriculture Departments.

Application has been made by Allegheny County Authority, a public corporation created by the Legislature of Pennsylvania at its special session in November and December 1933, for a loan and grant from the Public Works Administration aggregating something over $31,000,000 to be used for the construction purposes listed in the pending bill.

There can be no question as to the need for these bridges. The bridge across the Monongahela River from Pittsburgh to Homestead is to replace what is known as "Brown's Bridge", a two-lane bridge long since obsolete and now condemned. The bridge across the Allegheny River from Pittsburgh to O'Hara Township is to replace the Highland Park Bridge, also a very old bridge, carrying two lanes of traffic only, long since obsolete, and for some years past condemned. Similar conditions apply to the other bridges listed in the bill.

The people in the vicinity of the proposed bridges are emphatically in favor of their construction. The necessity is recognized, and universal opinion is that the opportunity for constructing these bridges through Public Works funds should not be missed. The county and municipal governments lack the funds necessary for this work. However, it should be said that it is confidently anticipated that the revenues from tolls and so forth will liquidate the loan within 20 years, and that the act of assembly creating the Allegheny County Authority provides that as soon as the indebtedness shall be paid the Allegheny County Authority shall turn over to Allegheny County as free bridges all the bridges mentioned without cost to the county, and that the Allegheny County Authority, a public corporation, shall then cease to exist by limitation of law.

The approval of the engineers of the Public Works Administration, as well as Army engineers in the Rivers and Harbors Division familiar with the situation in Allegheny County, is anticipated. I earnestly urge Senate approval of the bill.

The PRESIDING OFFICER. The question is on the third reading and passage of the bill.

The bill was ordered to a third reading, read the third time, and passed.

PEE DEE RIVER BRIDGES, SOUTH CAROLINA

The bill (H.R. 8714) to extend the times for commencing and completing the construction of a bridge across the Pee Dee River and a bridge across the Waccamaw River, both at or near Georgetown, S.C., was considered, ordered to a third reading, read the third time, and passed.

WABASH RIVER BRIDGE, INDIANA

The bill (H.R. 8937) granting the consent of Congress to the State of Indiana to construct, maintain, and operate a free highway bridge across the Wabash River, at or near Delphi, Ind., was considered, ordered to a third reading, read the third time, and passed.

OHIO RIVER BRIDGE, ILLINOIS

The Senate proceeded to consider the bill (H.R. 8951) authorizing the city of Shawneetown, Ill., to construct, maintain, and operate a toll bridge across the Ohio River at or near a point between Washington Avenue and Monroe Street in said city of Shawneetown, and a point opposite thereto in the county of Union and State of Kentucky.

Mr. LEWIS. Mr. President, I wish to state that this bill merely provides that the town of Shawneetown, Ill., shall construct, maintain, and operate the proposed bridge at its own expense, and with no expense to the Government.

The bill was ordered to a third reading, read the third time, and passed.

SUSQUEHANNA RIVER BRIDGE, PENNSYLVANIA

The bill (H.R. 9000) granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near Holtwood, Lancaster County, was considered, ordered to a third reading, read the third time, and passed.

CONNECTICUT RIVER BRIDGE, MASSACHUSETTS

The bill (H.R. 9065) granting the consent of Congress to the Department of Public Works of the Commonwealth of Massachusetts to construct, maintain, and operate a free highway bridge across the Connecticut River at Turners Falls, Mass., was considered, ordered to a third reading, read the third time, and passed.

SUSQUEHANNA RIVER BRIDGE, PA.

The bill (H.R. 9257) granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near Bainbridge, Lancaster County, and Manchester, York County, was considered, ordered to a third reading, read the third time, and passed.

SUSQUEHANNA RIVER BRIDGE, PA.

The bill (H.R. 9271) granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near Millersburg, Dauphin County, Pa., was considered, ordered to a third reading, read the third time, and passed.

ST. CROIX ISLAND NATIONAL MONUMENT, MAINE

The Senate proceeded to consider the bill (S. 1947) to provide for the creation of the St. Croix Island National Monument located near the mouth of the St. Croix River in the State of Maine, and for other purposes, which had been reported from the Committee on Public Lands and Surveys, with amendments, on page 2, line 2, after the word "Croix", to insert the word "Island", and on the same page to strike out lines 22 to 25 and lines 1 to 2 on page 3, as follows:

SEC. 4. That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, $15,000 for the acquisition of land, $10,000 for the protection and maintenance of lands by the construction of breakwaters in order to prevent erosion, and $5,000 for beautification of said island.

So as to make the bill read:

Be it enacted, etc., That when title to all privately owned land on the St. Croix (Dochet) Island near the mouth of the St. Croix River in the State of Maine shall have been vested in the United States in fee simple, the President shall be, and is hereby, authorized by proclamation to set apart and establish said island as a national monument for the preservation of the historical remains thereon for the benefit and enjoyment of the people, and the same shall be known as the "St. Croix Island National Monument."

SEC. 2. That upon the issuance of said proclamation all the Government land comprising the lighthouse reservation on the north half of said island shall be transferred from the Department of Commerce to the administrative jurisdiction and control of the Secretary of the Interior for administration as a part of said national monument.

SEC. 3. That the Secretary of the Interior be, and he is hereby, authorized to accept donations of land and/or buildings, structures, and so forth, within the area of said monument as fixed hereunder and donations of funds for the purchase and/or maintenance thereof: *Provided*, That he may acquire on behalf of the United States by purchase when purchasable at prices deemed by him reasonable, otherwise by condemnation under the provisions of the act of August 1, 1888, such tracts of land within the said monument as may be necessary for the completion thereof: *Provided further*, That the title and evidence thereof, to all lands acquired for said national monument shall be satisfactory to the Secretary of the Interior.

SEC. 4. That the administration, protection, and development of the aforesaid national monument shall be exercised under the direction of the Secretary of the Interior by the National Park Service, subject to the provisions of the act of August 25, 1916, entitled "An act to establish a National Park Service, and for other purposes", as amended.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

JOHN T. GARITY

The Senate proceeded to consider the bill (S. 3096) for the relief of John T. Garity.

Mr. McKELLAR. Mr. President, will not the Senator from Georgia make some explanation of this bill?

Mr. RUSSELL. This is a bill to relieve a surety on a bond that was forfeited in the Federal court. The defendant was later apprehended after the surety had paid the sum of $2,500 on the forfeiture. The letter from the Attorney General states that that was more than sufficient to repay the Government for all expenses in court, and the Department of Justice recommends the passage of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Whereas John T. Garity, of Savannah, Ga., became surety upon the supersedeas bond of Wilson Jenkins in the sum of $15,000 to secure the appearance of the said Wilson Jenkins pending a decision on a writ of appeal from the Circuit Court of Appeals of the United States; and

Whereas said Wilson Jenkins failed to answer to the final judgment rendered in said case; and

Whereas the bond signed by the said John T. Garity as surety for the said Wilson Jenkins was forfeited and estreated; and

Whereas the said John T. Garity paid $2,500 in May 1933 on account of said forfeiture as part payment on said bond; and

Whereas the said Wilson Jenkins was apprehended on June 7, 1933, and then incarcerated in the Federal penitentiary in Atlanta, Ga., and is now in the custody and control of the prison authorities of the United States Government and is serving the sentence for which said bond signed by the said John T. Garity as surety was given for the appearance of said Wilson Jenkins; and

Whereas said $2,500 paid on said bond is more than sufficient to defray any expense incurred by the United States Government in connection with the apprehension of said Wilson Jenkins: Therefore

Be it enacted, etc., That John T. Garity be, and he is hereby, relieved from all further liability as surety on the supersedeas bond signed by said John T. Garity for the appearance of Wilson Jenkins pending a writ of error from the Circuit Court of Appeals for the Fifth Circuit to answer to a sentence and final judgment which had been imposed by the United States District Court for the Southern District of Georgia, Savannah division, said bond dated March 29, 1930, and which sentence he is now serving.

The preamble was agreed to.

E. CLARENCE ICE

The Senate proceeded to consider the bill (S. 2619) for the relief of E. Clarence Ice, which had been reported from the Committee on Claims with amendments, on page 1, line 6, after the words "sum of", to strike out "$10,000" and insert in lieu thereof "$3,000", and at the end of the bill to insert a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to E. Clarence Ice, out of any money in the Treasury not otherwise appropriated, the sum of $3,000, in full settlement of all claims against the Government on account of the death of his son, Corp. Egbert J. Ice, who was killed August 15, 1933, while in the performance of his duties with the District of Columbia National Guard at Camp Albert C. Ritchie: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BERT MOORE

The Senate proceeded to consider the bill (S. 2272) for the relief of Bert Moore, which had been reported from the Committee on Claims with amendments, on page 1, line 6, after the words "sum of", to strike out "$5,000" and to insert in lieu thereof "$2,500", and at the end of the bill to insert a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Bert Moore, out of any money in the Treasury not otherwise appropriated, the sum of $2,500 in full settlement of all claims for injuries sustained by reason of being shot and seriously wounded by a military guard at Fort Logan H. Roots on the night of April 29, 1925: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

C. O. MEYER

The bill (S. 3366) for the relief of C. O. Meyer was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to C. O. Meyer the sum of $297.68. Such sum represents the amount paid to C. O. Meyer as substitute carrier while he was postmaster at Meyers Mill, S.C., and which amount was charged by the Department to the account of C. O. Meyer.

JAMES B. CONNER

The bill (H.R. 3056) for the relief of James B. Conner, was considered, ordered to a third reading, read the third time, and passed.

ANNIE I. HISSEY

The bill (H.R. 1158) for the relief of Annie I. Hissey was considered, ordered to a third reading, read the third time, and passed.

PHILIP F. HAMBSCH

The bill (H.R. 1933) for the relief of Philip F. Hambsch was considered, ordered to a third reading, read the third time, and passed.

C. K. MORRIS

The bill (H.R. 2322) for the relief of C. K. Morris was considered, ordered to a third reading, read the third time, and passed.

RUBY F. VOILES

The bill (H.R. 2438) for the relief of Ruby F. Voiles was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H.R. 3161) for the relief of Henry Harrison Griffith was announced as next in order.

Mr. McKELLAR. Mr. President, will the Senator from Kansas [Mr. CAPPER] explain that bill? Does the Department recommend it?

Mr. CAPPER. I will ask that the bill be passed over for the present.

The PRESIDING OFFICER. The bill will be passed over.

H. A. SODERBERG

The bill (H.R. 7289) for the relief of H. A. Soderberg was considered, ordered to a third reading, read the third time, and passed.

DAMAGE TO PROPERTY AT LEAVENWORTH, KANS.

The Senate proceeded to consider the bill (H.R. 2418) for the relief of certain claimants at Leavenworth, Kans., occasioned through damage to property inflicted by escaping prisoners, which had been reported from the Committee on Claims with an amendment, on page 1, line 10, after the word "appropriated", to insert "out of any money in the Treasury not otherwise appropriated", so as to make the bill read:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to settle and adjust the claim of Elizabeth Phillips, in the amount of $55; Joseph M. Kressin, in the amount of $63.30; Joseph Verlinde, in the amount of $4.95, all arising through damages to personal property occasioned by the escape of seven prisoners from the United States penitentiary at Leavenworth, Kans., on December 11, 1931. There is hereby appropriated out of any money in the Treasury not otherwise appropriated the sum of $123.75, or so much thereof as may be necessary, for the payment of these claims.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

EMERSON C. SALISBURY

The Senate proceeded to consider the bill (H.R. 2414) for the relief of Emerson C. Salisbury, which had been reported from the Committee on Claims with amendments, on page 1, line 4, after the words "pay to", to insert "Frank Salisbury, executor of the estate of"; and on line 5, after the name "Salisbury", to insert the word "deceased", and to strike out the words "of Leavenworth, Kans."; so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Frank Salisbury, executor of the estate of Emerson C. Salisbury, deceased, out of any money in the Treasury not otherwise appropriated, the sum of $1,500, as full compensation for damages to his property on December 11, 1931, when three Federal prisoners escaped from the United States penitentiary at Leavenworth, Kans., and barricaded themselves in the house which was bombarded by the posse seeking the escaped prisoners: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. McKELLAR. Mr. President, I will be glad if the Senator from Kansas [Mr. CAPPER] will explain that bill.

Mr. CAPPER. It has to do with the escape of prisoners from Leavenworth Penitentiary. I read from the statement of facts:

In this case convicts escaped from the Leavenworth Penitentiary and, on December 11, 1931, barricaded themselves in the house of this claimant. While the claimant was in the house, the Leavenworth guards, sheriff, and soldiers lay siege to the house and filled it full of bullet holes. This continued for some hours. As a result, the roof of the house was riddled with bullet holes, the sides of the house were punctured with bullet holes in hundreds of places, the windows were broken, the plastering on the inside punctured and knocked off the walls, and other damage was done.

The case has been thoroughly investigated by Sanford Bates, and the report includes a favorable recommendation from Attorney General Mitchell, and also a favorable recommendation from Sanford Bates, who personally visited the property.

Mr. ROBINSON of Arkansas. Mr. President, as I understand the case, some escaped convicts entrenched themselves in the home of the claimant, or in the house he was in possession of or occupied. Is there anything to indicate that they did so with his consent or approval?

Mr. CAPPER. Oh, no; not at all. On page 2 of the report will be found a very complete and comprehensive statement. Sanford Bates, the Director of Prisons, who visited the property, recommends that the loss, amounting to $1,500, be paid. The original claim was for $1,868, as shown on page 3 of the report, but the bill reduces that to $1,500, as recommended by the Attorney General in the report of February 26, 1932.

The PRESIDING OFFICER. The question is on agreeing to the amendments reported by the committee.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read the third time.

The bill was read the third time and passed.

The title was amended so as to read: "A bill for the relief of Frank Salisbury, executor of the estate of Emerson C. Salisbury, deceased."

R. A. HUNSINGER

The bill (H.R. 1977) for the relief of R. A. Hunsinger was considered, ordered to a third reading, read the third time, and passed.

WHITE B. MILLER

The bill (H.R. 3295) for the relief of the estate of White B. Miller was announced as next in order.

Mr. ROBINSON of Arkansas. I think there should be an explanation of this bill. The amount carried is $25,000.

Mr. WHITE. Mr. President, this is a bill to authorize the payment of that amount to the estate of White B. Miller, an attorney who was employed by the Government to represent it in most important tax litigation. I think, in the particular case, out of which this claim for a fee arose, the amount saved to the Government by the services of this attorney exceeded $1,000,000. The enactment of the proposed legislation is recommended by the Attorney General, and it seemed to the committee, in view of the high character of services rendered, in view of the large amount involved and the amount saved to the Government of the United States through the services rendered, and in view of the recommendation of the Attorney General himself, that the committee were justified in recommending the payment.

Mr. ROBINSON of Arkansas. Mr. President, may I inquire of the Senator from Maine whether the special attorney was appointed without authority of law?

Mr. WHITE. I think there was no inhibition in law against his appointment, because there had been similar employment in other cases. Whether there was a specific and direct authorization for the employment or not I cannot answer, but I am very sure there was no inhibition against the employment.

Mr. KING. Mr. President, will the Senator yield?

Mr. WHITE. I yield.

Mr. KING. The fact is that Mr. Miller was an assistant to the Attorney General.

Mr. WHITE. Yes.

Mr. KING. He was receiving a salary of $10,000 a year. While so employed, this case, as many other cases, came to the Department of Justice. He was assigned to this case as any other attorney in the Department might have been assigned. It was his duty as assistant to the Attorney General to take over any cases that were assigned to him. I grant that his services were important. It was not indispensable, however, that he should have been named, and I think the deduction that because he was appointed the case was won is unwarranted. I shall object to the bill.

The PRESIDING OFFICER. Objection is heard.

Mr. ROBINSON of Arkansas. Mr. President, what I should like to know is whether an officer in the employ of the Government, who performs services for the Government, is to be compensated on the basis of recovery or success in the suits which he handles for the Government? If this man were a regular Assistant Attorney General, receiving a salary from the United States, I cannot understand, without some explanation, why he should not try the Government's law suits without charging large fees in addition to his salary.

The PRESIDING OFFICER. Does the Senator from Utah withhold his objection?

Mr. KING. I withhold it for the moment. May I read part of the letter of the Attorney General, Mr. Mitchell, contained in the report:

> At the time of his appointment in the Cannon cases Mr. Miller was already receiving $10,000 a year, the maximum allowed under the law, as special assistant to the Attorney General for conducting the Haar cases at Savannah, Ga. He undertook the conduct of the Cannon litigation upon the urgent request of the Assistant Attorney General.

But he was receiving $10,000 a year as a special assistant.

Mr. WHITE. I think the Department itself recognizes that the practice is unusual, but it felt that this special attorney had been besought to handle these cases, and it involved a very great additional burden of work far beyond his routine employment as an assistant to the Attorney General. It involved months of investigation, and there is no doubt of the fact that he was assured extra compensation, and, further, there is no doubt that his services were of so high a character that the Government saved substantially over a million dollars in these tax cases. I think I have stated the facts as they are.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. WHITE. I yield.

Mr. McKELLAR. I wish to read further from the Attorney General's report:

> As a result of Mr. Miller's employment, the Government retained $1,081,027.26, which represented one-half of the moneys in controversy.

Mr. ROBINSON of Arkansas. Mr. President, that implies that a compromise was entered into. That there was a suit for $2,000,000 plus, and settlement made under which one-half the amount claimed in the suit by the Government was realized. The point I am making is that it is quite a questionable practice, it seems to me, to retain as a special attorney one who is already charged with the responsibility and duty of handling such lawsuits, and then in addition to a large salary pay him a very large fee.

Mr. McKELLAR. My recollection of the facts is—I may be mistaken about them, for this incident happened a number of years ago—that Mr. Miller whether or not he was employed as salaried man, certainly was employed here as Assistant Attorney General and was also employed in Chattanooga in some capacity. I knew Mr. Miller very well. He was a very able lawyer, one of the best we had. He had been a very successful lawyer and succeeded wonderfully well with this lawsuit. He has since died. My recollection is that the Senate has passed a bill similar to this once or twice already, after an argument about it, and it seems to me that his estate is definitely entitled to the amount recommended by the committee.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. McKELLAR. Yes.

Mr. WHITE. I would not quarrel with the general proposition laid down by the Senator from Arkansas.

Mr. McKELLAR. Nor would I.

Mr. WHITE. It is sound as a general principle and rule, but I think it was felt by all who have given a study to this case that there were special circumstances. Certainly they were recognized by the Attorney General himself, who recommended the passage of the bill.

Mr. ROBINSON of Arkansas. Here is what the report says, in part:

> At the time of his appointment in the Cannon cases Mr. Miller was already receiving $10,000 a year, the maximum allowed under the law, as special assistant to the Attorney General for conducting the Haar cases at Savannah, Ga. He undertook the conduct of the Cannon litigation upon the urgent request of the Assistant Attorney General in charge of tax matters and upon the assurance that every effort would be made to secure for him adequate compensation for this extra service in addition to that which he was receiving in the Haar cases. The Cannon cases involved as one of the parties the then Commissioner of Internal Revenue, Mr. Blair.

And so forth. Then it says:

In October 1928 a payment of $3,000 on account of the Cannon cases was made to Mr. Miller. On March 25, 1929, he submitted a claim for $50,000 for his services in those cases, which, allowing for the $3,000 theretofore paid on account, left $47,000 balance claimed by him.

That was the situation when the matter first came to my attention. We cannot make a practice of involving this Department in moral obligations to pay to special assistants more than the maximum compensation fixed by law. Yet I found that Mr. Miller had been given assurances when taking on this additional work that he would receive additional compensation and that a breach of good faith would result if we did not carry out these assurances.

Now, it appears that when he entered upon these cases he was already being paid the maximum amount which the law provided.

Mr. President, what is the use, what is the sense of fixing in the statute maximum salaries if the provisions of law are to be ignored by administrative officers of the Government? Under this arrangement executive departments could commit the Government morally, as the former Attorney General said, to any amount they chose, and then insist that, notwithstanding Congress had limited the amount that should be paid, there should be no limitation except that imposed by the discretion of the administrative or executive officer.

Mr. KING. Mr. President, I insist on my objection.

The PRESIDING OFFICER. Objection is heard, and the bill will be passed over.

GEORGE B. BEAVER

The bill (H.R. 3300) for the relief of George B. Beaver was considered, ordered to a third reading, read the third time, and passed.

JOHN MERRILL

The Senate proceeded to consider the bill (H.R. 3302) for the relief of John Merrill, which was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, and in full settlement against the Government, the sum of $2,500 to John Merrill on account of gunshot wound received in left leg by a shot from a Federal prohibition enforcement officer, in the act of destroying a seized still, on July 19, 1930, in Polk County, Tenn., said Merrill being a deputy sheriff at the time and on a raid near Ocoee, Polk County, Tenn.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. ROBINSON of Arkansas. Mr. President, may we have a justification for this proposal?

Mr. McKELLAR. The bill was reported from the committee by the Senator from Maine [Mr. WHITE].

Mr. WHITE. I will ask the Senator from Tennessee to make the explanation.

Mr. McKELLAR. Mr. President, I will take the facts from the report:

The Department of Justice interposes no objection to the enactment of this legislation.

The facts seem to be as follows:

The memorandum of February 27 states that "The files disclose that John Merrill was a deputy sheriff of Polk County, Tenn., and had no official connection with this Bureau or with the Government officers when he was injured." It is not disclosed whether the shot that wounded Merrill was fired by Bell or by another, and it is doubtful if that fact will ever be known.

The occurrence was investigated by Prohibition Agent J. O. Swafford, and his report is dated May 24, 1931. It describes the two parties, their approach to the still, etc., as shown in the memorandum of February 27, and also contains the following:

"Two of the party in which Mr. Merrill was opened fire on Agent Bell and his party, one bullet striking Deputy Copeland in the mouth, inflicting a slight wound, one bullet passing through Agent Bell's clothing between his left arm and body. Agent Bell and his party returned the fire, one bullet striking Mr. Merrill in the left leg near the knee and breaking his leg at the thigh * * *. Agent Bell and Deputy Copeland, being blinded by the flashlights of the other officers, returned the fire at the point where lights from the flash of guns appeared, Deputy Frazier firing from behind Mr. Merrill and he, being in the line of fire, received the wound."

This was a raiding party, and Mr. Merrill, it seems, who was a deputy sheriff, was shot through the leg and very seriously injured, and will be crippled, as stated in one affidavit, for life. He was fired on by a prohibition agent or some other member of the party who was making the raid. Under those circumstances it seems to me that the bill should properly be passed.

Mr. ROBINSON of Arkansas. Mr. President, is it customary to compensate raiding parties for shooting one another up?

Mr. McKELLAR. Oh, no.

Mr. ROBINSON of Arkansas. Is that one of the objects of Federal legislation?

Mr. McKELLAR. No.

Mr. ROBINSON of Arkansas. Then, are prohibition officers who raid stills and send out State officers and let them direct their fire at one another to be paid for it?

Mr. McKELLAR. That is what was done in this case.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. WHITE. This officer, while he was a deputy sheriff of the State, was a part of the Federal group who were making the raid on this still. There were two groups.

Mr. McKELLAR. They were acting for the Government.

Mr. WHITE. Mr. Merrill was acting for the Government and was crippled for life in the service. I think there are many precedents for legislation of this kind.

Mr. McKELLAR. During the prohibition era a great many bills of this character were passed.

Mr. WHITE. A great many bills of this character have been passed where a man has been severely hurt, and I think in this case it is perfectly clear that the proposed beneficiary of the bill is crippled for the remainder of his life.

Mr. McKELLAR. The record so states.

Mr. WHITE. The bill was recommended by the prohibition officials, and it seemed to the committee that its passage was warranted by the facts and by the precedents.

Mr. McKELLAR. I hope the bill will be passed.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was ordered to a third reading, read the third time, and passed.

ADJUSTED COMPENSATION OF WORLD WAR VETERANS

Mr. LONG. Mr. President, this morning I asked whether or not it would be in order for me to move to discharge the Committee on Finance from the further consideration of House bill 1, which is the soldiers' bonus bill, which has been passed by the House. I am informed that a majority of the Senate are in favor of passing soldiers' bonus legislation if a vote could be had on the measure at this time without any serious difficulty, and it would not take much of the time of the Senate.

The PRESIDING OFFICER. The Chair will state to the Senator from Louisiana that under clause 3 of rule VII nothing is in order on Monday morning except the call of the calendar. The rule so specifies and states that that business cannot be laid aside for any other business.

Mr. LONG. I was not making a point of order. The point I am making is this, that if our party would permit a motion to discharge the Committee on Finance this morning, we could have a straight out vote on the soldiers' bonus bill. We are going to have to put this bill onto something else, and I apprehend that our leaders will then say that this bill ought not to be put on some other bill; but the way to avoid that would be this morning for us to be allowed unanimous consent to move to discharge the committee and vote on the bonus bill outright; otherwise we are going to have——

Mr. ROBINSON of Arkansas. Mr. President, I will say to the Senator from Louisiana that such a motion was made by the Senator from Minnesota [Mr. SHIPSTEAD]; I myself

raised the point of order that that motion was not in order, and the point of order was sustained. If the effort were repeated, I should make the same point of order.

Mr. LONG. That means, and I am just announcing it now, that apparently our only means of getting action on the soldiers' bonus bill, which is favored by a majority of the Senate, will be to pick up the bill and tack it on to some other bill. Apparently that is going to be our only recourse and our only means of getting action at this session.

Mr. ROBINSON of Arkansas. Mr. President, I call for the regular order.

The PRESIDING OFFICER. The regular order is called for. The clerk will state the next bill on the calendar.

EULA K. LEE

The bill (H.R. 4690) for the relief of Eula K. Lee was considered, ordered to a third reading, read the third time, and passed.

GEORGE L. RULISON

The Senate proceeded to consider the bill (S. 3486) for the relief of George L. Rulison, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, to strike out "$909.07 as reimbursement" and insert in lieu thereof "$600, in full settlement of all claims against the Government", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to George L. Rulison, out of any money in the Treasury not otherwise appropriated, the sum of $600, in full settlement of all claims against the Government, for expenditures made by said George L. Rulison between November 1, 1927, and July 1, 1928, for office rental and stenographic and other service in connection with the performance of his duties as United States attorney and as assistant United States attorney at South Bend, Ind.

Mr. ROBINSON of Arkansas. Mr. President, I inquire of the Senator from Indiana [Mr. ROBINSON], who introduced the bill, as to the justification for the measure. I note that the Senator from Maine [Mr. WHITE] reported the bill.

Mr. WHITE. Mr. President, the bill is in behalf of George L. Rulison. He was appointed United States district attorney in Indiana. He assumed the office and entered upon the performance of his duties. There was some delay on the part of the Government, as to the reason for which I am not advised, in providing him with the stenographic assistance and an office or other facilities for carrying on his duties as United States district attorney. For some substantial period of time he utilized his own law office, his own clerical force and stenographic force and all the other facilities of his own going office and of his partner in the performance of his duties as district attorney.

The bill seeks to reimburse him for that part of those expenses which are properly chargeable to his activities as United States district attorney. The bill is recommended by the Department. The claimant originally asked for something over $900. He indicated at one time he would be satisfied to take $600. The committee accepted that offer and inserted an amendment reducing the amount of the claim from something over $900 to $600.

Mr. ROBINSON of Arkansas. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

NELLIE LAMSON

The bill (H.R. 7168) for making compensation to the estate of Nellie Lamson was announced as next in order.

Mr. ROBINSON of Arkansas. I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. ROBINSON of Arkansas subsequently said: Mr. President, a few moments ago, when House bill 7168 was called, it was passed over at my request. I ask unanimous consent to recur to it. Upon a reading of the report it appears that the claim is justified; and I have no objection to the consideration of the bill.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which was ordered to a third reading, read the third time, and passed.

ANNA H. JONES

The bill (H.R. 2433) for the relief of Anna H. Jones was considered, ordered to a third reading, read the third time, and passed.

W. H. LE DUC

The Senate proceeded to the consideration of the bill (S. 3307) for the relief of W. H. Le Duc.

Mr. ROBINSON of Arkansas. Mr. President, what is the basis of the claim?

Mr. COUZENS. Mr. President, the report attached to the bill shows that $1,000 was improperly collected from a ship captain whose ship was taken to harbor without his consent. He was required to put up $1,000, which was afterward declared illegally collected. The bill merely provides for the return of the $1,000.

Mr. ROBINSON of Arkansas. The explanation is satisfactory to me.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to W. H. Le Duc the sum of $1,000, with interest thereon at the rate of 6 percent per annum from the date of payment of fine or penalty, representing the amount deposited by him on account of a fine or penalty of $1,000 assessed against him and by him paid to the United States under protest at the port of Galveston on or about March 26, 1928, for alleged violation of the navigation laws: *Provided*, That such sum shall be in full settlement of all claims against the Government of the United States: *Provided further*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

JOHN S. CATHCART

The bill (H.R. 2054) for the relief of John S. Cathcart was considered, ordered to a third reading, read the third time, and passed.

A. H. POWELL

The bill (H.R. 1943) for the relief of A. H. Powell was considered, ordered to a third reading, read the third time, and passed.

RED RIVER BRIDGE, MINNESOTA-NORTH DAKOTA

The bill (S. 3491) authorizing the State Highway Departments of the States of Minnesota and North Dakota to construct, maintain, and operate certain free highway bridges across the Red River from Moorhead, Minn., to Fargo, N.Dak., was announced as next in order.

Mr. SHIPSTEAD. Mr. President, there is on the calendar, an identical House bill, being order of business 1149. I move that the House bill be substituted for the Senate bill and put upon its passage.

The motion was agreed to, and the bill (H.R. 9502) authorizing the State Highway Departments of the States of Minnesota and North Dakota to construct, maintain, and operate certain free highway bridges across the Red River from Moorhead, Minn., to Fargo, N.Dak., was considered, ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, the Senate bill S. 3491 will be indefinitely postponed.

MISSISSIPPI RIVER BRIDGE, ST. LOUIS, MO.

The bill (S. 3493) to revive and reenact the act entitled "An act authorizing H. C. Brenner Realty and Finance Corporation, its successors and assigns, to construct, maintain, and operate a bridge across the Mississippi River at or near a point between Cherokee and Osage Streets, St. Louis, Mo.",

approved February 13, 1931, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act entitled "An act authorizing H. C. Brenner Realty and Finance Corporation, its successors and assigns, to construct, maintain, and operate a bridge across the Mississippi River at or near a point between Cherokee and Osage Streets, St. Louis, Mo.", approved on February 13, 1931, be, and the same is hereby, revived and reenacted: *Provided*, That the construction herein authorized be commenced within 1 year and completed within 3 years from the date of the approval of this act.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

PROMOTION OF CHIEF CLERK, RAILWAY MAIL SERVICE

The bill (S. 2868) to remove inequities in the law governing eligibility for promotion to the position of chief clerk in the Railway Mail Service, was announced as next in order.

Mr. ROBINSON of Arkansas. Mr. President, I should like to have the Senator from North Carolina [Mr. REYNOLDS], who introduced the bill, explain the changes that are proposed to be made by it in existing law.

Mr. REYNOLDS. Mr. President, the bill was referred to and considered by the Committee on Post Offices and Post Roads, inasmuch as it has to do entirely with those who have been in the Railway Mail Service for a number of years. Under the present law, before an individual employee may be promoted to chief clerk in charge, it is necessary that he shall serve for a period of 2 years continuously and without interruption.

For instance, an employee in the Railway Mail Service might have been in that service for a period, we will say, of 20 or 25 years, during which time from period to period he served as chief clerk for an aggregate or a total of 2 years; but regardless of the fact that he might have had the experience of 2 years of service as clerk in charge, he cannot under the law be promoted unless that service has been of a continuous nature and without interruption.

The only change the bill proposes to make in the present law is to change the continuous-service period from 2 years to 1 year.

Mr. SHEPPARD. Mr. President, what is the position of the Department on the bill?

Mr. REYNOLDS. They have no objection to it. It has been taken up with several individual officials of the Post Office Department.

Mr. LOGAN. Mr. President, the Post Office Department officials particularly interested in the measure came before our committee urging very strongly the passage of the bill. They very strongly endorsed it.

Mr. REYNOLDS. I thank the Senator from Kentucky.

Mr. ROBINSON of Arkansas. In my folder there is no report on the bill from the Senate committee.

Mr. REYNOLDS. The Senator from Arkansas is entirely correct. In view of the fact that a report has not been filed, I should like to ask the Senator from Kentucky to make explanation of the situation to the Senator from Arkansas, if necessary. However, if I correctly understood, the Senator from Kentucky has just advised us that some of the officials of the Post Office Department appeared before the Committee on Post Offices and Post Roads and not only recommended the passage of the bill, but, as a matter of fact, insisted upon its passage. Is not that correct?

Mr. LOGAN. That is correct.

There were a number of bills, probably 12 or 15, in which the Postmaster General himself and some of his assistants were interested. They came over and we checked the bills which they wanted passed, and this is one of the number they recommended. I am quite sure if the Senator from Tennessee [Mr. MCKELLAR] were present at the moment he would corroborate what I have said about it I have stated my distinct remembrance.

Mr. REYNOLDS. That was my understanding; and that is why, in answer to the inquiry of the Senator from Arkansas, I mentioned the fact that it was my understanding that the officials of the Department were in favor of the bill and its passage had been recommended.

I may add that the real desire for the enactment of the measure is that the Post Office officials are put in a somewhat embarrassing situation from time to time when they are desirous of promoting an individual in the interest of the Service, and they are not permitted to do so because the law requires that his service as clerk in charge be of a continuous nature. I may add, further, for the information of the Senator from Arkansas, that in many instances men who have been in the Service for years upon years, and are thoroughly and perfectly qualified for promotion, are not permitted to have that promotion because of the fact that their service as clerks in charge has not been of a continuous nature. The statute, as at present written, requires that the person shall serve as clerk in charge continuously for 2 years; and while in many instances these persons have served for 4 or 5 years, their service has not been of a continuous nature.

Mr. ROBINSON of Arkansas. I make no objection to the consideration of the bill.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That that part of section 7 of the act of August 24, 1912 (37 Stat. 556), which comprises section 626 of title 39 of the United States Code, be amended to read as follows:

"Clerks in the highest grade in their respective lines or other assignments shall be eligible for promotion to positions of clerks in charge in said lines or corresponding position in other assignments; and clerks assigned as assistant chief clerks and clerks in grade 6, or higher rank, in their respective divisions, shall, after 1 year of continuous service in such capacity, be eligible for promotion to positions of chief clerks in said division for satisfactory, efficient, and faithful service, under such regulations as the Postmaster General shall prescribe."

RATES OF POSTAGE ON PERIODICALS

The bill (H.R. 5477) to fix the rates of postage on certain periodicals exceeding 8 ounces in weight was announced as next in order.

Mr. MCNARY. I should like to have an explanation of that bill.

Mr. SHEPPARD. I suggest that the bill go over without prejudice until the Senator from Tennessee [Mr. MCKELLAR] returns.

Mr. MCNARY. Very well.

The PRESIDING OFFICER. Without objection, the bill will be passed over without prejudice.

Mr. MCKELLAR subsequently said: Mr. President, while I was absent from the Chamber a moment ago, Order of Business 1025, House bill 5477, to fix the rates of postage on certain periodicals exceeding 8 ounces in weight, I understand, was passed over temporarily.

The PRESIDING OFFICER. That is correct.

Mr. MCKELLAR. I ask that we may return to that order of business.

Mr. MCNARY. Mr. President, the reason why it was passed over was that I asked for a brief explanation.

Mr. MCKELLAR. I so understand.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Tennessee?

There being no objection, the Senate proceeded to consider the bill.

Mr. MCKELLAR. Mr. President, the facts about this bill are disclosed in a letter from the Post Office Department, as follows:

The purpose of this bill is to extend to periodical publications of the character described in the bill the flat rate of 1 cent for each 2 ounces or fraction thereof when weighing in excess of 8 ounces. Under existing law such publications exceeding 8 ounces in weight are subject to the fourth-class or parcel-post rates. These rates are in most instances prohibitive and prevent the publishers of periodicals of this kind preparing them so as to weigh more than 8 ounces, since no matter how slight the weight is in excess of 8 ounces under existing law postage must be paid for a full pound. The extension of the flat rate as proposed would enable these publishers to increase the weights of the copies of their publications and thus augment the postal revenues. Furthermore, it is believed that some publishers whose periodicals are entered as second-class matter will relinquish such entry and mail

their publications under the conditions set forth in bill H.R. 5477 in order to be free from the restrictions placed by law on second-class matter. Additional revenue would result from such changes.

The Postmaster General then speaks of having had a cost ascertainment and says there will be great savings to the Department by reason of this change. The proposed legislation is desired by both the Department and those who are interested in the publications. The Department recommends the passage of the bill. It is one of the various measures which the Department sent to the Congress and asked to have enacted, so as to bring about savings to the Government.

Mr. FESS. Was there any division in the committee at all?

Mr. McKELLAR. None at all.

The bill was ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 3544) to extend further the operation of an act of Congress approved January 26, 1933 (47 Stat. 776), entitled "An act relating to the deferment and adjustment of construction charges for the years 1931 and 1932 on Indian irrigation projects" was announced as next in order.

Mr. ROBINSON of Arkansas. Mr. President, is the Senator from North Dakota [Mr. FRAZIER] familiar with this bill? I should like to know for what it provides.

Mr. FRAZIER. Mr. President, I shall have to admit that I do not remember the circumstances of the bill.

Mr. SHEPPARD. I suggest that the bill go over without prejudice until the Senator from Montana [Mr. WHEELER] returns.

The PRESIDING OFFICER. The bill will be passed over without prejudice.

LUCILE A. ABBEY

The Senate proceeded to consider the bill (S. 1786) for the relief of Lucile A. Abbey, which had been reported from the Committee on Claims with an amendment to strike out all after the enacting clause and to insert:

That in the administration of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended, the United States Employees' Compensation Commission is hereby authorized to consider and determine the claim of Lucile A. Abbey in the same manner and to the same extent as if said Lucile A. Abbey had made application for the benefits of said act within the 1-year period required by sections 17 and 20 thereof: *Provided*, That no benefits shall accrue prior to the approval of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

UNITED STATES SUPREME COURT ROOM

The Senate proceeded to consider the resolution (S.Res. 193) authorizing that the room now occupied by the United States Supreme Court be preserved and kept open to the public, which had been reported from the Committee on Rules with amendments, on page 1, line 1, after the words "That the", to insert "court"; in line 2, after the words "in the", to strike out "Senate wing of the"; and in line 3, after the word "Court", to insert "and the space below it formerly a part of the court room"; so as to make the resolution read:

Resolved, That the court room now occupied by the United States Supreme Court in the Capitol, when vacated by the Court, and the space below it formerly a part of the court room, shall be preserved and kept open to the public under such rules and regulations as may be prescribed by the Architect of the Capitol with the approval of the Committee on Rules of the Senate.

The amendments were agreed to.

Mr. McNARY. Mr. President, I am warmly in accord with the resolution, but I am wondering if it is limited to the Supreme Court room.

Mr. ROBINSON of Arkansas. No, Mr. President. This resolution, at my suggestion, has been modified by the committee to include the rooms below the present Supreme Court room, which for a long time were occupied by the United States Supreme Court. The latter rooms, now used for law library and similar purposes, have historical associations of very great interest and value. I was induced to suggest the amendment by lawyers of great renown, who are familiar with the history of the rooms and their use. I refer particularly to Mr. Nicholas Murray Butler and Mr. Charles Warren, and to a number of other prominent lawyers. I think the amendment is very desirable. Some time recently I had printed in the RECORD historical data respecting these rooms supplied me by Mr. Warren.

Mr. McNARY. I am very happy to be advised of the enlargement of the scope of the resolution, and I am quite satisfied to have it agreed to.

The PRESIDING OFFICER. The question is on agreeing to the resolution, as amended.

The resolution, as amended, was agreed to.

JENNIE WALTON

The Senate proceeded to consider the bill (S. 2617) for the relief of the estate of Jennie Walton, which had been reported from the Committee on Indian Affairs with amendments, on page 1, line 6, after the words "sum of", to strike out "$5,450" and insert "$4,000", and in line 8, after the word "damages", to strike out the remainder of the bill and insert a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he hereby is, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the estate of Jennie Walton, late of Bantry, N.Dak., the sum of $4,000, in full satisfaction of its claim against the United States for damages from an automobile accident on highway no. 5, near Belcourt, N.Dak., within the Turtle Mountain Indian Reservation, on October 5, 1931.

Mr. McKELLAR. Mr. President, may we have an explanation of this bill?

Mr. FRAZIER. Mr. President, this was a case where an automobile with several people in it was driving by an Indian school. It was shortly after the school closed at night. The superintendent blew his whistle and signaled for the automobile to stop. The driver of the car claimed that he did not understand the signal. He was not driving at excessive speed; there were no children near the road, and he kept going on. The superintendent got in his car and drove 2 or 3 miles, caught up to the driver, ran by him, and the situation was such that the man driving the car was run into the ditch, the car tipped over, and the woman was killed. She was the sister-in-law of the man driving the car.

Mr. McKELLAR. Does the Department recommend the bill?

Mr. FRAZIER. The Department recommended favorable action on the bill. It recommended a slight amendment, cutting down the amount to $4,000. The bill is for the benefit of the estate. There were two or three children.

Mr. McKELLAR. Very well.

The PRESIDING OFFICER. The question is on agreeing to the amendments of the committee.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MABEL S. PARKER

The bill (S. 2768) for the relief of Mabel S. Parker was announced as next in order.

Mr. McKELLAR. That seems to be a somewhat similar bill.

Mr. FRAZIER. No; this is a bill of the Senator from Minnesota [Mr. SHIPSTEAD]. It is simply to pay the transportation of an automobile and some other things on a transfer from Arizona to Minnesota.

Mr. SHIPSTEAD. And approved before shipment by the Commissioner of Indian Affairs and the Secretary of the Interior.

Mr. McKELLAR. I have no objection to the consideration of the bill.

The PRESIDING OFFICER. The Chair is advised that an exactly similar bill was passed on March 29, and is now on the House Calendar.

Mr. SHIPSTEAD. I ask that the bill be returned to the calendar until I can investigate.

The PRESIDING OFFICER. The Senator asks unanimous consent that the bill be temporarily passed over. Without objection, it is so ordered.

BILLS PASSED OVER

The bill (S. 3514) to provide for the enrollment of members of the Menominee Indian Tribe of the State of Wisconsin was announced as next in order.

Mr. McKELLAR. Mr. President, may we have a statement regarding that bill from the Senator from North Dakota? Were the two amendments suggested by the Department put in the bill?

Mr. FRAZIER. I understand that they were.

Mr. McKELLAR. The Department recommends two amendments; but, so far as I can find, they do not appear in the bill. It may be that they do. Let the bill go over for the day.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 3515) to amend the law relating to timber operations on the Menominee Indian Reservation in Wisconsin was announced as next in order.

Mr. McKELLAR. I think we should have some explanation of that bill. I do not see the Senator from Wisconsin [Mr. LA FOLLETTE] in the Chamber. Let it go over for the day.

The PRESIDING OFFICER. The bill will be passed over for the day.

RETIREMENT SYSTEM FOR RAILROAD EMPLOYEES

The bill (S. 3231) to provide a retirement system for railroad employees, to provide unemployment relief, and for other purposes, was announced as next in order.

Mr. McNARY. Mr. President, personally, I have no objection to this bill; but I have been requested by two Members of the Senate, who are necessarily absent, to have it go over for the day.

Mr. McKELLAR. There does not seem to be a report on the bill, either.

Mr. DILL. Oh, yes; there is a very complete report.

Mr. WAGNER. Yes; there is a report.

Mr. McKELLAR. There does not seem to be one in my file.

Mr. O'MAHONEY. Mr. President, may I inquire of the Senator from Oregon [Mr. McNARY] if he is insisting upon his objection to Senate bill 3231?

Mr. McNARY. I desire again to advise the Senator that, personally, I have no objection to the bill. I favor the proposed legislation; but two Members of the Senate have asked me in their absence to have it passed over without prejudice, and I am doing so in their behalf.

Mr. HATFIELD. Mr. President, I am very much interested in this bill, as is the Senator from New York [Mr. WAGNER]. This is a general retirement pension bill for railway employees, and I trust that in the very near future we may have an opportunity to have the bill considered and passed.

Mr. McNARY. I wish to assure the Senator of my fairness in the matter. I shall not again object in behalf of any absentee Senator.

Mr. DILL. Mr. President, I desire to say that for several years this bill has been a bone of contention among the railroad employees. We finally have succeeded in getting all factions together. It will not cost the Government a single dollar. It is a most remarkable plan; and I am extremely anxious that at an early date the bill may be considered and passed.

Mr. HATFIELD. Mr. President, there is a concordance of opinion, and all railway employees throughout the land are supporting this legislation.

Mr. FESS. Mr. President, will the Senator yield?

Mr. HATFIELD. I yield.

Mr. FESS. I have some objection. I am not sure whether or not it is to this particular bill, because nearly all of the large railroads have already entered upon this plan of retirement, but the opposition comes from the smaller roads, which cannot make the contributions necessary. Is this the bill to which that opposition is presented?

Mr. HATFIELD. I may say to the Senator from Ohio that this is the bill which was perfected from the original bill, and for the purposes of the bill it makes all railway groups one group.

Mr. FESS. I am in favor of the principle, but I wondered whether the opposition was to this bill or to some other bill.

Mr. HATFIELD. I do not know the attitude of the railway organizations at the present time, since the perfection of the bill, but there have been a great number of changes. In fact, some of the larger trunk railways of this country today are paying about the same amounts into a fund for the retirement of their aged employees that this bill would require.

Mr. FESS. I understood that 0.9 of them were doing it.

Mr. HATFIELD. I may say to the able Senator from Ohio I cannot say as to the exact percentage.

Mr. WAGNER. Mr. President, I think the Senator from Ohio is mistaken when he says that 0.9 of them have such a system, but even if it were so, it is a system which could be terminated at any time if the railway organizations decided to do so. There is no definite obligation on the railroads to continue the payment of the pensions.

I hope the bill will be acted upon at a very early date. I know of no opposition to it. All the different groups which had various opinions about the bill which the Senator from West Virginia and I originally introduced are now in accord in supporting the proposed legislation. I think that after a brief explanation it would be passed practically unanimously. So I join with the Senator in hoping that at a very early date we may act upon the bill in this body, so that it may pass both Houses in time to become a law. In view of the unanimity of opinion, it would be very unfortunate if, because of the congestion of the calendar, we were unable to reach the bill and have it enacted.

Mr. McNARY. Mr. President, I share the view of the eminent Senator from New York, but when a Senator is necessarily absent, and asks me to represent him and object, I must do so. It is a duty I must perform.

Mr. WAGNER. I am sure the Senator will cooperate with us in getting consideration of the bill at an early date.

The PRESIDING OFFICER. There being objection, the bill will be passed over.

COLUMBIA RIVER BRIDGE, OREGON

The bill (S. 3502) authorizing the Oregon-Washington Bridge Commission to construct, maintain, and operate a toll bridge across the Columbia River at or near Astoria, Oreg., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, in order to facilitate interstate commerce, improve the postal service, and provide for military and other purposes, the Oregon-Washington Bridge Commission (hereinafter created, and hereinafter referred to as the "commission") and its successors and assigns, be, and is hereby, authorized to construct, maintain, and operate a bridge and approaches thereto across the Columbia River at or near the city of Astoria, Oreg., at a point suitable to the interests of navigation, in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, subject to the conditions and limitations contained in this act. Such commission is further authorized and directed to acquire all the assets and liabilities of the Rivers Improvement Corporation, a corporation organized under the laws of the State of Oregon.

SEC. 2. There is hereby conferred upon the commission and its successors and assigns the right and power to enter upon such lands and to acquire, condemn, occupy, possess, and use such real estate and other property in the States of Oregon and Washington as may be needed for the location, construction, operation, and maintenance of such bridge and its approaches, upon making just compensation therefor, to be ascertained and paid according to the laws of the State in which such real estate or other property is situated, and the proceedings therefor shall be the same as in the condemnation of private property for public purposes in said States, respectively.

SEC. 3. The commission and its successors and assigns are hereby authorized to fix and charge tolls for transit over such bridge in accordance with the provisions of this act.

SEC. 4. The commission and its successors and assigns are hereby authorized to provide for the payment of the cost of the bridge and its approaches and the necessary lands, easements, and appurtenances thereto by an issue or issues of negotiable bonds of the commission, bearing interest at not more than 6 percent per annum, the principal and interest of which bonds and any

premium to be paid for retirement thereof before maturity shall be payable solely from the sinking fund provided in accordance with this act. Such bonds may be registrable as to principal alone or both principal and interest, shall be in such form not inconsistent with this act, shall mature at such time or times not exceeding 25 years from their respective dates, shall be in such denominations, shall be executed in such manner, and shall be payable in such medium and at such place or places as the commission may determine. The commission may repurchase and may reserve the right to redeem all or any of said bonds before maturity in such manner and at such price or prices, not exceeding 105 and accrued interest, as may be fixed by the commission prior to the issuance of the bonds. The commission may enter into an agreement with any bank or trust company in the United States as trustee having the power to make such agreement, setting forth the duties of the commission in respect of the construction, maintenance, operation, repair, and insurance of the bridge, the conservation and application of all funds, the safeguarding of moneys on hand or on deposit, and the rights and remedies of said trustee and the holders of the bonds, restricting the individual right of action of the bondholders as is customary in trust agreements respecting bonds of corporations. Such trust agreement may contain such provisions for protecting and enforcing the rights and remedies of the trustee and the bondholders as may be reasonable and proper and not inconsistent with the law and also provisions for approval by the original purchasers of the bonds of the employment of consulting engineers and of the security given by the bridge contractors and by any bank or trust company in which the proceeds of bonds or of bridge tolls or other moneys of the commission shall be deposited, and may provide that no contract for construction shall be made without the approval of the consulting engineers. The bridge constructed under the authority of this act shall be deemed an instrumentality for interstate commerce, the Postal Service, and military and other purposes authorized by the Government of the United States. Said bonds shall be sold in such manner and at such time or times and at such price as the commission may determine, but no such sale shall be made at a price so low as to require the payment of more than 6-percent interest on the money received therefor, computed with relation to the absolute maturity of the bonds in accordance with standard tables of bond values, and the face amount thereof shall be so calculated as to produce, at the price of their sale, the cost of the bridge and its approaches, and the land, easements, and appurtenances used in connection therewith. The cost of the bridge shall be deemed to include interest during construction of the bridge, and for 12 months thereafter, and all engineering, legal, architectural, traffic surveying, and other expenses incident to the construction of the bridge and the acquisition of the necessary property, and incident to the financing thereof, including the cost of acquiring existing franchises, rights, plans, and works of and relating to the bridge, now owned by any person, firm, or corporation, and the cost of purchasing all or any part of the shares of stock of any such corporate owner if, in the judgment of the commission, such purchases should be found expedient. If the proceeds of the bonds issued shall exceed the cost as finally determined, the excess shall be placed in the sinking fund hereinafter provided. Prior to the preparation of definitive bonds the commission may, under like restrictions, issue temporary bonds or interim certificates with or without coupons of any denomination whatsoever, exchangeable for definitive bonds when such bonds have been executed and are available for delivery.

SEC. 5. In fixing the rates of toll to be charged for the use of such bridge, the same shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to pay the principal and interest of such bonds as the same shall fall due and the redemption or repurchase price of all or any thereof redeemed or repurchased before maturity, as herein provided. All tolls and other revenues from said bridge are hereby pledged to such uses and to the application thereof as hereinafter in this section required. After payment or provision for payment therefrom of all such cost of maintaining, repairing, and operating, and the reservation of an amount of money estimated to be sufficient for the same purpose during an ensuing period of not more than 6 months, the remainder of tolls collected shall be placed in the sinking fund, at intervals to be determined by the commission prior to the issuance of the bonds. An accurate record of the cost of the bridge and its approaches, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected, shall be kept and shall be available for the information of all persons interested. The commission shall classify in a reasonable way all traffic over the bridge, so that the tolls shall be so fixed and adjusted by it as to be uniform in the application thereof to all traffic falling within any such reasonable class, regardless of the status or character of any person, firm, or corporation participating in such traffic, and shall prevent all use of such bridge for traffic except upon payment of the tolls so fixed and adjusted. No toll shall be charged officials or employees of the commission or of the Government of the United States or any State, county, or municipality in the United States while in the discharge of their duties.

SEC. 6. After payment of the bonds and interest, or after a sinking fund sufficient for such payment shall have been provided and shall be held for that purpose, the commission shall deliver deeds or other suitable instruments of conveyance of the interest of the commission in and to the bridge, that part within Oregon to the State of Oregon or any municipality or agency thereof as may be authorized by or pursuant to law to accept the same (hereinafter referred to as the "Oregon interests") and that part within Washington to the State of Washington or any municipality or agency thereof as may be authorized by or pursuant to law to accept the same (hereinafter referred to as the "Washington interests"), under the condition that the bridge shall thereafter be free of tolls and be properly maintained, operated, and repaired by the Oregon interests and the Washington interests, as may be agreed upon; but if either the Oregon interests or the Washington interests shall not be authorized to accept or shall not accept the same under such conditions, then the bridge shall continue to be owned, maintained, operated, and repaired by the commission, and the rates of tolls shall be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management, until such time as both the Oregon interests and the Washington interests shall be authorized to accept and shall accept such conveyance under such conditions.

SEC. 7. For the purpose of carrying into effect the objects stated in this act, there is hereby created the Oregon-Washington Bridge Commission, and by that name, style, and title said body shall have perpetual succession; may contract and be contracted with, sue and be sued, implead and be impleaded, complain, and defend in all courts of law and equity; may make and have a common seal; may purchase or otherwise acquire and hold or dispose of real estate and other property; may accept and receive donations and gifts of money or other property and apply same to the purposes of this act; and shall have and possess all powers necessary, convenient, or proper for carrying into effect the objects stated in this act.

The commission shall consist of Guy Boyington, A. W. Norblad, and M. R. Chessman, all of the city of Astoria, Oreg., and L. D. Williams and O. H. Roessler, of Pacific County, Wash. Such commission shall be a body corporate and politic. Each member of the commission shall qualify within 30 days after the approval of this act by filing in the office of the Secretary of the Interior an oath that he will faithfully perform the duties imposed upon him by this act, and each person appointed to fill a vacancy shall qualify in like manner within 30 days after his appointment. Any vacancy occurring in said commission by reason of failure to qualify as above provided, or by reason of death or resignation, shall be filled by the Secretary of the Interior. Before the issuance of bonds as hereinabove provided, each member of the commission shall give such bond as may be fixed by the Secretary of the Interior, conditioned upon the faithful performance of all duties required by this act. The commission shall elect a chairman and a vice chairman from its members, and may establish rules and regulations for the government of its own business. A majority of the members shall constitute a quorum for the transaction of business.

SEC. 8. The commission shall have no capital stock or shares of interest or participation, and all revenues and receipts thereof shall be applied to the purposes specified in this act. The members of the commission shall be entitled to a per diem compensation for their services of $10 for each day actually spent in the business of the commission, but the maximum compensation of the chairman in any year shall not exceed $2,500 and of each other member shall not exceed $500. The members of the commission shall also be entitled to receive traveling-expense allowance of 10 cents a mile for each mile actually traveled on the business of the commission. The commission may employ a secretary, treasurer, engineers, attorneys, and such other experts, assistants, and employees as they may deem necessary, who shall be entitled to receive such compensation as the commission may determine. All salaries and expenses shall be paid solely from the funds provided under the authority of this act. After all bonds and interest thereon shall have been paid and all other obligations of the commission paid or discharged or provision for all such payment shall have been made as hereinbefore provided, and after the bridge shall have been conveyed to the Oregon interests and the Washington interests as herein provided, the commission shall be dissolved and shall cease to have further existence by an order of the Secretary of the Interior made upon his own initiative or upon application of the commission or any member or members thereof, but only after a public hearing in the city of Astoria, Oreg., notice of the time and place of which hearing and the purpose thereof shall have been published once, at least 30 days before the date thereof, in a newspaper published in the city of Astoria, Oreg., and a newspaper published in South Bend, Wash. At the time of such dissolution all moneys in the hands of or to the credit of the commission shall be divided into two equal parts, one of which shall be paid to said Oregon interests and the other to said Washington interests.

SEC. 9. Nothing herein contained shall be construed to authorize or permit the commission or any member thereof to create any obligation or incur any liability other than such obligations and liabilities as are dischargeable solely from funds provided by this act. No obligation created or liability incurred pursuant to this act shall be an obligation or liability of any member or members of the commission, but shall be chargeable solely to the funds herein provided, nor shall any indebtedness created pursuant to this act be an indebtedness of the United States.

SEC. 10. All provisions of this act may be enforced, or the violation thereof prevented, by mandamus, injunction, or other appropriate remedy brought by the attorney general for the State of Oregon, the attorney general for the State of Washington, or

the United States district attorney for any district in which the bridge may be located in part, in any court having competent jurisdiction of the subject matter and of the parties.

SEC. 11. The right to alter, amend, or repeal this act is hereby expressly reserved.

SEC. 12. Section 1 of the act entitled "An act to authorize the construction of certain bridges and to extend the times for commencing and completing the construction of other bridges over the navigable waters of the United States", approved June 10, 1930, as amended, is hereby repealed.

CHIPPEWA INDIAN TREATIES

Mr. SHIPSTEAD. Mr. President, I ask that the Senate return to Order of Business 917, the bill (S. 2980) to modify the effect of certain Chippewa Indian treaties on areas in Minnesota. The Senator from Tennessee tells me he has no objection to the bill.

The PRESIDING OFFICER. The Senator from Minnesota asks unanimous consent that the Senate return to the consideration of Order of Business 917. Is there objection? The Chair hears none.

Mr. SHIPSTEAD. Mr. President, I ask that the votes by which the bill was ordered to be engrossed for a third reading and passed be reconsidered, and that the vote by which the committee amendment was agreed to be reconsidered.

The PRESIDING OFFICER. Is there objection? The Chair hears none; the votes are reconsidered, and the bill is before the Senate. The question is on agreeing to the committee amendment.

Mr. SHIPSTEAD. Mr. President, I submit an amendment to the committee amendment.

The PRESIDING OFFICER. The clerk will state the amendment to the amendment.

The LEGISLATIVE CLERK. It is proposed to amend the amendment of the committee, on page 2, line 1, after the word "treaties", by striking out "*Provided*, That the Indian liquor laws shall continue to be in force on all Indian reservations or other lands owned or hereafter acquired by Indian tribes, or by the United States Government for the use or benefit of Indians or for the administration of Indian affairs; on individual Indian allotments or other individual Indian-owned lands while the title to same is held in trust by the United States or while the same shall remain inalienable by the Indian without the consent of some governmental officer; and on all other lands within the exterior borders of Indian reservations: *Provided further*"; in line 11, before the word "That", to insert "*Provided*"; in the same line, after the word "That", to insert "in that portion in the said State of Minnesota affected by this act"; and in line 14, after the figures "1897", to insert a comma; and in the same line, after the figures "506" and the parenthesis, to insert "and to the manufacture or sale of liquors on individual Indian allotments or other individual Indian-owned lands while the title to same is held in trust by the United States or while the same shall remain inalienably by the Indian without the consent of some governmental officer", so as to make the bill read:

Be it enacted, etc., That on and after the passage of this act lands in Minnesota ceded to the United States by the treaty of September 30, 1854 (10 Stat.L. 1109), between the United States and the Chippewa Indians of Lake Superior and the Mississippi and by the treaty of February 22, 1855 (10 Stat.L. 1165), between the United States and the Mississippi Bands of Chippewa Indians, shall no longer be considered as "Indian country" for the purposes of article 7 of said treaties: *Provided*, That in that portion in the said State of Minnesota affected by this act the Indian liquor laws shall continue to apply to the sale, gift, barter, exchange, etc., of liquors to ward Indians of the classes set forth in the act of January 30, 1897 (29 Stat.L. 506), and to the manufacture or sale of liquors on individual Indian allotments or other individual Indian-owned lands while the title to same is held in trust by the United States or while the same shall remain inalienably by the Indian without the consent of some governmental officer.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. KING. Mr. President, I desired to ask the Senator whether this had the approval of the committee and the approval of Mr. Collier.

Mr. SHIPSTEAD. Yes.

LEASING OF COAL LANDS IN ALASKA

The Senate proceeded to consider the bill (H.R. 6179) to amend an act entitled "An act to provide for the leasing of coal lands in the Territory of Alaska, and for other purposes."

Mr. McKELLAR. Mr. President, may we have an explanation from the Senator from New York of this bill?

The PRESIDING OFFICER. The Senator from New York does not seem to be in the Chamber.

Mr. McKELLAR. I see by the report that the Department has recommended the bill, and I have no objection.

The bill was ordered to a third reading, read the third time, and passed.

RANSOME COOYATE

The bill (S. 2906) for the relief of Ransome Cooyate was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $2,000 to Ransome Cooyate, of the Zuni Reservation in New Mexico, in full satisfaction of his claim for injuries received while a student at the Albuquerque Boarding School, New Mexico: *Provided*, That in the discretion of the Secretary of the Interior, the amount herein appropriated may be held as individual Indian money by the Superintendent of the Zuni Agency, N.Mex., and disbursed to the beneficiary at the rate of $30 a month.

COLLIER MANUFACTURING CO.

The bill (S. 2242) for the relief of the Collier Manufacturing Co., of Barnesville, Ga., was announced as next in order.

Mr. GEORGE. Mr. President, this bill covers a case, the facts of which are as follows: The Collier Manufacturing Co. was approached during the war and asked to manufacture certain knit underwear for use by the soldiers. An agreement was reached between the Government and the Collier Manufacturing Co., but when the first contract was about to be made, the contract was taken in the name of a firm of New York brokers, who were merely acting as the sales agents of the Collier Manufacturing Co. Other contracts were made under similar circumstances.

Subsequently the contract in question was terminated because the war was about to end. The items of damage and the specifications in the account, I believe, are clearly beyond dispute. The whole question is whether or not this bill should pass, because the contract was not made with the Collier Manufacturing Co., but was made through its sales agents, who already had given the bond required by the Government and were in position to proceed with the execution of the contract.

The claim was first presented to the Board of Contract Adjustment in the War Department, and was denied because the Collier Manufacturing Co. was not a party to the contract. The Secretary of War sustained that decision upon the same grounds; the case went to the court of appeals, and the court of appeals denied recovery upon the same ground.

The Collier Manufacturing Co. were not strangers to this contract. The contract provided that the particular knit underwear should be manufactured by the Collier Manufacturing Co. The Collier Manufacturing Co. did manufacture the knit underwear and deliveries were made directly to the quartermaster depot in Atlanta, Ga., the manufacturing plant of the Collier Manufacturing Co. being located in a nearby town.

It seems to the committee, and to me, after looking into the facts very carefully, that this is an entirely just claim, and should not be denied upon the purely technical ground that the Collier Manufacturing Co. were not parties to the contract.

Mr. McKELLAR. The court of appeals did not decide that it was not a just claim, but merely held that the com-

plainant did not have a right to maintain an action. Is that correct?

Mr. GEORGE. That there were no contractual relations between the Collier Manufacturing Co. and the Government; but they were the sole beneficiaries of the contract.

Mr. McKELLAR. Did the Government get the benefit of the goods? Were they delivered to the Government and used by the Government?

Mr. GEORGE. Portions of the goods were delivered to the Government, and the entire contract was made between the manufacturing company and representatives of the Government.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Claims with amendments, on page 1, line 5, after the words "sum of", to strike out "$61,530.02" and to insert in lieu thereof "$48,719.70"; on line 7, after the word "appropriated", to strike out the words "the same being the actual", and to insert in lieu thereof the words "in full settlement of all claims against the Government for"; and on line 9, after the words "account of", to strike out the words "the cancelation of a contract for"; and to add a proviso at the end of the bill, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to the Collier Manufacturing Co., of Barnesville, Ga., the sum of $48,719.70, out of any money in the Treasury not otherwise appropriated, in full settlement of all claims against the Government for losses sustained by said Collier Manufacturing Co. on account of the manufacture of undershirts for the United States Army in the year 1918: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

AMENDMENT OF SAN CARLOS ACT

The bill (S. 2928) to amend the act of Congress approved June 7, 1924, commonly called the "San Carlos Act" and acts supplementary thereto, was announced as next in order.

The PRESIDING OFFICER (Mr. POPE in the chair). This bill is identical with House bill 8938, Order of Business 1143.

Mr. HAYDEN. I ask that the House bill be substituted for the Senate bill.

The PRESIDING OFFICER. Without objection, that order will be made.

The Senate proceeded to consider the bill (H.R. 8938) to amend the act of Congress approved June 7, 1924, commonly called the "San Carlos Act", and acts supplementary thereto, which was read as follows:

Be it enacted, etc., That the act of Congress approved June 7, 1924 (43 Stat.L. 475, 476), commonly called the "San Carlos Act", and acts supplementary thereto, including the act of Congress approved March 7, 1928 (45 Stat.L. 210-212), and acts supplementary thereto, be, and the same are hereby, amended so as to provide that the construction cost of the San Carlos project, including the cost of the power development at the Coolidge Dam and the transmission line or lines shall be repaid without interest, and that part thereof to be paid on account of the lands in public or private ownership shall be repaid in 40 equal annual installments beginning on December 1, 1935, the date fixed by the public notice heretofore issued by the Secretary of the Interior. The Secretary of the Interior, with the consent of the San Carlos Irrigation and Drainage District, is hereby authorized to modify the existing repayment contract in accordance herewith.

Mr. McKELLAR. Mr. President, I desire to ask a question with reference to the bill. What is the purpose of modifying these contracts in this way? We have existing contracts that evidently are favorable to the Indians. In what respect are they to be modified unfavorably to the Indians?

Mr. HAYDEN. Mr. President, the bill does not affect the Indians at all. This is a project of 100,000 acres, half Indian lands and half white lands. The white landowner is required under the existing contracts to pay 4 percent interest on the money invested in the project. That was provided at the time when cotton was worth 20 cents a pound and alfalfa hay was worth $16 a ton. Now, however, cotton has gone down and hay has gone down, and the landowners cannot pay this interest.

This is the only project in the United States where there is an interest charge. In order that the landowners may take advantage of the Federal Farm Loan Act the Department has recommended the enactment of this bill.

Mr. McKELLAR. What does the bill do?

Mr. HAYDEN. It removes the interest charge of 4 percent.

Mr. McKELLAR. All of it?

Mr. HAYDEN. Yes.

Mr. McKELLAR. The bill, however, requires the landowners to pay the principal?

Mr. HAYDEN. It requires them to pay the principal, just as on all other reclamation projects.

Mr. McKELLAR. I do not know much about these matters, Mr. President, but it seems to me the Government has already done a great deal in creating the reclamation projects, and it seems to me the landowners ought to pay some interest.

Mr. HAYDEN. This is the only project in the United States where an interest charge is made. This measure will put these landowners on a parity with all the others.

Mr. McKELLAR. Are the Indians put on a parity with the whites?

Mr. HAYDEN. The Indians do not pay anything at all until the land passes out of their ownership.

The PRESIDING OFFICER. The question is on the third reading and passage of the bill.

The bill was ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 2928 will be indefinitely postponed.

QUINAULT INDIAN RESERVATION

The bill (H.R. 8494) to authorize the Secretary of the Interior to modify the terms of existing contracts for the sale of timber of the Quinault Indian Reservation when it is in the interest of the Indians so to do was announced as next in order.

Mr. McKELLAR. Mr. President may we have an explanation of this bill?

Mr. DILL. Mr. President, this bill as originally introduced in the House provided that the contracts might be modified. I was asked to introduce a similar bill in the Senate. I refused to do so. I took the position that the contracts should be open for competitive bidding. I found that the Bureau of Indian Affairs had approved legislation permitting a reduction of the price of stumpage to the Indians of the Klamath Reservation, in Oregon. I still did not believe that similar legislation should be passed as to any other reservation. I learned, however, that the company which wants to have its contract modified has a private railway running into this Indian timber reservation, and that it is willing to make that private railroad a common carrier, and thereby probably make it possible for the other bidders for Indian timber in the future, and others who want to use the road, to pay hereafter a larger amount to the Indians. The Indians themselves are quite anxious to have the bill enacted.

So the House bill includes a section, known as "section 4", which provides that the railroad that is now asking for this relief shall become a common carrier. To that extent the passage of the bill would benefit the entire community by opening the road to service, and make it quite possible that the Indians will receive a larger payment for timber they may sell in the future from the reservation.

For that reason I urged the committee to report this bill favorably.

Mr. KING. Mr. President, will the Senator yield to permit me to make an inquiry?

Mr. DILL. I yield.

Mr. KING. The Senator will recall that when we were first discussing Indian questions upon several occasions, the fact was developed that many of the contractors who had obtained permits and contracts to go upon the Indian reservations and cut down timber were postponing, in violation of the terms of the contracts, the cutting of the timber, and were seeking in every possible way to secure modification of the contracts, because they wanted to pay the Indians less than they were entitled to receive under the contracts. Many of the Indians complained to me of the wrong which would be perpetrated if that course were pursued. I desire to be assured by the Senator that under this bill no such wrong may be perpetrated with respect to the Indians who are involved.

Mr. DILL. I made a very close study of this situation. This particular railroad is paying about $5 a thousand for stumpage, as compared with $2 and $3 paid by the other contractors. In view of the fact that the railroad will be made a common carrier, and in view of the probable benefits that will result to the Indians from that, it seems to me that the bill may well be enacted.

Mr. KING. I shall not object; but if, after further investigation, upon the morrow I find that, in my judgment, this proposed legislation is improvident and unfair to the Indians, I shall ask for a reconsideration.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which was ordered to a third reading, read the third time, and passed.

CHIEF CLERK IN THE RAILWAY MAIL SERVICE

Mr. REYNOLDS. Mr. President, I have just learned that there is on the calendar for consideration today House bill 7343, Order of Business 1236, to remove inequities in the law governing eligibility for promotion to the position of Chief Clerk in the Railway Mail Service.

Mr. McKELLAR. Mr. President, we have not yet reached that.

Mr. REYNOLDS. No; so I understand, but I desire to bring the matter to the attention of the Senate. The House bill is identical with the bill I introduced, Senate bill 2868, which was passed earlier today. I desire to ask that House bill 7343 be substituted for Senate bill 2868, in view of the fact that the House bill has passed the House; and I ask unanimous consent that Senate bill 2868 be indefinitely postponed.

The PRESIDING OFFICER. Is there objection?

Mr. KING. Let the bill be read, so we may know what it is.

The PRESIDING OFFICER. The bill will be read.

The Chief Clerk read the bill (H.R. 7343) to remove inequities in the law governing eligibility for promotion to the position of Chief Clerk in the Railway Mail Service.

Mr. McKELLAR. What is the calendar number?

Mr. REYNOLDS. It is Order of Business No. 1236.

I may state, for the information of the Senator from Utah, that this matter was discussed this morning, at which time the Senator from Kentucky [Mr. LOGAN] explained to this body that representatives of the Post Office Department had appeared before the committee and recommended the passage of the bill. I am merely asking that the House bill be substituted for my bill, the House bill having already passed the House of Representatives.

Mr. KING. I was called out of the Chamber to go to the Supreme Court for a few moments, and during my absence this bill apparently was under consideration.

Mr. McKELLAR. The House bill has not yet been reached on the calendar; but I have no objection whatever to taking the course the Senator from North Carolina suggests.

Mr. REYNOLDS. I understand that the House bill has already passed the House.

Mr. FLETCHER. Yes; it has passed the House.

The PRESIDING OFFICER. Is there objection to the request of the Senator from North Carolina?

There being no objection, the Senate proceeded to consider the bill (H.R. 7343) to remove inequities in the law governing eligibility for promotion to the position of Chief Clerk in the Railway Mail Service, which was considered, ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, the vote by which Senate bill 2868 was ordered to be engrossed for a third reading and passed will be reconsidered, and the bill will be indefinitely postponed.

CROW INDIAN TRIBAL COUNCIL

The bill (S. 2888) to provide for expenses of the Crow Indian Tribal Council and authorized delegates of the tribe was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized to expend $5,000, or as much thereof as may be necessary, of the funds standing to the credit of the Crow Indians in the Treasury of the United States for expenses of the Crow Indian Tribal Council and authorized delegates of the tribe.

INDIANS OF FORT PECK RESERVATION, MONT.

The Senate proceeded to consider the bill (S. 2889) for the relief of certain Indians of the Fort Peck Reservation, Mont., which was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the following-named Indians of the Fort Peck Reservation the amounts herein set forth: James Black Dog, $185; Archie Red Elk, $25; Catherine Medicine Walk and Belle Medicine Walk, $25; James Garfield, $70; Nancy Titus, $35; and Carl W. Eagle, administrator of the estate of Charles Peterson, $25; the above sums representing funds collected for the Indians named but misapplied by a former employee of the Indian Service.

Mr. KING. Mr. President, I should like to ask whether the employee of the Government who embezzled the funds of the Indians was prosecuted or whether he was under bond, and, if not, why not. I shall not object to the consideration of the bill, but I may move to reconsider it upon further consideration.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

N. LESTER TROAST

The bill (S. 2918) for the relief of N. Lester Troast was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $144.28 to N. Lester Troast, of Juneau, Alaska, in full settlement of expenses incurred by him under official orders in connection with the use of his personally owned automobile on official business at Wrangell, Alaska, while supervising the construction of an Indian boarding school at that place.

EXCHANGE OF SEMINOLE INDIAN LANDS

The Senate proceeded to consider the bill (S. 3286) authorizing the exchange of the lands reserved for the Seminole Indians in Florida for other lands, which was read, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby authorized, in his discretion, to exchange lands in the State of Florida reserved for the Seminole Indians by Executive order of June 26, 1911, or purchased for said Indians, or any part thereof, for lands owned by the State of Florida. Upon conveyance to the United States by the State of Florida of a sufficient title to the lands to be acquired for the use of the Seminole Indians, the Secretary of the Interior is authorized to issue a patent in fee or to make other proper conveyance to the State of Florida covering the lands granted in exchange.

Mr. McKELLAR. Mr. President, will the Senator from Florida [Mr. FLETCHER] tell us the purposes of the bill?

Mr. FLETCHER. This bill was suggested by the Indian Bureau, and covers a situation such as I shall describe.

The Seminoles had grants from the Federal Government of so many acres of land, and also from the State government. Instead of occupying those lands, they have gone

out and settled upon other lands adjacent to them. Without going to the trouble of compelling them to live on their own reservation, this bill authorizes the exchange of lands, which is for the real benefit of the Seminoles themselves.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ST. LAWRENCE RIVER BRIDGE, NEW YORK

Mr. COPELAND. Mr. President, I understand we are to stop considering bills on the calendar at 2 o'clock. I ask the Senate to bear with me to enable me to ask unanimous consent to call up Senate bill 3641, which is a bridge bill to permit an extension of time; and in this case time is the essence. I ask unanimous consent that the bill may be now considered.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (S. 3641) to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Ogdensburg, N.Y., which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Ogdensburg, N.Y., authorized to be built by the St. Lawrence Bridge Commission by an act of Congress approved June 14, 1933, are hereby extended 1 and 3 years, respectively, from June 14, 1934.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 1757. An act to amend an act entitled "An act to incorporate the Mount Olivet Cemetery Co., in the District of Columbia";

S. 2580. An act to exempt from taxation certain property of the National Society, United States Daughters of 1812, in the District of Columbia; and

S. 3442. An act to dissolve the Ellen Wilson Memorial Home.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9068) to provide for promotion by selection in the line of the Navy in the grades of lieutenant commander and lieutenant; to authorize appointment as ensigns in the line of the Navy all midshipmen who hereafter graduate from the Naval Academy; and for other purposes.

The message further announced that the House insisted upon its amendment to the bill (S. 3487) relating to direct loans for industrial purposes by Federal Reserve banks, and for other purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. STEAGALL, Mr. GOLDSBOROUGH, Mr. PRALL, Mr. LUCE, and Mr. BEEDY were appointed managers on the part of the House at the conference.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bill and joint resolution, and they were signed by the Vice President:

H.R. 2837. An act to provide for the establishment of the Everglades National Park in the State of Florida, and for other purposes; and

H.J.Res. 347. Joint resolution to prohibit the sale of arms or munitions of war in the United States under certain conditions.

PROCESSING TAX ON PHILIPPINE COCONUT OIL (H.DOC. NO. 388)

The PRESIDING OFFICER (Mr. LEWIS in the chair) laid before the Senate a message from the President of the United States, which was read and ordered to be printed, as follows:

To the Congress of the United States:

Early in the present session of the Congress the Philippine Independence Act was passed. This act provided that after the inauguration of the new interim or commonwealth form of government of the Philippine Islands trade relations between the United States and the Philippine Islands shall be as now provided by law. Certain exceptions, however, were made. One of these exceptions required levying on all coconut oil coming into the United States from the Philippine Islands in any calendar year in excess of 448,000,000 pounds, the same rates of duty now collected by the United States on coconut oil imported from foreign countries.

It is, of course, wholly clear that the intent of the Congress by this provision was to exempt from import duty 448,000,000 pounds of coconut oil from the Philippines.

Later in the present session the Congress, in the revenue act, imposed a 3-cent-per-pound processing tax on coconut oil from the Philippines. This action was, of course, directly contrary to the intent of the provision in the independence act cited above.

During this same period the people of the Philippine Islands, through their legislature, accepted the provisions of the independence act on May 1, 1934.

There are three reasons why I request reconsideration by the Congress of the provision for a 3-cent-per-pound processing tax:

First. It is a withdrawal of an offer made by the Congress of the United States to the people of the Philippine Islands.

Second. Enforcement of this provision at this time will produce a serious condition among many thousands of families in the Philippine Islands.

Third. No effort has been made to work out some form of compromise which would be less unjust to the Philippine people and at the same time attain, even if more slowly, the object of helping the butter- and animal-fat industry in the United States.

I, therefore, request reconsideration of that provision of the revenue act which relates to coconut oil in order that the subject may be studied further between now and next January, and in order that the spirit and intent of the independence act be more closely followed.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *May 28, 1934.*

Mr. HARRISON. I ask that the message be referred to the Finance Committee.

The PRESIDING OFFICER. Without objection, the message will be so referred.

RECIPROCAL TARIFF AGREEMENTS

The PRESIDING OFFICER. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H.R. 8687) to amend the Tariff Act of 1930.

Mr. AUSTIN. Mr. President, while the Senate is organizing itself for the day, and there are still a fair number of Democrats present, I wish to introduce what I have to say by telling them that I enjoyed the hospitality last night of one of the high priests of the Democratic Party, and one of the fine things he did for me was to present to me as a little souvenir of that delightful entertainment a speech which he had found in a bookshop somewhere, entitled "Speech of Mr. Collamer, of Vermont." This speech was made about a hundred years ago in the House of Representatives, and that distinguished Vermonter introduced himself to the House in an interesting manner. I make no individious comparison in submitting his introductory statement to the Senate, but I read it for the purpose of showing that even so long ago as a century, the real resort for sanctuary against unconstitutional measures was the vote of the people of the United States.

Mr. Collamer was about to discuss the tariff. There was pending in the House a bill reported by the Committee on Ways and Means proposing to reduce the duties on imports, being under consideration in the Committee of the Whole House on the state of the Union.

Mr. Collamer said:

Mr. Chairman, I am sensible that speeches in this House, on the great subjects of national policy, are generally, for all the purposes of legitimate discussion, that is, to persuade and convince the hearer, of little or no use. I shall, therefore, not attempt to command attention by a forced elevation of voice, but so speak as that all may hear me who desire so to do, and I do not expect the attention of those who will not hear.

Mr. President, I oppose the bill (H.R. 8687) to amend the Tariff Act of 1930, and I will discuss briefly two grounds of opposition:

First. That the power proposed to be granted to the President is forbidden by the people.

Second. That the policy of the proposed act is unsound.

The powers to be granted by the proposed act must be considered to be as extensive as the authority expressed and implied.

In the main the bill would grant to the President authority to do things which the people of the United States have required Congress exclusively to do, namely, to legislate, to levy taxes, and to regulate international commerce.

It also proposes to authorize the President to make treaties without ratification by the Senate, which is an authority not granted by the sovereign power.

The stated primary use of the power to levy duties is for the purpose of regulating foreign trade and to neutralize discriminatory treatment of American commerce, but it also is aimed at "other acts or policies which in his—the President's—opinion tend to defeat the purposes set forth" in the bill.

The declared objective is the expansion of foreign markets for products of the United States.

The treaty-making power is contained in the clause:

(1) To enter into foreign trade agreements with foreign governments or instrumentalities thereof.

The legislative power of taxation is contained in the provision:

(2) To proclaim such modifications of existing duties and other import restrictions, or such additional import restrictions, or such continuance, and for such minimum periods, of existing customs or excise treatment of any article covered by foreign trade agreements as are required or appropriate to carry out any foreign-trade agreement that the President has entered into hereunder. * * *

This legislative power is amplified in clause (c) to include rate, form of import duty, and classification of articles, as well as limitations, prohibitions, charges, and exactions other than duties.

There is in the proposed law a limitation to the effect that—

No proclamation shall be made increasing or decreasing by more than 50 percent any existing rate of duty or transferring any article between the dutiable and free lists.

The authority is limited in time to 3 years for its exercise, and the duration of the treaties is not less than 3 years from the date on which they go into force. Due notice must be given for termination, which shall be not more than 6 months in advance. Therefore it is just a matter of mathematical calculation to determine that the proposed treaties must be of a duration of 3 years and 6 months at least.

The reciprocal clauses of the Tariff Act of 1930 providing for defense duties and exemptions are repealed, and the flexible feature of that act is inhibited from application to any article with respect to which a treaty has been concluded under the proposed act.

With this brief introductory explanation of the scope of the proposed act, I now proceed to a discussion of the first proposition, namely, that the power proposed to be granted to the President is forbidden by the people.

Mr. President, we are at the parting of the ways. On the right is the well-beaten path of the Constitution, the way of the law; on the left is that hard way of the transgressor, the way of unconstitutionality, the way of beating the law or breaking the law or evading the law; and when I speak of the law, I mean, of course, the fundamental law. We are at that split in the way, and we take our choice by our vote on this bill; we elect positively and absolutely which way we will follow.

First, the power proposed to be granted to the President is forbidden by the people. Under the proposed act the President has the power to answer the question, What change of rate of duty on any article imported from all countries ought to be made in consideration of a change by one nation, say, by Czechoslovakia, of rate of duty on any one article exported by us to Czechoslovakia?

The great markets of the United States—a continent—thereby would be opened to the whole world so far as that article is concerned, in consideration for what? For the market of a country which is not as large as one of several of our individual States.

Answering this question would be legislating. It would be making the law. It would not be applying the law. It would not be applying a rule such as the difference between the cost of production at home and abroad, as when the Tariff Commission acts and the President promulgates a rate on the findings of that Commission. No rule is laid down in the proposed act. The question has been asked of a proponent of this measure what there is in the proposed act that constitutes a rule, and an answer has been made, the subject of which I now discuss. The words which he pointed out were as follows:

* * * whenever he finds as a fact that any existing duties or other import restrictions of the United States or any foreign country are unduly burdening and restricting the foreign trade of the United States and that the purpose above declared will be promoted by the means hereinafter specified, is authorized from time to time.

The most casual reading of that clause results in the conviction that it establishes nothing more than a condition precedent to the beginning of his functions under the bill. It does not affect or guide the amount of the rate. It does not furnish a measure or yardstick by which to measure the rate.

No formula is provided for that other act of lawmaking, namely, classification, the writing of the phraseology which shall determine, for example, whether a stone imported here from Sweden is manufactured or unmanufactured. We know from experience that for years and years granite was imported into this country as unmanufactured, though there had been performed 40 cents' worth of labor per cubic foot on it, and it had been pointed, pitched, and lined, and was indeed a manufactured product.

The President, under the terms of the bill, whenever he finds this condition as a precedent to beginning the performance of his function, may write a formula by which a customs officer shall ascertain what is a manufactured and what is not a manufactured product. That is making the law. It is not executing the law. There is nothing in the bill which affords a guide or a formula for him to write the phraseology of the classification.

Mr. FESS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Ohio?

Mr. AUSTIN. I yield.

Mr. FESS. Another danger is as to the facts upon which the President is to base the exercise of the authority now to be granted. To his own satisfaction, without any limitation or guide being laid down, he is the judge as to whether the facts justify the act. What is the limit?

Mr. AUSTIN. I understand that the bill imposes no limit at all, but provides whenever he "finds as a fact." That is all there is.

Mr. FESS. Consequently there is no limit at all to his authority.

Mr. AUSTIN. That is empirical. There is no sky to it. There are no eastern or western bounds. There are no northern or southern bounds. The President may change his mind. He may have a different opinion the next moment after he has fixed the classification or established the rate, and put his new opinion or judgment into effect swiftly. That is the object of the bill, that things may be done swiftly. Speed! Speed! Change! A new deal! That is the object of the bill. All the considerations must go under and be suppressed if only we attain a new deal.

The proposed law would authorize treaties eliminating particular excessive duties or adding to particular inadequate duties, and it might involve negotiating world tariffs among 60 or 70 nations, every one of which would be different in respect to some article, rate, or form of import duty, or classification of articles or limitations, prohibitions, charges, or exactions other than duties imposed on importations, or imposed for the regulation of imports.

I ask Senators to consider the contrast in these forces and in these policies and in these treatments. On the one hand, as I have said, he may make these particular changes. On the other hand, the law also permits the negotiation of treaties affecting the whole of American tariffs and generally lowering or raising them, involving an entirely different policy and a different execution thereof.

In considering these two different and opposing policies we must review the ancient conflict between conditional most-favored-nation treatment, and unconditional most-favored-nation treatment. We must also recognize that whatever treaty may be made cannot be exclusive, but that the duties and restrictions proclaimed must apply to the same articles of all foreign countries without any quid pro quo from the other countries.

A typical most-favored-nation clause containing a quid pro quo is as follows, and I think this is from probably the finest source to which we can go for it, and that is to Prof. W. W. Wallace, who is Chief of the Division of Foreign Commerce in the Tariff Commission. I quote:

> The contracting parties desiring to live in peace and harmony with all the other nations of the earth, by means of a policy frank and equally friendly with all, engage mutually not to grant any particular favor to other nations in respect to commerce and navigation, which shall not immediately become common to the other party, who shall enjoy the same freely, if the concession was freely made, or on allowing the same compensation if the concession was conditional.

That is a typical most-favored-nation clause according to practice and theory in the United States. What does the bill provide?

On the other hand, the bill gives all the most-favored-nation benefits without the quid pro quo, thus:

> * * * The proclaimed duties and other import restrictions shall apply to articles the growth, produce, or manufacture of all foreign countries, whether imported directly or indirectly, * * *.

The proposed act is equivocal. It requires that the benefits of each separate treaty be extended to all foreign countries without our obtaining from any of them, save the single country which has allowed us compensation, the quid pro quo for our concession to the treaty country.

The authority to enter into the foreign-trade agreement for a quid pro quo with any particular country is granted by subsection (1) of section 350 (a), page 2, line 17:

> To enter into foreign trade agreements with foreign governments or instrumentalities thereof;

I am referring now to one particular policy, let it be understood. I am not referring to the policy as to the taxes or the policy of the regulating of commerce or the policy of making treaties without any ratification by the Senate. I am dealing with the determination of that preliminary and first question of whether the Government shall be committed by its President to specific changes with limited effect or whether there shall be treaties reducing generally and as a whole the entire standard or level of tariff duties. That is a great question which affects thousands of articles and items. It comprehends the entire book of international relationship between the United States and foreign countries.

Mr. VANDENBERG. Mr. President, will the Senator yield to me for a question?

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Michigan?

Mr. AUSTIN. I yield to the Senator from Michigan.

Mr. VANDENBERG. What the Senator has been saying is a tremendous challenge; and if the Senate were in any mood to listen seriously to argument upon this subject, it would yield considerable attention to the point he is making. I desire to see if I understand it.

There is pending a so-called "Colombian trade agreement", which we have not been permitted to see, but which we are told involves certain advantages to Colombia in behalf of coffee in our market. Does the Senator say that, having granted a right in respect to coffee to Colombia in our market, we automatically extend precisely the same grant to Brazil, regardless of any payment by Brazil in return for the benefit thus extended?

Mr. AUSTIN. Mr. President, I do. The language of the bill is clear on that point.

In the first place, the definition of duties and other things which the President is empowered to proclaim is extended by section (c), on page 4 at line 7 of the bill, as follows:

> (c) As used in this section, the term "duties and other import restrictions", includes (1) rate and form of import duties and classification of articles, and (2) limitations, prohibitions, charges, and exactions other than duties, imposed on importation or imposed for the regulation of imports.

That broadens out the definition; and then, when we read the phrase on line 3 of page 3, it is perfectly obvious that the effect of a treaty with Colombia dealing with any one of these factors in international relations extends, without any quid pro quo which we give or receive in the Colombian treaty, to all foreign countries. Thereby we do the strange act that instead of Colombia's being a most-favored nation, as she normally would be considered, she is the most ill-favored nation on earth, because she pays a consideration, whereas all the rest of the world pay nothing to us.

Mr. LONG. Will the Senator yield?

Mr. AUSTIN. Before yielding further, let me read this phrase of line 3, page 3:

> The proclaimed duties and other import restrictions—

Those are the orthodox words, "proclaimed duties and other import restrictions"; those are the words that are defined as I have pointed out—

> shall apply to articles the growth, produce, or manufacture of all foreign countries, whether imported directly or indirectly.

There we have something that is wholly inconsistent with the most-favored-nation policy of this country, whether under the conditional or unconditional type of treatment, because by the enactment of such a provision and by its operation we create an absolutely clear discrimination against Colombia. It makes no difference what are the terms of the treaty with Colombia; if they favor Colombia more than any other nation on earth has been favored, more than any other nation is favored today, such nation and all other nations are entitled to the same treatment, without paying what Colombia pays to us for the treatment.

I now yield to the Senator from Louisiana.

Mr. LONG. The Senator has discovered something that I had not noticed in this bill, but it is very clear to me from the language.

The PRESIDING OFFICER. Does the Senator from Louisiana address the chair for the purpose of interrupting the Senator from Vermont?

Mr. LONG. I asked the Senator to yield, and he agreed to yield to me.

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Louisiana?

Mr. AUSTIN. I yield to the Senator from Louisiana.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Mr. LONG. In other words, we will say that Cuba has very little oil, but we make a treaty with Cuba allowing oil to come in here at a certain rate, 50 percent less than the normal tariff; and ipso facto that schedule would apply to Colombia, to Venezuela, to Mexico.

Mr. AUSTIN. To every country on earth, if it is a treaty made under this bill.

Mr. LONG. And the only difference would be that while Cuba might be made to pay a little consideration, the rest would come along without having to do any such thing.

Mr. AUSTIN. That is correct.

Mr. STEIWER. Mr. President, will the Senator yield to me?

Mr. AUSTIN. I yield to the Senator from Oregon.

Mr. STEIWER. The Senator from Louisiana has noted the instance of Cuba; and, applying the statement already made by the Senator from Vermont, Cuba would become in that case the most ill-favored nation. Is the Senator perfectly clear that in that instance Cuba would be the most ill-favored nation, or, in the other illustration used earlier in the debate, that Colombia would be the most ill-favored nation? Would it not be true that the United States, having accepted a treaty consideration from one nation only, and then, in return for that, having extended the commercial privileges to all the world, would be the most ill-favored nation?

Mr. AUSTIN. Mr. President, I accept the amendment. I must admit that when I used the phrase "most ill-favored nation" I was thinking of all foreign nations and not of the United States. If we take into consideration the United States as well as its vis-à-vis in the treaty, as well as all the beneficiaries of this measure, then, of course, the United States is the most ill-favored nation of all, because she trades her markets for nothing to all the rest of the world save Cuba or Colombia, as the treaty nation may be.

Mr. LONG. Mr. President, will the Senator yield further?

Mr. AUSTIN. I yield to the Senator from Louisiana.

Mr. LONG. I believe some people have decided that suicide is the way out of all trouble. It seems that the United States has decided that suicide is the way out of its troubles. [Laughter.]

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield to the Senator from Michigan.

Mr. VANDENBERG. Under the interpretation of the Senator from Vermont, using the Colombian Treaty as an example, we would then find ourselves in this situation, as I understand:

Colombia is a minor producer of coffee in export to this market. Brazil is a major producer of coffee, sending us something in excess of $100,000,000 worth of coffee a year. Having traded off our coffee market, then, to Colombia, the minor exporter into our market, we would virtually be cut off from hoping to negotiate any subsequent bargain with Brazil in respect to her enormous export of coffee into our market, because already she would have received her benefits under the Colombian Treaty.

Mr. AUSTIN. That is perfectly true, for a limited period. Our hands would be tied behind our backs for 3 years and 6 months at least. We could not change our situation, however urgent the necessity for it might be. I say "necessity" because we have all come to regard hard times as creating a necessity for desperate action here. However desperate the situation might be, we could not change it for at least 3 years and 6 months.

Mr. President, is it not clear that this question of policy is one of the gravest import to this country, and is a question of legislation? It is clear to me that that is true. I assert that the determination of this policy is a legislative question, and that we see it most clearly when we observe the differences between the two treatments and the two policies.

Under the conditional treaty—I am speaking in the past, Senators will understand—we gave favorable treatment, not once and for all and without qualification, but only to such an extent as we deemed a fair equivalent for what was conceded by the other party to the bargain—the other country. Under the unconditional treaty, however, we agreed completely and unqualifiedly to apply to the imports of the contracting country rates as low as are applied to those of any other country whatever.

These two different treatments have at different times prevailed in the United States. The present firmly established principle of tariff policy is uniform and equal treatment of all nations without preferences, concessions, or discriminations, save only as to Cuba.

The proposed act does not adhere to that treatment. It discriminates against the country which pays a consideration for our concession, and, as has been brought out by the Senator from Oregon, it creates a discrimination of greater severity against the United States of America.

To test the question of whether this is legislation or not in which we are handing over power to a coordinate and separate department of the Government which the people prohibited from legislating, I suggest that if the purpose of the proposed act is to make separate agreements for reciprocal reductions of duty, it is an exclusive province of Congress to determine that policy, and Congress cannot delegate it to the President.

If the purpose is to make agreements with all nations for a general raising or lowering of rates reciprocally, it is the province of Congress to determine that policy, and Congress cannot delegate it to the President.

We have most-favored-nation treaties or Executive agreements with 48 nations. We do not intend to abrogate, denounce, and cancel those treaties and agreements.

Nevertheless, if this amendment should be adopted, and the President should make a treaty with Germany, for instance, for the reduction by Germany of her duty on an article from the United States, in consideration for a reduction of duty by the United States on an article from Germany, every other foreign country would enjoy the benefit of the American reduction without paying anything for it. Germany is one of the countries with which we have a most-favored-nation treaty, which is unconditional. Do not Senators see that her status would be reversed by that act of the President of the United States, and she would be enjoying the treatment of the least favored nation on earth as to the article affected, and our treaty obligations would be violated and broken?

To me such a test is absolutely clear in its effect. It seems to me that that test alone is sufficient to show that we are dealing here with a legislative act, the making of the policy, the making of the law itself, and that we are asked to turn over to the President of the United States the power to say whether the United States shall actually denounce this general policy which she has held since 1922, of unconditional most-favored-nation treaties, and their effect and treatment thereunder, denounce them indirectly by implication through the powers given by the proposed act. That can be nothing less than a legislative determination turned over to the President of the United States to be evidenced by proclamation.

Mr. FESS. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. FESS. If I fully comprehend what the Senator has brought out as a legitimate conclusion, it is that this delegation of power to the President would enable him to exercise a function which would entirely nullify the existing treatment of nations under the most-favored-nation clause of the tariff law.

Mr. AUSTIN. I claim that that conclusion is irresistible. We have obligations today which are solemn and binding and effective with 48 nations under most-favored-nation treaties. They cannot be denounced by the President alone. It requires a legislative act to denounce them, and certain notice must be given as provided in the treaties.

Mr. FESS. In other words, by act of Congress we are asked to delegate to the President authority not only to undo what has been done under the direction of Congress, but to violate our relationship toward other nations in a discriminatory manner that will create ill feeling.

Mr. AUSTIN. Mr. President, there is no other conclusion possible. If the President should exercise the power vested in him by the proposed act, he would have to denounce our most-favored-nation treaties, if he dealt with any one of those nations which are vis-a-vis to us.

Mr. FESS. The Senator is rendering a real service, because that feature of the proposal had not previously come to my attention.

Mr. AUSTIN. Mr. President, I call attention to the fact that in the situation, which I have used as an illustration,

Germany would pay us for what we forbore to her or granted to her. Is not that clear? Germany would pay us a consideration for it. All the rest of the world would obtain it for nothing, because under the proposed act it would be free to all other foreign countries.

The illustration may be extended and multiplied by as many articles as may be involved in trade and by as many countries as now enjoy the most-favored-nation treatment from the United States.

The vastness of the effect is enough to cause Congress to pause before it turns over that extraordinary power of denouncing and canceling our obligations to the great treaty powers of the earth without any legislative performance in the denunciation.

The PRESIDING OFFICER. If the able Senator from Vermont and the able Senator from Ohio will permit the Chair to make so bold as to ask a question for information, do not the Senators understand that the words "favored nation" and "favored-nation clause" are intended to relate only to individual subjects of the countries in the matter of enjoyment of their liberties and in no wise bear any relation whatever to commerce or trade?

Mr. AUSTIN. Mr. President, I understand, on the contrary, that in 1922, under the leadership of Mr. Hughes, now Chief Justice, then Secretary of State, we entered upon an entirely new foreign policy. We then adopted a policy which has been continued and is in effect today a firmly established policy of agreeing in all these unconditional most-favored-nation treaties as follows—I read in order not to make an interpretation of my own, but I wish to follow the terms of a typical most-favored-nation-treaty clause:

> The contracting parties, desiring to live in peace and harmony with all the other nations of the earth, by means of a policy frank and equally friendly with all, engage mutually not to grant any particular favor to other nations in respect to commerce and navigation which shall not immediately become common to the other party, who shall enjoy the same freely if the concession was freely made, or on allowing the same compensation if the concession was conditional.

I believe, sir, that that proves conclusively that this policy or attitude of the nation relates to the attitude of foreign nations, and comprehends commerce and navigation between two countries, and does not generally refer to the acts of individuals, although I well recall certain engagements with a nation of the Orient which I myself had the honor to negotiate for certain American concerns; and I believe it is claimed by other oriental countries that their nationals are entitled to privileges equally as favorable as those granted to American nationals by those oriental governments. That is a special application of the most-favored-nation or the conditional most-favored-nation treatment. I am dealing, however, with treaties between nations, and not with contracts between individuals and nations. Does that answer the question of the Presiding Officer?

The PRESIDING OFFICER. The present occupant of the chair thanks the Senator for his consideration.

Mr. FESS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Ohio?

Mr. AUSTIN. I yield.

Mr. FESS. The Senator has given the interpretation I had in mind. While all these treaties or trade agreements affect individuals or corporations, the delegation of authority and the agreement carried out under that delegation, of course, are diplomatic actions. The dealings are between government and government. What the Senator is talking about is the authority that will be granted by one government to another in the case of individual transactions; and, therefore, while individual items are dealt with, the real authority is diplomatic.

Mr. AUSTIN. Mr. President, I thank the Senator from Ohio for his learned and very clear statement.

Is it not clear that the determination of such a question as is presented by that particular aspect of the bill would be a legislative act? Is it not obvious that what the bill permits is something contrary to the established national policy? I refer to denunciations of treaties. Such a change of policy should not be made by implication, and should not be left to the determination of the Chief Executive in any event. Why? Because when the sovereign people charged the legislature with the duty of performing legislative functions, they prohibited, by virtue of their Federal system of government, the exercise of those powers by any other coordinate and independent department of government.

These observations could well be applied to the second ground of observation; namely, that the policy of the bill is unsound. I use them, however, as bearing upon the first proposition, that the power proposed to be granted to the President is forbidden by the people in the Constitution.

Assuming, however, that we crash through the barrier erected by the people in article I, section 1 of the Constitution, that—

> All legislative powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives—

Do we not then find ourselves on forbidden ground, namely, article I, section 8, clause 1:

> The Congress shall have power to lay and collect taxes, duties, imposts, and excises, * * *

And article I, section 8, clause 3:

> The Congress shall have power * * * To regulate commerce with foreign nations, * * *.

In dealing with this question I try to express the attitude of the State of Vermont: Whatever authority we have to delegate to the President can rise to no higher degree than the powers expressly delegated by the people acting by States.

When the Federal Congress appears to be exceeding the powers expressly granted to it, when the Congress is considering the passage of a bill that threatens the liberties of the people, then the several States necessarily become the defenders of the Constitution.

The great reservoir of sovereignty rests with the people in the several States.

Vermont was never one of the original colonies. At the declaration of American independence Vermont was an independent State by revolution. For 13 years preceding the American Declaration of Independence, Vermonters conducted a revolution based upon their constitutional rights as Englishmen. They were conscious of the contest between King and Parliament which had prevailed from the Middle Ages to their own day and which had resulted in the Bill of Rights. They were keenly aware that the prerogatives of the King were limited by three constitutional principles so ancient that none could say when they began to exist:

First, the King could not legislate without the consent of Parliament.

Second, he could impose no tax without the consent of Parliament.

Third, he was bound to conduct the executive administration according to the laws of the land.

Vermonters knew these things, and Vermonters had to resort to these things in order to save their homes and their firesides.

Vermonters carved a State out of the royal Province of New Hampshire for the necessity of protecting their contracts, their property, and their business from arbitrary change.

As held by the master in the Boundary case between the State of Vermont and the State of New Hampshire:

> * * * The evidence shows that Vermont was an independent State by revolution. * * *. (Report, p. 99.)

And again:

> Congress recognized that Vermont claimed to be, and exercised the powers of an independent State * * *. (Report, p. 148.)

In the case of *Rhode Island* v. *Massachusetts* (9 Law Edition, 1260) the Supreme Court held:

> New Hampshire and New York contended for the territory which is now Vermont until the people of the latter assumed by their own power the possession of a State and settled the controversy by taking to themselves the disputed territory as a rightful sovereign thereof.

All of the sovereignty which had been represented by the Crown and Parliament devolved upon the several States, and not upon the United States, by the revolution.

This principle has been upheld by the Supreme Court many times.

In *Pawlet* v. *Clark et al.* (13 U.S. 289) it was held:

By the revolution the State of Vermont succeeded to all the rights of the Crown as to the unappropriated as well as appropriated glebes.

In the *Dartmouth College case* (4 Wheat. 651) it was held:

By the revolution the duties as well as the powers of government devolved on the people of New Hampshire. It is admitted that among the latter was comprehended the transcendent power of Parliament, as well as that of the executive department.

In *Mormon Church* v. *United States* (136 U.S. 57) Mr. Chief Justice Marshall quoted the foregoing from the Dartmouth College case.

In *McGill* v. *Brown* (Brightly, 346, 373) it was held:

The revolution devolved on the State all the transcendent power of Parliament and the prerogative of the Crown and gave their acts the same force and effect.

Mr. President, it gives me some comfort to record here that Vermonters are faithful to their President. After an election they freely, enthusiastically, and loyally support him, whether he be a Republican or a Democrat.

Notwthstanding their doubts about the new deal, Vermonters have tried to cooperate with the President in his earnest and sincere efforts for relief and recovery. Whenever men in important positions of trust and high office have committed acts that embarrassed the President they have regretted it.

Vermonters still desire to support the President so far as it can be done without violating the Constitution. Constitutional liberty and the free institutions necessary to maintain it cost Vermonters so much, and are regarded as so necessary, that an unconstitutional act proposed to be passed by Congress is opposed by them, notwithstanding their desire to support the President.

In discussing this bill there is no intention on my part to question the relative ability of one President as against that of another to exercise the powers proposed to be granted.

By bitter and costly experience, Vermonters have learned that the Federal system of distinct separation of National and State government, reserving to the State the police power over local affairs, and of a division of Federal authority and responsibility into three independent coordinated departments, is absolutely necessary to preserve the blessings of liberty and to keep government free.

I have not the time to go, nor would I try the patience of the Senate by undertaking to go, into that dramatic, that tragic experience of Vermont which led to her independence and to her position as a sovereign State, and to her becoming one of the contracting parties to the great compact known as the Constitution; but I do graphically point out that after 13 years of revolution, Vermonters encountered and overcame the bitter hostility of Congress—a feeble, almost an effete Congress—which endured for 14 years thereafter, and was expressed by an attempt on the part of Congress to exercise police powers in Vermont that nearly culminated in a war between the Green Mountain State and the United States. Remember, Vermont was not then a Colony or a State of the Union; she was an independent republic.

For 14 years longer, after Vermont's declaration of independence, after the Declaration of Independence of the United States, Vermont conducted an independent republic, founded upon a written constitution, backed by her own army. She had contributed to the common cause of liberty during the American Revolution an effective defense of the northern frontier, closing that great gateway into the Colonies by way of the St. Lawrence River and Lake Champlain. She had maintained her military forces without assistance from others, and had contributed food, hardware, and a regiment to the Continental troops.

Notwithstanding all this, her independence was denied by Congress; her right to join the Union was refused; and she was obliged to, and did, coin her own money, establish her own tariffs, conduct international negotiations, maintain her autonomy, and preserve her State sovereignty against great hazards and at much grievous sacrifice.

Do you wonder, Mr. President, after 27 years of fighting for liberty and constitutional government, that Vermonters resist every attack, not occasionally resist attacks, but resist every attack upon the Constitution of the United States and upon the Federal system of government? Vermonters having fought for 27 years to maintain State sovereignty resist every attempt by Federal power to rob the State of her sovereignty, in an irregular manner and without her consent. Vermonters feel that prosperity purchased at the cost of liberty would not be durable and is not desirable.

The proposed bill strikes at the fundamental law created in part by Vermonters when they ratified the Constitution on January 10, 1791.

On the 4th day of March 1791 Vermont was admitted into the Union as a "new and entire member of the United States of America" (Finding, p. 405). Not being carved out of any other States but as an independent republic, in all her dignity, in all power, and, I will add, in all her glory, she came into the Union under the terms of the Constitution, and when any men or any group or organization attack that relationship, Vermont comes to its defense.

She was the first State to come into the Union after the Original Thirteen States and from that time to this she has frequently recurred to fundamental principles, firmly adhered to the Bill of Rights, and as valiantly supported, as she is now supporting, the Constitution of the United States.

The pending bill contains great cause for fear. It concentrates in the Executive the power to make the law governing our relations, commercially, with our international neighbors, and it concentrates in the Executive the power to create duties, imposts, excises, and to promulgate restrictions, to decide treatment, to fix limitations, to set up prohibitions, to write the very phrases which shall define the classification of articles for import duties, to create the form of such duties. In fact, there is not one single characteristic of legislation relating to international commerce that is not centralized by this proposed bill in the Chief Executive.

Mr. LONG. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield to the Senator from Louisiana.

Mr. LONG. Mr. President, the Senator is known as quite a constitutional scholar. I read in the remarks of some of my Democratic associates when this question was before the Senate the last time, logic to this effect, if taxing power of this character could, without any rule, be lodged in the Executive, there was no reason why the power could not be lodged in him to levy income taxes. Would the Senator feel, if the pending bill provided a valid grant to the President, that we could not authorize him to levy income taxes?

Mr. AUSTIN. Mr. President, I cannot follow anybody far enough to recognize that the powers attempted to be granted by this bill are constitutional; and certainly I could not follow the Senator from Louisiana in the suggestion, which I know he does not believe, that we could delegate the power of levying income taxes to the President.

Mr. LONG. I agree with the Senator; I am firmly of the opinion, as he is, that such a grant of power should not seriously be considered to be constitutional, but if this character of legislation is constitutional, which I do not for a moment admit, I see no reason why the President could not be empowered to levy domestic taxes, including income taxes; and if this international treaty power is valid, I can see no reason why we could not add another phrase to this bill authorizing the President to declare war and appropriate money.

I think when we give him the power over international treaties, the power over international agreements, power to make them and power to break them, that we could go one step further and have him be the judge as to when an act of war had been committed and when the national defense should be used for that purpose.

Mr. AUSTIN. The remarks of the Senator from Louisiana bring out in great relief the significance of this dangerous step which we are taking. They bring out the hard

way of the transgressor of the Constitution. We know not when we reach the end of that road, if once we start upon it; we may put the power of the purse in the hands of the Chief Executive now, and later put the power of the sword in his hands—and then where are we? We must foresee, if we are rational legislators, the possibilities. We must examine a proposed law, not solely with reference to its probabilities, but it is our duty, as defenders of the Constitution, under our oath and representing our people, the sovereigns who vested in us this duty, to test this bill and every other proposed act with reference to the possibility of abuse of the liberty of the people.

The bill permits the President to enforce a change of his mind, however suddenly made, by terminating treaties upon due notice, thus exposing our industrial workers, our dairymen, and other agriculturists of this country to the uncertainty and instability of one man's opinion.

The attempted delegation of the taxing power and the power to regulate commerce contained in the pending bill would tend to break up the Federal structure, and therefore menace our liberties.

Now, Mr. President, I wish to discuss the subject of the treaty-making power which is contained in this bill.

The feature of the proposed bill which empowers the President "to enter into foreign-trade agreements" without the approval of the Senate is in direct conflict with clause 2, section 2 of Article II of the Constitution, reading:

> He shall have power, by and with the advice and consent of the Senate, to make treaties, provided two-thirds of the Senators present concur; * * *

The use of the terminology "trade agreements" does not take the case out of the connotation of treaties.

In *Foster* v. *Neilson* (2 Peters, 253) the court held that a treaty is, in its nature, a contract, not a legislative act. It is equivalent to an act of the legislature whenever it operates without the aid of any legislative provision. There is a dictum that applies to this situation exactly. It becomes a legislative act whenever it operates without the aid of the Senate.

In *Geofroy* v. *Riggs* (133 U.S. 267) it is held that the treaty power of the United States extends to all proper subjects of negotiations between this Government and those of other nations.

It seems clear that foreign-trade agreements which include in their scope the rate, form of import duties, classification of articles, limitations, prohibitions, charges, and exactions other than duties imposed on importations, or imposed for the regulation of imports, constitute treaties.

Let us see how our forefathers, generation after generation, have looked upon such agreements, because practical construction by intelligent men who have dealt with these questions is the very best evidence of what they mean. The practical construction placed upon such agreements throughout our history has been in accordance with that idea.

There is internal evidence in the bill that the subject matter is treaties; namely, the provision extending the effect of the so-called "trade agreements." The measure provides, on page 3, line 3:

> The proclaimed duties and other import restrictions shall apply to articles the growth, produce, or manufacture of all foreign countries.

Is that a characteristic of a contract or of a trade agreement? Not at all. It is a characteristic of treaties. It is not a characteristic of simple contracts or agreements. The very language of the proposed act fits the orthodox definition of a treaty. Webster gives us one definition:

> An agreement made by negotiation or diplomacy; specifically, an agreement, league, or contract made between two or more states or sovereigns and solemnly ratified.

The practical construction of agreements relating to tariff throughout our history has been that they were treaties. The entire reciprocity record is uniform in such practical construction.

Agreements, though negotiated, which were not effective because they were not ratified, occurred as follows:

1854, with Germany. That was consummated between the contracting parties; and if it could have been in fact a trade agreement and not a treaty, it would have bound the country; but it never became effective. Why not? Because they put upon it the practical construction that it was a treaty, and because it was not ratified it never went into effect.

1883, with Mexico; 1884, with the Dominican Republic, both of which involved the same situation; 1898, the "Argol agreements" with France, Portugal, Germany, Italy, Switzerland, Spain, Bulgaria, United Kingdom, and the Netherlands. There was a great group of obligations which would have been binding upon the United States and her vis-à-vis if they could have been construed as trade agreements and not treaties. But were they? Ah, no! They were completely negotiated between the contracting parties, but they failed because they died in legislation. The Senate of the United States failed to ratify them. No better proof could be had that they were construed as treaties than the fact that they had no effect because they were not ratified.

Mr. HATFIELD. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. LONERGAN in the chair). Does the Senator from Vermont yield to the Senator from West Virginia?

Mr. AUSTIN. I yield.

Mr. HATFIELD. Does the Senator have the data showing why they failed?

Mr. AUSTIN. Not in that particular case. I know the story of how these treaties perished in the Committee on Foreign Relations of the United States Senate and never came out of that committee, but I do not know the reason why the Senate took no further action on them.

Mr. HATFIELD. Does the Senator take the position that the bill is unconstitutional?

Mr. AUSTIN. That is what I have been spending considerable time discussing, and I have not quite finished.

Mr. HATFIELD. I apologize. I was necessarily absent and did not hear the Senator's entire remarks.

Mr. AUSTIN. I am now making the point that it is unconstitutional because it violates the treaty-making power which is granted to the President only when and if the agreements are consented to and ratified by the Senate. That is the point of my discussion. I am pointing out that the words "trade agreement" are a mere device, that they really mean a treaty, and that they require just as much solemnity to give them effect as if the word "treaty" had been used instead of the words "trade agreement."

I am now pointing out that a great number of reciprocal trade treaties never went into effect for the sole reason that they were not ratified by the United States Senate, or by the parliaments of visa-à-vis countries, thus showing that, in practical construction as to how these reciprocity arrangements were treated, they were treaties requiring ratification and not trade agreements, although the subject matter was exactly and identically the same as the subject matter of the proposed act.

Mr. HATFIELD. As I understand, from a lay point of view, should the bill be enacted into law, as I presume it will be, giving the President the power to negotiate treaties or trade agreements, and should a succeeding Congress decide that it did not want the Chief Executive longer to have that power and the Chief Executive decided that he wished to keep the power, it would take a two-thirds vote of the Senate to pass any measure that had for its purpose the taking away of that authority from the President. Is that true?

Mr. AUSTIN. I do not understand that to be the case. I understand that should this bill be passed and should the President act under it and make any of the agreements, and they were held to be or were regarded in practical effect as valid without ratification by the Senate, then our hand would be palsied for at least 3 years and 6 months.

Mr. President, I now point to cases where ratification did occur, thus furnishing the highest type of proof that the practical construction placed upon these relationships is not that they are trade agreements but that they are treaties.

The following tariff-reciprocity agreements were ratified by the Senate:

1854, Great Britain for Canada.

1890, Great Britain for Newfoundland.

1903, Cuba.

This is proof, with no equivocation and no chance to construe it any differently, of their regard as treaties.

A list of many other treaties not specifically providing for reciprocal tariff but, nevertheless, affecting it by virtue of the most-favored-nation treatment clause is given in a table which I ask unanimous consent to have inserted in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit A.)

Mr. AUSTIN. These indicate the unvarying practice to ratify them as treaties.

Zy whatever name the relationship that would be created under the pending bill may be called, the character of it, and the effect of it upon the life of our people, is such that it amounts to a treaty relationship. It could upset every rate, every classification, every form of duty, and every tariff treatment comprehended in the Tariff Act of 1930. It could injuriously affect every citizen of the United States.

It is of sufficient gravity in effect to require obedience to the command of the Constitution that it be ratified by the Senate.

In conclusion of the first point:

Our forefathers adopted the Constitution of the United States in part as a reaction against economic chaos caused by the impotency of the Continental Congress under the Articles of Confederation, and because there was no satisfactory distribution of powers therein.

The Continental Congress was a mere debating society, a thing toward which we are trending when we delegate our duty and authority to the Chief Executive. That Congress was a mere convention of ambassadors from the several States, a thing toward which we are certainly headed by the type of legislation we have been passing and are now asked to pass. Out of commercial chaos, repudiation of debt, unsupported paper money, and political disorder threatening dissolution emerged the conventions to amend the Articles of Confederation, which resulted in the adoption of the Constitution of the United States, the greatest single achievement for stable government humanity has ever reached.

With such experience to warn us, and in the light of the most remarkable progress in civic, social, and economic development made under and by virtue of that Constitution, can we knowingly and willfully pass a measure so fraught with menace to American institutions and American liberty?

Our forefathers had the general welfare of the people before them in adopting the Constitution. It, with the Bill of Rights, contains the only protection of the people from their Government. If there were but one copy of it extant, it would be cherished and protected above any other possession of the people.

That great Vermonter, Calvin Coolidge, summoned us to the defense of it in the following eloquent words:

> The Constitution is not self-perpetuating. If it is to survive, it will be because it has public support. Such support is not a passive but an active operation. It means making adequate sacrifice to maintain what is of general benefit.
>
> The Constitution of the United States is the final refuge of every right that is enjoyed by any American citizen. So long as it is observed, those rights will be secure. Whenever it falls into disrespect or disrepute, the end of orderly organized government, as we have known it for more than 125 years, will be at hand.
>
> The Constitution represents a government of law. There is only one other form of authority, and that is a government of force. Americans must make their choice between these two. One signifies justice and liberty; the other tyranny and oppression. To live under the American Constitution is the greatest political privilege that was ever accorded to the human race.

Mr. President, in closing the first round of opposition to this measure, as I do, with this eloquent sounding of the trumpets by that great leader of people, I realize that it would make no difference whatever with what authority words such as these were spoken; it would make no difference with what fire they blazed; within these walls they would have no effect. But, thank God, we still live among people who have not lost their character, people who still have courage, who still have a sense of moral obligation, who will hear these words and who will react to these words; and that is why such effort as is made by me here today is made at all within these walls.

2. THE POLICY OF THE PROPOSED ACT IS UNSOUND

I now take the time, even at the discomfort of my colleagues here, to discuss the second reason why I oppose this measure; namely, that the policy of the proposed act is unsound.

The United States has tried out and discarded reciprocity-tariff treaties.

Those treaties were specific as to particular country, and specific as to articles involved on both sides. They were not general. They did not have the effect of a general lowering or raising of American tariffs in exchange or retaliation for a raising or lowering of tariffs elsewhere in the world.

They excited the unfavorable reaction of counterbargaining by other countries against us.

The most notable example of such treaties was the treaty with Canada. We had 11 years' experience with that treaty, beginning with 1855, when the Canadian Parliament ratified it, and ending in 1866.

Vermonters assumed leadership in the abrogation of that treaty, probably because they were at the gateway of the country on the north and most keenly realized the bad effects of the treaty.

In 1864 Representative Justin S. Morrill, of Vermont, offered an amendment to a bill which was designed to appoint a commission to negotiate a new treaty. This amendment was for complete abrogation of the treaty. It was defeated by a vote of 82 to 74. In the Senate, Senator Sumner, of Massachusetts, and Senator Collamer, of Vermont—to whom I have before referred, and to whom I hope to refer again—led the fight for abrogation on the ground of adverse trade balance and the need for more revenue.

In 1865 the Senate passed the Morrill joint resolution for abrogation by vote of 33 to 8, and President Lincoln gave the required year's notice to abrogate, and thus ended the only significant reciprocity treaty this country ever had.

The grounds for abrogation were the distadvantage to the United States in respect to adverse trade balance and diminution of revenue.

Other illustrations are the treaties in 1891 to 1892 with Brazil, Dominican Republic, Spain for Cuba and Puerto Rico, Salvador, Nicaragua, Honduras, Guatemala, and Austria-Hungary.

These treaties proved to be of disadvantage to the United States and were impossible to execute in view of the Democratic Tariff Act of 1894, which placed a duty on raw sugar.

Sugar, under those treaties, was one of the articles agreed by the United States to be admitted free of duty. Therefore those treaties were in effect abrogated by the Tariff Act of 1894. They lasted only 2 years, and they were formally abrogated in the same year, 1894.

After an experience of approximately 100 years with reciprocity treaties, the only reciprocity treaty which survives today is the treaty with Cuba.

Our experience has taught us to know that the competition between countries commercially is very keen, and that bargains in which mutual concessions are made between specific countries and us are a species of economic alliance. They provoke competing alliances among other groups in self-defense.

Mr. FESS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Ohio?

Mr. AUSTIN. I yield to the Senator from Ohio.

Mr. FESS. The Senator will remind the country that while in the abrogation of the treaty in 1894 the leadership in the House and Senate was Republican, the measure was signed by a distinguished Democratic President, Grover Cleveland.

Mr. AUSTIN. I thank the Senator from Ohio for his remarks; and I desire to say—I intended to say it before—that I think one of the best evidences of the civic virtue of our people is their ability to accept the verdict of the polls, and to get behind their President and to help him so long as he stays within the Constitution. I am reminded that my own people loved Grover Cleveland. They supported him 100 percent; and when he died, the Republican chairman of the State convention which was held the day following the death of Grover Cleveland opened his keynote speech with a eulogy of that great Democrat, and received a perfect ovation from a crowd that filled the great hall to overflowing.

Mr. LONG. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Louisiana?

Mr. AUSTIN. I yield to the Senator from Louisiana.

Mr. LONG. The Senator from Vermont has made a very significant statement, that the people will accept the verdict at the polls. Has the Senator heard it denied yet that the verdict at the polls was a verdict of approval of the Democratic platform promising not to do the very thing we are now doing here?

Mr. AUSTIN. Mr. President, I think that is a justified comment. I have often thought that the program we have been following was not the Democratic program.

Mr. LEWIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Illinois?

Mr. AUSTIN. I do.

Mr. LEWIS. May I be pardoned if I interpolate at this moment that the eminent leader of the Republican side, the distinguished Senator from Louisiana [Mr. LONG] [laughter], has on several occasions disclosed his capacity to interpolate such appropriate observations as he has just made. What pleases me is to find the able constitutional lawyer from Vermont and the equally eminent constitutional advocate from Louisiana in complete harmony. [Laughter.]

Mr. LONG. Mr. President, if the Senator will pardon me a moment——

Mr. AUSTIN. I yield.

Mr. LONG. I helped write a platform for the Senator from Illinois. He had to stay in the Senate and mind our mutual business. I went over to Chicago to help write a platform; and we wrote a platform there declaring that we would not do what is proposed here, but that we would repeal what already had been done along this line. That was so in keeping with the ideas of my friend from Illinois that when I returned here he assisted me in many of my little party contests and in maintaining my dignity as a Senator in this body.

Mr. President, I have not yet heard from the Senator from Illinois; I do not know whether he still is in the Democratic Party or not; but assuming that he is, knowing that he understands the meaning of words, I can assure the Senator that he and I are both going to stand together in initiating the quondam Republicans into the Democratic Party. It is not often that a party is deserted en bloc. Down in the South American countries a whole army will be fighting on one side, and the first thing you know they will take the whole army and put them on the other side of the fence. Manifestly nobody knows just where the Democratic Party in the Senate has gone, but it has deserted the Democratic platform, it has deserted the promises of President Roosevelt, and if there is a Member on the Democratic side of the Chamber who will say that this bill is not a violation of the Democratic platform and of the promises of Roosevelt, I have not yet heard it said. It is a conspiracy of silence. It is the march of suicide. I do not recall the exact wording of that famous suicide verse, but it was somewhat as follows: "Come, Romeo, hold my hand, and I will reach as far as I can."

[Laughter.]

Mr. LEWIS. Mr. President, if I may be pardoned, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Illinois?

Mr. AUSTIN. I am very glad to yield.

Mr. LEWIS. It is true I was in the convention, and then had to leave it to return to duties here, but I left it in the hands of such flaming lights as the honorable Senator from Louisiana, whose trail of glory is still to be seen when one reflects upon the Democratic convention.

I answer him, that for myself, he may have no doubt I stay with the Democratic Party, because it is right and righteous. I remain with the Democratic Party because it is attempting to guide itself along the righteous path, and if it shall fall to me to undertake the task of bringing back any deserter, if there be such from the Democratic Party, into the Democratic Party, I would turn to the eminent Senator from Louisiana, with the desire of bringing him back to the faith of his fathers, and would welcome him as a brother under those conditions.

In the meantime, sitting, as he does, upon the side of the honorable opponents, he lends them the benefit of his guiding spirit, and I have no doubt they are much gratified in having a leadership so eminent and potent as that of the distinguished Senator from Louisiana. [Laughter.]

Mr. LONG. Mr. President, the Senator from Vermont has been very generous, but I should like to have him yield to me just to say one word in defense of the Democratic Party.

Mr. AUSTIN. I gladly yield to the Senator from Louisiana. I hope, however, that the gentlemen on the other side of the aisle have decided who has the opening and close of this delightful interlude.

Mr. LONG. As is well known, the Democratic Party in the last campaign stood on the assurance that it was telling the truth that time; in other words, we declared in the campaign document which we wrote in Chicago—and I assume the declaration would have been written in it had my friend remained in Chicago; in fact, I think it probably would have been couched in a little bit stronger language—that the party stood on its record for telling the truth, and that the party said to the people, "We want you to know what we are going to do now. We are going to repeal this power to break a tariff which has been lodged in the hands of the President." That is what the party said in effect, in almost those words.

If they had no idea as to what they were doing, all they had to do was to turn to the votes cast by myself and by the Senator from Mississippi and by the Senator from Illinois, who had voted just a few days before that to annul the flexible provision of the tariff law.

I say to my friend from Illinois, if he is to bring me back into the party, assuming I am out—so far as some things are concerned, I may be out—if we are to bring anyone back into the party, what are we to bring them back to?

Mr. AUSTIN. Mr. President, I am sorry to interrupt the Senator from Louisiana, and though I should like to help the Democratic Party to the full, I must go on with this speech in the interest of arriving at a vote.

Mr. LONG. I thank the Senator from Vermont.

Mr. AUSTIN. I was undertaking to point out that the history of a hundred years of experience with reciprocity agreements was replete with evidence of such agreements provoking other national groups to make like agreements that were opposed in interest to this country, and, therefore, we should not step out, in the light of such experience, and revert to an ancient policy and an ancient practice which always did us harm, and which we finally repudiated and turned away from entirely in 1922.

I have already pointed out, in discussing the unconstitutionality of the bill, that the policy of the bill is unsound, for the reason that it confuses our commercial relations under the most-favored-nation treatment policy which we have followed since 1922. In 1922, under the leadership of Mr. Justice Hughes, then Secretary of State, we assumed the attitude of unconditional most-favored-nation treatment, which is our present policy.

The confusing effect of a program of tariff bargaining is indicated in two tabulations, and an explanatory statement published in the monthly bulletin of the American Tariff League of May 1934, which I ask unanimous consent to have inserted in the RECORD following my remarks.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

(See exhibit B.)

Mr. AUSTIN. Mr. President, these tables show the extent to which concessions granted to principal European countries would be passed on to most-favored nations without any quid pro quo. They are evidence which show the unsoundness of the policy of this measure.

DEFENSE FROM DISCRIMINATION WITHDRAWN

I now come to something else. To me this is the most amazing unsoundness in the bill, and I have not heard it adverted to, perhaps because I have not been able to be in the Senate all the time and to hear all of the discussion. I refer to the subject of the withdrawal of defense from discrimination. Having adopted that great, altruistic policy of unconditional most-favored-nation treatment to all the nations of the earth, we have to have some defense against discrimination by foreign nations.

A serious injury which the proposed bill would do to the well-rounded-out and perfected tariff law of the United States would be the repeal by the proposed bill of all of those provisions in the tariff system in advance of negotiations for substitutes. With these provisions taken out of the 1930 law the United States will be entirely disarmed, and labor and capital of this country will be without any defense whatever from foreign discrimination.

These provisions in the law were put there because from experience we found that they were necessary in view of the special bargaining policies of Spain and France, and the intraimperial preference policy of Great Britain.

Our attitude of equal rates for all and special privileges for none must have some sort of sanction behind it. This was the sanction; that is to say, the power behind the most-favored-nation policy of this Government.

Mr. President, these provisos which I call to the Senate's attention will be expressly, wholly, completely repealed, whenever we pass the pending bill and it becomes a law.

Paragraph 369 (a) of the Tariff Act of 1930 covers automobile trucks, automobile-truck and motor-bus chassis, automobile-truck bodies, motor busses designed for carriage of more than 10 persons, and so forth. It is quite an item. We have this in the law as it exists today as the only defense, with other provisions, against discriminatory practices and treatment by foreign nations:

(d) If any country, dependency, province, or other subdivision of government imposes a duty on any article specified in this paragraph, when imported from the United States, in excess of the duty herein provided, there shall be imposed upon such article, when imported either directly or indirectly from such country, dependency, province, or other subdivision of government, a duty equal to that imposed by such country, dependency, province, or other subdivision of government on such article imported from the United States, but in no case shall such duty exceed 50 percent ad valorem.

Again, the bill proposes to repeal, right now, the proviso to paragraph 371, which relates to bicycles and parts thereof, not including tires, and it provides the same kind of a defense duty.

Then we turn to paragraph 401, and we discover there something that is very important to the people of Vermont:

Timber hewn, sided, or squared, otherwise than by sawing, and round timber used for spars or in building wharves; sawed lumber and timber not specially provided for; all the foregoing if of fir, spruce, pine, hemlock, or larch—

And so forth.

Here is a concession that is repealed:

Provided, That there shall be exempted from such duty boards, planks, and deals of fir, spruce, pine, hemlock, or larch, in the rough or not further manufactured than planed or dressed on one side, when imported from a country contiguous to the continental United States, which country admits free of duty similar lumber imported from the United States.

That proviso would be repealed by the passage of this bill. Now, let us find another. This is a part of a proviso to paragraph 1402:

If any country, dependency—

And so on, charges a duty in excess of the duty therein provided, then a duty corresponding or equal thereto shall be charged by the United States. What does this apply to?

Paper board, wall board, and pulpboard, including cardboard, and leather board or compress leather, not plate finished, supercalendered or friction calendered, laminated by means of an adhesive substance, coated, surface stained or dyed, lined or vat-lined, embossed, printed, decorated, or ornamented in any manner, nor cut into shapes for boxes or other articles and not specially provided for—

But that is not all. We are building up here quite a volume of articles, are we not, from which the defense is removed?

The next one is paragraph 1650.

Coal, anthracite, semianthracite, bituminous, semibituminous, culm, slack, and shale, coke; compositions used for fuel in which coal or coal dust is the component material of chief value, whether in briquets or other form.

What do we do to this? We take away the defense provision of the section which provides—

That if any country, dependency, province, or other subdivision of government imposes a duty on any article specified in this paragraph, when imported from the United States, an equal duty shall be imposed upon such article coming into the United States from such country, dependency, province, or other subdivision of government.

We are going to wipe that out, however.

Then turn over to paragraph 1687, and what have we there?

Gunpowder, sporting powder, and all other explosive substances, not specially provided for, and not wholly or in chief value of cellulose esters.

And the proviso which affords our Government the power to defend itself against discrimination in respect to those articles is to be wiped right out.

Then we turn over to the next one. Here is one which affects the State of Vermont very closely; namely, paragraph 1803.

Wood:
(1) Timber, hewn, sided or squared, otherwise than by sawing, and round timber used for spars or in building wharves; sawed lumber and timber, not further manufactured than planed, and tongued and grooved; all the foregoing not specially provided for.

There the defense provision of the statute is provided expressly to be repealed entirely, completely, without any condition attached to it.

What does that mean? These provisions are for defense by the United States against unfair practices and discriminatory duties by other countries.

The bill takes to pieces the Tariff Act of 1930. The assumption seems to be that the United States would be successful in negotiating treaties containing mutual concessions and bargained rates upon every article to which I have referred, and with every country that exports articles to which I have referred in these sections. This is a large order.

Will Rogers has said:

The United States never lost a war and never won a conference.

One does not have to be as pessimistic as this statement suggests to realize the danger of removing these defense duties from our tariff system in advance of negotiations for substitutes. With these provisions taken out of the 1930 law, the United States will be entirely disarmed and labor and capital of this country will be without any further defense whatever from foreign discrimination.

Like children, we tell our President to go to the world with a negotiation which was difficult enough, assuming that we had these defense duties in our law and had some sanction behind him; but we took it all away. We removed the only real strategic power that he has to use in negotiation.

These provisions in the law were put there because from experience we found that they were necessary in view of the

special bargaining policies of Spain and France, and the intraimperial preference policy of Great Britain. Our attitude of equal rates for all and special privileges for none must have some sort of sanction behind it. This was the sanction. There is no other.

Taking to pieces the Tariff Act of 1930 in this manner seems like a child taking his toy to pieces in the belief that he is mending it.

If our tariff bargaining should be conducted in the same manner in which Congress would be acting in this respect, the business of the United States would be ruined by this feature of the bill. Congress would remove in advance the most effective asset that the President might have for trade. If we must give the President the power to make rates, let us not cripple him in advance by repealing these sanctions.

If these defense duties should become unnecessary as a consequence of treaties made, then, and not until then, ought they to be repealed.

Apparently, the President will be forced to make treaties regardless of their effect after we have repealed these defense duties.

Is that not a smart position for us to put the negotiator of this country into? Any man who has had any experience at all in negotiating with foreign nationals and with foreign countries knows that he must have behind him all the power and sanction that he can possibly gain and keep, for they are not children in diplomacy and intrigue and all the devices and arts of arriving at an advantageous result in a conversation across the international table.

The bill is entirely unsound in this regard. That part of it should be struck out if the bill is to be passed.

Mr. President, I now proceed to a discussion of another point which, of course, bears upon my second proposition, that the bill is unsound, and that is that the bill is opposed to protection as a theory of tariff making. The proposed act is opposed to the American plan of protection. It will be noticed that I say "the American plan of protection." I suppose that if I took the political attitude alone, and laid the proper stress upon the political side of this question, I would say "the Republican plan", but I have always found in a lifetime of contest in my profession that the strongest position that can be taken in a contest in any forum is that one which is as near the truth as it can be arrived at, and I think the history of tariff making shows that the protective plan is an American plan. In States that have been Democratic, always protection for the products of such States which need protection is chosen as their pet plan. So I choose to discuss the question of the unsoundness of this measure on the basis that it is in conflict not with the Republican plan or the Democratic plan, but that it is in conflict with the American plan of protection.

The theory of the bill is to admit foreign goods and not to exclude them; it is to increase the quantity of foreign goods admitted and not to diminish the quantities thereof. It is to open our markets, which are the finest and greatest markets of the world, to foreign competition. It is to remove protection from labor; it is to introduce the products of foreign labor. All its immediate objectives are claimed in the bill to be for the purpose of promoting outlets in foreign markets for the products of our own labor, but we must pay, therefore, the price of increased competition. That is frankly admitted in the terms of the bill.

No basis of interchange is established by the bill. It invests the President with the power to legislate the basis in every case. He makes the law; he determines what shall be the basis of the exchange. All this is distinctly in opposition to the American doctrine that duties should be fixed with reference to the difference between the standard of living in the United States and that abroad and the difference in wages and other costs of production. This necessary protective basis is utterly ignored by the bill. The welfare of the American people is exposed to the hazard of tariffs fixed on the European basis or the Asiatic basis. Not a single treaty could ever be made without yielding to that foreign influence.

The well-known difference in our form of government from that of European governments, the historic difference in the attitude of the Government of the United States toward its people from that of rulers and the ruling classes of European governments toward their people, advises us of the unsoundness of the proposed change.

The effect of such an act on the people of Vermont would be so poignant, in view of their accessibility to foreign competition, that I use Vermont for illustration of the practical unsoundness of the measure.

Vermont is an agricultural State in which dairying is the principal activity. Three-fourths of the milk shipped into Boston every morning is produced in the State of Vermont. That great milkshed, the Province of Quebec, is readily accessible to the same market. The tariff is a great rock of protection in whose shadow Vermonters find the only safety they have ever had from competition in this one commodity.

Moreover, Vermont's place in industry is important. The State supplies about 60 percent of the monumental and statuary marble of the country and about 29 percent of the building marble. Vermont is truly the granite center of the world. The employees of this industry are highly paid specialists. Barre, Vt., is said to have the highest average wage scale of any city in the United States. From the Barre quarries alone in 1928 there were shipped 252,232 tons of granite—that is, granite in the rough—and approximately 1,514,000 cubic feet of granite were used in finished memorials.

There are 1,790 manufacturing establishments in Vermont; approximately 32 percent of the people there gain their livelihood from industry.

In the textile industry, the census figures for 1925, which are the latest available, show that in that year $14,327,688 worth of woolen and worsted goods were manufactured, and more than $3,000,000 worth of cotton goods.

A brief address of Gov. Stanley C. Wilson on Vermont's place in industry, broadcast from Station WBZ on November 28, 1931, gives a graphic picture of Vermont's activities. It is these activities that would be directly injured by the enactment of the proposed legislation. I ask, Mr. President, that the address by Governor Wilson may be inserted in the RECORD at the end of my remarks.

The PRESIDING OFFICER. Without objection, permission is granted.

(The address referred to appears at the conclusion of Mr. AUSTIN'S speech.)

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. VANDENBERG. I think the Senator is thoroughly justified in worrying about what may happen to the industries of his State under this contemplated prospectus. If the pending bill shall be administered by the Executive policy committee of the President, as seems probable, and if the committee shall be dominated by Professor Tugwell, as seems entirely probable, inasmuch as he is a member of the committee and usually dominates anything of which he is a member, I call the Senator's attention to the fact that Mr. Tugwell is the author of the following sentence, testifying before the House committee:

> I think he—
>
> Mr. Weaver—
>
> believes that no industry is entitled to support by a tariff, and I may say personally that I agree with him.

I submit that to the Senator as a justification for his position.

Mr. AUSTIN. I appreciate having that statement in the RECORD in connection with my remarks.

Mr. LONG. Mr. President, if the Senator from Vermont will allow me, another Senator on this side in addition to myself would like to know when that statement was made and by whom?

Mr. VANDENBERG. It is a quotation from the eminent Dr. Tugwell, testifying before the House Committee, I think, on Agriculture at the present session.

Mr. WALSH. What was the date?

Mr. VANDENBERG. I am unable to give the date, but the quotation literally, as found at page 9580 of the CONGRESSIONAL RECORD, is as follows:

I think he—

Referring to Mr. Weaver, who had preceded him—

I think he believes that no industry is entitled to support by a tariff, and I may say personally that I agree with him.

Mr. LONG. Mr. President, if the Senator will yield——

Mr. AUSTIN. I yield.

Mr. LONG. The present President of the United States stated most specificially that, instead of there being any reduction in the tariff rates on agricultural commodities, they should be increased. I cannot understand how Mr. Tugwell is now coming here to take the position that he is going to wipe out our agricultural tariffs, when it was the promise of the Democratic Party and Mr. Roosevelt, both of them, that there ought not to be any reduction, and that it would be ridiculous to make a reduction in tariffs on agricultural commodities.

Mr. WALSH. That was before the election, though?

Mr. LONG. Yes; that was before the election.

Mr. VANDENBERG. That was also before he reduced the tariff on sugar.

Mr. AUSTIN. Mr. President, I feel that my remarks are illuminated by these interpolations, and I am very grateful to the learned Senators who have helped me out in this regard. However, I must hasten on, for I feel bound to finish my remarks tonight, in the interest of making progress toward a vote on this bill.

Important forest products, including the manufacture of organs, toys, screen windows and doors, spools and bobbins, plywood, shooks, clothespins, agricultural implement handles, veneer, furniture, penholders, brush handles, as well as manufacturers of portable ovens, gear shapers, and heavy machinery of many varities, would be exposed to the effect of negotiated tariffs determined in part by their competitors abroad and in part by the Chief Executive, and foreign competitors are not so far away, Mr. President; in 2 hours one can go from one industrial center of the United States to an industrial center of the Dominion of Canada.

A tariff affecting any one of the articles I have mentioned, created by means of negotiation between a representative of the United States and a representative of the Dominion of Canada, must necessarily be affected by the interests of both negotiators.

The principal sufferers would be the workmen employed in these industries.

Vermont has already experienced the injury which can come from tariff tinkering in the reduction of the rate on maple sugar from 8 cents per pound to 6 cents per pound, and on maple sirup from 5½ cents per pound to 4 cents per pound, and in the reduction of the rate on agricultural forks, hoes, rakes, and parts thereof, from 30 percent ad valorem to 15 percent ad valorem, and on bent-wood furniture from 47½ percent ad valorem to 42½ percent ad valorem.

But that is only a straw on the surface of the stream indicating the trend of the current. The great danger, the great menace, is the havoc with confidence which the bill would create.

Assuming that the rates of duty on timber, wood products, butter, milk, cream, hay, maple sugar, talc, marble, granite, slate, wheat, corn, rye, flour, textiles, ovens, gear shapers, and other heavy machinery, should not be lowered, nevertheless, the ghastly fear that in a day protection may be removed from any of them destroys confidence, curtails long-time planning, reduces protection, and increases unemployment.

We know that if this bill should pass, somebody must pay the price of reduced rates of duties.

Who will that be?

Every man in business is potentially that person. Therefore, every man in business is injured by the bill.

It is admitted that one man given the authority contained in this proposed law could make treaties more expeditiously, could change rates more speedily, could legislate forms of import duties, could write the phraseology and classifications of articles, could impose limitations and prohibitions, could promulgate charges and exactions other than duties, much more quickly than can Congress. But this is not a sound reason for enacting the proposed law. By the same token a complete change of our republican form of government to an absolute monarchy should be made, for an absolute monarchy can govern more expeditiously and speedily than a republic.

Our forefathers, thank God, chose a republic. They devised means of preventing haste in the administration of government in the interest of stability and security.

I oppose the bill because it creates instability, destroys confidence, provokes international retaliation; because it is in conflict with our fundamental law, is still another step away from free government, and because it is a futile attempt to purchase prosperity at the cost of liberty.

In conclusion, Mr. President, I make myself the mouthpiece for the great statesman Collamer, with whose remarks I opened my address. I read the closing paragraph of that great tariff speech made by him about 100 years ago, for the prophecy made by him therein came true. I believe that prophecy belongs to the situation of today and will come true in the future. I quote:

The sands of my hourglass are nearly run out, and I must close. I choose not to leave the impression that my hopes of my country's final destiny depend on this bill, though I doubt not, if this policy were adopted and persisted in, it would destroy our prosperity; but, sir, there is an elasticity and recuperative energy in the intelligence, enterprise, and resources of this people by which they will redeem themselves. If this is adopted, this people will, under it, suffer deeply; but when suffering they will seek relief, as they have heretofore done, by again abandoning the policy. And though this people may be again deeply convulsed, and though that convulsion may not be a death struggle, yet in the paroxysms of their agony they will crush the party and authors of their sufferings.

EXHIBIT A

Countries entitled to most-favored-nation treatment from the United States

UNCONDITIONAL

Country	Termination: Required notice or earliest date
Europe:	
Albania	No provision.
Austria	12 months.
Bulgaria	3 months.
Czechoslovakia	1 month.
Estonia	[1] May 1936.
Finland	1 month.
Germany	[1] October 1935.
Greece	1 month.
Hungary	[1] October 1936.
Latvia	[1] July 1938.
Lithuania	1 month.
Norway	[1] September 1935.
Poland	1 month.
Rumania	Do.
Spain	3 months.
Turkey	12 months.
Yugoslavia	Do.
America:	
Brazil	No provision.
Chile	15 days.
Cuba	6 months.
Dominican Republic	1 month.
El Salvador	[1] September 1940.
Guatemala	1 month.
Haiti	Do.
Honduras	[1] July 1938.
Nicaragua	1 month.
Asia:	
China	No provision.
Persia	1 month.
Siam	12 months.
Africa:	
Egypt	3 months.

CONDITIONAL

Europe:	
Belgium	12 months.
Denmark	Do.

[1] 12 months' notice.

Countries entitled to most-favored-nation treatment from the United States—Continued

CONDITIONAL—continued

Country	Termination: Required notice or earliest date
Europe—Continued.	
Italy	12 months.
Portugal	No provision.
United Kingdom	12 months.
America:	
Argentina	No provision.
Bolivia	12 months.
Colombia	Do.
Costa Rica	No provision.
Paraguay	12 months.
Asia:	
Borneo	No provision.
Japan	6 months.
Africa:	
Ethiopia	[a] September 1938.
Liberia	No provision.

Source: Tariff Bargaining Under Most-Favored-Nation Treaties, pt. IV of United States Tariff Commission report under Senate Resolution 325.

EXHIBIT B

Principal imports into the United States from leading European countries, 1929, together with a record of the percentage of each commodity coming from the given country and from countries with most-favored-nation agreements

(Commodities are arranged in order of importance in 1929. Items on the free list in the act of 1930 are excluded, but items free in 1929 and now dutiable are included. Percentages are based on physical quantity unless otherwise indicated.)

Country and commodity	From given country	From most-favored nations: Unconditional	From most-favored nations: Conditional	Principal country
BELGIUM				
13 items, 44 percent of total:	*Percent*	*Percent*	*Percent*	
Diamonds, cut but not set	48	1	2	United Kingdom.
Woven fabrics of flax	36	8	55	Do.
Structural shapes and building forms.	48	33	2	Germany.
Leather gloves, women's and children's.	11	39	18	Do.
Plate glass, unsilvered	70	16	2	Do.
Cotton tapestries, etc. (value)	28	20	20	Do.
Hydraulic cement	69	2	29	Denmark.
Window glass, plain	56	33	1	Czechoslovakia.
Linen damask and manufactures (value)	10	43	47	Germany.
Wood furniture, not reed (value)	12	21	39	United Kingdom.
Asbestos shingles and slates	84	2	(1)	Germany.
Firearms (value)	69	13	18	United Kingdom.
Calf and kip upper leather	4	45	27	Germany.
CZECHOSLOVAKIA				
15 items, 60 percent of total:				
Leather shoes	73	9	7	United Kingdom.
Beads (value)	60	11	20	Japan.
Linen damask and manufactures (value)	36	6	57	United Kingdom.
Jewelry (value)	41	23	9	Germany.
Cotton cloth, printed, etc	20	6	47	United Kingdom.
Hat bodies of wool felt	7	5	77	Italy.
Leather gloves, women's	7	32	29	Germany.
Linen towels and napkins	40	9	51	United Kingdom.
Plain window glass	29	4	57	Belgium.
Glassware, cut or decorated (value)	23	17	19	Germany.
Calf and kip upper leather	5	40	30	Do.
China household tableware, decorated.	6	28	65	Japan.
Imitation precious stones (value)	68	24	2	Germany.
Fur-felt hats, women's	32	30	9	Austria.
Agate, horn, and glass buttons	42	41	8	Germany.
FRANCE				
15 items, 29 percent of total:				
Pearls, not strung or set (value)	57	1	39	United Kingdom.
Leather gloves, women's and children's.	32	39	29	Germany.
Silk wearing apparel (value)	68	3	25	Japan.
Broad fabrics, all silk, colored, etc	38	12	39	Do.
Diamonds cut, but not set	5	(1)	50	Belgium.
Cigarette paper, books, etc	98	1	1	United Kingdom.
Cotton laces, machine made (value)	70	18	10	Germany.
Walnuts, shelled	52	42	2	China.
Silk laces, embroideries, etc. (value)	68	9	20	United Kingdom.
Silk plushes, velvets, and chenilles	40	56	3	Germany.
Rayon yarns, threads, and filaments	22	34	24	Do.
Cheese	8	7	44	Italy.
Mushrooms	88	2	7	Japan.
Calfskins, wet salted	15	26	14	Germany.
Linen handkerchiefs	17	7	67	United Kingdom.

[1] Less than 1 percent.

[a] 12 months' notice.

Principal imports into the United States—Continued

Country and commodity	From given country	From most-favored nations: Unconditional	From most-favored nations: Conditional	Principal country
GERMANY				
5 items, 21 percent of total:	*Percent*	*Percent*	*Percent*	
Cotton gloves	97	1	1	Czechoslovakia.
Leather gloves, women's and children's.	32	7	29	Italy.
Coal tar colors, dyes, etc	62	0	2	United Kingdom.
Calf and kip upper leather	38	7	30	Do.
Hosiery-knitting machines	99	0	1	Do.
Rayon yarns, threads, filaments	33	1	24	Italy.
Goat and kid upper leather	57	1	26	United Kingdom.
Silk plushes, velvets, chenilles	52	4	3	Italy.
China household tableware, decorated.	24	7	65	Japan.
Sensitized films, not exposed	34	(1)	1	Belgium.
Blown glassware (value)	64	22	6	Czechoslovakia.
Structural shapes and building forms.	33	(1)	50	Belgium.
Cotton hosiery	83	(1)	13	United Kingdom.
Leather bags, cases, etc. (value)	41	7	31	Do.
Iron and steel pipes and tubes	24	1	15	Do.
ITALY				
15 items, 54 percent of total:				
Olive oil, edible	74	18	(1)	Spain.
Cheese	43	7	2	Greece.
Tomatoes, canned	93	1	0	Spain.
Hat bodies of wool felt	74	14	1	Czechoslovakia.
Cigarette leaf tobacco	29	71	(1)	Greece.
Hats of straw, grass, etc	25	10	15	Japan.
Cherries, natural	93	1	0	Yugoslavia.
Almonds, shelled	45	52	1	Spain.
Leather gloves, women's and children's.	17	39	12	Germany.
Rayon yarns, threads, and filaments	21	34	4	Do.
Lemons	98	(1)	1	United Kingdom.
Tomato paste	99	(1)	(1)	Spain.
Jute burlaps	2	4	9	United Kingdom.
Flax laces, embroideries, etc. (value)	23	45	5	China.
Silk fabrics, broad, except pile	6	12	63	Japan.
NETHERLANDS				
9 items, 54 percent of total:				
Diamonds, cut but not set	43	(1)	50	Belgium.
Tobacco leaf for cigar wrappers	99	1	0	Cuba.
Lily of the valley pips, lily, tulip, and narcissus bulbs.	79	12	8	Germany.
Rayon yarns, threads, and filaments	15	34	24	Do.
Calf and kip upper leather	12	45	30	Do.
Hyacinth bulbs	97	(1)	0	Do.
Calfskins	6	30	14	Do.
Starch	93	5	2	Do.
Milk, condensed and evaporated	62	(1)	1	Denmark.
SWEDEN				
7 items, 16 percent of total:				
Steel bars	39	15	33	Belgium.
Matches in boxes of not more than 100.	37	46	2	Finland.
Calfskins, wet salted	16	26	14	Germany.
Flat wire and steel strips	65	17	17	United Kingdom.
Wire rods	53	26	9	Germany.
Antifriction balls, rollers and bearings.	47	15	30	United Kingdom.
Cattle hides, wet salted	1	14	55	Argentina.
SWITZERLAND				
14 items, 72 percent of total:				
Watches and watch movements	99	(1)	(1)	Germany.
Cheese	25	7	44	Italy.
Coal-tar colors, dyes, stains, etc	34	62	2	Germany.
Material for hats of straws, etc	34	34	32	China.
Cotton cloth	24	15	56	United Kingdom.
Cases, dials, and parts of watches (value).	92	2	(1)	Germany.
Reptile upper leather	20	36	14	Do.
Silk broad fabrics, dyed, etc	11	13	38	Japan.
Aluminum, metal, scrap, and alloy	11	24	7	Norway.
Leather boots and shoes	5	82	7	Czechoslovakia.
Cotton handkerchiefs and mufflers, lace trimmed or embroidered, etc.	83	11	2	China.
Jewels for watches, etc. (value)	92	(1)	4	Italy.
Artificial horsehair and manufactures (value).	91	6	2	Germany.
Rayon yarns, threads and filaments	4	34	24	Do.
UNITED KINGDOM				
15 items, 24 percent of total:				
Wool woven fabrics, heavyweight	76	13	3	Do.
Woven fabrics of flax (except table damask).	54	8	37	Belgium.
Jute burlaps	8	4	3	Germany.
Carpet wool (dutiable)	16	40	16	China.
Rough tanned leather	99	1	(1)	Germany.
Cotton cloth, printed, etc	42	26	5	Czechoslovakia.
Combing wool	12	1	17	Argentina.
Cotton cloth, not bleached	83	10	(1)	Czechoslovakia.
Pearls, not strung or set (value)	37	1	2	Japan.
Wool rags, flocks, mungo	65	10	4	Germany.

[1] Less than 1 percent.

Principal imports into the United States—Continued

Country and commodity	From given country	From most-favored nations		
		Unconditional	Conditional	Principal country
UNITED KINGDOM—continued				
15 items, 24 percent of total—Contd.	Percent	Percent	Percent	
Wool noils	73	19	5	Germany.
Lining leather, calf and kip	95	4	(1)	Czechoslovakia.
Linen table damask (value)	46	43	10	Do.
Cotton yarns and warps	94	5	(1)	Germany.
Earthen and crockery tableware, etc.	32	25	34	Japan.

[1] Less than 1 percent.

EXHIBIT C

Address of Gov. Stanley C. Wilson, of Vermont, on Vermont's Place in Industry, broadcast from station WBZ, November 28, 1931:

VERMONT'S PLACE IN INDUSTRY

In my monthly talks to you this year about Vermont, I have devoted most of my time to problems and facts concerning agriculture and the recreational business. I do not want you to get the idea, however, that Vermont has no standing as a manufacturing State. In fact, although my State is properly classed as agricultural, our industries take creditable position when compared with those of other States. Just to show that this is true, let me tell you a few facts about our industries.

Vermont leads all States in the production of monumental granite, and has honorable position as to building granite. Excellent granite deposits cover large areas in the State and many of them are utilized. Barre, Vt., is truly called the granite center of the world. The employees in this industry are highly paid specialists. Barre is said to have the highest average wage scale of any city in the United States. From the Barre quarries alone in 1928 there were shipped 252,232 tons of granite and approximately 1,514,000 cubic feet were used in finished memorials.

Vermont leads all States in the production of marble. The State supplies about 60 percent of the monumental and statuary marble of the country and abou 29 percent of the building marble. Vermont marble is noted for its beauty. There are more than a hundred varieties, ranging in color from pure white to jet black. Many of the most beautiful buildings and statues in the country are made from this stone. It is to be noted that the great new Supreme Court Building in Washington is to have Vermont marble exterior.

Of slate, with the exception of one State, Vermont produces more than twice the stone quarried by all the other States in the country. The old-fashioned slates on which we used to do our sums when I was a boy in school have gone out of style, but slate is now used in its natural state or pulverized and manufactured for roofing, tiles, billiard-table tops, mantels, stair treads, and many other uses.

Most of us when we speak of talc think of the talcum powder that is so useful for the toilet of the society belle or the baby, but in fact the great uses are in the manufacture of paper, rubber goods, waterproof paint, gypsum, wall plasters, soaps, etc. In the production of talc Vermont holds second place among the States.

Vermont has great deposits of asbestos and is forging ahead in their development with but few sections in competition.

Other Vermont minerals now being successfully utilized include lime, gypsum, and clay. Vermont has extensive deposits of copper and at one time produced the highest grade copper ore in the world. We also have lead, iron, and arsenic deposits that have been utilized to some extent.

The extent of the use of granite, marble, and other stone and mineral deposits is shown by the 1925 census figures which give the value of these products in the State for that year as $20,062,824.

Even though not considered a manufacturing State, Vermont is well above the national average for percentage of populations actually engaged in manufacturing. According to the latest figures available, Vermont has 1,790 manufacturing establishments large enough to count.

Approximately 32 percent of the people of our State gain their livelihood from industry. The total value of manufactures according to the 1925 census was $138,269,861.

In St. Johnsbury, Vt., is the largest scales factory in the world; while in Rutland is the second largest. In Rutland, also, is located the largest company in the world making maple-sugar utensils, together with the largest concern manufacturing granite and marble-working machinery.

In Winooski is situated the largest screen factory in the world; while Burlington leads the world in the production of portable ovens, brush fiber, package dyes, and butter color. A plant at Weathersfield leads the world in the variety of its soapstone products. In Brattleboro is the largest pipe-organ factory in the United States. In Orleans is located 1 or 2 plants under the same management which manufacture the greater part of the sounding boards used in this country. In Bellows Falls is the second largest waxed-paper mill in the country.

Springfield, Vt., manufactures the bulk of the world's last lathes and turret lathes, leads in automatic gear-shaper machines, and has the largest shoddy mill in the world.

At Barnet is a factory which manufactures croquet sets and which supplies to a large extent the entire demands of the trade.

The State may well be considered the headquarters of the spring-clip clothespin industry, millions of clothespins being produced.

Throughout the State are located numerous factories having a wide range of products—all the way from the great automatic-machine tools and the mammoth machines used in the manufacture of granite and marble, down through the numerous woodworking factories producing furniture, baseball bats, box covers, wooden heels, and hundreds of other articles. The finest bowling pins and, I think, the greatest number produced in any State, are made in Vermont. A great many of our Vermont industries are built up for the use of the fine hardwood lumber which is seldom, if ever, found better than in this State. Many woodworking plants are located close to the Green Mountains, where an extensive supply of fine hard wood is now available.

While we do not ordinarily think of Vermont as a State greatly concerned with the textile industry, the census figures for 1925, which are the latest available, show that in that year $14,327,688 worth of woolen and worsted goods were manufactured in the State, and $3,195,418 worth of cotton goods, or, in other words, the textile industry was a close second to the marble and granite industries.

It may seem at first thought surprising that Vermont, situated away from tidewater, is able to make creditable showing in industry, and to lead the world in some industries. The answer comes partly from the fact that one of Vermont's chief industrial assets is her water power. She is one of the two States in the country in which water generates more power than steam.

According to the 1919 census, the primary horsepower developed was 185,095. While I have not the up-to-date figures, this total must be greatly exceeded at the present time, as several great hydroelectric developments have been completed since then in the State. One of these, at Whitingham, is one of the largest in the world, with an earthen storage dam, the dam at the time of its construction exceeding in size any other such dam in the world.

Several great hydroelectric developments are located on the Connecticut River, the largest of which, at Fifteen Miles Falls, is the greatest hydroelectric development in this country east of Niagara.

All over the State are found great natural water powers, of which most of the larger have been utilized for the development of electric energy.

It is easy to see the advantage that inures to Vermont manufacturing establishments from the great supply of cheap power produced almost at the door of the manufacturing plant.

Vermont has good shipping facilities. She has outlets for freight in all directions over trunk-line railroads or their immediate connections, and by water across Lake Champlain to the New York Barge Canal and the Hudson River.

There is another basic fact relating to Vermont which explains further why Vermont industries flourish. Vermont has no large cities. The cost of living is materially less than in the more populous sections of the country.

There is a spirit of loyalty born of long and continuous service surrounding many of the manufacturing plants of the State. The typical Vermont laborer in a typical Vermont industrial establishment takes a personal interest in his work, and the welfare of his employer means much to him.

Labor troubles seldom develop in Vermont. As a rule, there is a mutual regard by the employer and the employee each for the rights and the interests of the other.

To a surprising extent in our State, factory employees own their homes, with the result that the employees as well as the employers have a direct financial interest in the community and in the success and permanence of the business in which they are employed.

Moreover, most of the industries of the State are home owned, and the evils and dangers of distant corporate control are nonexistent. The tendency has been for some time in this country to build up great corporations to control industries, and as a result the personal element has been driven out by the cold-blooded rule of distant management. Vermont is fortunate that even in her largest industries the capital is largely provided by Vermont people, and so the business control is kept within the State, close to the towns where the business actually operates.

There is a tendency in the manufacturing world at the present time to get away from the idea of the great specialized manufacturing centers. The experience of some of the corporations that have tried to combine their plants has not been wholly satisfactory. Business men are now turning to the small-town idea of manufacturing operations. The experience of the past few decades seems to have established that with the exception of a few industries, the advantages of plant location in comparatively small cities or towns outweigh those of location in large industrial centers. This is true because of the lower cost of living, the smaller turn-over of labor, the greater loyalty and efficiency of the employees, and comparative freedom from the burden of high real-estate values.

It has been rather remarkable during this period of depression that the industries of Vermont have to a large extent continued in fairly active operation. They have stood the business depression better than have the industries of other States in the Union.

In these days when we are trying to reestablish industry under changed conditions and on a better basis, Vermont holds out splendid opportunities for the location of manufacturing estab-

lishments under conditions that ought to insure successful operation.

I believe no State in the Union presents a better field for operation of industrial plants under the decentralized plan. Certainly in no State can industry be assured of better governmental and community cooperation in proper growth and development. You may be assured of fair treatment to both capital and labor.

If you are interested in locating a manufacturing plant, or a business, in Vermont, or want any facts or detailed information with regard to conditions and opportunities for such location, write to the Vermont Publicity Department at Montpelier for information.

Additional industries to supplement our fine agriculture will receive a hearty welcome in the villages and small cities among the foothills and in the valleys of the Green Mountain State. Vermont invites you.

During the delivery of Mr. AUSTIN's speech,

Mr. HARRISON. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. HARRISON. Would the Senator from Vermont object if I put into the RECORD immediately following his speech the list of items that are affected by either of these provisos that are repealed, with the amounts of the articles?

Mr. AUSTIN. Mr. President, I shall be glad to have it done.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

Countries paying conditional duties under tariff provisions whose repeal is proposed under the reciprocal tariff bill (H.R. 8687)

[Calendar years 1931 and 1933]

Commodity and country	Conditional duty[1] 1931	1933
PAR. 369		
(a) Automobile truck bodies, valued at $250 or more each	$40	$22
Canada	40	22
(b) Automobiles (except trucks and motor busses)	24,341	7,223
Belgium	392	
France	4,949	70
Germany	597	319
Italy	384	228
United Kingdom	6,573	3,614
Canada	11,366	2,992
Mexico	60	
British South Africa (not including Union of South Africa)	20	
(b) Automobile chassis (except for trucks and motor busses)	66,275	36,325
France	421	
Germany	599	
United Kingdom	65,205	36,325
Canada	50	
(b) Automobile bodies (except for trucks and motor busses)	1,205	1,045
Belgium	193	
France	975	972
Germany		58
United Kingdom	22	
Canada	15	15
(b) Motorcycles	1,018	1,305
France	152	19
Germany	155	479
United Kingdom	711	731
Canada		76
(c) Automobile engines		31
Germany		31
(c) Spark plugs	10,618	4,719
Germany	10,602	4,557
United Kingdom	16	56
Canada		106
(c) Inner tubes		20
France		13
Canada		7
(c) Automobile parts, n.e.s.	10,795	2,587
France	527	106
Germany	5,687	1,336
Italy	76	91
Switzerland	67	
United Kingdom	2,052	455
Canada	2,381	599
Australia	5	

[1]Reported by Bureau of Foreign and Domestic Commerce.

Countries paying conditional duties under tariff provisions whose repeal is proposed under the reciprocal tariff bill (H.R. 8687)—Continued

Commodity and country	Conditional duty 1931	1933
PAR. 369—continued		
(c) Motorcycle parts (except tires and glass)	$100	$76
France		1
United Kingdom	100	75
PAR. 1402		
Pulpboard in rolls for wall board		77
Canada		77
Paper board, pulpboard, n.s.p.f., and cardboard, not plate finished, etc., nor cut into shapes	1,255	6,583
Czechoslovakia	70	
Finland	608	
France		127
Germany	49	125
Sweden	8	6,238
Canada	456	93
Newfoundland and Labrador	64	
Wallboard, not laminated	781	
Canada	781	
Leatherboard or compress leather	399	
Canada	399	
Sheathing and roofing paper, deadening, sheathing, and roofing felt	312	975
Italy	91	908
Canada	221	67
PAR. 371		
Bicycles and parts, except tires	2,866	6,717
France	7	25
Germany	2,829	5,775
Italy		26
United Kingdom	30	463
China		97
Japan		331
PAR. 401		
No transactions reported		
PAR. 1650		
Bituminous coal, etc., imported from countries imposing duty	118,073	102,843
Canada	117,423	102,707
Mexico	602	136
French Indo-China	48	
PAR. 1637		
No transactions reported		
PAR. 1803		
No transactions reported		

After the conclusion of Mr. AUSTIN's speech,

PROMOTIONS AND APPOINTMENTS IN THE NAVY—CONFERENCE REPORT

Mr. WALSH submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9068) to provide for promotion by selection in the line of the Navy in the grades of lieutenant commander and lieutenant, to authorize appointment as ensigns in the line of the Navy all midshipmen who hereafter graduate from the Naval Academy, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 2, and 3.

That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with amendments as follows:

On page 3, line 10, of the engrossed bill, strike out the following word "hereafter" and insert in lieu thereof the following words "in 1934 and hereafter."

On page 3, line 13, of the engrossed bill, before the word "may", insert the following: "and whether they have since been married or not."

On page 4, line 3, of the engrossed bill, after the word "who", insert the following: "in 1934 and."

And the Senate agree to the same.

DAVID I. WALSH,
FREDERICK HALE,
Managers on the part of the Senate.

CARL VINSON,
P. H. DREWRY,
FRED A. BRITTEN,
Managers on the part of the House.

Mr. WALSH. Mr. President, the conference report settles the differences between the House and the Senate on the bill that was passed last Saturday, being the so-called "naval personnel bill." There was only one important difference between the Senate and the House, and that was on the question of retirement. The House bill provided for the retirement of about 600 naval officers in order to remove the hump in certain grades and which was resulting in preventing the promotion of young and efficient officers to higher grades. The bill also provided for the commissioning of all the graduates from the Naval Academy for 1933, 1934, and in the future. If the bill remained as the Senate enacted it, it would result in an increased expenditure to the Government of about $12,000,000. The Budget and the administration are not willing that the increased expense should be incurred. By providing for the retirement of these officers, who are eliminated after selective examinations, and by the granting of commissions to the graduates at the Naval Academy, there will be a net saving of approximately $12,000,000 to the Government.

The Senate has withdrawn its objection to the provision in its bill in opposition to retirement at this time. Thus, if the conference report shall be accepted, there will be a net saving from the bill as passed by the House and from the bill as passed by the Senate of $12,000,000.

The PRESIDING OFFICER. The question is on agreeing to the report.

The report was agreed to.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H.R. 6803. An act to regulate the distribution, promotion, retirement, and discharge of commissioned officers of the Marine Corps, and for other purposes; and

H.R. 9068. An act to provide for promotion by selection in the line of the Navy in the grades of lieutenant commander and lieutenant; to authorize appointment as ensigns in the line of the Navy all midshipmen who hereafter graduate from the Naval Academy; and for other purposes.

RECIPROCAL-TARIFF AGREEMENTS

The Senate resumed the consideration of the bill (H.R. 8687) to amend the Tariff Act of 1930.

Mr. STEIWER. Mr. President, I begin by expressing my appreciation to the Senator from Vermont [Mr. AUSTIN], for his very learned and lucid exposition of the pending bill. With his impressive argument that the bill transgresses the Constitution I am fully in accord. With his belief that the bill is so framed that it will operate definitely to the disadvantage of the people of the Nation I am also in accord.

I realize how futile it is, in these days of congressional subserviency to the White House, to obtain consideration for arguments earnestly and thoughtfully made in opposition to a legislative proposal of this kind. In the hope, however, that some faint echo of the words pronounced here may go beyond the walls of this Chamber and find lodgment in the minds of the people of the country, I feel it worth while to present my views upon the pending bill.

All Senators remember that following the enactment of the Tariff Act of 1930 a great hue and cry was raised for partisan purposes. The bill was denounced as infamous. Its critics were not content to call it the Smoot-Hawley Act, but in order to subject it to ridicule and criticism they dubbed it the Smoot-Hawley-Grundy Act. They said it was destructive of the business of the country.

Mr. President, the pending bill does not change any particular duty of the Smoot-Hawley Act. With some little exception, it makes no repeal or modification of that act. It is a bill to create a new part III, to be entitled "Protection of Foreign Commerce", and to add this part III to the Smoot-Hawley Act so that it will supplement that legislation. It is significant that the greatly controverted section 336 which conferred upon the President certain flexible powers is not repealed nor is it modified by this measure except in the provision found on page 4 to the effect that the provisions of section 336 shall not apply to any article concerning the importation of which a foreign trade agreement has been concluded.

In other words, Mr. President, if, pursuant to this measure, a foreign-trade agreement has been concluded, there will then be no further flexible power under section 336 which the President can exercise with respect to the duties specified by that agreement. Until such foreign trade agreement has been concluded, all the powers of section 336 which were so widely denounced by the partisan critics still abide with the President.

The conception, therefore, that this bill is a substitute for something in the Smoot-Hawley Act is substantially incorrect. The bill in terms and in effect is supplemental to the Smoot-Hawley Act, reserving in the President all the broad powers heretofore conferred upon him and granting him new powers heretofore unknown in our scheme of government.

The bill provides that for the purpose of expanding foreign markets for the products of the United States, and for certain other purposes, the President shall enjoy this new and unusual authority.

The authority is conditioned first upon his findings as a fact that any existing duties or other import restrictions of the United States or of foreign countries are unduly burdening and restricting the foreign trade of the United States. In the bill there is no definition of what is required in order to burden and restrict foreign trade; much less is there a definition of what constitutes the undue burdening or the undue restriction of the foreign trade of the United States.

So it has been well said, as it was stated by the Senator from Vermont [Mr. AUSTIN], that so far as this condition is concerned, it is a matter wholly of discretion or opinion in the President. There is no rule to restrain him; there is no rule to prompt him to go forward, except that he states his opinion that certain undue burdens or restraints operate upon our foreign trade.

I do not want to press this point at length. It could be elaborated, I know; but it is not the point that excites my greatest interest. It is not the feature of the bill upon which my more serious apprehensions are founded. I therefore desire to pass to the next phase of the bill, which to me seems to be of vastly greater importance.

When the President finds the facts that these vague and undefined undue burdens and restrictions operate against the foreign trade of this Nation, he may then do two separate acts. First, he may enter into a foreign trade agreement with a foreign government or with some instrumentality of that government. I pause long enough to say that the lack of definition which exists with respect to this condition precedent, to which I made reference a moment ago, exists with even greater force with respect to the first power delegated by the bill to the President.

There is no limitation upon the President in entering into the foreign-trade agreement save an indeterminate and unsatisfactory percentage limitation, to which I shall refer later. There is no control upon the President as to the

exact subject-matter of the agreement. The only requirement is that it be a foreign trade agreement and that it be made with a foreign government or with an instrumentality of a foreign government.

The second power delegated to the President, to my mind, is still more alarming than the first. It is here provided as a second power that the President shall be authorized—

To proclaim such modifications of existing duties and other import restrictions, or such additional import restrictions, or such continuance, and for such minimum periods of existing customs or excise treatment of any article covered by foreign trade agreements, as are required or appropriate to carry out any foreign trade agreement that the President has entered into hereunder.

With respect to this matter, the authority of the President to proclaim modifications is not defined. It is not controlled by legislative formula. It is only vaguely related to any matter of policy, foreign or domestic. It is a carte blanche power in the President, in the case in which he has found, in his opinion, that our foreign trade has been unduly burdened or restricted, and where he has been able to make a foreign-trade agreement with some foreign nation to make such modifications as he may desire or as may be recommended to him by his advisers, whether they be protectionists, free-traders, Americans, foreigners, theorists, "brain trusters", or others.

I am fully mindful that there is a provision that no proclamation shall be made increasing or decreasing by more than 50 percent any existing rate of duty or transferring any article between the dutiable and the free list; but it has been pointed out earlier in the debate that the President retains his power under the present flexible provision of the tariff.

If he desires to reduce duties more than 50 percent, it is only required that he shall first obtain the acquiescence of the Tariff Commission. Its record, in my opinion, has been marred by the testimony of its chairman before the House Ways and Means Committee and the Senate Finance Committee in behalf of this bill. The necessary acquiescence, according to the chairman, will be readily given. The President can accomplish a 50-percent reduction under section 336 of the Tariff Act of 1930, and then he can enter into a trade agreement, and he can again make a reduction of 50 percent. The total reduction then would be 75 percent.

This statement does not take into account the fact that the President may change the classification or that he may change the form of the tariff, nor does it take into account that the limitation of 50 percent applies only to duties, and not to excise taxes upon imported articles.

I turn aside for the moment to develop that proposition, because I believe it was not referred to by the distinguished Senator from Vermont, and I am most anxious that the RECORD show just what the bill means with respect to the excise taxes of 1932.

It will be remembered that after the enactment of the tariff bill of 1930, Congress saw fit to provide excise taxes upon certain great natural-resource products, and they included in the bill of 1932 certain excise duties upon imported articles of copper, lumber, coal, and oil. Subsequently certain fish and whale oils were added to the category, and there are now five different commodities covered by excise taxes upon importations.

On page 2 of the pending bill, in subsection 2, to which I have already made reference, we find the second power of the President broad enough to cover modifications of "existing duties and other import restrictions." That phrase is most important, because in a subsequent part of the bill, namely, in subsection (c) the phrase is defined, and we find there these words:

As used in this section, the term "duties and other import restrictions" includes (1) rate and form of import duties and classification of articles, and (2) limitations, prohibitions, charges, and exactions other than duties, imposed on importation or imposed for the regulation of imports.

The point I seek to make is that this phrase, "duties and other import restrictions", includes, by express definition, a requirement that limitations, prohibitions, charges, and exactions other than duties shall be regarded as "duties and other import restrictions."

Therefore, the President, under the second power, may reduce, under the phrase "duties and other import restrictions", charges, and exactions, other than duties, if they are imposed on importations.

I have heard no answer to this argument, I have heard no one controvert the contention that under this definition the excise taxes of 1932 are brought within the scope and purview of the bill.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. STEIWER. I yield.

Mr. VANDENBERG. In the original days of the debate the Senator from Mississippi, in charge of the bill, specifically stated that the excise taxes, to which the Senator from Vermont adverts, were excluded from the terms of the bill. Therefore there is a difference of opinion on the subject, and I am very hopeful that before the consideration of the bill shall be concluded the Senator will test the good faith of the Senator from Mississippi, in charge of the bill, by permitting him to accept an amendment which will specifically exempt these elements from the bill.

Mr. STEIWER. Mr. President, I do not question the good faith of the Senator from Mississippi, and I regret that the Senator from Michigan suggests that I present this matter in terms of testing his good faith. I realize that there is a difference of opinion, as has just been pointed out by the Senator from Michigan.

I read in the RECORD the statement of the Senator from Mississippi that the excise taxes of 1932 are not intended to be included. I realize that that is his position, but I also realize that the literal language of the bill embraces these excise taxes, and I have heard no answer to the argument I am making with respect to the interpretation of the language, and no suggestion that I am in error in my contention, and no reason which would justify me in the conclusion that the excise taxes under the act of 1932 are not in fact included in the pending bill.

Mr. VANDENBERG. Mr. President, will the Senator yield further?

Mr. STEIWER. I yield.

Mr. VANDENBERG. I should not want my reference to good faith be misunderstood. What I undertook to indicate was that I have such complete confidence in the good faith of the Senator from Mississippi that I am perfectly sure that when he realizes that there is a definite challenge to his belief that these excise taxes are not excluded, he will be very glad to accept an amendment which does exclude them textually.

Mr. HARRISON. Mr. President, will the Senator yield to me?

Mr. STEIWER. I yield.

Mr. HARRISON. May I say to the Senator that I made the statement, in opening the debate on this question, that, so far as the excise taxes were concerned, we intended to exclude them. That was the intention of the proposal. Some of the taxes will expire at a certain time. So far as they are concerned, it was not the intention to modify them at all. The modification is in the rates, as previously stated in the proposal.

Whatever amendment is needed to remove any doubt from anyone's mind I shall offer. I have prepared an amendment that will remove even any doubt on that matter.

Mr. STEIWER. Mr. President, that is welcome news to me, and I am very happy to accept the assurance of the Senator from Mississippi, the Chairman of the Committee on Finance.

Mr. HARRISON. That was the intention, and all I care to do is to carry out the intention. May I say to the Senator, further, that when the Democratic conference was held on this matter, I stated, in a discussion in the conference, that that was what the bill contained. For that reason I expect to offer a clarifying amendment on that particular phase of the matter, so as to remove all doubt. However, I do not think there is any doubt now.

Mr. STEIWER. The assurance is doubly welcome, because, in the first place, I think that under the literal language of the bill such an amendment is necessary in order

to prevent those items from being caught in the dragnet of the bill, and for the further reason, which has been very alarming to me, that apparently the 50-percent limitation on reductions applies only to duties, and not to the exactions other than duties, so that if these items, which are embraced in the Revenue Act of 1932, were left in the bill, they not only would be subject to the power of the President to make modifications, but, in my own judgment, they might be completely wiped out if the President desired to take such action in connection with a foreign-trade agreement. I am very grateful to the Senator from Mississippi.

I might add that I also have prepared an amendment to exclude the excise taxes, which I sent to the desk today informally, so that it might be printed and lie on the table; but I shall very happily accept the amendment offered by the Senator from Mississippi in lieu of my own, if it effects the removal from this bill of that important category of items included in the Revenue Act of 1932.

Mr. President, I wish now to generalize with respect to the real purpose and the final net effect of this legislation.

I have said that the pending bill does not repeal the Tariff Act of 1930, that it does not repeal the flexible provision of that act, that it modifies it only in case a foreign-trade agreement has been made with respect to a particular commodity.

What, then, is to be accomplished by the bill? Obviously the purpose of the bill is to give to the President, without any substantial limitation on his power, or any substantial control, authority to negotiate trade treaties, to enter into those treaties whenever, in his opinion, our foreign trade is unduly burdened, and then, having entered into a treaty, to proclaim modification of duties.

I have wondered, as I have considered the bill, upon what theory the Congress expects the President to modify the duties. Is it to be done upon a theory of free trade, or upon a theory of protective tariffs? Is it to be done upon the understanding that the President will seek to ascertain the differences between the cost of production abroad and at home, and that he will thus seek to equalize an existing duty? Or is it to be done upon the theory that the President shall place first emphasis upon the expansion of the foreign trade and treat the making of duties chiefly as an exercise of power under the commerce clause of the Constitution? Or is it to be done wholly in the discretion or at the whim and caprice of the President?

I shall not discuss in detail the constitutional objections to the bill, save to affirm my belief that upon many grounds the enactment will be an invalid and unconstitutional delegation of power to the President. That argument has been made heretofore by the Senator from Idaho [Mr. BORAH]; it was made today by the Senator from Vermont [Mr. AUSTIN], and by others. I shall not reiterate it. But when the court shall be confronted with the necessity of passing upon the validity of this legislation, the one thing uppermost in the mind of the court will be the fact that after the condition precedent has been complied with, after the treaty is made, when the time comes for the President to modify the duty, there is no formula or rule of action written into this measure, and that the President will make the modification within his own judgment or discretion to meet whatever ideas he may privately entertain with respect to the expansion of foreign trade.

It is that total lack of legislative formula, that complete delegation of discretion to the President to make the law of the land, and to determine what the course of the United States shall be, that makes this bill so clearly and so wholly unconstitutional.

Why is it proposed that we adopt this vague and nebulous treatment of tariff matters? What is there in the existing situation that requires us to take such action. What are the arguments offered? What are the excuses?

It would seem that before we depart from the American policy of maintaining in this country a higher standard of wages and a higher standard of living than the rest of the world has ever known, before we tear down the wall of protection to which both political parties have subscribed in part, if not in entirety, there ought to be satisfactory reasons presented here by the sponsors of this legislation.

The Democratic Party has never been committed to this kind of boundless and unlimited discretion on the part of the President in the treatment of our foreign commerce and the making of our tariff rates. That party has had a policy. It has vacillated somewhat, it is true. We know what that policy has been. We know that the great Democratic Party at one time stood for free trade, and that later it maintained a policy of tariff for revenue only. We know that as the years went by the Democratic Party stood for what it called a competitive tariff. That was a protective tariff, designed to be a little less in amount than the Republican conception of a protective tariff, but a protective tariff nevertheless.

Now we are confronted with the fact, which I think no one can deny, that by the terms of this bill we delegate to the President power to make the policy, to say whether we shall have tariff for revenue only, or whether we shall have free trade; substantially, the power to say whether we shall maintain the present protective system or provide some other.

Why are we called upon to depart from the established policy of this country in order to delegate to the President these boundless and limitless powers?

Let me refer briefly to the attitude of the Democratic Party. Time and the lateness of the hour forbid the kind of presentation I should like to make; but I have here excerpts from numerous platform statements of the Democratic Party. They illustrate something of its policy, and of the tendency or drift which the party has undergone in dealing with the subject of tariff.

In 1872 the Democratic platform included, among other statements, these words:

> We demand a system of Federal taxation which shall not unnecessarily interfere with the industry of the people, and which shall provide the means necessary to pay the expenses of the Government, economically administered, the pensions, the interest on the public debt, and a moderate reduction annually of the principal thereof; and recognizing that there are in our midst honest but irreconcilable differences of opinion with regard to the respective systems of protection and free trade, we remit the discussion of the subject to the people in their congressional districts, and to the decision of the Congress thereon, wholly free from Executive interference or dictation.

Mr. President, if I were attempting to make a speech political in nature, and to criticize the great party with which I am not identified, I might point out that in this particular declaration the Democratic Party did not take a definite stand. They avoided the question by remitting the question to the people of the districts, and saying that they would leave it to the Congress, when it met, to take action in accordance with the views of the people, without dictation or interference from the Executive.

In 1884 the platform was more explicit. Let me read one short sentence from it:

> The necessary reduction in taxation can and must be effected without depriving American labor of the ability to compete successfully with foreign labor, and without imposing lower rates of duty than will be ample to cover any increased cost of production which may exist in consequence of the higher rate of wages prevailing in this country.

I suggest, in connection with this language, that the Democratic Party was already committing itself in a qualified way to the theory of protection. It is true that it was known in the country as a free-trade party, but this platform, solemnly declared and published to the people, is inconsistent with that theory.

In 1888 the platform contained this language:

> On the contrary, a fair and careful revision of our tax laws, with due allowance for the difference between the wages of American and foreign labor, must promote and encourage every branch of such industries and enterprises by giving them assurance of an extended market and steady and continuous operations.

The Democratic Party was still leaning toward protection, but, up until that time, I think, had not dealt with the question of reciprocity.

In 1892 the party faced that question for the first time, and in the platform of that year we find this language:

Trade interchange on the basis of reciprocal advantages to the countries participating is a time-honored doctrine of the Democratic faith, but we denounce the sham reciprocity which juggles with the people's desire for enlarged foreign markets and freer exchanges, by pretending to establish closer trade relations for a country whose articles of export are almost exclusively agricultural products, with other countries that are also agricultural.

So, Mr. President, in the first expression of the Democratic Party upon the subject of reciprocity we find them far from cordial to the idea. We find, instead, an expression of criticism and condemnation. They obviously thought, as many of us think now, that no trade agreement could be made with nations which have for sale agricultural products of the same character as ours without doing disadvantage to our own people, and they criticised that kind of a trade as a sham.

In 1896 the Democratic platform contained this sentence:

We hold that tariff duties should be levied for purposes of revenue, such duties to be so adjusted as to operate equally throughout the country, and not discriminate between class or section, and that taxation should be limited by the needs of the Government, honestly and economically administered.

This declaration is nearer to tariff for revenue only than any one that I have found in the history of the party in the years immediately preceding 1896.

In 1904 it is interesting to note that the platform contained this sentence:

We denounce protection as a robbery of the many to enrich the few, and we favor a tariff limited to the needs of the Government, economically administered, and so levied as not to discriminate against any industry, class, or section, to the end that the burdens of taxation shall be distributed as equally as possible.

After the swing went in this direction it was not very long until there was a significant change in Democratic sentiment; and in 1908 there is noted a swing back toward protection again.

In 1912 we find this language:

The high Republican tariff is the principal cause of the unequal distribution of wealth. It is a system of taxation which makes the rich richer and the poor poorer. Under its operations the American farmer and laboring man are the chief sufferers. It raises the cost of the necessaries of life to them but does not protect their product or wages. The farmer sells largely in free markets and buys almost entirely in the protected markets. In the most highly protected industries, such as cotton and wool, steel and iron, the wages of the laborers are the lowest paid in any of our industries. We denounce the Republican pretense on that subject and assert that American wages are established by competitive conditions and not by the tariff.

Mr. President, that is the last expression which to any degree touches free trade. In 1924 we find the straightforward declaration as follows:

We declare our party's position to be in favor of a tax on commodities entering the customhouses that will promote effective competition, protect against monopoly, and at the same time produce a fair revenue to support the Government.

Then in 1928 the declaration was still more pronounced. In the platform adopted at the time the Governor of New York, Mr. Smith, was nominated as the Democratic standard bearer we find, among other declarations, the following:

The Democratic tariff legislation will be based on the following policy:

(a) The maintenance of legitimate business and a high standard of wages for American labor.

(b) Increasing the purchasing power of wages and income by the reduction of those monopolistic and extortionate tariff rates bestowed in payment of political debts.

(c) Abolition of logrolling and restoration of the Wilson conception of a fact-finding tariff commission, quasi-judicial and free from the Executive domination which has destroyed the usefulness of the present Commission.

(d) Duties that will permit effective competition, insure against monopoly, and at the same time produce a fair revenue for the support of Government. Actual difference between the cost of production at home and abroad, with adequate safeguard for the wage of American labor, must be the extreme measure of every tariff rate.

There, in the last sentence quoted, is the declaration for protection almost identical in language with a number of Republican platforms. There is adherence to the proposition that there should be a duty equal to the difference in the cost of production at home and abroad.

If there be any doubt about the real purpose of those who controlled the destinies of the Democratic Party in 1928, let me invite attention to one incident which happened during the campaign. Governor Smith delivered an address at Louisville, Ky. In that address, among other things, he said:

In other words, I say to the American workingman that the Democratic Party will not do a single thing that will take from his weekly pay envelop a 5-cent piece; to the American farmer, I say that the Democratic Party will do everything in its power to put back in his pockets all that belongs there; and we further say that nothing shall be done that will embarrass or interfere in any way with the legitimate progress of business, big or small.

Subsequently the nominee made a further statement in an address delivered in Philadelphia. At that time he made some reference to his speech at Louisville, and stated that he had sent wires to the Democrats in the Senate of the United States and the House of Representatives in order to ascertain from them whether they would support him in the declaration which he had made at Louisville for the protection of American labor and American industry. In this subsequent speech he described the answers as follows:

"We stand solidly beside and behind Governor Smith in his Louisville speech when he says: 'I definitely pledge that the only change I will consider in the tariff will be specific revisions in specific schedules, each considered on its own merits, on the basis of investigation by an impartial Tariff Commission and a careful hearing before Congress of all concerned; that no revision of any specific schedule will have the approval of the Democratic Party which in any way interferes with the American standard of living and the American standard of wages. In other words, I say to the American workingman that the Democratic Party will not do a single thing that will take from his weekly pay envelop a 5-cent piece; to the American farmer I say that the Democratic Party will do everything in its power to put back in his pockets all that belongs there; and we further say that nothing will be done that will embarrass or interfere in any way with the legitimate progress of business, big or small. With this prescription honestly put forth, with a clear-cut and definite promise to make it effective, I say with confidence that neither labor nor industry nor agriculture nor business has anything to fear from Democratic success at the polls in November, and we hereby pledge our cooperation in carrying out the principles and policies therein set forth.'"

Now, just let that definitely and finally put to sleep all the fears that Governor Hughes or any other Republican spokesmen may have about the Democratic attitude to the tariff; and there is no reason why they should themselves, by their utterances, disturb business by predicting calamity in the event of Democratic victory.

I have here the names of certain gentlemen which were published in the newspapers at that time as having answered affirmatively the wire sent to them by Governor Smith. They were the ones who assured him they would support him in his declaration which he made in his Louisville address.

Among other distinguished names appearing in the published list are the following: Henry F. Ashurst, Alben W. Barkley, Edward S. Broussard, T. H. Caraway, Royal S. Copeland, C. C. Dill, Duncan U. Fletcher, Walter F. George, Carl Hayden, Pat Harrison, Harry B. Hawes, William J. Harris, William H. King, Lee S. Overman, Key Pittman, Joseph E. Ransdell, Joseph T. Robinson, H. D. Stephens, Morris Sheppard, Millard E. Tydings, T. J. Walsh, Burton K. Wheeler, David I. Walsh, Robert F. Wagner.

I submit that when a political party makes a declaration such as was made in the Democratic platform of 1928, and when its standard bearer makes the statement which Governor Smith made at Louisville in the campaign, and when the most distinguished Members on the Democratic side of the aisle in the Senate of the United States permit themselves to be quoted as supporting the nominee in the declaration which he had made, then by every rule of reason such declarations constitute the policy of that party. In that campaign and in the campaign of 1932 there is abundant evidence that the Democratic Party is no longer a party of free trade, but that to some degree it is a party of protection.

The Democratic Party, moreover, have stood against flexibility. They have insisted that duties in tariff laws ought to be made by the Congress, and they have declared themselves upon that issue time and time again.

Now, I ask, Upon what theory do they justify the abandonment of that policy? How do they excuse taking out of the Congress the power to levy the tariff duties? Upon what argument are they to delegate those great powers to the President of the United States? Upon what basis is the Democratic Party to say, "We have abandoned the theory of protection, even the partial theory that we espoused. We abandon even a tariff for revenue. We abandon every established theory, every conception, and we turn all tariff power over to the President. We leave its administration entirely to his discretion and for his determination."

Mr. O'MAHONEY. Mr. President——

The PRESIDING OFFICER (Mr. GEORGE in the chair). Does the Senator from Oregon yield to the Senator from Wyoming?

Mr. STEIWER. I yield.

Mr. O'MAHONEY. I always listen to the Senator to learn. Upon what does he base the statement that the policy contained in this bill involves a complete abandonment of the various declarations which he has just read?

Mr. STEIWER. I have already developed this point at some length and do not desire to reiterate it in further detail, but, in a sentence or two, let me say that inasmuch as this bill writes no formula for the President, places no boundaries upon him, creates no limitation save an indeterminate percentage limitation, it leaves to the President——

Mr. O'MAHONEY. That is a limitation.

Mr. STEIWER. It may be a limitation. It may not be a limitation. As to the excise items in the act of 1932, I think it is now admitted that it is not a limitation. As to certain other items, it is a limitation of 50 percent after the flexible provision of 50 percent has first been applied, and after the change in form and the change of classification shall have been made. It is a little difficult for those of us who are not tariff experts to define just what that tariff limitation is; but if it is a limitation, it is a limitation in amount. It is a mathematical limitation only; and there is no formula with respect to policy, with respect to the kind of a tariff duty, nor with respect to the purpose of the tariff duty. There is no restraint upon the President upon those important scores; and it is for that reason that I say that this bill takes away from the Congress and delegates to the President the authority to make the determination, and now I submit that he has already made it in advance.

I shall develop later what I mean by that. He has made it in advance, and he has made it in a way that is inconsistent with the quoted declarations of the Democratic Party. By his message to this body he says, in effect, that he proposes to depart from the traditional stand and the established policy not only of the Democratic Party, but of the American Nation, in the exercise of the powers conferred upon him by this bill; and I ask again, What is there in the situation to justify a complete reversal and a complete abandonment? What has been assigned here?

It has been said by the sponsors of this bill in effect that the United States has helped bring on the chaos, and business collapse, under which the whole world is suffering; that we have done it by trade restrictions, and that we must confer upon the President a bargaining power so that he may relieve this Nation, and other nations, of these trade restrictions. I quote from one sentence which summarizes the argument. It is found on page 8987 of the RECORD. It is as follows:

> The United States has been one of the most serious offenders in this commercial warfare.

That, Mr. President, is offered as an argument in justification for this legislation. Let us examine the statement, and let us examine the record to see whether or not there is any validity in the argument, or any truth in the statement. I deal with it only as an abstraction. I want it understood that I am not criticizing those who make the statement or who offer the argument; but, as an abstraction, I contend against it because I think it is untrue. I think, moreover, it is unfortunate; that it will be used against our country in foreign councils by those who would very dearly love to hold the United States accountable for bringing on the depression.

Let me quote that sentence again:

> The United States has been one of the most serious offenders in this commercial warfare.

Mr. President, prior to the Tariff Act of 1928 there had been no tariff act in this country since 1922. We have not disturbed a rate; so far as I know, we had done practically nothing with respect to the administrative provisions of our laws; and yet there is written at large in the record the actions of other governments with respect to tariff increases. I shall not detain the Senate to deal with them in detail; but I hold in my hand Senate Document No. 33 of the first session of the Seventy-first Congress. It is entitled "Tariff Increases in Various Countries, 1922 to 1928, Inclusive."

It is a partial summary of a manuscript entitled "Tariff Increases Throughout the World, 1919 to 1928", and that summary was an official statement by the accredited officers of our Government.

This document discloses that between 1922 and 1928 practically every other nation in the world was engaged in the operation of increasing its tariff duties. It discloses that the general duties were raised almost as much as once a year by some governments. It discloses, moreover, that special duties were increased almost as often as every year by other nations.

Austria, for instance, increased her duties in 1923, 1924, 1925, 1926, and 1927. Those were general acts; and by special acts on special items they made increases in 1922, 1924, 1925, and 1926.

Poland offers another good example.

They made general increases in a great number of rates in 1924, 1925, 1926, 1927, and 1928. They increased special rates on one or more particular items in 1926, 1927, and 1928. At a time when we were standing still with respect to tariff increases the people of the continental European area and other parts of the world were increasing their duties almost annually in a great trade war among themselves, reflecting, I believe, to some extent the antipathies which grew out of the World War, and the desire to make themselves self-sufficient and independent. Those people were adding item upon item, and duty upon duty, almost every year.

Mr. FESS. Mr. President, will the Senator yield?

Mr. STEIWER. I yield.

Mr. FESS. While in each of the tariff bills there were increases on individual articles above the rates that then existed, is the Senator aware that, taking the average of the increases, the successive bills have contained lower rates than the preceding bills?

Mr. STEIWER. In America I think that is true.

Mr. FESS. That is what I mean.

Mr. STEIWER. Oh, yes; in America I think that is true, but it is not at all true as to most of the great foreign nations.

Mr. FESS. Oh, no; but in the case of our country, as to the duties that are being complained of, it is true that on some items they have been increased; but on the average there has been a decrease.

Mr. STEIWER. I think that is true, Mr. President.

In furtherance of what I am saying, let me point out that according to a recent compilation based upon the 1933 year book of foreign commerce published by the United States Department of Commerce, the customs revenue per capita in the United States was $2.24. Now, let us make a comparison with some of the other countries that are running these competitive races in the matter of duties and trade restrictions and the commercial warfare in which the world has been engaged. While our per capita customs revenue was $2.24, that of Great Britain and Northern Ireland was $17.70; in Canada, $9.33; in Austria, $13.48; in New Zealand, $19.67; and in various other countries, including the continental European countries, we find per capita customs revenues varying from $12.95 down to, in some exceptional cases, a very small amount.

In this list we find that the United States is lower than the other countries of the world, with a very limited number of exceptions, including the Asiatic countries, and including Peru, Mexico, Bolivia, and I think one or two others. Outside of those relatively minor countries, the United States was collecting at the customhouse less per capita revenue by many multiples than the great competing commercial nations of the world.

Mr. President, that is not all. At the same time we were refraining from tariff increases, we were refraining from the enactment of those restrictions which operate more effectually than tariffs to prevent foreign trade. I am talking about devices like quota restrictions, import permits, restrictions on foreign-exchange transactions, and things of that kind.

I read now for a moment from a book, entitled "Regulation of Tariffs in Foreign Countries by Administrative Action," compiled by the United States Tariff Commission, under date of March 1934.

> Quotas or import permits are generally established and regulated by the Executive, either under special legislative authorization or under general executive powers. These permits may be used to control trade balances or to apply retaliatory measures, and the apportionment of imports under quotas may also be used to conclude and enforce reciprocal trade arrangements. Among the countries where import quotas are used for one purpose or another are:
>
> Austria, Belgium, Chile, Czechoslovakia, Estonia, France, Germany, Greece, Hungary, Italy, Latvia, Netherlands, Poland, Rumania, Spain, Switzerland, Turkey, and the United Kingdom.

I quote further:

> Restrictions on foreign-exchange transactions are applied in many countries, almost necessarily by the Executive. In several European and Latin American countries control of foreign-exchange transactions is officially exercised through the central banking system. Among the countries applying restrictions for control of foreign exchange are:
>
> Argentina, Austria, Bolivia, Brazil, Bulgaria, Chile, Colombia, Costa Rica, Czechoslovakia, Denmark, Ecuador, Estonia, Greece, Germany, Hungary, Italy, Latvia, Norway, Paraguay, Spain, Turkey, Uruguay, Yugoslavia.

Without reading further from the summary, the fact appears that almost all the nations of the earth have offended against the free movement of foreign trade and the interchange of commodities in trade by resorting to various quota and exchange restrictions—almost every country in the world save one, and that is the country which did not increase its tariff duties from 1922 to 1928.

In this summary is the outline of the various actions taken by several countries of the world in establishing this superstructure of extraordinary restrictive requirements, which have had something to do with the break-down of international trade.

I shall not take time to read further from this compilation. I have noted 16 different nations, including some of the leading nations of the world. It is fair to say that the material set forth in this report, and which I will omit reading, shows that in practically every year from 1923 up to 1933 these countries were applying progressively, more and more, various kind of barriers upon trade, more and more were they subjecting international trade not only to the necessity of paying duties at the customhouse, but they were applying these artificial, absolute barriers, amounting in many cases to embargoes, under which, by governmental action, they limited that which the other nations might bring within their borders.

Mr. President, an interesting thing is the effort of some of the nations to relieve themselves from the enormous burden of these restrictions.

Mr. WALSH. Mr. President, what the Senator has just cited is one of the principal arguments urged in favor of the pending bill.

Mr. STEIWER. That is quite correct, it is an argument advanced in behalf of the bill, but, as will presently appear, the United States has never resorted to this kind of barrier against imports. We have not set up these restrictions. We have dealt only in duties, and we maintained our duty level from 1922 to 1928, and again from 1928 until 1932, except for a very little application, as the Senator knows, of the flexible provision, and except for the excise taxes of 1932.

I was saying that a very interesting chapter is the effort of foreign nations to relieve themselves from these restrictive influences. I have in my hand a summary of a number of the trade treaties entered into by foreign governments. Let us see what one or two of them show.

Take, for instance, the arrangement between France and Spain. In the arrangement France granted specified quotas on imports from Spain of certain livestock, certain fruits, fresh vegetables, canned tomatoes, certain hides, certain frozen, dried, and conserved fish, wines, and a few other products.

Spain granted specified import quotas on a list of products from France, including charcoal, certain internal-combustion engines, toilet soaps, motorcycles, salted codfish, and fresh eggs.

In addition, Spain granted reduced rates of duty for specified quotas of a list of products of French origin, including telephone line insulators, saws, oak and chestnut extracts.

We find that the German Nation, by German Government decree of March 4, 1934, in its effort to conciliate other nations and to tear down these barriers, had entered orders affecting numerous items, and I read them because of their importance:

> Item 28. Raw or cleaned cotton, flax, hemp, ramie, jute, manila hemp, and other vegetable textile materials; items 438 to 443, worked cotton and cotton yarns; items 144 to 146, sheep's wool, raw or washed, horsehair and other animal hair; items 413 to 425, wool and other animal hair, worked, including yarns thereof; items 470 to 482, other vegetable textile materials, worked, including yarns thereof; and item 453, unbleached cotton fabrics, weighing 80 grams or more per square meter.

In this great story of the reciprocal-trade arrangements made between nations, and their efforts, by concessions and mutual agreements, to break down the barriers erected against them and against their trade, we find almost the complete category of items which are covered in international commerce. We find so complete a list of items that it is substantially correct to say that it is the whole category, it is the whole list, with some little exception, of all the goods that nations sell to and buy from each other.

Mr. President, when we think in terms of restrictions, and when we are talking about the part the United States has played in restrictions upon international trade, I think it well worth while to read from what was said by the Tariff Commission in response to Senate Resolution 325. I quote as follows:

> Accordingly, and because the United States has had in effect no reciprocity treaty which caused serious discriminations against European countries, those countries (except France) have generally been content to accord to the United States all their lowest rates of duty, even when not under treaty obligation to do so.

But that is not all, Mr. President. I find in a recent report from the Tariff Commission this language attributed to the French Foreign Office:

> In consideration of the fact that on the one hand the American Government has not instituted any special measure in restriction of imports, and considering on the other hand, in a spirit of particular amity toward the United States, that there is reason for not altering Franco-American commercial relations at a time when the American Government is itself occupied in solving serious economic problems, the French Government has decided not to denounce the arrangement of May 31, 1932.

And thus, Mr. President, the Tariff Commission, by its report, acquits the United States of the charge of having erected tariff barriers against the importation of goods from foreign nations. The French Foreign Office acquits the United States of responsibility on that score. There is not any room for argument about it. Of all the nations in the world the one that has offended the least is our own country of America.

The one, Mr. President, that has abstained from excesses with respect to the creation of tariff walls and with respect to these so-called "restrictions", like exchange quotas and limitations on imports, by license or otherwise—the Nation that above all others has dealt fairly with her neighbors is the United States of America.

I call attention to this record because, as I say, one of the arguments offered in behalf of this bill is that the trade of

the world has been destroyed by the trade restrictions, and I quote again the argument that "the United States has been one of the most serious offenders in this commercial warfare." It simply is not true. It is a defamatory statement against the great name of our great country. This statement would have surprised had it been made by a representative or high official of a foreign nation. It is doubly surprising when this statement is written into the RECORD of the Congress of the United States by an outstanding, responsible Member of this body.

A little while ago I was asked by the Senator from Wyoming what there was in the situation that indicated that the Democratic Party was renouncing its own traditions, abandoning its own position, that it is faithless to its own policy, and that it is turning this important subject over to the President to be handled in a way different from the declarations made in the various platforms and by the great leaders of the Democratic Party. One source of information concerning this bill and its purpose is found in the message of the President of the United States when the bill was transmitted to us for our consideration. The President said:

> The exercise of the authority which I propose must be carefully weighed in the light of the latest information, so as to give assurance that no sound and important American interest will be injuriously disturbed.

I invite attention to that language. Inasmuch as there is no formula governing the conduct of the President under the authority delegated by this bill, who is to determine what constitutes a sound interest in America? What is to determine that save the judgment of the President himself? Who is to determine what constitutes an important interest in America, and what is to determine that save the opinion of the President himself?

Mr. President, in my mind the statement just read implies that the President has in mind, in order to work out his planned economy or some new scheme of social reform, that there will be modifications of tariff duties which will be injurious to some of the elements of our society. It is obviously implied that the President in explaining the injury to result from the application of the proposed treaties is trying to assure us that the injury will not fall upon those industries which he regards as sound, nor upon those interests which he regards as important.

I am mindful in this regard of what was said by the President upon another occasion. In his message of May 10, when he transmitted the economy bill to the Congress, he included this assuring statement. I read:

> When a great danger threatens our basic security it is my duty to advise the Congress of the way to preserve it. In so doing I must be fair not only to the few but to the many. It is in this spirit that I appeal to you. If the Congress chooses to vest me with this responsibility, it will be exercised in the spirit of justice to all, of sympathy to those who are in need and of maintaining inviolate the basic welfare of the United States.

Mr. President, it would be distasteful to me to characterize unpleasantly the President or his conduct under the authority of the bill that he obtained by the language which I have just read. I shall not, therefore, characterize it, but I will say that before 3 months passed this Congress passed Public, No. 78, which changed some of the rules that the President had made under the Economy Act, and declared that to that extent the Congress did not regard those rules as sympathetic or as reflecting a spirit of justice to all. And within a year or a little over a year, two-thirds of both bodies of Congress, by another act, made another solemn declaration that they were dissatisfied with the President's administration of the great powers that had been delegated to him by the Economy Act.

And so, Mr. President, we ought to have been warned when the President said to us, "In so doing I must be fair not only to the few but to the many"; we ought to have been warned that the President had in mind to make drastic cuts and to apply the kind of treatment that we might not approve in order to serve what he regarded as the welfare of the great body of our people; and we ought now, by the same token, to be warned here, because now the President says to us:

> The exercise of the authority which I propose must be carefully weighed in the light of the latest information so as to give assurance that no sound and important American interest will be injuriously disturbed.

Thus we have presented a proposal under which the President very frankly tells the Congress that in order to expand our foreign trade he will take steps that will not injuriously disturb sound investment or important elements of our society; but the inevitable implication is that the acts which he will perform will disturb the unimportant and the unsound, and we write no formula to determine what the President shall do in playing with a great toy which is built and painted and delivered to him under this bill.

Mr. President, I have said the Democratic Party is delegating an authority which will permit departure from its traditional historical position; that it will permit every theory of tariff that has ever been maintained by that party to be violated either by the President or by someone acting for him. Who will advise the President in this regard? One body that will advise him, no doubt, is the Tariff Commission, and the amiable Mr. O'Brien, who has intimated that he will do whatever the President wants him to do with respect to tariff matters. Another adviser will be the Secretary of Agriculture. Another adviser, no doubt, will be Dr. Tugwell.

Earlier in the afternoon there was a statement read, attributed to Dr. Tugwell, in which he announced that he was against protection in its entirety.

Let us see about Secretary Wallace, one of the other advisers of the President, who is helping to formulate the program, and to lead America into its new theory—he is helping also to lead the Democratic Party away from its traditions, and helping to commit that party to a new venture and to a new experiment as a part of the new deal. Mr. Wallace, in his book, America Must Choose, said this:

> A truly practical readjustment of our own tariff policy would involve the careful examination of every product produced in the United States or imported, and the determination of just which of our monopolistic or inefficient industries we are willing to expose to real foreign competition. This problem should be approached from the point of view of a long-time national plan which we are willing to follow for at least 20 or 30 years, even if some of our friends get hurt, and howl continuously to high heaven.

Those are deliberate words; words deliberately chosen by one of those who is to be an adviser of the President of the United States in making the new program in carrying forward the new experiment under the new power to be delegated by the pending bill.

In the same book, at page 18, Mr. Wallace said, and I quote further:

> Traditionally the Democratic Party is the party of low tariffs. Actually Democratic administrations have never made changes in the tariff structure great enough to increase foreign purchasing power to the extent demanded by the present world dilemma. If we are going to increase foreign purchasing power enough to sell abroad our normal surpluses of cotton, wheat, and tobacco at a decent price, we shall have to accept nearly a billion dollars more goods from abroad than we did in 1929. We shall have to get that much more in order to service the debts that are coming to us from abroad and have enough left over to pay us a fair price for what we send abroad.

Mr. President, at this point I observe that when Mr. Wallace estimated that we must import $1,000,000,000 more than in a certain year, he took the year 1929, which, of course, is the peak year of importation in the whole history of the Republic. He would have us go back to that basis of importation. Then he would have us add $1,000,000,000 to it in order to benefit somebody else and to enable foreigners to buy some of our goods.

I quote further:

> This will involve a radical reduction in tariffs. That might seriously hurt certain industries, and a few kinds of agricultural businesses, such as sugar-beet growing and flax growing. It might also cause pain for a while to woolgrowers, and to farmers who supply material for various edible oils. I think we ought to face that fact. If we are going to lower tariffs radically, there may have to be some definite planning whereby certain industries or

businesses will have to be retired. The Government might have to help furnish means for the orderly retirement of such businesses, and even select those which are thus to be retired.

When Mr. Wallace refers to certain farmers who supply materials for various edible oils he obviously is referring to farmers engaged in the great dairying industry.

In March of this year Mr. Wallace was quoted in the New York Times. I read from a statement appearing March 6, 1934, in that paper, as follows:

Similarly, Mr. Wallace pointed out, lower tariffs and the removal of artificial trade barriers would leave some weak and inefficiently managed American industries at the mercy of foreign competition. Agreeing that this might lead to added unemployment, especially in the Massachusetts mill towns, he said this increase would not exceed 10 percent.

Think of it, Mr. President. A responsible officer of our Government talking brazenly about a course of procedure that will bring injury to our business, that will curtail our employment, saying it is not so bad because the increase in unemployment will not exceed 10 percent. I do not know what he would call a serious blow to the American Nation and to the laborers of the country under the conditions which obtain in this year of our Lord 1934. I am glad he has made no proposal here that he would call an important reduction in employment or a substantial increase of unemployment.

Mr. President, in the message of the President with respect to the pending legislation there is another argument offered in behalf of the bill. It is as follows:

If the American Government is not in a position to make fair offers for fair opportunities, its trade will be superseded. If it is not in a position at a given moment rapidly to alter the terms on which it is willing to deal with other countries, it cannot adequately protect its trade against discrimination and against bargains injurious to its interests. Furthermore, a promise to which prompt effect cannot be given is not an inducement which can pass current at par in commercial negotiations.

This argument, Mr. President, might be summarized as an argument of expedition. In effect it amounts to this, that it is impossible for the President or the representatives of our Government to act successfully in behalf of American industry unless they can act with dispatch. The argument is offered that they must proceed expeditiously, the President suggesting that he must have an unrestrained power, to make their foreign-trade agreements.

The purpose, of course, is to get away from necessity of ratification by the Senate. The argument of expedition is an argument to sustain the idea that the President should have the power, free and unrestrained, to do whatever he may please to do in furtherance of his own judgment and in accordance with his own opinion as to what should be done in promoting the foreign trade of the United States.

It is not a fair or valid argument to say, under present conditions and in this administration, that there is any lack of dispatch or expedition in getting congressional support for the important measures which the President submits.

If we can cooperate with the Executive in matters of gravest import, involving the fundamental existence of the Nation, and trenching upon the basic constitutional powers of Congress; in matters that pertain to the happiness and welfare of all the people of the land; if, with respect to that kind of legislation, we can act within a month or two, how easily, how readily we would be able to deal with a mere trade agreement made by the President if there were no valid or substantial objection to it.

The history of trade agreements in this country has not disclosed so much that the Senate was not expeditious in its action as it has disclosed that the Senate, reflecting the will of the people, in very many instances refused outright to give approval to the treaty. The thing involved in this controversy is not expedition; it is the question of whether or not approval is going to be had at all.

I read from the letter of the Chairman of the United States Tariff Commission in response to Senate Resolution 325, in which he refers to the history of reciprocity treaties. From pages 11 and 12 I read as follows:

It appears therefore that in a period of some 60 years, 10 reciprocity treaties were negotiated under the general treaty powers which did not become effective. Out of the 10, two were rejected by the foreign country, two were negotiated by one President but not accepted by his successor, and the other six were suppressed by congressional action or inaction—four were rejected by the Senate, one failed for lack of the necessary legislation, and one because amendment by the Senate had made it unacceptable to the other country.

On the same page, at another place, I quote as follows:

It may be seen that it has been a matter of some difficulty and delicacy to obtain reciprocity treaties which would satisfy both parties to the treaty. During the last century with three exceptions, all attempts on the part of the United States to complete reciprocity treaties have been abortive. The scattered successes have been with near neighbors and have been enacted perhaps as much for political as for economic reasons. Out of 21 abortive treaties, 16 failed because of opposition in the Senate—a two-thirds majority being required for ratification—being either rejected or allowed to die without a vote.

Thus, Mr. President, I conclude my remarks in connection with this argument of expedition. In my judgment, it is no sounder than the conception entertained by foreign interests, and by internationalists in this country, and by some of the sponsors of this bill, that America is one of the most serious offenders in the matter of the erection of trade barriers.

Now let us look at the third argument.

In the House report, which is one of the most authoritative statements made in behalf of this bill, we find the contention that world trade has shrunk 30 percent in volume from the 1929 level, and the further statement that one of the primary causes for this great shrink in volume is the almost universal existence of high trade barriers. First, Mr. President, they wrongfully blame the United States for the existence of the high trade barriers. Having done that, they contend that the high trade barriers are one of the primary causes of this shrink.

We know something of the causes of the shrink in trade. We know what happened in the year 1929 and the years following that year. We know the great chaotic condition that developed in the world. We know, moreover, that the peak of foreign trade in 1929 had been attained under these same very severe trade restrictions. It had surmounted the difficulties of the so-called "trade barriers"; and then in 1929, without a substantial change in the trade barriers, all at once we found ourselves headed for chaos. Some of the economists assign one reason and some another.

I shall not attempt at this late hour to analyze the reasons for the world depression. Undoubtedly the excessive expansion of credit, the assumption of debts that could not be paid, the load of interest, excessive speculation, and all the other causes, including monetary disorders and dislocation of exchanges, were factors. The mechanization of industry, antipathies between nations, the ill feeling following the Treaty of Versailles, the desire of all the nations to make themselves independent and to abstain from trade—these and a dozen other forces were the great factors that brought about the chaotic condition during and following the year 1929.

I shall not deny that the trade barriers were a factor. I have no doubt they contributed to some extent. I wish the European nations had not engaged in the competitive race in which they did engage to establish the excessively high tariffs and the trade barriers that I discussed earlier in these remarks. I am happy to concede, for the sake of the argument, that those barriers were a factor operating against the free exchange of commerce in the trade between the nations; but to say that they are the primary cause is to overstate the case, and to present a misleading argument in behalf of this bill. I should rather regard them as effects. They flow from antipathies between peoples, from the desire to remain independent and self-sufficient. They are an effect more than a cause; but as a cause they are a secondary and not a primary cause, and they are not the dominant reason why the great depression came upon the world in the year 1929.

I have in my hand a statement by the Secretary of State made in April of this year, and made, I believe, as a press release in behalf of the enactment of this measure. In that statement the Secretary of State, among other things, is quoted as follows:

When the processes of exchange and distribution collapsed in 1929, a world-wide decline of commodity prices and of values rapidly resulted in some localities and gradually in others. International trade collapsed, while production in our own country precipitately declined 45 percent and domestic trade substantially over 50 percent.

There, Mr. President, is the answer to the argument that the trade barriers were the primary cause of the collapse in world trade. Not even the Secretary of State believes that the argument is sound; and he points out that there was a collapse of practically 50 percent in the domestic trade of our own country, where there were no trade barriers in the commerce among the several States. So it is obvious that that contention, like others, is a misdirected effort and a misleading argument in behalf of the bill.

Mr. President, Mr. Wallace, in his book, America Must Choose, made this statement:

The failure to adopt any nationally approved plan during the post-war years has, of course, been disastrous for all of our major producing groups, but it has been most disastrous in its effect on agriculture. The loss of billions of dollars of agricultural income can be charged directly to this cause. The foreign loans we made to sustain our expanded productive capacity after the war, merely concealed the true nature of our situation. When the loans ended—as they were sure to, since we refused to accept sufficient goods in payment—our artificial market for the surplus disappeared overnight.

Here is one statement made by the Secretary of Agriculture which has my cordial approval. The fact of the entire matter was that we were extending excessive credit to the nations of the world in the years prior to 1929. By that extension of credit, we built up a great international trade, to the peak of 1929, and when we withdrew the credit, naturally our trade levels subsided. Who, therefore, in the face of the record, would be justified in saying that the great disaster which came upon our country came because of the trade barriers, which, after all, existed chiefly in the foreign countries operating one against the other, and only to a very slight degree operated against us in our trade with those countries.

It would be interesting, if time permitted, to analyze our trade loss. It has been argued in the House report and the argument was made here by the Senator from Mississippi that we lost more than our share; that is to say, that we have not retained our proportionate share of the diminishing world market. That statement is found, I think, on page 3 of the House committee report.

Without analyzing that contention in detail, let us deal with it in a few sentences. American international trade, greater than that of any other nation in the world, consists of trade in crude commodities. It is disclosed by examination of figures as to the loss of trade that there has been a greater loss in the crude commodities than in manufactured commodities in value. Therefore, our trade, which showed a very high percentage of crude commodities, or raw materials, in the very nature of things was to suffer more than the trade of some other nations.

Moreover, we were injuriously affected by the adverse exchange rate, because until the fall of 1933 we had taken no steps to correct the inequalities in exchange rates, and, of all the nations in the world, our adherence to the gold standard and to our monetary value made us the greatest sufferers. For that reason we were seriously affected in our attempt to compete in world trade by the fact that other nations, with their depreciated currencies, were able to undersell us, to take our markets, and to destroy our trade.

I submit that this factor of international exchange, and this other factor of the withdrawal of credit, and other factors, economic or monetary in nature, were the causes which reduced our proportionate share of the trade of the world, and that it was not due to import restrictions on our trade, nor was it due to certain trade restrictions which operated against us in other quarters of the world.

Further, we find a certain degree of error in the statement contained in the House report. Even if it be admitted that trade restrictions were responsible, and that our tariff policy brought about a greater proportion of loss in the diminishing trade of the world, a comparison of the share of world trade held by the leading countries of the world for the years 1913 and 1932 is very revealing.

Let us leave out the abnormal year 1929; let us lay aside for a moment the great peak year, during which we had increased our foreign trade far above normal by our lending policy. Let us go back to the long-time period, and compare the fairly normal year 1913 with the year 1932.

We find, in amount of change as between the years 1913 and 1932, that the United States had suffered a loss of 0.23 of 1 percent of its share of the world trade, the United Kingdom had lost 1.85 percent of its share of the world trade, and Germany, in the same period, due, I have no doubt, to the influence of the war, had suffered a loss of 3.83 percent of its share of the world trade. So, if we take a normal comparison between the year 1913 and the year 1932, we find that the loss of world trade as suffered by the United States was not disproportionate; that, in fact, it was less than the loss of Germany, of the United Kingdom, and of the other great industrial nations of the world.

An additional argument is made that the world trade can be regained only by taking away the trade restrictions, and that becomes the excuse or apology for the pending bill. I want to analyze briefly the proposition as to whether the difficulty can be overcome by the means prescribed in the bill.

We have had one recent experience in the matter of administering quotas. We attempted, when the prohibition law was repealed, to put the importation of foreign liquors on a quota basis and to expand our foreign trade by means of a quota system with respect to liquor.

I wish to read from the New York Times of March 10 in order to disclose something of the results of that limited experiment.

Mr. President, it is needless to add that, compared with the possibilities under the pending bill, this experiment with the liquor quotas was a primitive, simple experiment, and it was undertaken in a very limited way.

I read from the paper referred to:

The set-up by which the quotas were granted and questions in connection with them were settled was apparently so complicated and led to unreasonable delays.

The State Department was visited by streams of disgruntled diplomats almost daily seeking to know why their countries had not received larger quotas, why their quotas were being delayed, and so on.

At least one country, Germany, seriously raised the question of violation of the most-favored-nation clause in its trade treaty signed by this country in 1925.

Originally adopted in the belief that handsome trade concessions could be obtained by bargaining liquor quotas against import allowances for American products the system has been a disappointment from that point of view.

Outside of an increased quota on apples and pears into France and American tobacco into Spain, hardly any concessions of importance have been obtained in the 4 months the liquor system has been in effect.

And we all know that the system was discontinued.

Mr. President, I am not qualified to speak in connection with our sales of tobacco into Spain, but I happen to know something about our efforts to increase our apple sales abroad by the use of the liquor quota. I have in my hand a letter written by a responsible officer of the International Apple Association. The letter was written to me, because it concerns some of the apple products in the Pacific Northwest. I read briefly from the letter:

While the French Ambassador gave written assurance to our Department of State that the import quota of 200,000 quintals would be effective, it is difficult to see how those assurances can be enforced.

Right now time is the essence of the apple and pear deals. The quarter January 1 to April 1 is of vital importance.

The negotiations as concluded have paralyzed the deal both in France and the United States so far as exports to France are concerned.

If the French assurances are thrown into the field of diplomatic negotiations to persuade the French Government to make the 200,000 quintals effective, the exporting season will be over.

The way the matter now stands the apple and pear industries are apparently worse off than before the negotiations.

I am advised, Mr. President, in connection with this subject, that large cargoes of apples and pears that were admitted into France under the quotas were nevertheless not

purchased by the consumers, and they rotted at the docks and the warehouses, and the American shippers suffered very great losses in this experiment to offset agricultural allowances against liquor import quotas.

On this point we must bear in mind one fact that has never been denied, namely, that the great industrial nations do not sell always one to the other. In the highest sense they are competitive. They are manufacturing and selling the same thing.

Whether we take machinery, automobiles, cotton manufactures, woolen manufactures, or a half a dozen others of the leading products of the great nations of the world, we find that we are not shipping one to the other. We are manufacturing these articles and exporting them abroad, but we are all engaged in selling in a common competitive territory to people of other nations.

This argument, I think, has not been developed in these debates, but it appears very clearly from the records which have been accumulated by our Bureau of Foreign and Domestic Commerce and by the Federal Tariff Commission and by other agencies of our Government.

Because we are competitively engaged with the other industrial and agricultural nations of the world, we and they have nothing to trade. America and the United Kingdom are still competitively selling in common territories to the peoples of other nations the same article, of much the same character, at a competitive price. If we were selling to each other, we might bargain our markets into a better position by making a deal with the United Kingdom that they take a certain proportion of our product in return for our taking a certain proportion of theirs, or if they make a certain concession with respect to their tariffs in return for our making a concession with respect to ours. But where we are engaged in a competitive enterprise under which we both try to sell in a common territory to other peoples, how can we hope to gain by concessions between ourselves and the United Kingdom. We might by agreement get Britain to withdraw from the other markets. We might get them to abstain from competition.

But we would have to go that far—no less—before we could hope to obtain any trade agreements dealing with competitive enterprises in which we are all engaged. Unfortunately, the great nations of the world with which we compete produce and sell the bulk of the world's goods. They supply the bulk of the world's consumption. They leave very little in the field fairly within the operations of foreign-trade agreements. It will be found that a great portion of all the production of the world is clear outside the possibility of negotiating trade agreements with other competing nations.

I shall not detain the Senate with the development of that argument, but I wish to say with very complete confidence that the record of our trade and the trade of Germany, France, Japan, and England sustains the statement, and will convince any person willing to consider the subject that there is a very limited field in which the proposed agreements could operate.

One final argument made in behalf of the bill is that the executive branch of virtually all the other important trading countries has the power under the existing law to make these trade agreements, and therefore that we, in order to compete with the other countries, must give to our executive branch the same flexible and completely dominant authority. I answer that by making just one reference. I turn to the report on this bill as made by the House Committee on Ways and Means, and at page 5 of that report we find that argument developed. The statement is as follows:

> In most European countries agreements can be made by the executive and put into force at once. In some countries no parliamentary ratification of any kind is necessary. In the majority of countries parliamentary ratification is necessary, but the agreements can be made operative at once and parliamentary ratification is largely a matter of form.

In connection with this subject Mr. Sayre, of the State Department, appeared before the committee, and in the record of the hearings he indulged in a statement, to which I call attention because to me it completely refutes the whole argument and shows that with the exception of three countries the statement upon which the argument is advanced is unsound in fact and unsound in effect. He said among other things, as follows:

> Practically all of the countries of continental Europe, as well as England and the major dominions and a few of the countries of Latin America, have authority vested in the executive branch of the Government for negotiating duties below those in the general or maximum tariff schedules, in the course of reciprocal negotiations with other countries.
>
> In a few cases (notably France, Spain, Portugal, Canada, and South Africa), the Parliament has actually established in advance the minimum scale of duties, part or all of which may be granted to other countries by agreements, although in practice rates below the so-called "minimum" have sometimes been granted by France and Spain. The more common practice is to start with a general tariff and authorize the executive branch of the Government to grant reductions in the course of negotiations, without prescribing in advance the amount of the reductions, such rates established by treaty then constituting the second or conventional column of the country's tariff.
>
> In a limited number of countries the Executive has the authority to make definitely effective the reductions granted in the course of reciprocal negotiations, without requiring the approval of the Parliament. (This is the case principally in Canada, British India, with Hungary requiring simple notification to the Parliament. * * *)

This, Mr. President, is an answer to the argument. After all is said to the effect that the other nations are practicing a system something equivalent to that set up in this bill, we find upon examination of the facts that of all the nations in the world there are only three in which the executive enjoys the unbounded power given to the President in this bill.

Either there is a legislative definition or a limit upon what may be done, or else there is a requirement for ratification by the legislative branch of the Government. So I say that argument also falls along with the rest.

Now to summarize: The various arguments presented with some rather minor exceptions, are the only arguments that have been advanced; they are the only arguments that appear in the House report or the Senate report, in the statement of the Senator from Mississippi [Mr. HARRISON], and other authoritative statements in behalf of the bill. All combined do not begin to justify the enactment of this legislation.

Nor is the legislation necessary. We can in other ways solve our trade problems if we have the will to do so. We can proceed under the Constitution and under existing law. Our President can negotiate all the agreements that will be of any substantial benefit to the people of the United States, and ratification can be had by the Senate. It is not necessary to resort to the expedients which are created in the proposed statute. It is not necessary to rely upon arguments of doubtful validity, committing us to a doubtful course, sending us out upon an uncharted sea, involving us in commitments of a nature which we cannot know or evaluate in advance.

Mr. President, I submit that it is wholly unnecessary to create in this country the uncertainty and the doubt that would come to the business minds of the people of America if the President were clothed with these extraordinary and unlimited powers. It is unnecessary and unwise to leave our charted course for this new and novel experiment.

I said in the beginning that I knew my remarks would have no influence upon the action to be taken here, and I expressed the hope that some faint echo of my utterances might be heard by people elsewhere. Let me say now, in conclusion, that if the American people will give the subject the attention which its importance deserves, they will come to the conclusion very promptly that in this legislation there is a threat against their welfare and against their security.

I prophesy the day will come when they, in the assertion of their rights as free citizens, will demand of the Congress that we recall the extraordinary powers which we are delegating to others, and that we thus restore to the people's representatives the functions of government which are rightfully performed by the Congress. Compliance with that demand will bring us back to the Constitution under which our country has grown so great.

NATIONAL ARCHIVES COMMISSION

Mr. McKELLAR. Mr. President, today the Committee on the Library ordered reported a bill establishing a commission for the new Department of Archives. The House had previously passed a bill and the Senate passed a substitute bill relating to the same subject. I think it is one of the most important matters that has been before the Senate for some time. For the convenience of Senators, the matter being of such great importance, I ask unanimous consent that the two bills may be printed in parallel columns in the RECORD.

Mr. WALSH. The Senator is not asking for action on the bill at this time?

Mr. McKELLAR. Oh, no.

There being no objection, the bills were ordered to be printed in the RECORD in parallel columns, as follows:

HOUSE BILL 8910 AS PASSED THE HOUSE

[H.R. 8910]

An act to establish a National Archives of the United States Government, and for other purposes

Be it enacted, etc., That there is hereby established a commission to be known as the "National Archives Commission", to be composed of the Secretaries of each of the executive departments of the Government (or an alternate from each department to be named by the Secretary thereof), the Chairman of each of the Senate and House Committees on the Library, the Librarian of Congress, the Secretary of the Smithsonian Institution, and the Archivist of the United States.

SEC. 2. There is hereby created and established the National Archives, which is hereafter to be known as the "National Archives of the United States", for the purpose of receiving, preserving, and supervising the use of certain Government papers and records as set out in sections 3 and 4 of this act. The head of the National Archives shall be known as the "Archivist of the United States", who shall be appointed by the President of the United States, by and with the advice and consent of the Senate. The archivist is authorized to appoint, solely on their fitness and aptitude for their duties, such assistants, officers, and other employees as he may deem necessary.

SEC. 3. The source of material to be transferred to the National Archives of the United States (hereinafter referred to as the "National Archives") shall consist of records, documents, and manuscripts now in the custody of or having their origin in the executive departments, independent offices, and any and all other agencies of the Federal Government.

SEC. 4. The National Archives Commission (hereinafter referred to as the "commission") shall define the classes of material which may be transferred to the National Archives and establish rules and regulations governing such transfer. The executive departments, independent offices, and other governmental agencies shall, in all cases, submit in advance to the archivist descriptive lists, or inventories, of the records to be transferred to the National Archives.

SEC. 5. All materials and records within the definition of

HOUSE BILL 8910 AS REPORTED TO THE SENATE

[H.R. 8910]

An act to establish a National Archives of the United States Government, and for other purposes

Be it enacted, etc., That there is hereby created the Office of Archivist of the United States, the archivist to be appointed by the President of the United States, by and with the advice and consent of the Senate.

SEC. 2. The salary of the archivist shall be $8,000 annually. All persons to be employed in the National Archives Establishment shall be appointed by the archivist solely with reference to their fitness for their particular duties and without regard to civil service law; and the archivist shall make rules and regulations for the government of the National Archives; but any official or employee with salary of $5,000 or over shall be appointed by the President, by and with the advice and consent of the Senate.

SEC. 3. All archives or records belonging to the Government of the United States (legislative, executive, judicial, and other) shall be under the charge and superintendence of the archivist to this extent: He shall have full power to inspect personally or by deputy the records of any agency of the United States Government whatsoever and wheresoever located, to secure the full cooperation of any and all persons in charge of such records in such inspections and in the execution of such measures as may be deemed necessary for the better preservation of the material, and to requisition for transfer to the National Archives Establishment such archives, or records as the National Archives Commission, hereafter provided shall approve for such transfer, and he shall have authority to make regulations for the arrangement, custody, use, and withdrawal of material deposited in the National Archives Building.

SEC. 4. The immediate custody and control of the National Archives Building and such other buildings, grounds, and equipment as may from time to time become a part of the National Archives Establishment (except as the same is vested by law in the Director of National Buildings, Parks, and Reservations) and their contents shall be vested in the Archivist of the United States.

HOUSE BILL 8910 AS PASSED THE HOUSE—continued

the commission may, subject to the approval of the departments, offices, and agencies from which it is to be drawn, be transferred at any time and without regard to the date of such material and records, on requisition of the archivist: *Provided*, That after 5 years from the beginning of this commission the approval of the departments, offices, and agencies from which such material is to be drawn shall not be necessary, except in the case of material bearing dates within 50 years prior to the then dates, and thereafter within 50 years prior to the date of requisition.

SEC. 6. (a) The archivist shall store, classify, arrange, list, index, or catalog all matter received by him, repair and bind the same when needed, and perform all other activities judged needful for the proper administration of his office and the preservation and service of the record property in his custody. In consultation with the commission, the archivist shall prescribe rules and regulations governing examination and consultation of the record property in his custody as he may deem wise: *Provided*, That any head of an executive department, independent office, or other agency of the Government may, for limited periods, not exceeding in duration his tenure of thrt office, exempt from examination and consultation by officials, private individuals, or any other persons such confidential matter transferred from his department or office, as he may deem wise.

(b) The National Archives may also accept, store, and preserve motion-picture films and sound recordings pertaining to and illustrative of historical activities of the United States and in connection therewith maintain a projecting room for showing such films and reproducing such sound recordings for historical purposes and study.

SEC. 7. (a) The commission is hereby authorized to appoint a committee to advise on publishing historical material, such committee to be known as the "Committee on National Historical Publications." The membership of this committee shall consist of the Archivist of the United States (who shall be chairman); the Historical Adviser of the Department of State; the Chief of the Historical Section of the War Department, General Staff; the Superintendent of Naval Records in the Navy Department; the Chief of the Division of Manuscripts in the Library of Congress; the Curator, Division of History, of the Smithsonian Institution; the president of the American Historical Association; and, in addition thereto, two other members, selected from among persons recognized as of high attainment in American history, to serve for a period of 4 years.

(b) The functions of the Committee on National Historical Publications (hereinafter referred to as the "committee") shall be to examine material in the custody of the National

HOUSE BILL 8910 AS REPORTED TO THE SENATE—continued

SEC. 5. That there is hereby created also a National Historical Publications Commission which shall make plans, estimates, and recommendations for such historical works and collections of sources as seem appropriate for publication at the public expense, said commission to consist of the Archivist of the United States, who shall be its chairman; the historical adviser of the Department of State; the chief of the historical section of the War Department, General Staff; the superintendent of naval records in the Navy Department; the Chief of the Division of Manuscripts in the Library of Congress; and two members of the American Historical Association appointed by the president thereof from among those persons who are or have been members of the executive council of the said association: *Provided*, That the preparation and publication of annual and special reports on the archives and records of the Government, guides, inventory lists, catalogs, and other instruments facilitating the use of the collections shall have precedence over detailed calendars and textual reproductions. This commission shall meet at least once a year, and the members shall serve without compensation except repayment of expenses actually incurred in attending meetings of the commission.

SEC. 6. That there is hereby further created a National Archives Council composed of the Secretaries of each of the executive departments of the Government (or an alternate from each department to be named by the Secretary thereof), the Chairman of the Senate Committee on the Library, the Chairman of the House Committee on the Library, the Librarian of Congress, the Secretary of the Smithsonian Institution, and the Archivist of the United States. The said Council shall define the classes of material which shall be transferred to the National Archives Building and establish regulations governing such transfer; and shall have power to advise the archivist in respect to regulations governing the disposition and use of the archives and records transferred to his custody.

SEC. 7. That the National Archives shall have an official seal which will be judicially noticed.

SEC. 8. That the archivist shall make to Congress, at the beginning of each regular session, a report for the preceding fiscal year as to the national archives, the said report including a detailed statement of all accessions and of all receipts and expenditures on account of the said establishment. He shall also transmit to Congress the recommendations of the Commission on National Historical Publications, and, on January 1 of each year, with the approval of the council, a list or description of the papers, documents, etc. (among the archives and records of the Government), which appear to have no permanent value or historical inter-

HOUSE BILL 8910 AS PASSED THE HOUSE—continued

Archives, advise on the propriety and need for its publication, and submit plans and costs governing such publications as it may deem necessary.

(c) The committee shall also examine available historical material, governmental in origin and character, suitable for motion pictures, for radio broadcast, for sound recording, for lecture, or for any other method of disseminating information, and advise as to plans and costs of preparing such material for the end sought.

(d) The committee shall report to the archivist, who is authorized, with the consent of the commission, to prepare, print, publish, and/or record such material: *Provided*, That the annual expenditures for such purposes shall not exceed the sum of $20,000.

SEC. 8. The archivist shall receive a salary of $10,000 a year. The members of the commission and members of the committee shall receive no salary, but their transportation expenses and expenses incident to not more than two meetings of not more than 6 days' duration each in any 1 year shall be paid out of such funds as are available.

SEC. 9. The National Archives shall have an official seal which shall be judicially noticed.

SEC. 10. There is hereby authorized such appropriations as may be necessary for the purpose of carrying out the provisions of this act.

SEC. 11. The archivist shall submit annually to Congress a report for the preceding fiscal year covering accessions, publications, and recordings, and a detailed statement covering all receipts and expenditures.

SEC. 12. All acts or parts of acts relating to the custody, preservation, and disposition of official papers and documents of executive departments and other governmental agencies inconsistent with the provisions of this act are hereby repealed.

HOUSE BILL 8910 AS REPORTED TO THE SENATE—continued

est, and which, with the concurrence of the Government agency concerned, and subject to the approval of Congress, shall be destroyed or otherwise effectively disposed of.

SEC. 9. That there are hereby authorized such appropriations as may be necessary for the maintenance of the National Archives Building and the administration of the collections, the expenses, and work of the Commission on National Historical Publications, the supply of necessary equipment and expenses incidental to the operations aforesaid, including transfer of records to the Archives Building; printing and binding; personal services in the District of Columbia and elsewhere; travel and subsistence and per diem in lieu of subsistence, notwithstanding the provisions of any other acts; stenographic services by contract or otherwise as may be deemed necessary; purchases and exchange of books and maps; purchase, exchange, and operation of motor vehicles; and all absolutely necessary contingent expenses, all to be expended under the direction of the archivist, who shall annually submit to Congress estimates therefor in the manner prescribed by law.

SEC. 10. All acts or parts of acts relating to the charge and superintendency, custody, preservation, and disposition of official papers and documents of executive departments and other governmental agencies inconsistent with the provisions of this act are hereby repealed.

THE N.R.A.

Mr. ROBINSON of Arkansas. Mr. President, I ask unanimous consent to have printed in the RECORD an interview published in the New York Times of May 27, attributed to Mr. William R. Hearst; also a statement appearing in the New York Times under date of May 28 entitled "Give the N.R.A. a Chance", signed by the United States Plywood Co., Inc.; and another article appearing in the same paper having relationship to the regulation of the service industries and the code labor rule.

There being no objection the articles were ordered to be printed in the RECORD as follows:

[From the New York Times, May 27, 1934]

HEARST, SAILING, SHIFTS TO THE N.R.A.—PUBLISHER, URGING SUPPORT OF PRESIDENT, NOTES RISE IN NATION'S BUSINESS—CITES ADVERTISING GAIN—BELIEVES IN NEW DEAL SO LONG AS "YOU ARE NOT TOLD TO DO SOMETHING YOU CAN'T DO"

William Randolph Hearst, publisher, sailed yesterday on the Italian liner *Rex*, expressing optimism about conditions in the country and the progress of recovery.

In a virtual reversal of his former attitude, the publisher said he felt that everyone should support the N.R.A. and recovery measures so long as the measures did not "tell you to do something you can't do." He said he was in sympathy with President Roosevelt.

With Mr. Hearst were his three sons, William R., Jr., John, and George, the wives of his sons and 11 of his friends.

The publisher said he believed the United States was well on the way to recovery, citing increases in newspaper advertising as a reliable barometer of conditions throughout the Nation.

HE NOTES GAIN IN TRADE

When asked for his views on the Recovery Act, Mr. Hearst, who talked in Chicago recently with General Johnson, head of the N.R.A., and visited the President in Washington, said:

"It is much better than it was. General Johnson seemed to have a very judicious and admirable attitude. He said that the codes were satisfactory to many industries, which preferred to have them rather than not."

Speaking of his visit to Washington, he said:

"I have sympathy for the National Recovery Act, and all is right with it so long as they don't tell you to do something you can't do. I think we are going to get along, and all should help as much as they can. I am entirely in sympathy with the President."

[From the New York Times, May 28, 1934]

GIVE THE N.R.A. A CHANCE

Unless the citizens of our beloved country support our President and the Congress no plan—social or economic—can succeed.

In other countries, notably England and Russia, the people have sustained their governments during the crisis with an enthusiasm amounting to religious fervor. Both of these countries are well on their way toward complete recovery.

We lay claim to no knowledge of political or social economics qualifying us to judge the wisdom of the plan of our Government, but we subscribe to the opinion that no plan can succeed without the unselfish and intelligent support of the whole people—that any plan, capable of modification by experience, can succeed if honestly and intelligently supported.

The N.R.A. has revivified the lumber industry in all of its complex phases. It has raised the wages of workmen from as little as nothing, save rude board and keep, to a minimum of 42½ cents an hour. It has benefited the "little man" by protecting him against the dumping of overproduction in his markets; by teaching him the cost of doing business and by stabilizing his market with due consideration to his activities.

Even in this industry the chiselers are at work undermining, for selfish reasons of temporary gain, the structure which has saved them from destruction.

Give the N.R.A. a chance to succeed by giving it your wholehearted, patriotic support. Do not be a traitor to your own interests, for it inevitably means a return to the chaos of 1933 or the lash of the dictator. Your Government has made mistakes, but it has set us on the road to recovery, and has passed many laws to prevent abuses of the past.

The man who will not support his Government in this crisis is beneath contempt.

UNITED STATES PLYWOOD CO., INC.,
LAWRENCE OTTINGER, *President*.

[From the New York Times, May 28, 1934]

ROOSEVELT ENDS REGULATION OF THE SERVICE INDUSTRIES BUT KEEPS CODE LABOR RULE—N.R.A. DRASTICALLY REVISED—BUT LOCAL FAIR-PRACTICE PACTS ARE AUTHORIZED IN EXECUTIVE ORDER—85 PERCENT MUST AGREE—OTHERWISE BLUE EAGLE IS PERMITTED IF FOUR BASIC RULES OF THE LAW ARE MET—PRICE CONTROL WAS SNAG—STATEMENT BY PRESIDENT CITES HANDICAPS TO NATIONAL CODES FOR SALE OF SERVICES

WASHINGTON, May 27.—President Roosevelt, in an Executive order today, authorized the exemption of the service industries from some of the fair-trade practices of N.R.A. codes.

The exemption does not apply to minimum wages and maximum working hours, child labor, and collective bargaining.

The Executive order empowers Recovery Administrator Johnson to cease attempting to enforce open-price systems, price fixing, and other devices on hundreds of thousands of cleaners, dyers, and pressers, barber shops, beauty shops, and the like.

In a statement, the President defined service industries as those "engaged in the sale of services rather than goods."

The statement said that "a trial period of some months has shown that while most industries after organization for this work and a little experience with it can secure uniform national results, there are others in which a greater degree of autonomous local self-government is desirable."

Among these are "some but not all" of the service industries, the statement added.

MUCH DIFFICULTY IN FIELD

This latest step toward a changed N.R.A. was taken after General Johnson and his aides had found mounting difficulty in the service-industries field.

The cleaners and dyers code accounted for more than half the Blue Eagles removed. Under the code, a complicated system of minimum prices was set up for various areas in the country.

Wide-spread violation prompted General Johnson to say that he never should have attempted to write fair-trade practice provisions into the pact.

Under the Executive order of today, however, fair-trade practice provisions for a service industry in a given area may be provided when 85 percent of the industry in the area agrees to them and they are approved by the N.R.A.

No member of any service industry may fly the Blue Eagle unless he is living up to the present code provisions governing child labor, maximum hours, minimum wages, and collective bargaining. In areas where a local code has been promulgated, the members of the industry, to fly the Blue Eagle, must, in addition, live up to the local code.

SIGNING DELAYED BY PRESIDENT

The decision on whether an industry is eligible for exemption is left to General Johnson and his aides.

While the step was forecast by General Johnson 3 weeks ago, it is known that the Executive order, presumably drafted by the N.R.A., had been unsigned on the President's desk for almost a week. Some N.R.A. officials had doubted whether he would sign it at all, involving as it does a major change in N.R.A. policy.

Forecasting of the order by General Johnson brought a storm of protest from cleaners and dyers throughout the country.

Since the basic principle of the N.R.A. contemplates meeting the increased production costs of higher wages and shorter working hours with savings by elimination of destructive price cutting and of other practices, much interest in how the new policy would work out was expressed in N.R.A. circles.

N.R.A. officials have for some time recognized a grave problem in handling such codes as come within the scope of today's Executive order. They feel there is little that a code can offer in this field in return for the higher production costs under the N.R.A.

LIST OF GROUPS AFFECTED NOT READY

WASHINGTON, May 27.—The Recovery Administration was not prepared tonight to announce the industries to come under the new order.

Virtually the only service industry operating under a national price schedule is that of cleaning and dyeing.

The hotel code has been suspended for perfection by the code authority. The restaurant group is operating under a national code based mainly on wage and hour provisions.

The laundry and barber-shop groups are operating under codes with fair-trade practice provisions.

THE PRESIDENT'S STATEMENT

WASHINGTON, May 27.—Following are the texts of the President's statement announcing changes in the N.R.A. as it affects service industries and of the Executive order promulgating the changes:

"Most industries have a national community of economic interests, even though the operation of some of their units is local. There are others which, notwithstanding their having national trade associations, do not actually integrate themselves nationally. Whether an industry can govern and police itself under the fair-trade provisions of a national code depends on its degree of actual economic integration on a national scale and on the organization and solidarity within the whole industry.

"A trial period of some months has shown that while most industries, after organization for this work and a little experience with it, can secure uniform national results, there are others to whom a greater degree of autonomous local self-government is desirable. Among these are some, but not all, of the so-called "service industries"—that is, industries engaged in the sale of services rather than of goods.

"No industry would give up the gains we have made in the elimination of child labor and in the establishment of minimum wages and maximum hours of labor and, of course, under the law, we cannot give up collective bargaining and the right of the President to cancel or modify codes, orders, and agreements.

I am signing an order today which carries these principles into effect as to some of the so-called "service industries."

To put it simply: No matter where he is located, no member of any such service industry, as shall have previously been designated by the Administrator, may fly the Blue Eagle unless he is living up to the present code provisions governing child labor, maximum hours, minimum wages, and collective bargaining.

But trade practices shall be required as a condition of flying the Blue Eagle in these designated service industries only in particular localities in which at least 85 percent of the members there have proposed as a local code of fair-trade practice a schedule of such practices in respect of which they all seek to agree with me to comply with their own proposal.

If the Administrator approves any such proposed local code, then no member in that locality may fly the Blue Eagle unless, in addition to complying with the code provisions governing child labor, maximum hours, maximum wages, and collective bargaining, he also is complying with this local compact on trade practices.

The display of the Blue Eagle by any employer is notice to the people of the United States that he is dealing fairly with his workers in accordance with the letter and spirit of the recovery program, that he is not taking advantage of child labor and that he is living up to the prescribed high responsibility to the public and to his competitors.

The absence of a Blue Eagle indicates that the employer has omitted or refused to adopt some of these standards and to cooperate with the Government and his economic and actual neighbors in trying to bring about a better day.

TEXT OF EXECUTIVE ORDER

The Executive order follows:

Pursuant to authority vested in me by title I of the National Industrial Recovery Act, I, Franklin D. Roosevelt, President of the United States, do hereby direct that all provisions in codes of such service trades or industries as shall hereafter be designated by the Administrator for National Recovery be hereby suspended until further orders, except provisions governing child labor, maximum hours of work and minimum rates of pay and the mandatory provisions of sections 7 (a) and 10 (b).

Each member of any such trade or industry, so designated, shall be entitled to display the appropriate insignia of the National Recovery Administration so long, and only so long, as he is complying with the aforesaid nonsuspended provisions; provided, however, that in any locality in which 85 percent of the members of any such designated trade or industry shall propose to agree with the President to abide by any local code of fair-trade practices suggested by them for that locality, which schedule shall have been approved by the Administrator, the Administrator is authorized to make such agreement and thereafter no member of such industry in such locality shall be entitled to display the appropriate insignia of the National Recovery Administration unless, in addition to the aforesaid nonsuspended provisions of the code, he is complying with all terms of such agreement.

The Administrator may supplement this order by such rules, regulations, exceptions, modifications, conditions, and determinations as, in his opinion, shall effectuate the purposes of this order and of said act.

RECEIVERS IN BANKRUPTCY

Mr. WAGNER. Mr. President, I present a supplemental petition of the special committee of the New York County Lawyers Association in the matter of rules XIV, XXXIX, and XLVI of the General Orders in Bankruptcy and of bankruptcy rules XXVII, XXII, VIII, and XXX of the southern district of New York, relative to the matter of bankruptcy receiverships, together with an exhibit, being House Report No. 1104, Seventy-third Congress, second session, entitled "Receivers in Bankruptcy", which I ask may be printed in the RECORD.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

IN THE SUPREME COURT OF THE UNITED STATES

IN THE MATTER OF RULES XIV, XXXIX, AND XLVI OF THE GENERAL ORDERS IN BANKRUPTCY AND OF BANKRUPTCY RULES XXVII, XXII, VIII, AND XXX OF THE SOUTHERN DISTRICT OF NEW YORK. ON PETITION OF THE SPECIAL COMMITTEE OF THE NEW YORK COUNTY LAWYERS' ASSOCIATION

To the honorable the CHIEF JUSTICE AND ASSOCIATE JUSTICES OF THE SUPREME COURT OF THE UNITED STATES:

On May 24, 1933, the special committee of the New York County Lawyers' Association, appointed by resolution dated January 12, 1933, thereto annexed, filed a petition herein praying for a change in the present practice of appointing a sole standing receiver, as receiver in bankruptcy, and in a multiplicity of equity cases, for a change of rules and orders of this Court respecting the same, and for other relief as therein set forth. Since then many things have happened which further strengthen the said petition and show that equity and sound public policy dictate that there should be such change and that the petitioner is entitled to relief.

RESOLUTION OF THE BAR ASSOCIATIONS

The following bar associations, represented at a joint meeting held on January 22, 1934, in the building of the Downtown Athletic Club, in the city of New York, passed a resolution disapproving the selection of a standing receiver in the southern district of New York, the appointment of a trust company as a sole standing receiver, the solicitation of claims and powers of attorney by referees in bankruptcy for the election of the standing receiver as trustee in bankruptcy, to wit, New York County Lawyers Association, Federal Bar Association of the State of New York, New Jersey, and Connecticut, Bronx County Bar Association, Nassau County Bar Association, Brooklyn Bar Association, Queens County Bar Association, Yonkers Bar Association, Westchester County Bar Association, Richmond County Bar Association, Kings County Lawyers Association, Kings County Criminal Bar Association, Suffolk County Bar Association, Middletown Bar Association, Harlem Lawyers Association, and Women's Bronx County Bar Association.

The resolution is as follows:

"*Be it resolved*, That we, as representatives of the bar associations here assembled, unqualifiedly oppose the appointment by the United States District Court, Southern District of New York, of a corporate standing receiver or any standing receiver in bankruptcy, and the solicitation of powers of attorney by Federal referees for the election of the Irving Trust Co. as trustee, for the following reasons:

"First. That the court's appointment of such standing receiver creates a dangerous monopoly over all classes of business and is inimical to the best interests of the country and the administration of justice.

"Second. A standing receiver or trustee with unlimited discretion in the appointment of counsel and distribution of legal business, acquires and exercises insidious and sinister power to dominate the bar and distribute its legal business to small groups of its favorites, distribute patronage, as it were, and subvert freedom of the bar.

"Third. A free, independent, and untrammeled bar is just as essential to public welfare as a free press.

"Fourth. The investigation by a congressional committee of the Irving Trust Co. receiverships—even though limited, due to lack

of funds—clearly establishes that the Irving Trust Co. was not more efficient than individual receivers, that certain charges made by the Irving Trust Co. for services as receiver or trustee were contrary to law, and that it greatly profited by the deposits of the funds of bankrupt estates with itself.

"And be it further

"*Resolved*, That we respectively urge the United States Supreme Court to act favorably on the petition of the New York County Lawyers Association to abolish the practice of appointing a standing receiver in bankruptcy, and of soliciting powers of attorney by the referees for the election of the Irving Trust Co. as trustee in bankruptcy."

In addition to the joint resolution of said 15 bar associations, attached to and made a part of this supplemental petition, and the resolution passed by the New York County Lawyers Association (under which our original petition was presented, and which was made a part thereof), we respectfully refer to the following certified copy of the resolution of the New York State Bar Association, which is as follows:

"At a meeting of the New York State Bar Association held in the rooms of the Association of the Bar of the City of New York on the 16th and 17th of January 1931, among other matters, the following resolution was passed:

"'*Resolved*, That the United States judges sitting in the District Court of the United States for the Southern District of New York be respectfully requested to resume the practice of the appointing of individual receivers.'"

NEW YORK STATE BAR ASSOCIATION,
CHARLES W. WALTON, *Secretary*.

A true copy, March 21, 1934.

The Legislature of the State of New York at its present session of 1934, by a vote of 120 to 17 in the assembly and 43 to 3 in the senate, voted for laws intended to make impossible corporation receiverships.

In spite of the Governor's veto specifically stated by him as made not on the merits of the bill, but because he held it was a Federal question, the State senate thereafter, on April 18, 1934, resolved to amend the civil practice act to the same effect by a vote of 45 to 3.

The congressional Bankruptcy Investigating Committee, sitting in New York and hearing voluminous testimony, though representing in its personnel all sections and both major political parties, and after hearing counsel for the said trust company standing receiver, unanimously condemned its continuance as such corporation receiver, and monopoly.

CONGRESSIONAL INVESTIGATION ON RECEIVERS IN BANKRUPTCY—REPORT OF COMMITTEE

In the fall of 1933 the subcommittee of the congressional Committee on the Judiciary, conducted an investigation of the conditions relating to bankruptcy and equity receiverships and the selection of trustee, in the southern district of New York. Although hampered by limited funds to conduct a more thorough investigation, 1,364 pages of testimony were taken, in which are included numerous exhibits. Various witnesses, including the officials of the Irving Trust Co. and Hon. John C. Knox, senior United States district judge, testified. The committee made its report on the said investigation on March 29, 1934, to the House of Representatives, which is attached as exhibit A. We quote from same:

"The district judges of the southern district of New York some time ago adopted a rule setting up the Irving Trust Co., of the city of New York, as a standing receiver in all cases, and since that order, said Irving Trust Co. has supplanted the legal profession in the administration of receiverships in bankruptcy."

A few years ago there had occurred some scandals in the city of New York concerning the appointment of receivers. The United States judges of the southern district of New York, however, were not without blame, since they had in some cases themselves appointed incompetent and dishonest officials. Of course, it must be stated that considering the tremendous amount of work the judges must perform, to pass accurately in all cases upon the competency and honesty of their appointees is ofttimes difficult, if not impossible. Yet, as a result of the order of the judges, setting up the Irving Trust Co. as a standing receiver, there has been set up a monopoly in the Irving Trust Co. with power to appoint attorneys for the receiver, the appraisers, custodians, auctioneers, etc. Referees are also instructed by the judges in notices to creditors, in as persuasive and forceful language as possible, to suggest voting the Irving Trust Co. as trustee. This is contrary to the spirit of the Bankruptcy Act, which provides for creditor control over bankrupt estates. In almost every instance where the Irving Trust Co. has been appointed receiver it has been elected trustee.

Conflict of interest has often arisen. One bankruptcy estate often has claims against another estate. Since the Trust Co. is receiver or trustee in all cases, it has found itself making claims against itself. There are cases in the southern district of New York entitled "Irving Trust Co. as receiver against Irving Trust Co. as receiver."

In justification of their attitude, in setting up the bank as standing receiver, some of the judges had explained that formerly they were importuned at their homes, upon streets, and at public gatherings by those who sought to be appointed as receivers in bankruptcy cases. They claim they now have great peace of mind because they are no longer bothered with these insistent demands for appointments. It must be remembered, however, that the bankruptcy statute was not enacted for the convenience of judges or their peace of mind. Judges must be able to steel themselves against the improper importunities of friends. They must render themselves impervious to such demands and requests. If the judges complained of such political patronage in the appointment of receivers, it must be remembered that there has been set up another kind of patronage, namely, the Irving Trust Co. Doubtlessly, the one who confers the most favors and brings the most business to the Irving Trust Co. will in the long run receive lucrative appointments. The appointment of lawyers may not be exclusively upon merit or efficiency. Certainly, officials of the bank are just as human as the judges. They are subject to the same demands and importunities.

Furthermore, upon the suggestion of the judges of the southern district of New York, the Supreme Court adopted a rule permitting the Irving Trust Co. to deposit with itself bankrupt estate funds. This is most unusual. Nowhere else do we have a situation where a receiver or trustee can keep his or its own funds in his or its possession.

A subcommittee of the Judiciary Committee investigating conditions concerning the Irving Trust Co. brought out the fact that last summer there was $19,000,000 that the Irving Trust Co. held on deposit in the form of bankrupt estate funds.

Senior Circuit Judge Martin T. Manton, of the Circuit Court of Appeals embracing the southern district of New York, has this to say on the subject:

"All integrity, honesty, and understanding have not left the bar just because of the so-called 'bankruptcy scandal.' Lawyers give to bankruptcy cases their individual, personal attention—their humane consideration. They are efficient and competent, and I believe can handle the exigencies of bankruptcy situations more satisfactorily than a banking corporation."

The appointment of the Irving Trust Co. as a standing receiver was opposed by the New York State Bar Association, the Brooklyn Bar Association, the New York County Lawyers Bar Association, the Nassau County Bar Association, the Queens County Bar Association, the Richmond County Bar Association, the Bronx County Bar Association, and the Federal Bar Association of New York, New Jersey, and Connecticut. The Irving Trust Co. was receiver, for example, in the following cases: United Cigars, Lerner Dress, Owl Drug, Whelan Drug Stores, Wallack Bros. (haberdashery), Savoy Plaza Hotel, Hotel Pierre, McCory Stores, etc. It has under its control all manner and kinds of business and industries, retail, wholesale, manufacturing. It runs railroads, restaurants, trolley lines, hotels, and supervises the operation of 60 match corporations in Denmark, Finland, Guatemala, Yugoslavia, Norway, the Philippine Islands, Poland, Turkey, Austria, Czechoslovakia, Estonia, Hungary, Latvia, and Italy, and the United States. By the appointment of itself as ancillary receiver of many chain-store bankrupts, it functions in scores of congressional districts.

In the beginning, it set up its own collection agency, called the "Estate Collection Service", and in addition to its own fees as receiver, said Irving Trust Co. charged collecting fees. It took court proceedings to preclude the Irving Trust Co. from indulging in this practice.

The Irving Trust Co. issued a report to its stockholders January 17, 1934. It contains certain information as to the profitable operation of its bankruptcy-receivership department. There is a statement in the report to the effect that $100,000 a year is estimated as its profit as the trustee of bankruptcy funds. If such profit had been made by an individual trustee and not the Irving Trust Co., it would belong to the creditors who share in the dividends. This is not the case, however, with the Irving Trust Co.

The Irving Trust Co. and its defenders, including numerous trade associations, maintain that creditors have received more dividends and are far better off under the old system of appointing individual attorneys and entities as receivers. There is considerable dispute as to this.

The Federal Bar Association of New York, New Jersey, and Connecticut, however, says as follows:

"A careful examination and analysis of one of the reports filed by the Irving Trust Co. shows this bank to be of no practical advantage to the creditors over the administration by the creditors themselves under the bankruptcy law and no improvement for the public interest."

The representative of the Brooklyn Bar Association stated that his investigation demonstrated (1) that the Irving Trust Co. administration is not more economical, and (2) that the creditors are not receiving a larger percentage of the dividends by reason of the Irving Trust Co. acting as administrator.

The Irving Trust Co. has seen fit to appoint as its attorneys in various receiverships, a coterie of favorite attorneys. The fees received by these attorneys are staggering in amount. In the investigation conducted by the special committee of the Judiciary Committee at New York, it was disclosed that four law firms, out of 84 bankruptcy cases distributed among them, had received in fees a total, up to the time of the investigation in October 1933, of $1,043,584, and that there were numerous cases still pending in those offices for which no compensation had yet been paid. The stupendous fees paid to several of these law firms under the Irving Trust Co. arrangement is shocking. One firm, in particular, will have earned doubtlessly upward of three-quarters of a million dollars when the pending cases are concluded.

The continuing of the Irving Trust Co. as receiver will tend toward a monopoly that will give this corporation tyrannical control over the bar, because the amount of legal work it passes out is incalculable.

The New York State Legislature last year and the New York State Legislature recently passed what is known as the "McNaboe

bill", which intended to prevent the Irving Trust Co. from exercising a virtual monopoly in receiverships. Although the measure did not mention that corporation by name, it provided that no corporation could act, directly or indirectly, as receiver or trustee in bankruptcy or as receiver in equity. The bill recently and the bill last year went through both houses of the legislature by wide margin. Governor Lehman last year and on March 24 of this year vetoed the bill, and said:

"The veto of this bill is not to be construed as an approval of the system existing in that district. The fact is, however, that the judges of the Federal court of the southern district, pursuant to the power vested in them, adopted the rule centering receiverships and trusteeships in bankruptcy in the hands of one corporation.

"If a change is desired, the judges of that court may make the change, or the change may be made by action of the Congress. It is not for this State to change by indirect means a rule made by a Federal court for the discharge of bankruptcy cases coming before it.

"As I said in my veto message of last year, interference by the State would not only be an unwarranted intrusion into what is primarily a judicial function, but it would carry that intrusion into Federal courts which are in no sense subject to State legislative control and into the field of bankruptcy which by the Constitution of the United States is vested in the Federal Government.

"We thus have an overwhelming expression of sentiment on the part of the New York State Legislature, representing the sentiment of the people of the State of New York, that it does not wish the continuance of the Irving Trust Co. as monopoly receiver in the Federal courts. The Governor of the State of New York says that it is not within the province of the State to act."

BANKRUPTCY AND EQUITY RECEIVERSHIP

Funds carried by bank at one-half percent interest since June 1931. Originally rate paid was 2 percent.

1930: February $653,146.49. From that amount the fund progressively rose to $8,378,293.97, during that year.

1931: January $10,740,410.55, and was in December $12,530,-616.69.

1932: January $11,940,693.72, and was in December $13,617,-862.95.

1933: January $17,866,416.46, February $20,930,159.52, March $21,130,815.95, April $21,758,509.49, May $21,758,509.49, June $22,158,273.23, July $22,410,260.34, August $21,107,658.80.

At the time of the investigation this fund was approximately $23,000,000.

Mr. Ward, the president of the Irving Trust Co., testified that before accepting the receivership he emphasized as a condition that the trust company should be given the right to carry all the funds on deposit with itself and that he considered that as an element of profit.

In a report issued by the Irving Trust Co. to stockholders in January 1934, it was stated that the trust company made an annual profit of $100,000 on those funds. Such profits should properly go to creditors and not to the bank.

The Irving Trust deposited with the court from time to time Liberty bonds paying 4½-percent interest to equal the funds on hand, that is of about $21,000,000. This would be tantamount to using the funds for the purchase of the Liberty bonds and drawing the interest at 4¼ percent which would go to the trust company.

The annual interest on $21,000,000 at 4 percent would amount to $840,000 net to the bank.

AS TO SOLICITATION OF CLAIMS AND POWERS OF ATTORNEY

In re *Mayflower Hat Co., Inc.* (65 Fed. (2d) 330) the Second Circuit Court of Appeals held that it is proper for laymen to solicit claims against a bankrupt, unless solicitation is done in the interest of bankrupt or to enable someone other than a general creditor to control trustee's election, and that an agent of bankrupt's creditor may obtain a power of attorney by solicitation and vote for himself as trustee.

Irresponsible collection agencies or trade associations may so solicit such claims. Referees in bankruptcy may solicit powers of attorney for the election of the Irving Trust Co. as trustee. But lawyers are prohibited from soliciting claims and powers of attorney, and may not be retained by the receiver or trustee, if they acted as attorneys for petitioning creditors.

The supplemental report of the Irving Trust Co. shows that during the whole period of their administration their payment of dividends were 0.71 of 1 percent less than bankruptcy proceedings administered by others in this district, and the payment of dividends would be still less, were it not for the fact that many of the old bankruptcy cases are being wound up.

A trust company of the dimensions of the Irving Trust Co. has great interests on its own account, many of which must necessarily be conflicting. Such a monopolistic fiduciary must frequently be required to serve two masters. In our original petition we illustrated how the bankrupt trusteeships of the standing receiver and trustee conflicted in specific cases. This is confirmed by the congressional report.

Rule XIV of the General Orders in Bankruptcy reads as follows:

"XIV. NO OFFICIAL OR GENERAL TRUSTEE

"No official trustee shall be appointed by the court nor any general trustee act in classes of cases."

If there should be no standing or official trustee, for the same reasons, there should be no standing or official receiver. In addition, the solicited powers of attorney by referees in practice makes official trustees.

"The judges of the southern district of New York in enacting a rule appointing the Irving Trust Co. as standing receiver went directly against the spirit of the bankruptcy rules of the Supreme Court as existing from the beginning of the law. It is the intent of that rule that there should be an absolute right in creditors to choose the trustee in each case; and it is contrary to the spirit, if not the letter, of the Bankruptcy Act to have the Irving Trust Co. imposed upon the creditors as trustee in bankruptcy by the solicitation of the claims and powers of attorney by the referees to elect the Irving Trust Co. as such trustee. Whether directly or indirectly, the present practice in the southern district of New York in effect takes away the right of creditor control in the selection of a trustee."

A banking corporation, or trust company, as a part of the conscience of the Court is to us inconceivable.

The fact that a corporation, particularly a banking corporation, including the Irving Trust Co., is controlled by various stock interests, and stock ownership can shift and change from time to time, as the stock is publicly owned and bought and sold on the stock exchange (and the bank's officers and employees may be changed); and stock ownership is subject to transfer without the knowledge of anyone, including the judges, placing the domination of the officers of the corporation under such new ownership control, makes it improper that a corporation should be an officer of a court.

We submit to your honors that the local rules in bankruptcy for the southern district of New York, nos. 22 and 8 violate a fundamental canon of a judicial officer. The referee in bankruptcy is a judicial officer, and is the nisi prius court. He should be impartial. He should not be the proxy in an election upon the validity of which he himself, as such judicial officer, must pass judgment.

Reaffirming, therefore, our original petition and its recommendations, and continuing to voice our objection to any return to the old method of the frequent appointment of receivers from lists of names provided by political leaders, and to aid such creditor control, we suggest the following additional paragraph to the last part of our recommendation no. 14 (A of local rule 27 (see pp. 17 and 18 of original petition)) to wit—

"And for the purpose of aiding the court in estimating such majority of the creditors, the bankrupt shall, or any interested party may, file in court, within 2 days after the filing of a bankruptcy petition, or within such other period of time as the court may designate, a list of the names and addresses of all said bankrupt's creditors so far as the same are known to him. And the court may require such notice to them as it may deem reasonable by mail, telegram, or otherwise, unless such creditor has waived notice in writing."

We respectfully therefore request and pray this honorable court to amend its general orders in bankruptcy in accordance with our petitions.

And for such other and further relief as to this honorable court may seem just and proper.

Respectfully submitted.

NEW YORK COUNTY LAWYERS ASSOCIATION.

JOINING IN PETITION

Federal Bar Associations of the States of New York, New Jersey, and Connecticut, Harold Remington, chairman; Bronx County Bar Association, Meyer Levy, president; Nassau County Bar Association, B. Elliot Burston, chairman; Brooklyn Bar Association, Nicholas H. Pinto, chairman; Queens County Bar Association, Julius F. Newman, chairman; Yonkers Bar Association, Alexander K. Perlman, chairman; Westchester County Bar Association, Frank J. Lamb, chairman; Richmond County Bar Association, Daniel G. McGrath, president; Kings County Lawyers Association, Harrison C. Glore, president; Kings County Criminal Bar Association, Joseph A. Solovei, president; Suffolk County Bar Association, Ralph J. Hawkins, president; Middletown Bar Association, Charles E. Taylor, president; Harlem Lawyers Association, Alan L. Dingle, president; Women's Bronx County Bar Association, Agnes Craig, chairman; New York County Lawyers Association, Henry Ward Beer (chairman), Hugh Gordon Miller, Nathan Burkan, Samuel C. Dubertein, Charles H. Hyde, Samuel Leavitt, Harold Remington, I, Maurice Wormser, Harry Weinberger; Hugh Gordon Miller, chairman subcommittees of special and joint committee, Harry Weinberger, secretary; Eugene Garey, chairman joint committee of supporting bar associations, Samuel Leavitt, secretary.

EXHIBIT A

(H.Rept. No. 1104, 73d Cong., 2d sess.)

RECEIVERS IN BANKRUPTCY

MARCH 29, 1934.—REFERRED TO THE HOUSE CALENDAR AND ORDERED TO BE PRINTED

Mr. CELLER, from the Committee on the Judiciary, submitted the following report (to accompany H.R. 8832):

The Committee on the Judiciary, to whom was referred the bill (H.R. 8832), to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto, after consideration, report the same favorably to the House with the recommendation that the bill do pass.

This bill provides that Federal courts shall make according to their discretion such an equitable distribution of appointments as receiver in bankruptcy as will prevent any persons, firms, or

corporations from having a monopoly of such appointments in any district.

The district judges of the southern district of New York some time ago adopted a rule setting up the Irving Trust Co. of the city of New York as a standing receiver in all cases, and since that order, said Irving Trust Co. has supplanted the legal profession in the administration of receiverships in bankruptcy.

A few years ago there had occurred some scandals in the city of New York concerning the appointment of receivers. The United States judges of the southern district of New York, however, were not without blame, since they had in some cases themselves appointed incompetent and dishonest officials. Of course, it must be stated that considering the tremendous amount of work the judges must perform to pass accurately in all cases upon the competency and honesty of their appointees is ofttimes difficult, if not impossible. Yet, as a result of the order of the judges, setting up the Irving Trust Co. as a standing receiver, there has been set up a monopoly in the Irving Trust Co. with power to appoint attorneys for the receiver, the appraisers, custodians, auctioneers, etc. Referees are also instructed by the judges in notices to creditors, in as persuasive and forceful language as possible, to suggest voting the Irving Trust Co. as trustee. This is contrary to the spirit of the Bankruptcy Act, which provides for creditor control over bankrupt estates. In almost every instance where the Irving Trust Co. has been appointed receiver it has been elected trustee.

Conflict of interest has often arisen. One bankruptcy estate often has claims against another estate. Since the Trust Co. is receiver or trustee in all cases, it has found itself making claims against itself. There are cases in the southern district of New York entitled "Irving Trust Co. as receiver against Irving Trust Co. as receiver."

In justification of their attitude, in setting up the bank as standing receiver, some of the judges had explained that formerly they were importuned at their homes, upon the streets, and at public gatherings by those who sought to be appointed as receivers in bankruptcy cases. They claim they now have great peace of mind because they are no longer bothered with these insistent demands for appointments. It must be remembered, however, that the bankruptcy statute was not enacted for the convenience of judges or their peace of mind. Judges must be able to steel themselves against the improper importunities of friends. They must render themselves impervious to such demands and requests. If the judges complained of such political patronage in the appointment of receivers, it must be remembered that there has been set up another kind of patronage, namely, the Irving Trust Co. Doubtlessly the one who confers the most favors and brings the most business to the Irving Trust Co. will in the long run receive lucrative appointments. The appointment of lawyers may not be exclusively upon merit or efficiency. Certainly officials of the bank are just as human as the judges. They are subject to the same demands and importunities.

Furthermore, upon the suggestion of the judges of the southern district of New York, the Supreme Court adopted a rule permitting the Irving Trust Co. to deposit with itself bankrupt estate funds. This is most unusual. Nowhere else do we have a situation where a receiver or trustee can keep his or its own funds in his or its possession.

A subcommittee of the Judiciary Committee investigating conditions concerning the Irving Trust Co. brought out the fact that last summer there was $19,000,000 that the Irving Trust Co. held on deposit in the form of bankrupt estate funds.

Senior Circuit Judge Martin T. Manton, of the circuit court of appeals, embracing the southern district of New York, has this to say on the subject:

"All integrity, honesty, and understanding have not left the bar just because of the so-called 'bankruptcy scandal.' Lawyers give to bankruptcy cases their individual, personal attention—their humane consideration. They are efficient and competent, and I believe can handle the exigencies of bankruptcy situations more satisfactorily than a banking corporation."

The appointment of the Irving Trust Co. as a standing receiver was opposed by the New York State Bar Association, the Brooklyn Bar Association, the New York County Lawyers Bar Association, the Nassau County Bar Association, the Queens County Bar Association, the Richmond County Bar Association, the Bronx County Bar Association, and the Federal Bar Association of New York, New Jersey, and Connecticut. The Irving Trust Co. was receiver, for example, in the following cases: United Cigars, Lerner Dress, Owl Drug, Whelan Drug Stores, Wallack Bros. (haberdashery), Savoy Plaza Hotel, Hotel Pierre, McCrory Stores, etc. It has under its control all manner and kinds of business and industries, retail, wholesale, manufacturing. It runs railroads, restaurants, trolley lines, hotels, and supervises the operation of 60 match corporations in Denmark, Finland, Guatemala, Yugoslavia, Norway, the Philippine Islands, Poland, Turkey, Austria, Czechoslovakia, Estonia, Hungary, Latvia, and Italy, and the United States. By the appointment of itself as ancillary receiver of many chain-store bankrupts, it functions in scores of congressional districts.

In the beginning, it set up its own collection agency, called the Estates Collection Service, and in addition to its own fees as receiver, said Irving Trust Co. charged collecting fees. It took court proceedings to preclude the Irving Trust Co. from indulging in this practice.

The Irving Trust Co. issued a report to its stockholders January 17, 1934. It contains certain information as to the profitable operation of its bankruptcy-receivership department. There is a statement in the report to the effect that $100,000 a year is estimated as its profit as the trustee of bankruptcy funds. If such profit had been made by an individual trustee and not the Irving Trust Co., it would belong to the creditors who share in the dividends. This is not the case, however, with the Irving Trust Co.

The Irving Trust Co. and its defenders, including numerous trade associations, maintain that creditors have received more dividends and are far better off under the old system of appointing individual attorneys and entities as receivers. There is considerable dispute as to this.

The Federal Bar Association of New York, New Jersey, and Connecticut, however, says as follows:

"A careful examination and analysis of one of the reports filed by the Irving Trust Co. shows this bank to be of no practical advantage to the creditors over the administration by the creditors themselves under the bankruptcy law and no improvement for the public interest."

The representative of the Brooklyn Bar Association stated that his investigation demonstrated (1) that the Irving Trust Co. administration is not more economical, and (2) that the creditors are not receiving a larger percentage of the dividends by reason of the Irving Trust Co. acting as administrator.

The Irving Trust Co. has seen fit to appoint as its attorneys in various receiverships, a coterie of favorite attorneys. The fees received by these attorneys are staggering in amount. In the investigation conducted by the special committee of the Judiciary Committee at New York, it was disclosed that 4 law firms out of 84 bankruptcy cases distributed among them, had received in fees a total, up to the time of the investigation in October 1933, of $1,043,584, and that there were numerous cases still pending in those offices for which no compensation had yet been paid. The stupendous fees paid to several of these law firms under the Irving Trust Co. arrangement is shocking. One firm in particular will have earned doubtlessly upward of three-quarters of a million dollars when the pending cases are concluded.

The continuing of the Irving Trust Co. as receiver will tend toward a monopoly that will give this corporation tyrannical control over the bar, because the amount of legal work it passes out is incalculable.

The New York State Legislature last year and the New York State Legislature recently passed what is known as the "McNaboe bill", which intended to prevent the Irving Trust Co. from exercising a virtual monopoly in receiverships. Although the measure did not mention that corporation by name, it provided that no corporation could act, directly or indirectly, as receiver or trustee in bankruptcy or as receiver in equity. The bill recently and the bill last year went through both houses of the legislature by wide margins. Governor Lehman last year and on March 24 of this year vetoed the bill, and said:

"The veto of this bill is not to be construed as an approval of the system existing in that district. The fact is, however, that the judges of the Federal court of the southern district, pursuant to the power vested in them, adopted the rule centering receiverships and trusteeships in bankruptcy in the hands of one corporation.

"If a change is desired, the judges of that court may make the change, or the change may be made by action of the Congress. It is not for this State to change by indirect means a rule made by a Federal court for the discharge of bankruptcy cases coming before it.

"As I said in my veto message of last year, interference by the State would not only be an unwarranted intrusion into what is primarily a judicial function but it would carry that intrusion into Federal courts which are in no sense subject to State legislative control and into the field of bankruptcy, which by the Constitution of the United States is vested in the Federal Government.

"We thus have an overwhelming expression of sentiment on the part of the New York State Legislature, representing the sentiment of the people of the State of New York, that it does not wish the continuance of the Irving Trust Co. as monopoly receiver in the Federal courts. The Governor of the State of New York says that it is not within the province of the State to act. It is the duty of Congress to act."

In compliance with clause 2a of rule XIII, there follows in roman section 74 of the Bankruptcy Act, with the new matter added by H.R. 8832 in italics:

"SEC. 74. Compositions and extensions: (a) Any person excepting a corporation may file a petition, or, in an involuntary proceeding before adjudication, an answer within the time limited by section 18 (b) of this act, accompanied in either case, unless further time is granted, by his schedules, stating that he is insolvent or unable to meet his debts as they mature, and that he desires to effect a composition or an extension of time to pay his debts. The term 'debt' for the purposes of an extension proposal under this section shall include all claims of whatever character against the debtor or his property, including a claim for future rent, whether or not such claims would otherwise constitute provable claims under this act. Upon the filing of such a petition or answer the judge shall enter an order either approving it as properly filed under this section, if satisfied that such petition or answer complies with this section and has been filed in good faith, or dismissing it. If such petition or answer is approved, an order of adjudication shall not be entered except as provided in subdivision (i) of this section: *Provided, however,* That in staying the action for adjudication in an involuntary proceeding the court shall make such stay conditional upon such terms for the protection and indemnity against loss by the estate as may be proper, and that in any other proceeding under this section the court may, as the creditors at the first meeting may direct, impose

similar terms as a condition of delaying the appointment of a trustee and the liquidation of the estate. Any person by or against whom a petition is filed shall be referred to in the proceedings under this section as 'debtor.' The term 'creditor' shall include for the purposes of an extension proposal under this section all holders of claims of whatever character against the debtor or his property, including a claim for future rent, whether or not such claims would otherwise constitute provable claims under this act. A claim for future rent shall constitute a provable debt and shall be liquidated under section 63 (b) of this act.

"(b) After the filing of such petition or answer, the court may upon reasonable notice to creditors and attorneys of record appoint a custodian or receiver, who shall inventory the debtor's estate and exercise such supervision and control over the conduct of the debtor's business as the creditors at any meeting or the court shall direct.

"(c) The custodian or receiver, or if none has been appointed, the court shall promptly call the first meeting of creditors, stating in the notice that the debtor proposes to offer terms of composition or extension, and enclosing with the notice a summary of the inventory, a brief statement of the debtor's indebtedness as shown by the schedules, and a list of the names and addresses of the secured creditors and the 15 largest unsecured creditors, with the amounts owing to each as shown by the schedules. Any creditor may appear at or before the first meeting and controvert the facts alleged in the petition. In such case the court shall determine as soon as may be the issues presented, without the intervention of a jury, and unless the material allegations are sustained by the proofs shall dismiss the petition.

"(d) At the first meeting (1) the debtor may be examined; (2) the creditors may nominate a trustee, who shall thereafter be appointed by the court in case it becomes necessary to liquidate the estate as provided in subdivision (1) of this section; and (3) the court shall, after hearing the parties in interest, fix a reasonable time within which application for confirmation shall be made. The court may later extend such time for cause shown, and may require, as a condition of such extension, additional terms for the protection of and indemnity against loss by the estate as may be proper.

"(e) An application for the confirmation of a composition or extension proposal may be filed in the court of bankruptcy after, but not before, it has been accepted in writing by a majority in number of all creditors whose claims if unsecured have been allowed, or if secured are proposed to be affected by an extension proposal, which number must represent a majority in amount of such claims; and the money or security necessary to pay all debts which have priority unless waived and the costs of the proceedings, and in case of a composition the consideration to be paid by the debtor to his creditors, have been deposited in such place as shall be designated by and subject to the order of the court.

"(f) A date and place, with reference to the convenience of the parties in interest, shall be fixed for a hearing upon each application for the confirmation of the composition or extension proposal, and such objections as may be made to its confirmation.

"(g) The court shall confirm the proposal, if satisfied that (1) it includes an equitable and feasible method of liquidation for secured creditors whose claims are affected and of financial rehabilitation for the debtor; (2) it is for the best interests of all creditors; (3) that the debtor has not been guilty of any of the acts, or failed to perform any of the duties, which would be a ground for denying his discharge; and (4) the offer and its acceptance are in good faith, and have not been made or procured except as herein provided, or by any means, promises, or acts herein forbidden. In application for extensions, the court shall require proof from each creditor filing a claim that such claim is free from usury as defined by the laws of the place where the debt is contracted.

"(h) The terms of an extension proposal may extend the time of payment of either or both unsecured debts and secured debts the security for which is in the actual or constructive possession of the debtor or of the custodian or receiver, and may provide for priority of payments to be made during the period of extension as between secured and unsecured creditors. It may also include specific undertakings by the debtor during the period of the extension, including provisions for payments on account, and may provide for supervisory or other control over the debtor's business or affairs during such period by a creditors' committee or otherwise, and for the termination of such period under certain specified conditions: *Provided*, That the provisions of this section shall not affect the allowances and exemptions to debtors as are provided for bankrupts under title 11, chapter 3, section 24, of the United States Code, and such allowances and exemptions shall be set aside for the use of the debtor in the manner provided for bankrupts.

"(i) Upon its confirmation an extension proposal shall be binding upon the debtor and his unsecured and secured creditors affected thereby: *Provided, however*, That such extension or composition shall not reduce the amount of or impair the lien of any secured creditor, but shall affect only the time and method of its liquidation.

"(j) Upon the confirmation of a composition the consideration shall be distributed as the court shall direct, and the case dismissed: *Provided*, That the debts having priority of payment under title 11, chapter 7, section 104, of the United States Code, for bankrupt estates, shall have priority of payment in the same order as set forth in said section 104 under the provisions of this section in any distribution, assignment, composition, or settlement herein provided for. Upon the confirmation of an extension proposal the court may dismiss the proceeding or retain jurisdiction of the debtor and his property during the period of the extension in order to protect and preserve the estate and enforce the terms of the extension proposal.

"(k) The judge may, upon the application of the parties in interest, filed at any time within 6 months after the composition or extension proposal has been confirmed, set the same aside and reinstate the case, if it shall be made to appear upon a trial that fraud was practiced in the procuring of such composition or extension, and that knowledge thereof has come to the petitioners since the confirmation thereof.

"(l) If (1) the debtor shall fail to comply with any of the terms required of him for the protection of and indemnity against loss by the estate; or (2) the debtor has failed to make the required deposit in case of a composition; or (3) the debtor's proposal has not been accepted by the creditors; or (4) confirmation has been denied; or (5) without sufficient reason the debtor defaults in any payment required to be made under the terms of an extension proposal when the court has retained jurisdiction of the debtor or his property, the court may appoint the trustee nominated by the creditors at the first meeting, and if the creditors shall have failed to so nominate, may appoint any other qualified person as trustee to liquidate the estate. The court shall in addition adjudge the debtor a bankrupt if satisfied that he commenced or prolonged the proceeding for the purpose of delaying creditors and avoiding an adjudication in bankruptcy, or if the confirmation of his proposal has been denied. No order of liquidation or adjudication shall be entered in any proceeding under this section instituted by or against a wage earner or a person engaged chiefly in farming or the tillage of the soil unless the wage earner or a person engaged chiefly in farming or the tillage of the soil consents.

"(m) The filing of a debtor's petition or answer seeking relief under this section shall subject the debtor and his property, wherever located, to the exclusive jurisdiction of the court in which the order approving the petition or answer as provided in subdivision (a) is filed. In proceedings under this section, except as otherwise provided therein, the jurisdiction and powers of the court, the title, powers, and duties of its officers and, subject to the approval of the court, their fees, the duties of the debtor, and the rights and liabilities of creditors, and of all persons with respect to the property of the debtor, and the jurisdiction of appellate courts shall be the same as if a voluntary petition for adjudication had been filed and a decree of adjudication had been entered on the day when the debtor's petition or answer was filed and any decree of adjudication thereafter entered shall have the same effect as if it had been entered on that day.

"(n) In addition to the provisions of section 11 of this act for the staying of pending suits, the court, on such notice and on such terms, if any, as it deems fair and equitable, may enjoin secured creditors who may be affected by the extension proposal from proceeding in any court for the enforcement of their claims until the extension has been confirmed or denied by the court.

"(o) The judges of the courts of bankruptcy shall appoint sufficient referees to sit in convenient places to expedite the proceedings under this section.

"(p) Involuntary proceedings under this section shall not be taken against a wage earner.

"(q) In the administration of the act of July 1, 1898, entitled 'An act to establish a uniform system of bankruptcy throughout the United States', approved July 1, 1898, as amended, the district court or any judge thereof shall make in its or his discretion such an equitable distribution of appointments as receiver as will prevent any persons, firms, or corporations from having a monopoly of such appointments within such district."

EXECUTIVE SESSION

Mr. ROBINSON of Arkansas. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

Mr. VAN NUYS, from the Committee on the Judiciary, reported adversely the nomination of Frank S. Bergin, of Connecticut, to be United States attorney, district of Connecticut, to succeed John Buckley, term expired.

Mr. KING, from the Committee on the Judiciary, reported favorably the nomination of Leo J. Hickey, of New York, to be United States attorney, eastern district of New York, to succeed Howard W. Ameli, term expired.

Mr. LOGAN, from the Committee on the Judiciary, reported favorably the nomination of Augustine V. Long, of Florida, to be United States district judge, northern district of Florida, to succeed William B. Sheppard, deceased.

Mr. WALSH, from the Committee on Naval Affairs, reported favorably the nominations of sundry officers in the Navy and Marine Corps.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER (Mr. BONE in the chair). The reports will be placed on the calendar.

INTERNATIONAL COPYRIGHT CONVENTION

On motion of Mr. DUFFY, the injunction of secrecy was removed from Executive E, Seventy-third Congress, second session, being the International Convention of the Copyright Union as revised and signed at Rome on June 2, 1928.

The convention was made public, as follows:

[Senate, Executive E, 73d Cong., 2d sess.]

INTERNATIONAL COPYRIGHT CONVENTION

ARTICLE 1

The Countries to which the present Convention applies shall be constituted into a Union for the protection of the rights of authors in their literary and artistic works.

ARTICLE 2

(1) The term "literary and artistic works" shall include all productions in the literary, scientific, and artistic domain, whatever the mode or form of expression, such as: books, pamphlets, and other writings; lectures, addresses, sermons and other works of like nature; dramatic or dramatico-musical works; choreographic works and pantomimes, the staging (mise en scène) of which is fixed in writing or otherwise; musical compositions with or without words; drawings, paintings; works of architecture and sculpture; engravings and lithographs; illustrations; geographical charts; plans, sketches, and plastic works relating to geography, topography, architecture, or the sciences.

(2) Translations, adaptations, arrangements of music and other reproductions transformed from a literary or artistic work, as well as compilations from different works, shall be protected as original works without prejudice to the rights of the author of the original work.

(3) The countries of the Union shall be bound to secure protection in the case of the works mentioned above.

(4) Works of art applied to industry shall be protected so far as the domestic legislation of each country allows.

ARTICLE 2 BIS

(1) The authority is reserved to the domestic legislation of each country of the Union to exclude, partially or wholly, from the protection provided by the preceding Article political discourses or discourses pronounced in judicial debates.

(2) There is also reserved to the domestic legislation of each country of the Union authority to enact the conditions under which such lectures, addresses, sermons and other works of like nature may be reproduced by the press. Nevertheless, the author alone shall have the right to bring such works together in a compilation.

ARTICLE 3

The present convention shall apply to photographic works and to works obtained by any process analogous to photography. The countries of the Union shall be bound to guarantee protection to such works.

ARTICLE 4

(1) Authors within the jurisdiction of one of the countries of the Union shall enjoy for their works, whether unpublished or published for the first time in one of the countries of the Union, such rights, in the countries other than the country of origin of the work, as the respective laws now accord or shall hereafter accord to nationals, as well as the rights specially accorded by the present Convention.

(2) The enjoyment and the exercise of such rights shall not be subject to any formality; such enjoyment and such exercise are independent of the existence of protection in the country of origin of the work. Consequently, apart from the stipulations of the present Convention, the extent of the protection, as well as the means of redress guaranteed to the author to safeguard his rights, shall be regulated exclusively according to the legislation of the country where the protection is claimed.

(3) The following shall be considered as the country of origin of the work: for unpublished works, the country to which the author belongs; for published works, the country of first publication, and for works published simultaneously in several countries of the Union, the country among them whose legislation grants the shortest term of protection. For works published simultaneously in a country outside of the Union and in a country within the Union, it is the latter country which shall be exclusively considered as the country of origin.

(4) By "published works" (oeuvres publiées) must be understood, according to the present Convention, works which have been issued (oeuvres éditées). The representation of a dramatic or dramatico-musical work, the performance of a musical work, the exhibition of a work of art and the construction of a work of architecture shall not constitute publication.

ARTICLE 5

Authors within the jurisdiction of one of the countries of the Union who publish their works for the first time in another country of the Union, shall have in this latter country the same rights as national authors.

ARTICLE 6

(1) Authors not within the jurisdiction of any one of the countries of the Union, who publish their works for the first time in one of the Union countries, shall enjoy in such Union country the same rights as national authors, and in the other countries of the Union the rights accorded by the present Convention.

(2) Nevertheless, when a country outside of the Union does not protect in an adequate manner the works of authors within the jurisdiction of one of the countries of the Union, this latter Union country may restrict the protection for the works of authors who are, at the time of the first publication of such works, within the jurisdiction of the non-Union country and are not actually domiciled in one of the countries of the Union.

(3) Any restriction, established by virtue of the preceding paragraph, shall not prejudice the rights which an author may have acquired in a work published in one of the countries of the Union before the putting into effect of this restriction.

(4) The countries of the Union which, by virtue of the present article, restrict the protection of the rights of authors, shall notify the fact to the Government of the Swiss Confederation by a written declaration indicating the countries in whose case protection is restricted, and indicating also the restrictions to which the rights of authors within the jurisdiction of such country are subjected. The Government of the Swiss Confederation shall immediately communicate this fact to all the countries of the Union.

ARTICLE 6 BIS

(1) Independently of the author's copyright, and even after assignment of the said copyright, the author shall retain the right to claim authorship of the work, as well as the right to object to every deformation, mutilation or other modification of the said work, which may be prejudicial to his honor or to his reputation.

(2) It is left to the national legislation of each of the countries of the Union to establish the conditions for the exercise of these rights. The means for safeguarding them shall be regulated by the legislation of the country where protection is claimed.

ARTICLE 7

(1) The duration of the protection granted by the present Convention shall comprise the life of the author and fifty years after his death.

(2) In case this period of protection, however, should not be adopted uniformly by all the countries of the Union, its duration shall be regulated by the law of the country where protection is claimed, and it can not exceed the term fixed in the country of origin of the work. The countries of the Union will consequently not be required to apply the provision of the preceding paragraph beyond the extent to which it agrees with their domestic law.

(3) For photographic works and works obtained by a process analogous to photography; for posthumous works; for anonymous or pseudonymous works, the term of protection shall be regulated by the law of the country where protec-

tion is claimed, but this term shall not exceed the term fixed in the country of origin of the work.

ARTICLE 7 BIS

(1) The term of copyright protection belonging in common to collaborators in a work shall be calculated according to the date of the death of the last survivor of the collaborators.

(2) Persons within the jurisdiction of countries which grant a shorter period of protection than that provided in paragraph 1 can not claim in the other countries of the Union a protection of longer duration.

(3) In any case the term of protection shall not expire before the death of the last survivor of the collaborators.

ARTICLE 8

Authors of unpublished works within the jurisdiction of one of the countries of the Union, and authors of works published for the first time in one of these countries, shall enjoy in the other countries of the Union during the whole term of the right in the original work the exclusive right to make or to authorize the translation of their works.

ARTICLE 9

(1) Serial stories, tales and all other works, whether literary, scientific, or artistic, whatever may be their subject, published in newspapers or periodicals of one of the countries of the Union, may not be reproduced in the other countries without the consent of the authors.

(2) Articles of current economic, political, or religious discussion may be reproduced by the press if their reproduction is not expressly reserved. But the source must always be clearly indicated; the sanction of this obligation shall be determined by the legislation of the country where the protection is claimed.

(3) The protection of the present Convention shall not apply to news of the day or to miscellaneous news having the character merely of press information.

ARTICLE 10

As concerns the right of borrowing lawfully from literary or artistic works for use in publications intended for instruction or having a scientific character, or for chrestomathies, the provisions of the legislation of the countries of the Union and of the special treaties existing or to be concluded between them shall govern.

ARTICLE 11

(1) The stipulations of the present Convention shall apply to the public representation of dramatic or dramatico-musical works and to the public performance of musical works, whether these works are published or not.

(2) Authors of dramatic or dramatico-musical works shall be protected, during the term of their copyright in the original work, against the unauthorized public representation of a translation of their works.

(3) In order to enjoy the protection of this article, authors in publishing their works shall not be obliged to prohibit the public representation or public performance of them.

ARTICLE 11 BIS

(1) The authors of literary and artistic works shall enjoy the exclusive right to authorize the communication of their works to the public by broadcasting.

(2) It belongs to the national legislatures of the countries of the Union to regulate the conditions for the exercise of the right declared in the preceding paragraph, but such conditions shall have an effect strictly limited to the country which establishes them. They can not in any case adversely affect the moral right of the author, nor the right which belongs to the author of obtaining an equitable remuneration fixed, in default of an amicable agreement, by competent authority.

ARTICLE 12

Among the unlawful reproductions to which the present Convention applies shall be specially included indirect, unauthorized appropriations of a literary or artistic work, such as adaptations, arrangements of music, transformations of a romance or novel or of a poem into a theatrical piece and vice-versa, etc., when they are only the reproduction of such work in the same form or in another form with non-essential changes, additions or abridgements and without presenting the character of a new, original work.

ARTICLE 13

(1) Authors of musical works shall have the exclusive right to authorize: (1) the adaptation of these works to instruments serving to reproduce them mechanically; (2) the public performance of the same works by means of these instruments.

(2) The limitations and conditions relative to the application of this article shall be determined by the domestic legislation of each country in its own case; but all limitations and conditions of this nature shall have an effect strictly limited to the country which shall have adopted them.

(3) The provisions of paragraph 1 shall have no retroactive effect, and therefore shall not be applicable in a country of the Union to works which, in that country, shall have been lawfully adapted to mechanical instruments before the going into force of the Convention signed at Berlin, November 13, 1908; and, in the case of a country which has acceded to the Union since that date, or shall accede to it in the future, then when the works have been adapted to mechanical instruments before the date of its accession.

(4) Adaptations made by virtue of paragraphs 2 and 3 of this article and imported, without the authorization of the parties interested, into a country where they would not be lawful, shall be liable to seizure there.

ARTICLE 14

(1) Authors of literary, scientific or artistic works shall have the exclusive right to authorize the reproduction, adaptation, and public representation of their works by means of the cinematograph.

(2) Cinematographic productions shall be protected as literary or artistic works when the author shall have given to the work an original character. If this character is lacking, the cinematographic production shall enjoy the same protection as photographic works.

(3) Without prejudice to the rights of the author of the work reproduced or adapted, the cinematographic work shall be protected as an original work.

(4) The preceding provisions apply to the reproduction or production obtained by any other process analogous to cinematography.

ARTICLE 15

(1) In order that the authors of the works protected by the present Convention may be considered as such, until proof to the contrary, and be admitted consequently before the courts of the various countries of the Union to proceed against infringers, it shall suffice that the author's name be indicated upon the work in the usual manner.

(2) For anonymous or pseudonymous works, the publisher whose name is indicated upon the work shall be entitled to protect the rights of the author. He shall, without other proof, be considered the legal representative of the anonymous or pseudonymous author.

ARTICLE 16

(1) All infringing works may be seized by the competent authorities of the countries of the Union where the original work has a right to legal protection.

(2) Seizure may also be made in these countries of reproductions which come from a country where the copyright on the work has terminated, or where the work has not been protected.

(3) The seizure shall take place in conformity with the domestic legislation of each country.

ARTICLE 17

The provisions of the present Convention may not prejudice in any way the right which belongs to the Government of each of the countries of the Union to permit, to supervise, or to forbid, by means of legislation or of domestic police, the circulation, the representation or the exhibition of every work or production in regard to which competent authority may have to exercise this right.

ARTICLE 18

(1) The present Convention shall apply to all works which, at the time it goes into effect, have not fallen into the public domain of their country of origin because of the expiration of the term of protection.

(2) But if a work by reason of the expiration of the term of protection which was previously secured for it has fallen into the public domain of the country where protection is claimed, such work shall not be protected anew.

(3) This principle shall be applied in accordance with the stipulations to that effect contained in the special Conventions either existing or to be concluded between countries of the Union, and in default of such stipulations, its application shall be regulated by each country in its own case.

(4) The preceding provisions shall apply equally in the case of new accessions to the Union and where the protection would be extended by the application of Article 7 or by the abandonment of reservations.

ARTICLE 19

The provisions of the present Convention shall not prevent a claim for the application of more favorable provisions which may be enacted by the legislation of a country of the Union in favor of foreigners in general.

ARTICLE 20

The governments of the countries of the Union reserve the right to make between themselves special treaties, when these treaties would confer upon authors more extended rights than those accorded by the Union, or when they contain other stipulations not conflicting with the present Convention. The provisions of existing treaties which answer the aforesaid conditions shall remain in force.

ARTICLE 21

(1) The international office instituted under the name of "Bureau of the International Union for the Protection of Literary and Artistic Works" ("Bureau de l'Union internationale pour la protection des oeuvres littéraires et artistiques") shall be maintained.

(2) This Bureau is placed under the high authority of the Government of the Swiss Confederation, which controls its organization and supervises its working.

(3) The official language of the Bureau shall be French.

ARTICLE 22

(1) The International Bureau shall bring together, arrange and publish information of every kind relating to the protection of the rights of authors in their literary and artistic works. It shall study questions of mutual utility interesting to the Union, and edit, with the aid of documents placed at its disposal by the various administrations, a periodical in the French language, treating questions concerning the purpose of the Union. The governments of the countries of the Union reserve the right to authorize the Bureau by common accord to publish an edition in one or more other languages, in case experience demonstrates the need.

(2) The International Bureau must hold itself at all times at the disposal of members of the Union to furnish them, in relation to questions concerning the protection of literary and artistic works, the special information of which they have need.

(3) The Director of the International Bureau shall make an annual report on his administration, which shall be communicated to all the members of the Union.

ARTICLE 23

(1) The expenses of the Bureau of the International Union shall be shared in common by the countries of the Union. Until a new decision, they may not exceed one hundred and twenty thousand Swiss francs per year. This sum may be increased when needful by the unanimous decision of one of the Conferences provided for in Article 24.

(2) To determine the part of this sum total of expenses to be paid by each of the countries, the countries of the Union and those which later adhere to the Union shall be divided into six classes each contributing in proportion to a certain number of units to wit:

	Units
1st class	25
2nd class	20
3rd class	15
4th class	10
5th class	5
6th class	3

(3) These coefficients are multiplied by the number of countries of each class, and the sum of the products thus obtained furnishes the number of units by which the total expense is to be divided. The quotient gives the amount of the unit of expense.

(4) Each country shall declare, at the time of its accession, in which of the above-mentioned classes it demands to be placed, but it may always ultimately declare that it intends to be placed in another class.

(5) The Swiss Administration shall prepare the budget of the Bureau and superintend its expenditures, make necessary advances and draw up the annual account, which shall be communicated to all the other administrations.

ARTICLE 24

(1) The present Convention may be subjected to revision with a view to the introduction of amendments calculated to perfect the system of the Union.

(2) Questions of this nature, as well as those which from other points of view pertain to the development of the Union, shall be considered in the Conferences which will take place successively in the countries of the Union between the delegates of the said countries. The administration of the country where a Conference is to be held shall, with the cooperation of the International Bureau, prepare the agenda of the same. The Director of the Bureau shall attend the meetings of the Conferences and take part in the discussions without a deliberative voice.

(3) No change in the present Convention shall be valid for the Union except by the unanimous consent of the countries which compose it.

ARTICLE 25

(1) The countries outside of the Union which assure legal protection of the rights which are the object of the present Convention, may accede to it upon their request.

(2) Such accession shall be communicated in writing to the Government of the Swiss Confederation and by the latter to all the others.

3. The full right of adhesion to all the clauses and admission to all the advantages stipulated in the present Convention shall be implied by such accession and it shall go into effect one month after the sending of the notification by the Government of the Swiss Confederation to the other countries of the Union, unless a later date has been indicated by the adhering country. Nevertheless, such accession may contain an indication that the adhering country intends to substitute, provisionally at least, for Article 8 concerning translations, the provisions of Article 5 of the Convention of the Union of 1886, revised at Paris in 1896, it being of course understood that these provisions relate only to translations into the language or languages of the country.

ARTICLE 26

(1) Each of the countries of the Union may, at any time, notify in writing the Government of the Swiss Confederation that the present Convention shall be applicable to all or to part of its colonies, protectorates, territories under mandate or all other territories subject to its sovereignty or to its authority, or all territories under suzerainty, and the Convention shall then apply to all the territories designated in the notification. In default of such notification, the Convention shall not apply to such territories.

(2) Each of the countries of the Union may, at any time, notify in writing the Government of the Swiss Confederation that the present Convention shall cease to be applicable to all or to part of the territories which were the object of the notification provided for by the preceding paragraph, and the Convention shall cease to apply in the territories designated in such notification twelve months after receipt of the notification addressed to the Government of the Swiss Confederation

(3) All the notifications made to the Government of the Swiss Confederation, under the provisions of paragraphs 1 and 2 of this article, shall be communicated by that Government to all the countries of the Union

ARTICLE 27

(1) The present Convention shall replace in the relations between the countries of the Union the Convention of Berne of September 9, 1886 and the acts by which it has been successively revised. The acts previously in effect shall remain applicable in the relations with the countries which shall not have ratified the present Convention.

(2) The countries in whose name the present Convention is signed may still retain the benefit of the reservations which they have previously formulated on condition that they make such a declaration at the time of the deposit of the ratifications.

(3) Countries which are at present parties to the Union, but in whose name the present Convention has not been signed, may at any time adhere to it. They may in such case benefit by the provisions of the preceding paragraph.

ARTICLE 28

(1) The present Convention shall be ratified, and the ratifications shall be deposited at Rome not later than July 1, 1931.

(2) It shall go into effect between the countries of the Union which have ratified it one month after that date. However, if, before that date, it has been ratified by at least six countries of the Union it shall go into effect as between those countries of the Union one month after the deposit of the sixth ratification has been notified to them by the Government of the Swiss Confederation and, for the countries of the Union which shall later ratify, one month after the notification of each such ratification.

(3) Countries that are not within the Union may, until August 1, 1931, enter the Union, by means of adhesion, either to the Convention signed at Berlin November 13, 1908, or to the present Convention. After August 1, 1931, they can adhere only to the present Convention.

ARTICLE 29

(1) The present Convention shall remain in effect for an indeterminate time, until the expiration of one year from the day when denunciation of it shall have been made.

(2) This denunciation shall be addressed to the Government of the Swiss Confederation. It shall be effective only as regards the country which shall have made it, the Convention remaining in force for the other countries of the Union.

ARTICLE 30

(1) The countries which introduce into their legislation the term of protection of fifty years provided for by Article 7, paragraph 1, of the present Convention, shall make it known to the Government of the Swiss Confederation by a written notification which shall be communicated at once by that Government to all the other countries of the Union.

(2) It shall be the same for such countries as shall renounce any reservations made or maintained by them by virtue of Articles 25 and 27.

In faith whereof, the respective Plenipotentiaries have signed the present Convention.

Done at Rome, the second of June, one thousand nine hundred and twenty-eight, in a single copy, which shall be deposited in the archives of the Royal Italian Government. One copy, properly certified, shall be sent through diplomatic channels to each of the countries of the Union.

For Germany:
C. von Neurath.
Georg Klauer.
Wilhelm Mackeben.
Eberhard Neugebauer.
Maximilian Mintz.
Max von Schillings.

For Austria:
Dr. August Hesse.

For Belgium:
Cte. della Faille de Leverghem.
Wauwermans.

For the United States of Brazil:
F. Pessoa de Queiroz.
J. S. da Fonseca Hermes Jr.

For Bulgaria:
G. Radeff.

For Denmark:
I. C. W. Kruse.
F. Graae.

For the Free City of Danzig:
Stefan Sieczkowski.

For Spain:
Francisco Alvarez-Ossorio.

For Estonia:
K. Tofer.

For Finland:
Emile Setälä.
Rolf Thesleff.
George Winckelmann.

For France:
Beaumarchais.
Marcel Plaisant.
P. Grunebaum-Ballin.
Cn. Drouets.
Georges Maillard.
André Rivoire.
Romain Coolus.
A. Messager.

For Great Britain and Northern Ireland:
S. J. Chapman.
W. S. Jarratt.
A. J. Martin.

For Canada:
Philippe Roy.

For Australia:
W. Harrison Moore.

For New Zealand:
S. G. Raymond.

For the Irish Free State:
[No signature.]

For India:
G. Graham Dixon.

For the Hellenic Republic:
N. Mavroudis.

For Hungary:
Andre de Hory.

For Italy:
Vittorio Scialoja.
E. Piola Caselli.
Vicenzo Morello.
Amedeo Giannini.
Domenico Barone.
Emilio Venezian.
A. Jannoni Sebastianini.
Mario Ghiron.

For Japan:
M. Matsuda.
T. Akagi.

For Luxemburg:
Bruck.

For Morocco:
Beaumarchais.

For Monaco:
R. Sauvage.

For Norway:
Arnold Raestad.

For The Netherlands:
A. van der Gols.

For Poland:
Stefan Sieczkowski.
Frédéric Zoll.

For Portugal:
Enrique Trindade Coelho.

For Rumania:
Theodore Solacolo.

For Sweden:
E. Marks von Würtemberg.
Erik Lidforss.
For Switzerland:
Wagnière.
W. Kraft.
A. Streuli.
For Syria and Great Lebanon:
Beaumarchais.
For Czechoslovakia:
Dr. V. Mastny.
Prof. Karel Hermann-Otavsky.
For Tunis:
Beaumarchais.
A true copy
For The Minister of Foreign Affairs of Italy
Fani

FRANK S. BERGIN

Mr. LONERGAN. Mr. President, I ask unanimous consent that the Senate take action at this time on the unfavorable report from the Judiciary Committee of the nomination of Frank S. Bergin to be United States attorney, District of Connecticut, and I hope the Senate will vote to reject the nomination.

The PRESIDING OFFICER (Mr. BONE in the chair). The clerk will state the nomination.

The legislative clerk read the nomination of Frank S. Bergin of Connecticut to be United States attorney, District of Connecticut, reported adversely from the Committee on the Judiciary.

Mr. ROBINSON of Arkansas. Mr. President, may I ask the Senator from Connecticut if the report of the committee was unanimous?

Mr. LONERGAN. It is a unanimous report of all members of the committee present.

The PRESIDING OFFICER. Is there objection to the present consideration of the nomination? The Chair hears none. The question is, Will the Senate advise and consent to the nomination?

The nomination was rejected.

The PRESIDING OFFICER. The calendar is in order.

NOMINATION OF JOHN WARD STUDEBAKER—RECOMMITTED

The legislative clerk read the nomination of John Ward Studebaker, of Iowa, to be Commissioner of Education.

Mr. WALSH. Mr. President, I ask unanimous consent that the nomination be recommitted to the Committee on Education and Labor for further consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

IN THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. SHEPPARD. I ask unanimous consent that nominations in the Army be confirmed en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS

The Senate resumed legislative session.

Mr. ROBINSON of Arkansas. I move that the Senate take a recess until 11 o'clock tomorrow morning.

The motion was agreed to; and (at 6 o'clock and 27 minutes p.m.) the Senate took a recess until tomorrow, Tuesday, May 29, 1934, at 11 o'clock a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 28, 1934

APPOINTMENT IN THE REGULAR ARMY

ASSISTANT TO THE CHIEF OF THE AIR CORPS

Lt. Col. James Eugene Chaney to be assistant to the Chief of the Air Corps, with the rank of brigadier general.

PROMOTIONS IN THE REGULAR ARMY

Ployer Peter Hill to be captain, Air Corps.

Robert James Dwyer, to be first lieutenant, Air Corps.

John Honeycutt Hinrichs to be first lieutenant, Field Artillery.

Frederick Lewis Anderson, Jr., to be first lieutenant, Air Corps.

John Berwick Anderson to be lieutenant colonel, Medical Corps.

Walter Paul Davenport to be lieutenant colonel, Medical Corps.

Austin James Canning to be lieutenant colonel, Medical Corps.

Lanphear Wesley Webb, Jr., to be lieutenant colonel, Medical Corps.

Leigh Cole Fairbank to be lieutenant colonel, Dental Corps.

Terry P. Bull to be lieutenant colonel, Dental Corps.

Frank Marion Lee to be major, Veterinary Corps.

APPOINTMENTS IN THE NATIONAL GUARD OF THE UNITED STATES

TO BE MAJOR GENERALS

David Prescott Barrows
Albert Hazen Blanding
Erland Frederick Fish
William Nafew Haskell
Benson Walker Hough
John Augustus Hulen
Roy Dee Keehn
Charles Irving Martin
Morris Benham Payne
Milton Atchison Reckord
Henry Dozier Russell
Edward Caswell Shannon
Mathew Adrian Tinley
Alexander MacKenzie Tuthill
Robert Henry Tyndall
George Ared White
Guy Merrill Wilson

TO BE BRIGADIER GENERALS

Samuel Garrison Barnard
Claude Vivian Birkhead
Robert Morris Brookfield
Harold Montfort Bush
John James Byrne
Edgar Hugh Campbell
Ellerbe Winn Carter
Paul Bernard Clemens
Ludwig Shaner Conelly
Herbert Reynolds Dean
Henry Herman Denhardt
Daniel Wray DePrez
Arthur William Desmond
Nathaniel Hillyer Egleston
Park Alfonso Findley
Irving Andrews Fish
Albert Greenlaw
Louis Francis Guerre
William Ernest Guthner
James Ambrose Haggerty
Thomas Stevens Hammond
Alvin Horace Hankins
Dudley Jackson Hard
Frank David Henderson
William Shaffer Key
James Craig McLanahan
William Swan McLean, Jr.
Charles E. McPherren
Trelawney Eston Marchant
Edward Martin
Wallace Ashton Mason
John Van Bokkelen Metts
Daniel Needham
John Cecil Persons
John James Phelan
William Richard Pooley
Winfield Scott Price
George Perry Rains
Frank Elisha Reed
Thomas Edward Rilea
David St. Clair Ritchie
Oscar Edwin Roberts
Lloyd Denison Ross
William Frederick Schohl
Frank Rudolph Schwengel
Edmund Justin Slate
Edward James Stackpole, Jr.
Edward Moses Stayton
Walter Perry Story
Amos Thomas
John Sylvester Thompson
Robert Jesse Travis
Samuel Gardner Waller
George Henderson Wark
William Gray Williams
Jacob Franklin Wolters
John Henry Agnew
Joseph Homer Ballew
Carlos Emerson Black
Lindley Wayland Camp
Vivian Bramble Collins
Ebenezer L. Compere
Raymond Hartwell Fleming
Charles Harry Grahl
James Walter Hanson
William Aloysius Higgins
Seth Edwin Howard
Ralph Maxwell Immell
William Ferson Ladd
Milton Robbins McLean
Maurice Thompson
Franklin Wilmer Ward

POSTMASTERS

ARKANSAS

William I. Fish, Dumas.
Byron P. Jarnagin, Waldo.

CALIFORNIA

Harry A. Hall, Bigpine.
John G. Carroll, Calexico.
Lula G. Watson, Canoga Park.
Frank Emerson, Corona.
George W. Richards, Culver City.
Ralph W. Dunham, Greenfield.
Josephine M. Costar, Greenville.
Marvin S. Wick, Hermosa Beach.
Lewis J. Renshaw, Hilmar.
Otto G. Simon, Lancaster.
Anthony F. Sonka, Lemongrove.
Miriam I. Paine, Mariposa.
Joseph T. McInerny, Merced.
Julia M. Ruschin, Newark.
Lindsey L. Burke, Norwalk.
James B. Stone, Redlands.
James R. Wilson, Sacramento.

DELAWARE

Oliver G. Melvin, Frederica.
Florence H. Carey, Milton.

HAWAII

Harry K. Ching, Ewa.
John M. Fernandez, Hana.
Robert E. Lee, Olaa.

ILLINOIS

Roy L. Campbell, Athens.
James E. Muckian, Calumet City.
William S. Westermann, Carlyle.
Thomas O'Donnell, Grafton.
Anna E. Sullivan, Grand Tower.
Porter Campbell, Hardin.
Charles H. Knodel, Hull.
Charles M. McCoy, Hutsonville.
William H. Woodard, North Chicago.
William A. Reeds, Oakland.
Michael E. Sullivan, Park Ridge.
Thomas J. Cody, Peoria.
William C. Dufrenne, Prairie du Rocher.
Samuel T. Duncan, Tamaroa.
Curtis E. Veach, Valier.

MARYLAND

William A. Strohm, Annapolis.
Herbert L. Diamond, Gaithersburg.
John M. Pearce, Monkton.

MICHIGAN

Henry I. Bourns, Adrian.
Arthur Little, Cass City.
John G. Watson, Colon.
T. Theodore Hurja, Crystal Falls.
William De Kuiper, Fremont.
Edward J. Talbot, Manistee.
Edwin C. Kraft, Nashville.
Hallie C. Bunting, Port Hope.
William M. Zeitler, Republic.
Mildred E. Walsh, St. Charles.
Floyd H. Leach, Scotts.
Gordon W. Huffman, Tustin.
Leo M. Neubecker, Weidman.

MISSISSIPPI

Rex R. Ray, Canton.
Beula P. Herrington, Mount Olive.

NEBRASKA

Walter O. Troxel, Elsie.
David S. Simms, Hastings.
Dorothy A. Crawford, Maxwell.

NEVADA

Mary C. McNamara, Elko.
Pauline H. Hjul, Eureka.
Juanita M. Johnson, Gardnerville.
Karl C. Berg, Round Mountain.
Edward D. Gladding, Virginia City.

NEW YORK

Edward J. Seagert, Attica.
Luke E. Burns, Black River.
Mae Nolan, Clark Mills.
Charles Bruno, East Williamson.
Jennie W. Jewell, Fishkill.
George S. Hart, Freeville.
Flora A. M. Humes, Great Bend.
Fred S. Tripp, Guilford.
Katherine A. Colligan, Halesite.
George Eaton Dean, Highland.
Joseph N. Peck, Honeoye Falls.
Frederick B. Pulling, Lagrangeville.
John W. Clark, Mahopac.
Frank J. Baltzel, Newark.
Henry H. Gaff, Niagara University.
William F. McNichol, Nyack.
Joseph J. Cruse, Poland.
Olivia L. McGowan, Roosevelt.
Claude A. Bierman, St. Johnsville.
John F. Maher, Woodridge.

NORTH CAROLINA

Wythe M. Peyton, Asheville.
William E. Hooks, Ayden.
William C. Stockton, Ellenboro.
John F. Lynch, Erwin.
Harry L. Ward, Gatesville.

RHODE ISLAND

Fred Beauchaine, Warren.

TENNESSEE

Cyril W. Jones, Athens.
Thomas D. Walker, Kerrville.
Raymond C. Townsend, Parsons.

TEXAS

Nat Shick, Big Spring.
Earnest N. Sowell, Elgin.
Milton L. Burleson, El Paso.
Robert W. Klingelhoefer, Fredericksburg.
John M. Sharpe, Georgetown.
Swanee E. Willis, Monahans.
Walter E. Shannon, North Zulch.
John W. Waide, Paint Rock.
Oran W. Cliett, San Marcos.
Willie R. Goodwin, Stinnett.
Hugh D. Burleson, Streetman.
Paul E. Jette, Wink.

VIRGINIA

Kathryn C. Ross, Accomac.
John H. Bowdoin, Bloxom.
Hugh H. Adair, Bristol.
Norma H. Fulton, Drakes Branch.
James H. Shiner, Front Royal.
Charles B. Hogan, Heathsville.
Andrew W. Cameron, Hot Springs.
Richard S. Jackson, Ivanhoe.
Thomas E. Simmerman, Jr., Max Meadows.
Robert P. Holt, Newport News.
Kemp Plummer, Portsmouth.
Samuel F. Atwill, Sr., Reedville.
John E. Pace, Ridgeway.
Wallace P. Ashburn, Virginia Beach.

WISCONSIN

Albert Hess, Arcadia.
Andrew J. Osborne, Barron.
Edward R. Kranzfelder, Bloomer.
Carl Whitaker, Chetek.

William L. Lee, Drummond.
Carl J. Mueller, Jefferson.
Louis O. Mueller, Portage.
Helen T. Donalds, St. Croix Falls.
Bethel W. Robinson, Superior.
Thomas J. Kelley, Tomahawk.
Edward A. Peters, Waterloo.

WYOMING

William Thomas Scott, Gebo.

REJECTION

Executive nomination rejected by the Senate May 28, 1934

UNITED STATES ATTORNEY

Frank S. Bergin to be United States attorney, district of Connecticut.

HOUSE OF REPRESENTATIVES

MONDAY, MAY 28, 1934

The House met at 11 o'clock a.m.

The Chaplain, Rev. James Shera Montgomery, D.D., offered the following prayer:

God, be merciful unto us and bless us; and cause His face to shine upon us; that Thy way be known upon the earth, Thy saving health among all nations. Let the people praise Thee, O God; let all the people praise Thee. O let the nations be glad and sing for joy, for Thou shalt judge the people righteously and govern the nations upon earth. Let the people praise Thee, O God; let all the people praise Thee. Then shall the earth yield her increase, and God, even our God, shall bless us. God shall bless us and all the ends of the earth shall fear Him. We pray in the name of our Savior. Amen.

The Journal of the proceedings of Thursday, May 24, 1934, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 1158. An act for the relief of Annie I. Hissey;
H.R. 1933. An act for the relief of Philip F. Hambsch;
H.R. 1943. An act for the relief of A. H. Powell;
H.R. 1977. An act for the relief of R. A. Hunsinger;
H.R. 2054. An act for the relief of John S. Cathcart;
H.R. 2322. An act for the relief of C. K. Morris;
H.R. 2433. An act for the relief of Anna H. Jones;
H.R. 2438. An act for the relief of Ruby F. Voiles;
H.R. 2837. An act to provide for the establishment of the Everglades National Park in the State of Florida, and for other purposes;
H.R. 3056. An act for the relief of James B. Conner;
H.R. 3300. An act for the relief of George B. Beaver;
H.R. 3302. An act for the relief of John Merrill;
H.R. 4690. An act for the relief of Eula K. Lee;
H.R. 5477. An act to fix the rates of postage on certain periodicals exceeding 8 ounces in weight;
H.R. 6179. An act to amend an act entitled "An act to provide for the leasing of coal lands in the Territory of Alaska, and for other purposes";
H.R. 6803. An act to regulate the distribution, promotion, retirement, and discharge of commissioned officers of the Marine Corps, and for other purposes;
H.R. 7168. An act for making compensation to the estate of Nellie Lamson;
H.R. 7289. An act for the relief of H. A. Soderberg;
H.R. 7343. An act to remove inequities in the law governing eligibility for promotion to the position of chief clerk in the Railway Mail Service;
H.R. 8241. An act to authorize the construction and operation of certain bridges across the Monongahela, Allegheny, and Youghiogheny Rivers in the county of Allegheny, Pa.;
H.R. 8494. An act to authorize the Secretary of the Interior to modify the terms of existing contracts for the sale of timber on the Quinault Indian Reservation when it is in the interest of the Indians so to do;
H.R. 8714. An act to extend the times for commencing and completing the construction of a bridge across the Pee Dee River and a bridge across the Waccamaw River, both at or near Georgetown, S.C.;
H.R. 8937. An act granting the consent of Congress to the State of Indiana to construct, maintain, and operate a free highway bridge across the Wabash River, at or near Delphi, Ind.;
H.R. 8938. An act to amend the act of Congress approved June 7, 1924, commonly called the "San Carlos Act", and acts supplementary thereto;
H.R. 8951. An act authorizing the city of Shawneetown, Ill., to construct, maintain, and operate a toll bridge across the Ohio River at or near a point between Washington Avenue and Monroe Street in said city of Shawneetown and a point opposite thereto in the county of Union and State of Kentucky;
H.R. 9000. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near Holtwood, Lancaster County;
H.R. 9065. An act granting the consent of Congress to the Department of Public Works of the Commonwealth of Massachusetts to construct, maintain, and operate a free highway bridge across the Connecticut River at Turners Falls, Mass.;
H.R. 9257. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near Bainbridge, Lancaster County, and Manchester, York County;
H.R. 9271. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near Millersburg, Dauphin County, Pa.; and
H.R. 9502. An act authorizing the State Highway Departments of the States of Minnesota and North Dakota to construct, maintain and operate certain free highway bridges across the Red River from Moorhead, Minn., to Fargo, N.Dak.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 3487) relating to direct loans for industrial purposes by Federal Reserve banks, and for other purposes, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. GLASS, Mr. WAGNER, Mr. BARKLEY, Mr. WALCOTT, and Mr. TOWNSEND to be conferees on the part of the Senate.

The measure also announced that the Senate had passed with amendments, in which the concurrence of the House is requested, the bill (H.R. 9063) to provide for promotion by selection in the line of the Navy in the grades of lieutenant commander and lieutenant; to authorize appointment as ensigns in the line of the Navy all midshipmen who hereafter graduate from the Naval Academy, and for other purposes; insists upon its amendments, and requests a conference with the House thereon, and appoints Mr. WALSH, Mr. TYDINGS, and Mr. HALE to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 3025) to amend section 12B of the Federal Reserve Act so as to extend for 1 year the temporary plan for deposit insurance, and for other purposes, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. FLETCHER, Mr. GLASS, Mr. BULKLEY, Mr. WALCOTT, and Mr. TOWNSEND to be the conferees on the part of the Senate.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Latta,

one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On May 24, 1934:

H.R. 211. An act for the relief of John A. Rapelye.

On May 25, 1934:

H.R. 4533. An act for the relief of the widow of D. W. Tanner for expense of purchasing an artificial limb;

H.R. 9092. An act to authorize the Secretary of War to lend to the housing committee of the United Confederate Veterans 250 pyramidal tents, complete; fifteen 16- by 80- by 40-foot assembly tents; thirty 11- by 50- by 15-foot hospital-ward tents; 10,000 blankets, olive drab, no. 4; 5,000 canvas cots; 20 field ranges, no. 1; 10 field bake ovens; to be used at the encampment of the United Confederate Veterans, to be held at Chattanooga, Tenn., in June 1934;

H.R. 9394. An act to authorize the Federal Radio Commission to purchase and enclose additional land at the radio station near Grand Island, Nebr.; and

H.J.Res. 345. Joint resolution to provide funds to enable the Secretary of Agriculture to carry out the purposes of the acts approved April 21, 1934, and April 7, 1934, relating, respectively, to cotton and to cattle and dairy products, and for other purposes.

On May 26, 1934:

H.R. 328. An act for the relief of E. W. Gillespie;

H.R. 916. An act for the relief of C. A. Dickson;

H.R. 1197. An act for the relief of Glenna F. Kelley;

H.R. 1211. An act for the relief of R. Gilbertsen;

H.R. 1212. An act for the relief of Marie Toenberg; and

H.R. 7306. An act to amend section 10 of the act entitled "An act extending the homestead laws and providing for right-of-way for railroads in the District of Alaska, and for other purposes", approved May 14, 1898, as amended.

DISPENSING WITH CALENDAR WEDNESDAY

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that the business on Calendar Wednesday of this week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

FEDERAL AID TO EDUCATION—CANNOT UNCLE SAM AFFORD AT LEAST HALF AS MUCH FOR SAVING THE SCHOOLS AS FOR BUILDING ROADS?

Mr. CHRISTIANSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. CHRISTIANSON. Mr. Speaker, since I became a Member a little over a year ago, I have voted "no" on more than $6,000,000,000 of expenditures that got by the House. While I was Governor I watched appropriations so closely that I became known throughout the State as a "tightwad." I mention these facts, not to invite either praise or blame, but to indicate that when I favor increased spending for any purpose it is only because I am convinced that increased spending for that purpose is true economy.

The gentleman from Massachusetts [Mr. DOUGLASS] has introduced a bill for Federal aid to schools that I shall support. I shall go farther than supporting it; I shall insist that the appropriation be increased from $75,000,000 to $225,000,000. Surely if we can afford $400,000,000 for roads, we can spare a little more than half as much for education. The gentleman comes from a State which has not only always fostered education but has always stood for thrift and economy. It is a pleasure for me, coming from a State which got many of its first school teachers from New England, to back him in his present effort to get the Federal Government to acknowledge in a substantial way its responsibility for education; for I am convinced that by appropriating funds to help the States keep their schools open during this emergency we are saving money as well as values that are worth more than money.

It must be admitted that voting Federal funds for schools is a departure from past practices. That, however, is not a good reason for refusing to do it. While it is not wise to abandon the old ways of doing things just in order to do something new, neither is it sensible to refuse to adopt new expedients when it is necessary to do so to meet new conditions. The ways of doing things which we now call old were once new. There was a time when it was an innovation to support schools by local taxation; the education of the child was the responsibility of its parents, not of the whole neighborhood. Our forefathers, in spite of objections that were then made, adopted the principle that hiring teachers and paying them was the obligation of all the people. When State aid to schools was first proposed, protests came from those who said that education was the responsibility of the school districts and not of the State. Now, when it is proposed that the Federal Government shall use its taxing power to help pay the cost of what is admittedly a national concern, some consider the proposal as dangerous and even revolutionary. But as we seem to have survived the shock of past efforts to broaden the base of educational support, so we shall escape the dire consequences which some see following in the wake of the passage of the Douglass bill.

Let me consider some of the trends and conditions which make it necessary to enact this measure. There was a time when taxable wealth and income were distributed throughout the country in about the same proportion as population. Then Federal aid would not have accomplished any useful purpose. That condition no longer exists. The business that used to go to the little flour mill at Prairie City has gone to Buffalo, N.Y., and the taxable income of the mill has gone with it, but there are still as many school children in Prairie City as there used to be. Not only the milling of flour but every other business and industry has gravitated toward a relatively few cities, where the income-producing wealth of the country is now to a large extent centered. The concentration of income has proceeded more rapidly than the concentration of population, and, as a result, while some communities can support their essential institutions without much sacrifice, others cannot support them at all. Out of this situation has arisen the necessity for legislation of the kind embodied in the Douglass bill.

Let me call your attention to some conditions which exist today in my own State. School tax levies run as high as 157 mills, tax delinquencies as high as 90 percent. In many districts bond obligations exceeding 50 percent of the assessed valuation have piled up interest charges that make it impossible to meet current expenses. In some of the distressed districts, teachers' salaries run as low as $25 a month, and in a few instances teachers have to "board around", receiving $15 or less a month in actual cash. Sixty percent of the teachers in distressed districts have been paid in warrants which are either unnegotiable or negotiable only at a discount. Outstanding warrants constitute an ever-growing obligation and in many cases have accumulated in such amounts that the banks have stopped cashing them. Some districts have paid their teachers with money from the sinking fund, defaulting interest and amortization payments on their bonds in order to do so. These facts, contained in a statement submitted by the Honorable E. M. Phillips, commissioner of education for the State of Minnesota, present a picture that challenges attention.

Continued drought, disappearing industry, unemployment, shrinking valuations, increasing tax delinquency, have brought about a situation which is not pleasant to contemplate, but which we must face courageously. Unless Federal relief is provided, one-half of the Minnesota school districts that have received aid from the Federal Emergency Relief Administration this year will not be able to open their schools in September, and other districts will open them without knowing how long they can keep them open.

Although the situation is most acute in some of the rural counties, the larger cities also are sorely distressed. In Minneapolis, where I live, expenditures for personnel have been reduced 20 percent, other expenditures 24 percent, and still there is a deficit of $1,142,000. In the neighboring city of St. Paul, a budget smaller than that of 10 years ago by

$105,800, will have to provide education for 8,000 more pupils.

That the situation I have set forth is not peculiar to Minnesota is shown by figures presented by the Honorable G. F. Zook, United States Commissioner of Education. He recently reported that the cities of the country, with an enrollment 250,000 greater than in 1930, are operating their schools with 18,000 fewer teachers and $133,000,000 less money. Inasmuch as the city schools are probably much better off than those of the rural communities, it is apparent that the $75,000,000 Federal aid provided for in the Douglass bill is inadequate.

Mr. Speaker, there never was a time when trained intelligence was needed more than now. The problems confronting the Nation are increasing in number, complexity, and importance. We dare not face those problems with an uninformed electorate. I am not one of those who believe that schooling alone makes a good citizen, but I am sure that without schooling no citizen can meet adequately the responsibilities of the present and the future. During the last months there has been much concern expressed, here and elsewhere, for the future of democracy. "Revolution" and "dictatorship" are words that have been heard with disconcerting frequency. I tell you that revolution and dictatorship come to a people only when that people has become incapable of self-government. Freedom is the condition of those who know how to use it. Let us therefore guard well the foundation of democracy; let us preserve the institutions that make men fit to be free.

ORDER OF BUSINESS

Mr. BYRNS. Mr. Speaker, we have been trying at various times to have a call of the Private Calendar. It is important that we have an early call on House bills. Later on we will ask that the House consider the Senate bills. I ask unanimous consent that it be in order today to take a recess until 7:30 o'clock, and that at the evening session bills on the Private Calendar only, unobjected to, beginning where the House left off on the previous call, be in order.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. TRUAX. I object.

Mr. BYRNS. Mr. Speaker, I renew my request for tomorrow night.

Mr. BLANTON. Reserving the right to object, and, of course, if the majority leader insists on it, I shall not object, because I shall not oppose anything that the leader wants done. He is such a splendid leader that we all ought to follow him, but we are going to have time on our hands waiting on the Senate, so why cannot we have a call of the Private Calendar in a day session on Wednesday or Thursday or Friday or Saturday?

Mr. BYRNS. I will say that the reason I proposed tonight or tomorrow night is the fact that many Members have House bills on the calendar and would like to have them disposed of and have plenty of time to get them through the Senate. If the gentleman from Texas objects to tomorrow night, I will renew my request for Wednesday night.

Mr. BLANTON. I do not propose to interpose an objection to the gentleman's request, if our leader insists on it, for I shall be here tomorrow night and every night.

Mr. BYRNS. We have had now 3 days' rest.

Mr. BLANTON. Rest? With 16 hours a day at work each day in our offices.

Mr. BYRNS. I mean rest from legislative duties. None of us have rested from other labors.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee that the House tomorrow take a recess until 7:30 o'clock tomorrow night, and at the evening session only bills on the Private Calendar unobjected to shall be considered, beginning at the start.

There was no objection.

RELIEF OF ALFRED HOHENLOHE AND OTHERS BY REMOVING CLOUD ON TITLE

Mr. PALMISANO. Mr. Speaker, I call up the bill (H.R. 6099) for the relief of Alfred Hohenlohe, Alexander Hohenlohe, Conrad Hohenlohe, and Viktor Hohenlohe by removing cloud on title.

Mr. BLANTON. Will the gentleman yield?

Mr. PALMISANO. I yield.

Mr. BLANTON. In order to have an understanding that we can all work together, it is understood, is it not, that what is known as the "District of Columbia old-age pension bill" will not be called up today?

Mr. PALMISANO. I do not intend to call up the House bill on old-age pensions. I might say that we have a considerable number of important bills here which it is very important should be passed today.

Mr. BLANTON. I am sure of that; but in order to expedite the passage of noncontroversial bills having to do with the District of Columbia, the old-age pension bill for the District of Columbia will not be called up today?

Mr. PALMISANO. No; it will not be called up today.

Mr. TREADWAY. Will the gentleman yield?

Mr. PALMISANO. Yes.

Mr. TREADWAY. Will the automobile responsibility bill be called up today? Does the gentleman expect to call that bill up today?

Mr. PALMISANO. Is that the code bill?

Mr. TREADWAY. It is the bill with regard to responsibility of automobile drivers in the District; the same bill as many States have in operation. I do not know the number of it. It is the A.A.A. bill.

Mr. PALMISANO. There is a code bill, if the gentleman has reference to that. The only insurance bill I intend to call up—there is one with reference to industrial life insurance with reference to contracts.

Mr. TREADWAY. No; that is not the bill.

Mr. PALMISANO. The last bill I intend to call up will be the taxicab liability bill. That will be the last one.

Mr. TREADWAY. I think there are two of those automobile bills.

Mr. PALMISANO. I do not intend to take up the other.

Mr. TREADWAY. What is the title of the other?

Mr. PALMISANO. Does the gentleman mean the auto liability bill?

Mr. TREADWAY. Yes.

Mr. PALMISANO. I do not intend to take that up.

Mr. TREADWAY. The gentleman does not intend to call up that bill?

Mr. PALMISANO. No; but the taxicab liability I expect to bring up.

Mr. TREADWAY. The taxicab automobile liability insurance bill will be taken up?

Mr. PALMISANO. Yes. That will be the next to the last bill which I have on the list. There are about 20 bills all told.

Mr. TREADWAY. Does the gentleman expect to reach that bill?

Mr. PALMISANO. Yes; I expect to reach it.

Mr. Speaker, I ask unanimous consent to consider the bill in the House as in the Committee of the Whole.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to convey by appropriate quitclaim deed to Alfred Hohenlohe for life, with remainder to Alexander, Konrad, and Viktor Hohenlohe, their heirs and assigns, all the right, title, and interest of the United States in and to lots 68 and 69 in Abner B. Kelly trustee's subdivision of part of square 628, as per plat recorded in liber W.B.M., folio 273, of the records of the office of the surveyor of the District of Columbia. The true intent of this act is to relinquish and abandon, grant, give, and concede any and all right, interest, and estate, in law or equity, which the United States is or is supposed to be entitled to in part of said land by escheat because of the death of Catharine B. Hohenlohe, an Austrian citizen, unto her husband, Alfred Hohenlohe, and her minor children, Alexander Hohenlohe, Konrad Hohenlohe, and Viktor Hohenlohe, all Austrian citizens: *Provided, however*, That said Alfred Hohenlohe, Alexander Hohenlohe, Konrad Hohenlohe, and Viktor Hohenlohe, as such aliens, shall sell or otherwise dispose of said interest within 10 years, as provided by the United States Code, title 8, section 73, or such further period as shall be secured to them by any treaty between the United States and the Republic of Austria, or be subject to the same liabilities of escheat proceedings on behalf of the United States as are provided by title

8 of the United States Code or as shall hereafter be provided by law, said period of 10 years to commence to run from the date on which said quitclaim deed shall have been executed by the Secretary of the Interior pursuant hereto.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MISREPRESENTATION IN THE DISTRIBUTION OF MILK IN THE DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I call up the bill (H.R. 6130) to prevent misrepresentation and deception in the sale of milk and cream in the District of Columbia.

The Clerk read as follows:

Be it enacted, etc., That section 14 of the act entitled "An act to establish standard weights and measures for the District of Columbia; to define the duties of the Superintendent of Weights, Measures, and Markets of the District of Columbia; and for other purposes", approved March 3, 1921, is hereby amended to read as follows:

"SEC. 14. (a) That bottles or other measures or containers used for the sale of milk or cream shall be of the capacity of 1 gallon, a multiple of 1 gallon, one-half gallon, 3 pints, 1 quart, 1 pint, 1 gill, or one-half gill, when filled to the bottom of the cap seat, stopple, or other designating mark. Such bottles or other measures or containers shall have clearly blown or otherwise permanently marked in the side of each such bottle or other measure or container or printed on the cap or stopple thereof, in plain bold-face gothic type, not smaller than 10 point, the name and address of the person who or the firm or corporation which shall have bottled said milk or cream. The name of no other person, firm, or corporation shall be blown or otherwise marked on such bottle or other measure or container or printed on the cap or stopple thereof. No person, firm, or corporation, for the purpose of bottling, selling, offering for sale, or delivering milk or cream, shall use caps or stopples, bottles, or other measures or containers which do not comply with the provisions of this section.

"(b) No person, firm, or corporation, in connection with the sale or delivery of milk or cream in any of the bottles or other measures or containers provided for in this section shall use any vehicle unless, on both sides of said vehicle there shall be conspicuously displayed the name and address of the person who or the firm or corporation which shall have bottled said milk or cream, and the name of no other person, firm, or corporation shall appear on any portion of any such vehicle: *Provided, however*, That the name of the manufacturer of such vehicle, other than a person who or a firm or corporation which may be engaged in the business of bottling or selling milk or cream, may appear on same: *And provided further*, That a person who or a firm or corporation which is engaged in the sale of foods in general may place the name of such person, firm, or corporation on such vehicle as may be actually employed by such person, firm, or corporation in the delivery of foods in general.

"(c) No person, firm, or corporation, in the conduct of his or its business, shall designate said business by the term 'dairy' or represent himself or itself as engaged in the dairy business unless engaged in the business of producing or bottling milk or cream."

With the following committee amendments:

Page 1, line 9, after the figures "14", insert "(a)."

On page 2, line 17, before the word "No", insert "(b) "; on line 19, after the word "in", strike out the word "this"; on line 20, after the figures "14", insert "(a)."

On page 3, beginning in line 4, after the word "further", strike out the remainder of the paragraph and insert: "That the requirements of this subsection shall not apply to a person who, or a corporation which, is engaged chiefly in the sale of foods or merchandise in general, and who is not engaged in the business of bottling milk or cream"; on line 14, page 3, before the word "No", insert "(c)."

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PROMOTIONS IN THE NAVY

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 9068) to provide for promotion by selection in the line of the Navy in the grades of lieutenant commander and lieutenant, to authorize appointment as ensigns in the line of the Navy all midshipmen who hereafter graduate from the Naval Academy, and for other purposes, with Senate amendments, disagree to the Senate amendments, and agree to the conference asked.

The SPEAKER. Is there objection to the request of the gentleman from Georgia? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. VINSON of Georgia, DREWRY, and BRITTEN.

FIRE ESCAPES ON BUILDINGS IN THE DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I call up the bill (H.R. 7209) to amend an act entitled "An act to require the erection of fire escapes in certain buildings in the District of Columbia, and for other purposes", approved March 19, 1906 (34 Stat. 70), as amended by the act of March 2, 1907 (34 Stat. 1247).

The Clerk read as follows:

Be it enacted, etc., That sections 1, 3, 4, 8, 9, 10, 11, 12, and 13 of an act entitled "An act to require the erection of fire escapes in certain buildings in the District of Columbia, and for other purposes", approved March 19, 1906, as amended by the act of March 2, 1907, are hereby amended as follows:

Amend section 1 so as to read:

"SECTION 1. That it shall be the duty of the owner entitled to the beneficial use, rental, or control of any building three or more stories in height, or over 30 feet in height, constructed or used or intended to be used as an apartment house, tenement house, flat, rooming house, lodging house, hotel, hospital, seminary, academy, school, college, institute, dormitory, asylum, sanitarium, hall, place of amusement, office building, or store, or of any building three or more stories in height, or over 30 feet in height, other than a private dwelling, and in which sleeping quarters for the accommodation of 10 or more persons are provided above the first floor, not hereinafter exempted from the provisions of section 1 of this act, to provide and cause to be erected and fixed to every such building, connecting with each floor above the first floor by easily accessible and unobstructed openings, one or more suitable fire escapes, in such location and numbers and of such material, type, and construction as the Commissioners of the District of Columbia may determine: *Provided*, That buildings designed and built as single-family dwellings, and converted to use as apartment houses, in which not more than three families reside, including the owner or lessee, or rooming houses in which sleeping accommodations are provided for less than 10 persons not including the family of the owner or lessee, not more than three stories, nor more than 40 feet in height, and having a total floor area not more than 3,000 square feet above the first floor, shall be exempted from the provisions of sections 1 and 3 of this act: *And provided further*, That buildings used solely as apartment houses, not more than three stories, nor more than 40 feet in height, so arranged that not more than five apartments per floor open directly, without an intervening hall or corridor, on a fire-resistive stairway, three feet or more in width, enclosed with masonry walls in which fire-resistive doors are provided at all openings, shall be excluded from the provisions of this section.

"That when used in this act—

"(a) An apartment house shall mean a building in which rooms in suites are provided for occupancy by three or more families.

"(b) A tenement house shall mean the same as an apartment house.

"(c) A flat shall mean the same as an apartment house.

"(d) A rooming house shall mean a building in which rooms are rented and sleeping quarters provided to accommodate 10 or more persons, not including the family of the owner or lessee.

"(e) A lodging house shall mean a building in which sleeping quarters are provided to accommodate 10 or more transients.

"(f) A hotel shall mean a building in which meals are served and rooms are provided for the accommodation of 10 or more transients.

"(g) An elevator shaft shall be construed to include a dumbwaiter shaft.

"(h) A fire escape shall mean an exterior open stairway or arrangement of ladders constructed entirely of incombustible materials and of approved design, or an interior or exterior stairway of fire-resistive construction with enclosing walls of masonry with fire-resistive doors and windows.

"(i) A standpipe shall mean a vertical iron or steel pipe provided with hose connections and valves, so arranged to supply water for fire-fighting purposes.

"(j) Fireproof shall mean the same as fire resistive as defined in the Building Code of the District of Columbia.

"(k) Fire resistive shall mean the same as fireproof."

Amend section 3 so as to read:

"SEC. 3. That it shall be the duty of the owner entitled to the beneficial use, rental, or control of any building used or intended to be used as set forth in section 1 of this act where fire escapes are required, or any building in which 10 or more persons are employed, as set forth in section 2 of this act where fire escapes are required; also to provide, install, and maintain therein proper and sufficient guide signs, guide lights, exit lights, hall and stairway lights, standpipes, fire extinguishers, and alarm gongs and striking stations in such location and numbers and of such type and character as the Commissioners of the District of Columbia may determine: *Provided*, That in buildings less than six stories in height standpipes will not be required when fire extinguishers are installed in such numbers and of such type and character as the Commissioners of the District of Columbia may determine."

Amend section 4 so as to read:

"SEC. 4. That the Commissioners of the District of Columbia are hereby authorized and directed to issue such orders, adopt and enforce such regulations not inconsistent with law as may be necessary to accomplish the purposes and carry into effect the provisions of this act, and to require any alterations or changes

that may become necessary in buildings now or hereafter erected, in order to properly locate or relocate fire escapes or to afford access to fire escapes and to require any changes or alterations in any buildings that may be necessary in order to provide for the erection of additional fire escapes, or for the installation of other appliances required by this act, when in the judgment of said Commissioners such additional fire escapes or appliances are necessary."

Section 8 is hereby repealed.

Section 9 is hereby renumbered as section 8; the words "fire hose" are omitted and the word "standpipe" is substituted therefor in the first sentence. The words "or regulations promulgated hereunder" are hereby inserted after the word "act" in the second sentence.

Section 10 is hereby renumbered as section 9.

Section 11 is hereby renumbered as section 10, and the period at the end of the first sentence is changed to a comma and the words "or if delivered to the agent, trustee, executor, or other legal representative of the estate of such person" are inserted.

Section 12 is hereby renumbered as section 11.

Section 13 is hereby renumbered as section 12.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BOARD OF INDETERMINATE SENTENCE AND PAROLE, DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I call up the bill (H.R. 8987) to amend an act entitled "An act to establish a Board of Indeterminate Sentence and Parole for the District of Columbia and to determine its functions, and for other purposes", approved July 15, 1932, and I ask unanimous consent that the same be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That the act of Congress entitled "An act to establish a Board of Indeterminate Sentence and Parole for the District of Columbia and to determine its functions, and for other purposes", approved July 15, 1932, be, and the same hereby is, amended by adding a new section to be numbered 10 and to read as follows:

"SEC. 10. The Board of Parole created by the act of Congress entitled 'An act to amend an act providing for the parole of United States prisoners, approved June 25, 1910, as amended', approved May 13, 1930, shall have and exercise the same power and authority over prisoners convicted in the District of Columbia of crimes against the United States and now or hereafter confined in any United States penitentiary or prison (other than the penal institutions of the District of Columbia) as is vested in the Board of Indeterminate Sentence and Parole over prisoners confined in the penal institutions of the District of Columbia."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DISTRICT OF COLUMBIA ALCOHOLIC BEVERAGE CONTROL ACT

Mr. PALMISANO. Mr. Speaker, I call up the bill (H.R. 9007) to amend section 11 of the District of Columbia Alcoholic Beverage Control Act, and I ask unanimous consent that the same be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

Mr. O'CONNOR. Reserving the right to object, just what does this bill do? This is not the bill which we amended and sent over to the other body, and which is still over there, which prohibits drug stores from selling outside of prescriptions, is it?

Mr. PALMISANO. Oh, no. This bill simply changes the license law for a common carrier by water, giving them the same license as a common carrier by rail.

Mr. O'CONNOR. It affects hotels, I see.

Mr. PALMISANO. No. It simply amends the law to give steamboat companies which navigate within 100 miles the same right as a railroad, as far as licenses are concerned.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That section 11, paragraph (g), be amended to read as follows:

"(g) Retailer's license, class C: Such a license shall be issued only for a bona fide restaurant, hotel, or club, or a passenger-carrying marine vessel serving meals, or a club car or a dining car on a railroad. It shall authorize the holder thereof to keep for sale and to sell spirits, wine, and beer at the place therein described for consumption only in said place. Except in the case of clubs, hotels, and passenger-carrying marine vessels serving meals in interstate commerce of 100 miles or more, no beverage shall be sold or served to a customer in any closed container. In the case of restaurants and passenger-carrying marine vessels and club cars or dining cars on a railroad, said spirits and wine, except light wines, shall be sold or served only to persons seated at public tables, and beer and light wines shall be sold and served only to persons seated at public tables or at bona fide lunch counters, except that spirits, wine, and beer may be sold or served to assemblages of more than six individuals in a private room when such room has been previously approved by the Board. In the case of hotels, said beverages may be sold and served only in the private room of a registered guest or to persons seated at public tables or to assemblages of more than six individuals in a private room, when such room has been previously approved by the Board. Beer and light wines may also be sold and served to persons seated in bona fide lunch counters. And in the case of clubs, said beverages may be sold and served in the private room of a member or guest of a member or to persons seated at tables. No license shall be issued to a club which has not been established for at least 3 months immediately prior to the making of the application for such license.

"The fee for such a license shall be for a restaurant, $500 per annum; for a hotel, under 100 rooms, $500 per annum; for a hotel of 100 or more rooms, $1,000 per annum; for a club, $250 per annum; for a marine vessel serving meals in interstate commerce of 100 miles or more and for each railroad dining car or club car, $2 per month or $20 per annum; for all other passenger-carrying marine vessels serving meals, $50 per month or $500 per annum."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EDUCATIONAL OPPORTUNITIES FOR CHILDREN OF SOLDIERS, SAILORS, AND MARINES KILLED IN ACTION

Mr. PALMISANO. Mr. Speaker, I call up the bill (H.R. 9143) providing educational opportunities for the children of soldiers, sailors, and marines who were killed in action or died during the World War, and I ask unanimous consent that the same be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, from funds to the credit of the District of Columbia in the Treasury of the United States not otherwise appropriated, the sum of $3,600, annually, for the fiscal years 1935 to 1943, inclusive, for aid in the education of children (between the ages of 16 and 21 years, inclusive, who have had their domicile in the District of Columbia for at least 5 years) of those who lost their lives during the World War as a result of service in the military or naval forces of the United States, including tuition, fees, maintenance, and the purchase of books and supplies: *Provided*, That not more than $200 shall be available for any one child: *Provided further*, That appropriations made in accordance with this act shall be expended only for such children while attending educational institutions of a secondary or college grade under rules and regulations prescribed by the Board of Education.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COLUMBUS UNIVERSITY

Mr. PALMISANO. Mr. Speaker, I call up the bill (H.R. 9180) relating to the incorporation of Columbus University, of Washington, D.C., organized under and by virtue of a certificate of incorporation pursuant to the incorporation laws of the District of Columbia as provided in subchapter 1 of chapter 18 of the Code of Laws of the District of Columbia.

The Clerk read the bill, as follows:

Be it enacted, etc., That the incorporation of the Columbus University of Washington, District of Columbia, under chapter 18 of the Code of Laws of the District of Columbia, be, and the same is hereby, approved and confirmed, except as herein specifically altered.

SEC. 2. The number of trustees for the management of said corporation shall be not more than 14 and not less than 12 and at least two of whom shall be members of each existing council of the Knights of Columbus, each of whom shall be a member of the District of Columbia branch of the fraternal organization known and designated as the "Knights of Columbus"; that J. Fred Brady, John E. Burns, W. Francis Delaney, John P. Dunn, William G. Feely, G. E. Herring, George F. Howell, Harold Francis Jones, William E. Leahy, James P. McKeon, Walter I. Plant, T. J. Quirck, and M. J. Willcoxon shall constitute the original board of trustees under this act; that the board of trustees shall elect, from among themselves, 1 member to be president, 1 member to be vice

president, 1 member to be treasurer, and 1 member to be secretary of said corporation; that the board of trustees shall elect, from among themselves, 1 member to be chairman, 1 member to be vice chairman, and 1 member to be secretary of the board of trustees; that at the first meeting of the board subsequent to the passage of this act the trustees shall be divided into three classes, the members of the first class to serve for a period of 3 years, the members of the second class to serve for a period of 4 years, and the members of the third class, which class shall include the president, vice president, treasurer, and secretary of the corporation, to serve for a period of 5 years; that the said trustee shall serve for the periods mentioned and/or until their successors are designated, the power of designation being in the board of trustees; that the number of professorships which may be established by said corporation shall be left to the discretion of the board of trustees who shall have the power to establish ordinances and by-laws for the conduct of the business of the corporation, or to alter, repeal, and amend the same, and also power to frame laws and regulations to govern the faculty and students in all departments thereof and to designate such professors and lecturers as they shall deem necessary and with such salaries and duties as the said board of trustees shall deem proper: *Provided, however,* That no member of the board of trustees, except the president, shall serve in a teaching capacity in the university.

SEC. 3. The said corporation shall adopt a common seal, under and by which all deeds, diplomas, and acts of the said university or corporation shall pass and be authenticated, and the same seal at their pleasure to break and alter, or to devise a new one.

SEC. 4. Persons of every religious denomination shall be eligible to membership on the faculty and that no person shall be refused admittance to the university as a pupil, or denied any of the privileges, immunities, or advantages thereof, for or on account of his or her sentiments in matters of religion.

SEC. 5. The funds, moneys, and properties of the corporation shall be held in the name of Columbus University and that the funds or the income of the corporation, or any part thereof, shall be used for no purpose or object other than to promote and advance the best interests of Columbus University.

SEC. 6. No institution of learning hereafter incorporated in the District of Columbia shall use in or as its title, in whole or in part, the words "Columbus University."

SEC. 7. Nothing in this act contained shall be so construed as to prevent Congress from altering, amending, or repealing the same.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TENLEY SCHOOL

Mr. PALMISANO. Mr. Speaker, I call up the bill (H.R. 9184) to authorize the Commissioners of the District of Columbia to sell the old Tenley School to the duly authorized representative of St. Ann's Church of the District of Columbia, and ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Commissioners of the District of Columbia be, and they are hereby, authorized to sell and convey to the duly constituted representative and agent of St. Ann's Roman Catholic Church, of the District of Columbia, located at or near the corner of Wisconsin Avenue and Yuma Street N.W., the following described real estate: The old Tenley School Building, and original site, known as parcels 35/130 and 131, parcel 130 containing 2,880 square feet, and parcel 131 containing 42,036 square feet, or a total of 44,916 square feet, being the same land and premises now leased to the pastor of St. Ann's Church by a certain lease signed by the Commissioners of the District of Columbia, dated October 16, 1933, and now included in parcel 35/260.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THE AMERICAN LEGION

Mr. PALMISANO. Mr. Speaker, I call up the bill (H.R. 9400) to exempt from taxation certain property of the American Legion in the District of Columbia, and ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the property situated in square 185 in the city of Washington, D.C., described as lots 32 and 33, owned, occupied, and used by the American Legion, is hereby exempt from all taxation so long as the same is so owned, occupied, and used, subject to the provisions of section 8 of the act of March 3, 1877, as amended and supplemented (D.C. Code, title 20, sec. 712), providing for exemptions of church and school property.

With the following committee amendment:

Page 1, line 7, strike out the word "owned" and insert in lieu thereof the words "owned and"; and in the same line, after the second word "and", insert the word "not", and after the word "used" insert "for commercial purposes."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DISTRICT ALCOHOLIC BEVERAGE CONTROL ACT

Mr. PALMISANO. Mr. Speaker, I call up the bill (H.R. 9622) to amend subsection (a) of section 23 of the District Alcoholic Beverage Control Act and ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

Mr. O'CONNOR. Mr. Speaker, reserving the right to object, will the gentleman please explain this bill?

Mr. PALMISANO. This bill merely exempts from the payment of the 50 cents per gallon tax liquor which may be exported from the District.

The Clerk read the bill, as follows:

Be it enacted, etc., That subsection (a) of section 23 of the District of Columbia Alcoholic Beverage Control Act is amended so as to read as follows:

"SEC. 23. (a) There shall be levied, collected, and paid on all of the following-named beverages manufactured by a holder of a manufacturer's license and on all of the said beverages imported or brought into the District of Columbia by a holder of a wholesaler's license, except beverages as may be sold to a dealer licensed under the laws of any State or Territory of the United States and not licensed under this act, and on all beverages imported or brought into the District of Columbia by a holder of a retailer's license, a tax at the following rates to be paid by the licensee in the manner hereinafter provided: ".

SEC. 2. That subsection (e) of section 23 be amended by inserting the word "taxable" after the word "upon" in the beginning of the first sentence and by inserting the word "taxable" after the word "upon" in the beginning of the second sentence.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LIFE INSURANCE IN THE DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I call up the bill (S. 195) respecting contracts of industrial life insurance in the District of Columbia.

The Clerk read the bill, as follows:

Be it enacted, etc., That policies of industrial weekly payment life insurance hereafter issued or delivered in the District of Columbia shall be subject to the following conditions, in addition to any other prescribed by law and not inconsistent with the provisions of this act.

GOOD FAITH

SEC. 2. If payment of such a policy shall be refused because of unsound health at or prior to the date of the policy, the good faith of both applicant and insured shall constitute a material element in determining the validity of the policy; and it shall not be held invalid because of unsound health unless the insurer shall prove that, at or before the date of issue of the policy, the insured or applicant had knowledge of, or reason to know, the facts on which the defense is based, or shall prove that the insurance was procured by the insured or applicant in bad faith or with intent to defraud the company, any provision, agreement, condition, warranty, or clause contained in said policy, or endorsed thereon, or added or attached thereto, to the contrary notwithstanding. Proof by the insurer of fraud, intent to deceive, unsound health, bad faith, breach or warranty or condition precedent, or other matter of defense, shall be subject to the provisions of section 657 of the act entitled "An act to establish a Code of Law for the District of Columbia", approved March 3, 1901, as amended (D.C. Code, title 5, sec. 183).

INCONTESTABILITY

SEC. 3. Every such policy shall be incontestable upon any ground relating to health after 2 years from its date of issue (notwithstanding a longer period may be named therein), provided the insured shall be alive at the end of said period. If the policy by its terms shall be incontestable after a shorter period than herein provided, the terms of the policy with regard to such period of limitation shall govern.

ASSIGNMENT

SEC. 4. Nothing contained in the terms of any such policy shall operate to prevent its valid assignment by the insured; but the company issuing the policy so assigned shall be discharged of all liability thereon by payment of its proceeds in accordance with its terms, unless before such payment the company shall have written notice of such assignment.

BENEFICIARY

SEC. 5. Any individual designated with the consent of the insurer, evidenced by the signature of its president or secretary, or designated upon a form furnished by and filed with the insurer, as beneficiary of such a policy shall be entitled to the proceeds of such policy after the death of the insured in priority to all other claimants, and may sue in his own name for such proceeds if payment is refused by the insurer: *Provided*, That upon the expiration of 15 days after the death of the insured, unless proof of claim in the manner and form required by the policy, accompanied by the policy for surrender, has theretofore been made by or on behalf of such designated beneficiary, the insurer may pay to any other claimant permitted by the policy. A person specified as one to whom the insured desires payment made, but not formally designated as beneficiary, shall be deemed a beneficiary for the purposes of this section, provided such designation be made in writing and filed with the company during the lifetime of the insured.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

ALLEY DWELLINGS

Mr. PALMISANO. Mr. Speaker, I call up the bill (S. 1780) to provide for the discontinuance of the use as dwellings of buildings situated in alleys in the District of Columbia, and for the replatting and development of squares containing inhabited alleys, in the interest of public health, comfort, morals, safety, and welfare, and for other purposes, and ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That to enable the President, in the interest of public health, comfort, morals, safety, and welfare, to provide for the discontinuance of the use as dwellings of buildings situated in alleys and to eliminate the hidden communities in inhabited alleys of the District of Columbia, and to carry out the policy declared in the act approved May 16, 1918, as amended, of caring for the alley population of the District of Columbia, the President is hereby authorized and empowered, within the limits of the amounts herein authorized—

(a) To purchase, or acquire by condemnation or gift, any land, buildings, or structures, or any interest therein, situated in or adjacent to any inhabited alley in the District of Columbia, and such other land, buildings, or structures, or any interest therein, within any square containing an inhabited alley as he may determine to be necessary for the replatting and improvement of said square pursuant to the provisions of this act;

(b) To replat any land acquired under this act; to pave or repave any street or alley thereon; to construct sewers and water mains therein; to install street lights thereon; to demolish, move, or alter any buildings or structures situated thereon and erect such buildings or structures thereon as deemed advisable: *Provided, however*, That the same shall be done and performed in accordance with the laws and municipal regulations of the District of Columbia applicable thereto;

(c) To lease, rent, maintain, equip, manage, exchange, sell, or convey any such lands, buildings, or structures upon such terms and conditions as he may determine: *Provided*, That if any such land as required for the purposes of the government of the District of Columbia such land may be transferred to the said government upon payment to the authority of the reasonable value thereof; and

(d) To aid in providing, equipping, managing, and maintaining houses and other buildings, improvements, and general community utilities on the property acquired under the provisions of this act, by loans, upon such terms and conditions as he may determine, to limited dividend corporations whose dividends do not exceed 6 percent per annum, or to home owners to enable such corporations or home owners to acquire and develop sites on the property: *Provided, however*, That no loan shall be made at a lower rate of interest than 5 percent per annum, and that all such loans shall be secured by reserving a first lien on the property involved for the benefit of the United States.

SEC. 2. (a) The President may designate, for the purpose of carrying out the provisions of this act, such official or agency of the Government of the United States or of the District of Columbia (hereinafter referred to as "the authority") as in his judgment is deemed necessary or advantageous, and the authority shall have or obtain all powers necessary or appropriate therefor, including the employment of necessary personal services; but (1) all plans for replatting and/or method of condemnation under the provisions of this act shall be submitted to and receive the written approval of the National Capital Park and Planning Commission and of the Board of Commissioners of the District of Columbia: *Provided, however*, That (a) failure of the National Capital Park and Planning Commission or of the Board of Commissioners of the District of Columbia to formally approve or disapprove in writing within 60 days after a plan has been submitted shall be equivalent to a formal approval, and (b) disapproval shall be accompanied by a written statement giving all the reasons for disapproval; and (2) any plan which shall involve action by any department, bureau, or agency of the United States or of the District of Columbia shall be made after consultation with such department, bureau, or agency.

(b) In the event condemnation proceedings are required to carry out the provisions of this act the same shall be conducted in accordance with the provisions of the act entitled "An act to provide for the acquisition of land in the District of Columbia for the use of the United States", approved March 1, 1929.

(c) If the authority determines in the case of any alley that it will be more advantageous to proceed in accordance with sections 1608 to 1610, inclusive, of the Code of Laws of the District of Columbia, the Commissioners of the District of Columbia shall be notified of such determination and proceedings shall then be had as provided in such sections for alleys and minor streets, except that if the total amount of damages awarded by the jury and the cost and expenses of the proceedings be in excess of the total amount of the assessment for benefits, such excess shall be borne and paid by the authority.

SEC. 3. (a) For the purpose of inaugurating the program contemplated by this act there is hereby made immediately available to the authority $500,000 of the unexpended balance of the corporate funds of the United States Housing Corporation, which sum together with all other sums received shall constitute a revolving fund to be known as the "Conversion of inhabited alleys fund" (hereinafter referred to as the "fund"). At the close of each fiscal year there shall be deducted from the fund and covered into the Treasury of the United States as miscellaneous receipts an amount equal to the interest at the rate of 4 percent per annum upon such net amounts as may be utilized for the purpose of the act during each fiscal year.

(b) All receipts from sales, leases, or other sources shall be deposited in the fund and shall be immediately available for the purposes of this act: *Provided, however*, That no interest shall be chargeable upon amounts on deposit in the said fund during any period that the same shall not be utilized for the purposes of this act.

(c) For the purposes of this act the authority is hereby authorized and empowered to borrow money from the Reconstruction Finance Corporation, or from other Government agencies empowered to provide funds for such purposes, secured by the property and assets acquired under the provisions of this act.

SEC. 4. (a) The objects set forth in section 1 of this act shall be accomplished as rapidly as feasible and to this end the Authority shall, in its report for the fiscal year ending June 30, 1934, set forth what it purposes to do during the next succeeding fiscal year. In each succeeding annual report it shall set forth its proposals for the next year.

(b) On and after July 1, 1944, it shall be unlawful to use or occupy any alley building or structure as a dwelling in the District of Columbia.

(c) No alley dwelling shall hereafter be constructed in the District of Columbia, nor shall any building or structure be moved, altered, or converted for use as an alley dwelling.

(d) Any person violating any of the provisions of this section shall, upon conviction thereof, be punished by a fine of not more than $500 or by imprisonment for not more than 6 months, or both. Each week of 7 days of the continuance of any such violation shall constitute a separate offense.

SEC. 5. (a) The Authority shall make a report to the President, which he shall transmit to Congress at the beginning of each regular session, giving a full and detailed account of all operations under the provisions of this act for the preceding fiscal year.

(b) Upon completion of the work contemplated by this act the President shall submit a complete report to Congress giving a full and detailed account of all operations for the entire period of operation. If such work is not completed by July 1, 1944, the President shall, on July 1, 1944, or at the opening of the next regular session of Congress after such date, make a report to Congress covering the operations under this act for the entire period to July 1, 1944, including a statement of what further work remains to be done, and recommendation for further legislation if in his opinion such legislation is necessary.

(c) It is hereby declared to be the purpose and intent of Congress that the objects set forth in section 1 of this act shall be accomplished, if possible, on or before July 1, 1944, except that loans made under this act may run for periods extending beyond such time.

SEC. 6. There shall be published three times each year during the month of January in a newspaper of general circulation published in the District of Columbia a notice to owners and tenants of alley dwellings and of other property in squares containing inhabited alleys, that alley dwellings in such squares may be demolished, removed, or vacated, and that the squares may be replatted on or before July 1, 1944.

SEC. 7. As used in this act—

(a) The term "alley" means (1) any court, thoroughfare, or passage, private or public, less than 30 feet wide at any point; and (2) any court, thoroughfare, or passage, private or public, 30 feet

or more in width, that does not open directly with a width of at least 30 feet upon a public street that is at least 40 feet wide from building line to building line.

(b) The term "inhabited alley" means an alley in or appurtenant to which there are one or more alley dwellings.

(c) The term "alley dwelling" means any dwelling fronting upon or having its principal means of ingress from an alley. This definition does not include an accessory building, such as a garage, with living rooms for servants or other employees; if the principal entrance to the living rooms of the accessory building is from the street property to which it is accessory.

(d) The term "dwelling" means any building or structure used or designed to be used in whole or in part as a living or a sleeping place by one or more human beings.

(e) The term "person" includes any individual, partnership, corporation, or association.

SEC. 8. If any provision of this act or the application thereof to any person or circumstance is held invalid, the validity of the remainder of the act and the application thereof to other persons and circumstances shall not be affected thereby.

SEC. 9. All acts and parts of acts contrary to the provisions of this act or inconsistent therewith be, and the same are hereby, repealed.

SEC. 10. This act may be cited as the "District of Columbia Alley Dwelling Act."

With the following committee amendment:

Page 5, strike out "SEC. 3. (a)" and insert in lieu thereof the following:

"SEC. 3. (a) The President is hereby authorized, in his discretion, to make immediately available to the authority for its lawful uses and as needed, from the allocation made from the appropriation to carry out the purposes of the National Industrial Recovery Act, contained in the Fourth Deficiency Act, fiscal year 1933, now carried under the title 'National Industrial Recovery, Federal Emergency Administration of Public Works, Housing, 1933-35', symbol 03/5666, not to exceed $500,000 of any amount thereof dedicated for low-cost housing and slum-clearance projects in the District of Columbia, to be set aside in the Treasury and be known as 'Conversion of inhabited alleys fund' (hereinafter referred to as the 'fund').

"(b) The authority is hereby authorized and empowered to borrow such moneys from individuals or private corporations as may be secured by the property and assets acquired under the provisions of this act, and such moneys, together with all receipts from sales, leases, or other sources, shall be deposited in the fund and shall be available for the purposes of this act.

"(c) The fund shall remain available until June 30, 1935, and thereafter shall be available annually in such amount as may be specified in the annual appropriation acts.

"(d) The total amount paid for property or properties acquired in any square shall not exceed 30 percent over and above the present assessed value of all the property or properties acquired in any square to carry out the provisions of this act."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Mr. PALMISANO. Mr. Speaker, I call up the bill (S. 2508) authorizing the Secretary of the Interior, with the approval of the National Capital Park and Planning Commission and the Attorney General of the United States, to make equitable adjustments of conflicting claims between the United States and other claimants of lands along the shores of the Potomac River, Anacostia River, and Rock Creek in the District of Columbia, and ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

Mr. BLANTON. Mr. Speaker, reserving the right to object, I wish to ask some questions.

This is another bill which grants additional power and authority to the National Park and Planning Commission. We are continually giving it authority and losing control over matters of this kind. I doubt the wisdom of this action.

It is well known that it has required urgent riders on appropriation bills to keep the authorities from tearing down three of the best buildings in Washington—the Municipal Building, the Southern Railway Building, and the old Post Office Department Building. There is no better-built office building in Washington today than the Southern Railway Building. Where will you find a more picturesque, splendid building anywhere in the country than the old Post Office Department? The Municipal Building is a valuable structure. Every year American citizens spend their money to go abroad to see old buildings, buildings over 100 years old, yet just as soon as we get a building with a little age on it, we have to tear it down.

I challenge any Member of the House to show any reason in the world why these three buildings should be torn down. If we do not watch matters closely, we are liable to find sometime, when the Members get away from Washington after an adjournment and we cannot stop these things, some way will be found to tear down these three buildings. It is outrageous; it is unthinkable.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. I yield.

Mr. MAY. Does the bill which has just been called up authorize the National Park and Planning Commission, with the consent of the Attorney General, to do almost anything it wants to do about these buildings?

Mr. BLANTON. Oh, no. I was just calling attention to the action of Congress in delegating authority that ought to be retained by Congress.

Mr. MAY. The gentleman is discussing the principle involved.

Mr. BLANTON. Yes; and there is a principle involved. Here is a bill which gives the National Capital Park and Planning Commission authority to do something that only Congress has the right to do.

I doubt whether it is a wise proposition for us to pass bills of this kind.

Mr. MAY. This is just another delegation of the powers of the Congress to individuals.

Mr. BLANTON. I have an understanding with the gentleman from Maryland regarding some legislation he will not call up today, and I keep my agreements. Otherwise I would oppose this bill. I have done my duty by calling attention to the unwisdom of passing such bills. I wanted us to register our disapproval of the tearing-down of these buildings in such a way that they will not dare do it when Congress adjourns and we are away from here.

Mr. LOZIER. Will the gentleman yield?

Mr. BLANTON. I yield to the gentleman from Missouri.

Mr. LOZIER. Is it not a fact that on three occasions Congress has refused to appropriate funds which would have permitted the demolition of the Post Office Building and some other buildings?

Mr. BLANTON. Yes; and we have had to put an inhibition in appropriation bills to stop it. They ought to understand by this time that Congress is not going to stand for any demolition of these three buildings.

Mr. LOZIER. And in contemptuous indifference to the attitude of Congress, they have built around the Post Office Building in order to create a condition which they think will force ultimately the demolition of that building.

Mr. BLANTON. If any of them dare do it, we ought to make it hot for them and put them out of public office when we come back here.

Mr. TREADWAY. But in the meantime the buildings will be destroyed.

Mr. BLANTON. I do not think they will dare destroy any of these three buildings, because the House and the Senate have expressed their disapproval of that proposition many times; but I think we ought to keep the matter before them, and we ought to let them understand that Congress is not going to stand for it.

Mr. PALMISANO. Of course the gentleman does not mean that this bill should not be passed.

Mr. BLANTON. This bill is an extension of an unwise principle, but I am keeping my agreement with the gentleman from Maryland.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That for the purpose of establishing and making clear the title of the United States in and to any part or parcel of land or water in, under, and adjacent to the Potomac River, the Anacostia River, or Eastern Branch, and Rock Creek, including the shores and submerged or partly submerged land, as well as the banks of said waterways, and also the upland im-

mediately adjacent thereto, including made land, flat lands, and marsh lands, in which persons and corporations and others may have or pretend to have any right, title, claim, or interest adverse to the complete title of the United States as set forth in an act entitled "An act providing for the protection of the interest of the United States in lands and water comprising any part of the Potomac River, the Anacostia River, Eastern Branch, and Rock Creek, and adjacent lands thereto", approved April 27, 1912 (37 Stat. 93), and in order to facilitate the same, by making equitable adjustments of such claims and controversies between the United States of America and such adverse claimants, the Secretary of the Interior is authorized to make and accept, on behalf of the United States, by way of compromise, when deemed to be in the public interest, such conveyances, includes deeds of quitclaim and restrictive and collateral covenants, of the lands in dispute as shall be also approved by the National Capital Park and Planning Commission and the Attorney General of the United States.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HARBOR REGULATIONS OF THE DISTRICT OF COLUMBIA WATER FRONT

Mr. PALMISANO. Mr. Speaker, I call up the bill (S. 2714) to amend section 895 of the Code of Law of the District of Columbia.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Commissioners of the District of Columbia be, and they are hereby, vested with authority to make harbor regulations for the entire water front of the city within the District of Columbia, to alter and amend the same from time to time as they may find necessary, and to fix penalties for the violation of such regulations, which, however, shall not exceed fines of $500 or imprisonment over 6 months, or both: *Provided*, That whenever these regulations affect navigable waters, channels, and anchorage areas or other interests of the United States, such regulations shall be subject to the approval of the Secretary of War: *And provided further*, That whenever said regulations affect the water front within the District of Columbia under the jurisdiction of the Director of National Parks, Buildings, and Reservations, or affect the interests and rights of the National Capital Park and Planning Commission, such regulations shall be subject to prior approval of the respective agencies.

Mr. PALMISANO. Mr. Speaker, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. PALMISANO: Page 1, line 7, after the word "necessary", strike out the comma and everything down to and including the word "both."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHANGE OF NAME OF STREET—DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I call up the bill (S. 3257) to change the designation of Four-and-a-half Street SW. to Fourth Street.

The Clerk read the bill, as follows:

Be it enacted, etc., That the street designated as "Four-and-a-half Street" running south from the center of the Mall to P Street south be, and the same is hereby, changed to Fourth Street, thereby giving this street for its entire length from Pennsylvania Avenue NW. to P Street south the designation of Fourth Street.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MOUNT OLIVET CEMETERY CO.

Mr. PALMISANO. Mr. Speaker, I call up the bill (S. 1757) to amend an act entitled "An act to incorporate the Mount Olivet Cemetery Co. in the District of Columbia", and ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the bill as follows:

Be it enacted, etc., That the act entitled "An act to incorporate the Mount Olivet Cemetery Co. in the District of Columbia", approved on the 10th day of June 1862 (12 Stat.L. 426) be, and the same hereby is, amended by adding at the end of section 2 of the said act of the 10th day of June 1862 the following:

"The said corporation may use for burial purposes the tracts of land now owned by it and known, respectively, as the 'Hoover tract', designated for purposes of assessment and taxation as parcel 153/23, fronting on Bladensburg Road and the 'Merten's tract', designated for purposes of assessment and taxation as parcel 153/42, fronting on West Virginia Avenue, the said two tracts having an aggregate area of approximately 12.25 acres, and all of the provisions of the aforesaid act of the 10th day of June 1862 shall apply to both of the said tracts with like effect as if the provisions of this act had been included therein at the time of its enactment: *Provided*, That no part of parcel 153/23 lying within 120 feet of Bladensburg Road shall be used for burial purposes; the strip of land hereby exempted from use for burial purposes being the easterly 120 feet by full width of said parcel 153/23 fronting on Bladensburg Road."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ELLEN WILSON MEMORIAL HOMES

Mr. PALMISANO. Mr. Speaker, I call up the bill (S. 3442), to dissolve the Ellen Wilson Memorial Homes and ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the bill as follows:

Be it enacted, etc., That the body corporate and politic created under the act entitled "An act to incorporate the Ellen Wilson Memorial Homes", approved March 3, 1915, be, and the same is hereby, granted the right to dissolve under the supervision of the Supreme Court of the District of Columbia and to have its assets distributed among the persons determined by said court to be entitled thereto, all in the manner prescribed by subchapter 14 of the act entitled "An act to establish a code of law for the District of Columbia", approved March 3, 1901, as amended; and jurisdiction over said corporation for the purposes aforesaid is hereby conferred upon said court as fully and effectually as though said corporation had been created pursuant to the general incorporation provision contained in the last-mentioned act, as amended.

SEC. 2. That Congress reserves the right to repeal, alter, or amend this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL SOCIETY UNITED STATES DAUGHTERS OF 1812

Mr. PALMISANO. Mr. Speaker, I call up the bill (S. 2580) to exempt from taxation certain property of the National Society United States Daughters of 1812 in the District of Columbia and ask unanimous consent that the bill may be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

Mr. PATMAN. Mr. Speaker, reserving the right to object, what is the bill the gentleman is now taking up?

Mr. PALMISANO. Private Calendar 924.

Mr. PATMAN. That was not on the calendar, as I understood it, to be considered today. I reserve the right to object to inquire of the gentleman if he expects to take up the taxicab liability insurance bill later on?

Mr. PALMISANO. I have been requested to hold off the taxicab liability bill until we consider the auto liability bill.

TAXICAB INSURANCE BILL

Mr. PATMAN. Further reserving the right to object, may I have an agreement with the gentleman that he will divide the time of the opposition on this bill with me? I am the only member of the committee who will oppose the bill, and I should like to have an understanding that he will divide the time with me. Since the committee is composed of 21 members and I am the only one opposing the bill and will certainly have a hard fight in view of the custom of other members to follow the committee, I must insist on at least 30 minutes.

Mr. TREADWAY. Mr. Speaker, reserving the right to object, there seems to be considerable confusion as to the two different automobile bills that the gentleman has on his calendar. The one he is now referring to in colloquy with

the gentleman from Texas seems to be Report No. 1604, House Calendar 281.

Mr. PALMISANO. House Calendar No. 281.

Mr. TREAWAY. I understand the gentleman from Texas [Mr. PATMAN] objects to that bill. There is another bill, House Calendar No. 275, favorably reported, called the bill to promote safety on streets and highways, and so forth. Would it be possible to call up that bill instead of the objectionable bill first?

Mr. PALMISANO. As I stated to the gentleman from Texas, I have been requested to withhold calling up the taxicab liability bill and to consider the auto liability bill first.

Mr. PATMAN. Will the gentleman agree to divide the 1 hour's time on the bill?

Mr. PALMISANO. Unless a Member on the opposite side desires recognition, I have no objection.

Mr. PATMAN. The gentleman understands that I am the only one on the committee objecting to this bill.

Mr. PALMISANO. I have no objection.

Mr. PATMAN. The gentleman will divide the time with me?

Mr. PALMISANO. Yes.

Mr. TREADWAY. Will the gentleman call up House Calendar 275? That is the one I am speaking of now.

Mr. PALMISANO. I shall call that up in a moment.

Mr. TREADWAY. And before there is any argument raised about the other measure?

Mr. PALMISANO. Yes.

Mr. TREADWAY. I thank the gentleman very much.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THE BLIND OF THE DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I call up the bill (H.R. 8517) to provide for needy blind persons of the District of Columbia, and ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

PENSIONS FOR THE BLIND

Mr. PATMAN. Mr. Speaker, reserving the right to object, the gentleman has changed his calendar entirely. I had a list of the bills that would be called up and the order in which they would be called up. This bill was supposed to be called up after the taxi liability insurance bill. I think the bill should be considered in the Committee of the Whole House on the state of the Union. This is a very far-reaching bill unless it has been materially amended. We should pass a law for the District of Columbia that would be a good model for the States to adopt. This bill involves a good principle, one that I approve and expect to vote for, but I think the legislation should be more carefully considered, unless it has been amended. I hope the gentleman will withhold the bill for the present, and I will help him pass it after I see the bill and the proposed amendments.

Mr. PALMISANO. Mr. Speaker, in view of the statement of the gentleman from Texas, I withdraw the request for the present.

OPERATION OF MOTOR VEHICLES IN THE DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I call up the bill (H.R. 1646) to promote safety on the streets and highways of the District of Columbia by providing for the financial responsibility of owners and operators of motor vehicles for damages caused by motor vehicles on the public highways in the District of Columbia; to prescribe penalties for the violation of the provisions of this act, and for other purposes.

The Clerk read the bill as follows:

Be it enacted, etc., That this act shall in no respect be considered as a repeal of any of the provisions of the traffic acts for the District of Columbia, but shall be construed as supplemental thereto.

SEC. 2. The motor-vehicle operator's or chauffeur's license and all of the registration certificates of any person who shall by a final order or judgment have been convicted of or shall have forfeited any bond or collateral given for a violation of any of the following provisions of law, to wit—

Driving while under the influence of intoxicating liquor or narcotic drugs, as provided in section 10 of the traffic acts of the District of Columbia;

Leaving the scene of an automobile accident in which personal injury occurs without making identity known, as provided in section 10 of said traffic acts;

Such other violations as constitute cause for suspension or revocation of licenses in the District of Columbia; or

A conviction of an offense in any other State, which if committed in the District of Columbia would be a violation of any of the aforesaid provisions of the traffic acts of the District of Columbia;

shall be suspended by the director of traffic (hereinafter called the director) because of such conviction and shall remain so suspended and shall not at any time thereafter be renewed, nor shall any other motor vehicle be thereafter registered in his name until he shall give proof of his ability to respond thereafter in damages resulting from the ownership or operation of a motor vehicle and arising by reason of personal injury to or death of any one person of at least $5,000, and, subject to the aforesaid limit for each person injured or killed, of at least $10,000 for such injury to or the death of two or more persons in any one accident, and for damage to property of at least $1,000 resulting from any one accident. Such proof in said amounts shall be furnished for each motor vehicle owned or registered by such person. If any such person shall fail to furnish said proof his operator's license and registration certificates shall remain suspended and shall not at any time thereafter be renewed, nor shall any other motor vehicle be thereafter registered in his name until such time as said proof be given. If such person shall not be a resident of the District of Columbia, the privilege of operating any motor vehicle in the District of Columbia and the privilege of operation within the District of Columbia of any motor vehicle owned by him shall be withdrawn until he shall have furnished such proof: *Provided*, That in case of both residents and nonresidents, however, if it shall be duly established to the satisfaction of the director, and the director shall so find (a) that any such person so convicted, or who shall have pled guilty or forfeited bond or collateral, was, upon the occasion of the violation upon which such conviction, plea, or forfeiture was based, a chauffeur or motor-vehicle operator, however designated, in the employ of the owner of such motor vehicle, or a member of the same family and household of the owner of such motor vehicle; and (b) that there was not, at the time of such violation, or subsequent thereto, up to the date of such finding, any motor vehicle registered in the District of Columbia in the name of such person convicted, entering a plea of guilty, or forfeiting bond or collateral, as aforesaid, then in such event, if the person in whose name such motor vehicle is registered shall give proof of ability to respond in damages, in accordance with the provisions of this act (and the director shall accept such proof from such person), such chauffeur or other person, as aforesaid, shall thereupon be relieved of the necessity of giving such proof in his own behalf. It shall be the duty of the clerk of the court, or of the court where it has no clerk, in which any such judgment or order is rendered or other action taken to forward immediately to the director a certified copy or transcript thereof. A certified copy or transcript of the judgment, order, or record of other action of the court shall be prima facie evidence of such conviction therein stated.

SEC. 3. The operator's license and all of the registration certificates of any person, in the event of his failure to satisfy every judgment arising from an accident, or accidents, happening subsequently to the effective date of this act and which shall have become final by expiration without appeal of the time within which appeal might have been perfected or by final affirmance on appeal, rendered against him by a court of competent jurisdiction in the District of Columbia or any State, or in a district court of the United States, for damages on account of personal injury, or damages to property in excess of $100, resulting from the ownership or operation of a motor vehicle by him, his agent, or any other person with the express or implied consent of the owner, shall be forthwith suspended by the director, upon receiving a certified copy of such final judgment or judgments from the court in which the same are rendered and shall remain so suspended and shall not be renewed, nor shall any other motor vehicle be thereafter registered in his name while any such judgment remains unstayed, unsatisfied, and subsisting, and until the said person gives proof of his ability to respond in damages, as required in section 4 of this act, for future accidents. It shall be the duty of the clerk of the court in which any such judgment is rendered to forward immediately to such director a certified copy of such judgment or a transcript thereof. In the event the defendant is a nonresident, it shall be the duty of the director to transmit to the commissioner of motor vehicles (or officer in charge of the issuance of operators' permits and registration certificates) of the State of which the defendant is a resident a certified copy of the said judgment. If after such proof has been given any other such judgment shall be recovered against such person for any accident occurring before such proof was furnished, and after the effective date of this act such license and certificates shall again be and remain suspended while any such judgment remains unsatisfied and subsisting: *Provided, however*, That (1) when $5,000 has been credited upon any judgment or judgments rendered in excess of that amount for personal injury to or the death of one person as the result of any one accident; (2) when,

subject to the limit of $5,000 for each person, the sum of $10,000 has been credited upon any judgments rendered in excess of that amount for personal injury to or the death of more than one person as the result of any one accident; or (3) when $1,000 has been credited upon any judgment or judgments rendered in excess of that amount for damage to property as the result of any one accident resulting from the ownership or operation of a motor vehicle by such judgment debtor, his agent, or any other person, with his express or implied consent, then and in such event such payment or payments shall be deemed a satisfaction of such judgment or judgments for the purposes of this section only.

Whenever any motor vehicle, after the passage of this act, shall be operated upon the streets and highways of the District of Columbia by any person other than the owner, with the consent of the owner, express or implied, the operator thereof shall, in case of accident, be deemed to be the agent of the owner of such motor vehicle.

If any such motor-vehicle owner or operator shall not be a resident of the District of Columbia, the privilege of operating any motor vehicle in the District of Columbia and the privilege of operation within the District of Columbia of any motor vehicle owned by him shall be withdrawn, while any final judgment procured against him for damages, including personal injury or death caused by the operation of any motor vehicle, in the District of Columbia or elsewhere, shall be unstayed, unsatisfied, and subsisting, and until he shall have given proof of his ability to respond in damages for future accidents as required in section 4 of this act.

In all cases of persons who have been tried and convicted or pled guilty of violations of traffic laws of the District of Columbia the operation by a nonresident or with his express or implied consent, if an owner of a motor vehicle, on any public street or highway of the District of Columbia, shall be deemed equivalent to an appointment by such nonresident of the director or his successor in office to be his true and lawful attorney upon whom may be served all lawful processes in any action or proceedings against him growing out of any accident or collision in which said nonresident may be involved while so operating or so permitting to be operated a motor vehicle on any such street or highway, and said operation shall be a signification of his agreement that any such process against him, which is so served, shall be of the same legal force and validity as if served upon him personally. Service of such process shall be made by leaving a copy of the process with a fee of $2 in the hands of the director, or in his office, and such service shall be sufficient service upon the said nonresident: *Provided*, That notice of such service and a copy of the process are forthwith sent by registered mail by the plaintiff, or his attorney, to the defendant, and the defendant's return receipt appended to the writ and entered with the declaration. The court in which the action is pending may order such continuances as may be necessary to afford the defendant a reasonable opportunity to defend the action.

SEC. 4. Proof of ability to respond in damages when required by this act may be evidenced by the written certificate or certificates of any insurance carrier, duly authorized to do business within the District of Columbia, or in the case of a nonresident, by an insurance carrier authorized to transact business in any of the several States, that it has issued to or for the benefit of the person named therein a motor-vehicle liability policy or policies as defined in this act which, at the date of said certificate or certificates, is in full force and effect and designating therein by explicit description or by other appropriate reference all motor vehicles with respect to which coverage is granted by the policy certified to. The director shall not accept any certificate or certificates unless the same shall cover all motor vehicles registered in the name of the person furnishing such proof. Additional certificates as aforesaid shall be required as a condition precedent to the registration of any additional motor vehicle or motor vehicles in the name of such person required to furnish proof as aforesaid. Said certificate or certificates shall certify that the motor-vehicle liability policy or policies therein cited shall not be canceled except upon 10 days' prior written notice thereof to the director.

Such proof may be the bond of a surety company duly authorized to do business within the District of Columbia or a bond with at least two individual sureties, each owning unencumbered real estate in the District of Columbia, approved by a judge of a court of record, which said bond shall be conditioned for the payment of the amounts specified in section 2 hereof and shall not be cancelable except after 10 days' written notice to the director. Such bond shall constitute a lien in favor of the District of Columbia upon the real estate of any surety, which lien shall exist in favor of any holder of any final judgment on account of damage to property over $100 in amount or injury to any person or persons caused by the operation of such person's motor vehicle, upon the filing of notice to that effect by the director in the office of the clerk of the Supreme Court of the District of Columbia.

Such proof of ability to respond in damages may also be evidence presented to the director of a deposit by such person with the clerk of the Supreme Court of the District of Columbia of a sum of money or collateral, the amount of which money or collateral shall be $11,000. But the said clerk shall not accept a deposit of money or collateral where any judgment or judgments, theretofore recovered against person as a result of damages arising from the operation of any motor vehicle, shall not have been paid in full. The said clerk shall accept any such deposit and issue a receipt therefor.

The director shall be notified of the cancelation or expiration of any motor-vehicle liability policy of insurance certified under the provisions of this act at least 10 days before the effective date of such cancelation or expiration. In the absence of such notice of cancelation or expiration said policy of insurance shall remain in full force and effect. Additional evidence of ability to respond in damages shall be furnished the director at any time upon his demand.

SEC. 5. Such bond, money, or collateral shall be held by the said clerk to satisfy, in accordance with the provisions of this act, any execution issued against such person in any suit arising out of damage caused by the operation of any motor vehicle owned or operated by such person. Money or collateral so deposited shall not be subject to attachment or execution unless such attachment or execution shall arise out of a suit for damages, including injury to property, and personal injury or death, as a result of the operation of a motor vehicle. If a final judgment rendered against the principal on the surety or real-estate bond shall not be satisfied within 30 days after its rendition, the judgment creditor may, for his own use and benefit and at his sole expense, bring an action in the name of the District of Columbia against the company or persons executing such bond.

SEC. 6. The director shall, upon request, furnish any insurer, person, or surety a certified abstract of the operating record of any person subject to the provisions of this act, which abstract shall fully designate the motor vehicles, if any, registered in the name of such person, and if there shall be no record of any conviction of such person of a violation of any provision of any statute relating to the operation of a motor vehicle or of any injury or damage caused by such person as herein provided the director shall so certify. The director shall collect for each such certificate the sum of $1.

SEC. 7. The director shall furnish any person who may have been injured in person or property by any motor vehicle, upon written request, with all information of record in his office pertaining to the evidence of the ability of any operator or owner of any motor vehicle to respond in damages.

SEC. 8. Any operator or any owner whose operator's license or certificate of registration shall have been suspended as herein provided, or whose policy of insurance or surety bond shall have been canceled or terminated, or who shall neglect to furnish additional evidence of ability to respond in damages upon request of the director shall immediately return to the director his operator's license, certificate of registration, and the number plates issued thereunder. If any person shall fail to return to the director the operator's license, certificate of registration, and the number plates issued thereunder as provided herein, the director shall forthwith direct any member of the Metropolitan Police of the District of Columbia to secure possession thereof and to return the same to the office of the director. Any person failing to return on demand such operator's license or such certificate and number plates shall be guilty of a misdemeanor and shall be fined not more than $100, and such penalty shall be in addition to any penalty imposed for any violation of the provisions of the traffic acts as given in section 2 of this act. The amount of such fine shall be paid in the manner provided for the payment of fines for violations of the traffic acts.

SEC. 9. The director may cancel such bond or return such evidence of insurance, or the clerk may, with the consent of the director, return such money or collateral to the person furnishing the same, provided 3 years shall have elapsed since the filing of such evidence or the making of such deposit, during which period such person shall not have violated any provision of the traffic acts referred to in section 2, and provided no suit or judgment for damages on account of personal injury or damage to property in excess of $100 resulting from the operation of motor vehicle by him or his agent shall then be outstanding against such person. The director may direct the return of any money or collateral to the person who furnished the same upon the acceptance and substitution of other evidence of his ability to respond in damages or, at any time after 3 years from the expiration of any registration or license issued to such person, provided no written notice shall have been filed with the director stating that such suit has been brought against such person by reason of the ownership, maintenance, or operation of a motor vehicle, and upon the filing by such person with the director of an affidavit that he has abandoned his residence in the District of Columbia or that he has made a bona fide sale of any and all motor vehicles owned by him and does not intend to own or operate any motor vehicle in the District of Columbia for a period of 1 or more years.

SEC. 10. Any person who by any other law of the District of Columbia is required to make provision for the payment of loss occasioned by injury to or death of persons or damage to property shall, to the extent of such provision so made and not otherwise, be exempt from this act.

SEC. 11. Any person who shall forge or without authority sign any evidence of ability to respond in damages as required by the director in the administration of this act shall be fined not less than $100 nor more than $1,000 or imprisoned not to exceed 1 year, or both.

SEC. 12. "Motor-vehicle liability policy" as used in this act shall be taken to mean a policy of liability insurance issued to the person therein named as insured by an insurance carrier authorized to transact business in the District of Columbia or, in the case of a nonresident, by an insurance carrier authorized to transact business in any of the several States, which policy shall designate, by explicit description or by appropriate reference, all motor vehicles with respect to which coverage is intended to be

granted by said policy, and shall insure the insured named therein and any other person using or responsible for the use of any such motor vehicle with the consent, express or implied, of such insured, against loss from the liability imposed upon such insured by law or upon such other person for injury to or death of any person, other than such person or persons as may be covered, as respects such injury or death by any workmen's compensation law, or damage to property except property of others in charge of the insured or the insured's employees growing out of the maintenance, use, or operation of any such motor vehicle in the United States of America; or which policy shall, in the alternative, insure the person therein named as insured against loss from the liability imposed by law upon such insured for injury to or death of any person, other than such person or persons as may be covered as respects such injury or death by any workmen's compensation law, or damage to property, except property of others in charge of the insured or the insured's employees, growing out of the operation or use by such insured of any motor vehicle, except a motor vehicle registered in the name of such insured, and occurring while such insured is personally in control, as driver or occupant, of such motor vehicle within the United States of America, to the amount or limit of $5,000, exclusive of interest and costs, on account of injury to or death of any one person, and, subject to the same limit as respects injury to or death of one person of $10,000, exclusive of interest and costs, on account of any one accident resulting in injury to or death of more than one person; and of $1,000 for damage to property of others, as herein provided, resulting from any one accident; or a binder pending the issuance of any such policy, or an endorsement to an existing policy as hereinafter provided: *Provided*, That this section shall not be construed as preventing such insurance carrier from granting any lawful coverage in excess of or in addition to the coverage herein provided for, nor from embodying in such policy any agreements, provisions, or stipulations not contrary to the provisions of this act and not otherwise contrary to law: *Provided, however*, That separate concurrent policies covering, respectively, (a) personal injury or death, as aforesaid, and (b) property damage, as aforesaid, shall be considered a motor-vehicle liability policy within the meaning of this act.

No motor-vehicle liability policy shall be issued or delivered in the District of Columbia until a copy of the form of policy shall have been on file with the superintendent of insurance for at least 30 days, unless sooner approved in writing by the superintendent of insurance, nor if within said period of 30 days the superintendent of insurance shall have notified the carrier in writing that in his opinion, specifying the reasons therefor, the form of policy does not comply with the laws of the District of Columbia. The superintendent of insurance shall approve any form of policy which discloses the name, address, and business of the insured, the coverage afforded by such policy, the premium charged therefor, the policy period, the limit of liability, and the agreement that the insurance thereunder is provided in accordance with the coverage defined in this section as respects personal injury and death or property damage, or both, and is otherwise subject to all the provisions of the act.

Such motor-vehicle liability policy shall be subject to the following provisions, which need not be contained therein:

(a) The liability of any company under a motor-vehicle liability policy shall become absolute whenever loss or damage covered by said policy occurs, and the satisfaction by the insured of a final judgment for such loss or damage shall not be a condition precedent to the right or duty of the carrier to make payment on account of such loss or damage. No such policy shall be canceled or annulled as respects any loss or damage by any agreement between the carrier and the insured after the said insured has become responsible for such loss or damage, and any such cancelation or annulment shall be void. Upon the recovery of a final judgment against any person for any such loss or damage, if the judgment debtor was at the accrual of the cause of action insured against liability therefor under a motor-vehicle liability policy, the judgment creditor shall be entitled to have the insurance money applied to the satisfaction of the judgment. But the policy may provide that the insured, or any other person covered by the policy, shall reimburse the company for payments made on account of any accident, claim, or suit involving a breach of the terms, provisions, or conditions of the policy; and further, if the policy shall provide for limits in excess of the limits designated in this section, the insurance carrier may plead against such judgment creditor, with respect to the amount of such excess limits of liability, any defenses which it may be entitled to plead against the insured. Any such policy may further provide for the prorating of the insurance thereunder with other applicable valid and collectible insurance.

(b) The policy, the written application therefor (if any), and any rider or endorsement which shall not conflict with the provisions of this act shall constitute the entire contract between the parties.

(c) The insurance carrier shall, upon the request of the insured, deliver to the insured for filing, or at the request of the insured shall file direct, with the director of traffic an appropriate certificate as set forth in section 4 hereof.

(d) Any carrier authorized to issue motor-vehicle liability policies as provided for in this act may, pending the issue of such a policy, execute an agreement, to be known as a binder; or may, in lieu of such a policy, issue an endorsement to an existing policy, each of which shall be construed to provide indemnity or protection in like manner and to the same extent as such a policy. The provisions of this section shall apply to such binders and endorsements.

SEC. 13. The following words, as used in this act, shall have the following meanings:

(a) The singular shall include the plural. The masculine shall include the feminine and neuter, as requisite.

(b) "Persons" shall include individuals, partnerships, corporations, receivers, referees, trustees, executors, and administrators; and shall also include the owner of any motor vehicle, as requisite, but shall not include the District of Columbia.

(c) "Motor vehicle" shall include trailers, motorcycles, and tractors.

SEC. 14. The directors shall make rules and regulations necessary for the administration of this act.

SEC. 15. Nothing herein shall be construed as preventing the plaintiff in any action at law from relying for security upon the other processes provided by law.

SEC. 16. If any part, subdivision, or section of this act shall be deemed unconstitutional, the validity of its remaining provisions shall not be affected thereby.

SEC. 17. This act shall go into effect 90 days after its passage and approval by the President of the United States.

Mr. TREADWAY. Mr. Speaker, if the gentleman will permit, there are in operation on the streets of the District of Columbia approximately 150,000 motor vehicles. These vehicles are operated by nearly 200,000 different drivers. The safe movement of these units of transportation along the streets and boulevards and around the confusing circles is one of the greatest problems confronting the people of the District of Columbia.

We must expect that with such a mass movement of vehicles in the hands of operators of various temperaments that there will be accidents. During the year 1933, 80 people were killed and 755 were injured on the streets of Washington. Since January 1 of the current year 52 people have been killed. Thus it is evident that our record for motor deaths during 1934 will be materially above that for last year. Obviously, drastic steps must be taken to remove the specter of death from our arteries of vehicular traffic. The question of how we can best do this is, I believe, one of the most important from a humanitarian standpoint confronting the present Congress.

Fortunately we have before us a measure that will help materially to solve the problem. It is the safety-responsibility law designed to control drunken, reckless, and irresponsible drivers of motor vehicles. The efficacy of such legislation has already been proven in 21 States and 9 Provinces of Canada, where similar laws have been in effect for some time. Included in the States having this progressive safety legislation is the State of Maryland to the north and the State of Virginia to the south. It is interesting to note that not a single State, once having adopted this legislation, has taken a backward step in regard to same; but, on the contrary, succeeding sessions of the legislatures have strengthened its provisions.

During the past week we have had here in Washington one of the greatest safety conferences ever held in the history of the country. I refer to the National Conference on Street and Highway Safety, presided over by the able Secretary of Commerce, Daniel C. Roper. This conference, without a dissenting vote, wrote into the uniform motor-vehicle code the provisions of the financial-responsibility bill now before us for adoption.

What is the objective of this legislation? It is threefold in character:

First, to provide an incentive for careful and safe driving and to control or eliminate the reckless and irresponsible operator.

Second, to compel those drivers who have demonstrated their recklessness to establish evidence for financial responsibility for their negligent acts in the future as a prerequisite to their regaining the privilege of driving.

Third, to furnish an incentive for payment of otherwise uncollectible judgments arising from automobile accidents.

The American Automobile Association, which has consistently supported this legislation, and in which I have the greatest confidence as an agency seriously concerned with the highway-accident problem, informs me that if the safety-responsibility law is enacted for the District of Columbia, approximately 450 reckless and financially irresponsible

operators of motor vehicles would be prohibited from using the streets of the National Capital each year. This number represents virtually two out of every three arrested annually for driving while intoxicated. The estimate of the A.A.A. is based on results secured elsewhere under similar legislation.

If this experience held true in the District of Columbia, approximately 700 operators would have their licenses and permits withdrawn each year as a result of conviction for driving while intoxicated, or leaving the scene of an accident where there was a personal injury without making their identity known. Of the 700, about 250 would regain their driving privileges by proving their financial responsibility for future accidents they may cause. The remaining 450 would be denied the privilege of using the streets.

Motorists who feel the weight of the safety-responsibilty law will be those, and only those, who bring themselves within the scope of its provisions through a serious infraction of the motor laws, or failure to satisfy a legally rendered judgment. Surely, it is a great achievement, when, without injustice or penalty on the careful, the proven reckless who have only themselves to blame for the loss of their driving privileges, can be "ruled off the road." I am sure that everyone will agree with me that they are better off the road than on it.

I commend to my colleagues this safety legislation, and urge that you do that which has already been done by a previous Congress—pass this legislation and send it on to the Senate with the hope that this time the Senate will concur and that the people of the District of Columbia may have the benefits of strong safety legislation.

LIABILITY INSURANCE ON AUTOMOBILES

Mr. PATMAN. Mr. Speaker, if the gentleman will yield, I should like to ask the chairman if this is not the bill that requires the operator of an automobile to take out insurance if he has had an accident for which he was irresponsible, in other words, if he has been guilty of negligence?

As I understand, no operator of a motor vehicle in the District of Columbia will be required to carry insurance unless he has first been guilty of carelessness of some kind.

Mr. PALMISANO. As I understand it, he must be convicted of injuring someone before he is required to obtain insurance.

Mr. PATMAN. And only upon that condition and such other conditions that are outlined in the bill.

Mr. PALMISANO. Yes.

Mr. TREADWAY. Is it not a further fact that this bill has been copied in 21 States, so that it is providing legislation in the District of Columbia that is uniform with the legislation on the statute books of 21 States of the Union?

Mr. PALMISANO. As a matter of fact, I understand there are more than 21 States that have such legislation. This is a sort of uniform law which they are attempting to pass throughout the country.

Mr. O'CONNOR. Mr. Speaker, if the gentleman will permit, and if I may have the attention of the gentleman from Massachusetts, of course, this exemption of a first bite does not exist in the law of many of the other States. In most of the States, as I understand it, the necessity for insurance exists whether the person has had an accident or not. Therefore this is an exception and could not be called a uniform law.

Mr. TREADWAY. I may say that my experience is limited to my home State of Massachusetts. There the gentleman from New York is correct in saying that there is compulsory insurance for everybody. I am sorry to say the law does not seem to have been entirely satisfactory. It evidently makes insurance rates higher than some people think they should be, and there the original exemption does not occur. This bill, which, I understand, is a duplicate of many other bills, is advocated by the American Automobile Association, and simply calls for protection to the extent it applies to more or less irresponsibility on the part of drivers.

Mr. O'CONNOR. This bill only applies to taxi drivers?

Mr. TREADWAY. No; this is a general bill. The gentleman is confused on that point.

Mr. PALMISANO. Of course, the taxi drivers will be included and will come under this bill as well as the others.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THE NEW GOVERNMENT FURNITURE FACTORY BILL

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. LUDLOW. Mr. Speaker, by unanimous consent of the House I submit for the CONGRESSIONAL RECORD the following remarks I made today before the subcommittee of the House Post Office Committee, of which Mr. HAINES, of Pennsylvania, is chairman, the subject before the Committee being the new bill for the establishment of a Government post-office-furniture factory at Reedsville, W.Va.

The revised bill of my friend from West Virginia, Mr. RANDOLPH, embodying the Reedsville furniture factory proposition is not a particle different, in principle or in essence, from the same proposition against which the Congress already has registered its dissent by an overwhelming majority and my duty to my district, to my country, and to my conscience requires me to continue to register my opposition to this sort of legislation.

The new bill would put the Government into direct and destructive competition with private enterprise and its enactment would be a dangerous step because it would tend to lead the Government God knows where in the direction of sovietizing all industry.

I am opposed to the bill for two primary reasons:

1. It would destroy an old-established factory in my district and would drive out of employment and perhaps to the charity rolls the good citizens and their families who are now supported by that factory.

2. It would by deliberate legislative act recognize the right of the Government to establish factories, with all the wealth of the United States Treasury behind them, to compete with and crush out of business factories established by private capital.

Of these two objections the last one is by far the more important. The first objection is infinitesimally insignificant compared with the last one.

I am unwilling to see one of the cherished institutions of my city wiped out and my constituents ground in the crucible of unemployment and poverty, but I am doubly unwilling to see a precedent established that might be broadened and developed into a Soviet state with its natural and inevitable concomitant, the nationalization and regimentation of all industries and all workers. This would sound the death knell of individual liberty in America. This is a prospect too terrible to contemplate. It is a prospect the very possibility of which should put us on guard. Like most of the Members of Congress, including you whom I am addressing, I take my responsibilities seriously. I have not forgotten, and I hope I never shall forget, that we who are trying to serve our country in Congress in these days of flux, in these days when cherished institutions are subjected to a great strain, are the guardians of posterity. We should try to see clearly and should pray that no innocent misstep of ours will wreck our form of government or mar the purposes of the Constitution, the greatest chart of human freedom ever struck from the brain of man. I believe this bill, insignificant and innocent as it may appear, involves a real menace to posterity.

There is one other objection I have to the bill which, while not of major importance, is, I think, quite important.

It illustrates the lavishness which too often accompanies the expenditure of the money derived from taxation. The Government never does anything as economically as private enterprise can do it. When this proposition was being debated in the House earlier in the year, a gentleman from North Carolina made a bona fide offer in written form to supply the Government a complete wood-working factory, capable of manufacturing all the post-office equipment in

the country for $52,500, or 0.1 of the amount which the Government at that time proposed to use in the establishment of its factory. Yet this new bill, now before you, raises the limit to be spent and proposes to increase to $650,000 the Government's appropriation to establish a Government factory. In other words, it is now proposed to spend on this Government factory more than 12 times the amount for which a completely equipped factory can be purchased. Would that be fair to the taxpayers? Does this Congress really propose to spend $650,000 to establish an experimental factory, when an existing established factory in complete running order could be bought for $52,500? If I were to approve that expenditure I would be haunted forever by my broken promises, for I promised my people that I would stand firm for economy in government.

NATION APPRECIATES MRS. ROOSEVELT

I have only love in my heart for the great souls that are promoting this legislation. I am a thousand percent with them in all the essential features of their great program of humanitarian activities for the amelioration of the human race. I yield to no one in my admiration of the First Lady of the Land. According to my way of thinking, among all of the First Ladies I have known she fills that office—for it is an office—most acceptably, most magnificently. I have learned in a long career of hard knocks that in this vale of tears we can do nothing better, we can do nothing finer, we can do nothing grander than to help our fellow beings over the rough places of life. Judged by that exalted rule, the First Lady is the greatest success of all those who have occupied her exalted station. I like her because she is singularly blessed with the human touch. She is always searching out ways to do good. If ever a person demonstrated love for her fellow beings she has demonstrated that, and, as I witness her untiring efforts to serve, it appears to me that the poorer, the humbler, the more forlorn, the more God-forsaken the individual is, the greater is her love. I say God bless Mrs. Roosevelt. The Nation needs her, and as one American who appreciates what a splendid First Lady we have, I extend my very best wishes to her and express the hope that she may have many more years of usefulness in the White House.

The question before your subcommittee, however, in the consideration of this bill is not whether the First Lady is a splendid woman. We all know that she is. The question is not whether her ministrations in general are a blessing to the poor and unfortunate in the dark night through which we are passing. We all know that they are. The question that is really before you in this particular instance is whether it is wise and advisable for the Government to set up a factory to compete with private enterprise. We are called upon to decide whether it is wise and advisable for the Government to establish a factory that will utterly destroy and take over the business of a factory that is now operated by American private citizens on private capital.

My belief is that we should shun the establishment of that precedent as a nation would avoid a war or a pestilence and as an individual would shun a rattlesnake. It will not be long, as time flies, until all of us, including the noble-hearted sponsors of this measure, will be in our tombs. After us, what? The Government furniture factory will not die with us. The time may come when we shall have in the White House some man who is not gifted with the nobility of purpose of our present Chief Executive; some tyrant reaching out for power. Looking at that Government furniture plant in West Virginia he may say:

"Here I have it! Here is just the precedent I want. Here is a factory that makes screen-line equipment for the Government. Nearly everything that is manufactured is used in some form by the Government. Why not establish factories to manufacture everything the Government uses, and thus drive private enterprise out of business and sovietize America?"

THE ROAD TO DISASTER

And why not, if this bill goes through and this precedent is established? The sure way to safeguard the country against this calamity is to abandon this bill. The sure way is for Members whose districts may be affected by such a policy to vote against this bill. The Government uses vast numbers of automobiles and trucks. Do the Members of Congress from automobile centers want this precedent established? The Army, Navy, Marine Corps, Civilian Conservation Corps, and other Government agencies buy vast numbers of shoes made in New England and in factory cities of the East and Midwest. Do the Members of Congress from those districts want this precedent established? The Government is an enormous consumer of cotton bagging and cotton twine. Do the Members of Congress from the cotton-growing States want this precedent established? The Government makes purchases on a large scale of typewriters, clothing, electric-light bulbs, and a thousand and one varieties of supplies that are now privately manufactured and that give employment in the aggregate to millions of American workmen. Do the Members of Congress from those districts want to establish this precedent, so that ultimately the millions of American citizens who now enjoy the blessings of private life as employees of private factories may ultimately be taken over and bossed by the Government in a system under which they will be regimented by bureaucratic orders from Washington? This is a serious matter, in its meaning and implications. I believe Members of Congress will treat it with the seriousness it deserves. If all the Members of Congress who have factories and other private activities in their districts that may logically be put out of business if this precedent is established will realize what it means, they will vote against the bill introduced by my friend, the gentleman from West Virginia; and if all of them do that, it will get hardly any votes.

REQUIRING FINANCIAL RESPONSIBILITY OF CAB OWNERS

Mr. PALMISANO. Mr. Speaker, I call up the bill (H.R. 5043) to require financial responsibility of owners and operators of vehicles for hire in the District of Columbia, and for other purposes.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Public Utilities Commission of the District of Columbia is hereby directed to require any and all corporations, companies, associations, joint-stock companies, or associations, partnerships, and persons, their lessees, trustees, or receivers, appointed by any court whatsoever, operating, controlling, managing, or renting any passenger motor vehicles for hire in the District of Columbia, except as to operations licensed under paragraph 31 (b) of the act approved July 1, 1932, known as the "License Act" and except such common carriers as have been expressly exempted from the jurisdiction of the Commission, to file with the Commission a bond or bonds, policy or policies of liability insurance in such amount or amounts as may be required from time to time by the Commission, conditioned for the payment to any person of any judgment recovered against such corporations, companies, associations, joint-stock companies, or associations, partnerships, and persons, their lessees, trustees, or receivers, appointed by any court whatsoever, or renters of their cabs for death or for injury to any person or injury to any property, or both, caused in the operation, maintenance, use, or by reason of the defective construction of such motor cabs or other vehicles. Any such bond or undertaking or policy of liability insurance shall be in such form and on such terms or conditions as the Commission may direct. Any such policy of liability insurance shall be issued only by such insurance companies as may have been approved by the Commission, and any such bond or undertaking shall be secured by a corporate surety approved by the Commission. No such bond or policy of insurance may be canceled or terminated unless not less than 20 days prior to such cancelation or termination notice of intention so to do has been filed in writing with the Commission. It shall be unlawful to operate any vehicle subject to the provisions of this paragraph unless such vehicle shall be covered by an approved bond or policy of liability insurance as provided herein. The Commission shall have the power to make all reasonable rules and regulations which, in its opinion, are necessary to make effective the purposes of this paragraph.

SEC. 2. Any violation of this act or of the regulations lawfully promulgated thereunder shall be deemed a misdemeanor and upon conviction shall be punishable by a fine of not more than $300 or by imprisonment for not more than 90 days.

With the following committee amendment:

Strike out all after the enacting clause and insert: "That the Public Utilities Commission of the District of Columbia is hereby directed to require all owners operating, controlling, managing, or renting any passenger motor vehicles for hire in the District of Columbia, except as to operations licensed under paragraph 31 (b) of the act approved July 1, 1932, known as the 'License Act', and

except such common carriers as have been expressly exempted from the jurisdiction of the Commission, to file with the Commission for each motor vehicle to be operated a bond or bonds, policy or policies, of liability insurance conditioned for the payment of any judgment recovered against such owner or his agent, lessee, employee, or renter, for death or for injury to any person or damage to any property, or both, caused in the operation, maintenance, use, or by reason of the defective construction of such vehicle. Any such bond or undertaking or policy of liability insurance shall be in such form and on such terms and/or conditions as the Public Utilities Commission of the District of Columbia may direct: *Provided*, That such bond or policy may limit the liability of the surety or insurer on any one judgment to $2,500 for bodily injuries or death and $500 for damage to or destruction of property, and all judgments recovered upon claims arising out of the same transaction or transactions connected with the same subject of action to $5,000 for bodily injuries or death and $1,000 for damages to or destruction of property, to be apportioned ratably among the judgment creditors according to the amount of their respective judgments: *Provided, however*, That such bond or bonds, or policy or policies, of insurance shall contain a provision for a continuing liability thereunder notwithstanding any recovery thereon.

"SEC. 2. That the bond or bonds, policy or policies, of insurance required by this act shall be issued only by such company or companies as shall be certified to the Public Utilities Commission of the District of Columbia by the Superintendent of Insurance of the District of Columbia as hereinafter provided, except the superintendent of insurance shall not certify to the Public Utilities Commission that a company issuing insurance policies or surety bonds under the provisions of this act is responsible, unless such company or companies shall have and maintain at all times, in addition to the reserve provided by law, an unimpaired capital, if a stock company, of $100,000, except that if such stock company is engaged in doing business solely within the District of Columbia said unimpaired capital shall be not less than $50,000; and if a mutual company, a surplus to the policyholders of not less than $100,000, except that if such mutual company is engaged in doing business solely within the District of Columbia said surplus to policyholders shall be not less than $20,000: *Provided*, That such company or companies shall be subject to the approval of the Public Utilities Commission.

"SEC. 3. If, after the issuance of a certificate it shall appear to the said Superintendent that any company or companies are no longer trustworthy or financially capable of meeting their obligations he shall withdraw from the Public Utilities Commission the certificate theretofore issued by him and in such event the company or companies shall immediately cease to write any further bond or bonds, or policy or policies, of insurance under this act: *Provided*, That the Commission, for the same reasons and after 20 days' notice to an owner, may withdraw its approval, and such owner shall cease to operate or cause to be operated the vehicles insured under such policy or bond until he has complied with the provisions of this act.

"SEC. 4. No bond or policy of insurance written pursuant to the terms of this act shall be canceled or terminated by any insurance or surety company unless not less than 5 days prior to such termination or cancelation notice of intention so to do has been filed in writing with the Commission.

"SEC. 5. It shall be unlawful to operate any vehicle subject to the provisions of this act unless such vehicle shall be covered by an approved bond or policy of liability insurance as provided herein. The Commission shall have the power to make all reasonable rules and regulations which, in its opinion, are necessary to make effective the purposes of this act.

"SEC. 6. Any violation of this act or of the regulations lawfully promulgated thereunder shall be deemed a misdemeanor and upon conviction shall be punishable by a fine of not more than $300 or by imprisonment for not more than 90 days.

"SEC. 7. This act shall take effect October 1, 1934."

Mr. PATMAN. Mr. Speaker, I should like to be heard on this bill, and the gentleman from Maryland has agreed to divide the time.

Mr. PALMISANO. Mr. Speaker, I yield 30 minutes to the gentleman from Texas [Mr. PATMAN] to dispose of as he sees fit.

Mr. Speaker, this is a bill to protect the pedestrians and the public. Throughout the country we have found that taxicab drivers—individual drivers—are in many cases irresponsible, and whenever they have an accident the injured person is unable to receive any benefit to pay expenses incurred by virtue of the accident received, although the taxicab driver is in fault.

We have just passed a bill compelling private individuals who use cars, much less than taxicab drivers, to obtain insurance against accident. Taxicabs run all day long, and in most instances when they have a passenger violate the speed laws, and it stands to reason that they ought to protect the public against accident.

This is giving them a little more rights than the ordinary liability insurance that most Members of the House obtain for themselves. The usual liability is $5,000 to $10,000. This only compels the individual taxicab driver to insure for $2,500 and $5,000. I cannot see why there should be any objection to the bill.

Mr. O'CONNOR. Does this bill requiring the taxicab driver to take out insurance have the same exception that the first bill that we passed had?

Mr. PALMISANO. No.

Mr. GLOVER. Will the gentleman yield?

Mr. PALMISANO. Yes.

Mr. GLOVER. The report says that this will cause the taxicab company to pay $75,000 next year for insurance. Will that raise the price that they charge for hire?

Mr. PALMISANO. Well, I suppose it might raise it a nickel.

Mr. GLOVER. Would it not affect the price now charged by taxicabs so that it will be much higher for passengers?

Mr. PALMISANO. It may be 5 cents higher. I may say that in Maryland they have not only passed a law compelling insurance, which places an additional burden on the private taxicab driver, but in that case they drive 3½ miles for 25 cents.

Mr. BLANTON. Will the gentleman yield?

Mr. PALMISANO. Yes.

Mr. BLANTON. There were two bills relating to automobile insurance here on this calendar. We have passed one which grants much protection. My colleague, Mr. PATMAN, has serious objection to this bill for several reasons; why insist on passing this one now?

Mr. PALMISANO. We had no other bill here. The people of the District seem to want this bill, and we ought to pass it.

Mr. BANKHEAD. Will the gentleman yield?

Mr. PALMISANO. I yield.

Mr. BANKHEAD. What is the attitude of the taxicab drivers themselves, these young men who are making a fair living, working day and night to make a living for their families? Are they not all opposed to this proposition and will it not work an undue and unjust hardship on them at this time?

Mr. PALMISANO. I personally do not think so. My colleague on the committee is more familiar with the bill and he may answer the question further.

Mr. CARPENTER of Kansas. I attended all the meetings of the committee. We had extensive hearings in which all the different elements of the taxicab business appeared before the committee. About 99 percent of the legitimate taxicab organizations, whether they were independents or associations, were for the bill.

Mr. BANKHEAD. The organizations to which the gentleman refers are the owners of the cabs, are they not?

Mr. CARPENTER of Kansas. We had one man by the name of Hines who is a veteran. The statement has been made that there are a great many veterans operating taxicabs and thereby making a livelihood. One of the principal persons representing them appeared before the committee; the man I have just referred to, by the name of Hines, who has four or five taxicabs. He was in favor of the bill. He has come to me outside of the committee three or four times and thanked me for my interest in this bill.

Mr. BANKHEAD. I have had three or four of these boys who drive taxicabs talk to me about this matter, and they are deeply interested. From the figures cited to me, it would be a great hardship on them, in view of the terrible time they have to eke out a living at this time. I should certainly like to hear some pressing, imperious necessity for the passage of this bill.

Mr. CARPENTER of Kansas. The necessity for the passage of this bill is that you have constitutents coming here and I have constituents coming here who ride these taxicabs. Those people constitute the main occupants of these cabs. With this city crowded with all kinds of rattletrap taxicabs a menace is constituted in this town. If there are a few of these taxicabs put out of business, it is justified by the safety to the public, and we owe that duty to your constituents and my constituents and the constituents who come

here from all over the United States. There may be a few of these rattletrap taxicabs run off the streets. The condition which the gentleman from Alabama states prevails all over the country, and yet we have the protection of the people involved.

Mr. BLANTON. Will the gentleman yield?

Mr. CARPENTER of Kansas. I yield.

Mr. BLANTON. Until 5 years ago there was the biggest monopoly in the world of the taxicab business in Washington. There was what was known as the "Black and White" and the "Yellow", and one other company, which absolutely controlled all of the taxicab business in this city, and it was almost impossible to get service. We get better service now for 20 cents than we got then for $1.

It is the poor people of Washington who use taxicabs. Many have no other means of reaching work. It is the people who draw salaries of $1,200, $1,500, $1,800, and $2,500 who use the taxicabs of Washington. They now have the best service and the most reasonable service they have ever had. We have been fighting for years to stop the monopoly.

There is one monopoly which still exists, and which the committee ought to break up before we adjourn, and that is the monopoly over here at Union Station which allows one company to put all of its taxicabs in on the first runway, and if anyone wants to go to the station in another taxi or their own vehicle, they have to get out on the second or third runway and pass through all these lined-up monopolistic taxicabs and take a chance on getting run over to get into the Union Station. That is a monopoly that the committee ought to stop. If I were a member of that committee I would not go to sleep at night until I took steps to get a bill reported to stop that infamous monopoly. There ought to be an equal chance to all vehicles over at that depot, in the Nation's Capital. This Government spent hundreds of thousands of dollars in helping to establish that Union Station and helping to construct it.

It is outrageous to have one taxicab company occupy the inside track and get all the taxicab business at Union Station.

Mr. CARPENTER of Kansas. In reply to the gentleman, I will say that I agree with him on that proposition, but that is not up for consideration now.

Mr. BLANTON. Why is it not before your committee?

Mr. CARPENTER of Kansas. Wait until I get through. The proposition we have is that some of your constituents or members of your family would have to go through that place which you just said was dangerous and run the risk of being injured by the taxicabs, and then not be able to get anything out of it for the injury.

Mr. BLANTON. If you pass this bill you run off of the streets of Washington 500 taxicabs, at least. At least 500 young men with families, a wife and two or three little children, are now making a living, and I have talked to many of them. Many of them are men who went to France. If you pass this bill which is now pending you will run off the streets of Washington at least 500 of those cabs and keep 500 heads of families from making an honest living.

Mr. CARPENTER of Kansas. Well, is that more important than that the people be able to receive something for their injuries?

Mr. BLANTON. I have not heard of many of them being injured.

Mr. CARPENTER of Kansas. Oh, there are lots of them. In the bankruptcy court there are 184 unpaid claims growing out of taxicab accidents in which only one taxicab company is involved.

Mr. BLANTON. I think we have some of the finest taxicab drivers in the world right here in Washington.

Mr. PATMAN. Will the gentleman yield?

Mr. CARPENTER of Kansas. I yield.

Mr. PATMAN. The gentleman will not contend there was any such evidence presented before the committee?

Mr. PALMISANO. Now, Mr. Speaker, I do not want to take up all the time——

Mr. DONDERO. Will the gentleman yield for a question?

Mr. PALMISANO. I yield.

Mr. DONDERO. Will this add a cost of $35 a year for each of these taxicab drivers for a bond?

Mr. PALMISANO. I am not just sure what the cost will be. Of course there will be some cost. In answer to that I may say that in order to protect the public we are compelling and we just passed a bill which provides that you and I must have insurance in case we have an accident.

If you provide it for the individual, it seems to me it ought to be more important that a common carrier should have insurance in order to comply with the old common-law rule that they are responsible whenever a passenger is hurt in their car.

They certainly ought to be in a position to pay something.

Mr. DONDERO. Would they not have to charge higher rates for their service?

Mr. HASTINGS. Mr. Speaker, will the gentleman yield?

Mr. PALMISANO. I yield.

Mr. HASTINGS. The minority report states that it will cost from $30 to $35 a month, instead of a year, for this insurance.

Mr. DONDERO. I think it will be considerably lower.

Mr. HASTINGS. This is an important consideration. What is the estimated cost per single taxicab per month for $2,500 of insurance?

Mr. TRUAX. It is very high, I may say to the gentleman.

Mr. PALMISANO. I am not certain as to the cost. It may be of interest to the gentleman to learn about the taxicab situation in Baltimore. I have fought against meters in the District of Columbia because I think they add an unnecessary expense. In Baltimore they compel the taxicabs to put on meters and to carry $5,000 and $10,000 insurance. The taxi rate in Baltimore is 25 cents for the first 3½ miles. In my estimation that rate provides a longer ride for 20 cents than one gets in the District of Columbia.

Mr. HASTINGS. Was any testimony taken before the committee showing what the cost of this insurance would be for a single taxicab?

Mr. O'CONNOR. In the city of New York a $5,000 insurance policy costs $28 a month for each cab.

Mr. TRUAX. The rate would be the same here.

Mr. PALMISANO. Then for $2,500 the premium would be $14 per month.

Mr. FORD. Mr. Speaker, will the gentleman yield?

Mr. PALMISANO, I yield.

Mr. FORD. Does the gentleman seriously think that any man who pays 20 cents to ride in a taxicab is entitled to the protection of insurance?

Mr. PALMISANO. How about the pedestrian?

Mr. FORD. That is another matter. I hope the gentleman will answer my first question.

Mr. PALMISANO. The man who pays 7½ cents to ride on a street car can collect damages in case he is injured in an accident in which the street car is involved. By the same token a man who pays 20 cents to ride in a public vehicle should have the same kind of protection.

Mr. GLOVER. Mr. Speaker, will the gentleman yield?

Mr. PALMISANO. I yield.

Mr. GLOVER. As I understand, there are four large insurance companies in Washington that will write this insurance. There is no provision in the bill which fixes the rate they can charge for the insurance. They can get together and fix any rate they wish, with the sky the limit.

The House has just passed another insurance bill relating to the drivers of all vehicles. That bill covers the situation we are now discussing. As I see it, the former bill obviates the necessity of passing legislation of the kind we are now considering. If this bill is passed it will throw out of employment hundreds of people and turn them over to the public to be fed. Is not that true?

Mr. PALMISANO. Yes; but under the liability bill it will be necessary to have $5,000 and $10,000 after an accident where, by the present bill, we are seeking to make it a little easier for the taxicab drivers by requiring that they carry only $2,500 of insurance.

Mr. GLOVER. Did I not understand the gentleman a moment ago to state that there would be a meter system evolved?

Mr. PALMISANO. No, the gentleman must have misunderstood me, for I said that I have consistently fought the meter system.

Mr. TRUAX. Mr. Speaker, will the gentleman yield?

Mr. PALMISANO. I yield.

Mr. TRUAX. I wonder if these 4 big insurance companies have any connection with the 5 big insurance companies for which in the early days of the last session we appropriated $50,000,000 to keep them functioning when they were practically broke.

Mr. PALMISANO. I do not know anything about the companies which will write this insurance.

Mr. TRUAX. I thank the gentleman for his statement. I want to call attention to what I consider one of the greatest taxicab evils in Washington; that is the evil of cruising in fleets around the corners of streets. It frequently happens that when pedestrians try to cross streets as many as 15 cabs will swing around the corner, one after the other, in a fleet. We should do something to stop this cruising around corners; it should be regulated in some way.

In my judgment this bill will penalize the little fellow, as has been said, to the advantage of the monopolies and the organized taxicab companies.

Mr. HOEPPEL. Mr. Speaker, will the gentleman yield?

Mr. PALMISANO. I yield.

Mr. HOEPPEL. I wish to call attention to a case which happened yesterday. A lady paid 20 cents to go to a certain point and then had to pay 80 cents to return. Does not the gentleman think it would be more desirable to legislate uniform rates in the District than it would be to pass legislation, the effect of which will be to put a great many taxicab drivers out of business?

Mr. BLANTON. Mr. Speaker, if the gentleman will yield, the lady should not have paid him, but should have called the police department and had them come and take charge of that driver, for such discrimination in rates is outrageous. The people should not be held up.

Mr. HOEPPEL. I think the gentleman misunderstands the situation. The lady took a 20-cent cab to go to the place, in the first instance, but was so unfortunate as to hail a meter cab for the return trip. I feel that there should be a uniform scale of taxicab rates in this city.

Mr. BLANTON. I agree with the gentleman in that respect; but the bill under consideration is another proposition. If it is passed, the poor people here who now ride for 20 cents will have to pay 50 or 75 cents.

Mr. PALMISANO. The law requires that the rates be posted in the cars.

Mr. HOEPPEL. Yes; but a person can never see them or understand them.

Mr. PALMISANO. The meter rates are different from the zone rates. The other day I got into a meter taxicab to go to the station, and it cost me 35 cents instead of 20 cents.

Mr. HOEPPEL. I contend that we should eliminate the meter system.

Mr. PALMISANO. The bill under consideration does not deal with rates.

Mr. DIRKSEN. I think the approach of this taxicab matter is from the standpoint either of the one who wants to get cheap fares or from the standpoint of one who wants to ride in a cab and be protected in case of accident. There is no question but what it is going to cost the cabbies $25 or $30 a month to carry the insurance, just as intimated by the gentleman from New York [Mr. O'CONNOR]. Obviously the cabby is going to have to pass this additional expense on to the people. He has to get it from somewhere, and certainly the taxi fares are going up. I do not know how much they will go up, and I do not believe anyone knows. They may go up to 30 cents, or perhaps only to a quarter.

If you prefer to carry your own insurance, very well and good, then you may very well oppose this bill. However, if you feel there ought to be some measure of responsibility put upon the shoulders of these taxi drivers in the event of an accident wherein personal or property damage may result and if you feel that the taxi driver should be financially responsible either by bond or through property or otherwise whereby a judgment might be collected, you should vote for this bill.

It is one thing to look at this very dispassionately, never having been in a taxicab accident, and it is another thing to go on year in and year out without an accident, and think only of the taxicab fare. If you want to carry your own insurance and if you want everyone who rides in taxicabs to carry his own insurance, I would suggest voting down this bill and pay your 20 cents day after day. However, if you are going down Pennsylvania Avenue in a cab and have a wreck at Ninth and Pennsylvania Avenue and go to the hospital and come out of the hospital with a $500 doctor and hospital bill, just shake hands with yourself and say that this was paid for in savings in cab fares. On the other hand, if you have had an accident, if you are thinking about the people who have had accidents or those who by the law of probability are going to have accidents, then I think the thing to do is to vote for this bill.

Mr. BLANTON. Will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Texas.

Mr. BLANTON. Just providing for insurance is not going to bring the millennium, because after you get insurance even in some of the big companies and you have an accident, those companies have the finest and the shrewdest legal talent in the world hired by the year, and they will go into court and beat you out of it, if they can.

Mr. DIRKSEN. Would not that be true in the gentleman's State as well as in the District of Columbia?

Mr. BLANTON. Yes, of course. I think the the first bill which we have already passed, has provided reasonable assurance of protection to the people and I think the second bill ought not to be passed.

Mr. CARPENTER of Kansas. Will the gentleman yield?

Mr. BLANTON. I yield to the gentleman from Kansas.

Mr. CARPENTER of Kansas. How about the poor fellow who has the first accident?

Mr. BLANTON. It is not necessary to have an accident for a taxi driver to be negligent, and be forced to carry insurance under the bill we have passed. Every time one of these negligent taxicab drivers has defective brakes, or cuts one of these corners short, or speeds in congested districts, he is guilty of negligence and when a policeman catches him or somebody else reports him, he should be suspended, and he can then be forced to take out insurance under the bill we have just passed. He does not have to have an accident to be negligent. Why, a man may drive 20 miles an hour and be more careless and negligent than when driving 60 miles an hour in some other locality. There are places where a man should not drive over 10 miles an hour to keep from being negligent.

Mr. DIRKSEN. May I conclude my statement by saying that there is no mystery about this bill. All it asks is that the taxicab drivers furnish a bond in a certain amount. Then it provides for the regulations under which the so-called "mutual" or stock companies shall operate, including the amount of reserve, and so forth.

Mr. BLANTON. The bill forces all of them to get a license, and there is where the monopoly comes in, for many of the independents cannot pay the required cash. The monopoly will come in and stop them from getting licenses.

Mr. DIRKSEN. This bill covers the amount of reserve and the amount of capital that these so-called "mutual insurance companies" shall carry. The insurance companies will operate under the regulations and under the supervision of the Superintendent of Insurance. That is all there is under this bill. The only question to be decided here is whether you are going to carry your own insurance and continue to pay 20 cents in the first zone, or protect all people who are riding in cabs by providing taxicab operators who are financially responsible through the instrumentality of a bond.

That is all there is to this bill. There is nothing mysterious or complex about it, and there is not a State in the Union that does not compel some kind of insurance in these cases.

Mr. TRUAX. Why not take out insurance on the pedestrians?

Mr. DIRKSEN. These people serve in the capacity of common carriers and hold themselves out for hire by everybody. They are public servants in this respect.

Mr. DONDERO. May I ask the gentleman from Illinois whether he thinks insurance is going to make the taxicab drivers less negligent?

Mr. DIRKSEN. I do not know about that. Human nature will always operate in the District of Columbia as well as in Ohio or Texas or Illinois.

Mr. PALMISANO. Mr. Speaker, I reserve the balance of my time.

Mr. HOEPPEL. Mr. Speaker, I make the point of no quorum.

The SPEAKER. The Chair will count.

Mr. HOEPPEL. Mr. Speaker, inasmuch as I believe the interests of the people will be adequately protected by those present, I withdraw the point of no quorum.

TAXICAB LIABILITY INSURANCE

Mr. PATMAN. Mr. Speaker, a few minutes ago we passed a bill that will require all operators of motor vehicles, whether they are cab drivers or individual owners, to carry liability insurance after they have been guilty of an act of carelessness, negligence, or a violation of law for which their permit to drive might be taken away from them in Washington, D.C. This law says that if any person drives while under the influence of liquor or narcotic drugs, or if he leaves the scene of an accident when he should not leave, or is guilty of such other violations as constitute cause for suspension or revocation of license in the District of Columbia, or has been convicted of an offense in another State which if committed in the District of Columbia would be a violation of any of the aforesaid provisions of the traffic act of the District of Columbia, he shall not be permitted to operate an automobile in the District until he takes out liability insurance with a reputable company.

This applies not only to individual owners but to taxicab owners as well, and we have in Washington, D.C., drivers who have been driving here for 15 years, making a living for themselves and their families, who have never been accused of an offense of any kind. No act of negligence or carelessness has ever been charged against them.

Do you not think this is a pretty good record for the taxicab drivers? We have fewer taxicab accidents than any city of this size in America. The reason is the taxicab operator has something to lose if he violates the law. He has a very valuable permit. This is his asset and the only asset he has on earth. This is his business and trade. This is the way he makes a living—by possessing the privilege of driving a taxicab upon the streets of the District of Columbia. If he loses this permit it is the same to him as if a business man lost his place of business or a man lost his home or anyone who made an investment losing such investment, representing the savings of a lifetime. This is exactly what such a taxicab driver loses. He loses everything he has on earth if he violates the law of the District of Columbia. This is the reason you do not have many taxicab accidents here. You have careful drivers because they have something to lose if they violate the law.

This bill, Mr. Speaker, should not be designated as a safety bill. I know that one of the greatest lobbies in America today is the insurance lobby. They do not operate openly and aboveboard. They operate somewhat in sheep's clothing. They go around under the name of safety organizations for the protection of the public. They are always talking safety and protection—save the little children, save the old people. You see their placards all over the country. They are doing this to sell the country the theory that all kinds of insurance laws should be passed which will enable them to receive enormous premiums for writing this insurance.

If they are really honest and sincere in their desire to protect the people who use taxicabs on the streets of the District of Columbia from loss by reason of property damage or personal injury, why do they not write into this bill the provision that they shall be fully covered. No; the insurance company would not write that kind of business. They just want enough safety in the law so they will get the business. The limit of the liability under this bill will be $2,500 for personal injury. This will be the limit. Why do they not make it more? They are going to get everything that the cab owner can afford to pay, anyway, for insurance under the $2,500 liability, and they could not pay the insurance if it were more. They just want enough safety so they will get the premiums they want and all the owners can pay. If there were a judgment of $20,000 against them, the cab company would still have to pay the $17,500. If there were a judgment of $1,000 for property damage, the cab company would still have to pay $500 of that, because the insurance company has a very limited liability, but sufficiently broad to enable them to collect $1,500,000 more from the taxicab operators in this District every year, if you pass this bill.

Mr. O'CONNOR. Will the gentleman yield?

Mr. PATMAN. Just for a brief question, because I have very limited time.

Mr. O'CONNOR. Does the gentleman know that every company in New York City that has made a specialty of insuring taxicabs at $28 a month has made a failure of it and is in liquidation? This is how profitable it is.

Mr. PATMAN. The gentleman is right. In New York there is one fleet of cabs that cannot get insurance.

Mr. BLANTON. They go broke because they pay their presidents from $100,000 to $200,000 a year as salary.

Mr. PATMAN. Whenever you require them to take insurance to give full protection, it means the insurance companies go broke instead of the taxicab companies, and under this bill there will be $1,500,000 a year added in Washington to the cost of using taxicabs.

Mrs. KAHN. Will the gentleman yield?

Mr. PATMAN. I yield.

Mrs. KAHN. Has the gentleman any idea how much this insurance would cost a taxi driver today?

Mr. PATMAN. I think a reasonable estimate would be that the insurance would cost the taxi driver between $25 and $40 a month. In Baltimore it costs $35 a month.

Mr. COX. Will the gentleman yield for a question?

Mr. PATMAN. I yield to the gentleman from Georgia.

Mr. COX. Will the effect of this legislation be to take the schoolboys who operate taxicabs off the streets?

Mr. PATMAN. They cannot operate them now. The taxicab operators in Washington have to stand a very rigid examination. This bill, if it is enacted into law today, will put off the streets tomorrow more than 1,000 independent operators, men who own their own cabs, or maybe have two or three cabs and have their neighbors or relatives driving for them. They will be put off the streets. One of the objects of the law is to create a monopoly of taxicabs in Washington.

The first object, I believe, is to help the insurance companies. This will cause them to make a lot of money and is one of the first objects. This is not the object of all the sponsors of the legislation. I do not mean to impugn the motives of any person who is sponsoring this bill, but some of those who are sponsoring it, I think, are doing so with the hope and expectation they will make money out of it. I am not referring to Members of Congress but to those who are advocating the legislation.

In their order I would say, first, the insurance companies; next, the street cars and busses want it passed, because they want this competition out of the way. While they are taking the cabs off the streets, they are putting more street cars and busses on the streets. I know there are a lot of good people who argue that it is unfair competition. This was argued to me as a member of the committee, and it was stated that we should stand for this legislation because it is unfair to the street-car companies and the bus companies to have to meet this kind of competition.

If you make them carry that insurance it will take off at least one-quarter of the taxicabs and the people will have to use the street cars or the busses, for they cannot find a parking place.

Mr. BOILEAU. Will the gentleman yield?

Mr. PATMAN. For a brief question.

Mr. BOILEAU. The gentleman stated that the rate would be thirty or forty dollars a month. That seems to be rather high. Has the gentleman any figures from a comparable city?

Mr. PATMAN. I do not think there is any dispute about it. They claim that they will start off with a charge of $20 a month. But there is no limit to the amount they can charge the next day. The sky will be the limit on insurance rates. There will be no power in the District of Columbia or in the United States to reduce those rates. They can charge any amount they see fit. There is no power in the District of Columbia to prevent them doubling the rates. They can charge 40 cents to the Union Station instead of 20 cents to the Union Station, or they can charge a dollar. Of course, they claim they will be fair, but this business will all get into the hands of three or four companies, and it will be a monopoly. If you are willing to trust a monopoly with the cab rates and the insurance rates, you vote for this bill, because by your vote you will say that you have the utmost faith in a monopoly operating in the public interest.

Mr. BOILEAU. Will the gentleman again yield?

Mr. PATMAN. Yes.

Mr. BOILEAU. If they make the insurance compulsory, they should make it available at the lowest possible rate.

Mr. PATMAN. Under this bill—this is a very important matter and is going to affect everyone, your constituents as well as mine—this bill is so artfully written that at first you would not see it. It is so artfully written that you will not at first detect it. There is the Diamond Cab, the Bell Cab Co., and one or two other companies who will carry their insurance under their regular business at $5 a month, but the independents will have to go to the insurance companies and pay $25 or $30 a month. Now, you cannot operate in competition with a fleet where they only pay $5 a month and the individual taxicab owner has to pay $30 or $40 a month.

Mr. CHRISTIANSON. Will the gentleman yield?

Mr. PATMAN. Yes; briefly.

Mr. CHRISTIANSON. Could not the independent operators get their insurance through mutual companies?

Mr. PATMAN. Under this bill, if they belong to a fleet, they can carry their own insurance, and the big companies will do that; but remember that the law requires the independent owner to pay two insurance premiums that the big companies do not have to pay. They will have to carry another insurance in order to take care of the excess judgments, because there will be a lot of excess judgments when they are followed by a lot of ambulance chasers.

Mr. BLANTON. Will the gentleman yield?

Mr. PATMAN. Yes.

Mr. BLANTON. The gentleman said that Members of Congress and their constituents from the States are very much interested.

In addition to that, there are 70,000 Government employees here who are vitally interested. They use the taxicabs. Then there are about 40,000 clerks in town, with moderate salaries, who work for commercial concerns who are vitally interested. They all use taxicabs and need low rates. I am thinking of those people.

Mr. TRUAX. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. TRUAX. One of the strongest arguments which the gentleman has made against this bill is the chiseling insurance companies. After you have an accident you are lucky if you get 20 percent of the amount you are entitled to, so they take it away from you both coming and going.

Mr. PATMAN. In reply to the gentleman, as conditions exist now, there is one company that is out $7,500 a year on claims. They have paid all claims or satisfactorily adjusted them for $7,500 a year. Under this bill they will have to pay $75,000 a year just for premiums alone, and that will include very limited liability, $500 property damage, and $2,500 personal injury.

Therefore, the cost to the taxicab users in Washington will be $1,500,000 more than they had to pay last year, and who will get the benefit of that? These frivilous fraudulent claims and lawsuits and ambulance-chasing lawyers will get it and the insurance companies. That is who will get it. In other words, we will have to pay $10 in the future for the same protection we have been getting in the past for $1, and the lawyer gets half of that; so the public will be out $20 for every $1 that the injured person will get.

Mr. KOPPLEMANN. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. KOPPLEMANN. I wish to make an observation. In my own city some years ago they had what was known as "jitney" cars. A man or woman could get into a car for a nickel. Those people were driven out of business just as soon as the city council passed a law requiring insurance. Has the gentleman gone into the question of how many of these independent taxicab drivers will be retired in the District and go out of business if this bill is passed?

Mr. PATMAN. Yes. There will be 1,000 families that will need relief very soon. If you pass this bill, you should make some provision to take care of those thousand families that will be needy, whose husbands and fathers are now making a living for them with taxicabs on the streets of the District of Columbia.

Mr. CONNERY. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. CONNERY. The gentleman just mentioned the thousands who are in need. I have been watching the progress of the Committee on the District of Columbia on the different days set aside for them, and with thousands and thousands of old people——

Mr. PATMAN. Now, I just yield for a question about this bill.

Mr. CONNERY. Well, why does not the gentleman bring in the only real bill which the District of Columbia is interested in—the old-age pension bill?

Mr. PATMAN. We have the bill before the House, and it will be considered.

Mr. CONNERY. Not today. That is a bill which the entire District of Columbia is interested in, and that should be taken up and considered and not these little things outside the District of Columbia.

Mr. PATMAN. We cannot cover the entire District of Columbia in this discussion. We only have a very limited time. I appreciate what the gentleman says, and I am in favor of old-age pensions, but we cannot discuss it here now.

Mr. GOSS. Will the gentleman yield for a question?

Mr. PATMAN. I yield.

Mr. GOSS. If this bill passes, then the District of Columbia cabs will be allowed to go into Maryland. If it does not pass, the Maryland cabs can still come into the District of Columbia.

Mr. PATMAN. Now, the gentleman is mistaken about it, I think. If not, I will say that that is a question that was not even raised before the committee, and I sat there 2 or 3 days listening to every witness. Furthermore, I challenged all of them there to name a serious accident where the unfortunate victim was unable to collect damages. One of the lawyers finally called one man by name where an accident happened at Dupont Circle. I looked into it and found it was a Maryland cab that caused the accident, and he would not have come under this law in any event. There are fewer claims than most any place in America I know of.

Mr. GOSS. Residents who live over the line in Chevy Chase, for instance, cannot go home in a taxicab today.

Mr. PATMAN. Well, that is a very poor excuse for passing this bill.

Mr. GOSS. I am asking the gentleman.

Mr. PATMAN. To make people pay a million and a half dollars extra just to let a few people ride a few blocks outside of the District of Columbia I do not think is justified.

They can cross the District line. Not many of them will pay taxicab fare from downtown Washington into Maryland anyway.

Mr. GOSS. There is nothing in this bill that has anything to do with Maryland at all.

Mr. PATMAN. I agree with the gentleman.

Mr. GOSS. I understood it was a question of insurance in Maryland.

Mr. McFARLANE. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. McFARLANE. Who is it who has appeared in Congress advocating this bill? Who was it who appeared before the committee and showed the most interest?

Mr. PATMAN. The safety organizations had representation there. Of course, a part of their funds are contributed by the insurance companies. There are many conscientious people who want this done. Of course, the street-car companies and the bus companies would like to have it done, although they were not visibly in evidence throughout the hearings, but I think you can find the footprints of their activities around because it would be a great benefit to them.

Let me tell you where this money would go. I have told you it would cost the public $10 in insurance premiums alone to every $1 the injured person and his lawyer will receive. That is not counting excess liability. Will the insurance companies get that difference? No; they will not get nearly all of it. When you pass a law like this you encourage every kind of a little, frivilous claim. They say, "Oh, it is insured." The cab owners and drivers in many cases will take the side of their passengers and help them get money out of the insurance company. I do not mean they would swear to a lie, but they are not very active and enthusiastic against the insurance companies, because they pay for the insurance. You will have every kind of a little claim imaginable. There will be a multiplicity of lawsuits. The difference will go to ambulance-chasing lawyers and people making fraudulent claims and to some people who have good claims, but most of those will get adjustments in any event.

Mr. MAY. As I understand it, the insurance feature is the important feature of the bill. Those companies owning large fleets of cabs are enabled by small deductions from their gross receipts to obtain what is sometimes called "group policies" and thus carry insurance on all their cars.

Mr. PATMAN. In effect that is true.

Mr. MAY. The smaller man, however, the individual taxicab driver, cannot get one of these cheap group policies but is forced to pay a premium amounting to about $30 a month.

Mr. PATMAN. That is right. Under this bill the large operators are protected; they do not need to pay large insurance premiums. If they are able to satisfy judgments against them, it will cost them no more in the future than it has in the past. Frequently the large companies are self-insurers.

So far as obtaining settlements from insurance companies is concerned, remember that the insurance companies have had a hundred years more experience in the matter of handling litigants and keeping them out of the courts of justice than any of the taxicab owners have had; and one will have just as much trouble getting a claim adjusted by an insurance company as he would have in collecting from the cab company—in most instances; I will not say all instances.

Mr. BROWN of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. BROWN of Kentucky. The gentleman just stated that the cab drivers would join the passengers in an effort to fleece the insurance companies through fictitious claims.

Mr. PATMAN. No; I did not make that charge.

Mr. BROWN of Kentucky. I am sure the gentleman carries insurance on his splendid automobile. Ought not the gentleman grant the same measure of honesty to the taxicab drivers that he claims for himself?

Mr. PATMAN. It so happens that I do not and have not carried liability insurance for many years, and I am not going to in the future. If one should try to provide by insurance against everything that might happen, the insurance companies will get all he can earn.

Mr. MAY. And the gentleman has been careful?

Mr. PATMAN. I have been careful.

Mr. BROWN of Kentucky. But could the gentleman pay a judgment arising out of an automobile accident were a judgment returned against him?

Mr. PATMAN. I certainly would take care of a reasonable judgment, but I am not going to have to pay a judgment, because I am a careful driver; and if a person is a careful driver, he can rest easy. If you happen to have an accident, that is unfortunate; you cannot control it; and you ought not to pay for it, anyway.

Mr. BROWN of Kentucky. Then the gentleman thinks there is no such thing as an accident?

Mr. PATMAN. Oh, yes, there are accidents; and if I should happen to have an accident, by not carrying insurance I have saved enough money to pay for quite a considerable loss. I carry life insurance and other insurance, but not automobile liability insurance.

Mr. CARPENTER of Kansas. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. CARPENTER of Kansas. The gentleman believes that instead of spending money for insurance that it is better to spend it for flowers to take to a funeral?

Mr. PATMAN. Of course, the gentleman has the right to make facetious arguments if he wants to. That is just about as good as any argument he has ever made for this bill; that is one of the strongest arguments I have heard for this bill, just such arguments as that; they cannot support the bill by logic and reason, for they have no logic and reason to support the compulsory payment of insurance premiums.

Pass this bill and the insurance companies will call you a great statesman, because it will mean many hundreds of thousands of dollars to the insurance company in the way of premiums. I would not be surprised either if the directors of the street-car companies called you a great statesman if you pass this bill. The Power Trust will also be pleased with your vote.

Mr. PALMISANO. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. PALMISANO. Does the gentleman not frequently ride in taxicabs in the District of Columbia?

Mr. PATMAN. Yes; I ride in taxicabs here.

Mr. PALMISANO. Does not the gentleman know that taxicab drivers violate the speed laws even while they have him as a passenger?

Mr. PATMAN. Well, if they violate the law and they are careless or negligent, or even if they violate the speed law, then, under the bill the House has just passed, they will be required to carry insurance. So why penalize efficiency? Why penalize the careful driver? Why not put a premium on them instead of trying to penalize them? That is what you are doing in this bill. Under the bill we have just passed, if the drivers are negligent, they can be penalized. A driver of 15 years' experience who has had no accident should not be penalized; we should not take this money away from their wives and children and give it to the insurance companies, the street-car companies, the bus companies, and the ambulance-chasing lawyers.

Mr. TRUAX. The Power Trust, too, for they furnish the power to operate the street cars.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. MAY. As a proposition of general law, if a person involved in an accident is not guilty of negligence, no liability attaches to him.

Mr. PATMAN. No; they would not be liable anyway if they were not guilty of negligence.

The gentleman spoke of rattletrap cabs. That is not an argument for this bill. If there are rattletrap cabs, and the gentleman knows of them, it is his duty to report them to the director of traffic and they will be taken off the streets, for there are certain definite requirements with regard to the

vehicles used as taxicabs. Their brakes must be in good condition and they must be good vehicles generally and must not be a source of danger to the public. This is the present law; and if the gentleman did not know it before, I am telling it to him now. If the gentleman knows of any cabs such as he spoke of just a moment ago, it is his duty as a law-abiding citizen, as a law-enforcing citizen, as well as a law-making citizen, to report that fact to the director of traffic and he will immediately take that vehicle off the streets. So that argument is no better than the flower argument.

Mr. TERRY of Arkansas. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. TERRY of Arkansas. I should like to know, as a matter of information, who establishes the rates the taxicabs now charge.

Mr. PATMAN. I am glad the gentleman mentioned that matter. I explained that a while ago; but since the gentleman did not catch it, I will explain it over again for fear others may not have caught it.

If this bill becomes a law, no one else on earth except the cab owners will set the rate. If they set the rate 100, 200, or 500 percent more, the gentleman cannot object. He will have no one to object to, and there will be no one in the District that can change the rates. The rates will remain in effect, and no power on earth will be able to change them. The sky will be the limit.

Mr. TERRY of Arkansas. Who established the 20-cent, 30-cent, 50-cent, and 70-cent rate that they now operate under?

Mr. PATMAN. The independent owners of this city are the ones responsible. Competition set those rates. Whenever you take the independents away, the real competition, you will put the high rates back into effect. Do not allow yourselves to believe that these taxicab owners are starving to death. They are making good money in Washington. One operator told me that, of course, there are drivers who go out and work Saturdays and Sundays and make enough money to last a few days and then lay off. There are cases like that, but they are not all that way. The operators of cabs here are pretty good men. They are safe and careful drivers, and they are supporting their families. If you pass this bill, you will put a thousand of them on the relief rolls of the city.

Mr. TERRY of Arkansas. If there are certain rates established now, and if they have liability insurance, could not the same people raise the rates sufficiently to take care of the premium which the taxicab drivers have to pay?

Mr. PATMAN. Yes; they can do that, but the sky will be the limit. There will be two limits over which you will have no control. You may say to the cab owners: "Why charge 50 and 75 cents for taking me to the Union Station when you used to take me there for 20 or 30 cents?" They will say: "Well, we have to pay two insurance premiums, one to the insurance company of over $1 a day." In a lot of the cities it is $1 a day or more, and it will probably be at least that here. You might say: "Why do you not get the rates lowered?" They will say: "We cannot. That is left up to the insurance companies to set the insurance rates." It will be left to the cab owners to set the cab rates. So there are two places that the sky will be the limit and the users of the taxicabs will be paying the bill.

Mr. BLANTON. Will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Texas.

Mr. BLANTON. The 20-cent taxicab rate has forced the street cars to put on what they call their "$1-a-week ticket." If we pass this bill and let the taxicab rates go up, you will see the $1 rate taken off by the street-car company, and then we will be at the mercy of the operators of Washington.

Mr. PATMAN. Mr. Speaker, I reserve the remainder of my time.

Permission having been granted, I insert herewith a copy of the minority report filed by me on this bill:

MINORITY VIEWS

The title of this act should read "An act to compel more of the people of Washington to use street cars and busses instead of taxicabs; to further aid and assist insurance companies; to encourage ambulance-chasing lawyers, and to create a cab monopoly in the city of Washington."

This bill is not endorsed by all the members of the Board of Commissioners of the District of Columbia. Two have endorsed it, but one has entered a protest against its passage.

As chairman of the subcommittee that held hearings on this measure for several days, and after we had obtained all the facts it was possible for us to obtain, I am opposed to the measure for the following reasons:

NO EVIL SHOWN JUSTIFYING LAW'S PASSAGE

First. Before any law is enacted, an evil should be shown that will be corrected by its passage. There are about 4,000 cabs operating in Washington. Most of them are in a position to pay any deserving claim at this time. This law would merely cause the injured person to collect from the insurance company that was insuring the cab instead of cab owners. It is true that there are accidents growing out of the operation of cabs, but the testimony before the subcommittee failed to disclose a single instance where any person had been injured or had his property injured, and had been unable to collect damages from the owner of the cab causing it. It must be remembered that the public is now reasonably well protected against loss by reason of negligent operation of cab drivers in Washington.

Therefore, the evil that this law seeks to correct has not been shown sufficiently to justify the passage of this act.

INCREASE COST 10 TIMES

Second. The testimony before the subcommittee discloses that one particular fleet of 300 cabs in the city of Washington in the past years satisfactorily settled all claims. A complete record has been kept, and is available for inspection. It cost this company approximately $7,500 annually to settle these claims. If this law is passed, that same company will pay $75,000 next year for insurance that will only partially cover their losses. Similar facts were presented for other taxicab companies.

ADDITIONAL COST OF $1,500,000 ANNUALLY

I estimate that it will cost the taxi users of the city of Washington an additional million and five hundred thousand dollars the next year if this bill is passed. The insurance premiums on partial coverage will amount to approximately $1,600,000. Without this law, $100,000 will be sufficient to pay all losses, presuming that the losses the next year will not be any greater than an average over a period of several years in the past. Therefore the additional cost will be $1,500,000 annually for this very limited protection.

WILL GRANT CAB MONOPOLY

Third. This bill will grant a cab monopoly. When it is obtained the owners of the street cars and bus companies will probably purchase it either directly or indirectly. It grants a substantial concession to large cab owners. Under the terms of this bill, a cab company in this city that is now operating 1,000 cabs will be able to carry its own insurance for $5.50 a month, presuming its losses will not be any greater than they have been in the past.

UNEMPLOYMENT WILL BE CAUSED

An independent operator in order to secure the same protection will be required to pay $30 or $35 a month, more likely $35 for this very limited protection. This will place the independent operator at a distinct disadvantage and drive him out of business. There are approximately 1,000 independent operators of taxicabs in the District today. They are making a good living for themselves and families. If this law passes, which cannot be construed by any stretch of the imagination as intending to help more than 100 people, the next year it will place on the charity rolls many of the thousand families of these operators. In fact, it has been suggested that this bill should contain another provision providing for the relief of former cab drivers.

PUBLIC PROTECTED NOW

Fourth. This law is sought by many public-spirited citizens. They are unselfish and patriotic. In racking their brains for plans and ideas in order that they may advocate changes in the existing order of things, they have conscientiously decided that all cab operators should be required to carry additional insurance for the protection of the public. I am afraid they have ignored the fact that the public is already protected in most instances, and the few instances wherein the public is not protected, are not sufficient to justify the million-and-a-half-dollar additional expense to the cab users in Washington over a period of 1 year, and the placing in the bread lines of approximately 1,000 cab owners and their families.

$20 PAID BY CAB USERS TO EVERY $1 TO INJURED PERSON

Fifth: It is said that many civic groups of the city desire this legislation. I do not charge that such groups were dictated to by people who have their own interest in mind, but it would be interesting to know just how many of the people in these groups were interested either as owners of stock or employees in the street car and bus companies; the insurahce companies and the special-favored cabs. It should also be considered that this law will be a source of big business for many lawyers in Washington. The cab users will pay $10 insurance under this bill to every $1 they

would have to pay without it. About one-half of that $1 goes to the lawyers and courts. Therefore, in the future the cab users will have to pay about $20 to every $1 that goes to a deserving person who has been injured or has had his property injured by the negligent operation of cab drivers.

VISITORS WILL BE PROTECTED

In support of this bill the argument is made that 50 percent of the passengers carried by the cabs are visitors. Therefore, the visitors should be well protected by insured cabs; that it is too difficult for visitors to collect from the present cab owners since they are very strict about paying claims to make sure that only deserving claims are paid. If a visitor is injured in a cab that is insured, he will have the same trouble. Insurance companies have a hundred years more experience in scaling claims down; threatening long drawn-out and expensive lawsuits to force low settlements, and in the art of making settlements satisfactory to themselves generally than the cab owners have had. I predict that visitors would have just as much trouble getting money out of insurance companies, and probably more, than they now have out of the cab owners. In either event a lawsuit that is brought would have to be instituted in the District of Columbia.

MULTIPLICITY OF LAWSUITS

It was shown before the subcommittee that under compulsory insurance for taxicabs, the public will pay $10 in the future for every $1 they expended for losses in the past. That does not mean that the insurance companies will get this additional $9. It means that ambulance-chasing lawyers will have more lawsuits. There will be more false, fictitious, and fraudulent claims. Claims that are now passed by as frivolous, will be exaggerated and contentions made for their payments if the cabs are insured, and the insurance companies will have to pay the loss that would not be insisted upon at all if the cab owners had to stand the loss. This bill will cause a multiplicity of lawsuits. The courts of Washington are 4 years behind. It will probably be a talking point for the insurance company that unless the claimant settles, it will take him 4 years to get his money through the courts if he gets it at all.

CAB RATES TO BE INCREASED

Sixth. This bill will cause taxicab rates to be increased. The operators will not receive any more money than they are now receiving. It will all go to the insurance companies, lawyers, and for frivolous claims. About one-fourth of the cabs will be taken off the streets. The other three-fourths will not do as much business because their rates will be high. Let it be remembered that so far as taxicab rates are concerned after this bill passes, the sky will be the limit. The cab users will be dependent upon the owners to set a fair rate. Whatever rate they set the public must accept. There will be no appeal from it, and no board or commission that will have any power on earth to disturb it.

HIGH INSURANCE RATES

Also let it be remembered that the four insurance companies that will write this business will get together and set the insurance rates. They will be plenty high. The sky will be the limit. They will not be annoyed or troubled by a board or commission attempting to interfere with them. Whatever rate the insurance companies fix will have to be accepted by the cab owners. The price paid will be passed on to the public.

Therefore, there will be no limit under this bill as to the amount charged the public for fares, and there will be no limit under the bill as to the amount that will be charged the cab operators for the cab insurance.

Of course, this will only hurt the small cab owners and independent operators. The big companies will carry their own insurance for an insignificant cost.

CAB OPERATORS CAREFUL

Seventh. The cab operators in Washington are usually safe. The testimony disclosed that the percentage of accidents in which taxicabs were involved was no greater than the percentage of accidents wherein private automobiles were involved. Instead of providing compulsory insurance which will encourage a driver to be more careless or negligent, I think that we should pass more drastic rules which will encourage efficiency and safety of operation. If a driver under present laws operates a vehicle while he is under the influence of liquor, or violates the law in any other way, he can have his driver's license taken away from him. This is a great privilege for him to be relieved of. In fact, it is his living, his business, and is a valuable asset. Therefore, cab drivers in Washington are considered more careful than in most places.

UNSAFE EQUIPMENT

It is argued that this law will take off the street defective and insufficient motor cabs. If that is an evil in the city, it can be very quickly remedied without compulsory insurance by merely passing an act which will permit some authority to pass upon the safety and construction of the equipment. That is no reason to charge the taxi users of Washington an extra million and a half a year.

Eighth. Suppose there should be a hundred cases next year for injury to persons or property that will not be satisfactorily settled by reason of the failure of this act. We will presume that 100 people will suffer loss in some way and to some amount. Will it not be better for 100 people to stand this loss themselves rather than set up a cumbersome and expensive machinery in the form of compulsory insurance that will cost the cab users of Washington one million and a half dollars extra, and possibly throw out of employment a thousand cab operators?

CARELESS OPERATORS SHOULD BE TAKEN OFF STREET

If the law is weak in regard to giving the proper officials of the District power to deny operators who are careless and negligent the right to continue in their business of driving cabs, the law in that regard should be strengthened. I do not think the law is weak in that respect, but if it is, let us change the law.

TAKE CABS OFF, PUT MORE BUSSES AND STREET CARS ON

Ninth. Government employees find it difficult to find a place to park their automobiles, and are, therefore, almost compelled to use a public conveyance. Now, if they are denied the privilege of using taxicabs, they will be forced to use street cars or busses. As you take more cabs off the street, you will put more street cars and busses on the streets.

INDEPENDENT OWNERS REASONABLE

Tenth. It should be said for the independent taxicab owners that they expressed a willingness to be required to carry reasonable insurance if the public wants them to, provided, of course, that the public will stand an increased rate to pay for the increased cost of operation, and that they will be permitted to get insurance for the same amount per cab as the large fleet operators. This bill, as I have pointed out, discriminates against the independent operator who owns his own cab and is now making a living for himself and family by its use.

INSURANCE COMPANIES FAIL TO PAY

Eleventh. If the cabs are insured by insurance companies, that does not necessarily mean that the public is properly protected. Such insurance companies have been breaking all over the country, and I doubt that people who have claims against taxicab companies have any more trouble collecting their money from the cab owners than from the insurance companies, as a general proposition. Only a few days ago an insurance company in New York carrying taxicab risk went into the hands of a receiver. It is causing all kinds of confusion and tying up of cabs, since this kind of insurance is not easily obtainable, and the best companies will not carry such a risk. So after all, if the public has got to depend upon "fly-by-night" companies or second-grade companies for insurance protection, they should certainly give consideration to such insecure protection in view of the million and a half dollars annual increase in cab fares, and the great unemployment and distress among cab drivers and their families which will result from the passage of such an act.

KEEPING UP WITH THE JONESES

Twelfth. It is contended that other cities have insurance, and Washington should not be backward in that respect. This is always a weak argument. It is the flimsiest kind of excuse for a raid on the public purse and does not in any way constitute a reason. "Keeping up with the Joneses" is always the poorest kind of an excuse for the passage of any law.

VERY LIMITED LIABILITY

Thirteenth. If this bill is enacted, each cab will be required to carry insurance against damage to person or property. If one person is injured, the insurance company will not be required to pay more than $2,500. If the judgment is $20,000, the cab owner will have to take care of the $17,500. If there is a judgment for property damage for $1,000, the insurance company will only have to pay $500 of it, and the cab owner will have to pay the other $500. The limit of the liability, regardless of the number of people injured, will be $5,000, with not more than $2,500 to one person, and if property damage, the limit is $1,000, with not more than $500 to one person.

TWO INSURANCE PREMIUMS

Therefore, this so-called "compulsory insurance" is just partial insurance, or for the payment of small claims, and instead of the cab owners paying only one premium like they are doing now, they will have to pay two premiums, one to the insurance company and the other to a fund of their own to protect them against judgments in excess of the insurance company's liability.

I understand Baltimore cab owners pay $420 annually per cab for limited liability. This is $35 a month. Considering the fact that insurance will cause juries to give higher verdicts and multiply the lawsuits, I predict that it will cost the cab owners more to carry the risk with the insurance companies than it now costs them to carry the entire risk. So instead of one premium, it will be a double premium. Instead of one light burden on the cab owner, it will be two heavy burdens, all of which will be passed to the people in the form of increased charges which will reduce the number of cabs, cause unemployment, and materially and substantially assist the bus and street-car companies, insurance companies, and ambulance-chasing lawyers.

Notwithstanding the strong support that this measure has from District officials that I have great confidence in, and that it is sponsored by others whom I believe to have always the public interest at heart, I must, for the reasons stated above, file this serious protest against its passage.

Respectfully submitted.

WRIGHT PATMAN.

INTERNATIONAL TECHNICAL COMMITTEE OF AERIAL LEGAL EXPERTS

Mr. BANKHEAD. Will the gentleman from Maryland yield for a moment so that I may submit a rule?

Mr. PALMISANO. I yield to the gentleman from Alabama.

Mr. BANKHEAD, from the Committee on Rules, submitted the following privileged resolution for printing in the RECORD under the rule:

House Resolution 398

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of House Joint Resolution 271, a joint resolution providing for an annual appropriation to meet the quota of the United States toward the expenses of the International Technical Committee of Aerial Legal Experts, and all points of order against said resolution are hereby waived. That after general debate, which shall be confined to the resolution and continue not to exceed 30 minutes, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the resolution shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the resolution for amendment the Committee shall rise and report the resolution to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the resolution and amendments thereto to final passage without intervening motion except one motion to recommit.

LIFE INSURANCE IN DISTRICT OF COLUMBIA

Mr. BANKHEAD, from the Committee on Rules, submitted the following privileged resolution for printing in the RECORD under the rule:

House Resolution 397

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H.R. 9178, a bill to regulate the business of life insurance in the District of Columbia, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and shall continue not to exceed 30 minutes, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the District of Columbia, the bill shall be considered as having been read for amendment and amendments to all parts of the bill shall thereupon be in order. At the conclusion of the consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. DRIVER, from the Committee on Rules, submitted the following privileged resolution for printing in the RECORD under the rule:

House Resolution 392

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H.R. 9391, a bill to provide for a census of unemployment, employment, and occupations to be taken as of November 12, 1934, and for other purposes, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed 1 hour, to be equally divided and controlled by the Chairman and ranking minority member of the Committee on the Census, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion except one motion to recommit.

LOANS FOR INDUSTRIAL PURPOSES

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill, S. 3487, relating to direct loans for industrial purposes for Federal Reserve banks, and for other purposes, with a House amendment, insist upon the House amendment, and consent to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The SPEAKER appointed the following conferees: Messrs. STEAGALL, GOLDSBOROUGH, PRALL, LUCE, and BEEDY.

THE SILVER BILL

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that the Ways and Means Committee may have until midnight tonight to file a report on the silver bill, and that the members of the committee may have the same time within which to file minority views.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

TAXICAB LIABILITY INSURANCE

Mr. PALMISANO. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Speaker, I did not even know that this bill for compulsory liability insurance on taxicabs was on the calendar today. In fact I did not know such a bill was pending. I have no interest in whether the bill passes or not, but I fear the discussion has gone off on a wrong tangent. I do not know, nor do I care, which insurance companies in the District of Columbia write this kind of insurance, except I do know from experience in connection with the liquidation of insurance companies in New York City, that no insurance company ever made a profit writing liability insurance on taxicabs, even though they charged a premium of about $28 a month. Every such company has failed, I believe. Even the mutual companies, composed of the independent taxi drivers, have failed. The losses are extraordinarily great in this particular risk.

The question resolves itself into whether you are going to protect the public in the District or save the operators this increased burden. I am for the taxicab driver of the District of Columbia. For a long time I have sympathized with his meager earnings, not even a livelihood. As a matter of fact, I do not think he has ever got a square deal in the District of Columbia, and it is a strange occurrence that the opposition to this bill now comes from the same sources that have continually opposed the taxicab driver in his plea for increased fare. Today these same opponents of fair income for the taxi drivers weep over increasing his burden. I always thought that the fares in Washington were ridiculously low and should be 50 or 100 percent higher. The question here, as I stated, is however, whether or not you are going to let the public ride in a common carrier without protection in case of accident. I cannot imagine any modern, progressive, or even a civilized community not requiring liability insurance from a common carrier. Personally, I would not let any man, woman, or child drive his own automobile without carrying liability insurance; surely a common carrier should not be permitted to do so. The automobile owner is the pet of some of our Representatives. No effort to make him cease using the streets as garages has succeeded, and that when garage rent is from $5 to $10 per month. Some day a great catastrophe will wake up the people here.

Mr. HOEPPEL. Will the gentleman yield?

Mr. O'CONNOR. I yield for a short question.

Mr. HOEPPEL. Does the Government carry liability insurance on its own vehicles?

Mr. O'CONNOR. Oh, well, of course the Government is a self-insurer like a lot of other big institutions and businesses. They talk about these independent taxi drivers. These independent taxi drivers may form a mutual insurance company and insure themselves, as they did in New York City and other progressive cities in this country. I cannot understand why in this one instance in America the common carriers should be exempt from carrying liability insurance to take care of the people who ride in their cabs. If the motive today is that you fear we might have to pay 5 or 10 cents more in fare, I do not believe that is a proper motive to stand in the way of protecting the public and the visitors to the District of Columbia. Every other city of any consequence in this Union protects its public and requires compulsory liability insurance to be carried by common carriers, while many States require every driver of an automobile to carry such insurance. Why, Mr. Speaker, just a few minutes ago we passed a bill requiring every owner of an automobile, even you and me, to carry liability insurance, after we have been once fined for negligence. Mark you, if you defeat this bill—as I fear you will—no taxicab driver will be compelled to carry liability insurance if they have a hundred accidents in which they were negligent. Such an inequality should not exist, and I hope this bill will pass.

Mr. Speaker, I yield back the balance of my time.

Mr. PALMISANO. Mr. Speaker, I cannot understand the opposition to this bill. The gentleman from Texas [Mr. PATMAN] asks you why you want to limit the amount to $2,500 and $5,000 instead of making it unlimited in order to fully protect the public. Is this any argument that you should not pass this measure when we are trying to give them at least a little protection? Does not the argument the gentleman makes mean that you would put out of business every individual taxicab driver in the District?

The gentleman from Connecticut [Mr. Goss] gave one of the reasons why we should enact this bill into law. In Maryland we have taxicab insurance and in Virginia we have taxicab insurance, and when you prohibit the men here in the District of Columbia from obtaining such insurance it means you are protecting the railway company with its busses that operate in Virginia and Maryland.

I recall when we passed the merger bill for the District, the car companies at that time wanted the taxicab privilege and we refused it, because we were then trying to take care of the individual taxicab drivers. Now, by virtue of the Virginia law as well as by virtue of the Maryland insurance law, you have limited these men to obtaining passengers only within the District proper. I have stood on this floor fighting the so-called "taxi trust" with the gentleman from Texas [Mr. BLANTON]. We have stood on the floor here time and time again fighting the meter system, but this was for the sole reason that it would not benefit the people in the District of Columbia as a whole as we wanted to protect them.

Another argument the gentleman from Texas [Mr. PATMAN] makes is that they now will have to comply with the bill which we just passed. Are you helping the individual taxis? You are not; for the simple reason that the minute they have an accident they are required to have $5,000 and $10,000 insurance, whereas under this bill you only require them to obtain insurance of $2,500 and $5,000.

Mr. PATMAN. Will the gentleman yield for a correction?

Mr. PALMISANO. All right.

Mr. PATMAN. Does not the gentleman know that if both bills pass they will be doubly penalized if they violate the law? They will have to take out a $10,000 policy under the first law and also take out whatever insurance is required under the taxicab law.

Mr. PALMISANO. No; I think the Public Utilities Commission will go over the record made by the Congress and realize that we passed two special acts the same day, one to apply to the private owner and one to apply to the common carrier.

[Here the gavel fell.]

NO NECESSITY SHOWN FOR LAW

Mr. PATMAN. Mr. Speaker, the gentleman from New York [Mr. O'CONNOR] says that the insurance companies that carry this insurance are broke and that they cannot make any money out of it, yet the gentleman wants the public protected in unsound insurance companies. It will be just as hard to get money out of unsound companies as it will be out of unsound taxicab owners and operators.

This bill will create a cab monopoly. It will help the street cars and bus companies and the insurance companies and the ambulance-chasing lawyers, and it will cost the people of this city $1,500,000 extra that we know of, and possibly twice that amount before the first year is out.

There has been no argument made in favor of the bill. There has been no necessity shown for the passage of the law. There is no evil that has been pointed out to you that this law will correct, except, they say, other cities have insurance, why should not Washington have it. This is the poorest and the feeblest and the weakest argument that can ever be made for the passage of any law, and I ask you to vote against the bill.

[Here the gavel fell.]

Mr. PALMISANO. Mr. Speaker, I move the previous question on the bill and amendment thereto to final passage.

Mr. PATMAN. Mr. Speaker, would a motion to strike out the enacting clause now be in order?

The SPEAKER. Such a motion is not now in order.

Mr. PATMAN. Mr. Speaker, is not a motion to strike out the enacting clause a privileged motion?

The SPEAKER. It does not have preference over a motion for the previous question.

Mr. BLANTON. We can vote down the previous question.

The SPEAKER. The question is on ordering the previous question.

The question was taken; and on a division (demanded by Mr. BLANTON) there were—ayes 44, noes 42.

So the previous question was ordered.

The amendment was agreed to.

The bill was ordered to be engrossed, and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. BLANTON) there were—ayes 38, noes 63.

Mr. PALMISANO. Mr. Speaker, I object to the vote on the ground there is not a quorum present.

The SPEAKER. Evidently there is not a quorum present.

The doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 130, nays 188, answered "present" 1, not voting 112, as follows:

[Roll No. 147]

YEAS—130

Allen	Cullen	Kahn	Ramsay
Arens	Darrow	Kelly, Pa.	Ramspeck
Ayers, Mont.	Delaney	Kinzer	Randolph
Bacharach	Dickstein	Kloeb	Ransley
Bacon	Dirksen	Kniffin	Reed, N.Y.
Bakewell	Dunn	Knutson	Reilly
Beck	Durgan, Ind.	Kramer	Rich
Beedy	Edmiston	Lambeth	Robinson
Beiter	Englebright	Lehlbach	Rogers, Mass.
Berlin	Fish	Lemke	Smith, Va.
Blanchard	Fitzgibbons	Luce	Snell
Bloom	Fitzpatrick	Lundeen	Stubbs
Boileau	Fletcher	McCarthy	Sweeney
Britten	Gasque	McCormack	Swick
Brown, Ga.	Gavagan	McGugin	Taber
Brown, Ky.	Gifford	Maloney, Conn.	Terry, Ark.
Brunner	Gillette	Marshall	Thom
Burke, Calif.	Goodwin	Martin, Colo.	Thomas
Burke, Nebr.	Goss	Martin, Mass.	Tobey
Carpenter, Kans.	Greenwood	Mead	Treadway
Carter, Wyo.	Guyer	Merritt	Turpin
Chase	Hancock, N.Y.	Millard	Utterback
Chavez	Harlan	Montague	Walter
Christianson	Harter	Moran	Weideman
Church	Hartley	Mott	Whitley
Clark, N.C.	Hess	Murdock	Wigglesworth
Cochran, Mo.	Higgins	O'Connor	Williams
Collins, Calif.	Hill, Knute	Palmisano	Withrow
Condon	Hollister	Peavey	Wolcott
Crosby	Holmes	Peyser	Wolfenden
Crosser, Ohio	Hope	Plumley	Young
Crowther	Jenckes, Ind.	Polk	
Culkin	Johnson, Minn.	Prall	

NAYS—188

Adair	Dear	Greenway	McDuffie
Andrew, Mass.	Deen	Gregory	McFadden
Arnold	De Priest	Griswold	McFarlane
Bankhead	DeRouen	Haines	McGrath
Beam	Dickinson	Hastings	McKeown
Biermann	Dies	Henney	McLeod
Bland	Disney	Hildebrandt	McReynolds
Blanton	Dobbins	Hill, Ala.	McSwain
Boehne	Dockweiler	Hill, Samuel B.	Maloney, La.
Buchanan	Dondero	Hoeppel	Mansfield
Buck	Doughton	Howard	Mapes
Burch	Dowell	Huddleston	Martin, Oreg.
Byrns	Doxey	Hughes	May
Cady	Driver	Imhoff	Meeks
Caldwell	Duncan, Mo.	Jacobsen	Miller
Cannon, Mo.	Eagle	Johnson, Okla.	Milligan
Carden, Ky.	Eaton	Johnson, Tex.	Mitchell
Carmichael	Eicher	Johnson, W.Va.	Montet
Carter, Calif.	Ellzey, Miss.	Jones	Morehead
Cartwright	Eltse, Calif.	Kee	Musselwhite
Cary	Evans	Keller	Nesbit
Castellow	Faddis	Kelly, Ill.	O'Brien
Cavicchia	Farley	Kleberg	O'Connell
Clarke, N.Y.	Fernandez	Kocialkowski	Oliver, N.Y.
Coffin	Fiesinger	Kopplemann	Owen
Colden	Flannagan	Lambertson	Parker
Cole	Focht	Lamneck	Parks
Colmer	Ford	Lanham	Parsons
Connery	Frear	Larrabee	Patman
Cooper, Tenn.	Fuller	Lea, Calif.	Pettengill
Cox	Fulmer	Lee, Mo.	Pierce
Cravens	Gambrill	Lehr	Rankin
Cross, Tex.	Gilchrist	Lewis, Colo.	Richards
Crowe	Glover	Lozier	Richardson
Cummings	Goldsborough	McClintic	Robertson

Rogers, N.H.	Sinclair	Thompson, Tex.	Welch
Romjue	Steagall	Thurston	Werner
Ruffin	Strong, Tex.	Tinkham	West, Ohio
Sabath	Sumners, Tex.	Truax	White
Sanders, La.	Sutphin	Turner	Whittington
Sanders, Tex.	Swank	Umstead	Willford
Sandlin	Tarver	Underwood	Wilson
Schaefer	Taylor, S.C.	Vinson, Ga.	Wolverton
Schuetz	Taylor, Tenn.	Vinson, Ky.	Wood, Ga.
Schulte	Terrell, Tex.	Wallgren	Wood, Mo.
Sears	Thomason	Warren	Woodrum
Secrest	Thompson, Ill.	Wearin	Zioncheck

ANSWERED "PRESENT"—1

Lewis, Md.

NOT VOTING—112

Abernethy	Connolly	Jenkins, Ohio	Rudd
Adams	Cooper, Ohio	Kennedy, Md.	Sadowski
Allgood	Corning	Kennedy, N.Y.	Scrugham
Andrews, N.Y.	Crump	Kenney	Seger
Auf der Heide	Darden	Kerr	Shallenberger
Ayres, Kans.	Dingell	Kurtz	Shannon
Bailey	Ditter	Kvale	Shoemaker
Black	Douglass	Lanzetta	Simpson
Boland	Doutrich	Lesinski	Sirovich
Bolton	Drewry	Lindsay	Sisson
Boylan	Duffey	Lloyd	Smith, Wash.
Brennan	Edmonds	Ludlow	Smith, W.Va.
Brooks	Ellenbogen	McLean	Snyder
Brown, Mich.	Foss	McMillan	Somers, N.Y.
Browning	Foulkes	Marland	Spence
Brumm	Frey	Monaghan, Mont.	Stalker
Buckbee	Gillespie	Moynihan, Ill.	Stokes
Bulwinkle	Granfield	Muldowney	Strong, Pa.
Burnham	Gray	Norton	Studley
Busby	Green	O'Malley	Sullivan
Cannon, Wis.	Griffin	Oliver, Ala.	Taylor, Colo.
Carley, N.Y.	Hamilton	Perkins	Traeger
Carpenter, Nebr.	Hancock, N.C.	Peterson	Wadsworth
Celler	Hart	Powers	Waldron
Chapman	Healey	Rayburn	Weaver
Claiborne	Hoidale	Reece	West, Tex.
Cochran, Pa.	James	Reid, Ill.	Wilcox
Collins, Miss.	Jeffers	Rogers, Okla.	Woodruff

So the bill was refused a passage.

The following pairs were announced:

On the vote:

Mr. Granfield (for) with Mr. Dingell (against).

Until further notice:

Mr. Ayres of Kansas with Mr. Burnham.
Mr. Douglass with Mr. Ditter.
Mr. Sullivan with Mr. Powers.
Mr. Drewry with Mr. Connolly.
Mr. Rayburn with Mr. Stokes.
Mr. Corning with Mr. Wadsworth.
Mr. Shallenberger with Mr. Buckbee.
Mr. McMillan with Mr. Kurtz.
Mrs. Norton with Mr. Simpson.
Mr. Oliver of Alabama with Mr. Doutrich.
Mr. Hancock of North Carolina with Mr. Bolton.
Mr. Black with Mr. Traeger.
Mr. Collins of Mississippi with Mr. Seger.
Mr. Bulwinkle with Mr. Andrews of New York.
Mr. Green with Mr. Foss.
Mr. Boylan with Mr. Brumm.
Mr. Chapman with Mr. James.
Mr. Busby with Mr. Moynihan of Illinois.
Mr. Celler with Mr. Stalker.
Mr. Griffin with Mr. Cooper of Ohio.
Mr. Ludlow with Mr. Woodruff.
Mr. Browning with Mr. Strong of Pennsylvania.
Mr. Lindsay with Mr. Waldron.
Mr. Hart with Mr. Edmunds.
Mr. Allgood with Mr. Perkins.
Mr. Kerr with Mr. Cochran of Pennsylvania.
Mr. West of Texas with Mr. Reece.
Mr. Weaver with Mr. Jenkins of Ohio.
Mr. Taylor of Colorado with Mr. Reid of Illinois.
Mr. Smith of West Virginia with Mr. Kvale.
Mr. Carley of New York with Mr. Shoemaker.
Mr. Studley with Mr. Frey.
Mr. Hamilton with Mr. Brennan.
Mr. Rudd with Mr. Ellenbogen.
Mr. Wilcox with Mr. Marland.
Mr. Crump with Mr. Sisson.
Mr. Peterson with Mr. Darden.
Mr. Snyder with Mr. Claiborne.
Mr. Boland with Mr. Gillespie.
Mr. Spence with Mr. Smith of Washington.
Mr. Duffey with Mr. Lanzetta.
Mr. Kennedy of New York with Mr. Monaghan of Montana.
Mr. Bailey with Mr. Scrugham.
Mr. Kenney with Mr. Adams.
Mr. Brown of Michigan with Mr. Healey.
Mr. Hoidale with Mr. Foulkes.
Mr. Shannon with Mr. Gray
Mr. Brooks with Mr. Auf der Heide.
Mr. Abernethy with Mr. Cannon of Wisconsin.
Mr. Carpenter of Nebraska with Mr. Lesinski.
Mr. Somers of New York with Mr. Kennedy of Maryland.
Mr. Sirovich with Mr. Sadowski.
Mr. Lloyd with Mr. Jeffers.

The result of the vote was announced as above recorded.

JAMES H. RAND, JR., THE REMINGTON ARMS CO., THE REMINGTON-RAND, INC., THE MUNITIONS TRUST, AND THE TYPEWRITER EMPLOYEES' STRIKE

Mr. WEIDEMAN. Mr. Speaker, I ask unanimous consent that my colleague [Mr. FOULKES] may extend his remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. FOULKES. Mr. Speaker, the strike of employees of the factories of Remington-Rand, Inc., manufacturers of Remington typewriters, serves to call to our attention the antisocial attitude and policies of James H. Rand, Jr., head of the reactionary Committee of the Nation and sponsor of the activities of the well-known Dr. William A. Wirt, Jr., of Gary, Ind.

Officials of the National Labor Board and others familiar with the facts of the strike of Remington employees are well aware of the complaints against Rand. It is commonly known that, in the conferences with representatives of his employees, he sends his lawyer, instead of frankly and candidly meeting the spokesmen for his own workers. It is charged that he uses his attorney to wring as many concessions as possible from the employees and that, while Rand seeks to hold them to these concessions after the conferences, he frequently disregards the promises made by his authorized lawyer and refuses to be bound by them. It is an open secret that the fault lies with Rand and the Remington-Rand Co., not with the employees, and that, while the Remington concern has been wrangling with its workers, the manufacturers of Underwood typewriters just completed an agreement with their employees that was accepted by both sides in an amicable spirit.

It is well to inform ourselves about this man, James H. Rand, Jr. I need not tell you that his "Committee of the Nation" is a plutocratic organization whose aim is to handicap and sabotage any progressive policies of the N.R.A. and to interfere with any governmental action in the interest of the common people. I need not add that Dr. William A. Wirt is a kind of stalking horse for the Steel Trust and other b'g corporations that want to check the tendency to curb the rapacity of the great monopolies of the country.

It is both amusing and disgusting to look back nearly 2 years and read some of the drivel issuing from James H. Rand, Jr., when he spoke for the Republican Radio League and urged the reelection of Herbert Hoover.

Get this:

By the middle of last July [1931] we began to detect signs of improvement. President Hoover's Reconstruction Finance Corporation and his other constructive measures had stemmed the tide of deflation. He had virtually put an end to bank failures. * * *

After the smoke of politics has blown away I believe that every red-blooded American citizen wants to go ahead with the progress that we are making—progress that President Hoover's reconstruction measures have created and inspired during the past year. * * * America has never done the wrong thing in a crisis like this. I am confident that on November 8 we shall once more rally behind a veteran leader—this time, President Herbert Hoover.

Can you imagine anything more asinine, any arguments that are more senseless, any statements that are more devoid of foundation in fact?

Reading such trash, it is not difficult to understand why Mr. Rand's reactionary mind operates as it does and why he is in a conflict with the employees of his typewriter factories in which practically every informed person says he is dead wrong.

This leads up to the still more significant fact that Rand is part and parcel of the Remington Arms Co., the huge corporation that has piled up fabulous profits from the manufacture and sale of implements of carnage. The output of firearms and ammunition made by the Remington

Arms Co. is one-third of the total production throughout the United States.

In a severe indictment of the Remington Arms Co., the Colt's Patent Firearm Manufacturing Co., and the Bethlehem Steel Co., Senator WILLIAM E. BORAH in a magazine article, headed "The War Makers", says:

During the period of depression, while millions of men and women walk the streets ill-clad and half-starved, while governments have been unable to pay their debts, while educational institutions have been starved of funds, it is a fact that the munitions manufacturers have been realizing profits of 12 and 20 and 30 percent during the entire period of the depression.

After this statement, Senator BORAH hurled this oratorical javelin at the munitions manufacturers:

The thought of making profits out of war, of building fortunes out of the misery and the sorrows of the maimed, the broken in health, and the insane, is revolting enough to anyone who has a spark of human sympathy or a sense of decency. But to foment discord and to spread false and sordid statements, to engender bitterness and suspicions and hate and fear among nations, all that such profits may be made and enlarged, reaches the dead level of human depravity! There is nothing lower in the scale of human avarice * * *. Capone, Dillinger on the highway, are not more heartless and bloodthirsty than the man who builds up armaments in another nation for the purpose of sending his own people to the front that they may furnish the means by which to murder them.

Such biting words apply, of course, to the manufacturers of Remington arms, as well as to other men and concerns accumulating wealth from the traffic in the tools of death and destruction. They are engaged in an indefensible business—a business that is indefensible in private hands, for the Government should manufacture whatever munitions are to be made, instead of allowing this to be done by greedy and grasping corporations.

Knowing the background and connections of James H. Rand, Jr., his behavior is better understood. It is now easy to realize why he is so bitterly denounced by his own employees and by multitudes of others who believe in progress and social justice.

H.R. 8987 AND H.R. 9143

Mrs. JENCKES of Indiana. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

Mr. SPEAKER. Is there objection?

There was no objection.

H.R. 8987

Mrs. JENCKES of Indiana. Mr. Speaker, I desire to address the House of Representatives in behalf of H.R. 8987, Report No. 1446, Union Calendar No. 335, which was introduced by my distinguished colleague, Mrs. MARY T. NORTON, which was an action to establish a Board of Indeterminate Sentence and Parole for the District of Columbia, and to determine its functions and for other purposes, which was approved July 15, 1932.

Briefly summed up this measure permits the authorities at Lorton to transfer hardened criminals or unruly convicts to other Federal prisons. In this manner the objective of Lorton can be maintained.

At this time I want to pay tribute to Capt. M. M. Barnard, General Superintendent of Penal Institutions, who has for many years served the Federal Government in the District of Columbia loyally and efficiently in developing character and honor among the inmates who are serving for offenses against society.

I believe that the objectives and ideals of the Lorton institution should have the full and sympathetic support of the Congress, and I hope that my colleagues will enact this measure without delay, as it will increase the efficiency of one of America's penal institutions.

H.R. 9143

Mr. Speaker, I desire to address the House of Representatives on a subject which must be dear to the hearts of every American mother and father.

Scattered throughout the United States there are 12,000 American boys and girls whose fathers were killed in action or died from wounds or other causes during the World War. The compensation paid by the Government is only $10 a month for one child, and $6 for each additional child when there is more than one in a family. Then, too, the payment terminated, under the original World War Veterans' Act, when the child reached his or her eighteenth birthday.

Without assistance, other than that received from the Federal Government, these children will be forced to quit school at an early age and go to work to help support themselves and their widowed mothers, and also, in many cases, their younger brothers and sisters. They would thus begin the battle for life uneducated and untrained—handicapped because of the sacrifice their fathers made in defense of their country.

Realizing the plight of these fatherless boys and girls, Maj. Gen. P. C. Harris, The Adjutant General of the United States Army during and after the World War, brought the matter to the attention of the American Legion and American Legion Auxiliary, and both have made the education of war orphans one of their major activities.

These two patriotic organizations sponsored, and Congress in May 1928, passed an act amending the World War Veterans' Act so as to authorize the continuance of the payment of compensation after the age of 18 "to any child who is or may hereafter be pursuing a course of instruction at a school, college, academy, seminary, technical institution, or university."

The legislatures of the several States were then asked to supplement or match the Government compensation by establishing scholarships for war orphans at educational and training institutions of secondary and college grades. To date 25 States have done this, and it is confidently expected that several more will pass scholarship acts when their legislatures meet in regular session next year, including, I hope, my own State of Indiana. In most of the States, the scholarships amount to $150 a year for each child. Five States provide $200 a year, 2 States provide $250 a year, and 1, $30 a month.

The purpose of H.R. 9143, introduced by my distinguished colleague [Mrs. MARY T. NORTON] is to give the District of Columbia war orphans the same opportunities to obtain an education which they would enjoy if they made their homes in nearby Maryland or Virginia or any of the 25 States which have passed scholarship acts.

There is special need for these scholarships in the case of boys seeking appointments to West Point and Annapolis under the act of June 8, 1926, which increases the number of cadets at the United States Military Academy and the number of midshipmen at the Naval Academy by 40 at each institution. Without such assistance few of these boys are able to attend preparatory schools or secure the services of tutors, and as a result the number of failures in the entrance examinations each year is very great. Appointments under the act of June 8, 1926, are made by the President from among the sons of those who were killed in action or died during the World War.

Briefly, this bill authorizes an appropriation of $3,600 a year until 1943, when the youngest of the war orphans will reach his or her twenty-second birthday, with a proviso limiting the amount to be paid for any one child in any one year to $200.

In addition to continuance of Government compensation after the age of 18 and State aid, which I have explained, the American Legion and its auxiliary have secured the hearty cooperation of school and college authorities in nearly all of the States. Many of our universities and colleges also secondary and preparatory schools now offer free tuition or scholarships to war orphan students.

It is not proposed to encourage all of these boys and girls to go to college. For most of them a high-school education is all that will be required in their life's work. The needs of each will be carefully studied and help extended only to those that can be benefited by further instruction and training.

This measure appeals particularly to me. My first and everpresent concern as a mother is the education of children. Instruction and training contemplated in H.R. 9143 will not only increase earning capacities of fatherless boys

and girls of our American veterans, but will make them better and more useful citizens.

I feel the American people will applaud the passage of H.R. 9143 because it will prove to our American veterans that our people are keeping faith with them. We all remember the promises we made to our veterans when we sent them away to defend our Nation, and to those veterans who have passed to the Great Beyond and who have left dependent children, we owe an everlasting obligation. In a small way, H.R. 9143 will indicate that we still recognize the great obligation the American people owe to our American veterans.

The Government compensation is barely sufficient to provide the necessities of life even when the child is living at home with his mother. When the time comes to send the boy or girl away to college, special assistance is necessary. This bill will provide such assistance for the 109 war orphans residing in the District of Columbia.

I appeal to every Member of the Congress, and to every mother, to support this measure and become interested in these orphans of our American veterans who gave their all to preserve our American institutions. We must keep faith with our veterans by protecting their orphans. I thank you.

BRIEF REVIEW OF MY SERVICE RECORD

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. McSWAIN. Mr. Speaker, I hope my colleagues will not think me immodest to make a very short synopsis or review of some of the principal measures and bills that I have either originally suggested or heartily cooperated in seeking to enact into permanent law during my service in Congress.

SUPPRESS PROFITEERING

When I entered Congress March 4, 1921, the whole country was still shocked and shamed by the conscienceless profiteering that had gone on in the country during the World War, and how nearly 30,000 people had made and salted away millions of dollars and had thus become millionaires overnight, in selling munitions and supplies to the Government and our Allies, and also in selling the necessaries of life to our own civil population, all at prices which finally reached nearly 300 percent above the normal pre-war price. I was resolved to do everything in my power to prevent the repetition of such an outrage. The testimony showed that but for this tremendous and unjustifiable profiteering, the war debt would not have been more than one-half of what it actually was. Therefore, I introduced a resolution in December 1922 to set up a commission to study and advise how this conscienceless profiteering might be prevented in any future war, and continued to fight for its adoption until finally such a resolution was adopted, and such a commission created, and I was appointed a member of it and took an active part in its deliberations, and especially in the preparation of its final report. This study and report will be of very great value in guiding Congress and the Government in any future war.

MUSCLE SHOALS AND THE POWER TRUST

When I became a member of the Committee on Military Affairs the Muscle Shoals bill was pending, and I immediately entered into an active fight to preserve that great natural source of power as well as other power sites in the Tennessee Valley and its tributaries for the benefit of the people not only of the Tennessee Valley but of the whole country, and especially of the surrounding country. With Senator NORRIS and the small group of Senators fighting on the Senate side and with a small group fighting on the House side, I joined enthusiastically in the long fight to prevent these great sources of power from falling into the hands of the Power Trust. It was not until Franklin D. Roosevelt became President that we had any help in the White House, and under his inspiring leadership we enacted legislation that marks an epoch in the development of the whole country and sets up a yardstick for the measurement of power and light rates everywhere, and gives us a practical example of what rural electrification will mean to the people upon the farm and in small towns and villages. Consequently, I gladly cooperated with the effort to conserve to the people of the State of South Carolina the power possibilities in the Santee-Cooper development scheme. In like manner I have assisted in the effort of Greenwood County to set up a power plant on Saluda River. Other projects in this district and the State have received any aid that I could extend.

I hope that the cities, counties, and the State of South Carolina will conserve to themselves wherever possible the undeveloped water-power resources of our State. Other uses of power and other markets for power can and should be developed in addition to those now being preoccupied by the private power companies. The bill, which I largely drew and which passed the House of Representatives, setting up the Tennessee Valley Authority, recognized that the existing rates of private power companies should not be wantonly and unnecessarily destroyed. But if there must be a conflict between the public interests and the private profit-making company, then the public interest should and must prevail. I am glad to note that there is so far much cooperation and mutual helpfulness between the Tennessee Valley Authority and the private companies operating in that territory. I hope and believe that power and light rates everywhere will be gradually reduced, without detriment to innocent stockholders and to the great advantage and benefit of the industrial and private users of power.

GUARANTEE OF BANK DEPOSITS

I was one among the first Members of Congress to advocate and to urge the enactment into law of provisions guaranteeing to depositors in national banks and in State banks that may be members of the Federal Reserve System and may choose to join in the Federal Deposit Guarantee Corporation, so that people may have complete confidence in the banks and take their money to the banks and leave it there until needed, with Government assurance that when they do need it the money will be there. This is the best thing for the banks themselves, the best thing for the people themselves, the best way to revive business and to restore prosperity and to supply the people with the necessary capital to start new industries, to increase existing manufacturing plants, to build or to repair homes, and to start the wheels of business turning everywhere and keep them turning.

PUBLIC GAMBLING WITH THE PEOPLE'S MONEY IN THE PRODUCTS OF THE PEOPLE'S LABOR

It has long been manifest to me that one of the chief causes of fluctuations in business, and therefore one of the causes in bringing on depressions, is the reckless gambling on stock exchanges and commodity exchanges, all operated on small margins, without any intention of ever taking and paying for the stocks or cotton or wheat pretended to be bought or sold, but merely for the purpose of gambling upon the prospects of a rise or a fall in the prices of these things, which rise and fall is itself most largely influenced by this very whirlpool of speculation.

When the bottom fell out of things in October 1929, billions of dollars had been drawn from every nook and corner of the Nation into Wall Street to carry on the most stupendous orgy of business gambling that the world has ever known, not even excepting ancient Rome or modern Paris. I therefore vigorously cooperated in enacting legislation to stop such conduct in the future, which heretofore has caused wide-spread unemployment, has destroyed billions of property values, has wrecked millions of homes, and caused distress and suffering indescribable.

AID TO SMALL INDUSTRIES

Even during the Hoover administration I sought by appropriate bills to amend the law creating R.F.C. so that any person, firm, or corporation conducting a small industry could get help so as to enlarge its business and employ more laborers or to save itself from having to close down and thus discharging laborers. I therefore enthusiastically supported the Wagner-Garner bill conferring this very

power upon the R.F.C., but the bill was vetoed by President Hoover, and all we could do was to protest. I am happy to say, however, that legislation is now in progress and soon will be approved doing this very thing for small industries, and thus insuring them against closing up where private bankers will not finance them. I have advocated keeping the people employed in the normal channels of industry. Every measure that would cause a dislocation and confusion in our existing economic structure is unfortunate and harmful to the people who must live by the labor of their hands.

Therefore my slogan has been, "Better a bad loan than a worse dole." I mean, better take a chance on not being able to collect every loan to small industries, which will keep people employed, rather than to let the industry close down and the people be fed by either a direct dole or by some subterfuge, which disorganizes the people, keeps them in a state of confusion and uncertainty, breaks up homes, and yet costs the Government more money than the total amount of bad loans to industry might ever be.

THE MONEY PROBLEM

The money question is very complicated and takes long and undivided study to get a clear idea of the influence of the volume of money upon the business of the country. This study I have been giving to the money question in a general way all my life, and especially for the last 5 years, and it is therefore not strange that I was the first Member of Congress to introduce a bill to prohibit the exportation of gold from America. The necessary effect of this would be to suspend gold payments in the markets of the world, and therefore we would be off the gold standard. We all remember that American business did not begin to breathe easily, and the produce of American farms, such as cotton, wheat, meat, and other products, did not begin to rise until after we had gone off the gold standard.

Furthermore, I early advocated and introduced legislation looking to the use of silver as a monetary base along with gold, and it is now gratifying to realize that both gold and silver will henceforth be used as a basis for currency to encourage and facilitate commerce and to raise the prices of crops and of commodities generally, and thereby to raise the price of wages. Money itself is not a commodity but is only a medium of exchange and a measure of value between different articles. The marvelous progress made toward restoration in America is largely due to the courageous steps taken by the Congress and the President in reforming our monetary system. Back of the mere gold and silver as the basis for Government credit is the total wealth in property of all kinds in America, and in addition to that the earning power of the people. The money problem is not yet entirely solved by the existing arrangement, but we are making rapid progress, and it will not be many years before America will again lead all the world in making progress toward social justice, humane institutions, and a fair and equal opportunity for every person to earn an honest living, with a little margin to lay aside for the rainy day and old age, so that the wages received or the proceeds of crops sold may be a more just and fair measure of the value of the services rendered and of the crops produced.

STOP FORECLOSURE OF MORTGAGES

I early introduced legislation seeking to give Federal judges power to put into effect a moratorium on the foreclosure of mortgages, depending upon the circumstances in each individual case. I have earnestly advocated and assisted in enacting into law provision for making loans on private homes at low rates of interest, including both farm homes and city homes. I am now urging that loans be made on business property in order to pay back taxes and insurance, and that loans be made available for repairs, improvements, and replacements on all homes, wherever situated, and upon every class of business property. The home is the foundation of American civilization, and the work of building and repairing and replacing homes and business houses will go a long way toward absorbing the millions of unemployed.

AID TO SCHOOLS, COLLEGES, AND HOSPITALS

I have introduced legislation and supported every form of legislation looking to granting financial assistance upon adequate security to schools, colleges, and hospitals in order that they may raise cash to continue to operate from their endowment funds which are usually invested in slow assets. In like manner have I supported earnestly at every opportunity the granting of Federal aid to our public schools in which the masses of children find their only opportunity for education, and I feel quite sure that before the present Congress adjourns legislation now upon the way to this effect will become law, and fathers and mothers, trustees and teachers, and the friends of education everywhere, will be encouraged by the presence of Federal assistance. This will in no way subject local school administration to Federal control. It merely supplies necessary funds.

FOREBUNNER OF RECONSTRUCTION FINANCE CORPORATION

Early in the depression, during the Hoover administration, I prepared, introduced, and sponsored legislation to create a body proposed to be called the "emergency finance corporation", with powers to lend money to States and subdivisions of States, including school districts, to construct public buildings of all kinds, to administer to the relief of the unemployed, to see that no man, woman, or child should suffer for food, clothing, or shelter, and to lend to any person, firm, or corporation upon adequate security, when such loan would promise to increase the number of persons employed, or to prevent the curtailment of employment and production. This was the germ of the idea on which the Reconstruction Finance Corporation was based. I do not claim to have been the only person to advocate such organization, nor do I claim that the President and the Congress accepted my idea in toto, but I do feel justified in saying that I, too, was looking ahead, along with others, and that I, too, thus gave proof of my deep concern for the welfare of our country to relieve the distress of unemployment and to prevent suffering, freezing, and starvation.

PERMANENT NATION-WIDE PLANNING BOARD

For several years I have been advocating, as expressed in a bill formulated and introduced by me in the two last Congresses, the setting up of a permanent board to consist of 25 persons, serving without pay except actual traveling expenses, and to be appointed from all sections of the country and to represent all interests, groups, industries, trades, callings, and professions, and to study continuously and hold quarterly or semiannual meetings for conference and exchange of ideas to report yearly to the President and to the Congress their recommendations for stabilizing the economic conditions of the country, preventing unemployment and generally raising the standard of living for agricultural, industrial, and all wage-earning groups and classes of our citizens. Such a nonpartisan board, representing a cross-section of all of our citizenship, must be one of the final outgrowths of the National Recovery Administration. Such a board would give useful advice for the proper measures to smooth the way for all of our people to return from emergency conditions and emergency legislation to a natural, normal state of economic affairs. The members of such board should be divorced from politics and be excluded from seeking office. Such men would render a service to the Nation entitling them to the undying gratitude of our people.

FEDERAL AID TO PUBLIC ROADS

For several years I have been urging a departure by way of advance from the original program of Federal aid to main thoroughfares, such as interstate highways, so that Federal aid may be granted and Federal money used in grading and hard-surfacing every cross-country, connecting, and feeder road over which the mail is carried by a rural mail carrier.

FUNDS FOR BUILDING CONSTRUCTION

In May 1932 I began a movement to amend the Reconstruction Finance Corporation Act so that it might lend money to States, cities, counties, and towns, and also school districts at 2 percent interest for a period of 10 years or more, to construct roads, streets, public buildings, city halls,

schoolhouses, market houses, sewerage systems, lighting and water plants, so as to give work to the unemployed, and at the same time make needed and lasting improvements that the people desire and could use to advantage. Certainly, to a limited extent at least, this plan was fundamental to and suggestive of the Public Works Administration, which itself was bottomed upon the Garner-Wagner bill which President Hoover vetoed.

FARM DIVERSIFICATION AND FARM PROGRESS

This has been a matter of deepest study and effort on my part. I have cooperated energetically in every movement reasonably promising to help the condition of the farming people. Long ago I proposed very liberal Federal aid toward setting up demonstration counties in different parts of every State, such demonstration to include farm marketing centers, which in turn would include canneries, creameries, refrigerator plants, and egg- and poultry-assembling plants so as to furnish to the farmer a market at the highest possible prices for any kind of vegetables, fruits, milk, corn, poultry, cattle, or other commodity any day in the year. I submit that before the cotton farmers of the South can become prosperous, as they deserve to be, they must have the opportunity to market not only cotton and cottonseed but all of these other things mentioned above which can be produced profitably in connection with cotton, without diminishing the amount of cotton produced, and enabling the farmer to produce his cotton at less cost per pound. In this connection I have planned not only for domestic fertilizers but also for the manufacture and distribution at low prices of commercial fertilizers. This program for the uplifting and betterment of the farm and of the farm population would call for and bring about the distribution of electric power to drive the farm machinery, to pump the water, to light the buildings, and generally to make farm life more attractive, so that our more talented boys and girls may be induced to set the example of leadership among the rural population.

NATIONAL DEFENSE

All who truly know war hate it. Because we hate disease, we have doctors, nurses, and medicines. About 75 percent of our ordinary Federal Budget goes to pay obligations of past wars, and preparations for future wars. We thought our part in the World War would end all war, set up a real League of Nations, and "make the world safe for democracy" for all time. But the other nations of the earth are boiling with unrest, arming to the teeth, putting ambitious dictators in power, and at any day may rush at each other in ships, airplanes, trains, and auto trucks, and if they do, horror, destruction, and death indescribable will come to men, women, and children in the great cities and industrial centers. Bombs filled with explosives and poisonous gases will rain from the sky. God help America escape such a fate.

OUR DEFENSE POLICY

With our varied climate and resources, with oceans on each side, and friendly peoples to the north and south, we can and should set the world a true example of preparing purely for defense against invasion of our land and outlying possessions. We have paid our debt of gratitude to France, and helped to rescue our British friends. If, from now on, they, and other European nations, do not or will not pursue peace, or merely defend themselves, it is just too bad. Remember, they owe us $10,000,000,000, and interest for 17 years.

If other nations just will fight, we can and should remain at home and defend our own shores and rights. We should never allow America to be drawn away from the home base and forced to send armies across the sea to fight. That is why we have a great Navy and the Panama Canal to transfer the fleet from ocean to ocean. That is why we need a great air force. With air-defense bases east and west, with ample stores of air bombs, with a large number of swift and powerful fighting planes, and with a large reserve of trained pilots, we can destroy enemy ships and transports before they ever reach our shores. That is why I have for 12 years insisted on increasing the strength and efficiency of our Air Corps. I was joint author of the Air Corps Act of 1926 and have now pending legislation to amend the same, to increase its power and striking force, to strengthen the Air Reserves, to create a junior air corps reserve, and to aid and encourage young civilians to learn to fly, to own planes, and to become trained to defend our people against invasion.

ADEQUATE GROUND TROOPS

The foregoing considerations show why we do not need the large standing armies that burden some other nations. We need a relatively small, but highly efficient, standing army to help train our volunteer National Guard and patriotic Organized Reserves.

If the Navy and air defense force fail to meet and to defeat any invading forces out at sea, and fail to drive them back or sink them, then we can call sufficient manpower to fill up the Regular Army, the National Guard, and the Reserve divisions, to prevent actual landing or fatal inland invasion. This is why I have striven to secure a more efficient Regular Army, and have sponsored legislation to make the National Guard and Organized Reserves that "well-regulated militia" that George Washington planned and pleaded for.

VETERANS' RELIEF

Every President and lesser statesman from Washington to Roosevelt has urged adequate financial aid to ex-soldiers suffering disabilities caused by military service during war. Every nation in the world recognizes this obligation. I stand flat-footed upon this same proposition. But arguments and disputes arise over when and what disabilities are caused by military service. There is plenty of room here for honest differences of opinion. Here also doctors differ. But I do not approve of veterans' blocs or any other sort of blocs in Congress. Blocs are dangerous to free government, threaten to destroy democracy, to bring on dictatorships, and finally war, and then bathe again the world in blood. I hold a Congressman should represent with free and open mind every lawful interest in his district, and his efforts should be directed to the highest welfare of all the people, however poor, lowly, or humble, and should especially look far into the future, so as to plan for the safety, prosperity, and happiness of our children and grandchildren.

ECONOMY IN GOVERNMENT

I know personally the burdens of taxation. I see the homes of my relatives and friends sold for inability to pay taxes. Since coming to Congress I have never failed to vote for wise economy. I have fought measures before every committee that threatened waste, extravagance, and needless expense. Measures first suggested and fought for by me, especially in the manner of purchasing aircraft, have saved the taxpayers millions of dollars. So, in the selling and buying of Army lands. In one instance only, $280,000 was saved. In many other instances, other very substantial sums were saved. Without practicing a pennywise and pound-foolish policy, I have always advocated and voted for wise economy.

PROGRESSIVE POLICIES PURSUED

Though taught and trained in the political philosophy of Jefferson and Calhoun, I realize that science and invention, unknown to and undreamed of by them, have brought new conditions, new evils, new dangers, all demanding new treatment by governments, especially our Federal Government. In terms of time and distance, the whole United States from the Atlantic to the Pacific, is not as large today as South Carolina was during the American Revolution. These new conditions demand the new deal of Franklin D. Roosevelt and the Democratic Party.

I have long been studying plans for the decentralization of industry, as by subsistence homesteads, back-to-the-farm plans and movements, diversification of agriculture, conserving our hillside lands by soil-erosion control, converting our eroded, waste, submarginal lands into national forest reserves, plans to build farm marketing centers, including creameries, canneries, cold storage, assembling plants to ship poultry, eggs, meats, grains, nuts, and all other forms of farm produce. These will in turn demand distribution of electric power to farms and small villages, public ownership

of water power sites now undeveloped, thus affording cheaper power and light rates, all on long-time financing at low rates of interest, and finally bringing freedom from debt, financial independence, prosperity and a chance to be happy and contented to all our people.

WHAT MEANS THE NEW DEAL?

Of course it is not a "destructive revolution", but a constructive plan for the people, all the people, not only a select group representing great financial interests as did Hoover, Mellon, and Mills, to have a real voice in government, and a fair and just share of what the people by their labor produce, whether they labor in field, factory, mine, railroad, office, store, home, or elsewhere. All honest, useful labor should have a just reward. It will never do to turn back. The old deal would now be intolerable. Of course, many changes must be made in these emergency administrations. But the basic idea of the new deal is the same as the American Declaration of Independence.

MILITARY INSTRUCTION IN AMERICAN COLLEGES AND UNIVERSITIES

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. McSWAIN. Mr. Speaker, with the assistance of my good friend, Maj. William M. Connor of the Department of the Judge Advocate General of the United States Army, I have gathered some facts and assembled them that have proved very interesting to me, and may be useful to many other Members of Congress as well as readers of the CONGRESSIONAL RECORD. Major Connor is from my native State of South Carolina, is a graduate of Wofford College, at Spartanburg, and a member of the South Carolina bar. It gives me great pleasure to acknowledge the assistance he has rendered me in compiling the facts enumerated in these remarks.

Mr. Speaker, I am a firm believer in a safe and sane system of national defense. I believe that the American and Republican and Democratic system of national defense is to have the smallest practicable Regular Army as a nucleus for mobilization and as a training agency in peace. But the larger number of people throughout the country that have military instruction and are capable therefore in the event of a national emergency of becoming leaders, either as commissioned officers or as noncommissioned officers, the better state of preparedness will the country enjoy. History shows that men may attain and keep reasonably abreast with the progress of the military art, even though the greater part of their time is devoted to their private business. If they love the military profession as a patriotic exercise, and continually keep abreast by reading the latest books and magazine articles, and carry on the courses of instruction offered to the Organized Reserves, then we may expect a very large percentage of these civilian officers to be most efficient in the unhappy event of war.

Consequently, Mr. Speaker, the combination between an education for civilian pursuits and training in the fundamentals of the military art is entirely in keeping with the traditions and best thought of America as to what is a safe and sane system of defense. For that reason I thought a study and a compilation of the results of that study as to the extent of these concurrent and coexistent courses of study in our various universities and colleges would be enlightening and helpful.

MILITARY INSTRUCTION IN EDUCATIONAL INSTITUTIONS

Although the act of Congress, entitled "An act donating public lands to the several States and Territories which may provide colleges for the benefit of agriculture and the mechanic arts", approved July 2, 1862, did provide widespread Government aid, in the form of moneys derived from sale of public lands of the United States, for a class of State educational institutions, known as "land-grant colleges", offering instruction under State control in agriculture, the mechanic arts, and military tactics, it remains a fact that military instruction in educational institutions—State and private—was first made a matter of War Department and Army concern by the provisions of the Army Reorganization Act of July 28, 1866, at the close of the Civil War. The latter act authorized the President, "for the purpose of promoting knowledge of military science among the young men of the United States", to detail an Army officer to serve as president, superintendent, or professor of any college or university having a plant capacity for at least 150 male students and applying for such detail. The act also imposed a limitation of 20 officers at any time as the maximum that might be so detailed throughout the United States, and provided for apportionment of this number as nearly as practicable according to population. By joint resolution of May 4, 1870, this authority was enlarged to permit the loan by the Secretary of War of Government small arms and field artillery pieces available and needed for military instruction at any such college or university, upon approval of bond for safe-keeping and return of the same when required.

By act of July 5, 1876, this authority was again enlarged to make possible the detail to such educational institutions of not exceeding 30 Army officers at any time and as thus enlarged was embodied in section 1225 of the Revised Statutes of 1878. Another provision of the Revised Statutes, section 1260, expressly made eligible for such details retired officers applying for the same. Amendatory legislation enacted at various times during the succeeding 36 years greatly amplified this authority by providing for the detail of not exceeding 100 Army and 10 Navy officers to military-instruction duty in such educational institutions, including military institutes and academies, the land-grant colleges mentioned above to be preferred in the apportionment of this limited number; for the detail, with their consent, of such number of Army retired officers and noncommissioned officers as might be requested by schools throughout the United States as instructors in military drill and tactics; and for limited loan issues and allowances of available ordnance and ordnance stores to such educational institutions. All of this legislation became inoperative with the enactment of related provisions of a most comprehensive scope and sweep in the National Defense Act of June 3, 1916, as amended by that of June 4, 1920, which provided for a complete and coordinated Government system of military instruction in educational institutions throughout the United States as part of a statute-fixed scheme of national defense, and superseded prior legislation on the entire subject of Federal provision for military instruction in educational institutions, as declared by the Attorney General of the United States in an opinion rendered March 2, 1927.

It is interesting to note that during the last 12 fiscal years of operation of the legislation thus superseded, a period which terminated with the year 1916, there were not less than 324,000 students who received some military instruction at educational institutions to which Army officers were detailed to instructional work in military science and tactics, and of this number not less than 44,000 graduated; the report for the last-mentioned year showing 35,091 students under military instruction at 106 institutions wherein 63 active and 32 retired Army officers were serving as professors of military science and tactics and wherefrom 2,474 military students graduated. In such military instruction infantry drill and training predominated, and the main object thereof, as stated in War Department orders, was to qualify graduates completing military-training courses "to be company officers of Infantry, volunteers, or militia."

The new military-instruction system ordained by the National Defense Act of 1916, featured by Reserve Officers' Training Corps units organized in educational institutions throughout the country, was put in operation by the Reserve Officers' Training Corps Regulations of the War Department published on September 20, 1916—General Orders, No. 49. This system has for its primary object the development of a supply source of reserve officers qualified for active service in the military forces of the United States in time of national emergency. Such was the progress made in Reserve Officers' Training Corps organization that during the fiscal year 1918 the new system was in operation in 119 educational

institutions wherein military instruction was given by 113 Army officers.

Of this total of participating institutions, 102 universities, colleges, and essentially military schools specially designated by the Secretary of War organized senior division units of the Reserve Officers' Training Corps, in which 36,000 students were enrolled and from which 3,364 were graduated in June 1918. For the fiscal year of its organization, 1917, and following fiscal year, Congress, respectively, appropriated $1,215,000 and $4,170,000 in the Army Appropriation Act of May 12, 1917, for expenses in connection with maintenance and operation of the Reserve Officers' Training Corps.

The final War Department program of Army intervention in the World War called for 80 divisions in France and 18 in the United States by June 30, 1919. The magnitude and urgency of this program, which involved special training of officers for such military forces composed of approximately 4,800,000 men, necessitated the establishment in all of the larger institutions in the United States, in the fall of 1918, of a corps of the United States Army, named the "Students' Army Training Corps", provided for in War Department Special Regulations No. 103 of that year, issued under authority of the Selective Service Act of May 18, 1917. The senior division units of the Reserve Officers' Training Corps then established in 102 universities, colleges, and essentially military schools were replaced by units of the Students' Army Training Corps, maintained during the remainder of the World War emergency period. This corps, established as stated in the cited regulations—"to utilize effectively the plant, equipment, and organization of the colleges for selecting and training officer candidates and technical experts for service in the existing emergency"—was recruited by voluntary induction of registrants under the selective-service regulations, and on November 1, 1918, numbered about 170,000 men.

Such registrants, upon admission to the Students' Army Training Corps, became soldiers in the Army of the United States, subject to military law and military discipline at all times, as declared in the regulations. The unit organization was that of Infantry under the Tables of Organization, and the fundamental infantry training common to all branches of the service was prescribed for the corps as a whole. This war-time experiment in military education and training had Nation-wide support of college authorities and was made in about 600 colleges and universities throughout the United States.

The armistice of November 11, 1918, put an end to the necessity for the Students' Army Training Corps, which during the remainder of the academic and fiscal year 1919 was demobilized as part of the emergency military establishment, giving way to the Reserve Officers' Training Corps, reconstituted within that period in 191 collegiate and 128 secondary institutions, with a total enrollment of more than 90,000 members, and officer personnel of 635 detailed to instructional work, with 599 noncommissioned officer assistants. Authority to supervise, direct, and control affairs relating to the reconstituted Reserve Officers' Training Corps was lodged in a Reserve Officers' Training Corps branch of the War Plans Division of the War Department General Staff, organized for the purpose on August 29, 1919, and having like authority over military training conducted with authorized Army aid, in any form, in other educational institutions. For the support of the Reserve Officers' Training Corps for the fiscal year following that of its reconstitution the sum of $4,000,000 was appropriated.

In the amendatory National Defense Act of June 4, 1920, the provisions of the National Defense Act of June 3, 1916, relating to the Reserve Officers' Training Corps and military instruction in educational institutions were reenacted with certain amendments respecting organization, training, and administration of the corps. By such legislation the corps is made to consist of senior division units authorized for universities and colleges awarding degrees, land-grant colleges, and essentially military schools of higher order found qualified, and junior division units for all other public and private educational institutions. The President is authorized to prescribe the number, strength, and kind of units composing each division and the Secretary of War the standard courses of theoretical and practical military training for such units based on a minimum training requirement of a 2-year course averaging at least 3 hours per week. Camps for further practical instruction of members of the Reserve Officers' Training Corps are authorized for a maximum period of 6 weeks in any one year, which may be exceeded in time of actual or threatened hostilities. Membership in the Reserve Officers' Training Corps is restricted to physically fit students not less than 14 years of age who are citizens of the United States. Senior division graduates completing advanced course camp training and junior division graduates completing senior division courses and other prescribed training, of not less than 21 years of age, may be appointed by the President alone as reserve officers of the Army of the United States upon taking the obligation to serve in such capacity for a 5-year period.

Those senior division members who, after completing two academic years of training in the Reserve Officers' Training Corps, may be specially selected for prescribed advanced training in the senior division, requiring 5 hours per week during the remainder of the course and camp attendance may, upon so obligating themselves, be allowed commutation of subsistence at the expense of the United States for such advanced training period, not exceeding 2 years, at a rate fixed by the Secretary of War not greater than the rest of the garrison ration prescribed for the Army. While attending advanced course training camps such members are also entitled to be paid as provided for seventh grade enlisted men of the Regular Army. Institutions maintaining Reserve Officers' Training Corps units may be issued such animals, arms, ammunition, supplies, equipment, and uniforms belonging to the United States, within the limits of appropriations therefor, as the Secretary of War may deem necessary. Payment of commutation in lieu of uniforms at a rate fixed annually by the Secretary of War may also be authorized by him. The legislation under review also authorizes the detail by the President to instructional duty with Reserve Officers' Training Corps units of such numbers of officers, warrant officers, and enlisted men of the Regular Army as may be necessary; such personnel to be supplied without expense to the educational institutions concerned. By a specific provision of such legislation (section 55c of amended National Defense Act), schools and colleges not connected with the Reserve Officers' Training Corps system having a student body of at least 100 physically fit male persons above 14 years of age and conducting a course of military training prescribed by the Secretary of War may, in his discretion and without expense to such institutions, be furnished arms and equipment and available Regular Army officer and enlisted personnel necessary for military training purposes. Members of the Reserve Officers' Training Corps and other students under prescribed military instruction at institutions receiving Government aid provided for in aforementioned section 55c of the amended National Defense Act have no military status under the Articles of War and constitute no part of the Army of the United States as established by the first section of that act.

By War Department regulations governing the operation of the Reserve Officers' Training Corps, the regular 4-year course of the senior division is composed of the senior division basic course in the department of military science and tactics embracing the freshman and sophomore years of the academic department and the senior division advanced course concurrent with the junior and senior years of the academic department and the senior division advanced course are separately elected by enrollees therein, when not made compulsory by institutional authorities, and completion of either when once entered upon is a requirement for academic graduation as prescribed in such regulations. By these regulations the junior division course of military training for essentially military schools embraces 4 academic years of prescribed theoretical and practical instruction, and for other than essentially military schools, a 3-year course thereof. The junior division course, regardless of duration, has for its

basis the senior division basic course for infantry units. All instruction in the Reserve Officers' Training Corps must conform to the courses of instruction prescribed by the War Department and published by The Adjutant General. Academic credit for completion of Reserve Officers' Training Corps courses is, under the regulations, a matter expressly left by the War Department in the hands of the authorities of each institution, with the general declaration that "the successful conduct of Reserve Officers' Training Corps units depends in large measure upon the granting of credit on the same basis, hour for hour for practical and theoretical instruction, as is given for laboratory and classroom work in other departments."

Reserve Officers' Training Corps appropriations estimates and allocations, Army personnel details thereto, and the general operation of War Department policies touching the Reserve Officers' Training Corps are by existing regulations made functions of The Adjutant General; those respectively allotted to chiefs of arms and services being preparation of programs of instruction for the several kinds of units composing the Reserve Officers' Training Corps, the making of training inspections and recommendations touching training, correlation of enrollment and location of units with mobilization requirements, and the assignment to Reserve Officers' Training Corps duty of officers qualified therefor. Corps area commanders exercise by devolution the supervisory powers of the War Department over the Reserve Officers' Training Corps, saving expressly reserved matters, and represent the War Department in the administration and operation of units thereof in accordance with law and regulations. The latter accord to heads of institutions maintaining Reserve Officers' Training Corps units that degree of general control over the department of military science and tactics ordinarily exercised over other institutional departments.

According to War Department figures, showing the strength of the Reserve Officers' Training Corps at the beginning of the academic year 1934, this corps consists of 217 senior division units with a basic course enrollment of 59,466 and advanced course enrollment of 13,907, organized in 8 essentially military colleges and universities (class MC), 4 essentially military schools (class MI), and 114 "civil colleges and universities" (class CC), and 103 junior division units with a total enrollment of 39,942, organized in 37 essentially military schools (class MS), 60 high schools (class CS), and 5 other institutions (class CS). The 217 senior division units, numbering 73,373, are composed of 87 Infantry units, numbering 41,654, 11 Cavalry units numbering 3,541, 20 Field Artillery units numbering 11,958, 21 Coast Artillery units numbering 7,673, 1 Air Corps unit numbering 28, 22 Engineer units numbering 4,731, 10 Signal Corps units numbering 1,393, 23 Medical Corps units numbering 1,003, 8 Dental Corps units numbering 304, 4 Veterinary Corps units numbering 118, 9 Ordnance units numbering 827, and 1 Chemical Warfare Service unit numbering 143. The Reserve Officers' Training Corps as a whole accordingly has a student strength of 113,315, in 320 units maintained in 228 institutions throughout the United States. The instructional and administrative work involved in the institutional operation of the Reserve Officers' Training Corps system for the academic year 1934, as shown by War Department figures, is done by 707 Regular Army active officers (including 19 colonels, 48 lieutenant colonels, and 162 majors), 12 warrant officers, 501 noncommissioned officers, and 421 other Regular Army enlisted men, stationed at such institutions. For the fiscal years 1921 to 1934, inclusive, intervening since the passage of the amendatory National Defense Act of June 4, 1920, Congress has expressly appropriated for the maintenance of the Reserve Officers' Training Corps a total of $47,853,932; but of the sum of $3,466,531 so appropriated for the fiscal year 1934 only $2,621,000 became available for obligation in conformity with subsequently imposed restrictions on Federal expenditures.

The Reserve Officers' Training Corps system is in successful operation in all the 49 land-grant colleges within the continental United States. War Department figures show senior division units in these 49 institutions to have a total enrollment of 44,843 for the academic year 1934. The following in respect of senior division enrollment in land-grant colleges is extracted from chapter II, part V, volume II, of United States Department of the Interior, Office of Education Bulletin, 1930, No. 9, entitled "Survey of Land-Grant Colleges and Universities":

> Enrollment in the basic course and military instruction through freshman and sophomore years is required of all physically qualified male students in all land-grant institutions except the University of Wisconsin, in which institution it became optional in 1923 by act of the Wisconsin Legislature. Under the elective system at the University of Wisconsin student enrollment in military education has diminished from 1,528 in 1922–23 to 648 in 1927–28. The prevailing sentiment in the land-grant colleges appears to be strongly in favor of the required feature. The Association of Land-Grant Colleges has declared itself repeatedly in favor of this policy.

All except three of these land-grant colleges are within the War Department category of 114 "civil colleges and universities", class CC, as classified for Reserve Officers' Training Corps purposes.

The eight degree-granting institutions classified by the War Department for Reserve Officers' Training Corps purposes as "military colleges and universities", wherein military discipline is constantly maintained and the entire student body required to pursue military training throughout the course, have a total Reserve Officers' Training Corps enrollment of 5,734 for the academic year 1934. Two of these military institutions—The Citadel, of South Carolina, and Virginia Military Institute—have for their respective executive heads Gen. Charles P. Summerall, United States Army, and Maj. Gen. John A. Lejeune, United States Marine Corps. Three of the same—Agricultural and Mechanical College, of Texas; Clemson Agricultural College, South Carolina; and Virginia Agricultural and Mechanical College and Polytechnic Institute—are land-grant colleges.

To the organized peace establishment erected by section 3 of the amended National Defense Act, the Reserve Officers' Training Corps is indispensable as a personnel replacement source. For example, War Department figures show that in the 14-year period from 1920 to 1933, inclusive, a total of 65,247 of a grand total of 66,063 graduates of the Reserve Officers' Training Corps were duly commissioned in the Officers' Reserve Corps. Also, the thousands Reserve Officers' Training Corps members whose military training ended with the senior division basic course or junior division course, and who consequently have not qualified for appointment in the Officers' Reserve Corps are not lost to national defense, as the training they have undergone fits them for service as noncommissioned officers in the National Guard and Organized Reserves, and in the emergency forces in time of war.

Touching the individual benefits resulting from Reserve Officers' Training Corps instruction, the following summary of opinions of Reserve Officers' Training Corps graduates is illuminating. It is the upshot of a study of about 10,000 returns to about 16,000 questionnaires mailed to Reserve Officers' Training Corps graduates by the Commissioner of Education, Department of the Interior, in 1931. The inquiry embraced the 1920 to 1930 classes of 54 selected institutions in 39 States and the District of Columbia, and the study is from the pen of Lt. Col. Ralph Chesney Bishop, Field Artillery Reserve. An analysis of the replies of about 10,000 graduates made by Colonel Bishop was published as United States Department of the Interior, Office of Education, Pamphlet (1932) No. 28, entitled "A Study of the Education Value of Military Instruction in Universities and Colleges", which includes a most valuable summary thus formulated:

> 1. The volume of opinions drawn from more than 10,000 college graduates who completed the R.O.T.C. course in military science and tactics gives full recognition to the educational values derived from the course. This is apparent from the standpoints of both general education and discipline and educational subject matter. The course is recognized for its utility in developing right habits of mind and body and qualities of character that are fully as useful in everyday experience as they are when applied to military objectives.
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> 2. The R.O.T.C. is especially recommended by graduates because it has brought to them a more definite and serious recognition of

a number of the more important duties and responsibilities of a democratic citizenship.

3. Graduates of the R.O.T.C. have come to feel that some college authorities and faculties have not given sufficient recognition to the R.O.T.C. as an educational instrument, largely through a failure to perceive many of the educational values that have been developed through its agency.

4. Although graduates recognize on the whole that military education is equal in quality to that which is academic or professional, they feel that the R.O.T.C. course could be strengthened by better pedagogical training on the part of the teachers of military science, and by their placing greater stress upon the study of principles rather than upon military technique.

5. The graduates would strongly oppose the abolition of military training from institutions of collegiate grade, and are of the opinion that the contribution made by the R.O.T.C. to a young man's general education is sufficient in value to warrant the continuance of the course as a curriculum requirement.

6. Ninety-three and six-tenths percent of the 9,636 replies attest that R.O.T.C. training does not create a militaristic attitude in the minds of those who have experienced it, but that it does furnish graduates with a sense of individual responsibility toward national welfare and security.

The Reserve Officers' Training Corps has emerged from the experimental stage and become a governmental institution vital to national defense.

According to War Department figures, the 50 schools and colleges not connected with the Reserve Officers' Training Corps system, which receive Government aid under the provisions of section 55c of the amended National Defense Act have a total of 12,075 students enrolled for the academic year 1934 in the military training course prescribed by the War Department therefor. There are 45,776 male students matriculated in these 50 institutions. Details to military training duty in some of these section 55c schools are 1 commissioned officer, 2 warrant officers, and 6 noncommissioned officers of the Regular Army. For military supplies and equipment for this class of institutions for the fiscal years 1921 to 1934, inclusive, Congress has expressly appropriated a total of $84,507.

Other reliable data concerning military training in public and private high schools are of interest. Records of the Office of Education, United States Department of Interior, published in Bulletin (1931) No. 20 thereof, show that there were 23,930 public high schools in the United States in 1930 and that reports containing data on military drill were received from 22,237 such schools, which constitute 92.9 percent of the total number thereof. The total male enrollment in the school year 1930 in these 22,237 high schools reporting was 1,991,202. Of these schools a total of 338 offered military drill taken in that year by 57,179 students. The latest school year for which military training statistics relating to private high schools and academies are available is 1928. In that year the total enrollment of male secondary students in 2,448 private high schools and academies reporting to the Office of Education was 128,596; and in 116 of these institutions 16,528 students were enrolled in military drill.

As stately and sturdy as the great oaks about it on the banks of the Ashley stands The Citadel, the military college of South Carolina, a fine example of those military centers of higher learning which provides a sound cultural, vocational, and military education, and so fit their student bodies for peace and war service of fellowman, State, and Nation. The Citadel was established in the city of Charleston as a public military institution of collegiate grade by act of the general assembly of December 20, 1842, graduated its first class of six men in 1846, and continued in successful operation until a few months prior to the fall of Charleston, in February 1865, when the institutional plant and grounds at Marion Square were occupied by Federal troops. Within this period of 22 years The Citadel had graduated 240 men. Of this number about 200 were officers in the Confederate service in the Civil War, 43 of whom were killed in action. But this resplendent record by no means includes the full contribution of trained man power made by The Citadel to the Confederate cause. At least reference must be made to the first hostile shot of the Civil War fired on January 9, 1861, by a detachment of Citadel cadets, commanded by a Citadel graduate, manning a battery of 24-pounders on Morris Island. The accomplished objective was to drive off the steamer *Star of the West*, then attempting the relief of Fort Sumter. On several other occasions during the Civil War The Citadel cadets as part of the military organization of the State were ordered to emergency duty in the field. The general assembly, after the reconstruction period, made provision for the reopening of this institution on October 1, 1882, which thereupon enrolled 189 cadets, and has ever since prospered.

In 1910 that body declared its title to be "the Citadel, the military college of South Carolina"; and in 1919 and 1920 made the necessary appropriations for its relocation on the banks of the Ashley River. It now has a student enrollment of 600 and a faculty of 40 members, including 7 Regular Army active officers detailed to the department of military science and tactics to conduct military training required of all students who live in cadet barracks under discipline similar to that enforced at West Point. Such training is provided in 2 units of the Reserve Officers' Training Corps, 1 infantry and 1 coast artillery. Upon satisfactory completion of required work therefor, The Citadel awards the degrees of bachelor of science, bachelor of arts, and civil engineer. The State of South Carolina makes annual provision for the support of 78 Citadel cadets, these scholarships being awarded by competitive examination as vacancies occur in the various counties.

The past gives assurance that the Citadel will continue to produce leaders of men in peace and war with that mind and character equipment which is the ultimate reliance of the State. Ninety-six graduates now hold commissioned office in the Regular Establishments of the land and naval forces, and the great majority of graduates in recent years who are physically qualified are members of the Officers' Reserve Corps of the Army. In 1918 there were 624 living graduates of military age, of which number 325 had World War service as commissioned officers.

SOLDIERS AS TEACHERS

Many American soldiers have contributed of their time and talents to the uplifting of their respective generations by teaching. I have not undertaken to make an exhaustive list, but hastily recall to memory the case of Thomas Jonathan Jackson (popularly known as "Stonewall"), who taught in the Virginia Military Institute many years prior to the opening of hostilities between the States of the North and the States of the South. In like manner William T. Sherman became the first president of the college established by the State of Louisiana near Alexandria, and this institution has been later developed into the Louisiana State University, located at Baton Rouge. General Sherman resigned his place as the president of this institution upon the secession of the several Southern States and had a most conspicuous career as an officer in the Army, not only during hostilities but thereafter up to the date of his death. After the great conflict known as the "War between the States" had ended, Gen. Robert E. Lee, a soldier and a citizen "without fear and without reproach", became the president of what was then called Washington College—now Washington and Lee University—a small and struggling institution at Lexington, Va., and there he labored with great success in helping to heal the wounds between the sections by inspiring all the young men who came under his influence to lend their best services to the rebuilding not only of the South but of the entire Nation, and there his body lies in peace and in honor, a shrine for every patriot in the land. So, Gen. Stephen D. Lee became the head of the Agricultural and Mechanical College in the State of Mississippi and rendered signal service to that State, and to the country, by his energy and inspiring example.

I am happy to mention that a private soldier, William Moffatt Grier, some years after the close of that sectional struggle, became the president of Erskine College at Due West, S.C., and his name is held in precious memory by thousands throughout the South who came under both direct and indirect influence of his patriotic example and Christian character. So Col. Asbury Coward became president of The Citadel, the military college of South Carolina, at Charleston, and his work there has contributed to the

making of hundreds of stalwart and staunch leaders in every line of human endeavor. In like manner I rejoice to record that after the close of that tragic era at Appomattox, Maj. Benjamin Sloan, a graduate of the United States Military Academy and distinguished as an artilleryman in Lee's army, gave his talents and his long life to the service of South Carolina in teaching at the South Carolina University and for several years was its beloved and honored president.

SOLDIERS OF THE WORLD-WAR PERIOD

I have not tried to make a check of all of the soldiers who distinguished themselves in the World War that are now conspicuous as teachers, but hastily record those who come first to memory. I am quite sure there must be scores, if not hundreds, throughout the country following the examples of Jackson, Sherman, Lee, and others. But most notable are the cases of Maj. Gen. John A. Lejeune and Gen. Charles P. Summerall.

After the retirement of General Lejeune as Commandant of the United States Marine Corps, he accepted the superintendency of the Virginia Military Academy at Lexington, and there he has continued in a station of great usefulness to inspire the lives of young men to do noble deeds by rendering patriotic service to the State and Nation.

In like manner, when Gen. Charles P. Summerall retired after having served as Chief of Staff of the United States Army, he was offered and accepted the presidency of the South Carolina College at Charleston, S.C., called for a long time "The Citadel." I never knew General Summerall until he came to Washington to assume the responsible station of Chief of Staff, but I knew his reputation as a soldier and as a leader and commander of other American soldiers upon the battlefield. I have heard many other distinguished American officers who won laurels with our armies in France testify that the career of General Summerall as the commander of troops in the actual conflict is unrivaled and unsurpassed in the American Army. This is what one would expect who knows the background of General Summerall.

Great men usually draw their greatness from the minds and hearts of their mothers. I have the testimony of many witnesses and of strong corroborating circumstances that the mother of General Summerall was a woman of rare talents, with a character as true and as pure as a vestal virgin, and with a mind as clear as the sunlight itself. For several years before her marriage to an ex-Confederate soldier she taught in the country schools of Abbeville and Laurens Counties, and wherever she taught, she left memories that grew more precious with the passing years.

On one occasion I saw four ladies, all of them about 90 years old or more, gathered in one room, all of whom had been pupils while little girls in a school taught by General Summerall's mother, née Miss Pelot. One of them had an oldtime autograph album with a verse composed and written by her teacher, Miss Pelot, expressing the noblest sentiments in purest form of Spencerian penmanship. Another told of the many moral maxims that Miss Pelot impressed upon all of her pupils, and how they lingered in memory throughout life. Another produced an oldtime lap writing desk that had been the gift by Miss Pelot to the mother of the possessor of this precious heirloom. Still the fourth, with cracked voice sang a precious song composed and set to music by Miss Pelot herself. But that voice was prompted by a heart filled with loving memory, and those tones brought tears to every eye in that room. From such mothers great men come, and it is no wonder to those of us who have later learned from what material of mind and spirit General Summerall proceeds, that he has climbed by his own unaided efforts and solely upon the basis of merit to the highest pinnacle in the Army of our great Republic.

Furthermore, after General Summerall had retired from the Army with at least a recompense in the form of retired pay for the remainder of his days, it was no surprise that he responded to the call of the citizens of the native State of both his mother and his father and went to South Carolina to head her great military college. Great as have been the services of General Summerall from the days that he was commissioned as second lieutenant in the Army until his final retirement with the rank of a full general, yet I believe that the crowning glory of all of his life's activities will be his work as president of The Citadel. Here he will be in daily and intimate contact with the lives of hundreds of young men, 90 percent of whom are certain to become leaders in their respective communities and in their several callings. Long, long years after the soul of General Summerall shall have joined his sainted mother in the spirit world these young men, and doubtless their sons and grandsons, will be inspired to noble living and heroic action by the example of this now great teacher, who was formerly a great soldier. Outside of inheriting a sound body and a sound mind with noble impulses, and in addition to enjoying the family environment and example of honorable living and patriotic service, the greatest influence that can come into the life of any person is to be under the guidance and subject to the leadership of a truly great teacher. Men become great teachers not merely because of the knowledge they possess but more especially because of the principles of character and of right living that possess them. Happy is the man or woman who can look back through the years to the days in school or in college when he or she was directed and guided not only by the instruction but by the example of a truly noble and unselfish teacher. Such is the case of General Summerall, and I rejoice in the opportunity I have of recording my gratitude to him for the service he is rendering our State and our country.

TAX EXEMPTION OF PROPERTY OF THE NATIONAL SOCIETY OF THE SONS OF THE AMERICAN REVOLUTION

Mr. PALMISANO. Mr. Speaker, I call up the bill (H.R. 6037) to exempt from taxation certain property of the National Society of the Sons of the American Revolution.

The Clerk read the bill, as follows:

Be it enacted, etc., That all property belonging to, or held by, the National Society of the Sons of the American Revolution in the District of Columbia, used and occupied by that society, so long as the same is owned and occupied, be exempt from taxation, national and municipal.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NEEDY BLIND OF THE DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I call up the bill (H.R. 8517) to provide for needy blind persons of the District of Columbia.

The bill is as follows:

Be it enacted, etc., That the Board of Public Welfare of the District of Columbia (hereinafter called the "Board") is hereby authorized and directed to enforce the provisions of this act for the purpose of maintaining, supporting, and caring for needy blind persons, residents of the said District of Columbia, citizens of the United States, and not inmates of any institution supported in whole or in part by the Federal or District Governments, and said Board shall have the power, subject to the approval of the Commissioners of the District of Columbia (hereinafter called the "Commissioners"), to make and enforce all proper rules and regulations therefor, and said Board shall create a new subdivision which shall be devoted exclusively to the carrying out of the provisions of this act.

SEC. 2. As used in this act, the term "needy blind person" shall be construed to mean any person who by reason of the loss or impairment of eyesight is of such condition that he cannot be rehabilitated for self-support through the facilities offered by the District rehabilitation service of the Federal Board for Vocational Education, and who is unable to provide himself with the necessities of life and who has not sufficient means of his own to maintain himself and who is otherwise qualified as further set forth in this act.

SEC. 3. In order that any person who shall have become blind while a resident of the District of Columbia may be entitled to aid under the provisions of this act such person must be at least 16 years of age and a resident of the District of Columbia for 1 year next preceding his application for aid hereunder: *Provided*, That in order that any person whose blindness originated while he was not a resident of the District of Columbia may be entitled to aid hereunder, such person must be at least 21 years of age and must have been a bona fide resident of the District of Columbia for a period of 7 years immediately preceding the filing of his application for aid hereunder: *And provided further*, That nothing in this act shall be construed to repeal or render void, so far as blind persons are concerned, any existing statutes which create or define a liability on the part of certain persons to support and provide for poor relatives.

SEC. 4. To receive aid under this act, the applicant shall file his application with the Board, accompanied by an affidavit signed by himself stating his age, sex, places of residence during the period stipulated in the District of Columbia, his financial resources, and incomes, the name and address of his next of kin, degree of blindness, how long blind, what employment he has had, his general physical condition, and such other information as the Board may designate.

SEC. 5. No aid shall be granted hereunder until the Board is satisfied from the evidence of at least two reputable citizens of the District of Columbia that they know the applicant has the residential qualifications to entitle him to the aid asked for, and from the evidence of a duly licensed and practicing physician whose duty it shall be to describe the condition of the applicant's eyes and to testify to his blindness, which evidence shall be in writing subscribed to by such witnesses, subject to the right of cross-examination by either the Board or the Commissioners; and if the Board is satisfied by such testimony that the applicant is entitled to aid hereunder, it shall, without delay, allow such sum as it finds needed: *Provided, however,* That the yearly income of the applicant from all sources taken together with the aid granted shall not exceed $1,200: *Provided further,* That the Board shall transmit to the Commissioners a record of their actions in granting or refusing to grant aid to each blind applicant, and any blind applicant who is dissatisfied with the finding of the Board regarding his application for aid, may appeal to the Commissioners who shall now consider the application and if two of the Commissioners shall find that the applicant is entitled to aid under the provisions of this act, they shall then and there award such aid as they deem proper: *Provided, however,* That the total yearly income of the applicant together with the award shall not exceed $1,200, and the Board shall pay immediately to the applicant blind person the sum awarded by the said Commissioners.

SEC. 6. The Board shall investigate semiannually, or oftener, the qualifications of blind persons who receive aid hereunder, and may increase or decrease the allowance within the limits prescribed by the act; or if said Board is satisfied that any person on the list is not entitled to aid hereunder, they shall strike off and entirely remove him from said list, and shall forthwith notify the Commissioners of such action: *Provided, however,* That the person heretofore receiving aid may take an appeal to the Commissioners from such action as if it were an original application for aid: *And provided further,* That such an appeal must be filed within 30 days from the notification by the Board to the beneficiary hereunder of the intended reduction or discontinuation of aid, and no reduction or discontinuance of aid shall be operative until after rendition of the findings of the Commissioners on said appeal.

SEC. 7. No person shall be eligible to receive aid under the provisions of this act who, after receiving said aid publicly solicits alms in any manner, either by wearing, carrying, or exhibiting signs denoting blindness for the securing of alms, or by any signs calling attention to blindness exhibited on wares and merchandise, or the carrying of receptacles for the purpose of securing alms, or the doing of the same by proxy, or by stationary or house-to-house begging, or any other means of publicly securing aid.

SEC. 8. Any person qualifying for and receiving aid hereunder who removes himself from the jurisdiction of the District of Columbia and thereby ceases to be a resident, shall no longer be entitled to the benefits and aid under the provisions of this act, but temporary absence for a reasonable length of time shall not work a forfeiture hereunder, when such prolonged absence is caused through illness.

SEC. 9. The benefits hereof shall not be granted to any person between the ages of 16 and 55 years who, having no occupation and being both physically and mentally capable of some useful occupation, or of receiving vocational or other training, refuses for any reason to engage in such useful occupation, or refuses to avail himself of such vocational or other training, or unless for good cause shown signifies his willingness and readiness to enter upon a course of such vocational or other training within a reasonable time: *Provided,* That no person shall be entitled to the benefits of this act who shall refuse to submit to any treatment or operation to effect a cure when such treatment or operation is recommended by an examining oculist and approved by the Board.

SEC. 10. Relief under this act shall be denied whenever a person who is blind or partially blind within the definitions of this act is married to another who is also blind or partially blind, unless one shall not have been blind or partially blind at the time of the marriage, or unless they shall have been married for 2 years prior to the passage of this act; and where relief has already been granted, such relief to one shall be discontinued whenever a person who is blind or partially blind within the definitions of this act is married to another who is also blind or partially blind, and the maximum paid under this act for their joint care and support and relief shall not exceed the sum of $600 annually; but in the event the marriage is already entered into for 2 years at the time of the passage of this act, or that either was not blind or partially blind at marriage, such persons shall each be permitted to file his and her application: *Provided,* That no person shall benefit under the provisions of this act who hereafter shall enter into marriage with an indigent person until the marital relations are terminated in a manner recognized by law.

SEC. 11. No person shall be eligible to the benefits of this act who shall hereafter either intentionally deprive himself of his eyesight or assist in the destruction thereof by others; or hereafter shall lose his eyesight during the perpetration of a criminal offense; or shall hereafter lose his eyesight by reason of vicious habits; or through hereafter indulging in so-called "alcoholic beverages"; *Provided,* That no payment of any money shall be made under this act for the care or relief of any blind person who has for 5 years preceding his blindness or loss of sight been dependent upon public relief unless such dependency shall have been caused through physical or mental incapacity.

SEC. 12. Whenever it appears after the death of any unmarried person who has received aid under this act that his estate, after deducting the exemptions allowed by law, has property over and above a sufficient amount to pay the expenses of his last illness and burial, such property shall be charged with the amount paid to such person during his lifetime; and claim may be filed against his estate for the recovery of the said amount, and an action may be brought in the name of the District of Columbia by the corporation counsel to recover the same, and the statute of limitations shall not be computed until after the death of the person receiving aid as above provided.

SEC. 13. Any person who attempts to obtain, or obtains, by false representation, fraud, or deceit, any allowance under this act, or who receives any allowance knowing it to have been fraudulently obtained, or who aids or assists any person in obtaining or attempting to obtain an allowance by fraud, shall be punished by a fine of not more than $500 or by imprisonment for not more than 1 year, or by both such fine and imprisonment.

SEC. 14. In order to carry out the provisions of this act there is authorized to be appropriated for the fiscal year ending June 30, 1934, the sum of $75,000, payable from the revenues of the District of Columbia, and for the fiscal year ending June 30, 1935, and annually thereafter, the Commissioners shall include in the estimate of appropriations for said District of Columbia, such an amount as may be necessary for this purpose; and the Commissioners, upon nomination by the Board, shall appoint a supervisor and such additional personnel as may be necessary to administer this act, at such salaries as may be fixed for similar services by the provisions of the Classification Act of 1923; and such employees may be removed by the Commissioners upon recommendation of the Board: *Provided,* That whenever necessary said Board shall appoint an acceptable member of the personnel to stand in loco parentis to any minor qualifying for aid hereunder.

SEC. 15. The provisions of this act are to be liberally construed to effect its objects and purposes, and if any section, subsection, or subdivision of this act is for any reason held to be unconstitutional, such decision shall not affect the validity of such remaining portions of this act.

With the following committee amendments:

Page 2, section 3, line 18, strike out "sixteen" and insert "nineteen" in lieu thereof.

Page 4, section 5, line 3, beginning with the word "*Provided*", strike out all to and including "$1,200" in line 6. Strike out the word "*further*" in said line 6.

Page 4, section 5, line 15, strike out lines 15, 16, 17, and 18.

Page 6, section 10, strike out all of said section 10, and renumber following sections.

Amend the numbers of the sections.

Mr. PATMAN. Mr. Speaker, I want to ask the chairman of the committee a few questions for the RECORD. This bill is to pension needy blind in the District of Columbia. There are 157 blind in the District and 63,487 in the United States. I wish this law could be made to include all of them. What age must a blind person be to be eligible under this bill?

Mr. KELLY of Pennsylvania. I will answer the gentleman, if he will permit. I will say that extensive hearings were held by the subcommittee, and 60 representatives of the blind and social-service agencies appeared. The age limit is 19 where the person became blind while in the District of Columbia, and 21 where the blindness occurs outside.

Mr. PATMAN. How long must a person who received his blindness remain in the District to be eligible for relief?

Mr. KELLY of Pennsylvania. A person who becomes blind outside the District must have attained the age of 21. A person who shall have become blind while a resident of the District of Columbia must be at least 19 years of age, and a resident for 1 year preceding his application.

Mr. PATMAN. What if a blind person moves to the District now? How long will he have to remain here before he is eligible for this relief?

Mr. KELLY of Pennsylvania. Seven years.

Mr. PATMAN. In excess of what amount of property or income would prohibit a person receiving a pension?

Mr. KELLY of Pennsylvania. He must be totally unable to take care of himself in providing the necessaries of life. The payment depends upon the actual need.

Mr. PATMAN. How much will be the amount?

Mr. KELLY of Pennsylvania. The amount is left to the Board of Welfare. Therefore, there would be varying amounts paid according to need.

Mr. PATMAN. How many States have relief for the blind now?

Mr. KELLY of Pennsylvania. There are 26 States, and payments range from $300 up to $600 for the individual. This bill provides a varying scale and would not likely average more than $400.

Mr. PATMAN. In the case of veterans in any public institution supported by public funds they do not receive a pension in excess of $6 a month, if it is nonservice connected, or $15 a month if it is service connected. Is there any provision in this law in regard to pensioning those who are taken care of in homes?

Mr. KELLY of Pennsylvania. Yes. As long as they remain within the institution they do not come under the provisions of this act.

Mr. PATMAN. As long as they are taken care of otherwise?

Mr. KELLY of Pennsylvania. That is right.

The SPEAKER. The question is on the committee amendments.

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JENNIE BRUCE GALLAHAN

Mr. PALMISANO. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 2035) for the relief of Jennie Bruce Gallahan.

The SPEAKER. Is there objection to the request of the gentleman from Maryland [Mr. PALMISANO]?

Mr. PATMAN. Reserving the right to object, I want to ask the gentleman a question about this bill.

What is this bill for?

Mr. PALMISANO. It is to pension the widow of Lieutenant Gallahan, in the fire department, who was killed in the discharge of his duties.

Mr. PATMAN. Is the widow drawing a pension now?

Mr. PALMISANO. I understand so; yes.

Mr. PATMAN. How much?

Mr. PALMISANO. I do not know quite what the pension is.

Mr. PATMAN. Is it $60 a month?

Mr. PALMISANO. I do not know.

Mr. PATMAN. Well, who does know?

Mr. PALMISANO. The gentleman has made a study of it and he probably knows. I do not know what it is.

Mr. PATMAN. I thought it was $60, but I did not want to be too sure about it. Although it seems to be a very deserving and meritorious case and we would like to give all widows a lump sum of five or ten thousand dollars, still, does not the gentleman thinks it might be setting a precedent that will lead to a large number of claims for similar reasons? If I understand this correctly, this is a precedent. This has never been done before.

Mr. PALMISANO. This is an exceptional case where a lieutenant left a wife and two children. Certainly, the widow cannot educate her two children on $60 a month. This was an exception, to pay the funeral charges and other expenses incurred.

Mr. PATMAN. This is to pay $5,000 extra?

Mr. PALMISANO. That is all; yes.

Mr. PATMAN. Considering the fact that a widow who lost her husband on the battlefield, while fighting for his country, can only receive $30 a month, does not the gentleman think that this lady, the widow of an employee of the fire department, is pretty well taken care of when she receives twice that much?

Mr. PALMISANO. Oh, the family of a man who is killed in the discharge of his duty, whether on the battlefield or whether in the District of Columbia, to my mind ought to have consideration. We have passed today a bill to take care of war orphans. We made special reference to that. We do that regularly. It seems to me in a case of this kind we ought to do something to permit this widow to educate her children. This is the only object of asking to pass this bill.

Mr. PATMAN. The gentleman will admit that it is establishing a precedent?

Mr. PALMISANO. I understand it is; yes.

Mr. PATMAN. When there are other cases just like this, where a man has been killed in the performance of his duty and his widow is receiving a pension of $60 a month, will the gentleman be for allowing a lump sum of $5,000 in each case?

Mr. PALMISANO. I think every case should stand on its own merits. If the circumstances in the case justify it, I would support it.

Mr. PATMAN. When did this death occur?

Mr. PALMISANO. I do not know. The gentleman from Texas knows.

Mr. PATMAN. No; I do not know or else I would not have asked the question.

Mr. PALMISANO. This bill has passed the Senate on one or two occasions. This man was killed in 1927.

Mr. PATMAN. Of course, I do not want to take the responsibility of depriving this widow of any sum of money. I presume that one should take that responsibility since it is a precedent that has never been set by this Government in any other case, but since I do not have all the facts I will give the committee reporting the bill the benefit of the doubt. It will probably call for all kinds of claims in the future. If we carry out this precedent, it occurs to me we will pay the widows of all employees in Government service or in the fire department or any other service at least $5,000. That is the precedent that is involved, the way I see it. If the gentleman wants to do it, I cannot stop him. One objection will not be sufficient, and I seem to be the only member of the committee questioning the wisdom of this payment.

Mr. PALMISANO. I do not think this will set any precedent.

The SPEAKER. Is there objection to the request of the gentleman from Maryland [Mr. PALMISANO]?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Jennie Bruce Gallahan the sum of $5,000 as compensation for the death of her husband, Samuel L. Gallahan, late lieutenant, District of Columbia fire department, which occurred while he was engaged in the performance of his duties: *Provided*, That such sum shall be in addition to any payments heretofore or hereafter received from the policemen and firemen's relief fund, District of Columbia, on account of such death.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PROMOTION IN THE LINE OF THE NAVY

Mr. VINSON of Georgia submitted the following conference report on the bill (H.R. 9068) to provide for promotion by selection in the line of the Navy in the grades of lieutenant commander and lieutenant; to authorize appointment as ensigns in the line of the Navy all midshipmen who hereafter graduate from the Naval Academy; and for other purposes.

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9068) to provide for promotion by selection in the line of the Navy in the grades of lieutenant commander and lieutenant; to authorize appointment as ensigns in the line of the Navy all midshipmen who hereafter graduate from the Naval Academy; and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 2, and 3.

That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with amendments as follows: On page 3, line 10, of the engrossed bill, strike out the following: "word 'hereafter'," and insert in lieu thereof the following: "words 'in 1934 and hereafter.'"

On page 3, line 13, of the engrossed bill, before the word "may", insert the following: "and whether they have since been married or not."

On page 4, line 3, of the engrossed bill, after the word "who", insert the following: "in 1934 and."

And the Senate agree to the same.

CARL VINSON,
P. H. DREWRY,
FRED A. BRITTEN,
Managers on the part of the House.

DAVID I. WALSH,
FREDERICK HALE,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9068) to provide for promotion by selection in the line of the Navy in the grades of lieutenant commander and lieutenant; to authorize appointment as ensigns in the line of the Navy all midshipmen who hereafter graduate from the Naval Academy; and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

On amendments nos. 1, 2, and 3: Provides for the retirement of officers in the grades of lieutenant and lieutenant (junior grade), who are not selected for promotion, as proposed by the House, instead of carrying officers in the grade of lieutenant, who are not selected for promotion, on the active list as extra numbers in grade, as proposed by the Senate.

On amendments nos. 4 and 5: Extends from June 1, 1934, to August 1, 1934, the time in which appointments may be issued as ensigns to midshipmen graduating in 1933, not then commissioned and who may now qualify, as proposed by the Senate; also, corrects the text with respect to former midshipmen who have married and makes certain that all midshipmen of the class about to be graduated, as well as all future graduates, may be appointed as ensigns in the line of the Navy.

CARL VINSON,
P. H. DREWRY,
FRED A. BRITTEN,
Managers on the part of the House.

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill H.R. 9068.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. Without objection, the Clerk will read the statement in lieu of the report.

There was no objection.

The Clerk read the statement.

The conference report was agreed to.

A motion to reconsider was laid on the table.

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent to print in the RECORD at this point the bill H.R. 9068 as agreed to in conference.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The bill is as follows:

H.R. 9068

An act to provide for promotion by selection in the line of the Navy in the grades of lieutenant commander and lieutenant; to authorize appointment as ensigns in the line of the Navy all midshipmen who hereafter graduate from the Naval Academy; and for other purposes

Be it enacted, etc., That except as otherwise provided in this act, the provisions of existing law with reference to promotion by selection in the line of the Navy and the retirement of officers who are not on the promotion list or who are found not professionally qualified are hereby extended to include and authorize promotion to the grades of lieutenant commander and lieutenant, and the retirement of lieutenants and lieutenants (junior grade). The number to be recommended for promotion to each such grade and to be placed upon the promotion list shall be furnished the selection board for that grade by the Secretary of the Navy and shall be the number of existing vacancies in the grade concerned plus such additional number, if any, as the needs of the service may require.

SEC. 2. That lieutenants (junior grade) who on June 30 of the year of the convening of the board shall have had 3 years' service in the grade of junior lieutenant shall be eligible for consideration for selection for promotion to the next higher grade.

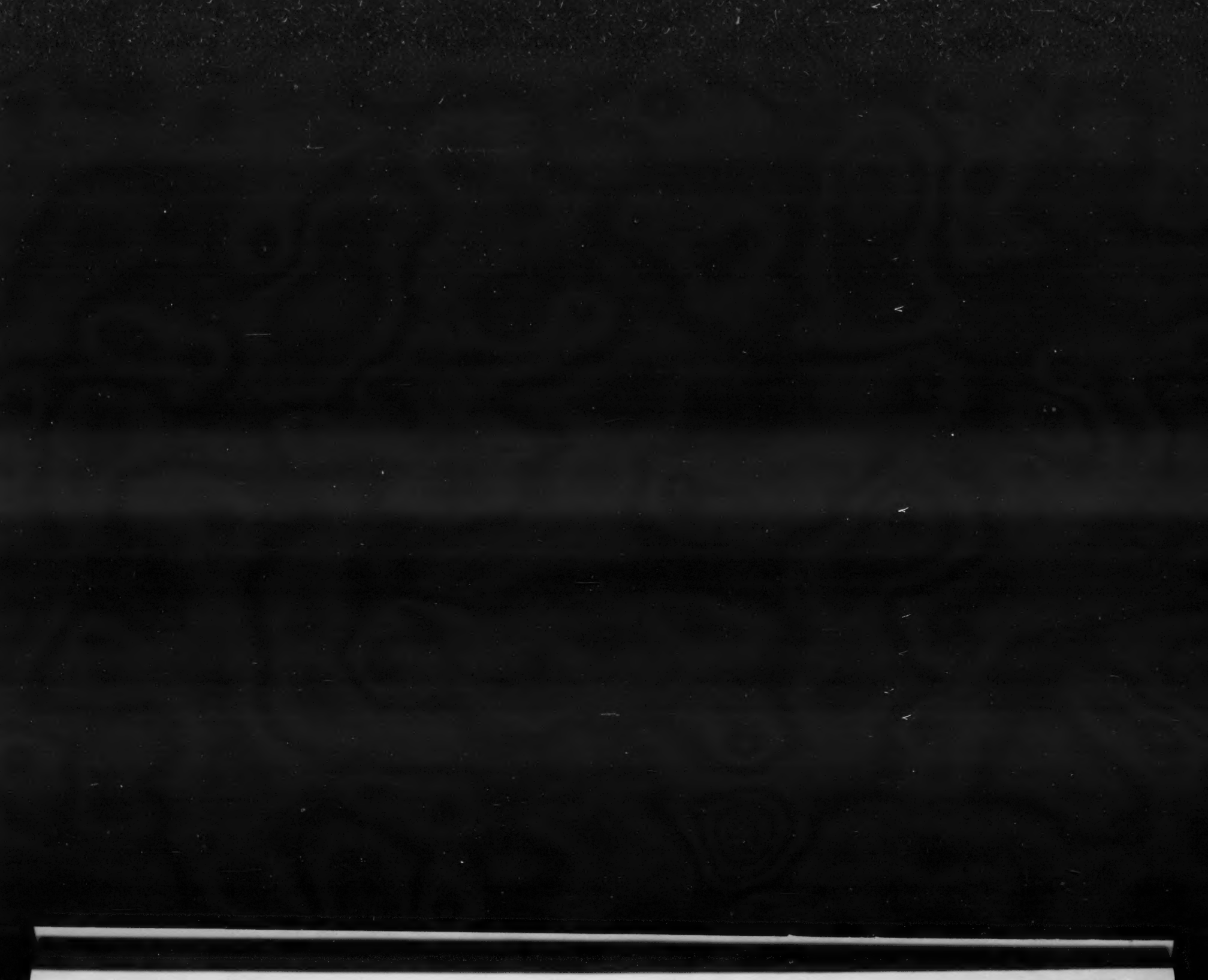
SEC. 3. That the board for the recommendation of line officers for promotion to the grades of lieutenant commander and lieutenant shall consist of nine officers on the active list of the line of the Navy above the rank of commander, not restricted by law to the performance of shore duty only, at least one of whom shall be a rear admiral.

SEC. 4. That for the purpose of extending section 3 of the act of March 3, 1931 (46 Stat. 1483; U.S.C., Supp. VII, title 34, sec. 286a), to officers below the rank of lieutenant commander, the said section is amended so that the length of service therein prescribed shall be 14 years for lieutenants and 7 years for lieutenants (junior grade): *Provided*, That no officer of said rank shall become so ineligible prior to June 30 of the second calendar year following the date of this act: *And provided further*, That the restriction on the number of involuntary transfers in any fiscal year to the retired list prescribed in section 7 of the act of March 3, 1931 (46 Stat. 1484; U.S.C., Supp. VII, title 34, sec. 286e), shall not apply to the grade of lieutenant and lieutenant (junior grade).

SEC. 5. That section 1 of the act approved May 6, 1932 (47 Stat. 149; U.S.C., supp. VII, title 34, sec. 12), is hereby amended by inserting the words "in 1934 and hereafter" after the words "midshipmen who", and the words "*Provided*, That all former midshipmen graduated in 1933 who received a certificate of graduation and honorable discharge and whether they have since been married or not may, upon their own application, if physically qualified, and under such regulations as the Secretary of the Navy may prescribe, be appointed as ensigns prior to August 1, 1934, by the President, and shall take rank next after the junior ensign appointed in 1933 and among themselves in accordance with their proficiency as shown by the order of merit at date of graduation: *And provided further*," after the words "Naval Academy", and by striking out "in 1932, and at least 50 percent of all graduates in subsequent years: *Provided*", so that as amended the said section will read as follows:

"That the President of the United States is authorized, by and with the advice and consent of the Senate, to appoint as ensigns in the line of the Navy all midshipmen who in 1934 and hereafter graduate from the Naval Academy: *Provided*, That all former midshipmen graduated in 1933 who received a certificate of graduation and honorable discharge and whether they have since been married or not may, upon their own application, if physically qualified, and under such regulations as the Secretary of the Navy may prescribe, be appointed as ensigns prior to August 1, 1934, by the President, and shall take rank next after the junior ensign appointed in 1933 and among themselves in accordance with their proficiency as shown by the order of merit at date of graduation: *And provided further*, That the number of such officers so appointed shall, while in excess of the total number of line officers otherwise authorized by law, be considered in excess of the number of officers in the grade of ensign as determined by any computation, and shall be excluded from any computation made for the purpose of determining the authorized number of line officers in any grade on the active list above the grade of lieutenant (junior grade) until the total number of line officers shall have been reduced below the number otherwise authorized by law."

SEC. 6. That hereafter any staff officer on the active list below the rank of lieutenant commander shall be advanced to the next higher rank in his corps when the running mate of such staff officer or an officer junior to such running mate has been promoted to that higher rank in the line of the Navy or when a vacancy in that rank exists in the line of the Navy which will in due course be filled by the promotion of his running mate or an officer junior to his running mate: *Provided*, That such staff officer is found qualified in accordance with law for such advancement. The provisions of law relating to the advancement



of staff officers now embodied in sections 255, 321, and 348r (supp. VII) of title 34, United States Code, are hereby amended in accordance with this section.

PERMISSION TO ADDRESS THE HOUSE

Mr. CONNERY. Mr. Speaker, I ask unanimous consent that I may be permitted to address the House for 30 minutes tomorrow after the disposition of the business on the Speaker's table and immediately following the gentleman from Texas [Mr. TERRELL].

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—TAX ON PHILIPPINE COCONUT OIL (H.DOC. NO. 388)

The SPEAKER laid before the House the following message from the President of the United States, which was read, referred to the Committee on Ways and Means, and ordered printed:

To the Congress of the United States:

Early in the present session of the Congress the Philippine Independence Act was passed. This act provided that after the inauguration of the new interim or commonwealth form of government of the Philippine Islands trade relations between the United States and the Philippine Islands shall be as now provided by law. Certain exceptions, however, were made. One of these exceptions required levying on all coconut oil coming into the United States from the Philippine Islands in any calendar year in excess of 448,000,000 pounds, the same rates of duty now collected by the United States on coconut oil imported from foreign countries.

It is, of course, wholly clear that the intent of the Congress by this provision was to exempt from import duty 448,000,000 pounds of coconut oil from the Philippines.

Later in the present session the Congress, in the revenue act, imposed a 3-cent-per-pound processing tax on coconut oil from the Philippines. This action was, of course, directly contrary to the intent of the provision in the independence act cited above.

During this same period the people of the Philippine Islands, through their legislature, accepted the provisions of the independence act on May 1, 1934.

There are three reasons why I request reconsideration by the Congress of the provision for a 3-cent-per-pound processing tax:

First. It is a withdrawal of an offer made by the Congress of the United States to the people of the Philippine Islands.

Second. Enforcement of this provision at this time will produce a serious condition among many thousands of families in the Philippine Islands.

Third. No effort has been made to work out some form of compromise which would be less unjust to the Philippine people and at the same time attain, even if more slowly, the object of helping the butter- and animal-fat industry in the United States.

I therefore request reconsideration of that provision of the revenue act which relates to coconut oil in order that the subject may be studied further between now and next January and in order that the spirit and intent of the independence act be more closely followed.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *May 28, 1934.*

VETO MESSAGE—THE LATE BRIG. GEN. ROBERT H. DUNLAP (H.DOC. NO. 387)

The SPEAKER laid before the House the following message from the President of the United States:

To the House of Representatives:

I return herewith, without my approval, H.R. 276, entitled "An act to authorize the placing of a bronze tablet bearing a replica of the Congressional Medal of Honor upon the grave of the late Brig. Gen. Robert H. Dunlap, United States Marine Corps, in the Arlington National Cemetery, Va."

The bill authorizes the placing of a bronze tablet bearing a replica of the Congressional Medal of Honor upon the grave of the late Brig. Gen. Robert H. Dunlap, United States Marine Corps, in the Arlington National Cemetery, without expense to the Government.

The existing regulations governing Arlington National Cemetery now permit replicas in bronze of decorations, such as the Congressional Medal of Honor, the Distinguished Service Cross, etc., to be placed within a sunken panel on monuments or headstones erected in Arlington National Cemetery. Bronze tablets to be placed on a grave itself are not authorized under existing regulations. As it is contemplated placing this tablet at no expense to the Government, the purpose desired could be obtained by adhering to the present regulations either by placing a bronze replica of the Medal of Honor in a sunken panel on the headstone now at the grave of Brigadier General Dunlap, or on a larger monument which may be erected at the grave at private expense in accordance with existing regulations.

The bill is objectionable, as it would establish a precedent and show discrimination against other individuals who have received this decoration and who are or may be interred in Arlington National Cemetery.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *May 25, 1934.*

The SPEAKER. The objections of the President will be spread upon the Journal.

Mr. BYRNS. Mr. Speaker, I move that the message of the President and the accompanying bill be referred to the Committee on Naval Affairs and ordered printed.

The motion was agreed to.

LITERARY DIGEST POLL ON THE NEW DEAL

Mr. BRITTEN. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes at this time.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. BRITTEN. Mr. Speaker, my reason for desiring to address the House at this time is to call attention to the manner under which the so-called "new deal" is being approved or disapproved in the Literary Digest poll being made public every week.

To my mind, and I have studied it rather carefully, I do not think there ever was a set-up so perfectly made in advance, so deliberate in its desire, so positive in its effect and results as the one that is being broadcast daily not only by the Literary Digest but by the newspapers of the world as evidence of the backing by the American people of the so-called "new deal." The words "new deal" are used constantly in the Literary Digest articles and are used constantly by the newspapers throughout the country; and, Mr. Speaker, when I say that there never was anything more deliberate, there never was anything more well-defined in advance than this vote on the new deal, I mean literally what I say. The matter was studied in advance for weeks and months, planned to accomplish a certain effect; and it is running true to form; it is accomplishing that effect.

I hold in my hand and show you some of the literature that is being sent out by the Literary Digest to influence the new-deal poll. It is subtle but well done. It has not been treated as if there were 2 candidates or 2 policies presented to the voters; that would be a fair way to obtain the impression of the American people toward the new deal. On the contrary, they send out this pamphlet bearing a fine picture of a handsome President, which no one would feel in the mood to discourage or to treat lightly. With that face on a letter you could accomplish almost anything [applause]; and that is the reason I say, Mr. Speaker, that this poll was so cunningly planned. Instead of mailing out a ballot which spoke for itself, the Digest propagandized the prospective voter with a picture of the President and a letter which in itself practically endorsed the new deal, whatever that might encompass. It was as unfair as the endorsement of but one candidate in an election poll.

The success of the new deal depends almost entirely upon the national approval of the National Industrial Recovery

Act. As N.R.A. stands for Gen. Hugh Johnson, his face should be published in the Digest propaganda and not the President, because, after all, Gen. Hugh Johnson and the N.R.A. are synonymous throughout the country. There is no division between them; they are one.

Mr. BYRNS. Mr. Speaker, will the gentleman yield?

Mr. BRITTEN. I yield.

Mr. BYRNS. The gentleman is complaining on account of the tremendous popularity of the President and because his picture has been placed upon the pamphlet to which the gentleman refers. I grant the gentleman that the President's popularity will carry any proposition that is submitted to the people in his name today. [Applause.]

The gentleman says that General Johnson's picture should be on the pamphlet rather than that of the President because, he claims, that the President had nothing to do with it. I ask the gentleman, Who issued the Executive order under which General Johnson is acting?

Mr. BRITTEN. Aside from the issuance of the Executive order, the President does not know any more about these hundreds of codes than does the gentleman from Tennessee himself.

Mr. BYRNS. The gentleman from Illinois is entirely mistaken about that. The gentleman is making statements that are unsupported by any information he has.

Mr. BRITTEN. Is the gentleman asking me a question?

Mr. BYRNS. No; I am replying to complaints made by the gentleman.

Mr. BRITTEN. I thought the gentleman from Tennessee desired to ask me a question; excuse me.

The truth of the matter is, of course, as the distinguished gentleman from Tennessee indicates, the President did sign these codes; but is there any Member in this House with sufficient gullibility to seriously suggest that the President read them? If he started to read the 435 or more codes, it would take him until a year from next summer to accomplish that feat alone, and then he could not possibly comprehend them. Their operations and effects are so varied.

There is no question but that General Johnson is the N.R.A., and the N.R.A. is General Johnson; and they started to crack up on him on yesterday.

Mr. Speaker, the price fixing, which, under N.R.A. codes has become so common, is not authorized by the terms of the National Industrial Recovery Act. The act provides merely that, when the President finds destructive wage or price cutting, he may issue licenses. The act does not say he may fix prices. On the contrary the Supreme Court has held that price fixing is an "unfair method of competition."

It is true that section 5 of title I of the N.I.R.A. gives temporary exemption from the provisions of the antitrust laws. But, Congress never intended, in granting this exemption, to authorize price fixing. On the contrary, Senator WAGNER, who sponsored the N.I.R.A. bill in the Senate, explained on June 8, 1933:

> I have reiterated on the floor two or three times, and it was stated any number of times in the committee, that prices shall not be fixed, because the fixing of prices is not in conformity with the preservation of fair competition.

So much for that. But there is more. The act specifically forbids monopolies. Monopolies, according to the Supreme Court, are not merely industrial concentrations. Monopolies are also restraint of trade "by means of every contract, combination, and so forth." It is, therefore, unreasonable to assume that Congress in the same act would forbid monopolies and authorize monopolies—that is, combinations under codes to fix prices and restrain trade.

The country is entitled to a clear explanation from the Government on this essential point of law. For if I am correct, not only is current price fixing in the codes illegal, but its beneficiaries are liable to full prosecution under the Sherman Act. However, the gentleman has accomplished his purpose; he has taken me away from my subject matter. [Laughter.]

> Your personal vote is critical and important.
>
> If the majority of the citizens of the United States believe in President Roosevelt's policies, then they should support these policies by a mighty vote of approval.

I wish the Digest would manage my campaign in Chicago next October. I think this is a work of art. If you approve of the President's policies, just put a cross in the square marked in front of the word "yes" and let it be a mighty vote of approval. That language is right under the President's picture.

In another accompanying pamphlet they go on and show pictures of the mighty employers of labor, and the mighty employers of money, who back the new deal. The first name on the list favoring the new deal is Walter C. Teagle, president of the Standard Oil Co. of New Jersey. Let us see what he says:

> It is apparent that President Roosevelt is feeling his way by trial and error to a more equitable distribution of the national income and more power to him. It is the only ultimate insurance of human welfare and community property.

Walter Teagall says that he is looking for an equitable distribution of the income of the country, and that is the wealth of the country. He certainly is looking for distribution of that income. He practices what he preaches. His Standard Oil Co. has raised the price of gasoline three times in the last 90 days. He is distributing the income and wealth by collecting it. Of course, the Standard Oil Co. is for the new deal, because it permits the company to fix prices throughout the United States to the detriment of the little oil producer. What do they care about the consumer, the little man on the street, or the farmer? Let them pay. What do they care about them. The gentleman from California has just shown me a Standard Oil bill coming up next week. I wish I had the time to read it. If I said anything about that bill now, it would be like the fellow in the White House, who signs all these codes without knowing what is in them. No human being could read all of them and know what is in the codes, because he would not live long enough.

The Standard Oil Co. is for this distribution of income, because the new deal permits them to promote their monopoly in violation of existing law.

[Here the gavel fell.]

Mr. BRITTEN. Mr. Speaker, I ask unanimous consent that I may proceed for 10 additional minutes.

Mr. BYRNS. Will not 5 minutes be sufficient? I may say to the gentleman that we have some rules and election contests to take up this afternoon.

Mr. BRITTEN. I was told that the gentleman had but one bill, and was then going to quit. It is only 2 o'clock in the afternoon.

Mr. BYRNS. I shall have to object to 10 minutes. I am willing that the gentleman may have 5.

Mr. BRITTEN. I will go along as rapidly as I can. Mr. Speaker, I ask unanimous consent that I may proceed for 5 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. BRITTEN. The next gentleman whose picture appears for new-deal endorsement and propaganda is Mr. Thomas Lamont, of J. Pierpont Morgan & Co. Why would not Lamont be for the new deal? It would be absurd to suggest that he is not for the new deal. I should like to quote his language because it deals entirely with money, and the gold standard which he figures is still in doubt, but yet he is for the new deal.

> We (the firm of J. P. Morgan & Co.) have not opposed the present administration, but from the very start have cordially supported it. Immediately upon the withdrawal from the gold standard Mr. Morgan issued a public statement—a thing very rare for him to do—upholding the administration's declaration. Members of this firm have since made it clear upon many occasions that we regarded this step as having been of extraordinary benefit to the American people as a whole.

Then Charles M. Schwab, president of the Bethlehem Steel Corporation, is shown here.

> We are all behind the President supporting him, of course. I can't flatter myself that I can read exactly how these innovations—so new to me and my experience in business—will turn out. I have always been an optimist. I am determined to continue an

optimist, even though I don't pretend to be able to size up the wisdom or the unwisdom of all the novel experiments now being tried.

Why would not the big steel companies and the steel people generally be for the new deal? You would examine their heads for lunacy if they were not for the new deal.

Every nail that goes into a farmhouse, every piece of steel that is transported over the United States today moves under a price fixed by the Steel Corporation. It moves under a fixed price set by this tremendous monopoly in distinct violation of existing law.

Then there is Pierre S. du Pont, partner of John Raskob, and chairman of the E. I. du Pont de Nemours Corporation. Why would not Du Pont, with a thousand million back of him in corporation stocks, be for the new deal? He controls General Motors, and I may say also that there is a statement from a General Motors man that I shall refer to in a minute.

I went to Washington thinking that N.R.A. was an upsetting influence in business and in labor conditions. I confess that I have been completely converted. Everyone who goes to Washington learns very quickly the meaning of N.R.A. and becomes enthusiastic.

Of course these men are for the new deal, and everybody who reads their statements before putting a cross in front of "yes" or "no" is impressed by what they say, these great industrial magnates, these men who employ labor by the millions. The suggestion will be made in the press of the country that this poll being conducted by the Literary Digest shows a 2½ or 3 to 1 vote in favor of the President's new deal. [Applause.]

I know what you are applauding. You are applauding the trick that has been put across by the Literary Digest, and I do not blame you. I think it was a very clever piece of politics to send this into the home of an old maid, for instance. Do you think she would vote against anything that this handsome man [holding up a picture of President Roosevelt] sponsored or was apparently sponsoring? [Applause.]

When the Literary Digest printed these pictures of distinguished industrialists and distinguished politicians, you did not see Al Smith's picture included. We all know what he would say about the new deal. You do not see a statement from the distinguished former Senator from Missouri, Mr. Reed. You do not see his picture, and you did not see quoted his impression of the new deal. You did not see the picture of my distinguished friend on the other side of the Capitol, Senator CARTER GLASS, and his impressions of the new deal. They are not printed 15,000,000 times for the benefit of influencing judgment. Oh, no. You did not see anything about the gentleman whom the President himself selected to head a very important board in the N.R.A., Clarence Darrow.

I am told he has a very well-defined idea about this new deal and its manipulation and disastrous effect upon the little business man as well as the consumer.

You do not see anything in there from the Attorney General or from the Federal Trade Commission.

Mr. HENNEY. Does the gentleman endorse Darrow's views?

Mr. BRITTEN. Where he refers to monopolies and price fixing; yes.

Mr. HENNEY. The gentleman is crying because he is not included there.

Mr. BRITTEN. No; I am not crying; I am laughing. This artful method of making people vote the way you want them to would make a horse laugh. [Laughter.]

Mr. HENNEY. The gentleman is referring to the wrong species.

Mr. TRUAX. Will the gentleman yield?

Mr. BRITTEN. No; not now.

The fact of the matter is that under the new deal everybody knows—your Attorney General knows, your President knows, Gen. Hugh Johnson knows, your Federal Trade Commission knows—and they will admit it if questioned—that monopolies have been formed and are operating under a price-fixing code which is destructive of the little business man and destructive of the income of the consumer and is bound to crack up and ultimately destroy the Democratic Party. [Applause.]

Mr. Speaker, the expected cracking-up of the N.R.A. was started today when Gen. Hugh Johnson was authorized by the President to suspend operations of such codes of the service trades and industries as he (Johnson) concluded were not adding to the public welfare or which were not meeting with success and approval of those trades and industries.

By the Executive order General Johnson himself is designated as the sole authority to decide which codes should be scrapped. The hundred or more code authorities now in Washington representing thousands of industries will not be called in to determine for themselves the wisdom of this action nor will they be consulted as to which of the industrial codes should be thrown into the wastebasket. They have not been consulted heretofore, and there is no reason why they should be consulted now.

The next step of the N.R.A. will be to announce that the steel, oil, and practically every other important code is operating in violation of the law in the direct promotion of monopolies which are not only destroying the smaller business man and industrialist but are working a great burden upon the American consumer and farmer.

The N.R.A. law distinctly provides against the setting-up of monopolies, and no one knows this better than the President himself, General Johnson, the Attorney General, and the Federal Trade Commission. Unless price-fixing monopolists are halted in their manipulation of prices and combinations in restraint of trade, I will introduce a resolution for a searching congressional investigation which will immediately prove beyond the slightest doubt that the N.R.A. is the direct cause of law violations never intended by Congress.

When I say that the President himself, General Johnson, the Attorney General, and the Federal Trade Commission agree that trade monopolies now exist in practically every line of trade endeavor, I know what I am talking about and that they will admit it when questioned.

I shall by congressional resolution call upon the Federal Trade Commission to perform its duty and advise Congress concerning the illegality of the price-fixing monopoly-making codes.

Mr. BLANTON. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes.

Mr. THOMPSON of Texas. Mr. Speaker, will the gentleman withhold that a moment?

Mr. BLANTON. I want to answer the gentleman from Illinois.

Mr. SNELL. Mr. Speaker, I am not going to object to the gentleman having 5 minutes, but I should like to ask the majority leader what will be the program for the balance of the afternoon.

Mr. BYRNS. I may say to the gentleman that there are not going to be any more speeches by unanimous consent until we consider this election contest and the rule that the gentleman from New York is going to call up. I regret that the gentleman from Illinois saw fit to take this time, and I am not going to object to the gentleman from Texas having 5 minutes; but, so far as I am concerned, I think it is entirely unnecessary for the gentleman to answer the gentleman from Illinois, because the gentleman from Illinois, partisan Republican that he is, has made the best Democratic speech in behalf of the President and in favor of the election of a Democratic Congress in November that I have heard. [Applause.]

Mr. SNELL. If the statement made by the majority leader is correct, it is not necessary to take the time of the House to answer the speech.

The SPEAKER. The gentleman from Texas asks unanimous consent to proceed for 5 minutes. Is there objection?

Mr. RICH. Mr. Speaker, reserving the right to object, I should like to ask the majority leader if he would be willing that I may have 5 minutes in order that I may explain something that is vital to the welfare of the Membership of the House, coming from the Joint Committee on Printing.

Mr. BYRNS. Will not my friend wait until we dispose of these other matters?

Mr. RICH. May I have the time later on in the day?

Mr. BYRNS. The gentleman can wait as well as these other matters; and following their disposition, I shall not object.

Mr. RICH. Mr. Speaker, I ask unanimous consent that I may have 5 minutes at such time this afternoon as may be designated by the majority leader.

The SPEAKER. The gentleman can submit his request later.

Is there objection to the request of the gentleman from Texas to proceed for 5 minutes?

There was no objection.

Mr. BLANTON. Mr. Speaker, the Republicans have a leader on the House floor, but they have no national leader in the United States, and this is what is bothering them. This is bothering the gentleman from Illinois [Mr. BRITTEN] because he knows that the Literary Digest, when it has a poll, it is usually a correct one. It has proven itself in past history.

The gentleman now complains because, he says, "all of the old maids in the United States are for the present President." It is not merely the old maids—it is the young maids, it is the married women, it is the married men, it is the bachelors, it is the business men, it is the farmers, it is the men in the ditches, it is the men on the street, it is everybody for the President of the United States, Franklin D. Roosevelt, and that is bothering the gentleman. [Applause.]

The gentleman from Illinois [Mr. BRITTEN] cannot forget that when, in the public places, in the picture shows and theaters, the picture of his last President was thrown on the screen, smiles left the people's faces and they became blue and glum. There was not a bit of applause. But you let the present President's picture be thrown on the screen anywhere in the United States and you will hear loud applause in every picture house and public gathering in the United States. This is what is bothering the gentleman from Illinois and he cannot get over it. It is working on him.

Four hundred and thirty-five Members of the House could not agree on any code. Ninety-six Senators could not agree on any code. There is not a single code we could all agree upon. If left to ourselves we probably would have 435 different programs here in the House.

But President Franklin D. Roosevelt has one program. He is one man who has a definite policy. He is the man who is putting his policy and his program into effect to bring about economic recovery in this country. And we Democrats are backing him, whether we believe in some of his codes or not; we believe in him, and we have confidence in him.

I do not agree with lots of these codes, but I am following the President just the same. Some of these codes look ridiculous to me, but I am following the President just the same. Some of the codes may look ridiculous to some of my constituents, but if you take my constituents as a whole, they are for the President because he has a definite plan and a definite program, and they are behind the President in Kentucky and in Texas and in Illinois, and everywhere else in the United States. We may not like some of his codes, but we like our President. He will properly rectify the bad codes just as fast as he can reach them.

Why does not my friend from Illinois [Mr. BRITTEN], with all his astuteness, with all his skill and ability, with all of his experience as a legislator, why does he not quit his snarling and backbiting and get behind the President? Why does he not stand up with the rest of the people?

Mr. WEIDEMAN. What about the result of the primary in Illinois?

Mr. BLANTON. That evidenced President Roosevelt's popularity. We all like FRED BRITTEN, in spite of his faults. We seated him here the other day instead of a Democrat.

Mr. BRITTEN. And you are going to do it next January. [Laughter.]

Mr. BLANTON. The gentleman from Illinois [Mr. BRITTEN] has made himself more popular this morning on both sides of the aisle by the frank admissions in his speech than anything else he has done since he has been a Member of Congress, because he shows exactly what the power of the President is when his picture is exhibited in the Literary Digest, as well as upon the screen in the theaters.

Mr. CONNERY. Will the gentleman yield?

Mr. BLANTON. I have not much time, but I could not refuse to yield to my good friend from Massachusetts.

Mr. CONNERY. If the N.R.A. had done nothing else except to abolish child labor, to abolish the "yellow dog" contracts, giving labor the right to collective bargaining, they would have been worth while.

Mr. BLANTON. I want to say this to my friend from Illinois [Mr. BRITTEN]—he would be mighty glad to have the Standard Oil Co. on his side of the aisle; he would be mighty glad to have this French Delaware corporation, whose name he could not pronounce, on his side of the aisle; he would be glad again to have have the Steel Trust on his side—he has had the Steel Trust ever since it was organized on his side—but these men now realize, together with all other business men, that they have followed you until you ruined some of them financially, and now they, along with all the workers, are for the President. [Applause.]

[Here the gavel fell.]

THE BANKRUPTCY BILL

Mr. McKEOWN. Mr. Speaker, I ask unanimous consent that the conference report on the bill H.R. 5884, the bankruptcy bill, be recommitted to the conferees in order to correct an error.

The SPEAKER. Is there objection?

There was no objection.

ELECTION CONTEST, SEVENTY-THIRD CONGRESS, SECOND DISTRICT OF CONNECTICUT

Mr. THOMPSON of Texas. Mr. Speaker, I call up House Resolution 296, the contested-election case of the Second District of Connecticut.

The Clerk read the resolutions, as follows:

Resolved, That William C. Fox is not entitled to a seat in the House of Representatives of the Seventy-third Congress from the Second Congressional District of the State of Connecticut.

Resolved, That William L. Higgins is entitled to a seat in the House of Representatives of the Seventy-third Congress from the Second Congressional District of the State of Connecticut.

The resolutions were agreed to.

CONTESTED-ELECTION CASE OF BREWSTER *v.* UTTERBACK

Mr. THOMPSON of Texas. Mr. Speaker, I call up House Resolution 390, in the contested-election case of *Brewster* v. *Utterback*, of the Third Maine District.

The Clerk read the resolutions, as follows:

Resolved, That Ralph O. Brewster is not entitled to a seat in the House of Representatives of the Seventy-third Congress from the Third Congressional District of the State of Maine; and further

Resolved, That John G. Utterback is entitled to a seat in the House of Representatives of the Seventy-third Congress from the Third Congressional District of the State of Maine.

The resolutions were agreed to.

Mr. PATMAN. Will the gentleman yield?

Mr. THOMPSON of Texas. I yield to the gentleman from Texas.

N.R.A. IMPROVEMENT OVER TRADE-PRACTICE CONFERENCES

Mr. PATMAN. Mr. Speaker, I just want to say a word about the difference between trade-practice conferences and the N.R.A.

Commencing in 1925, we had a Federal Trade Commission that refused to follow the law and adopted a policy that was contrary to the public interest. Before 1925 there had not been many trade-practice conferences because the different industries did not have the incentive to organize them. Beginning then, the Federal Trade Commission adopted the policy of letting the representatives of the different industries get together and organize themselves, even under the guidance and with the assistance of the Federal Trade Commission.

TRUST-FORMING ORGANIZATION

Such an organization resulted in the sky being the limit as to prices. It resulted in labor not being protected and it resulted in the destruction of independent business and in creating monopolies and trusts. There was nothing done at these conferences toward prohibiting child labor or controlling the hours of work. There were no provisions for minimum wages and maximum hours. I opposed the activities of the Federal Trade Commission in organizing, condoning, or permitting these conferences for the reasons I have just stated. I even went so far as to oppose the appropriations for the Federal Trade Commission when the bills came on the floor of this House. One time in December 1932, when I was fighting against an appropriation for the Federal Trade Commission that would further encourage these trade-practice conferences, I received information that as soon as the President-elect came into office in March 1933 he was going to change that; he was going to have something set up in the form of the N.R.A. that would protect the public, independent business, and labor, and such conferences would not be tolerated. After I was convinced it would take the place of the Federal Trade Commission, insofar as trade-practice conferences were concerned, I withdrew my opposition to the appropriation for the Federal Trade Commission because I did not want to interfere with the good work it was doing in other directions. The N.R.A. has been organized as it was contemplated. They have what may be termed "trade-practice conferences." They are called "conferences to agree upon a code."

LABOR, CONSUMERS, AND SMALL BUSINESS PROTECTED

Unlike the trade-practice conferences organized under the Republican administration, the public, labor, and independent business are protected under the codes. Instead of the sky being the limit as to prices, the consumer is protected. Instead of labor receiving nothing, the laboring man is protected now. Under the trade-practice conferences, industries were encouraged to organize monopolies and trusts. They cannot do that now. The independent is protected. So as between trade-practice conferences under the Republican administration, where there was no protection for labor, as was stated by the gentleman from Massachusetts [Mr. CONNERY], where there was no protection for the consumer, where the sky was the limit as to prices, and where they were encouraged to organize monopolies and trusts in their own interests, and the N.R.A., which protects the consumer, which protects labor, which prohibits monopolies and encourages independent business, I am in favor of the N.R.A.

Mr. RANDOLPH. Will the gentleman yield for one observation?

Mr. PATMAN. I yield.

Mr. RANDOLPH. I am in hearty accord with what the gentleman has said. In West Virginia the coal industry has really been put back on its feet again by the N.R.A. It has been the salvation of that industry, both as to the employers and the employees.

Mr. PATMAN. Between 1925 and 1933, under a Republican Federal Trade Commission and a Republican administration, more than 100 large industries in this country were organized in trade-practice conferences, as I have outlined, and the public was absolutely unprotected. The N.R.A. is protecting those who were helpless under the Republican administration.

DIFFERENCE BETWEEN N.R.A. AND TRADE-PRACTICE CONFERENCES UNDER REPUBLICAN ADMINISTRATION

Under the codes there are provisions against child labor, for minimum wages and maximum hours, allowing labor to bargain collectively, protecting consumers against exorbitant prices, protecting small business enterprises, and discouraging monopolies and trusts. Trade-practice conferences only helped the owners of the industry and disregarded the many benefits under the N.R.A. The representatives of an industry enforced the trade-practice rules, whereas under a code under the N.R.A. labor is protected by a labor advisory council, the consumers are protected by a consumers' advisory council, and the industry is protected by an industrial advisory council.

Mr. RICH. Will the gentleman yield to me?

Mr. THOMPSON of Texas. I yield to the gentleman from Pennsylvania 5 minutes.

Mr. BYRNS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BYRNS. I am not going to object to this request, but is it in order for the gentleman from Texas to yield for general debate on a proposition of this sort?

The SPEAKER. It is not the practice.

Mr. BYRNS. I am not going to object to the request of the gentleman from Pennsylvania, but I want to call attention to the fact that general debate is not in order under a motion such as the gentleman from Texas has made.

Mr. SNELL. It certainly is not; and I am glad the gentleman has called attention to that fact. The rules ought to be complied with.

Mr. RICH. Mr. Speaker, I ask unanimous consent to have 5 minutes after the conclusion of the bills now before the gentleman.

Mr. BYRNS. I am not objecting to the gentleman from Pennsylvania addressing the House at this time.

Mr. RICH. Mr. Speaker, the Joint Committee on Printing advertised for bids for paper and envelops for the Federal Government for a period of 6 months or 1 year, beginning July 1, 1934. The reason for the request being for a 6-month to 1-year period was because the members of the committee really expected Congress to adjourn by July 1, and that would eliminate the necessity for their coming to Washington before January 1 next to renew contracts. The Public Printer also could function in doing the work necessary and could conduct his department in the best possible manner by having the supply of material furnished by contract.

The bids were to be opened Monday, May 21, 1934. The joint committee met on that date, and several members were notified by some of the bidders before entering the committee room that they were only permitted to bid for a 3-month period on account of the paper-code authority or N.R.A. not permitting a longer-period contract.

The Joint Committee on Printing then discussed the advisability of opening the bids on Monday, May 21, and after looking at the situation from all angles decided to notify the code authority of the paper industry and the N.R.A. that the Joint Committee on Printing wanted to secure contracts for at least 6 months to 1 year—at the request of the Printing Office. At this meeting the following resolution was adopted by the Joint Committee on Printing:

Whereas section 4 of the Printing Act of January 12, 1895, provides that the advertisements for paper proposals "shall specify the minimum portion of each quality of paper required for either 3 months, 6 months, or 1 year, as the Joint Committee on Printing may determine": Therefore, be it

Resolved, That in view of the apparent uncertainty among the paper trade as to whether the Joint Committee on Printing would consider proposals for furnishing paper for the public printing and binding for a term of 3 months beginning July 1, 1934, in accordance with the action taken by the paper-industry authority, instead of 6 months or 1 year, as advertised for by the Public Printer, in compliance with the direction of the Joint Committee on Printing, the committee do now take a recess until 10 o'clock a.m., Friday, May 25, 1934, in order that all bidders whose sealed proposals have been received up to 10 o'clock a.m. on Monday, May 21, 1934, shall be given an opportunity to file a statement, if they so desire, that their respective proposals may be considered for a period of 6 months or 1 year, which was determined by the Joint Committee on Printing on April 26, 1934, under authority of section 4 of the Printing Act of January 12, 1895.

On Friday, May 25, the committee met; and I sat 3 hours listening to the opening of 50 bids, in which the prices were practically all uniform—the same. The length of time they were permitted to bid being 3 months, thus the Joint Committee on Printing had no bids for paper except for envelops, and the committee let the contract for this material for 1 year. There seems to be no restriction of time by N.R.A. on envelop paper.

Now, the situation is just this: That all the advertising is lost; all the work done by the committee was for naught,

as the N.R.A. would not permit the manufacturer to bid for more than 3 months, whereas the Joint Committee on Printing requested bids on a period of 6 months to 1 year. Therefore the law permitting the Joint Committee on Printing to function is violated by the N.R.A. They could not function according to law on account of N.R.A. The joint committee could not let contracts for 6 months as per their advertisement for bids, because the manufacturers were prohibited from submitting bids for a 6-month period or longer.

Would not the manufacturers be better off if they had work for 6 months or 1 year ahead on contract so they could in an orderly procedure conduct their business rather than compelling the Public Printer to purchase his requirements on the open market? This would cause the Government to do business in a disorderly fashion and contrary to good regulated business principles.

Is the N.R.A. cooperating with business or is it hindering it? Is the N.R.A. permitting the Government committees to function according to law or is the N.R.A. hindering the Joint Committee on Printing from functioning according to law? This I will let each Member of Congress ask himself.

Why not ask the N.R.A. to function for the best interests of the Government, the manufacturers, the laborers, and the taxpayers?

Mr. THOMPSON of Texas. Mr. Speaker, I move the adoption of the resolution.

The SPEAKER. The question is on the adoption of the resolution.

The resolution was agreed to.

A motion to reconsider the vote by which the resolution was agreed to was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8068) to provide for promotion by selection in the line of the Navy in the grades of lieutenant commander and lieutenant; to authorize appointment as ensigns in the line of the Navy all midshipmen who hereafter graduate from the Naval Academy; and for other purposes.

ESTABLISHMENT AND OPERATION OF FOREIGN-TRADE ZONES

Mr. O'CONNOR. Mr. Speaker, I call up House Resolution 381.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H.R. 9322, a bill to provide for the establishment, operation, and maintenance of foreign-trade zones in ports of entry of the United States to expedite and encourage commerce, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed 30 minutes, to be equally divided and controlled by the Chairman and ranking minority member of the Committee on Ways and Means, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion, except one motion to recommit.

With the following committee amendment:

Page 1, line 9, strike out the words "thirty minutes" and insert in lieu thereof the words "one hour."

Mr. MARTIN of Massachusetts. Mr. Speaker, a point of order. I make the point of order that a quorum is not present.

The SPEAKER. Evidently there is no quorum present.

Mr. BYRNS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 148]

Abernethy	Ayres, Kans.	Bloom	Browning
Adams	Bailey	Boland	Brumm
Allgood	Beck	Boylan	Buckbee
Andrews, N.Y.	Berlin	Brennan	Bulwinkle
Auf der Heide	Black	Brooks	Cannon, Wis.
Carley	Foulkes	Kurtz	Rudd
Carter, Calif.	Frear	Kvale	Seger
Cavicchia	Frey	Lambeth	Shallenberger
Celler	Goldsborough	Lanzetta	Shoemaker
Chapman	Granfield	Lea, Calif.	Simpson
Chase	Green	Lee, Mo.	Sirovich
Church	Greenway	Lehlbach	Sisson
Claiborne	Griffin	Lesinski	Smith, Va.
Clark, N.C.	Guyer	Lewis, Md.	Smith, W.Va.
Cochran, Pa.	Haines	Lindsay	Snyder
Cooper, Ohio	Hamilton	Lloyd	Somers, N.Y.
Corning	Hancock, N.Y.	McDuffie	Stalker
Crump	Hancock, N.C.	McLean	Steagall
Dickstein	Hart	McMillan	Strong, Pa.
Dies	Healey	Mariand	Studley
Dingell	Hoeppel	Monaghan, Mont.	Sullivan
Disney	Holdale	Moynihan, Ill.	Swank
Douglass	James	Muldowney	Tobey
Doutrich	Jeffers	Murdock	Traeger
Durgan	Jenckes	Norton	Wadsworth
Edmonds	Jenkins	Perkins	Waldron
Ellenbogen	Johnson, Okla.	Peterson	Weaver
Elizey, Miss.	Kee	Powers	Welch
Fiesinger	Kennedy, Md.	Ramspeck	Wilcox
Fitzgibbons	Kenney	Rayburn	Wilson
Flannagan	Kerr	Reid, Ill.	Withrow
Ford	Kleberg	Rogers, Okla.	

The SPEAKER. Three hundred and four Members have answered to their names, a quorum.

On motion of Mr. BYRNS, further proceedings under the call were dispensed with.

The doors were opened.

FOREIGN-TRADE ZONES

Mr. O'CONNOR. Mr. Speaker, I yield 30 minutes to the gentleman from Massachusetts [Mr. MARTIN].

Mr. O'CONNOR. This is a rule providing for the consideration of the bill H.R. 9322, known as the "free port" bill. For years we have heard about free ports. They are now called "foreign-trade zones." This bill provides for the establishment of free ports in the United States to be controlled by a commission made up of three Cabinet officers.

The rule provides for 1 hour of general debate. It is a wide-open rule, and the bill will be read for amendment under the 5-minute rule. It was represented to the Rules Committee that this bill had been reported from the Ways and Means Committee, that there was very little opposition to it; that for many years there has been a great deal of agitation throughout the country for the establishment of free ports in America. It was also represented to the Rules Committee that there were 41 free ports throughout the world; that the establishment of free ports or foreign-trade zones in this country would increase our foreign commerce, which is a thing we very much desire; that it would not interfere with the collection of customs duties, but on the other hand would afford an economy in their collection.

The policy established in the foreign-trade zone bill is one that has been advocated and endorsed for many years by the Chamber of Commerce of the United States and practically all the leading chambers of commerce in the cities where there are ports. It has been endorsed by the Secretary of the Treasury and by the Secretary of Commerce. They have stated that the enactment of such a bill would aid the reestablishment of our foreign trade, that it would not interfere with our domestic manufacturers or with our domestic commerce, these being amply protected in the bill. Because of these representations, the Rules Committee saw fit to bring this measure out on the floor of the House as a piece of legislation which should be considered before Congress adjourns 2 months from now. [Laughter.]

A bill not entirely identical with this passed the Senate; but I understand the Committee on Ways and Means saw fit to report the House bill as more nearly meeting the situation than the Senate bill.

Mr. Speaker, I reserve the balance of my time.

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield 15 minutes to the gentleman from California [Mr. WELCH].

Mr. WELCH. Mr. Speaker, the bill under consideration, H.R. 9322, like its companion bill, S. 2001, is not new legislation. The latter bill passed the Senate unanimously.

Legislation having for its purpose the establishment and operation of foreign-trade zones within the ports of the United States has been before Congress for a great many

years. It is not, therefore, either new or surprise legislation. To be exact, during the Sixty-fifth Congress, on May 3, 1918, the Senate Committee on Commerce referred to the Tariff Commission Senate bill 4153, which had the same purpose as the pending bill. The Tariff Commission made an exhaustive study of the matter. Hearings were held in San Francisco, Chicago, New York, New Orleans, Galveston, and other leading commercial and seaport cities of the United States. The Commission finally submitted a report to Congress, 6 months later. Their report is rather lengthy, but for the information of the Members present I shall read the concluding paragraph of that report:

After exhaustive study of foreign institutions and careful investigation of American conditions and mercantile opinion the Tariff Commission recommends the policy of permitting the establishment of free zones in American ports and endorses with certain suggested amendments the bill S. 4153 as shown in the print, analysis, comment, which follows.

That was in 1918. May I state that former President Hoover, while Secretary of Commerce, endorsed this policy. A few moments ago it was stated that the present Secretary of the Treasury endorsed the policy sought to be established by this bill. His predecessor, Secretary of the Treasury Mellon, gave his unqualified endorsement to this policy.

Mr. Speaker, for many years past I have been a stanch advocate of the policy of establishing foreign-trade zones in the United States. I have repeatedly introduced measures to bring this policy into being and have testified before committees of the House of Representatives in their behalf.

I presented the matter for consideration when the Tariff Act of 1930 was before the House of Representatives in the spring of 1929. While I have introduced bills to establish the policy since that time, I have not urged their consideration because of the economic conditions prevailing throughout the country. I did not feel that the various ports were in a position to assume the financial burden necessary to establish foreign-trade zones.

In the hearings held before the Committee on Ways and Means of the House of Representatives when the Tariff Act of 1930 was under consideration I referred to a foreign-trade zone as a place, limited in extent, that differs from adjacent territory in being exempt from the customs laws as affecting goods destined for reexport; it means simply that, as regards customs duties, there is freedom unless and until goods enter the domestic market. A foreign-trade zone is an isolated, enclosed, and policed area in or adjacent to a port of entry, without resident population, furnished with the necessary facilities for lading and unlading, for supplying fuel and ship's stores, for storing goods and reshipping them by land and water; an area within which goods may be landed, stored, mixed, blended, repacked, and reshipped without payment of duties and without intervention of customs officials. It is separated from surrounding territory by a stockade. Goods cannot pass this stockade into the hands of the consuming public without undergoing customs revision and paying the full tariff duty.

One who has not been directly connected with international trade or marine problems can hardly appreciate the advantages which will accrue to American international commerce, as well as domestic labor and industry, from the establishment of foreign-trade zones in each and every port of the United States engaged in reexport business.

As I have stated before committees of this House, the establishment of foreign-trade zones will aid in better carrying out the principle of protection to American labor and industry;

It will encourage the investment of American capital in new industries;

It will employ American labor in work and enterprise now carried on in foreign countries;

It will develop American business in foreign markets and foreign trade;

It will build up centers in the United States for the distribution of the world's merchandise throughout the world;

It will simplify, facilitate, and cheapen the handling of exports and imports;

It will establish large transshipment points in the United States;

It will expedite the loading and unloading of ships;

It will aid in securing return cargoes for American vessels;

It will involve no change of principle not already well established, but merely of procedure; and

It will be a permissive law only.

The development of a consignment and transshipment trade by the use of foreign-trade zones will do much toward rehabilitating, developing, and maintaining our merchant marine. It will assist in restoring to the United States its position of leadership in international commerce.

With a limited number of natural harbors the ports of the United States have become of national importance. They are the gateways to the seven seas. Through them must pass all of the international trade of this vast Nation. The establishment and operation of foreign-trade zones in each of these ports is infinitely more far-reaching than local interest. Foreign-trade zones would have a beneficial influence over areas far greater than State boundaries. Their national importance gives the Federal Government an additional interest.

Because of this national significance of foreign-trade zones, I believe the present measure does not go far enough. I believe the Congress should authorize the establishment of foreign-trade zones as a public-works project, probably in accordance with the terms of the bill now under consideration. Foreign-trade zones so established would be self-liquidating and could be amortized over a period of years so that they would ultimately not cost the Federal Government a single penny. The financial burden of establishing zones, with its sacrifices due to high discount and interest rates, would not be imposed upon the ports and communities where the zones are established.

Mr. CULKIN. Mr. Speaker, will the gentleman yield?

Mr. WELCH. I yield.

Mr. CULKIN. Will the gentleman state how these zones are to be established and financed under this bill? I notice the word "corporation" is used. Are they to be private corporations?

Mr. WELCH. They will be financed by publicly owned ports, or by privately owned ports. As the gentleman perhaps knows, the great major ports of this country are publicly owned. A few are privately owned. So they would be financed, as I said, either by the State or municipalities owning the ports, or by private corporations which now own and control some of the ports of this country.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. WELCH. I yield.

Mr. DONDERO. Will the gentleman give a concrete example of how the free port will operate, taking any given commodity as an example; will he not explain how the system will work?

Mr. WELCH. I should like to comply with my colleague's request but my time will not permit going into the full details of how a free port operates.

While I personally favor the policy long established in the majority of our larger ports of goverumental ownership and operation of port facilities as public utilities, I recognize the vested rights of private enterprise in some major ports. In those ports, however, as in publicly owned ports, foreign-trade zones should be operated as public utilities. The interest of the Federal Government, through Public Works financial assistance, would be a step in this direction.

However, the development of final policy in the operation of foreign-trade zones will come gradually through our experience in their operation. In establishing the principle by legislation of this character, we should be interested in safeguarding the heritage of all the American people, while at the same time developing a means for freer handling of international commerce and wider markets for American commodities.

Notwithstanding what I consider to be weaknesses in the present legislation, I shall vote for it, for the inherent principle is a definite and positive step in the right direction. Foreign-trade zones are necessary to the fullest development

and employment of our resources, both in commodities, merchant marine, and labor, and their immediate authorization by the Congress will do much to assist in the restoration of normal international trade.

Mr. Speaker, I yield back the balance of my time.

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield the balance of my time to the gentleman from Massachusetts [Mr. TREADWAY].

Mr. TREADWAY. Mr. Speaker, I am opposed to this measure. I anticipate it will pass the House, so I do not feel I am likely to convince anybody of the demerits of the bill. I realize that Members of the House from seaport sections are naturally in favor of any measure which will increase the commerce of their ports. It could not be otherwise. That is what this bill is designed to do, namely, aid in the local sale of foreign-made goods, and nothing else.

I was asked a moment ago by a Member to give an illustration of how this bill would work. I use this as an example: Supposing that there is a desire to purchase a thousand yards of some kind of cloth. The cloth may be made in this country. A similar cloth is made abroad. If the American-made goods are offered in competition with the foreign-made goods, it is fair to assume that the question of time of delivery would be extremely important. The American manufacturer can deliver his goods within a reasonable time. Possibly they are in his warehouse at the time the customer is looking for the goods.

The man offering the foreign goods must place the order for the goods and have them shipped to this country, thereby incurring considerable delay. But if this bill is passed the foreign-made goods stand on a parity with the American-made goods because of the creation of this zone. You fence the zone in and employ a lot of people to watch that no trespassing is done, and so forth; but the goods are shipped to this country to await sale. If not sold within 2 years then they are auctioned off, under the provisions of the bill. Consequently I do not hesitate to say that this bill follows the Democratic program that we have heard here for some little time of favoring foreign producers. We passed a reciprocal-tariff bill without any information about the kind of reciprocity that would be put into practice. Now we are asked in addition to that to set up a little market place where goods may be sold which are not consigned to a purchaser.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. TREADWAY. I yield to the gentleman from Kentucky.

Mr. VINSON of Kentucky. I am certain that the gentleman recognizes the amendment adopted in the committee prohibiting the exhibition of the goods.

Mr. TREADWAY. They cannot be exhibited, but let me cover that matter. I grant the word "exhibit" has been put in there. However, assuming that I am the agent of a foreign manufacturer, I can have in my office in New York City a sample card book, as all dealers do. Those goods are not being exhibited. I have a right to have those samples, and I can say to you as my customer: "Mr. VINSON, I can deliver these goods to you the moment the duties are paid on them because I have them right here in this zone warehouse."

Mr. VINSON of Kentucky. If they are sold and removed from the foreign-trade zone they must pay the full tariff duty.

Mr. TREADWAY. I am not saying that the Government does not get the duty. That is perfectly all right. We get the duty, but we do favor the foreign manufacturer by having the goods available for immediate delivery.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. TREADWAY. I yield to the gentleman from New York.

Mr. FITZPATRICK. Will he have to pay for storage in this warehouse?

Mr. TREADWAY. The question was asked a moment ago, Who was going to pay the bill? That is another serious objection to the bill. I suppose the importer will pay the bill, but it will require, in order to complete properly the setting up of these inland ports of entry and the zone adopted in inland cities, a very large expense, not alone to the actual owners of the goods but likewise to the Government itself, because it means the adding of just that many more employees on the part of the Government. Of course, additional employees mean additional Democratic officeholders.

May I say that the gentleman from New York [Mr. FITZPATRICK] and I were neighbors in Massachusetts. He was born in the next town to where I was born and where I have always lived. I have never had an opportunity to bring this up on the floor, but I am sorry that the gentleman from New York in his youth did not imbibe a little more of our good old Republican doctrine before he moved down to New York State.

Mr. FITZPATRICK. I believe in a fair protective tariff. For this reason, I wanted to ask how they could compete with the American-made goods when they would have to pay for the storage and also the duty.

Mr. TREADWAY. Of course, we all recognize that 9 times out of 10 the foreign goods can be made much cheaper than our goods, in view of the wages paid by the manufacturers abroad, so that they can well afford to pay this storage.

Mr. FITZPATRICK. I am against bringing anything into this country without paying a fair tariff.

Mr. TREADWAY. After all, I am glad to see my good friend did imbibe some good principles before he left Massachusetts.

Mr. BLANTON. I have been wondering how our friend from New York so well outlived the environment of that earlier association.

Mr. TREADWAY. He left there pretty young, but you can see it lasted and still shows in his good judgment.

Mr. McFADDEN. Will the gentleman yield?

Mr. TREADWAY. I yield to the gentleman from Pennsylvania.

Mr. McFADDEN. May I ask the gentleman more particularly about the facilities that will be provided? Do I understand that the Government has to erect these warehouses at each one of these ports?

Mr. TREADWAY. It is my impression that is left to the applicants for the privileges. I think the property has to be furnished by somebody interested in the sale of these goods. This brings up another very interesting question.

All these port facilities are to a certain extent adjoining valuable land. Somebody must have some land they want to sell to the people that are setting up these zones. I do not know anything about that or who they are, but somebody is going to benefit in real-estate transactions by the passage of this bill.

Mr. EVANS. Will the gentleman yield?

Mr. TREADWAY. I yield for a short question.

Mr. EVANS. Further answering the gentleman from Pennsylvania, may I say that in this bill the Government furnishes nothing except supervision. It furnishes no land or facilities in the way of physical property.

Mr. WELCH. Will the gentleman yield?

Mr. TREADWAY. I should like to talk on the bill.

Mr. WELCH. I know the gentleman wants to be fair. When the gentleman asserts that someone has land to sell——

Mr. TREADWAY. I did not assert it. I thought it, and I still think so.

Mr. WELCH. Nearly all of the ports in the United States are owned and controlled either by cities or by municipalities. The cities and municipalities own the land; so they are not going to sell it to themselves.

Mr. TREADWAY. There is plenty of privately owned land.

Mr. COLDEN. Mr. Speaker, will the gentleman yield?

Mr. TREADWAY. I yield.

Mr. COLDEN. In the case of Los Angeles, the city owns 2,000 acres of harbor land; and such a harbor proposition would increase the revenue of the city.

Mr. TREADWAY. That is good. I am pleased that there is some benefit in that way.

Mr. WELCH. And every port on the Pacific coast is in the same position.

Mr. TREADWAY. Let me call your attention to the way this bill is before us. I think it was 16 or 17 years ago that a Member from California, Mr. Kent, brought in the free-zone proposition. It has been hanging around the doors of Congress a good deal of the time since then. When this bill was referred to a subcommittee of the Ways and Means Committee in this Congress, it was reported favorably. We had some conferences in the committee—one I recall, where I asked if it would not be possible to take time enough to hear from the Tariff Commission on the subject; and the Democratic members were so anxious to immediately get the bill passed that we would not even send downtown and get Mr. Page, Vice Chairman of the Tariff Commission, here to tell us about it. The reason for that, Mr. Speaker, is the Tariff Commission——

Mr. CULLEN. Mr. Speaker, I do not like to interrupt the gentleman, but he has just said something about hearings. There were hearings other than those held at this session. We had extensive hearings during the last session of the Congress and Mr. Page appeared before the committee at that time.

Mr. TREADWAY. And he told you at that time there was no reason to pass the bill, and that was a very good reason for your not wanting to hear him this year.

Mr. CULLEN. No; he did not do that. He simply appeared before the committee and expressed his opinion. He was not opposing the bill.

Mr. TREADWAY. He did not favor it.

Mr. CULLEN. As a matter of fact, the Tariff Commission approved the bill.

Mr. TREADWAY. No. It was distinctly stated there was no need of it. The Secretary of Commerce did not favor the bill.

Mr. GIFFORD. Mr. Speaker, will the gentleman yield?

Mr. TREADWAY. I yield to my colleague from Massachusetts.

Mr. GIFFORD. The gentleman has brought out the point about quick delivery and furnishing storage for that purpose. This is dangerous to the manufacturer; but I should like to ask the gentleman about the word "assembled" which appears in the measure. If a manufacturer here has part of the goods necessary, but has to buy other parts in order to complete the manufacture, under this bill he can bring parts from foreign nations and have the goods carried to this free port and assemble them there and in this way practically put out of business the manufacturer here.

Mr. TREADWAY. The language in section 3——

Mr. GIFFORD. That section provides they can be assembled not only to foreign parts, but domestic parts and the parts that heretofore have been purchased in this country will be replaced by foreign parts so the article can be sold cheaper.

Mr. TREADWAY. Here is what can be done. The language of section 3 is, "may not be manufactured or exhibited"—you cannot take foreign material and make it up——

Mr. GIFFORD. But it uses the word "assembled."

Mr. McFADDEN. If the gentleman will yield further there, I want to call attention to the fact that these foreign goods stored in these warehouses in the United States under present law can be financed with Federal Reserve credit at a low discount rate, which at the present time is one-fourth of 1 percent or one-half of 1 percent, and I submit this is unfair to American industry.

Mr. TREADWAY. I thank the gentleman for that information.

Here is what is provided in section 3:

And may not be manufactured or exhibited in such zone, but may be stored, broken up, repacked, assembled, distributed, sorted, graded, cleaned, mixed with foreign or domestic merchandise, or otherwise manipulated.

Mr. GIFFORD. That is the point—mixed with foreign or domestic merchandise.

Mr. TREADWAY. Or otherwise manipulated. Perhaps the advocates of this bill can tell us what is meant by "otherwise manipulated." It goes about the limit.

Mr. WELCH. Is not that permitted under the Tariff Act of 1930, which the gentleman helped to frame?

Mr. TREADWAY. I think anything in the nature of a drawback is all right.

Mr. WELCH. And the language with respect to mixtures to which the gentleman has referred exists in the present tariff act which the gentleman helped to frame.

Mr. TREADWAY. I have very little time, and I must refuse to yield further. The gentleman does not need to argue the matter with me further. We are on opposite sides on the merits of the bill. There is no question but what you can practically lose the identity of the foreign goods under this language. Therefore I insist you cannot be more unfair to the American manufacturer than by giving the foreigner this benefit with respect to competition.

This is right along the usual line of the desire and the effort in this present Congress to favor the foreigner over the American producer, and I am not for that type of legislation and never have been.

Mr. WEIDEMAN. Will the gentleman yield for a brief question?

Mr. TREADWAY. Certainly.

Mr. WEIDEMAN. I am looking for information. I do not know whether I am going to be for this bill or against it, but I cannot see now how this bill is going to help a single American manufacturer. Does the gentleman know how it will do this?

Mr. TREADWAY. On the contrary, it puts the American manufacturer at an extreme disadvantage.

Mr. WEIDEMAN. If the gentleman will yield for a further question, under the laws governing the Federal Reserve banks and in conformity with what the gentleman from Pennsylvania [Mr. McFADDEN] has just said, foreign commercial paper is discounted in the Federal Reserve banks, which means that the taxpayers and the people of the United States will now be financing all these foreign shipments of goods into the United States at the low rate of one twenty-sixth of 1 percent.

Mr. TREADWAY. I should think after the statement the gentleman has just made, he would know how he is going to vote with respect to this bill. [Laughter.]

Mr. WEIDEMAN. I am asking this for the benefit of the other fellow, too.

Mr. TREADWAY. Now, there are several other features I desire to speak of, but we have consumed practically all the time allowed under the rule. I think it would be well to adopt the rule and then have the debate later on.

Mr. CONNERY. Will the gentleman yield?

Mr. TREADWAY. I yield to the gentleman.

Mr. CONNERY. I have had an open mind on the bill, but after the remarks of the gentleman from Massachusetts [Mr. TREADWAY] and the questions asked him I am going to vote "no." The President discovered only yesterday or the day before along the lines of what the gentleman from Massachusetts said that we are in great danger from foreign imports, so much so that he has used his power given in the N.R.A. to put an additional tax on Japanese rugs.

Mr. TREADWAY. Would it not be desirable to do the same thing on shoes?

Mr. CONNERY. Yes. As the gentleman from Massachusetts said, if you have a mingling of domestic and foreign articles it would ruin the American manufacturer.

Mr. TREADWAY. Take the Czechoslovakian shoes. They can bring them in to the free zone, take samples to Lynn, and sell those shoes out of that free zone.

[Here the gavel fell.]

Mr. O'CONNOR. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, I am very sorry to hear the gentleman from Massachusetts [Mr. CONNERY] jump so quickly to a conclusion. I am afraid that my friend does not realize that the gentleman from Massachusetts [Mr. TREADWAY] has not pointed out anything in the bill that is not in the Hawley-Smoot Tariff Act, referring to assembling and mixing.

The gentleman from Massachusetts [Mr. TREADWAY] says that by the passage of this bill we give the power to assemble

and manipulate, and so forth. There is nothing in that that is not contained in the tariff law passed in 1930, which the gentleman from Massachusetts helped to draft. That bill now exists, and goods are coming into bonded warehouses under it.

Every time a bill comes in my friend here raises the political flag. I greatly respect the gentleman from Massachusetts, and have a high regard for him personally, but he should not overlook the fact that distinguished members of his party have tried to bring about its passage in the past. This is not a Democratic measure. It is supported by members of both parties.

This bill comes in here, and the gentleman from Massachusetts [Mr. TREADWAY] takes the floor, and what does he say? He says it is the usual Democratic program to favor the foreign manufacturer. That is incorrect. There are no tangible facts to support such a statement. The Boston Chamber of Commerce favors it. The maritime association of Boston favors it—both located in Massachusetts. From my experience and knowledge, 90 percent of the members of these organizations are not Democrats, although they are both fine organizations.

It is easy to make general statements, but one should take the floor and give the facts honestly, disinterestedly, and impersonally. If a Member is opposed to a bill, he should fight it, and fight it upon its merits, without taking the floor and simply saying, "This is injurious to the American manufacturer." My friend is trying to raise another political issue with reference to a bill which is not connected with any particular party. As a matter of fact, distinguished members of the Republican Party were those who first conceived this legislation, and members of the Democratic Party joined with them, as the result of which this bill is now before the House. This does not create any new law with reference to manipulation, assembling or anything of that kind. This prohibits manufacturing, because we do not want manufacturing in the foreign-trade zones entering into competition with our domestic manufactures. We specifically protected our American manufacturers and we provided that there shall be no exhibition within a foreign-trade zone, to protect further our American manufacturers; and my friend from Massachusetts, Mr. TREADWAY, knows that.

There is one more thought that I want to leave. Mr. TREADWAY talks about conservative Republicans. I respect them. I respect the rights of all schools of thought which operate within the law. We want the progressive school. We do not want the radical school; but they are entitled to their thought, as long as they stay within the Consitution and the law. I admire conservatism. I like to consider myself a progressive, but I do not like to see my friend take the floor and then try to create a party issue, when, as a matter of fact, the real credit belongs to members of both parties rather than to members of any one party.

I hope the rule will be adopted, and then we can debate this question further when it comes up for consideration in the committee. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Massachusetts [Mr. MCCORMACK] has expired.

Mr. O'CONNOR. Mr. Speaker, I yield 5 minutes to the gentleman from North Carolina [Mr. DOUGHTON].

Mr. DOUGHTON. Mr. Speaker, the pending bill authorizes the creation, operation, and maintenance of free-trade zones at ports of entry in the United States. This bill was given very careful consideration by the Ways and Means Committee. Hearings were conducted by a subcommittee of the Committee on Ways and Means. Later the full committee gave very careful consideration to the proposed legislation. It has the support of a large majority of that committee, not only members of the majority but several members of the minority. It also has the support of the Secretary of the Treasury of the United States, also the support of his distinguished predecessor. It has the support also of the Secretary of Commerce. It has the support of the American Chamber of Commerce. It has the support of practically all business organizations of the country. In fact, it has the support of all who know most about it, and is opposed by those who know least about it.

It also has the support of the Tariff Commission of the United States, a nonpartisan organization. The fact is there is no partisanship whatever in this legislation. The idea of trying to raise the red flag of partisanship in the discussion here shows to me very conclusively the bankrupt condition of those who are opposing this legislation. If I were in the place of those who are so vigorously opposing this legislation, I would first go to those of my own household to see if I could not convince them.

I know there are still men in this House, both Republicans and Democrats, whose patriotism rises above partisanship, and they are anxious to see the business of this country resuscitated and put on its feet again. In order to do that, they think it is best to follow the enlightened judgment of men who know most about legislation of this kind and pay little attention to those who know least about legislation of this character. [Applause.]

Its passage will aid industry and labor. It will also aid our international trade and should receive the unanimous support of the House.

Mr. O'CONNOR. Mr. Speaker, I move the previous question on the adoption of the resolution.

The previous question was ordered.

The SPEAKER. The question is on the adoption of the amendment.

The committee amendment was agreed to.

The resolution as amended was agreed to.

A motion to reconsider the vote by which the resolution was agreed to was laid on the the table.

Mr. CULLEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H.R. 9322) to provide for the establishment, operation, and maintenance of foreign-trade zones in ports of entry of the United States, to expedite and encourage foreign commerce, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H.R. 9322, with Mr. JOHNSON of West Virginia in the chair.

The Clerk read the title of the bill.

Mr. CULLEN. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. CULLEN. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, if there is one thing that I enjoy more than another in this House it is to see my distinguished brother, TREADWAY, take the floor on matters of legislation. He is really appealing. He rather gets under your skin with the serious way that he starts to explain bills; and then, when there is a suggestion of anything in relation to tariff or free trade, Brother TREADWAY is right at home.

The gentleman knows just as well as I do that there is not the suggestion of tariff, not the suggestion of interference with American manufacturers, not the suggestion of free trade within this bill; but simply because of the fact that the bill establishes these free foreign-trade zones, my friend TREADWAY wants to leave the impression on the Membership of the House: "Look out for it; you are going to get caught here somewhere; Europe is going to flood us with a lot of their manufactures; the American manufacturer is going to be destroyed!"

Of course, nobody who has real, good, ordinary, common sense in regard to this matter and who has read this bill thoroughly thinks there is any suggestion of that kind, but, on the contrary, is completely convinced that there is not such a suggestion within the four corners of the bill.

Now, let us see what the bill does and let us see how a free zone is defined. It is not a new thing, but has been before Congress off and on for the last 20 years.

Mr. HOLMES. Mr. Chairman, will the gentleman yield?

Mr. CULLEN. I yield.

Mr. HOLMES. All goods which are imported at the present time have to go into a bonded warehouse, and they cannot be taken out of this warehouse until the duties are paid.

Mr. CULLEN. But the importer or the shipper has to pay the expense of having the goods held in the warehouse under bond.

Mr. HOLMES. Of course, he has got to pay what they call storage on them.

Mr. McCORMACK. And under the operation of the foreign-trade zones as provided in this bill the importer or the shipper will have to pay the expense of the operation of the foreign trade zone.

Mr. HOLMES. But it comes into the free zone without any kind of expense.

Mr. CULLEN. It comes into the free zone without duty, but the expense of organizing and operating the free zone has to be met by those who use its facilities, whether the free zone be operated by a municipality or by a private corporation.

Mr. HOLMES. The reason I raise this point is because in past years European countries have dumped steel into the warehouses of Boston, landed there duty paid and freight paid for $1 a hundred pounds; and the best we can do in these same warehouses on American steel from Pittsburgh, Detroit, or Chicago, or anywhere else in this country is $2 a hundred base.

Now, will the free zones make it possible for foreign steel manufacturers to dump an unlimited amount of their steel into these ports for the consumption of the people of the United States in competition with domestically manufacured steel?

Mr. CULLEN. That most certainly is not the intention of the bill.

Mr. HOLMES. That is the point that bothers me in the consideration of the establishment of free zones.

Mr. CULLEN. Similar bills have been before Congress for many years. H.R. 9322 is a bill authorizing the establishment, operation, and maintenance of foreign-trade zones in the ports of entry of the United States to expedite and encourage foreign commerce.

Similar bills have been before Congress for the past several years, and a great deal of information has been submitted at public hearings at different times. In 1919 the Tariff Commission made a very thorough investigation and study of this subject, and in their statement submitted to Congress stated in part as follows:

> After exhaustive study of foreign institutions and careful investigation of American conditions and mercantile opinion, the Tariff Commission recommends the policy of permitting the establishment of free zones in American ports.

Mr. BLANCHARD. Mr. Chairman, will the gentleman yield?

Mr. CULLEN. I yield.

Mr. BLANCHARD. Will the gentleman state just who is going to benefit through the passage of this bill?

Mr. CULLEN. It will benefit the unemployed; it will benefit our shipping, which is absolutely paralyzed today; and it will bring into the country much more commerce, because we lack this type of zone which is provided in 41 cities in Europe today.

During the hearings on March 6 and 7 of this year there appeared many witnesses, all of whom were in favor of the establishment of such zones. Among the organizations favorably commending the proposed legislation are the following: Chamber of Commerce of the United States, the Port of New York Authority, the Chamber of Commerce of the State of New York, the Merchants' Association of the City of New York, the Maritime Association and Boston Chamber of Commerce, the Philadelphia Board of Trade, the Baltimore Association of Commerce, the Export and Import Bureau of Baltimore, the New Orleans Association of Commerce, the New Orleans Cotton Exchange, the Chicago Association of Commerce, the San Francisco Chamber of Commerce, the Pacific American Steamship Association, and the Ship Owners' Association of the Pacific Coast, the Trade Association of Hampton Roads and Norfolk, the Chamber of Commerce of Jersey City, and also the Secretary of the Treasury and the Secretary of Commerce.

Mr. BURNHAM. Mr. Chairman, will the gentleman yield?

Mr. CULLEN. I yield.

Mr. BURNHAM. Will not the gentleman add to his list the city of San Diego? The people of that city are tremendously interested in this bill and in its passage.

Mr. CULLEN. I am very glad to have the city of San Diego join in support of such a worthy project.

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. CULLEN. I yield.

Mr. FISH. The gentleman should also add to his list the names of the cities of Beacon and Poughkeepsie in his own State.

Mr. CULLEN. Yes. I thank my colleague from New York for mentioning these cities. I may say I am advised with respect to the city of Beacon, with the founding of which I had something to do years ago.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield for a brief question?

Mr. CULLEN. I yield.

Mr. BOILEAU. I could see where there will be a tremendous advantage to foreign products coming into this country were this bill adopted; they would have an advantage; but I fail to see anything in the bill which would be of advantage to American interests. I am asking for information.

Mr. CULLEN. The gentleman does not see any advantage that is coming to American manufacturers?

Mr. BOILEAU. Yes.

Mr. CULLEN. It is not going to hurt American manufacturers.

Mr. BOILEAU. Will it not result in an increase of imported products laid down on the shores of this country?

Mr. CULLEN. Not to the disadvantage of domestic commerce.

Mr. BOILEAU. It will be of advantage to importers.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. CULLEN. I yield.

Mr. VINSON of Kentucky. One of the major benefits will be in the transshipment of goods. I think there is a misapprehension as to what can be done under this bill. Under the present tariff law foreign goods can enter this country; and if they are mixed, mingled, or manipulated and then exported from the country, there is a drawback of the tariff. Consequently the same thing that would be done under the pending bill is already being done under existing law.

Mr. BOILEAU. But this bill will provide the added advantage of warehouse facilities.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. CULLEN. I yield.

Mr. GIFFORD. I want to emphasize that it is the maritime branch of the Boston Chamber of Commerce that is interested. There is no question as to their feeling in the matter.

I was glad to hear the gentleman from Kentucky mention "drawback." The passage of this bill would aid merchants inasmuch as it is troublesome to get the drawback, and sometimes they have to wait a long time to get it. But I want to ask the gentleman from New York whether the passage of this bill will not encourage and increase the importation of foreign goods from the obvious advantage which would be enjoyed through having goods right on our shores ready for immediate delivery?

Mr. CULLEN. Not any more than it does today.

Mr. GIFFORD. I cannot see that.

Mr. CULLEN. I refuse to yield further.

Mr. WELCH. My statement was that it was a warehouse for goods in transit, not a warehouse for foreign goods.

Mr. CULLEN. In view of the fact that considerable misunderstanding has prevailed in the past regarding foreign-trade zones, I shall take a few moments on this phase of the subject.

The establishment of such zones in the ports of entry of the United States will in no way interfere with or change existing tariffs, and is in no way an entering wedge for the dumping of foreign products in competition with our domestic products. At this point I desire to quote from the report of the Tariff Commission defining such zones and the purposes and functions of the same. The Tariff Commission's definition is as follows:

A free port or free zone is a place, limited in extent, that differs from adjacent territory in being exempt from the customs laws as affecting goods destined for reexport; it means simply that, as regards customs dealers, there is freedom, unless and until imported goods enter the domestic market. * * * The purpose of the free zone is to encourage and expedite that part of a nation's foreign trade which its government wishes to free from the restrictions necessitated by customs duties. In other words, it aims to foster the dealing in foreign goods that are imported, not for domestic consumption but for reexport to foreign markets, and for conditioning or for combining with domestic products previous to export.

This should, in my opinion, dissipate any fears that the creation of such zones will in any way adversely affect our domestic markets, or enable foreign products to avoid our tariff levies and compete with domestic products.

In this connection I want to quote from a letter written by Mr. Harriman, president of the Chamber of Commerce of the United States, which is incorporated in the report on this bill. Mr. Harriman, referring to foreign trade zones, says:

The chambers of commerce and trade associations comprising our membership have, for many years, advocated that there should be legislative permission for the creation of such facilities in American ports. It has been our feeling that foreign-trade zones will contribute to the expansion of our international trade, particularly transshipment trade, to the supplying of additional cargoes for our American merchant marine and for the simplification of customs administration. * * * It is believed that a free zone is a part of the equipment of a country for doing a diversified international trading business which American business men ought to have made available to them. It is believed that with free zones in American ports the American merchant marine will benefit from an increased share in the carrying trade of the world; that American merchants and manufacturers will benefit in a variety of ways from the advantages of a wide American consignment market for foreign products; that the free zones will bring needed improvements in American port and terminal facilities; that the free zones will bring added business to American banks, insurance companies, freight forwarders, and warehousemen; that free zones will bring about a vast improvement of the type of facilities provided at present only by bonded warehouses and drawbacks together with a simplification and saving in the work of customs administration.

That which I have just quoted is what the proponents of this legislation are seeking, and is what I believe every Member of this House should be in favor of. The creation of these trade zones will have a most beneficial effect on our shipping industry, which at the present time is practically paralyzed and lying idle and rusting away for want of cargoes. Any aid that will come to our merchant marine by the passage of this legislation will be of inestimable value from the standpoint of national defense. We all vividly recall the condition we found ourselves in during the World War, and the millions and millions of dollars we were required to expend because of the lack of a mere semblance of an adequate merchant marine.

Now, after we have again placed the American flag on the high seas at such tremendous cost, are we to allow again our merchant marine to distintegrate to a condition similar to that prior to the World War, or are we to extend such aid as is possible and such as is provided in this bill? Other countries have extended similar aid to their shipping and other interests by recognizing the principle of foreign-trade zones. There are 41 such zones in various parts of Europe, and they have been of material aid in the handling of additional tonnage in the ports where located.

Not only that, but this legislation has received endorsement from every commercial body in the United States. Practically nobody opposes it. Nobody that I know of opposes this bill except the gentleman from Massachusetts [Mr. TREADWAY].

Mr. MILLARD. Will the gentleman yield?

Mr. CULLEN. I yield to the gentleman from New York.

Mr. MILLARD. If it is such a good bill, why has it taken 20 years to pass?

Mr. CULLEN. The bills that were introduced in the prior sessions of Congress were not pressed with any degree of seriousness. They were introduced as a matter of suggestion, but from one thing grows another. From an acorn large oaks grow. The suggestion came, and hence the bill is before you now because of the fact the people of the country realize this is important legislation and we should have it.

Mr. VINSON of Kentucky. In the bills which were considered in prior Congresses there was the authority to manufacture within the foreign-trade zone. Unquestionably this would give an advantage over the manufacturers of similar products in the interior of this country and that character of bill should not be enacted into legislation. The manufacturing end of it and the authority to manufacture are striken from the bill. We have gone so far as to strike the exhibition of goods from the bill.

Mr. CULLEN. Yes; that was taken out.

Mr. McCORMACK. We prohibit the manufacture of goods within this zone.

Mr. CULLEN. Yes.

Mr. TREADWAY. Will the gentleman yield?

Mr. CULLEN. Yes.

Mr. TREADWAY. The gentleman from Kentucky [Mr. VINSON] bears down on the inclusion of the word "exhibit." Will the gentleman claim that a man endeavoring to sell foreign goods could not have a sample in his office from which he could sell?

Mr. VINSON of Kentucky. May I ask the gentleman from Massachusetts [Mr. TREADWAY] if he thinks the business men of the world, even though they are foreign-business men, are going to go to the expense of manufacturing goods and shipping them blindly out into the ports of the world in the hope that they may be able to sell the goods?

Mr. TREADWAY. I absolutely think they will because there is sure to be a sale of the goods in 2 years' time under this bill.

Mr. VINSON of Kentucky. What benefit would the foreign manufacturer get if they are abandoned and sold under auction? They certainly would do nothing except suffer loss.

Mr. CULLEN. My time is being used up. I refuse to yield further.

The passage of this bill will, in my judgment, also mean a saving of considerable Customs Service expense to the Government, as well as annoyance, delay, and expense to shippers and domestic industries.

The enactment of this legislation does not call for the expenditure of any public funds, but merely authorizes States, political subdivisions thereof, municipalities, or other public agencies to establish, operate, and maintain such zones. Private corporations are authorized to establish such zones only in the case such zones are not established by the States or other public agencies, with a further limitation that they must be chartered by the State legislature. The cost of maintaining whatever additional customs services as may be required in these zones is to be borne by the operators of such zones.

The Secretary of the Treasury, as also the Secretary of Commerce, have signified their approval of the establishment of these zones, as evidenced by their letters which are incorporated in the report, and as this legislation will inevitably encourage our foreign commerce and be of inestimable benefit to many of our domestic industries, I feel the same should meet with the unanimous approval of the membership of this House. [Applause.]

Mr. TREADWAY. Mr. Chairman, I yield 4 minutes to the gentleman from Massachusetts [Mr. CONNERY].

Mr. CONNERY. Mr. Chairman, I have listened to the distinguished gentleman from New York and to my distinguished friend from Massachusetts [Mr. McCORMACK], and the other speakers, but I am a little bit leery of this bill. I am a little suspicious of it. I have listened to all the talk about the free zones and free ports and where the cities are going to build up free ports and all about foreign goods coming into the United States and into these free ports, where the goods wait until an American customer comes

along to buy the goods. Then after a certain period of time, if the goods are not sold, they are auctioned off.

The first thought that occurs to me is that you will have a surplus of goods. You are creating a condition of surplus of goods on hand in a free zone which is a threatened competition to the same type of goods in the United States. True, you are not allowing them to put the goods on exhibition where the American can go in and look at the goods and see whether they are as good-looking a shoe, for instance, as is made in the city of Lynn, Mass., and if they are as good looking as the shoes from Lynn they may be bought at a cheaper price. I know my distinguished friend from New York [Mr. CULLEN] does not want to throw the shoe workers of Lynn, Mass., out of employment, for instance, but before we had a tariff on shoes there were some 6,000,000 pairs of Czechoslovakian shoes coming into the United States every year. We had the same situation in reference to textiles and a lot of other manufactured products of the United States.

As to shipping, I can see where anyone who comes from a seaport would be inclined to favor this bill. Lynn, where I live, is a seaport city. We have just had our harbor deepened. Boston is 10 miles from Lynn and is a great port. The idea supposedly here is to help American shipping, which sounds fine, but these goods are not going to be carried in American ships. They will be carried in English, German, Argentine, French, and other ships.

When the United States Government saw fit to enter into negotiations for Brazilian coffee in exchange for some other articles, the coffee was carried up here in Brazilian ships, and the other products shipped back in Brazilian ships, not American ships. I brought this fact out on the floor of the House at that time. So you need not worry about building up the American merchant marine. It will not be done in this manner because the foreign governments take better care of their shipping than we do. These goods will be shipped in foreign ships. They have control of the ocean, and they intend to keep control.

I am also suspicious when they say the United States Chamber of Commerce and Mr. Harriman are in favor of this bill. Mr. CULLEN says this is going to inure to the benefit of labor. Mr. Harriman appeared last year before the Committee on Labor. I have nothing against the gentleman and have no antagonistic feelings toward him personally. He is a fine gentleman with a good character, but with very little sympathy for the shoe workers of Lynn, or the textile workers of Lawrence, or other men who toil with their hands.

I am suspicious that this bill is another move of the international bankers to protect their interests at the expense of the American workers. The importers and international bankers work pretty well in double harness. The original bill, I understand, would actually have permitted manufacturing in these free zones. Then it would have permitted exhibitions of the goods. That would be almost as good as letting in the goods duty free. It seems to me that for the safety of the American workers and their protection against foreign competition of low wages and long hours this bill should be defeated, and I am against the bill. [Applause.]

Mr. CULLEN. Mr. Chairman, I yield 4 minutes to the gentleman from California [Mr. DOCKWEILER].

Mr. DOCKWEILER. Mr. Chairman, you perhaps do not know it, but there is a free port within a stone's throw of the confines of the United States right below my State. Right across the border from San Diego, from where my good friend and colleague from California [Mr. BURNHAM] comes, the Mexican Government, which, I suppose would be considered by us more backward than our own, has established a free port at Tia Juana, and they have established the kind of free port where they permit not only the importation of foreign goods to be repacked and rehandled, and so forth, but they also permit such goods to be manufactured in this free port and free zone. There is an island, so to speak, there that is fenced about with a high fence with barbed wire on top, and they invite, today, the American manufacturer of southern California to come down into this free zone and fabricate their goods, using foreign labor.

What do you suppose the industrialists of San Diego can do against this sort of competition? There are over 41 free zones established in the world, and one of them is right there at the border of southern California, at Tia Juana, Mexico.

. I am in sympathy with this bill. I am supporting it because my suspicion is it will encourage the American merchant marine; because my suspicion is that wherever these free zones are established, it will add some employment from the army of unemployed today. I am in thorough sympathy with this bill and want to see it pass.

You may say I am a port-town Member of Congress. This may be true. While I do not represent the district within which is the port of Los Angeles, nevertheless, if I were from Iowa, or if I were from the State of Michigan, I would not object to this bill, and I am sorry to hear my friend and colleague from Michigan state that he feels he will have to oppose the measure, because it will not be long before along the Canadian border there will be established by the Canadian Government free zones, inviting American manufacturers to come in these zones and manufacture and fabricate their goods and buy foreign basic products and put them up and sell them in the United States. In this bill we have safeguarded against this. We only provide that these foreign goods can be brought into this free zone and repacked, rehandled, cleaned, and manipulated; and manipulated, if you will look at the derivation of that word, means handled by the hands. Manus, I believe, is the Latin word for hand, and manipulating means just exactly what it says, that it shall be repacked or rehandled, which is just another similar expression.

So I am supporting this measure and I hope it passes. [Applause.]

Mr. TREADWAY. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Chairman, I simply want to go on record in favor of this legislation. Two of the cities in my district, Poughkeepsie and Beacon, on the Hudson River, have made a very careful study of the free-zone proposition and the business men there are almost unanimously in favor of it. I can see many advantages and but few disadvantages from the passage of this bill.

I am not very much concerned, however, about the suggestion that the Tariff Commission of the United States favors it—this alleged nonpartisan Commission is like other so-called "nonpartisan commissions" composed mostly of Roosevelt Republicans and college friends of the President who left the Republican Party years ago. The intention of Congress has been repeatedly violated both in spirit and in the letter of the law by appointment of Roosevelt Republicans to represent the policies of the Republican Party.

If anyone could prove to me that this legislation would take away the job of any American in a factory, I would vote against it, but it seems to me, after listening to the distinguished gentleman from Massachusetts [Mr. MCCORMACK] who spoke at some length that it is a fair proposition to provide a free zone or free port so that foreign goods can be transshipped.

It does not propose to favor any foreign goods or take away any American trade. It is merely to extend a much-needed convenience to the foreign shipper so that goods can be held in storage in a free zone without payment of duties until transshipped. I do not see any partisanship in the bill. I do not see that it is a Democratic measure or a Republican measure. It is brought here on its merits, just as years ago it was proposed by a Republican Congress. I see no reason to inject partisanship into it now unless Members can prove definitely that American factory owners and workers will not lose their jobs through unfair competition. I am a protectionist and believe that the American market must be preserved for the products of American labor and that our wage earners need protection more today from the cheap output of Japan and Europe than ever before.

All I can say is that the people of my district, after considering carefully the free-port proposal on its merits for

several years, have asked me to support the pending bill, and I propose to do so, unless some good reason is produced why it should not be adopted.

Mr. COLDEN. Will the gentleman yield?

Mr. FISH. I yield.

Mr. COLDEN. Is it not a fact that some factory owners and manufacturers must use foreign products at times, and this will enable them to get their supplies much better and easier?

Mr. FISH. I do not know whether that is true or not, but the free zone provides a place where they can store their goods until they are transshipped.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield 3 minutes to the gentleman from Wisconsin [Mr. BOILEAU].

Mr. BOILEAU. Mr. Chairman, it seems to me that this bill must be for the purpose of giving a benefit to somebody. I cannot see wherein the American manufacturer or producer or where the American laborer will get any advantage under the bill. It does seem to me, however, that the American importer and the foreign producer or manufacturer is going to get some advantage, because under the terms of the bill they would be able to bring their products into the free zones, put them into the warehouses there, leave them there until such time as conditions will enable them to get an opportunity to sell their commodities.

Under present conditions I do not believe that any importer or any foreign producer or manufacturer will ship goods into this country unless they have a place to sell those commodities in this country. In other words, there are practically no goods coming into this country now unless there is someone here ready to buy them or who has already purchased the goods.

Under the terms of this bill the importer or foreign producer could ship goods into the free zone, put them in the warehouse, keep them until he has an opportunity to sell them. The only result of this kind of legislation is to encourage importation from foreign countries. This certainly is a concession to the foreign producer, the foreign manufacturer, and makes it easier for them to sell their goods and merchandise in this country.

Every time we give a concession to foreign interests who are in competition with American interests we are doing something against the interests of our own people, and I for one do not believe that we should pursue that course.

Mr. FORD. Will the gentleman yield?

Mr. BOILEAU. I will yield to the gentleman.

Mr. FORD. How are we going to sell goods abroad if we do not buy goods abroad?

Mr. BOILEAU. Under the present law we consume here about 93 percent of all the commodities produced in this country, and we should preserve our own market for American interests and not worry so much about the 7 percent we sell abroad.

Mr. TREADWAY. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. WEIDEMAN].

Mr. WEIDEMAN. Mr. Chairman, I am a little suspicious when the Greeks begin to bear gifts. I do not know how this bill is going to benefit American industry. Consumption is fixed. We consume just so much of shoes, so much food, and so much of anything else, commensurate with the amount of money we have to pay for it. Is it not a self-evident fact that the more we import from some country, the less of American goods we are going to use? I am in favor of doing a little bit for the folks over here once in a while.

Another objection I have to this bill is this: Our policy of government says we are now producing too much. We are producing too much, and still you want free ports to bring in more. Either we are wrong one way or the other. To answer the gentleman from California, the gentleman said the gentleman from Michigan should be for this bill. I am not so sure about that. I want to call to his attention that when Tia Juana, Mexico, has a free port, where they use cheap Mexican labor in the fabrication of foreign material, and rather than help American labor it harms us.

If the argument is sound that we are overproduced and that it is necessary to reduce farm acreage because of surpluses, and that the N.R.A. authorities have given industries the right to reduce the hours of labor, where is the necessity to increase our imports at this time?

Experience has shown us that if we increase imports the imported articles will be brought here in foreign bottoms. Does it not stand to reason that the greater imports we introduce into this country at this time the greater number of American articles we will displace with foreign goods.

It should also be brought to the attention of the American citizen that these foreign shipments will be financed with their money through the Federal Reserve banks at a cost of one-thirtieth of 1 percent. Of course, the Federal Reserve bankers and international bankers will make a tremendous profit from the financing of these international deals at the expense of the American Government. If the proponents of this bill will show me how it will help reopen one American factory, and not close many, I will vote for this bill. As yet, this has not been shown. I am not yet in favor of putting Russian and Japanese labor in competition with American labor.

In the course of a few years the imports of Czechoslovakian shoes rose from about 400 pairs per year to 6,000,000 pairs in 1929. This did not help the American shoe industry.

Mr. TREADWAY. Mr. Chairman, I yield 4 minutes to the gentleman from Pennsylvania [Mr. MCFADDEN].

Mr. MCFADDEN. Mr. Chairman, I do not regard this as a tariff matter in any sense whatsoever. It is a further aid to the foreigner to compete with American manufacturers. It is a further aid to the importer, because he makes his profit from the importation of foreign goods into the United States. It is a direct blow to American industry, because it furnishes facilities to permit the foreign importer to store in the United States, for immediate shipment, in competition with American-manufactured goods.

The claim is put forward that it will mean additional employment. That is probably so in those ports of free entry, but I want to call attention to the fact that whatever employment is gained there will be lost in the factories of the United States. There will be imported into these warehouses or big yards these products. The big yards will be stored with steel and cement, sugar, oil, and probably Russian and Welsh coal, and the warehouses will be filled with perishable products like shoes, cotton goods, and other commodities, manufactured in foreign countries with foreign cheap labor which come in to compete with American industry and American labor. This will simply be another facility to make foreign merchandise readily available to American buyers—and will increase the competition of the American factories.

Another thing to which I called attention a few moments ago, if there is a political party matter involved here I would place on the side of this kind of tactics the Democratic Party, because they seem to be perfectly willing that there shall come into this country foreign-made goods, free and in increasing quantities, and that the foreigner and his industry shall be financed with Federal Reserve credit. There is no question now as to that situation because of the amendments which have been made to the Federal Reserve Act, which permit the financing of the foreigner in the holding, manufacture, and shipment of his goods into the United States. We give the foreigner the benefit of cheap Federal Reserve credit through the use of acceptances. May I point out to you that acceptance credits follow these shipments from the time the raw material is manufactured abroad, while it is being shipped across, and while it is stored in the warehouse for 2 years under this plan, awaiting consumption on the part of the American public.

This is an additional advantage to the foreigner and his goods against the American manufacturer and consumer. Foreign goods are now filling the shelves of our chain and department stores, such as Macy's and Gimble's, of New York, and similar stores of other of our American cities.

To have great quantities of such goods stored in great cities of this country ready for immediate shipment to re-

tailers in zones where quick delivery and favorable shipping zones are at hand, will, I submit, be the keenest kind of competition with American producers and besides few American manufacturers are in a position to get acceptance credits at the low rates of discount as are given to the foreigner.

Mr. McCORMACK. Will the gentleman yield right there?

Mr. McFADDEN. I am sorry, but I am through. I yield back the balance of my time.

Mr. CULLEN. Mr. Chairman, I yield to the gentleman from Massachusetts [Mr. McCORMACK] 3 minutes.

Mr. McCORMACK. Mr. Chairman, I want to call the attention of the gentleman from Pennsylvania and the members of the committee to the 2-year provision. Under the present law goods can be brought in and stored in bonded warehouses for a period of 3 years. The 2-year period in this bill is 1 year less than the existing law with reference to bonded warehouses which the distinguished gentleman from Massachusetts [Mr. TREADWAY] helped draft in the passage of the Hawley-Smoot bill of 1930.

Mr. McFADDEN. Will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. McFADDEN. The gentleman is furnishing free zones for the storage, a very different proposition from the present bonded warehouse which is in existence.

Mr. McCORMACK. I know, but if my friend will get this, nothing can be done under this law that cannot be substantially done under existing law except that it will result in a saving to American business, and be beneficial in many other respects. Our business men put up a bond double the value brought in from a foreign country and placed in a bonded warehouse. That means inconvenience to our business. The duty has to be paid on imports which are assembled in this country outside of bonded warehouses and when exported, they must show they are the identical goods that were imported in order to get the drawback of 99 percent. There is nothing in this bill such as my good friend from Massachusetts, Mr. CONNERY, and my good friend, Mr. WEIDEMAN, from Michigan, think. If we are going to legislate on suspicion, we will never progress. This is to expedite action for the protection of American business. They have under this bill everything that the law now gives them, except that they will be able to expedite action and save the money that they need and which can be utilized to good advantage. In addition, there are the advantages of transshipment and reexport.

Mr. WEIDEMAN. Will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. WEIDEMAN. To expedite American business you want to make it easier for the importer to make a little money so that they can bring foreign goods in here cheaper, in competition with American industry, so we use more foreign goods and less American goods.

Mr. McCORMACK. Oh, the gentlemen is mistaken about the imports. He should think of American business. That is what this bill is for.

Mr. WEIDEMAN. No. I know the international bankers are the only ones who profit in the interchange of foreign goods. I do not propose to penalize American industry in favor of foreign commerce to make more money for a few international bankers and traders.

Mr. McCORMACK. The international bankers have nothing to do with this bill, and I am no more interested in them than my friend is.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. McCORMACK], has expired.

Mr. TREADWAY. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. HOLMES].

Mr. HOLMES. Mr. Chairman, I made an inquiry from my distinguished colleague from New York relative to the situation as it applied to steel. May I say in answer to my good friend from Massachusetts that I do not believe the gentleman from Michigan [Mr. WEIDEMAN] is unduly alarmed over this bill, nor is my colleague from Massachusetts [Mr. CONNERY] because as a matter of fact today we are importing from European steel manufacturers steel at a rate far less than it can be produced for in this country. We have the commodities right in storage under bond in the various seaports of the United States; the manufacturers of Michigan and other States rather than consume the same material of better quality manufactured in American plants by American labor will take out of bond such quantity of this wire as they may want to use. The ultimate effect of this, of course, is to take away that much employment from American workmen. Nor do I have to go to Michigan, for I see it daily going by my door in Worcester, a city where thousands of men are employed in steel mills, as wire drawers, and so forth. These men are suffering because of this foreign competition; yet we in this country had to work for years to develop this industry.

When we come to the question of a more adequate tariff on shoes, which was accomplished after years of work by my friend CONNERY, from Lynn, do you suppose the shoe jobbers or dealers in the United States paid the increased tax? No, it was absorbed by the shipping interests and the manufacturer of the shoes abroad. The local jobber paid just exactly the price he paid before the tariff was increased. [Applause.]

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield 2 minutes to the gentleman from West Virginia [Mr. EDMISTON].

Mr. EDMISTON. Mr. Chairman, it seems to me the argument advanced in support of this bill that to help American shipping we must import more foreign goods into the country is ridiculous. How can we increase our imports without hurting our manufacturers?

In my opinion the chief offender under this bill would be Japan. At the present time, in pottery alone—and I speak of pottery because this industry is located in my district—Japanese imports have increased since the first of the year until now a million dozen units of Japanese pottery are imported into this country each month.

If by the passage of this bill free zones are to be created and the importation of Japanese pottery expedited, we will keep the pottery workers of West Virginia and Ohio unemployed, because Japan is flooding this country with cheap pottery made by workers who receive a wage of 4 cents a day—made by pauper labor. What do they care if they do lose money? If they lose, their Government will subsidize them.

So I fear the passage of this bill will injure American industry; and I hope the bill will be defeated.

Believing as I do that Japan will be the chief offender under this bill I want to call to the attention of the House the utter disregard of the rest of the world that Japan continues to display. Japan has the cheapest and most pauperized labor in the world. She has them in great numbers so she must find room for them. She, by sheer force, ruthlessly overrides China; and, in my opinion, if she thought she had the force would ruthlessly override the rest of the world. Why do we want to pass a measure here that will hurt our own American manufacturers, keep American labor out of work, and aid a country like Japan? I firmly believe that this bill will make it more convenient, at least, for Japanese pottery to be imported into this country; and personally I am for an embargo or limitation against all Japanese products that conflict with American articles.

Mr. TREADWAY. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, I have been trying fairly to understand the bill so that if possible, I could vote for it, but no illustrations of the operation of the free zones have been brought forward except the bare statement that there would be more employment in the shipping ports; but let us who represent manufacturing districts not be asleep at the switch.

The question has many times been asked if this bill would furnish facilities for the more convenient and quicker sale of foreign goods; but this question has not been answered.

I sympathize with the importer who has to pay the duty and wait a long time to get the drawback; but they finally get it after a long wait.

The question was asked if American business men could not get foreign material they needed more quickly and more readily if free-trade zones were established. Yes, of course they could; and it would also be better for those who wanted foreign merchandise in preference to domestic merchandise; and I am wondering if there are no jobbers in this country—men who do not actually manufacture—who would take advantage of this sort of thing by having these foreign goods shipped into the free ports, thus keeping large quantities on hand right on our shores.

The proponents of the bill have shown how it helps the foreign manufacturer, but they have not shown how letting foreign goods come into this country easier will help or improve the domestic manufacturer. Not a single instance of this kind has been presented. So it seems to me clear and unmistakable that it will jeopardize the domestic manufacturer and be helpful only to the ports.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Chairman, the question of the free port or trade zone has been approached in this debate from various angles. I know that every Member of this House, in considering the bill and in arriving at a conclusion as to how he or she will vote upon it, will be controlled by what he or she believes to be for the best interests of our country. There never was a time when it was more essential for Members to consider the question in this light than right now. We must not lose sight of the fact that there are large numbers of people on the relief rolls today, and the reports indicate that unemployment is increasing. President Green, of the American Federation of Labor, according to a report in this morning's Post, stated that recently unemployment had been on the increase.

It so happens that I live near the northern border of the United States. I live right across from Canada on Lake Erie; and I hope you Members will listen to me for a minute, because some of you come from far inland towns and cities; therefore, you little realize what it means to live near to foreign markets. Naturally there are literally thousands of people in this country who will buy foreign goods if they have the opportunity, especially when they are operating on a limited budget. You Members may be interested to know that in 1 year 6,000,000 people crossed the Peace Bridge at Buffalo into Canada and returned to the United States the same day. Much has been said about the Hawley-Smoot tariff bill, but let me say that the bill permits a person in an automobile to bring in free of duty $100 worth of foreign goods. I have the figures here, and they are very illuminating as to the amount of foreign goods that come into this country free of duty because of this loophole in the law. The Canadian law is not reciprocal. A Canadian would not be permitted under any circumstances to purchase goods in this country and take them over there.

I have some figures as to what came in through a few ports along the border. There came into this country in 1 year through 11 ports of entry merchandise valued at $4,460,107 free of duty. In addition to the above it is estimated that oral declarations of articles valued at $25 or less amounted to $450,000 more at Buffalo; $250,000 more at Pembina, N.Dak.; and $2,900,000 more at Ogdensburg, N.Y. What is happening over there is that there are stores right across the border within an hour's drive from cities in the United States. Persons drive over to Canada from Buffalo, Rochester, Syracuse, and even from as far away as Cincinnati. They cross over into Canada in an automobile and then return loaded down with the choicest kind of chinaware, pottery, woolens, and other articles of foreign make, which comes in direct competition with similar goods manufactured in this country. What is the result? There was a time when Buffalo had some of the finest china and pottery stores in this country. Today there are only a few of any importance left.

This system of importing foreign goods is going to reach out like creeping paralysis into the other cities. Here is what will happen under the present bill. When you establish a free port or free zone in New York, the trade center of our population, you will establish a great sales agency for the foreign governments. Make no mistake about that. People are going to flock to the free zone, not by the thousands, but by the millions. They are going to watch for foreign bargains and they are going to get them. Foreign interests will have that trade zone equipped with the finest high-pressure sales organization that money can buy. When our people go there they will be supplied with attractive, illustrated catalogs, and they will buy from them, just as many persons purchase through catalogs here. All of the foreign goods bought through this system will throw many of our workmen out of employment.

Our pottery business is now being destroyed by foreign competition. Take the tailoring establishments in Buffalo. They are at a great disadvantage when competing with the Canadian firms because of the low price of woolen cloth in Canada. I have a list here of the wonderful advertisements that are being mailed out by the thousands every day from Canada, urging Americans to "Come over to Canada to do your buying", and explaining in detail just how much can be saved by crossing over the Peace Bridge. This method of Canadian merchandising is going on all along our border and in every one of the border cities. When you open a trade zone you are inviting all the countries of the world to come in and destroy our business. Present custom duties will not stop the exploitation of the American market by foreign manufacturers. [Applause.]

Mr. TREADWAY. Mr. Chairman, I was astonished at the statement made by my good friend and colleague from Massachusetts [Mr. MCCORMACK]. How in the world he can make such statements I do not know. He knows better than to say there is no change in this bill from the Smoot-Hawley Tariff Act; that you can do under the Smoot-Hawley Tariff Act what can be done under this bill. The gentleman knows better than that if he knows anything about that act or this bill.

What is the difference? The outstanding difference is that you can import into this country any quantity of goods you want to under the free-zone system and not pay a penny's duty on them until they go into the markets in competition with American products, whereas under the drawback system of the Smoot-Hawley Act you pay your duty before the goods are landed in this country or as soon as they land. If that is not a difference I do not know what is. Under the present law thousands of dollars of interest are tied up. Under the free-zone system you pay nothing until your goods are sold. Is that not a difference?

The gentleman from Massachusetts [Mr. MCCORMACK] knows that I am stating it correctly, and, of course, neither of us wants to accuse the other of intentional misstatements.

Reference has been made here to the fact that this bill is favored by administrative agencies and by the Tariff Commission. I deny the statement. You may read the reports from the Tariff Commission away back 20 years ago and get a little favor out of them, but, as a matter of fact, the present Secretary of Commerce said:

> There may be some doubt, therefore, whether the establishment of foreign-trade zones is as urgent at the present time.

That is a terribly left-handed recommendation for the free-zone system. On the contrary, the officials do not recommend it at all.

I call particular attention to the fact that the gentlemen would not permit the Vice Chairman of the Tariff Commission, himself a Democrat, to appear before the committee. He got some subordinate to appear before the subcommittee, but the committee could not secure a day's extension of time in order to hear from Mr. Page. He said exactly what I am saying or what Mr. Roper said, that in principle it might be all right, but there is no call for it today. There is no need for it. That is Mr. Page's opinion as well as the opinion of the Tariff Commission, and we have a letter to

this effect. I will be glad to print in the RECORD a letter from the Tariff Commission making this statement. The letter is as follows:

UNITED STATES TARIFF COMMISSION,
Washington, May 11, 1934.

MY DEAR MR. TREADWAY: I have your letter of May 9, requesting the personal opinion either of myself or of Mr. Page regarding the merits of the legislation proposed for the establishment of foreign-trade zones in the United States.

The subject is one to which I have given little or no study and which has not come up for consideration before the Tariff Commission since I have been connected with this agency. On inquiry I cannot find that it has been a matter for Commission consideration since a report was made by the Commission based on hearings and inquiry conducted during and immediately after the World War. That report, which I am informed was written by Mr. Page, was based on conditions which were widely different from those now existing. Not only was the trade of this country at that time enormously greater than at present and severely handicapped by the lack of adequate port facilities, but also provisions of law regarding drawback, the handling of goods in bond, and other matters affecting our foreign trade were antiquated, cumbersome, and restrictive. Since that time new legislation, based upon recommendations which were made by the Tariff Commission almost contemporaneously with its report on free zones, have greatly simplified or completely removed the difficulties then imposed by law.

In view of the alteration that has occurred in the conditions enumerated there appears at present to be little that might be gained by merchants and shipowners of the United States through the establishment of free zones.

The proposed construction and regulation of such zones would entail a large expenditure. It is true that under proper regulation the greater part of such expenditures would devolve upon the ports where the zones are constructed. Nevertheless, the proper policing of the zones with a view to maintaining Federal regulations would be a matter of considerable expense to the Federal Government.

Obviously, this expense would be increased according as the number of such zones may increase. It is not unreasonable to suppose that in the competition for business the establishment of such a zone at one port would lead to a demand that a similar zone be established in many other ports. I may add that, although I have not studied the bill to which you refer with care, I am inclined to think that interior cities would likewise wish to create zones of the sort contemplated.

On the whole, whether the outlays for construction, maintenance, regulation, and policing of free-trade zones be borne by the inhabitants of the cities where they are located or by the Federal Government, it is impossible to see how profits or benefits accruing from the establishment of such zones could possibly equal the costs.

I may say that Mr. Page concurs with me in what I have written.

Very sincerely yours,

ROBERT L. O'BRIEN, *Chairman.*

Hon. ALLEN T. TREADWAY,
House of Representatives, Washington, D.C.

So we get right down to the facts of the case, that the party in power favors foreign over domestic trade. That is what the bill is here for, and that is what you are going to be called upon to pass today. It is the same policy that we have objected to throughout this session of Congress, and we still object to the policy.

[Here the gavel fell.]

Mr. CULLEN. Mr. Chairman, I yield the balance of my time to Mr. VINSON of Kentucky.

Mr. VINSON of Kentucky. Mr. Chairman, it is a rather amusing thing for me in this debate to watch the operation of the human mind and the ingenuity of man in setting up bars and barriers in opposition to this legislation. Our friends on the other side say that this bill is for the benefit of foreigners. May I ask in all fairness, if the 41 foreign-trade zones in other climes are set up for our benefit, or are they created, and are they operated for the benefit of their own people? There can be but one answer to that. I realize you can throw in fear, suspicion, doubt, and all that sort of thing, but the foreign-trade zones of the world are created and operated in order to benefit the nations and the people where they are situated. That is our purpose in this bill—to benefit American business.

Our friends throw in the propaganda, and that is what it is—it is just simply bunkum—that if you create a foreign-trade zone you permit foreigners to manufacture goods, ship them over here, store them in these warehouses, and that it will be a sales house. They admit that there can be no exhibition of the goods, but, they say, somebody up in the city will have samples and will sell these goods from samples. Then they will pay the usual tariff duties and their goods will come into competition with our goods.

Now, let us see. What is to prevent any foreign concern from doing that very thing today. I submit to you that under existing law they can manufacture their goods, they can ship them into this country, they can transport them to the bonded warehouses, and then all their high-powered salesmen can have their samples and their books and sell the goods to the American people today; and when sold they pay the tariff, and the goods will go out in competition with American-made goods.

Mr. HOLMES. Will the gentleman yield?

Mr. VINSON of Kentucky. In just a moment.

All this bill does in this respect is to eliminate the requisites of law with respect to the bonds for payment of tariff. If the goods are transshipped out of the country, the drawback is eliminated. You can have all the sales from samples under existing law that you can have under this bill, and if there is anyone who cares to deny that statement, even though my time is limited, I pause for such denial.

Mr. McFADDEN rose.

Mr. VINSON of Kentucky. I yield to the gentleman from Pennsylvania.

Mr. McFADDEN. I want to ask the gentleman to define the area, say, of the port of New York. Does it include all of New York City?

Mr. VINSON of Kentucky. Oh, no; the bill sets up a board to determine the area. We have the Secretary of the Treasury, the Secretary of Commerce, and the Secretary of War. The location, area, and such things are prescribed under rules and regulations of this particular board.

Mr. McFADDEN. May it include the Rockefeller Center Building, where the exhibition of foreign goods is now taking place?

Mr. VINSON of Kentucky. If the gentleman thinks that is a serious question, I am perfectly willing for him to answer it.

I now yield to the gentleman from Massachusetts.

Mr. HOLMES. I agree with all the gentleman has said with reference to what the foreign governments are doing along the same line that the bill proposes, but the sooner we stop that practice, hundreds of thousands of American workmen who are today loafing will get back their jobs.

Mr. VINSON of Kentucky. The gentleman exaggerates because of fear. The gentleman referred a moment ago to steel. I do not care to get into a controversy with him, but I happen to know something about the quantity of steel that is imported. It is of negligible quantity. We export steel. Of course, if the gentleman is fearful that a few piano wires are coming in here, of course, I cannot help it, but when you fear the importations of steel because of this legislation, it is ridiculous. Can you say that foreign business would manufacture steel, ship it to this country, and store it in a warehouse at their expense, and then await a sale, and, if not sold, then put these goods up at public action and sell them? What sort of price will they bring? They will be sold for nearly nothing. Now, my friends, when has it happened that foreign manufacturers are willing to make up and fabricate their goods with all the expense involved, bear the expense of shipment, the expense of storage, and lose all of this expenditure.

I think it is time for us to stop and take stock in regard to this legislation, because there is nothing involved here that is particularly new. It is merely a convenience to Americans and the measure is solely for their benefit.

[Here the gavel fell.]

Mr. CULLEN. Mr. Chairman, I move that the Committee rise in order that the Speaker may sign a bill that is to go to the President.

The motion was agreed to.

Accordingly, the Committee rose, and the Speaker, having resumed the chair, Mr. JOHNSON of West Virginia, Chairman of the Committee of the Whole House on the state of

the Union, reported that the Committee, having had under consideration the bill H.R. 9322, had come to no resolution thereon.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 2837. An act to provide for the establishment of the Everglades National Park in the State of Florida, and for other purposes;

H.R. 6803. An act to regulate the distribution, promotion, retirement, and discharge of commissioned officers of the Marine Corps, and for other purposes;

H.R. 9068. An act to provide for promotion by selection in the line of the Navy in the grades of lieutenant commander and lieutenant; to authorize appointment as ensigns in the line of the Navy all midshipmen who hereafter graduate from the Naval Academy; and for other purposes; and

H.J.Res. 347. Joint resolution to prohibit the sale of arms or munitions of war in the United States under certain conditions.

FOREIGN-TRADE ZONES

Mr. CULLEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H.R. 9322) to provide for the establishment, operation, and maintenance of foreign-trade zones in ports of entry of the United States, to expedite and encourage foreign commerce, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H.R. 9322, with Mr. JOHNSON of West Virginia in the chair.

The clerk read the title of the bill.

The CHAIRMAN. The clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That when used in this act—

(a) The term "Secretary" means the Secretary of Commerce;

(b) The term "Board" means the Board which is hereby established to carry out the provisions of this act. The Board shall consist of the Secretary of Commerce, who shall be chairman and executive officer of the Board, the Secretary of the Treasury, and the Secretary of War;

(c) The term "State" includes any State, the District of Columbia, Alaska, Hawaii, and Puerto Rico;

(d) The term "corporation" means a public corporation and a private corporation, as defined in this act;

(e) The term "public corporation" means a State, political subdivision thereof, a municipality, and a public agency of a State, political subdivision thereof, or municipality;

(f) The term "private corporation" means any corporation (other than a public corporation) which is organized for the purpose of establishing, operating, and maintaining a foreign-trade zone and which is chartered under special act enacted after the date of enactment of this act of the State or States within which it is to operate such zone;

(g) The term "applicant" means a corporation applying for the right to establish, operate, and maintain a foreign-trade zone;

(h) The term "grantee" means a corporation to which the privilege of establishing, operating, and maintaining a foreign-trade zone has been granted;

(i) The term "zone" means a "foreign-trade zone" as provided in this act.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman from Massachusetts [Mr. TREADWAY] a few moments ago made some statements during which he said I had made the statement that there was no change in this bill from the Smoot-Hawley bill, and the gentleman knows better than that.

I am not going to draw back a bit from that statement, although the gentleman misquoted me. I sent for a copy of my remarks, and I have here what I did say, and yet I accept the statement that the gentleman from Massachusetts makes, in view of the several remarks I have made today on this bill. What I said with reference to the gentleman from Massachusetts [Mr. TREADWAY] is as follows:

The gentleman from Massachusetts [Mr. TREADWAY] says that by the passage of this bill it gives the power to assemble and manipulate, and so forth. There is nothing in that that you have not in the tariff law passed in 1930, which the gentleman from Massachusetts helped to draft.

This was the statement I made, and there is nothing in this bill but what the Tariff Act of 1930 now provides with reference to the bonded warehouses of this country.

With reference to the drawback, in a colloquy with the gentleman from Michigan [Mr. WEIDEMAN], I specifically referred to the drawback and I referred to that as an illustration that this bill would be helpful by eliminating the unnecessary expense and the inconvenience and the trouble of the drawback.

I like the gentleman from Massachusetts personally and have a high regard for him; and these exchanges today, while they are personal, are meant to be friendly. However, when my friend from Massachusetts [Mr. TREADWAY] undertakes to state that I made statements that the RECORD shows I did not make, then I feel constrained for the gentleman's own personal benefit to correct the erroneous impression that honestly exists in his mind.

Mr. TREADWAY. Mr. Chairman, I move to strike out the last two words. I not only have the highest personal admiration for my colleague [Mr. McCORMACK], but I have a very high political admiration for him. To a certain extent, that is caused by the fact that his is contrary to my own political attitude. I have known for these many years that he is rated as one of the leading influential Democrats in the Old Bay State, and we all know of his standing with his party in Congress. [Applause.] Today he is being written about, talked about, gossiped about as a possible candidate of the Democratic party for the empty honor this fall of being the Democratic gubernatorial candidate. [Applause.]

Mr. CONNERY. Did the gentleman say empty?

Mr. TREADWAY. Yes; I said the empty honor.

Mr. McCORMACK. But the Governor is going to be a Democrat.

Mr. TREADWAY. Not this fall as the present Governor has declined to be a candidate. My objection to the suggestion I have offered is that it would deprive this House of the services of one of the influential leaders of the Democratic side, and we all know it is greatly in need of leadership.

So far as the argument between us is concerned, I am only too glad to offer to my colleague from Massachusetts any apology or explanation or any word he wants to put in. My suggestion in relation to my statement is that my good friend talks so fast and so loud and is so rapid in gesticulation that it is hard for a confused mind like mine to follow him. Therefore, I think he will permit me to say that I surely had no expectation that he would say that there was no great difference between the Smoot-Hawley bill and this bill.

So I think he had better let the whole thing rest right where it is, and that we will continue to be as good friends as we have been for many years. [Applause.]

Mr. DIRKSEN. Mr. Chairman, I move to strike out the last four words. Mr. Chairman and Members of the Committee, there is a principle in law which says that there is no benefit without a burden. If this bill has any benefits I should like to have them for my district. If the benefits are charged with burdens which are not excessive, I still should like to have them. From the discussion I am not quite clear as to what it might do for people living inland.

A port of entry, while not described in the bill, is, as I understand, any port designated by the President where there is a collector of customs. That means that Chicago is a port of entry; that means that St. Louis, Peoria, and all these ports on inland waterways where there is a collector of customs are ports of entry. Now, the importance

of a port of entry, inland, can best be had from this bill if you will read the first eight or ten words of section 3 on page 4, where it reads:

> Foreign and domestic merchandise of every description, except such as is prohibited by law, may, without being subject to the custom laws * * * be brought into a zone.

It does not say that it must be material or mechandise that is boxed that can go into a bonded warehouse. It does not necessarily have to be crated. It says "merchandise," and that would include bulk goods.

I am here in the spirit of inquiry, and I am going to ask the committee whether that section would permit bulk goods to come in. Can ships from South America, for instance, come in with wheat, go up to one of the grain unloaders in an inland port and have that grain unloaded? It does not have to be in bags, it does not have to go into a bonded warehouse. It will save money. They do not have to crate steel to bring it in. They do not have to crate lumber. Welsh and Russian coal are included in the term "merchandise." I see nothing in the bill that compels the building of warehouses or stockyards, or anything else. Even livestock can come in under the provisions of this bill.

Now, the advantages, as pointed out, to the American importer are that there is no fee that goes along with putting bulk merchandise in bond. There would be nothing to prevent them setting up a free zone at any one of the inland ports of Illinois or Ohio or West Virginia, or wherever there is a navigable stream and a collector of customs, to permit the unloading of bulk goods, such as steel and lumber, wheat and coal. That is an advantage, as far as the importer is concerned. There is no fee for putting it in bond. There is no necessity for great extensive bonded warehouses. You can see that it is a distinct advantage. That is an important consideration.

I note that Philadelphia, Boston, San Francisco, and some of the other coast points have memorialized Congress to the effect that they are in favor of this bill. I see nothing, however, from some of the inland ports, like Duluth, Milwaukee, Chicago, St. Louis, Peoria, and elsewhere. I am just asking the committee whether they have endorsed the principle of this bill.

Mr. VINSON of Kentucky. The gentleman realizes that if an inland port does not want to take advantage of this legislation there is nothing in the bill to compel them. It is permissive, but we felt they should have an opportunity to take advantage of it if they so desired. If we had not incorporated that thought in the bill, I think the gentleman from Illinois, my very capable friend, Mr. DIRKSEN, would be here today complaining of not being given an opportunity to avail himself of it.

Mr. DIRKSEN. I want to ask another question. Is it not true that bulk goods will receive a distinct advantage under this bill as compared with the present system of having to put merchandise in bond?

Mr. VINSON of Kentucky. I just do not follow the gentleman.

Mr. DIRKSEN. Is there anything to prevent them from bringing all kinds of bulk goods that would be too expensive to put in a bonded warehouse, and upon which you must pay fees at the present time for storage in bond?

[Here the gavel fell.]

Mr. DIRKSEN. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. DIRKSEN. I want to ask another question. I understand that if a State or municipality undertakes to make application, it must first be approved by the legislature of the State?

Mr. VINSON of Kentucky. Not at all. If the gentleman will take time to read the first four lines on page 2 he will find that public corporations means a State, political subdivision thereof, a municipality, a public agency of a State, political subdivision thereof, or municipality. When it comes to the definition of a private corporation it is limited to those who get a special charter from the legislature. The idea about that was to have it of a public nature, so that people might not go out and form a private corporation with the idea of making a tremendous amount of money and possibly be disappointed. Our idea was to have it of a public nature, or at least quasi-public, until this thing was tried out and we could see whether or not it was advantageous to permit it to be operated by private corporations.

Mr. DIRKSEN. The language of paragraph (d) of section 4 is rather involved. I want to say that I should like to vote for this bill if it brings any advantage to the port of entry in my district. If the disadvantages outweigh the advantages, I should vote against it.

[Here the gavel fell.]

Mr. HART. Mr. Chairman, I rise in opposition to the amendment.

I want to say to my friend from Illinois, Mr. DIRKSEN, who is worrying about bulk goods, that all throughout the country bulk goods are being unloaded and stored in bond, under the Hawley-Smoot tariff law. In the city of Buffalo we have regular grain elevators, and we have milling concerns. The grain used in manufacturing flour for export to the island of Cuba is stored in bulk in the mills at Buffalo. It comes in as Canadian grain and goes out as American flour and gets the 20-percent preferential tariff which we have with Cuba today. It is done to the direct damage of the hard-wheat section of the Northwest and the Kansas Hard-Wheat belt. That is permitted today under the Hawley-Smoot tariff.

Now, as to goods coming into ports like New York, Philadelphia, and Baltimore, I have bought merchandise from samples taken while those goods were in bond, and also sold them for shipment. The original importer, after they had been bought and resold on samples procured from the bonded warehouse, paid the tariff, and shipped those goods. So that the very thing provided for in this bill is being done today.

So far as bringing in bulk grain to Peoria or St. Louis or any of the ports on the Mississippi River is concerned, I do not think that any country will be foolish enough to ship their grain into those markets, because the price is higher at the eastern terminal, to which the freight has to be paid from the West. Grain does not move in that direction.

Mr. DIRKSEN. The gentleman mentioned milling in bond, but what about other bulk commodities?

Mr. HART. I am not familiar with other bulk commodities except I have bought and sold other commodities that went directly into a bonded warehouse, obtained samples, sold goods, and then afterward the party who imported them released them from bond by paying the duty, and shipped them out. That is the only thing that can be done under the operation of this bill should it be enacted into law, but instead of having to pay this tariff, or having to get a drawback, he can store the goods indefinitely; but he can do the same thing under the Hawley-Smoot tariff bill.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. HART. I yield.

Mr. WHITE. What is the situation with reference to wheat coming into this country from Canada?

Mr. HART. They can store wheat in elevators just as they are doing in Buffalo.

[Here the gavel fell.]

Mr. SABATH. My colleague from Illinois wants to know what the bill will do for Chicago and what the attitude of the merchants and importers of that city is relative to this bill. I have received from the Commerce Association of Illinois and of Chicago several communications endorsing this legislation. Consequently I am satisfied that the business men and the importers, as well as the manufacturers, must feel favorably disposed toward the bill.

Knowing the personnel of the Ways and Means Committee, and knowing their desire to aid the commerce of the Nation, even if such a recommendation had not been made, I would not hesitate to support this legislation because under Republican administration we lost nearly all of our export

trade. I want to congratulate the committee and the administration upon the splendid efforts they have made and are making toward rebuilding our exports and increasing our business and manufactures. While we still have close to 9,000,000 people out of employment, the number is being steadily reduced, and I feel that every effort should be made to increase production and create employment. I feel that this bill will, in a measure, aid in bringing that about. It is my earnest belief that this bill should receive favorable consideration and be passed without long delay.

Mr. CULLEN. Mr. Chairman, I move that all debate on this section and all amendments thereto do now close.

The motion was agreed to.

The Clerk read as follows:

SEC. 2. (a) The Board is hereby authorized, subject to the conditions and restrictions of this act and of the rules and regulations made thereunder, upon application as hereinafter provided, to grant to corporations the privilege of establishing, operating, and maintaining foreign trade zones in or adjacent to ports of entry under the jurisdiction of the United States.

(b) Each port of entry shall be entitled to at least one zone, but when a port of entry is located within the confines of more than one State such port of entry shall be entitled to a zone in each of such States. Zones in addition to those to which a port of entry is entitled shall be authorized only if the Board finds that existing or authorized zones will not adequately serve the convenience of commerce.

(c) In granting applications preference shall be given to public corporations.

(d) In case of any State in which harbor facilities of any port of entry are owned and controlled by the State and in which State harbor facilities of any other port of entry are owned and controlled by a municipality, the Board shall not grant an application by any public corporation for the establishment of any zone in such State, unless such application has been authorized by an act of the legislature of such State (enacted after the date of enactment of this act).

Mr. BLAND. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BLAND: Page 3, line 11, after the word "States", strike out the period, insert a comma, and the following: "And when two cities separated by water are embraced in one port of entry a zone may be authorized in each of said cities, or in territory adjacent thereto."

Mr. CULLEN. Mr. Chairman, this is, of course, to provide for Newport News?

Mr. BLAND. Yes; to take care of such a situation as we have at Norfolk and Newport News; and I think there is a similar situation in California and one in Texas.

Mr. CULLEN. Mr. Chairman, I accept the amendment.

The CHAIRMAN. The question is on the amendment of the gentleman from Virginia.

The amendment was agreed to.

Mr. McDUFFIE. Mr. Chairman, I move to strike out the last word to ask a question with regard to subsection (d). Suppose a State owns harbor facilities in a port and the city owns harbor facilities in the same port. I take it, under this language, the Board could not grant an application to any corporation until the legislature of the State has taken action. In some States the legislatures meet only once in 4 years. Would this necessarily mean, therefore, that in a case such as I cited there would be a delay of from 2 to 4 years before that port city could have the advantage of this legislation?

Mr. McCORMACK. I might say to the gentleman from Alabama that that particular case was never called to the attention of the subcommittee, where the Commonwealth or the State owned port facilities in a harbor and at the same time the city owned facilities in the same harbor. It seems to me the language of this section is very protective of the city's interest and would clearly show the justification of such a provision.

The committee had in mind that in some States there are ports in which the State owns the water front or where the city owns it; and the committee was confronted with the situation where the State could immediately establish a foreign trade zone in its State-owned port, whereas the city-owned port would have to go to the legislature for authority to issue bonds to raise the necessary money to establish the foreign-trade zone. The committee felt that it was not fair to give this advantage to the State; that both should start on a par; that both should have the same opportunity.

Mr. McDUFFIE. I think the committee has been eminently fair in meeting the situation; but I refer to the case of a port in which not only does the State own facilities but the municipality also owns facilities.

I think New Orleans, La., occupies this position and I know the port of Mobile, in my district, in Alabama, is in a similar position. I was fearful there might be some delay in those cities taking advantage of this legislation which I heartily approved.

Mr. VINSON of Kentucky. If I understand the gentleman from Alabama, the case which he presents is where both State and cities own harbor facilities, of course, at the same place.

Mr. McDUFFIE. At the same place.

Mr. VINSON of Kentucky. It is my understanding that in that character of case subsection (d) would not apply.

Mr. McCORMACK. That is my opinion.

Mr. McDUFFIE. Subsection (d) is made to apply to 2 ports and 2 cities in the same State.

Mr. VINSON of Kentucky. Yes.

[Here the gavel fell.]

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent that the gentleman may be allowed to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. In relation to the ports where one is owned by the State and the other port is owned by the city, you will notice the language:

In case of any State in which harbor facilities of any port of entry are owned and controlled by the State and in which State harbor facilities of any other port of entry are owned and controlled by a municipality.

So this would not apply to the particular case the gentleman has in mind where the State and city both owned some part of a water front within the port.

Mr. COLDEN. May I ask the gentleman a question? The harbor at San Francisco, Calif., is owned by the State. At Los Angeles the harbor is owned by the municipality. Why would it be necessary for those two cities to go to the State Legislature to establish one of these zones? I cannot see the logic of that proposition.

Mr. McDUFFIE. The gentleman takes the position that the Board, which must be a board composed of men who understand these problems would be fair in its decision and there would be no necessity for subsection (d)?

Mr. COLDEN. Yes. I cannot see any reason for discrimination against either the port of San Francisco or the port of Los Angeles.

[Here the gavel fell.]

The Clerk read as follows:

SEC. 3. Foreign and domestic merchandise of every description, except such as is prohibited by law, may, without being subject to the customs laws of the United States, except as otherwise provided in this act, be brought into a zone and may not be manufactured in such zone but may be stored, exhibited, broken up, repacked, assembled, distributed, sorted, graded, cleaned, mixed with foreign or domestic merchandise, or otherwise manipulated, and be exported, and foreign merchandise may be sent into customs territory of the United States therefrom, in the original package or otherwise; but when foreign merchandise is so sent from a zone into customs territory of the United States it shall be subject to the laws and regulations of the United States affecting imported merchandise: *Provided*, That when the privilege shall be requested the collector of customs shall supervise the unlading of foreign merchandise, in the zone, cause such merchandise or any portion thereof to be appraised and the duties liquidated thereon. Thereafter it may be stored or manipulated under the supervision and regulations prescribed by the Secretary of the Treasury, and within 2 years after such unlading such merchandise, whether mixed with domestic merchandise or not, may be sent into customs territory upon the payment of such liquidated duties thereon; and if not so sent into customs territory within such period of 2 years such merchandise shall be disposed of under rules and regulations prescribed by the Secretary of the Treasury and out of the proceeds the duties shall be paid and the remainder, if any, shall be delivered to the owners of the property: *Provided further*, That subject to such regulations respecting identity and the safeguarding of

the revenue as the Secretary of the Treasury may deem necessary, articles the growth, product, or manufacture of the United States, and articles previously imported on which duty has been paid, or which have been admitted free of duty, may be taken into a zone from the customs territory of the United States, and may be brought back thereto, free of duty, whether or not they have been combined with or made part, while in such zone, of other articles: *Provided*, That if in the opinion of the Secretary of the Treasury their identity has not been lost such articles not entitled to free entry by reason of noncompliance with the requirements made hereunder by the Secretary of the Treasury shall be treated when they reenter the customs territory of the United States as foreign merchandise under the provisions of the tariff laws in force at that time.

With the following committee amendment:

Page 4, line 5, after the word "manufactured" insert "or exhibited"; and in line 6, after the word "stored", strike out the word "exhibited."

The committee amendment was agreed to.

Mr. McFADDEN. Mr. Chairman, I move to strike out the last word for the purpose of securing some information. May I ask the gentleman in charge of this bill a question in connection with section 3? It says that foreign merchandise may be brought into a zone in the United States and may not be manufactured or exhibited in such zone, but may be stored, broken up, repacked, assembled, distributed, and so forth. Then on page 9, line 5 of the bill, reference is made to adequate facilities for coal or other fuel. May I ask the gentleman whether or not Russian coal, for instance, will be permitted to come into these free ports and be stored?

Mr. VINSON of Kentucky. I think the gentleman will find that that provision is in connection with the zone.

Mr. McFADDEN. Will the gentleman tell me whether or not Russian coal may be shipped to these free zones, stored and reshipped to American consumers?

Mr. McCORMACK. This language applies to coal that is actually used in connection with the foreign trade zone itself, just the same as you and I buy coal for our homes.

Mr. McFADDEN. But, eliminating that now, can Russian coal be shipped in and stored in these free zones?

Mr. McCORMACK. No.

Mr. McFADDEN. Why not?

Mr. McCORMACK. Why, there are various reasons from the practical angle that that would not be done.

Mr. McFADDEN. Would the gentleman say that Russian coal may not be stored?

Mr. McCORMACK. Nothing can be done under this bill that cannot be done under existing law. This does not extend the existing law; it simplifies existing law.

Mr. McFADDEN. Goods may now come in under bond. It seems to me Russian coal can come in, be stored and sold in competition with coal from my State. I should like to have somebody answer that question for me. No duty would have to be paid till coal or other goods were resold.

Mr. HOLMES. Is there any limitation in this law as to where zones are created? Cannot any city establish a free zone, if they desire, under this bill?

Mr. McFADDEN. Any city that is a port of entry.

Mr. WELCH. Russian coal brought in and deposited in a foreign trade zone and that coal afterward sold in the United States would have to pay the tariff duty. Then why would they have to store the coal?

Mr. McFADDEN. For convenience in ready shipment to the trade. I am asking whether or not it is possible to ship goods in here from Russia and store and sell them here.

Mr. WELCH. That is not the intent and purpose of the bill.

Mr. McFADDEN. I want to know whether it can be done or not.

Mr. McCORMACK. I cannot understand the gentleman from Pennsylvania. It is as plain and clear as the noonday sun that this covers adequate facilities for coal or other fuel and for light and power.

Mr. McFADDEN. For what purpose?

Mr. McCORMACK. For the convenience of the zones.

Mr. McFADDEN. Under clause 3 merchandise or other materials may be imported from abroad.

Mr. McCORMACK. That does not relate to this at all.

Mr. McFADDEN. Will the gentleman say that this will not permit the shipment of Russian coal, to be stored in these three zones, to facilitate earlier and quicker delivery?

Mr. McCORMACK. No more than the law does today. This language provides for heating and lighting.

Mr. McFADDEN. I am referring now to section 3, and no one has answered my question.

Mr. TREADWAY. Mr. Chairman, I do not want to intrude on this colloquy because I am opposed to the bill as a whole, but I do think the gentleman from Pennsylvania [Mr. McFADDEN] brings up a question that ought to be definitely answered.

Mr. CULLEN. The question was definitely answered a moment ago.

Mr. TREADWAY. The gentleman said it was as plain as could be, but it is not plain to the gentleman from Pennsylvania or to me or to many others here.

Mr. CULLEN. The answer is that they can no more do that under this bill than they can today.

Mr. TREADWAY. That is a mistake. What do you have the bill here for if you are not making changes in the law? If you can do under the present law what this bill provides, let us throw this bill in the waste basket and go home. It is half past 5 now and it is time to go home. There is no use sitting around here debating this bill if we can do under existing law exactly what we can do after we pass this bill.

Mr. CULLEN. If the gentleman is tired——

Mr. TREADWAY. Just a moment. I have not yielded to the gentleman. I will, of course, yield to him, but I want to insist that we have more of an explanation of the inquiry of the gentleman from Pennsylvania than simply having him told that this is as plain as can be and does not change the present law.

Mr. CULLEN. I cannot give the gentleman any further explanation of it.

Mr. McFADDEN. If the gentleman will permit, I may say further that Russian coal can be shipped into New England ports or to Atlantic ports today at $1 a ton less than it can be shipped to the same points from the anthracite section of Pennsylvania, and I should like to know whether this is going to facilitate the sale of Russian coal in competition with Pennsylvania coal.

Mr. FITZPATRICK. Assuming they shipped the coal, unloaded it, and put it in storage and then shipped it out again, could they do this at a lower cost?

Mr. McFADDEN. I think they might; yes.

Mr. FITZPATRICK. It seems very doubtful to me.

[Here the gavel fell.]

The Clerk read as follows:

SEC. 5. Vessels entering or leaving a zone shall be subject to the operation of all the laws of the United States, except as otherwise provided in this act, and vessels leaving a zone and arriving in customs territory of the United States shall be subject to such regulations to protect the revenue as may be prescribed by the Secretary of the Treasury.

With the following committee amendment:

Page 6, after line 7, insert: "Nothing in this act shall be construed in any manner so as to permit vessels under foreign flags to carry goods or merchandise shipped from one foreign trade zone to another zone or port in the protected coastwise trade of the United States."

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 9. The Board shall cooperate with the State, subdivision, and municipality in which the zone is located in the exercise of their police, sanitary, and other powers in and in connection with the free zone. It shall also cooperate with the United States Customs Service, the Post Office Department, the Public Health Service, the Bureau of Immigration, and such other Federal agencies as have jurisdiction in ports of entry described in section 2.

Mr. GOSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Goss: Page 7, line 25, after line 25 insert a new section as follows:

"That paragraph (1) of section 3 of the Interstate Commerce Act, as amended, is hereby amended by adding at the end thereof a new sentence to read as follows: 'The word "locality" as used herein, includes any port with respect to import, export, and coastwise traffic routed through it.'"

Mr. GOSS. Mr. Chairman, I am offering this amendment because I want to call the Committee's attention to this fact. The Supreme Court a year ago passed upon section 3 of the Interstate Commerce Act, and this amendment amends that section so that the word "locality" would include a port.

Today it is unlawful for any common carrier, subject to the provisions of the Interstate Commerce Act, to make or to give any undue or unreasonable preference or advantage to any particular person, firm, or corporation or any particular description of traffic in any respect whatsoever or to subject any particular person, firm, or corporation or locality or any particular description of traffic to any undue or unreasonable prejudice or disadvantage in any respect whatsoever.

I am reading from the act itself. All that this amendment does is to cure for the port cities the decision handed down by the Supreme Court, and I am sure that the Congress, when it originally passed this act, intended to have the word "locality" include a port. This is all there is to the amendment.

Mr. CULLEN. Mr. Chairman, this is too important an amendment to be agreed to in this way. We did not have this question presented to us when the bill was before the subcommittee or before the committee.

Mr. GOSS. That is true.

Mr. CULLEN. And I do not think we should accept it now.

Mr. GOSS. There is a bill pending now dealing with this subject and all the port cities are favorable to it.

Mr. CULLEN. I think this is a matter that should have further study, and therefore I do not think the amendment should prevail.

The amendment was rejected.

The Clerk read as follows:

SEC. 11. If the title to or right of user of any of the property to be included in a zone is in the United States, an agreement to use such property for zone purposes may be entered into between the grantee and the department or officer of the United States having control of the same, under such conditions, approved by the Board and such department or officer, as may be agreed upon.

Mr. TREADWAY. Mr. Chairman, I move to strike out the last word. We did not seem to secure a great deal of information on the possibility of the importation of coal which might be sold. Like other statements, we were told that it was not going to change the law. Of course, if it is not going to change the law, we need not pass the bill.

But I state definitely that it does change the conditions under which articles can be imported, such as coal.

A year ago we were urged by the representatives of the coal area to put an excise tax on coal. It was in an excise bill but it was a tariff pure and simple. There were four articles added to the excise bill, and one was coal. The reason it was put in is that the representatives of the coal-producing area felt that there was great danger of the importation of too much Russian coal.

Mr. McFADDEN. It also includes oil.

Mr. TREADWAY. Oil, lumber, and copper, I believe, were the other articles. Now, if there is danger of the importation of Russian coal in competition with West Virginia, Pennsylvania, and other coal areas, the difference you are setting up in this bill is simply that when coal is brought in under the present law you have to pay the tariff before it can be landed. Now it is going to be stored and paid for when it is sold in competition with coal from Pennsylvania or West Virginia. If that is not a change of law, I wish the gentleman would explain it.

FOREIGN TRADE ZONES

Mr. Chairman, I am opposed to the passage of this bill, which provides for the setting-up of so-called "foreign-trade zones" in the ports of entry of the United States, into which foreign merchandise may be entered without payment of duty, there to be stored, repacked, assembled, and otherwise manipulated before transshipment to other countries of entry from the United States.

This bill will be of no benefit to American producers or American workmen, nor is it intended for that purpose. On the contrary, it will encourage the dumping of cheap foreign merchandise upon the domestic market, and thereby further depress domestic industry. It is out of harmony with the policy of protection and is a step in the direction of free trade. It would increase the opportunity for smuggling, and at the same time would require enormous additional expenditures for the protection of the Federal revenue.

While ostensibly proposed as an aid to the transshipment of foreign merchandise to other foreign ports, it would be used chiefly as a means of consigning immense quantities of foreign goods into the free zones, there to await sale in the United States. In fact, this is one of the arguments cited in support of the measure. In the report of the committee there is a letter from the Chamber of Commerce of the United States directly stating that—

It is believed that * * * American merchants and manufacturers will benefit in a variety of ways from the advantages of a wide American consignment market for foreign products.

The merchants who would benefit, of course, would be those selling foreign goods.

This bill is not necessary as an aid to commerce in the transshipment of foreign goods, as is contended, because under existing law there is ample provision for the importation of goods under bond and for drawback of duties on goods reexported. While doubtless complete freedom from customs custody, as provided by the bill, would be more convenient, our primary consideration must be the welfare of our own producers and the convenience of the Government of the United States.

The report of the committee sets forth letters from the Treasury and Commerce Departments supporting "in principle" the proposed legislation, but it purposely does not include a communication from the Tariff Commission, in which the Commission throws doubt upon the practicability of enacting the measure at the present time. The communication states in part:

The Tariff Commission has given no special study to this particular subject since its report to the Congress in 1919. The conditions then facing the commerce of the United States were radically different from what they are at the present time. The positive arguments then advanced by the Tariff Commission in favor of free zones accordingly would have little or no weight at present. Testimony to this effect was presented to your committee last year by Thomas Walker Page, Vice Chairman of the Commission, when you conducted hearings on the subject. The expense, the intricacy, and difficulty of devising regulatory legislation, and the probable cost imposed upon sundry ports due to efforts to maintain themselves in the competition for transshipment business would lead to considerable trouble. The amount of traffic has diminished even more. There appears to be at the present time no reason such as existed 14 years ago for the establishment of free zones.

While favoring the legislation in principle, the Secretary of Commerce, Mr. Roper, also expressed some doubt as to the practicability of enacting the bill at the present time. After referring to the changes which have taken place with respect to our foreign trade in recent years, Secretary Roper said:

There may be some doubt therefore whether the establishment of foreign-trade zones is as urgent at the present time.

Although the present Secretary of the Treasury states that he sees "no objection" to the proposed measure, I call the attention of the House to the fact that under date of December 19, 1929, the then Acting Secretary of the Treasury, Hon. Ogden L. Mills, in a letter to the Senate Committee on Commerce, opposed similar legislation then under consideration. He emphasized the fact that the proposed legislation was unnecessary in view of the provisions of existing law under which foreign merchandise may be manipulated under bond without payment of duty, and pointed out that after all, the warehouse system was, in effect, a modified form of free-zone activity.

In this connection, Acting Secretary Mills said:

This warehouse system has been built up by various carefully considered enactments of law extending over a long period of time. If it should seem desirable to add to the privileges now allowed under the manipulation warehouse law that of taking domestic merchandise into warehouse, this could readily be accomplished by amending said section 562.

Addressing himself to the burdens which the proposed legislation would put upon the Treasury, Mr. Mills continued:

The expense now incurred by reason of customs supervision in a restricted area such as warehouses would be small in comparison to the expense which would necessarily be incurred in guarding free zones. Exact records must be kept of all importations and of every change made in connection therewith. The same restrictions that are now thrown around warehouses, such as the employment of storekeepers, would be necessary. It seems obvious that greater opportunity for loss by smuggling and theft would be present in a large area into which domestic merchandise could be taken than is now present under the existing warehouse system.

After a careful consideration of the bill in connection with a review of the facilities now afforded by storage warehouses, where merchandise may remain for 3 years without payment of duty, of manufacturing warehouses, smelting, and refining warehouses, and manipulation warehouses, I am of the opinion that it should not become a law.

In connection with Secretary Mills' reference to the greater opportunity for smuggling, I wish to point out that the present Secretary of the Treasury, Mr. Morgenthau, in his letter to the committee, also referred to this feature of the free-zone system. He said:

The location of these zones has an important bearing on the possibility of smugging. * * *

The report of the committee lays great stress upon the fact that there are now 41 foreign-trade zones in various countries of the world, one of the most noted of which is that of Hamburg, Germany. It may be that in the European countries there is some necessity for free ports, owing to the large amount of goods unladen at a central port and then transshipped to nearby countries. In this country no such condition exists. Our transshipment business is a very small part of our foreign trade, and it will always be so, no matter how many free ports we may have.

As bearing upon this phase of the bill, I wish to quote from a letter found in the hearings upon this subject which were held before the Ways and Means Committee in 1919. This quotation, I believe, is a direct answer to those who think that because the free-zone system works advantageously in Europe, it should be invoked here. Addressing the then chairman of the committee, Mr. Fordney, Mr. Irving T. Bush, president of the Bush Terminal, in New York City, stated:

There are fundamental reasons why a free port is an advantage in certain countries in Europe.

First. Some of the countries are compelled to import a large part of their raw materials for purposes of manufacture.

Second. These same countries are compelled to find a market for a large part of their manufactured product in foreign countries.

This makes an unusually advantageous combination for the development of a free port.

In the United States we produce within our own country the greater part of the raw material which enters into our manufactures, and our great market for the consumption of our manufactured products is within our own boundaries.

This variance betwen the conditions in Europe and those in the United States makes a fundamental difference between the advantages which may come from a free-port development in Europe and in this country.

My objection to free ports, however, has nothing to do with the matter of transshipments. Rather, it is directed more to their effect upon domestic industry. Attention has already been called to the smuggling feature. More important is the direct invitation to dump foreign products upon the domestic market. Not all the goods brought into the free zone will be destined for reexport to foreign countries. A large part will be sent on consignment for importation into the United States as the demand arises.

Thus these foreign-trade zones will be nothing but a bazaar, a veritable world's fair, where goods from all nations may be stored for ready access to the domestic market. The Atlantic and the Pacific, which now form somewhat of a natural barrier against foreign imports, will be obliterated by the bill. The products of Japan, of India, of Czechoslovakia, and of other countries will be sold at our very doorstep in competition with domestic merchandise.

Of course, any goods taken out of the foreign trade zone for sale in the United States must pay the regular customs duty, but the fact is that by bringing the goods to our shores in large lots and then parceling them out in small quantities, foreign producers will make it more convenient for domestic importers to obtain their merchandise. Everyone understands that accessibility for quick delivery is an important consideration in trade. The bill, therefore, is an encouragement to foreign importations and will redound directly to the detriment of American producers and American workmen. It is in complete harmony with the administration's program to make the domestic market more accessible to foreign producers. Coupled with the reciprocal tariff bill, and the consequent reduction of duties on imported foreign goods, it should help the administration's effort to make it unprofitable to produce goods in this country.

In closing, I wish to point out that this bill is the culmination of 15 years of effort to get this legislation enacted. During all that time Congress has repeatedly refused to give it favorable consideration. Now, when even some of its former sponsors admit its enactment is impracticable, it is brought out of the moth balls and rushed through with only an hour's debate. A similar bill in the Senate was put through that body without any debate.

I wish to call attention, also, to the fact that the Tariff Commission, in their letter to the committee, stated that they would be glad to have Commissioner Page come before the Ways and Means Committee and discuss the bill, and that the committee refused to call him before it. This legislation was handled in the committee by a subcommittee, of which the gentleman from New York [Mr. CULLEN] was chairman. It was reported out by the full committee after only brief consideration at a morning session, without a majority of the committee knowing what it was all about. I tried, unsuccessfully, to postpone consideration for an additional day to have Commissioner Page come before the full committee and explain the Commission's opposition to the bill. Of course, if the Democratic majority wish to take the responsibility for enacting this legislation without full consideration of its implications, that is their privilege. Most of the legislation which has been enacted in the Seventy-third Congress has been considered in this way.

Mr. VINSON of Kentucky. Mr. Chairman, there is no more authority in this bill for the importation of Russian coal into this country than exists in existing law. Under existing law, Russian coal can be laid down in New York Harbor and can be stored in a bonded warehouse. Whenever that coal is taken from the bonded warehouse, you must pay the tariff upon the coal and then it goes into competition with American-produced coal.

Under this bill coal can be laid down in New York or any other foreign-trade zone; and before it goes into competition with other coal, it must pay a tariff duty. The only difference between existing law and this bill is that under this bill you avoid the execution of bond.

Mr. HASTINGS. And the same is true on oil.

Mr. VINSON of Kentucky. And the same is true on oil. This bill does not open the door any wider for Russian coal or foreign oil than the present existing law of the land.

Mr. GLOVER. Will the gentleman yield?

Mr. VINSON of Kentucky. I yield.

Mr. GLOVER. Section 4 of this bill provides that the Secretary of the Treasury shall assign to the zone necessary customs officers and guards to protect the revenue and to provide for the admission of foreign merchandise into the customs territory. The question I desire to ask is, Will that require an additional expense to be incurred in the collection of this revenue? Will it not create quite an additional expense in collecting the revenue when it is collected?

Mr. VINSON of Kentucky. The gentleman asks a very pertinent question. I refer him to section 14, on page 10, where he will find that the cost of maintaining the additional Customs Service required under this act shall be paid by the operator of the zone.

The Clerk read as follows:

SEC. 15. (a) No person shall be allowed to reside within the zone except Federal, State, or municipal officers or agents whose resident presence is deemed necessary by the Board.

(b) The Board shall prescribe rules and regulations regarding employees and other persons entering and leaving the zone. All rules and regulations concerning the protection of the revenue shall be approved by the Secretary of the Treasury.

(c) The Board may at any time order the exclusion from the zone of any goods or process of treatment that in its judgment is detrimental to the public interest, health, or safety.

(d) No retail trade shall be conducted within the zone except under permits issued by the grantee and approved by the Board. Such permittees shall sell no goods except such as are brought into the zone from customs territory.

With the following committee amendment:

Page 11, line 10, after the word "such", insert "domestic or duty-paid or duty-free goods."

The committee amendment was agreed to.

The Clerk concluded the reading of the bill.

Mr. BURNHAM. Mr. Chairman, I move to strike out the last word. I have always favored a protective tariff, and I do today. I believe in protection for American industry and American labor. For that reason I am going to support this bill because I believe it effects no change as far as the protective tariff is concerned, for any commodity that might come to our shores.

I notice that this bill has received favorable commendation from such public and private organizations as the Chamber of Commerce of the United States, the Chamber of Commerce of the State of New York, the Merchants' Association of the City of New York, the Boston Chamber of Commerce, the Philadelphia Board of Trade, the Baltimore Association of Commerce, the Chicago Association of Commerce, the San Francisco Chamber of Commerce, and many other trade and public organizations.

The San Diego Chamber of Commerce has wired me urging me to support this measure. The membership of these various organizations which favor this legislation are composed of Democrats and Republicans alike, and they are all, each and every one, Americans and must therefore necessarily have the welfare of this country and this Nation and the industries of this country and the labor of this country at heart.

The Secretary of the Treasury says:

I believe that, under normal conditions in world trade, foreign trade zones such as provided for in the bill might aid materially in fostering a growth of the transshipment and reexport trade of ports advantageously situated to handle such trade. In principle, therefore, I believe the bill is meritorious, and I see no objection to its enactment.

The Secretary of Commerce, Daniel C. Roper, says:

The establishment of such foreign-trade zones is for the purpose of facilitating reexport and transshipment trade. It can hardly be expected that the potential volume of such trade will approach the extensive operations of Hamburg and certain other so-called "free ports" of Europe. However, if such ports are properly located with regard to existing and potential currents of trade, they should not only aid in the expansion of our export and transshipment trade, but be of some assistance to our merchant marine. The proposal does not introduce anything essentially new into our law. In fact, this is little more than the minimizing of the official limitations and costs involved in the formalities of entry into bonded warehouse and drawback now provided in the American tariff law.

I sincerely trust that this bill will receive your favorable consideration. I for one am heartily in favor of it and will support it.

Mr. PRALL. Mr. Chairman, I move to strike out the last two words. I should like to call the attention of the House to the fact that this bill was introduced by the gentleman from New York [Mr. CELLER]. I understand that through a misunderstanding Mr. CELLER is not here today. I know he was heartily in favor of the bill. I know that he appeared before the subcommittee many times in its favor. I know that if he were here, he would be in the well fighting for its passage.

The CHAIRMAN. Under the rule the Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. JOHNSON of West Virginia, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill (H.R. 9322) to provide for the establishment, operation, and maintenance of foreign-trade zones in ports of entry of the United States, to expedite and encourage foreign commerce, and for other purposes, and that, pursuant to House Resolution 381, he reported the same back to the House with sundry amendments adopted in the Committee of the Whole.

The SPEAKER. The previous question is ordered under the rule.

Mr. McFADDEN. Mr. Speaker, I make the point of order that a quorum is not present.

Mr. BYRNS. I hope the gentleman will withhold the point of order, for we have an agreement that we shall not have a roll call on the bill until tomorrow.

Mr. McFADDEN. Mr. Speaker, if that is the understanding, I withdraw the point of order.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time and was read the third time.

Mr. BYRNS. Mr. Speaker, I understand a number of Members desire to submit unanimous-consent requests. In accordance with an understanding, it is my purpose to move to adjourn as soon as these requests are submitted so that the roll call on the bill will come tomorrow.

PERMISSION TO ADDRESS THE HOUSE

Mr. COOPER of Tennessee. Mr. Speaker, I ask unanimous consent that I may be permitted to address the House for 10 minutes tomorrow immediately following the gentleman from Massachusetts.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. McFADDEN. Mr. Speaker, I ask unanimous consent that I may be permitted to address the House for 10 minutes tomorrow immediately following the gentleman from Tennessee.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

MY WORK IN CONGRESS

Mr. McKEOWN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. McKEOWN. Mr. Speaker, notwithstanding the criticism and sneers hurled at the administration by some, the fact remains that we are gradually coming out of the depression under the leadership of President Roosevelt. There is room for a great deal of dissatisfaction due to mistakes which are inevitable in the conduct of human affairs. But, sir, when we take the condition of the country in the early part of 1933 as compared with the situation in this year, 1934, every loyal and patriotic citizen must feel some real satisfaction in the results.

Since the convening of this Congress this House, with the cooperation of a very large number of the Republican faith, has passed all emergency legislation requested by the President and more permanent legislation for the benefit of the masses of the people than any legislative body within the memory of anyone here.

It thrills me with pride to look over the record of accomplishments, a few of which I desire to call to the attention of the country.

When we convened this Congress every bank in this country was closed—when had such a condition faced a President and a Congress in this country? Never within our existence as a Nation.

Agriculture was the first industry to receive attention. We immediately passed the agricultural relief measure, under which millions of dollars have been paid to struggling farmers throughout the whole country. Following up this act we passed the farm-mortgage relief bill. We then gave our attention to that great menace and evil, war; we passed an act to prohibit the exportation of arms and munitions of war.

We proceeded to pass an act creating a Federal relief administrator.

Then came the passage of Muscle Shoals and the Tennessee Valley Authority Acts.

The loss of homes of our people was considered and we passed the bill for the relief of the home-mortgage indebtedness.

We then concurred in Senate amendments to these relief measures providing for currency issuance and regulation.

We found the life-insurance policies of our citizens imperiled and their savings of a lifetime for the benefit of their widows and children threatened and we passed a measure permitting the Reconstruction Finance Corporation to make loans to save the situation.

We then passed the National Recovery Act. This, in my humble judgment, is the greatest instrument ever devised by the mind of man to bring about a revolution against greed and avarice in any country. It cannot be expected to work perfectly because it is an entirely new machine thrust into the social and industrial life of a great and intelligent people. It has to be used, tried, and the rough parts of the machinery smoothed up to run true. The machine must be used for the helpful purposes for which it was designed, and not as an instrument of destruction. It is designed as a destroyer of greed and a distributor of profits fairly to those who produce these profits.

Much, of late, has been said in the papers and magazines about the "brain trust." Well, Mr. Speaker, it takes brains to properly handle the situation at the present time and, for my part, I prefer that the destiny of my country be guided by a "brain trust" rather than by "trusts" without either brains or conscience.

The pitiful state of our citizens out of employment was a real challenge to the administration and to this House, but, Mr. Speaker, we met that challenge in part by the enactment of the great public works bill, and we are meeting that challenge at this session by additions to this act. Every citizen who needs employment should be given a job until industry can absorb the unemployed. As between employment or a dole, our citizens prefer employment. But life must be sustained until employment is obtained.

Mr. Speaker, now is the time to inaugurate a pension for the helpless, aged, and injured people of this country. They have lived thus far a miserable existence upon the charity of their neighbors and kindred who are not able longer to carry the burden. More work and less dole for the able-bodied is a sound policy.

Mr. Speaker, although the House in the early days of this session passed the Economy Act, affecting the compensation and pension of our citizens who had marched in the columns of the defenders of our country, a measure to which I could not and did not give my consent and against which I voted, yet this House, upon disclosure of the injustices worked upon our soldiers, modified the act in some respects, with the approval of the President, before the first session adjourned.

To safeguard the interests of the people who deposit their money in banks we have created a Federal Deposit Insurance Corporation, guaranteeing deposits to the amount of $2,500 for any one depositor. Bank failures have ceased within the year.

This present session of Congress has unceasingly labored to provide measures for the continued return of prosperity. Lack of time precludes me from giving in detail the many accomplishments.

Mr. Speaker, many of us differed in judgment upon the question of the appropriation for the relief of the soldiers, and this difference in opinion resulted in the overriding of the veto of the President. Much ado was made and criticism of our action in that regard was had. I, for one, am not in accord with the claim that it is for the best interests of the country to put the burden of caring for disabled and sick ex-service men upon the local communities at this critical time when every community is taxed to the limit and more to care for their own distress. I, for one, have followed our great leader, the President, in the making and sustaining of his efforts for real recovery, and yielded to his judgment, but upon legislation for the ex-service men I have some notions of my own. I, for one, am of the opinion that more money in circulation would be a good thing for all our people in every walk of life. I, therefore, supported the act to grant power to the President to value the gold content of the dollar and the Dies silver bill.

It was this conviction that caused me to work and vote for the payment of the soldiers' bonus, together with the conviction that it should have been paid long ago—and I am still for the bonus payment for the benefit of ex-service men and put thousands of dollars of new money in circulation in the Fourth Congressional District, where it is needed.

Mr. Speaker, I have already taken more time than I anticipated. There are some who criticize Congress because of mistakes made by those who are appointed agents of the Government to carry out the intention of Congress. This misconstruction placed upon the purpose of Congress by certain officials whose duty it is to administer is no new thing. It is sometimes done purposely by those in authority not in sympathy with the legislation, but often it occurs from sheer lack of study. In my judgment, only those in sympathy with a legislative measure should be chosen to administer the same.

Furthermore, Mr. Speaker, all the agents of the Government ought to be made to realize that they are the employees of the great mass of American taxpayers, and where they are rude in their contact with the public they should be fired.

There is some unrest resulting from injustices occurring here and there, but a deal of the criticism leveled at Congress comes from some ambitious souls who, while promising great redress of wrongs and proclaiming great patriotism on their part, have an eye out for their own selection to the place held by some hard-working Congressman.

It is unnecessary and out of place for me to speak of my part in what takes place in this House. Every Member is fairly well acquainted with that.

Some persons never praise any meritorious act of the Congressman but are content to stir up the feelings of the people against the person in, to make room, not for someone more capable but to make room for themselves.

They present no record of accomplishments in their private career that attracts the attention of their fellow citizens out of their community, but put in a great part of their time asking the old threadbare question, "What has he done in Washington?"

Mr. Speaker, the American people will not be misled by such fallacies. The people everywhere realize the gigantic task before those elected to Congress to return this country to prosperity. It is a laudable ambition for any man to aspire to a seat in this House, but in this crisis the public welfare should be uppermost in the minds of our people.

The selection of a Representative in this House is the duty of all the people of a district and not the duty of a few politicians. As to my services here, I am content to let my record speak for itself. Modesty and lack of time prevent me from giving an extended list.

At the outbreak of the war I introduced the bill regulating the sale of explosives in this country and it was promptly enacted.

It was my bill to grant soldiers 1 cent railroad fare while on furlough that resulted in that going into effect.

I also introduced a bill to grant a $60 bonus upon discharge to soldiers, sailors, and marines.

I introduced bills to grant seed and feed loans to farmers in drought-stricken areas.

I introduced the first allotment bill for agricultural relief.

I introduced and passed the Debtors Relief Act.

I secured a Federal fish hatchery in the fourth district.

I introduced one of the first bonus bills.

I secured an appropriation of $364,000 to pay the absentee Shawnees a debt owed them by the United States for 60 years.

I secured an Indian hospital near Shawnee.

I secured public buildings at Ada and Sapulpa and authorization to build Federal buildings at Bristow, Drumright, Okemah, Wewoka, Holdenville, and an addition to the post-office building at Shawnee.

These are a few instances in which I have done something for the fourth district.

I have performed the duties required of a faithful Representative and kept the faith of the people whom I represent.

When they ask what have I done, I can point with satisfaction to this record for which no friend of mine need apologize.

MILITARY DEFENSE OF ALASKA

Mr. DIMOND. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. DIMOND. Mr. Speaker, under the leave given to extend my remarks, I desire again to call the attention of the House to what I consider the vital necessity of undertaking without delay some military defensive works for Alaska, including, of course and principally, air defense.

The newspapers of May 24 carry news articles concerning a statement said to have been made by the Secretary of the Navy, in which Secretary Swanson is quoted as having said that in the event Japan builds warships in excess of its London Treaty allowance, the need of additional American bases in the Pacific coast region would be considered.

In this connection it is well to remember that the Washington and London treaties do not limit, and do not attempt to limit, the United States with respect to installing defensive works and stationing defensive forces in the main body of continental United States or Alaska. It is true that in the Washington Treaty the United States agrees, substantially, not to fortify, among other places, the Aleutian Islands, which extend out from the main body of Alaska a distance of some 600 miles toward the Japanese Archipelago.

It would serve no useful purpose at this time to discuss the wisdom of this provision of the Washington Treaty in thus limiting the rights of the United States with respect to its own territory. But I cannot forbear observing that if any such limitation had been suggested to Japan with respect to the Japanese Archipelago we would have been met with the assertion that any such limitation upon the Japanese would have run counter to their national security and honor. But the Washington Treaty was ratified and so we may as well pass by at this time that provision of the treaty.

Not for Alaska only, but for the proper defense of the Nation, I again urge that proper defensive measures be taken for the Territory of Alaska, and those measures can only be taken by stationing in Alaska a substantial air and military force. We all agree that in doing this there is no element of aggression or of an aggressive spirit. If there is one nation in the world at the present time that does not wish expansion of its territory at the expense of its neighbors—or at all—that Nation is the United States.

We do not seek any further power or any territorial aggrandizement under the deceptive phrase that we desire a place in the sun. We merely wish to live our own lives in our own way and to be safe from aggression of those nations which are seeking to expand their boundaries no matter what may be the cost to the welfare and the peace of the world. Our intentions are best shown by the passage of the Tydings-McDuffie bill designed to grant ultimate freedom to the people of the Philippines without any reservations that can be in the slightest degree for our benefit either militarily or economically. In this connection it may be well to consider whether the objections of any foreign nation to proper defensive measures for our own territory are not based upon a spirit of conquest.

I assume that the policy of the Government and of the people of the United States is not one of "scuttle." I suppose that a weak nation might conceivably yield some of its possessions, like the Territory of Alaska, extremely valuable in many natural resources, to a foreign nation that was bound on conquest and on expansion, but if this policy is once adopted, why then, I suppose, at the price of peace, the same pusillanimous view would lead to the yielding of Hawaii and ultimately of the Pacific coast of the United States.

The alternative policy and the one which is supported by the sentiments of patriotism and manhood, as well as of justice and honor, ought to impel the people of the United States to take proper and adequate defensive measures for all of our possessions which do not wish to be erected as independent nations.

As I have pointed out before to the House, the possession of Alaska by any foreign country would be a constant and ever-present threat to the integrity of the continental United States. Leaving out of consideration what is commonly known as southeastern Alaska, a narrow strip of land embracing many islands extending along the west boundary of Canada, we find that the main body of Alaska is only 1,400 miles in a direct line from the northern part of the Pacific coast of the United States, whereas Hawaii is approximately 2,200 miles distant from the Pacific coast of the United States. The members of this House may not know that Prince William Sound, Alaska, which, as I have said, is only about 1,400 miles from the northern part of the Pacific coast of the United States, contains many harbors such as Valdez, Cordova, Seward, Fidalgo Bay, and others that would form admirable bases for the largest fleets of the world and sufficient in size and contour to accommodate such fleets safely.

While it may be impractical to fortify all of the 35,000 miles of the coast line of Alaska, it is at least practical to station in Alaska the comparatively small defensive force, principally an air force, that would render the seizure and occupation of any part of Alaska by any hostile nation very difficult indeed. No foreign nation would have the right to object to the installation of any such defensive measures, and, the fact, if it be a fact, that any foreign nation does object to it is the best proof which can be offered of the aggressive intentions and the spirit of conquest which animates such a foreign nation.

It is well to remember in connection with the matter discussed that so far as national defense is concerned, we have been in many cases eternally too late and we have sacrificed many lives and billions of dollars because we did not make in time adequate provisions for our defense. The thing that I urge upon the Congress now is that these defensive measures be undertaken so as to save lives and treasure in the future.

Sensible people will realize that it is folly to depend upon the charity and good nature and the self-control and the unselfishness of all of the people of the world who are in a position to attack us. We have not yet arrived at that beatific state where everybody is good and virtuous. We must know, if we look about us, that there are nations, just as there are individuals, who are outlaws and who shoot first and talk about it afterward; nations that do not take the trouble to declare war until they have inflicted the greatest possible injury on the enemy. If we are the victims of any such acts we have only ourselves to blame. Alaska has been too long overlooked in the scheme of national defense. It is time to act now.

May I direct your attention here to the provisions of H.R. 9524 and the measure of defensive protection that the passage of this bill would afford to the citizens of the United States generally and also to those citizens of our Nation who reside in the Territory of Alaska.

However, my principal object in introducing H.R. 9524 was not so much to have a defensive force in the Territory of Alaska as to give to the Army pilots needed training in flying in that region and thus enable them to become acquainted with the terrain and also to give them practice that is bound to be very valuable in flying ships of all types in subarctic temperatures to be encountered in all northern latitudes in the wintertime.

It is obvious, of course, that wars in modern times are not fought only in the summer and in fine weather. The Army pilots, whom I believe to be equal to any in the world,

are unhappily deficient in actual flying practice in cold and stormy weather. This is something that cannot be learned from books, and the men must have actual experience in order to take care of themselves and their equipment and to reach their objectives. The commercial pilots in Alaska have had this experience, but they could not have acquired their present information in any other way. With an Army training and defense base in Alaska, an opportunity will be given to a very large proportion, if not all, of the military pilots to obtain this valuable experience in Alaska. Moreover, it is obvious, in the event Alaska is a theater of war, that the actual experience with the topography of the country to be gained by pilots who fly in Alaska is bound to be of the highest military value.

It is not impossible that if an air unit is stationed in Alaska the pilots will be able to devise protective safeguards whereby they will be enabled to fly in all sorts of weather without hazard. Surely it is plain that the military pilots should have the experience of flying all types of ships under all sorts of conditions. A part of this experience can be gained by them in United States territory only in Alaska.

FREE WHITE HAIR AND WRINKLED BROWS FROM DREAD AND ANXIETY BY OLD-AGE SECURITY LEGISLATION

Mr. YOUNG. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. YOUNG. Mr. Speaker, the question of old-age security is receiving much consideration in the Congress. Also passage of the Wagner-Lewis unemployment insurance bill has been vigorously urged by its advocates.

I served as a member of the Ohio commission on unemployment insurance, signing the report recommending unemployment insurance for my State. In fact, I helped draft the unemployment insurance measure introduced in the General Assembly of Ohio. I greatly regret that important social legislation of this character may be shelved to clear the way for an early adjournment of the Congress. The Democratic national platform of 1932 stated "we advocate unemployment and old-age insurance under State authority."

My purpose today, Mr. Speaker, is to address the House upon old-age security. On a future occasion, when the Wagner-Lewis bill is before us for debate and vote, I shall express my views in support of that measure.

The House Committee on Labor is considering a national system of old-age pensions. Present poor-relief systems for the indigent aged are inadequate. In addition, they are costly and give no assurance of security. China and India are about the only nations which do not have old-age-security laws. No problem before us is of greater importance than that of freeing white hair and wrinkled brows from care and anxiety.

About 350 years ago while Elizabeth was Queen, somebody thought of the poorhouse. Since then we have found better ways of doing everything. We have exchanged the quill pen for the fountain pen and printing press; the candle for the electric light; the horse for the railroad, automobile, and airplane. Stage coaches, tallow dips, flintlock muskets are gone never to return. Nevertheless, we still tolerate the poorhouse. We care for our needy aged by methods in vogue in 1588.

After 4 years of depression this problem is particularly acute. Savings of thousands of aged people have been wiped out despite the fact that they providently and thriftily saved for their future. They are destitute. Their sons and daughters, lacking jobs in many instances, cannot help. Younger people and the middle aged may never be able to accumulate sufficient for their own old age, certainly they are not able to provide adequately for their aged and infirm parents. This depression, like war, leaves its toll for future generations to pay. The question is shall we provide for our aged extravagantly and cruelly, in poorhouses; or humanely, economically, and scientifically, by old-age pensions?

I am proud to represent the people of Ohio and hope my constituents will retain me for a second term as their Congressman by a vote of confidence this November. Last November the citizens of my State by an overwhelming vote, in fact by a majority of nearly 3 to 1, adopted old-age pensions for Ohio. This was the largest majority ever accorded an issue voted on in Ohio.

We provide that the needy individual, aged 65, or older, who has been for some years a resident of Ohio, shall receive $25 per month as long as he, or she, lives. No individual with an income equal or greater than this can receive an old-age pension, nor is such pension payable if the individual draws compensation or pay for work in competition with others, nor if the individual has deprived himself or herself of property in order to qualify for benefits under this law.

Old-age pensions provide an open road for happiness and contentment for men and women who have, through no fault of their own, beheld the savings of a lifetime swept away as a result of ill-founded trust and abiding faith in big city bankers, in manipulated insurance companies, in exploiting building-and-loan associations, or have been swindled in any manner through the connivance of others, or who have by reason of economic conditions, been unable to lay aside sufficient for the rainy day that awaits us all. Local communities now overburdened, relatives now overtaxed, caring for the less fortunate, and county poorhouses, will be displaced. A new era is at hand. The aged and infirm will face security and contentment instead of uncertainty, humiliation, and misery.

We should establish in the Nation old-age security for every needy person of 65 years or older. Legislatures in 27 States, including New York and California, have enacted this beneficient legislation. In Ohio and other States, old-age security acts have been adopted by direct mandate of the people. Ours is the only civilized country in the world that does not have a national old-age pension law. The cost of four battleships will pension every needy old person in all our 48 States.

The average State pension approximates $22.50 per month. The average cost of maintaining inmates in poorhouses is $40 a month. Justice and ordinary business prudence call for old-age security legislation.

The need for old-age security legislation is brought about by the congestion and intensity of modern industrial processes. Either aged people, in honorable poverty, must be supported by private charity or by the State. I favor old-age security legislation because it is the duty of the Government and also because the reliance upon private charity is an unequal and insecure dependence for men and women who have earned the right to live their few remaining years in modest independence, and enjoy a little repose.

The hope we all cherish is an old age free from care and want. To that end people toil patiently and live closely, seeking to save something for the day when they can earn no more. And yet the same fate awaits the majority. In the life of the worker there are weeks, often months, of enforced idleness, weeks of unavoidable sickness, losses from swindling, and then, as age creeps on, there is a constantly declining capacity to earn, until at 65, many find themselves destitute. There is no more pitiful tragedy than the lot of the worker who has struggled all his life to gain a competence and who, at 65, faces the poorhouse. The black slave knew no such tragedy as this. It is a tragedy reserved for the free worker in the greatest nation on earth.

There is nothing radical about the old-age-pension idea, though, personally, I do not fear being termed a "radical." The word "radical" is derived from the Latin word meaning root. We ought to go to the roots of our social and economic troubles. As a matter of fact, payment of old-age pensions by the State or National Government involves no new policy nor any innovation of principle. In 1913, as a member of the General Assembly of Ohio, I participated in the enactment of Ohio's first mothers' pension law. Before that time the State had dealt in haphazard fashion with children of destitute widows. Children were sent to children's homes and the mother to work. This blighted the lives of children and brought misery to the mother. In-

stead of cruel separations of mothers and children, we now have the enlightened system of mothers' pensions, which provides for regular payments to mothers to take care of their children. The family is kept together. Furthermore, the cost to the State is less. No State that has adopted mothers' pensions has returned to the old inhuman methods. I urge the same principle for the needy aged who, after a lifetime of industry, effort, and struggle, at 65 become in need of assistance from the Government or from public or private charities. It is time to free white hair and wrinkled brows from dread and anxiety. Instead of sending them "over the hill to the poorhouse", the Government should lend a helping hand in a scientific and adequate manner to our deserving and needy aged as they go down the sunset side of life.

Mr. Speaker, private charities, bread lines, and soup kitchens must not be the only answers of American intelligence and sense of justice to the problem of unemployment and indigent old age. Out of the hardships of this depression, when millions of people sought work which they could not find, let us hope that a better future may come for aged men and women whose condition is desperate even in the best of times, and through no fault of their own.

SENATE JOINT RESOLUTION 36

Mr. MEAD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on Senate Resolution 36 and to include a copy of the resolution.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MEAD. Mr. Speaker, I wish to draw attention to Senate Joint Resolution 36, honoring Gen. Casimir Pulaski, which has recently been signed by the President. A copy of the resolution follows:

Senate Joint Resolution 36

Authorizing the President of the United States of America to proclaim October 11, 1934, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski

Whereas the 11th day of October 1779, is the date in American history of the heroic death of Brig. Gen. Casimir Pulaski, who died from wounds received on October 9, 1779, at the siege of Savannah, Ga.; and

Whereas the States of West Virginia, New Jersey, Massachusetts, Kentucky, Illinois, Michigan, Tennessee, Indiana, Wisconsin, New York, Nebraska, Texas, Minnesota, Delaware, Maryland, Arkansas, New Hampshire, Pennsylvania, Missouri, Ohio, and other States of the Union, through legislative enactment designated October 11 of each year as General Pulaski's Memorial Day; and

Whereas the Congress of the United States of America has by legislative enactment designated October 11, 1929, and October 11, 1931, to be General Pulaski's Memorial Day; and

Whereas it is fitting that the recurring anniversary of this day be commemorated with suitable patriotic and public exercises in observing and commemorating the death of this great American hero of the Revolutionary War: Therefore be it

Resolved, etc., That the President of the United States is authorized to issue a proclamation calling upon officials of the Government to display the flag of the United States on all governmental buildings on October 11, 1934, and inviting the people of the United States to observe the day in schools and churches, or other suitable places, with appropriate ceremonies of the death of Gen. Casimir Pulaski.

The Congress of the United States, in recognition of the valiant services of the great Polish Revolutionary War hero, Gen. Casimir Pulaski, has passed this joint resolution in commemoration of his death. It is a fitting and proper tribute to one of America's early patriots.

The resolution, passed unanimously, authorizes the President to declare October 11, 1934, as a select day in memory of General Pulaski. The President will issue a formal proclamation, which will be broadcast by radio and newspaper to every remote corner of our Nation, announcing the occasion. On October 11, next, our Federal establishments, public buildings, schools, and homes throughout the Republic will proudly display the country's flag in reverent respect to a man who fought so ably and courageously that the dreams of a new Government might be realized.

Throughout the United States on October 11, patriotic demonstrations and appropriate ceremonies will be enacted. The name of General Pulaski, now hailed by historians as an outstanding martyr in the cause of American independence, will reverberate from coast to coast and the inspiring story of his military heroism and strategy will be told in the schoolrooms of America. This day, in remembrance of the youthful General Pulaski's tragic death in the service of our Nation, marks a holiday on which every loyal American citizen should pause a moment to pay tribute to his memory.

Casimir Pulaski was born in Podolia, Poland, on March 4, 1748. Early in life he became interested in military affairs and served as a soldier before he was 20. Like his father, who won fame fighting for the redemption of Poland, young Pulaski's reputation as a brave and intrepid fighter spread throughout Europe.

Through an unusual coincidence, in 1776, he met Benjamin Franklin in Paris, and although Franklin was an old man, their mutual ideals and philosophies drew them together.

Pulaski was fired with the story of the stubborn struggle of the American Colonies for independence, and in March 1777 he came to this country and immediately joined General Washington's staff. From that day on the colorful, dashing young Pole became a commanding figure in the war for liberty and self-government. A romantic, adventurous, and fearless cavalryman, time after time he led his troops to victory.

His enthusiasm and loyalty to the American cause was an inspiration to his men, and through his meritorious efforts and brilliant strategy he won the undying friendship of George Washington. As a result of his services in the Battle of Brandywine, Congress commissioned him a brigadier general, upon General Washington's recommendation.

Every history textbook contains an account of the stirring deeds of Pulaski's legion, which was a corps of light infantry under General Pulaski's command.

On October 9, 1779, Pulaski stormed the city of Savannah, Ga., where he had driven the British after several days' hot pursuit. Riding bravely at the head of his famous cavalry, he was mortally wounded but stayed in the thick of the battle until the conflict was over. He was removed from the battlefield and placed on board the brig *Wasp* for transfer to Charleston. However, the ship was delayed by adverse winds, and the noble Pulaski died at sea, where he was buried with simple ceremonies. His distinguished career was ended at 31.

The patriotic character and loyal devotion of this youthful Polish military genius deserves to become forever enshrined in American hearts, and the action of Congress and President Roosevelt in setting aside October 11 in his honor is commendable. America will pay him due homage.

REVISION OF AIR-MAIL LAWS

Mr. MEAD. Mr. Speaker, I call up the conference report on the bill (S. 3170) to revise air-mail laws.

Mr. SNELL. Mr. Speaker, I hope the gentleman will let this conference report go over until tomorrow, for it is now a quarter of 6.

Mr. MEAD. I may say to the gentleman from New York that I have discussed the conference report with the gentleman from Pennsylvania [Mr. KELLY]. I do not think it will take over 5 minutes to dispose of the conference report.

Mr. KELLY of Pennsylvania. Mr. Speaker, I should like to be heard a few minutes to discuss the conference report.

Mr. SNELL. I would remind the gentleman that it is getting late. A point of no quorum was withdrawn with the understanding that no further business would be transacted this evening other than the submission of unanimous-consent requests.

Mr. MEAD. I may say to the gentleman from New York that I will not take any time on the conference report myself. The gentleman from Pennsylvania [Mr. KELLY] will probably want to make an explanation of the report.

Mr. SNELL. I think we ought to have an explanation of the conference report.

Mr. MEAD. The conferees are practically in agreement.

Mr. SNELL. I would say they are very far from agreement, for none of the minority conferees have signed the report; is not this true?

Mr. MEAD. That is true on the part of the House committee, but I should like to have the matter disposed of tonight so we can get the bill back to the Senate. It will not take over 5 minutes.

Mr. SNELL. I do not want to object, but I think it is too late to bring up a conference report. I wish the gentleman would let it go over until tomorrow, although I understand, of course, that this is a privileged matter.

Mr. MEAD. I shall be very glad to yield under the circumstances; there is nothing else to do.

CHILD-LABOR AMENDMENT

The SPEAKER laid before the House a letter from Richard J. Beamish, secretary of the Commonwealth of Pennsylvania, forwarding certificate of the proposed amendment to the Constitution of the United States relative to the labor of persons under 18 years of age.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted as follows:

To Mr. WEAVER, indefinitely, on account of important business.

To Mr. SISSON, for today and tomorrow, on account of important business.

To Mr. MUSSELWHITE, for May 29, 30, and 31, on account of business at home.

To Mr. KVALE, for today, on account of illness.

To Mr. KENNEY, for 3 days, on account of important business.

To Mr. ADAMS, for today, on account of important business.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on the following dates present to the President, for his approval, bills and joint resolutions of the House of the following titles:

On May 25, 1934:

H.R. 9530. An act granting consent of Congress to the county of Pierce, a legal subdivision of the State of Washington, to construct, maintain, and operate a toll bridge across Puget Sound, State of Washington, at or near a point commonly known as "The Narrows";

H.J.Res. 345. Joint resolution to provide funds to enable the Secretary of Agriculture to carry out the purposes of the acts approved April 21, 1934, and April 7, 1934, relating, respectively, to cotton and to cattle and dairy products, and for other purposes.

On May 28, 1934:

H.R. 2837. An act to provide for the establishment of the Everglades National Park in the State of Florida, and for other purposes;

H.R. 6803. An act to regulate the distribution, promotion, retirement, and discharge of commissioned officers of the Marine Corps, and for other purposes; and

H.R. 9068. An act to provide for promotion by selection in the line of the Navy in the grades of lieutenant commander and lieutenant; to authorize appointment as ensigns in the line of the Navy all midshipmen who hereafter graduate from the Naval Academy; and for other purposes;

H.J.Res. 347. Joint resolution to prohibit the sale of arms or munitions of war in the United States under certain conditions.

ORDER OF BUSINESS

Mr. BYRNS. Mr. Speaker, I understand the previous question has been ordered on the free-trade zone bill to final passage, and that the vote on the bill will be the first order of business tomorrow.

The SPEAKER. Yes.

ADJOURNMENT

Mr. BYRNS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 49 minutes p.m.) the House adjourned until tomorrow, Tuesday, May 29, 1934, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

488. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated May 25, 1934, submitting a report, together with accompanying papers, on a preliminary examination of Steele Bayou, Miss., authorized by the River and Harbor Act approved July 3, 1930; to the Committee on Rivers and Harbors.

489. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated May 25, 1934, submitting a report, together with accompanying papers, on a preliminary examination of Russell Creek, S.C., authorized by the River and Harbor Act approved July 3, 1930; to the Committee on Rivers and Harbors.

490. A letter from the Secretary of the Treasury, transmitting a draft of a bill, to place officers and men of the Coast Guard on the same basis as officers and men of the Navy, with respect to Medals of Honor, Distinguished-Service Medals, and Navy Crosses; to the Committee on Interstate and Foreign Commerce.

491. A letter from the Chairman, Federal Deposit Insurance Corporation, transmitting, in accordance with the provisions of section 12B of the Banking Act of 1933, the report of operations of the Federal Deposit Insurance Corporation for the period ending March 31, 1934 (H.Doc. 389); to the Committee on Banking and Currency.

492. A letter from the Secretary of War, transmitting a proposed draft of a bill to amend section 602½ (a) of the Revenue Act of 1934, relative to the imposition of a tax on Philippine coconut oil; to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. KELLER: Committee on the Library. H.R. 9003. A bill to purchase and erect in the city of Washington the group of statuary known as the "Indian Buffalo Hunt"; without amendment (Rept. No. 1775). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the Library. House Joint Resolution 316. A joint resolution authorizing the erection of a memorial to J. J. Jusserand; without amendment (Rept. No. 1776). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the Library. H.R. 8055. A bill to provide monuments to mark the birthplaces of deceased Presidents of the United States; with amendment (Rept. No. 1777). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the Library. Senate Joint Resolution 100. A joint resolution authorizing suitable memorials in honor of James Wilson and Seaman A. Knapp; without amendment (Rept. No. 1778). Referred to the Committee of the Whole House on the state of the Union.

Mr. DOXEY: Committee on Agriculture. H.R. 8389. A bill to amend section 36 of the Emergency Farm Mortgage Act of 1933 and amendments thereto; without amendment (Rept. No. 1779). Referred to the Committee of the Whole House on the state of the Union.

Mr. DOUGHTON: Committee on Ways and Means. H.R. 9741. A bill to provide for the taxation of manufacturers, importers, and dealers in certain firearms and machine guns, to tax the sale or other disposal of such weapons, and to restrict importation and regulate interstate transportation thereof; without amendment (Rept. No. 1780). Referred to the Committee of the Whole House on the state of the Union.

Mr. BANKHEAD: Committee on Rules. House Resolution 397. A resolution for the consideration of H.R. 9178, a bill to regulate the business of life insurance in the District of Columbia; without amendment (Rept. No. 1781). Referred to the House Calendar.

Mr. BANKHEAD: Committee on Rules. House Resolution 398. A resolution for the consideration of House Joint Resolution 271, a joint resolution providing for an annual appropriation to meet the quota of the United States toward the expenses of the International Technical Committee of Aerial Legal Experts; without amendment (Rept. No. 1782). Referred to the House Calendar.

Mr. DRIVER: Committee on Rules. House Resolution 392. A resolution providing for the consideration of H.R. 9391; without amendment (Rept. No. 1783). Referred to the House Calendar.

Mr. BIERMANN: Committee on Agriculture. H.R. 9646. A bill to authorize the acquisition of additional land for the Upper Mississippi River Wild Life and Fish Refuge; with amendment (Rept. No. 1785). Referred to the Committee of the Whole House on the state of the Union.

Mr. WEIDEMAN: Committee on Immigration and Naturalization. H.R. 6912. A bill to amend the act entitled "An act to admit to the United States, and to extend naturalization privileges to, alien veterans of the World War", approved May 26, 1926; with amendment (Rept. No. 1786). Referred to the House Calendar.

Mr. WEARIN: Committee on the Public Lands. H.R. 7834. A bill to provide for conveying to the State of Iowa certain lands within the nonnavigable meandering lake beds within that State for use as public parks, recreation grounds, and game refuges; without amendment (Rept. No. 1788). Referred to the Committee of the Whole House on the state of the Union.

Mr. ENGLEBRIGHT: Committee on the Public Lands. H.R. 8683. A bill to provide for the selection of certain lands in the State of California for the use of the California State park system; without amendment (Rept. No. 1789). Referred to the Committee of the Whole House on the state of the Union.

Mr. ENGLEBRIGHT: Committee on the Public Lands. H.R. 8684. A bill to provide for the selection of certain lands in the State of California for the use of the California State park system; without amendment (Rept. No. 1790). Referred to the Committee of the Whole House on the state of the Union.

Mr. CHAVEZ: Committee on the Public Lands. H.R. 9619. A bill to authorize the disposal of surplus personal property, including buildings, of the Emergency Conservation Work; without amendment (Rept. No. 1791). Referred to the Committee of the Whole House on the state of the Union.

Mr. CHAVEZ: Committee on the Public Lands. House Joint Resolution 349. A joint resolution designating or naming a certain mountain in the State of Tennessee "Mount Roosevelt", and for other purposes; with amendment (Rept. No. 1792). Referred to the House Calendar.

Mr. FULMER: Committee on Agriculture. H.R. 7663. A bill to authorize payment of farm-loan mortgages with bonds issued by joint-stock land banks, and for other purposes; without amendment (Rept. No. 1793). Referred to the Committee of the Whole House on the state of the Union.

Mr. BUCK: Committee on Agriculture. H.R. 9702. A bill authorizing the adjustment of existing contracts for the sale of timber on the national forests, and for other purposes; without amendment (Rept. No. 1794). Referred to the Committee of the Whole House on the state of the Union.

Mr. BUCK: Committee on Agriculture. S. 1138. An act authorizing transfer of an unused portion of the United State Range Livestock Experiment Station, Mont., to the State of Montana for use as a fish-cultural station, game reserve, and public recreation ground, and for other purposes; without amendment (Rept. No. 1795). Referred to the Committee of the Whole House on the state of the Union.

Mr. AYERS of Montana: Committee on the Public Lands. S. 1825. An act authorizing the Secretary of the Interior to issue patents to the numbered school sections in place, granted to the States by the act approved February 22, 1889, by the act approved January 25, 1927 (44 Stat. 1026), and by any other act of Congress; with amendment (Rept. No. 1796). Referred to the Committee of the Whole House on the state of the Union.

Mr. MOTT: Committee on the Public Lands. S. 2924. An act to include within the Deschutes National Forest, in the State of Oregon, certain public lands within the exchange boundaries thereof; with amendment (Rept. No. 1797). Referred to the Committee of the Whole House on the state of the Union.

Mr. CHAVEZ: Committee on the Public Lands. S. 3443. An act to provide for the creation of the Pioneer National Monument in the State of Kentucky, and for other purposes; with amendment (Rept. No. 1798). Referred to the Committee of the Whole House on the state of the Union.

Mr. DOUGHTON: Committee on Ways and Means. H.R. 9745. A bill to authorize the Secretary of the Treasury to purchase silver, issue silver certificates, and for other purposes; with amendment (Rept. No. 1801). Referred to the Committee of the Whole House on the state of the Union.

Mr. RAYBURN: Committee on Interstate and Foreign Commerce. H.R. 9654. A bill to authorize the Department of Commerce to make special statistical studies upon payment of the cost thereof, and for other purposes; without amendment (Rept. No. 1802). Referred to the Committee of the Whole House on the state of the Union.

Mr. ZIONCHECK: Committee on Naval Affairs. H.R. 9272. A bill to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes; with amendment (Rept. No. 1803). Referred to the Committee of the Whole House on the state of the Union.

Mr. HOWARD: Committee on Indian Affairs. H.R. 7902. A bill to grant to Indians living under Federal tutelage the freedom to organize for purposes of local self-government and economic enterprise, to provide for the necessary training of Indians in administrative and economic affairs, to conserve and develop Indian lands, and to promote the more effective administration of justice in matters affecting Indian tribes and communities by establishing a Federal Court of Indian Affairs; with amendment (Rept. No. 1804). Referred to the Committee of the Whole House on the state of the Union.

Mr. MUSSELWHITE: Committee on the Post Office and Post Roads. H.R. 8245. A bill to reduce the fee to accompany applications for entry as second-class matter of publications of limited circulation; with amendment (Rept. No. 1805). Referred to the Committee of the Whole House on the state of the Union.

Mr. JONES: Committee on Agriculture. Senate Joint Resolution 123. A joint resolution empowering certain agents authorized by the Secretary of Agriculture to administer oaths to applicants for tax-exemption certificates under the Cotton Act of 1934; without amendment (Rept. No. 1806). Referred to the House Calendar.

Mr. WOOD of Georgia: Committee on the Post Office and Post Roads. H.R. 7310. A bill to enable the Postmaster General to withhold commissions on false returns made by postmasters; with amendment (Rept. No. 1807). Referred to the Committee of the Whole House on the state of the Union.

Mr. SUMNERS of Texas: Committee on the Judiciary. House Joint Resolution 267. A joint resolution to authorize the several States to negotiate compacts or agreements to promote greater uniformity in the laws of such States affecting labor and industries; with amendment (Rept. No. 1808). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. DUNCAN: Committee on Military Affairs. H.R. 9750. A bill for the relief of Thaddeus C. Knight; without amendment (Rept. No. 1774). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on Claims. S. 1853. An act to authorize the Secretary of the Treasury to execute an agreement of indemnity to the First Granite National Bank, Augusta, Maine; without amendment (Rept. No. 1784). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on Claims. S. 1859. An act authorizing adjustment of the claim of the Rio Grande Southern Railroad Co.; without amendment (Rept. No. 1799). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 3280. An act to carry out the findings of the Court of Claims in the claim of the Morse Dry Dock & Repair Co.; without amendment (Rept. No. 1800). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the committee was discharged from the consideration of the following bill, which was referred as follows:

A bill (H.R. 9713) granting a pension to Paul Chick; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. LOZIER: A bill (H.R. 9767) to prohibit the Home Owners' Loan Corporation from charging fees with respect to loans applied for but not granted, and to provide for the refund of such fees already paid; to the Committee on Banking and Currency.

By Mr. GAMBRILL: A bill (H.R. 9768) to authorize appropriations for the creation of a public airport for national defense in or near Washington, D.C., and as a national shrine to pioneer aviators, and for other purposes; to the Committee on Military Affairs.

By Mr. CARTWRIGHT: A bill (H.R. 9769) to amend the act of June 19, 1930 (46 Stat. 788), entitled "An act providing for the sale of the remainder of the coal and asphalt deposits in the segregated mineral land in the Choctaw and Chickasaw Nations, Oklahoma, and for other purposes"; to the Committee on Indian Affairs.

By Mr. LOZIER: A bill (H.R. 9770) to authorize the Home Owners' Loan Corporation to make loans to churches and religious organizations on the security of dwellings occupied by religious officers; to the Committee on Banking and Currency.

By Mr. HILDEBRANDT: A bill (H.R. 9771) to stimulate competitive buying of swine, to provide for establishment of standards for grading swine, and for other purposes; to the Committee on Agriculture.

By Mr. LEA of California: A bill (H.R. 9772) to provide for the selection of certain islands, rocks, and pinnacles situated in the Pacific Ocean for the use of the California State park system; to the Committee on the Public Lands.

By Mr. MONAGHAN of Montana: A bill (H.R. 9773) to provide funds for cooperation with school district no. 23, Polson, Mont., in the improvement and extension of school buildings to be available to both Indian and white children; to the Committee on Indian Affairs.

By Mr. LOZIER: A bill (H.R. 9774) to prohibit the Farm Credit Administration and agencies subject to its control from charging fees with respect to loans to farmers applied for but not granted, and to provide for the refund of such fees already paid; to the Committee on Agriculture.

By Mr. EATON: A bill (H.R. 9775) to amend the provisions in the act approved March 3, 1931, governing the computation of commissioned service of Naval Academy graduates who have been retired for age or service ineligibility for promotion; to the Committee on Naval Affairs.

By Mr. HIGGINS: A bill (H.R. 9776) to require contractors on public-building projects to perform a part of the work on each contract themselves, to name their subcontractors, and for other purposes; to the Committee on Expenditures in the Executive Departments.

By Mr. BANKHEAD: Resolution (H.Res. 397) for the consideration of H.R. 9178, a bill to regulate the business of life insurance in the District of Columbia; to the Committee on Rules.

Also, resolution (H.Res. 398) for the consideration of House Joint Resolution 271, a joint resolution providing for an annual appropriation to meet the quota of the United States toward the expenses of the International Technical Committee of Aerial Legal Experts; to the Committee on Rules.

By Mr. FISH: Resolution (H.Res. 399) relative to famine in the Ukraine; to the Committee on Foreign Affairs.

By Mr. BLOOM: Joint resolution (H.J.Res. 357) for the participation of the United States in a universal and international exhibition at Brussels, Belgium, in 1935; to the Committee on Foreign Affairs.

By Mr. CANNON of Wisconsin: Joint resolution (H.J.Res. 358) limiting the number of the Members of the House of Representatives; to the Committee on the Census.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. EICHER: A bill (H.R. 9777) to extend the benefits of the Employees' Compensation Act of September 7, 1916, to James R. Kelly; to the Committee on Claims.

By Mr. GLOVER: A bill (H.R. 9778) granting a pension to James W. Morris; to the Committee on Pensions.

By Mr. LUDLOW: A bill (H.R. 9779) granting pensions to E. D. Howe, W. C. Harris, and Elwood Kirkwood; to the Committee on Pensions.

By Mr. MUSSELWHITE: A bill (H.R. 9780) for the relief of Myrton L. Genung; to the Committee on Claims.

By Mr. PARKS: A bill (H.R. 9781) to provide compensation for James Martin Wells for injuries received in citizens' military training camp; to the Committee on Military Affairs.

By Mr. REECE: A bill (H.R. 9782) granting a pension to Luther G. Martin; to the Committee on Pensions.

Also, a bill (H.R. 9783) granting a pension to Mildred K. Brown; to the Committee on Pensions.

By Mr. SABATH: A bill (H.R. 9784) for the relief of John Boska; to the Committee on Military Affairs.

By Mr. THURSTON: A bill (H.R. 9785) for the relief of Henry Steffen; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

4790. By Mr. BLOOM: Petition of the members of Nativity Council, No. 357, Knights of Columbus, in the city of New York, favoring the amendment to section 301 of Senate bill 2910, providing for the insurance of equity of opportunity for educational, religious, agricultural, labor, cooperative, and similar non-profit-making associations seeking licenses for radio broadcasting by incorporating into the statute a provision for the allotment to said non-profit-making associations of at least 25 percent of all radio facilities not employed in public use; to the Committee on Merchant Marine, Radio, and Fisheries.

4791. By Mr. FORD: Resolution signed by Dr. Harry T. Daily, of Los Angeles, as secretary of his district Democratic committee; Rev. P. Gustam Rodgers, pastor of the Wadsworth Seventh Day Adventist Church, representing his membership of 500, and sundry other citizens of the Fourteenth Congressional District of California, urging the passage of the Costigan-Wagner antilynching bill in the Senate and the companion Ford bill in the House; to the Committee on the Judiciary.

4792. By Mr. HIGGINS: Resolution of the Sons and Daughters of Liberty of Portland, Conn., protesting against any letting down of the present restrictions in regard to immigration; to the Committee on Immigration and Naturalization.

4793. By Mr. KRAMER: Resolution adopted by the Amalgamated Association of Street & Electric Railway Employees

of America, on May 22, 1934, requesting the passage of the Wagner-Connery bill; to the Committee on Labor.

4794. Also, resolution adopted by the National Federation of Post Office Clerks on May 17, 1934, recommending that the sesquicentennial celebration of the death of Father Junipero Serra be held August 29, 1934, at Carmel Mission, Calif.; to the Committee on the Library.

4795. Also, resolution adopted by the Los Angeles County Farm Bureau on May 17, 1934, concerning certain communistic agitators of California who are doing all in their power to bring about strikes among agricultural laborers for the avowed purpose of breaking down property values, causing strife and hatred between employers and employees, and ultimately destroying our Government; to the Committee on Immigration and Naturalization.

4796. By Mr. LAMNECK: Petition of A. William Morrison and other citizens of Miami, Fla., approving an embargo against defaulting nations; to the Committee on Foreign Affairs.

4797. By Mr. LEHR: Petition of Oil and Gas Producers' Association of Michigan, representing more than 75 percent of the oil production within the State favoring the adoption of the Thomas Senate bill (S. 3495) providing that the Federal Government and State regulatory bodies coordinate their efforts to bring about protection against the return of the previous conditions; to the Committee on Interstate and Foreign Commerce.

4798. By Mr. LINDSAY: Petition of joint cooperative board, Brotherhood of Locomotive Firemen and Enginemen, Albany, N.Y., favoring the enactment of House bill 7430, the 6-hour day bill for railroad employees; to the Committee on Interstate and Foreign Commerce.

4799. Also, petition of the Brotherhood of Railroad Trainmen, legislative board, State of New York, Albany, urging support and passage of House bill 7430; to the Committee on Interstate and Foreign Commerce.

4800. Also, petition of American Federation of Labor, Washington, D.C., endorsing amendment to the Railway Labor Act (H.R. 9689); to the Committee on Interstate and Foreign Commerce.

4801. Also, petition of the Brotherhood of Railroad Trainmen, legislative board, State of New York, Albany, concerning Senate bill 3266; to the Committee on Labor.

4802. Also, petition of the Associated Coffee Industries of America, New York City, protesting against the extension of the compensating tax on jute products to jute bags imported as containers of coffee; to the Committee on Ways and Means.

4803. Also, petition of the Texas Bankers' Association, Tyler, Tex., favoring Federal assistance in cooperation with State authorities in enforcement of laws for oil industry; to the Committee on Interstate and Foreign Commerce.

4804. By Mr. McCORMACK: Petition of the City Council of the City of Woburn, Mass., urging early and favorable consideration of House Joint Resolution 329, introduced by Congressman McCORMACK, to rename the Veterans' Administration Facility, Bedford, Mass., the Reverend William J. Farrell Hospital; to the Committee on World War Veterans' Legislation.

4805. By Mr. MALONEY of Connecticut: Petition of the Sons and Daughters of Liberty, State Council of Connecticut, representing Sons and Daughters of Liberty, an organization composed of upward of 100,000 native-born American men and women, to defeat the efforts being made by political leaders and exploiters of labor to defeat the spirit of restricted immigration, etc.; to the Committee on Immigration and Naturalization.

4806. Also, petition of the Ancient Order of Hibernians and the Ladies' Auxiliary to the Ancient Order of Hibernians of the State of Connecticut, having a membership of 4,559 on May 1, 1934, to support amendment to section 301 of Senate bill 2910, providing for the insurance of equity of opportunity for educational, religious, agricultural, labor, cooperative, and similar non-profit-making associations seeking licenses for radio broadcasting by incorporating into the statute a provision for the allotment to said non-profit-making associations of at least 25 percent of all radio facilities not employed in public use, etc.; to the Committee on Interstate and Foreign Commerce.

4807. By Mr. MONAGHAN of Montana: Petition of 15 Butte, Mont., employees of organizations handling securities, protesting against the pending stock-exchange bill; to the Committee on Interstate and Foreign Commerce.

4808. Also, petition of 31 officers and employees of Metals Bank & Trust Co. of Butte, Mont., protesting against the pending stock-exchange bill; to the Committee on Interstate and Foreign Commerce.

4809. Also, petition of 58 residents of Anaconda, Mont., protesting against the revised Tugwell bill no. 2000; to the Committee on Interstate and Foreign Commerce.

4810. Also, petition of 22 residents of Kalispell, Mont., favoring the Frear resolution against war; to the Committee on the Judiciary.

4811. Also, petition of 95 residents of Kalispell, Mont., favoring immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

4812. Also, petition of 309 residents of Missoula, Mont., favoring the immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

4813. By Mr. RUDD: Petition of the Brotherhood of Railroad Trainmen, legislative board, State of New York, favoring the passage of House bill 7430, 6-hour day bill; to the Committee on Labor.

4814. Also, petition of the Joint Cooperative Board Brotherhood of Locomotive Firemen and Enginemen, Delaware & Hudson System, Albany, N.Y., favoring the passage of House bill 7430, 6-hour day bill; to the Committee on Labor.

4815. Also, petition of the Associated Coffee Industries of America, New York City, opposing the extension of the compensating tax on jute products to jute bags imported as containers of coffee; to the Committee on Ways and Means.

4816. Also, petition of the Brotherhood of Railroad Trainmen, legislative board, State of New York, opposing certain amendments to Senate bill 3266, amending the Railroad Labor Act; to the Committee on Interstate and Foreign Commerce.

4817. Also, petition of the Texas Bankers Association, Tyler, Tex., favoring Federal assistance in cooperation with State authorities in the enforcement of laws regulating the movement of oil in commerce; to the Committee on Interstate and Foreign Commerce.

4818. Also, petition of the Catholic Benevolent Legion, Brooklyn, N.Y., favoring the proposed amendment to section 301 of Senate bill 2910, as contained in House bill 8977; to the Committee on Merchant Marine, Radio, and Fisheries.

4819. By Mr. SNYDER: Petition signed by Mr. Martin Migrock, of Banning, Pa., and 173 members of Local Union, No. 2025, of the United Mine Workers of America who are residents of Fayette County, Pa., urging the passage of the Wagner-Lewis unemployment insurance bill; to the Committee on Labor.

4820. By Mr. THOMAS: Telegram from C. R. Palmer, president Cluett Peabody & Co., Troy, N.Y., opposing further limitation of hours for industry; to the Committee on Labor.

4821. By the SPEAKER: Petition of the code authority of the narrow fabric industry, opposing House bill 8492; to the Committee on Labor.

4822. Also, petition of the National Society Daughters of the Revolution, New York, recommending the equipping and developing of the Reserve Officers' Training Corps; to the Committee on Military Affairs.

4823. Also, petition of the National Society Daughters of the Revolution, disapproving of the child-labor amendment to the Constitution of the United States, adopted by the Congress of 1924; to the Committee on Labor.

4824. Also, petition of the Nativity Council, No. 357, Knights of Columbus, in the city of New York, State of New York, requesting the support of section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

4825. Also, petition of Frank B. Moore and others, opposing the lottery bill; to the Committee on Ways and Means.

4826. Also, petition of John Wright and others, requesting the passage of House bill 9596; to the Committee on Interstate and Foreign Commerce.

4827. Also, petition of the City of Dearborn (Mich.) Council, requesting removal of certain restrictions as set forth in section 204–A of the National Recovery Administration; to the Committee on Ways and Means.

SENATE

TUESDAY, MAY 29, 1934

(Legislative day of Monday, May 28, 1934)

The Senate met at 11 o'clock a.m., on the expiration of the recess.

THE JOURNAL

On motion of Mr. ROBINSON of Arkansas, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day, Monday, May 28, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. ROBINSON of Arkansas. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Couzens	Johnson	Reynolds
Ashurst	Cutting	Kean	Robinson, Ark.
Austin	Davis	Keyes	Robinson, Ind.
Bachman	Dickinson	King	Russell
Bankhead	Dieterich	La Follette	Schall
Barkley	Dill	Lewis	Sheppard
Black	Duffy	Logan	Shipstead
Bone	Erickson	Lonergan	Smith
Borah	Fess	Long	Steiwer
Brown	Fletcher	McCarran	Stephens
Bulkley	Frazier	McGill	Thomas, Okla.
Bulow	George	McKellar	Thomas, Utah
Byrd	Glass	McNary	Thompson
Byrnes	Goldsborough	Metcalf	Townsend
Capper	Gore	Murphy	Tydings
Caraway	Hale	Neely	Vandenberg
Carey	Harrison	Norris	Van Nuys
Clark	Hastings	O'Mahoney	Wagner
Connally	Hatch	Overton	Walcott
Coolidge	Hatfield	Patterson	Walsh
Copeland	Hayden	Pittman	White
Costigan	Hebert	Pope	

Mr. LEWIS. I announce that the Senator from California [Mr. McADOO] is still detained from the Senate on account of illness, and that the Senator from North Carolina [Mr. BAILEY], the Senator from Florida [Mr. TRAMMELL], and the Senator from Montana [Mr. WHEELER] are necessarily absent.

Mr. HEBERT. I desire to announce that the Senator from New Jersey [Mr. BARBOUR], the Senator from Vermont [Mr. GIBSON], and the Senator from Pennsylvania [Mr. REED] are necessarily absent from the Senate.

The VICE PRESIDENT. Eighty-nine Senators have answered to their names. A quorum is present.

INVITATION TO COAST ARTILLERY SCHOOL BATTLE PRACTICE

Mr. SHEPPARD. Mr. President, I should like to have read at the desk a brief letter from Maj. Gen. W. F. Hase, Chief of Coast Artillery.

The VICE PRESIDENT. Without objection, the clerk will read as requested.

The legislative clerk read as follows:

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF COAST ARTILLERY,
Washington, May 18, 1934.

Hon. MORRIS SHEPPARD,
Chairman Military Affairs Committee,
United States Senate, Washington, D.C.

DEAR SENATOR SHEPPARD: Believing that some members of your committee and perhaps other Members of the Senate might be interested in seeing a Coast Artillery target practice, I would like to invite them to go to Fort Story, at the entrance of Chesapeake Bay, on June 8 to see the student officers at the Coast Artillery School conduct their battle practice with 8-inch railroad guns and 155 G.P.F. guns. This firing is scheduled for the morning of Friday, June 8. The party would have to leave on the 6:30 p.m. Washington-Norfolk boat Thursday, June 7, arriving at Norfolk at 8 a.m., Friday, June 8. The round-trip fare is $5, and passengers can take their automobiles as baggage without any extra charge. The trip from Norfolk to Fort Story can be made in 1 hour. The party can return from Norfolk that night and be back in Washington at 7 a.m. Saturday, June 9.

I believe such a trip would be interesting to your members, as they would have the opportunity to see our installations at Fort Story and to know what we try to teach our students at the Coast Artillery School.

If any of the Members might desire to remain over Sunday in "tidewater Virginia", they could spend Saturday and Sunday at Fort Monroe, Va., at Yorktown, Jamestown, and Williamsburg, returning from Fort Monroe on Sunday night's boat or driving back to Washington at their convenience.

I would be glad to know if any Members contemplate going, in order to inform the Commandant of the Coast Artillery School, who will arrange to meet the party at Norfolk and conduct them to Fort Story.

Sincerely yours,

W. F. HASE,
Major General, Chief of Coast Artillery.

Mr. SHEPPARD. Mr. President, I trust that as many Senators as possible will visit Fort Story on the occasion of the target practice, and, if any can make the trip, I hope they will let me know in advance.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a telegram in the nature of a memorial from William S. Hauser, legislative director, etc., Brooklyn, N.Y., stating, in part, that "The postal workers of America, composed of postal employees of all classifications, urge rejection of S. 3523 in its present form, and adoption instead of bill providing for abolition of postal furloughs and guaranteeing continued employment of every postal employee", which was referred to the Committee on Post Offices and Post Roads.

He also laid before the Senate a resolution adopted by the Sovereign Grand Lodge of F. and A. M. of Puerto Rico, in its annual communication held in Mayaguez, P.R., favoring the passage of the so-called "Lanzetta bill", excluding the island of Puerto Rico from coastwise shipping laws, which was referred to the Committee on Territories and Insular Affairs.

LA FAYETTE MEMORIAL PARK, TALLAHASSEE, FLA.

Mr. FLETCHER presented a statement embodying a resolution adopted by the City Commission of Tallahassee, Fla., relative to the dedication of La Fayette Memorial Park in that city, which was ordered to lie on the table and to be printed in the RECORD, as follows:

DEDICATION OF LA FAYETTE MEMORIAL PARK

Marquis de La Fayette, a French general and statesman, and one of George Washington's most faithful officers during the American Revolution, was born September 6, 1757, in France. His parents died when he was a youth, leaving him large estates. He entered the French army and became a general in active service. At the beginning of the American Revolution, General La Fayette espoused the cause of American independence, and, fitting out a ship, sailed from Spain, landing at Georgetown, S.C., April 24, 1777, among his companions being Baron de Kalb. The arrival of La Fayette in America gave new hope to the supporters of the revolutionary cause. On July 31, 1777, Congress bestowed upon him the rank of major general, and he was soon after attached to the staff of Gen. George Washington. In the battle of Brandywine General La Fayette was wounded while rallying the American troops. He was also with Washington at Valley Forge. He received the thanks of Congress for his brilliant military conduct at Monmouth. In 1799, on the outbreak of war between England and France, General La Fayette returned to his native land and while there secured substantial aid for the Americans. He soon returned to this country and reentered the military service. He was a member of the court martial that condemned Major Andre to death. He commanded the American forces against the British under Benedict Arnold and rendered distinguished services as a sagacious and intrepid officer. In 1781 he again returned to France, but revisited America again in 1784, when he was received with great enthusiasm. The liberal views he imbibed in America enabled him to render valiant service in the assembly and in the armies of France.

In August 1824 La Fayette returned to the United States on the invitation of the President at the request of Congress and was received in various parts of the country with warmest expressions of delight and enthusiasm. Congress voted him a grant of $200,000 and a township of land, which extended 6 miles north and 6 miles east of the city limits of Tallahassee. The patent therefor was issued July 4, 1825. General La Fayette did not see

his public-land grant, but utilized it through his agents, and he sent many settlers and their families to live in Florida.

The Lafayette Township is 1 north, 1 east from the base line and Tallahassee meridian, which is marked in the southeastern part of the city of Tallahassee for permanent use in determining Florida land lines. The entire area is occupied in prosperous Leon County homes, a part of the land having been incorporated within the Tallahassee city limits.

General La Fayette appreciated the grant and felt a pride in the township of land adjoining the capital of the then Territory of Florida; and he anticipated a visit to his valuable Florida possession, but on his return to France his time and talents were fully occupied until his death in Paris, May 20, 1834. Tallahassee, the capital of the State of Florida, duly observed May 20. The city authorities adopted the resolutions and took action as follows:

Whereas the distinguished and generous services of General La Fayette to our country and the township of land granted by Congress to General La Fayette in recognition of such services is in and near Tallahassee, the capital city of the State of Florida, and has added prominence and prestige to our county and city: Therefore, in recognition of such historic and elevating circumstances connected with this city, be it

Resolved by the City Commission of the City of Tallahassee, That the tract of land consisting of approximately 12 acres, lying east of Gadsden Street in the west half of the southwest quarter of section 30, township 1 north of range 1 east, property of the city of Tallahassee, which said land is situated in the western part of Lafayette Township grant and within the corporate area of the city of Tallahassee, be, and the same is hereby, perpetually dedicated for park purposes;

Resolved, further, That on and after the 20th day of May, A.D. 1934, the one hundredth anniversary of the death of General La Fayette, said park area shall be, and is hereby, officially designated and named La Fayette Memorial Park.

Passed the city commission on the 8th day of May A.D. 1934.

JNO. L. FAIN,
Mayor-Commissioner.

Attest:

B. H. BRIDGES,
City Auditor and Clerk.

REPORTS OF COMMITTEES

Mr. SHEPPARD, from the Committee on Commerce, to which was referred the bill (S. 3659) authorizing the Oregon-Washington Bridge Board of Trustees to construct, maintain, and operate a toll bridge across the Columbia River at Astoria, Clatsop County, Oreg., reported it without amendment and submitted a report (No. 1197) thereon.

Mr. LOGAN, from the Committee on the Judiciary, to which was referred the bill (H.R. 9002) to provide relief to Government contractors whose costs of performance were increased as a result of compliance with the act approved June 16, 1933, and for other purposes, reported it with amendments and submitted a report (No. 1200) thereon.

He also, from the same committee, to which was referred the bill (S. 821) conferring jurisdiction on the United States District Court of the District of Oregon to hear, determine, and render judgment upon the suit in equity of Rakha Singh Gherwal against the United States, reported it without amendment and submitted a report (No. 1206) thereon.

Mr. KING, from the Committee on the Judiciary, to which was referred the bill (H.R. 8912) to amend section 35 of the Criminal Code of the United States, reported it with amendments and submitted a report (No. 1202) thereon.

Mr. THOMAS of Utah, from the Committee on Mines and Mining, to which was referred the bill (S. 3495) to regulate commerce in petroleum, and for other purposes, reported it with an amendment and submitted a report (No. 1201) thereon.

Mr. CLARK, from the Committee on Territories and Insular Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

H.R. 9371. An act to authorize the incorporated town of Douglas City, Alaska, to undertake certain municipal public works, including construction, reconstruction, enlargement, extension and improvements of its water-supply system; and construction, reconstruction, enlargement, extension, and improvements to sewers, and for such purposes to issue bonds in any sum not exceeding $40,000 (Rept. No. 1203); and

H.R. 9402. An act to authorize the incorporated town of Fairbanks, Alaska, to undertake certain municipal public works, including construction, reconstruction, and extension of sidewalks; construction, reconstruction, and extension of sewers, and construction of a combined city-hall and fire-department building, and for such purposes to issue bonds in any sum not exceeding $50,000 (Rept. No. 1204).

Mr. FESS, from the Committee on the Library, to which was referred the bill (S. 3178) authorizing the George Washington Bicentennial Commission to print and distribute additional sets of the writings of George Washington, reported it with amendments and submitted a report (No. 1205) thereon.

Mr. BYRNES, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred the resolution (S.Res. 203) increasing the limit of expenditures of the Special Committee to Investigate Bankruptcy and Receivership Proceedings, reported it with an amendment.

He also, from the same committee, to which was referred the resolution (S.Res. 228) authorizing an investigation of the relationship existing between certain contractors and their employees in the District of Columbia, reported it with amendments.

Mr. BACHMAN, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred the resolution (S.Res. 243) appointing a special committee to investigate certain charges against textbook concerns in connection with the obtaining of contracts for the sale of school books, reported it with an amendment.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CLARK:

A bill (S. 3698) to amend the act of April 13, 1926, relating to grants of land to States and Territories which provide agricultural and mechanic arts colleges; to the Committee on Public Lands and Surveys.

By Mr. COPELAND:

A bill (S. 3699) for the relief of Joseph Schoenbach; to the Committee on Claims.

CHANGE OF REFERENCE

On motion of Mr. SHEPPARD, the Committee on Military Affairs was discharged from the further consideration of the bill (S. 3691) granting Stanley Harrison the privilege of filing application for benefits under the Emergency Officers' Retirement Act, and it was referred to the Committee on Naval Affairs.

AMENDMENT TO PUBLIC GRAZING LANDS BILL

Mr. ASHURST submitted an amendment intended to be proposed by him to the bill (H.R. 6462) to stop injury to the public grazing lands by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development, to stabilize the livestock industry dependent upon the public range, and for other purposes, which was ordered to lie on the table and to be printed.

RECIPROCAL TARIFF AGREEMENTS—AMENDMENTS

Mr. HEBERT submitted an amendment intended to be proposed by him to the bill (H.R. 8687) to amend the Tariff Act of 1930, which was ordered to lie on the table and to be printed.

Mr. VANDENBERG submitted amendments intended to be proposed by him to House bill 8687, which were ordered to lie on the table and to be printed.

THE N.R.A. AND FREEDOM OF THE PRESS

Mr. CAPPER. Mr. President, I ask unanimous consent to insert in the CONGRESSIONAL RECORD as part of my remarks the report, dealing with freedom of the press, adopted at the recent annual meeting of the American Society of Editors in Washington.

Permit me to say in this connection that the report deserves the earnest attention of every thoughtful and patriotic citizen. All over the world we have seen personal liberty curtailed, in some countries practically abolished, in the last few years.

The first step in nearly every instance has been to muzzle the press. When freedom of the press goes, freedom of speech, freedom of assemblage, freedom of action such as is

guaranteed by our Constitution and the Bill of Rights, inevitably follow.

It is not only entirely proper and fitting that editors and publishers should insist upon explicitly preserving the freedom of the press in any code or similar instrument drawn up; it is, and was at the time it was drawn, the duty of those editors. They should not have been criticized for protecting the freedom of press and speech.

At the same time, as a Senator and as a publisher, I wish to stress that the freedom of the press is a responsibility as well as a privilege, so far as editors and publishers are concerned. As was well stated at the recent sessions of the American Society of Newspaper Editors by Mr. Fred Fuller Shedd, editor of the Philadelphia Evening Bulletin:

> This freedom of the press is not a privilege of newspaper publication, but rather it is a fundamental right of the people to voice their thought and desires as freely through the printed page as through the spoken word.

In other words, Mr. President, freedom of the press makes every newspaper and every editor a trustee for the preservation of that freedom of thought and expression, not for the newspapers really but for the people of the United States. I have always held that a newspaper really belongs to its community; the publisher is only the official vehicle to convey, to pass around, to disseminate, to discuss, to formulate, and allow the readers to formulate the hopes, the aspirations, the views, of the people of the community the newspaper serves.

It is the duty of the newspaper not merely to offer itself as an organ of expression for the voice of the people. It actually should encourage, promote, assist in every way possible the expression of the thought of the people. A newspaper should be the public forum where the voice of the people can be expressed freely and vigorously. The news presented today is on a higher plane than ever before. The newspapers are doing a real job of reporting the news of these critical times impartially and honestly. They are fighting vigorously to uphold the freedom of the press, to see that both sides of every argument are presented, so that the people can obtain full information and make up their minds on the merits of the question.

It is not my intention to enter into a prolonged discussion of the obvious duty of not only newspaper publishers but of the Congress and of the people to preserve at all times freedom of speech and press and to resist the slightest encroachment upon that freedom, whether intentional or inadvertent.

The report I send to the desk outlines our position in that respect completely and accurately, and I ask that it be printed in the RECORD at this point.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

TEXT OF REPORT ON FREEDOM OF THE PRESS ADOPTED BY NEWSPAPER EDITORS

WASHINGTON, April 20.—The following report dealing with freedom of the press was adopted today by the American Society of Newspaper Editors:

In November 1933 the directors of the American Society of Newspaper Editors, meeting in Chicago, adopted the following resolution:

"Whereas the National Recovery Act and its enforcement present possibilities of direct or indirect restriction of the freedom of the press; and

"Whereas it is beyond all question that the freedom of the press was guaranteed in the first amendment to the Constitution, not to confer a special and peculiar privilege upon the press, but in order to protect the fundamental rights and essential liberties of a free people; and

"Whereas there is an effort to create an opinion that special immunities and privileges are being sought for newspaper publishing as a business under the guise of defending the liberty of the press, making a specific statement of the position of this society desirable: Now, therefore, be it

"*Resolved*, That the board of directors of the American Society of Newspaper Editors considers it a matter of the utmost importance to the American people, as well as to the press, that the newspaper code now being formulated under the provisions of the National Recovery Act shall contain a specific statement on behalf of the Government, as one of the contracting parties, that the acceptance of a newspaper code is not intended to and shall not be construed as waiving, abrogating, or modifying the rights of free speech and the freedom of the press as these are guaranteed under the Constitutions of the United States and the several States."

REMOTE THREAT CONDEMNED

Before that time and thereafter members of the American Society of Newspaper Editors lifted their voices in constant and proper insistence that the constitutional prerogatives of a free press in the United States not only must undergo no modification but must not be subjected even to remote threat.

From August 1933 until the end of February 1934 a controversy, which at times assumed the proportions of battle, was waged between certain officers of the National Recovery Administration, notably Gen. Hugh Johnson, its chief, and a group of newspaper editors and publishers who carried in their minds and hearts unmistakable convictions as to the rights of newspapers under the Constitution and as to the eternal values inherent in a free press.

In the opinion of your committee the resolution of the directors of the society, and their accompanying resolutions, made an unmistakable contribution to the victory which was finally won by the adoption of a clause in the newspaper code restating and reenforcing the privileges of a free press as guaranteed by the first amendment to the Constitution of the United States.

In the opinion of your committee the resolution hereinbefore mentioned was a sound and worthy one and deserves the standardization and permanence which your adoption of this general report will bring to it.

It seemed to the committee to lie within its duty to review, for the purposes of clarity and for your information, the various steps and the progressive achievements which led up to the adoption and final acceptance on the part of the national administration of those guaranties upon which thoughtful newspapermen have been so earnestly insistent.

CHRONOLOGY OF NEWSPAPER CODE

The committee presents, then, herewith a chronological development of the code for daily newspapers, with special reference to the clause relating to the freedom of the press, article VII of the code.

On August 7, 1933, Elisha Hanson, counsel, presented to the executive committee of the American Newspaper Publishers' Association, of which Howard Davis is chairman, a modification of the President's recovery agreement, or Blue Eagle code, for particular application to the newspaper industry. Certain paragraphs of his suggestions were adopted as representing the association's stand on the freedom of the press and incorporated in the code to be submitted.

On August 8 Mr. Hanson and the committee formally presented a modified code to Gen. Hugh Johnson, Recovery Administrator, in Washington. This code contains a paragraph, presented to Mr. Hanson and adopted by the committee, and is the paragraph with which this preliminary narrative is concerned.

TEXT OF ARTICLE VII

As article VII of the newspaper code finally adopted, it reads:

"Those submitting this code recognize that pursuant to section 10 of the act the President may from time to time cancel or modify any order approving this code, but in submitting or subscribing to this code the publishers do not thereby consent to any modification thereof, except as each may thereto subsequently agree, nor do they thereby waive any constitutional rights or consent to the imposition of any requirements that might restrict or interfere with the constitutional guaranty of the freedom of the press."

From September 21 to 23 a newspaper-code hearing was held in Washington under the direction of Prof. Lindsay Rogers, of Columbia University, as Deputy Administrator.

During the latter part of September and throughout October numerous informal and confidential conferences were held in Washington between the A.N.P.A. committee, headed by Howard Davis, and General Johnson concerning the newspaper code, and especially concerning the freedom-of-the-press section, to which section General Johnson vigorously and sometimes violently objected, and which, he declared, would not be included in the code with his approval.

LONG DEADLOCK RECALLED

The committee was equally insistent that the newspaper publishers would agree to no code which did not specifically reserve for the press its constitutional rights. To fail to assert those rights or to waive them, the committee contended, might cause them to be suspended or eventually to be forever lost. No agreement or understanding was reached at these conferences.

About the middle of December 1933, after the matter had lain in dormant state for many weeks, all the previous efforts to bring about agreement on the freedom-of-the-press provision having come to naught, the conferences were resumed. After new and continued negotiations with the A.N.P.A. committee, devoted to various sections and especially to the sections relating to child labor and the freedom of the press, an agreement was finally reached on the language of these sections. The fact that General Johnson was willing to agree to any sort of language guaranteeing constitutional rights was, of course, a distinct victory for the newspaper publishers and for editors. Much of the delay prior to the December conferences, as well as afterward, was due to numerous difficulties encountered in connection with the graphic

arts code, which General Johnson insisted on considering simultaneously with the newspaper code, inasmuch as weekly and semiweekly newspapers were covered in the graphic arts code.

ON PRESIDENT'S DESK 5 WEEKS

On December 21 the revised newspaper code, containing article VII, hereinbefore mentioned, relating to the freedom of the press, was filed at the White House by General Johnson. The code as transmitted lay on the President's desk for 5 weeks before final action was taken.

On February 17, 1934, the President approved and signed the code and simultaneously made public his extraordinary Executive order, in the last paragraph of which he referred to the freedom-of-the-press clause in language which many editors and publishers have chosen to regard as gratuitous and exceedingly drastic. In the opinion of your committee, it is quite probable that the President did not write this Executive order, but merely signed a draft prepared and presented to him by General Johnson. It is customary for the Recovery Administrator to send to the President with each code the draft of an Executive order approving the recommendations and findings of the Administrator. The language of that part of the Executive order to which your committee draws your attention is as follows:

"Insofar as article VII is not required by the act, it is pure surplusage. While it has no meaning it is permitted to stand merely because it has been requested and because it could have no such legal effect as would bar its inclusion. Of course, a man does not consent to what he does not consent to. But if the President should find it necessary to modify this code, the circumstance that the modification was not consented to would not affect whatever obligations the nonconsenter would have under the National Industrial Recovery Act.

"Of course, also, nobody waives any constitutional rights by assenting to a code. The recitation of the freedom of the press clause in the code has no more place here than would the recitation of the whole Constitution or of the Ten Commandments. The freedom guaranteed by the Constitution is freedom of expression, and that will be scrupulously respected; but it is not freedom to work children or do business in a fire trap or violate the laws against obscenity, libel, and lewdness."

EXECUTIVE ORDER SIGNED

Although there is probability, as hereinbefore indicated by your committee, that the language is that of the Recovery Administrator, the President adopted it and signed the Executive order, making himself, of course, responsible for the unmistakable criticism.

On February 22 the full code committee of the A.N.P.A., together with the five regional code committees, met in New York to consider what should be done about the modification of the code made by the President's Executive order. Mr. Hanson presented a complete and illuminating statement concerning the effect of the Executive order on the code itself. He held that the effect, if assented to by the publishers, would be such as to deny the validity of article VII, which relates to the freedom of the press.

HOLDS ARTICLE NULLIFIED

In his concluding statement Mr. Hanson said as follows:

"The code committee, representing the newspaper publishers, has insisted upon the acceptance of article VII without qualification. If the code is assented to, with the qualification and modification of the President, in my opinion article VII has no force and no meaning whatsoever, and the President is correct in his statement that it has no legal effect."

On the same night, February 22, a committee representing the joint code conference went to Washington to acquaint General Johnson with the decision "that until the full force and meaning of article VII is conceded without qualification, this committee will not recommend to the membership of their various associations adherence to and compliance with the code."

In somewhat compliant and conciliatory mood General Johnson received this committee. The declaration agreed upon in New York was delivered. The Recovery Administrator sensed the seriousness of the publishers and with little delay agreed to the preparation of a supplementary order modifying the previous objectionable Executive order which, in the opinion of counsel, as stated earlier in this report, had the effect of nullifying article VII, relating to the freedom of the press. General Johnson even went so far as to ask the committee to submit suggestions for a modified order.

On February 24 the newspaper code committee submitted its suggestions to General Johnson for modification of the original Executive order which he sent to the President the same day. The President signed the order. He thus assured the acceptance of and compliance with the newspaper code by the code authorities and the newspaper publishers.

REVISED ORDER CITED

It is needless to reproduce here the new and modified Executive order in entirety, but your committee notes with satisfaction that the Executive order ends with this language:

"My comment with respect to article VII of the code of fair practice for the daily newspaper publishing business applies also to section 17 (b) of article I of the code of fair competition for the graphic arts industries, but said article VII of the code of fair competition for the daily newspaper publishing business and said section 17 of article I of the code of fair competition of the graphic arts industries are nevertheless, respectively, approved as submitted, without modification, condition, or qualification."

On March 12 the newspaper code became effective.

FULL AND FINAL VICTORY

The signing and promulgation of this new Executive order, accompanying the code, constituted a full and final victory for newspaper publishers and editors in their insistent and uncompromising demand for a definite code provision properly asserting and setting forth their constitutional rights.

This will forever rank in the history of American journalism as a memorable battle and a glorious victory for the continuance in this Nation of the freedom of the press.

To pass now to a further consideration of the relationship that exists between the press and the people of the United States, the committee brings to your attention certain conclusions. In the words of Mr. Elisha Hanson, counsel for the A.N.P.A., "the first amendment to the Constitution provides that Congress shall pass no law abridging the freedom of speech or of a free press. The specific terms of this amendment place the newspapers of this country in a position distinct as well as distinguishable from all other businesses.

"It must be assumed that a newspaper cannot be licensed if the possible revocation of the license might compel discontinuance of publication.

"Likewise it must be assumed that a newspaper cannot be compelled to join any particular economic group if the effect of such membership would be the suppression of editorial freedom or of the newspaper itself.

"The constitutional guaranty was not written for the benefit of newspapers but for the benefit of the people as a whole. However, the obligation of protecting the people's rights to a free press falls on the newspapers, and more specifically on each individual newspaper."

RESPONSIBILITY ACCEPTED

Your committee accepts this statement of the position and responsibility of the American press, and your adoption of this report will put the American Society of Newspaper Editors on record as adhering to it and permitting neither departure nor the threat of departure from these accepted prerogatives.

The first amendment to the Constitution not only forbids legislation abridging freedom of the press but the Supreme Court has held that constitutional rights are individual rights, which may be waived by an individual but for himself alone. This being the law and the fact, your committee holds that the matter of a newspaper's compliance with or noncompliance with a code promulgated under the National Industrial Recovery Act must be considered from the point of view of the individual newspaper and not from the viewpoint of any association or organization of publishers or editors.

It is, therefore, the conclusion of your committee that no matter what differences of opinion may arise from interpretation of the newspaper code in reference to article VII, touching the freedom of the press (although we believe that article safeguards our prerogatives), the ultimate right to freedom of editorial expression always resides and must always reside with the directing heads of each newspaper.

GUARDS FREEDOM OF EXPRESSION

In short, the committee goes on record and calls upon this society to go on record as incontrovertibly against any possible or conceivable organized effort to modify in the slightest degree the traditional guaranties of the complete freedom of expression in American newspapers.

This committee notes with satisfaction that the daily newspaper code authority, upon which devolves the duty of passing upon all those relationships which exist or may arise between newspapers and the N.R.A., contains among its members, including the president of the American Society of Newspaper Editors, men who have been consistently courageous and outspoken in the matter of the constitutional rights of newspapers. We look with favor and with full confidence upon the personnel and activities of the daily newspaper code authority.

This committee goes on record as opposed to the large powers that have been proposed for a Federal communications commission in Washington. Despite all safeguards hereinbefore mentioned, the likelihood that such a Federal communications commission might try to inflict a measure of censorship on the press, along with its domination of the telephone and radio business, is not too remote.

KNOX STATEMENT QUOTED

In this connection the committee wishes to quote from a recent statement of Col. Frank Knox, publisher of the Chicago Daily News, who says:

"The bureaucratic Federal control of all means of communication can readily be converted into an efficient machine for censorship overnight. That the desire exists to exercise such a censorship can no longer be doubted. It has shown itself in a dozen different directions.

"It was only through the insistence of the newspapers that a complete freedom of the press was maintained in the formulation of a newspaper code. If this new danger is to be averted, it will only be because the newspapers militantly oppose these latest plans of the power-hungry bureaucrats in Washington for complete domination under a centralized Federal bureaucracy.

"I have no fear that the proposed censorship can be established because I do not believe that an aroused public opinion will permit resort to precisely the methods employed by dictators in Europe to establish and maintain their supremacy. I utterly refuse to believe that fascism of this type is possible in America."

VALUE OF FREE PRESS ABROAD

This report passes now to the important consideration of the value of a free press abroad and the immeasurable value of a free flow of uncensored news in relation to international affairs and especially with reference to the danger of and preparations for war.

The committee includes here a statement from Carl W. Ackerman, dean of the School of Journalism of Columbia University, which it believes needs to be brought to the attention of the members of this society. It is devoted to the subject of the controlled press in certain foreign countries and the relation of that controlled press to an attack upon the peace of the world.

Dean Ackerman says:

"In domestic and foreign affairs the people of this country have learned how to make use of the free flow of daily news in forming their own opinions. This thought must have been in President Madison's mind more than a century ago when he said that knowledge is power.

"The press today is the power plant of democracy. By distributing information and by explaining governmental policies it has provided a common national and local forum of thought and debate. It has contributed to the formation of public opinion and in turn revealed that opinion to the Government and to the people. Today press reports of international events and public discussion provide that public knowledge which gives public opinion its power and authority.

"That we have in the United States today something akin to a parliament of the press is evident in the recent observation of Paul Grae, one of the editors of Politikin, of Copenhagen, who has been studying the United States under the new deal.

"'American newspapers', he said, are 'the voice of the people.' A trite phrase, he admitted, when applied without comparison to the press of the world, but vastly significant in international affairs today when related to the voice of dictators, censors, militarists, armament manufacturers, and selfish private interests in most countries.

"In Russia, Germany, and Italy the press today is controlled by the governments; in Paris, with possibly one or two exceptions, by manufacturers of war materials; in Japan, Spain, and practically all Latin American countries by military or political censors; in England largely by the aristocracy; in Central Europe and China, with few exceptions, by governments, censors, or foreign subsidies.

"The map of the world today is black with prohibitions upon freedom of speech, freedom of the press, freedom of assembly, or petition, or of religion.

STRESSES CURBS ON LIBERTY

"Liberty in Latin or Anglo-Saxon form is limited everywhere excepting the United States, England, Australia, Canada, South Africa, Switzerland, Holland, Denmark, Norway, Sweden, and New Zealand. In these countries the press is either 'the voice of the people' or, as in England, it is open to the opinion of the people.

"I present this perspective of world journalism because I believe there is a direct relationship between the freedom of the press and peace between nations. The time has come for the American press to recommend and support a new American policy in foreign affairs.

"That there is a relationship between freedom and peace is obvious. The chief nations threatening world peace today are Germany, Japan, France, Italy, and Russia. In each of these countries the press is controlled by Government officials or militarists who have the power to declare war or force a declaration of war.

"The chief nations which want peace today are the British Commonwealth, the five small but free nations of Europe, and the United States. In these countries the press is free from governmental control or censorship. These are facts. What do they signify and what can we do if, as a free people, we want to keep out of another war or if we want world peace to be a reality instead of an ideal beyond realization?

LISTS FOUR-POINT SERVICE

"American journalism during the first 11 months of President Roosevelt's administration has served the people in four important respects.

"1. It has established as an American political principle that in time of a national crisis no Government official has either the right or the power to censor, control, or license the press;

"2. It has faithfully, accurately, and understandingly reported governmental action and policies. It has cooperated with President Roosevelt and his administration in restoring confidence and promoting recovery, and with equal fidelity it has reported and interpreted counter criticism and opinion;

"3. It has reported the truth about developments in Germany, as well as pro-Hitler and anti-Nazi propaganda. It has told the truth about the militarists of Japan and the Liberals as well. It has sensed and revealed the new liberalism in Russia which emerged when it was recognized by our Government; and

"4. In local affairs, conspicuously, but by no means exclusively, in Chicago and New York, it has been a decisive influence in cleansing municipal governments and in exposing and preventing graft in Federal relief agencies.

EFFECTS ON PEACE STRESSED

"This perspective of American journalism is important because it establishes the influence of a free press in public affairs and indicates something of the possibilities of a free press in world affairs.

"With this picture of American journalism in mind, what can and should we do, if anything, to try to prevent another World War and keep out of a war in the Orient or in Europe?

"There are several possible approaches to an answer, but the direct one is here at home. There are today innumerable peace societies, foreign-policy groups, League of Nations societies, institutes, forums, and agencies, schools, colleges, and universities, national and international councils studying, talking, writing letters, distributing pamphlets, and passing resolutions about peace.

"I speak not in ridicule, but with concern. What will it profit all of these agencies and all of our citizens who are participating or cooperating in their work if only the people of the United States, England, Canada, Denmark, etc., want peace and the people of other countries are powerless to prevent war? What are the scrapbooks of clippings from the press of free countries worth in a military market?

FACTOR IN WORLD AFFAIRS

"The perspective of peace advocates must be readjusted to new realism. They must consider the press not as a printing establishment to turn out clippings for their publicity files, but as a factor itself in international affairs quite apart from what it reports.

"The most important force in international affairs today is the foreign service of the American press associations and newspapers under the leadership and direction of men who are interested in and concerned with the free flow of information, rather than with any form of propaganda by, for, and of governments or political systems of peace societies.

"American newspaper correspondents abroad know from experience and as a result of daily contact with realities in every world capital that war follows the control of news as inevitably as darkness follows light.

"If there is a direct relationship between the freedom of information and peace, are we justified as newspaper men and as citizens in accepting foreign censorships or control of news destined for the United States? Is the rightful interpretation of the freedom of the press to be applicable only to our local and national problems? Must we conform to the unwritten law of European secret diplomacy that the press is a menace until it is fettered? Are we justified in permitting military-mad men in Germany, France, Italy, Japan, or Russia to set the stage for another war, to prepare for another war, and, when they are ready, to declare another war by the simple process of controlling information and manufacturing opinion while they build armaments and accumulate ammunition?

CHALLENGES DICTATOR CURBS

"Is it right for the free press of the United States to have its international news standards influenced or determined by dictators, militarists, and diplomats who attend conferences to block peace negotiations?

"Has not the time arrived for the press of the United States to demand freedom of the press in world affairs, at least, as far as every international conference or engagement of this country is concerned? Can we not insist that there must be a free flow of information to the American press?

"As an international policy there can be no greater safeguard of peace than the freedom of news throughout the world. Therefore, should not the press of America recommend that our own Government refuse to participate in any international conference without complete freedom of information for our own press associations and newspapers?

"If the United States Government were to take this stand, every other government in the world would be challenged by a new peace force. With Japan and Russia openly preparing for war, with Germany, Italy, and France secretly maneuvering for military and political advantages in Europe, and with other governments confronted with the necessity of reconstructing the League of Nations or acting alone, the people of the United States at least have the right to the full, free flow of information wherever our nationals or our governments are involved as concerned.

CALLS PREVENTION POSSIBLE

"International affairs are seldom wholly black until war is inevitable or a fact. Today it is still possible to prevent another world war. It may be possible to prevent local wars in the Orient and in Europe. Until both are impossible we, as a free people, have the right and the duty to launch peace ideas before we begin to launch airplanes and battleships on a war scale.

"I respectfully submit these thoughts to President Roosevelt as the basis for a policy of international realism anchored to the freedom of the press in the United States."

The committee herewith approves the statement and recommendations of Dean Ackerman, which are a part of this report, and requests the endorsement of the American Society of Newspaper Editors.

In conclusion, may this committee on the press and public relations remind the members of the society that there are nearly 2,000 daily newspapers in the United States with circulations ranging from 1,000 copies to more than 1,000,000 copies daily. We believe that we should in this report stress the fact that in the year since we have met together American newspapers have given extraordinary support to the national administration. Largely free from partisan spirit, they have exercised their right to criticize details but have been sympathetic toward the general purposes of the Government.

ATTITUDE OF PATRIOTISM

There seems to have been almost unanimous agreement that the pressing needs of the country were paramount, that an un-

precedented situation demanded unprecedented remedies, and that Government measures should be appraised in relation to the urgent necessities rather than upon normal considerations of their specific merits. This attitude has not been one of subserviency but of patriotism.

It is our opinion that the American press has rendered inestimable service to a distressed and bewildered people in the presentation and analysis of the revolutionary measures that have been proposed and adopted. The public has had to depend upon the press for information and interpretation, and this necessity has laid upon editors responsibilities and labors such as they have never borne before. The difficulties of interpretation in matters so novel and involving principles and circumstances so complicated, have been surmounted only by excessive study and thought.

Never has there been a time when information and intelligent comment were so necessary to the people. In the belief of this committee, the press has done more than the experts to clarify public questions.

Respectfully submitted.

GROVE PATTERSON,
Chairman.
CASPER S. YOST.
WILLIAM ALLEN WHITE.

AMERICANISM OF '76 AND 1934—ADDRESS BY SENATOR SCHALL

Mr. FESS. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by the Senator from Minnesota [Mr. SCHALL] before the Shrine Club of Philadelphia, May 23, 1934, on the subject of Americanism of '76 and 1934.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

AMERICANISM OF '76 AND 1934

In coming over to you from Washington this noon, I am impressed with the truth that the issues now confronting the Senate—not perhaps in surface form, but in ultimate purpose and result—are the fundamental issues on which your fraternal order is founded. The bills before us for legislative consideration may take a thousand forms and deal with the state of the Union from a myriad angles. But the fundamental purpose of all legislative inquiry and of all legislative action is or, if honest and patriotic, is presumed to be founded on the creed of the Shriner as related to government: Truth, justice, mercy.

Truth declares that man, endowed by the Creator with inalienable rights, may govern himself without a master; that he has no divine rights to govern others nor others any divine right to govern him. Falsehood in this fateful moment in our history declares from the very highest place that the Government must be supreme in interfering with or controlling the smallest details of our daily affairs. This is truth—God created man; man created government. The thing created can never be greater than the creator.

Justice holds a balance. It inclines neither to the right hand nor to the left. Injustice gives special privileges, weakens one to strengthen the position of another, and robs our people of their splendid spirit of initiative and daring, and the will to strive upward and onward forever. Injustice would make spineless creatures of an heroic people whose deeds have been unparalleled in all recorded history.

Mercy is not strained; it falls as the dew from heaven, noiselessly and refreshingly. Mercy makes us all king. Ruthlessness in government has slain millions in Europe. From such false sense of repressive authority we fled by millions in the past century.

May these who would poison our children's minds with doctrines of ruthless animalism; may these who would warp our youth and rob them of all reverence for our past; may these be condemned by aroused public opinion that will again lay our foundations for truth, justice, and mercy.

Never before in American history, since the Declaration of Independence was cradled here in Philadelphia in the Continental Congress of July 4, 1776, has the battle for the preservation of American liberty been so trying, and the cause so threatened, as it is in Washington at the present hour.

In all human relations, national or individual, the issue should be truth. Never before in the history of this Republic has there sat in Washington a dominant majority in control of the Federal Government, which, following the blind leadership of a so-called "brain trust", denies the Declaration of '76—denies the call of the founders, "We hold these truths to be self-evident", on which we won American liberty.

The issue in all lawmaking is justice. The preamble of our Constitution begins: "We, the people of the United States, in order to form a more perfect union, establish justice" * * * but today, under the so-called "new deal", our Constitution stands suspended under the pretext of an "emergency" that is being daily augmented and expanded. The President in his message to Congress on January 3, 1934, demands that his emergency power shall be made permanent. That means that suspension of the Constitution is to be permanent.

Under the constitution of ancient Rome a dictatorship could last only 6 months. The name of a permanent dictator was emperor. Today, after the temporary dictatorship has run 9 months—or 90 days beyond the limit in ancient Rome—the demand comes that the emergency dictatorship shall be made permanent. In other words, the Constitution which begins, "We, the people of the United States, in order to form a more perfect union, establish justice"—shall be indefinitely suspended. Union and justice, government by consent of the governed, shall be indefinitely suspended at the will of the Executive. Instead of a government of law we have government by a ruler.

Should the issue be mercy? You may recall the statement of Chief Justice John Marshall in the famous United States Bank case, "that the power to tax is the power to destroy." In our school days we read the history of Magna Charta—how the farmer barons, tired of the tyranny of King John in seizing their property and enslaving them for taxes levied at his will, led him out to an island at Runnymede on the Thames and laid before him the historic document which transferred the taxing power to the Commons. That was the foundation of British liberty in 1215, and the foundation of American liberty in 1789 when the Constitution, article I, placed the revenue power, including tariffs and direct taxes, in the hands of Congress. Today we have before us in the United States Senate the demand that the revenue power of Congress shall be delegated to the White House. Mercy to the taxpayer, mercy to the tariff-protected industry, mercy to labor from competition with underpaid labor abroad shall be meted out, not by the constitutional method provided in article I pursuant to act of Congress, but by Executive edict as in the days of John I. In 1934 we have, if such bill passes, a Roosevelt, the second, with the revenue power of John I.

Congress and the country are faced today with the same issue of mercy from the taxing power that our fathers faced in 1776. You well recall the Boston Tea Party of 1774 against the levy of import duties by George III without the consent of the colonial assemblies. We still celebrate the wars of the American Revolution against the violation of Magna Charta—afterward embodied in our Constitution—the right of free men to representation, the consent of the governed, as a basis of merciful taxation. We thought that issue was settled at Yorktown when Cornwallis surrendered his sword. Today it reappears, not at Bunker Hill or Yorktown, not at Boston Harbor nor yet at Runnymede, but in the Capitol of the Nation. And the demand to reopen the issue and take from Congress its foremost power for existence comes from the White House itself—to bestow upon Roosevelt, the second, the unconstitutional powers of John I and George III.

Truth, justice, mercy—the whole foundation of the Mason—is threatened by the new deal of a so-called "super brain trust."

To Philadelphia this challenge to American institutions comes with peculiar force. The Declaration of Independence was drafted and signed in 1776, here in Philadelphia. The first protective tariff of American history was enacted in Pennsylvania in 1785—2 years before the Constitution. It was for years called the "Pennsylvania idea", before Henry Clay called the tariff the "American system."

That you know full well the import of the national issue now at stake is shown by the outcome of your recent State primary election. Philadelphia did not forget 1776, 1785, and 1787—as shown by the vote you gave for Senator DAVID A. REED. Yours was the Boston Tea Party of 1934.

My home is the State of Minnesota. Possibly there may be in your midst some veteran still living who remembers 1861. If so he may remember that the first regiment to respond to the call of Abraham Lincoln in that crisis of the Union was the First Minnesota.

This first regiment of Civil War volunteers was made up largely of Minnesota schoolboys, and their teachers represented many of the officers. On their way to Washington they passed through Harrisburg and Philadelphia. And as they passed through this great Keystone State they were hailed by the boys of Pennsylvania: "We'll be with you, Minnesota; we shall join you on the way."

Then came the great outpouring of Pennsylvania volunteers. They asked for no Blue Eagle—the Stars and Stripes were good enough for them. They followed no academic "brain trust." Their gospel was the old foursquare gospel of 1776: "We hold these truths to be self-evident, that all men are created equal; that they are endowed by their Creator with certain inalienable rights; that among these are life, liberty, and the pursuit of happiness. That to secure these rights governments are instituted among men deriving their just powers from the consent of the governed."

The history of that First Minnesota Regiment of 1861 soon became a memorable part of the history of Pennsylvania. Some here today may be familiar with that history. How, on the second day at Gettysburg, the turning point of the war for the Union, the First Minnesota was sacrificed to stay the advance of Pickett's Confederate brigade of 15,000.

The Confederate charge was directed against the battery on the ridge where the First Minnesota stood guard. General Hancock needed 30 minutes to bring up the reserve. The rebel 15,000 must be stopped and not a minute lost.

Galloping to the front, Hancock shouted, "What regiment is this?"

"First Minnesota" was the answer.

Shouted Hancock, "First Minnesota, double quick, charge!"

And down the hill went the 600 in the face of the rebel 15,000. Some fell on the way. Some barricaded themselves behind rocks in the dry creek at the foot of the ridge and made their stand.

They won their victory. The little line held just long enough until the Union reserves swept on the field, and the Battle of Gettysburg turned the tide of war for the cause of the Union.

But the First Minnesota which charged down the hill at Gettysburg that day with banners flying and shouts of victory did not

come back as they went down. Of that 600 only 57 survived. The blood of over 500 is still incorporated in the soil of Pennsylvania.

But they won their victory. They won it for the flag of the Union. They won it for the truths of '76. They won it for the justice pledged by their Constitution. They won it for mercy to 4,000,000 slaves. They won it for every principle on which the Shriner stands and for every principle on which the American patriot stands. And what those schoolboys did for country in 1861 we, their descendants and compatriots, can do again, and are sworn under our oaths to the Constitution to do again when the Republic calls upon us, as it now calls in 1934.

In the war for the Union of 70 years ago it was the Gettysburg of 1863 that led the way to the Appomattox of 1865. The year 1934 may be the Gettysburg of a victory for American liberty in 1936. In faith, hope, and charity—in truth, justice, and mercy—let us pray that American history will repeat itself, that the Constitution which guarantees truth, justice, and mercy to every individual may not be ruthlessly swept aside and in its place reared some hideous, grinning, regimented, lock-stepping, soul-crushing monster whose grasping animalism will crush out all initiative, all liberty, all rights of the individual to grow a soul, all chance of the individual to advance and germinate an understanding that he thereby might some day be fit to stand in the presence of God, upon whom our faith and the foundation of this very organization rests, and upon whose guidance in truth, justice, and mercy our great Republic relies, as even our dollar bears witness, "In God we trust."

A NEW DEAL PROGRAM OF PUBLIC OWNERSHIP

Mr. FRAZIER. Mr. President, I ask unanimous consent to have published in the RECORD speeches made at a luncheon under the auspices of the People's Lobby, Inc., at the Cosmos Club, Washington, D.C., May 19, 1934, on a New Deal Program of Public Ownership.

There being no objection, the speeches were ordered to be printed in the RECORD, as follows:

Dr. John H. Gray, former president of the American Economic Association, who was chairman, said:

"That no nation can endure or last long with as great fluctuations in prices as we have had in the last 20 years is now plain to all. Nor can a nation prosper or enter safely into long-time contracts without a high degree of stability in prices. So long as business is carried on for profit, prices will depend on the amount of money, or purchasing power, offered for goods and services at any one time. Our money today—that is, purchasing power offered for goods and services—consists more than 90 percent of bank checks. Checks are drawn against deposits. But deposits arise chiefly from bank loans. Bank loans, at present, are granted by about 15,000 separate banks, most of them with but little knowledge of general currency needs, and each of them willing to increase bank loans without regard to general needs for currency, if the banker can make a profit thereby. Furthermore, as the chance of profit increases, he grants loans on nonliquid securities, and ties up his resources indefinitely. His only chance of getting money enough to pull through depends on the probability that other bankers will not do what he has done, and will thus forego the chances of extra profit that he has seized. Recent history shows that such a supposition has no basis in fact; thus a great rivalry grows up in granting loans, and prices go up and up until the bubble bursts, prices collapse, and general bankruptcy follows with its unemployment, reduction of production, bread lines, and general disorganization and depression such as our condition today. All our fundamental economic theories are exploded.

"The $6,000,000,000 inflation provided for in the Banking Act of 1933 was provided in order that the banks might loan more to business men to start the industrial machine, employ more men, and raise prices. But the fact is that loans decreased instead of having increased and the money piled up in the banks. It is said that even the hundreds of millions of dollars paid to farmers to restrict crops in order to raise farmers' prices, go primarily into the banks and remain there. The minute those checks come, the bankers threaten to foreclose mortgages and call other overdue debts. Therefore, these payments instead of putting money into circulation, raising prices, and giving employment, are simply credited on the farmer's debts and are added to the already plethoric stores of cash in the banks. These payments, like the $6,000,000,000 inflation fund, do not put money into circulation but add to the pickled money already in the banks.

"Without any change in the law or in the Federal Reserve bank regulations, without endangering our gold supply, we have surplus reserve enough—that is, surplus above what our laws require, and what safe banking requires, to quadruple the amount of our circulating medium in a day, if the bankers who hold that $1,700,000,000 surplus reserve could see their way to make a profit by making loans to the business world. This surplus reserve would justify additional loans to about $17,000,000,000. This is approximately three times the money in circulation today.

"I predict that we shall never have recovery, never have prosperity or happiness until commercial banking is entirely separated from investment banking, and all commercial banking is owned and operated by the Federal Government. When so owned and operated, it must be operated primarily for public welfare, and not for profits. All long-time or investment institutions must either be owned and operated by the Federal Government, or must be so regulated that all such loans shall be made from savings, and not from bank credit, as was done in the last decade, to the break-down of our whole banking system.

"The right to regulate and fix the value of money given to the Federal Government by the Constitution necessarily gives the right to control bank credit—the basis of most of our purchasing power—or money. All history shows that such credit cannot be controlled so long as it is left in the hands of thousands of separate privately owned and managed competing banks, for the sole aim of each bank is the making of private profit.

"The central bank of no nation except ours is actuated to the same degree as our banks, by the profit motive. When private profit is the main motive of any bank, that bank cannot be trusted to determine or to influence in a large way the total amount of bank loans in a country, for that is to determine the prices of commodities and service, and stable prices mean prosperity, and highly fluctuating prices mean speculation, bankruptcies, unemployment, depression, hunger, and disaster.

"Let us continue to borrow money, if need be, to feed the people, but let us realize once for all that there is no salvation or permanent welfare possible till all commercial bank credit is managed directly by the Federal Government. This is the key to recovery and to all other reforms. Without this, all other efforts to save our civilization are in vain."

Senator BRONSON W. CUTTING, of New Mexico, discussing Nationalizing Bankingy and Credit", said:

"For a year or more we have been engaged in currency manipulation. We have juggled with the currency, and we shall no doubt continue to do so. The results have been small. The depression is still with us, and it is doubtful if we can cope with it by any such methods.

"The reason is that only a small part of our monetary system consists of currency. Much the greater part is made out of bank credit. Until the Government takes control of this most vital part of our financial system, it is not going to break loose from the burden of debt which is weighing down the Government as well as the private citizen of the Nation.

"Most people think of banking as a terribly complicated subject, a subject which they cannot even attempt to understand. It is complicated in its details, but it has been part of the bankers' conspiracy to confuse the public by a discussion of the details so that they may lose sight of the main outlines. Those outlines are very simple, and they vitally concern the life and happiness of every human being in the civilized world.

"Since 95 percent of our money is made up of bank deposits, it is important to understand just what these bank deposits are. Of course, part of them, the smaller part, comes from the bank's customers, who deposit cash or check for safekeeping with the bank. But by far the greater part of these deposits are not deposits at all, in the real sense of the word. They come from the right given to a bank to loan 10 times, or 20 times, as the case may be, the amount of its reserves.

"If you go into a bank and borrow a thousand dollars, what happens? Of course the bank may give you the thousand dollars over the counter. But that seldom happens. Practically always you are satisfied by having the bank place the thousand dollars to your account. In that case the bank writes your name at the top of a column in its book as having made a deposit of a thousand dollars. The thousand dollars is not transferred from any other account. It is made out of thin air. To that extent it increases the total amount of money in existence. To that extent it raises the price level and changes the value of the money in the country. Yet the Constitution of the United States provides that 'the Congress shall have power to coin money and regulate the value thereof.' In practice the Congress regulates the value of only a small fraction of the total amount of money in the country. The rest is regulated by the bankers.

"We are so used to this kind of transaction that we seldom stop even to question it. We allow the bankers to inflate our money each time they make a loan and to deflate it each time the loan is called.

"And, of course, there is another very important feature connected with this loan of a thousand dollars. When you get it, you generally have to deposit with the bank collateral security of double the value of the loan. If you have a $2,000 house, you will probably be obliged to mortgage it for the privilege of obtaining $1,000, and, mark you, of paying interest when the loan falls due. Yet the only piece of real value which has entered into the transaction is the value which you yourself have put into it, your house and lot, or the Liberty bonds, as the case may be. You are paying tribute to a private institution for the right to use your own credit. Your credit depends on your own property, which really means your ability to deliver goods or service as required. The bank has contributed nothing of this sort. Yet in order to use your own credit you are forced to pay interest to a nonproductive agency. The bank has actually lent you your own credit and made you pay for getting it.

"In the main the interest of the banker is opposed to that of the general community. He is lavish with credit in good times, when it is not needed, and he withholds it in bad times, when it is a necessity. Someone has said that the banks lend you an umbrella in fine weather and take it away from you when it rains. Furthermore, the bankers of the United States, even if we grant them the best intentions in the world, are not in a position to work in cooperation in support of any definite policy. They have the power to issue vastly more credit than is ever actually neces-

sary. Sometimes they do this. At other times they issue so little that the economic system cannot be carried on. Then we get starvation in the midst of plenty, such as we are enjoying at the present day.

"Our bankers may be compared to a number of theater agents, each of whom is authorized to sell an indefinite number of tickets in a theater. The total seating capacity of the theater, we will say, is 3,000. If 500 tickets are issued, or if 6,000 tickets are issued, the results are equally disastrous. It is a hit-and-miss method.

"In my judgment, the only agency which should be authorized to issue tickets for the national theater is the Nation itself. Call these 'tickets' 'tokens', or 'scrip', or 'dollars', as you will. The National Government must decide as to how many are needed.

"For, mind you, it is not merely the private individual who is forced to pay tribute to this strange, unreasonable system. The great industries, the great producers of the country, who are creating their share of the national credit, have each one of them to pay tribute to a bank in order to make use of the credit which they are creating.

"And what about the Government itself? Here we have a financial crisis, due in large measure to the stupidity of the bankers, and the futility of the system under which they are working. The purchasing power of the country has dwindled to a vanishing point. Millions upon millions are out of work and have no means of support. The Government is fulfilling its primary duty when it comes to the rescue of these people. The amount that we are spending for public works and relief may seem large when figured in dollars and cents, but it is not a drop in the bucket compared to the credit of this country as measured in its natural resources, in its plants, and in its man power. Yet what does the Government do when it goes to the rescue of its needy and starving citizens? It floats loans through the banks. It pays interest to private organizations for the use of its own credit. The thing becomes still more preposterous when we realize that an enormous proportion of the relief expended by the Government has gone to the aid of the great banking institutions. So that actually the Government of the United States is getting itself into debt to the banks for the privilege of helping them to regain their stranglehold on the economic life of a community.

"Up to April 30, this year, the Reconstruction Finance Corporation had advanced to banks and trust companies about $1,553,000,000, and to other financial institutions nearly $700,000,000, of which only a little over half has been repaid.

"To my mind, this situation should have been stopped in March 1933. The bankers were then helpless and hopeless. They thought the end had come. They would themselves have welcomed a liquidation of their assets in favor of the Government. Now it will be more difficult. Yet the logical situation remains the same, and we are going to have to reestablish in the hands of the Federal Government the right which the Constitution placed there in the first place.

"I am now preparing a bill which is intended to accomplish this result. I wish that we might have the chance to vote on it at the present session. If that is impossible, it will be largely due to the lack of public interest and public understanding on the subject. The creation of a national bank which will eventually have a monopoly of the issuance of credit is, to my mind, the most vital need of the country today. I do not mean that that alone will get us out of the depression, but it is the first step in that direction, the first step without which none of the other can be taken.

"The ultimate control rests today neither with the people nor with the representatives of the people, but with a body of private citizens who, no matter how high-minded they may be as individuals, are responsible to no one but themselves. Let us as free Americans resume that ultimate control of the distributive system which the fathers of our Republic intended us to have."

Senator GERALD P. NYE, of North Dakota, speaking on Capitalization and Public Ownership, said:

"A study of capital structure in American industry all too clearly reveals the need for vast reform if we are ever to enjoy a measurable degree of prosperity for the people. In 1931, for example, corporations with capital assets of $50,000,000 or more numbered 632. These 632 corporations possessed over half of the total assets of all corporations. These 632 paid over three-fifths of the total of corporation cash dividends paid during the year, and included all the large financial, industrial, railroad, power, and natural resource enterprises.

"The power and influence exercised by these few giants are all too evident. It can fairly be said that the destiny of the economic structure of America is in the hands of these few. Into their capital structure there has been poured much water. Upon this water and the true values involved selling costs and prices are based. These prices enter very largely into the lives of all Americans and in a great measure determine their prosperity. It was a terrific overload of this sort that the people found upon their backs in 1929, which caused the crash from which we have not even yet recovered. And we are not going to recover until we can sluff off that part of capital structure which is representative of anything other than true wealth invested in actual and productive values.

"In these manipulated markets of 1925 to 1929 we never asked questions about the real values in a share of stock. We did not stop long enough to learn what were the earnings of the concern in which we bought an interest. We but wanted to know how much the price of a share of stock had jumped the day before, and the manipulators saw to it that a healthy gain was shown.

"This mad race for easy money, while the manipulators at the pumps were busy pumping water into capitalization and creating, through mergers and otherwise, false and fictitious valuations for industrial enterprises, found capital withdrawn from worthy fields and interest and solicitation lost for fundamental and honest industry.

"It is quite proper to say that factors within our economic structure for those years leading up to 1929 were bent upon destroying it from within and succeeded in no uncertain measure. Yet we speak of our economic structure as having suffered a break-down in 1929 as though some force from outside had moved upon the structure with malice and intent to crush it.

"Likewise, we refer to those years between 1915 and 1929 as the years of our greatest prosperity, while, as a matter of fact, they were years in which the few were reaping great harvests while the interests of the masses of the people were ruthlessly ignored and while our economic structure was actually in the throes of death and destruction.

"Ignoring of these truths and refusing to face these facts would afford some amusement were it not for the fact that we are today devoting our national energy in a great drive to win new and renewed life for our economic structure with the fiction rather than the truth of 1915 to 1929 as our blueprint. It follows that we waste these energies. Economic recovery will never be accomplished by construction upon the drifting and uncertain sands washed up by the boom days—those days of our so-called 'greatest prosperity.'"

Benjamin C. Marsh, executive secretary of the People's Lobby, speaking on What Congress Should Do Now on Public Ownership, said:

"Various experiments which have been tried since March 4, 1933, have proven not to meet the situation. It is absolutely necessary that there should be an immediate and drastic redistribution of the national income through taxation, repealing at least $1,000,000,000 of Federal consumption taxes, and taking at least $3,000,000,000 more of income of the wealthy through increased surtaxes, estate taxes, and taxation of corporation liquid surpluses and profits.

"The total increase in pay rolls and the increase in purchasing power of the farmer through processing taxes on farm products, since March 1933, are not as much as the Federal Government and local governments have spent on relief of the unemployed and in credit for public works and construction. The Monthly Survey of Business of the American Federation of Labor for May points out that although there was an increase in employment up to October 1933, hundreds of thousands of people have been laid off since then. This report also points out that although the wages of many employees have increased, the increase in costs of living has been so heavy that there has been no increase in purchasing power. In 1931 and 1932 the value of public works was between 2 and 2½ times as great as the value of public works last year, when the figure was only $1,300,000,000. Our experience has shown us that the Government alone can employ those who must be reemployed. At least 6,000,000 people will remain unemployed unless the Government employs them. The Federal Government should, at once, not only investigate the capital structure of corporations so that excess capitalization may be written down, as Senator NYE suggests, and make banking and the issuance of credit a Federal nonprofit institution, as Senator CUTTING has urged, but should take over and operate the railroads, all natural resources—such as coal, water power, oil, and natural gas—and other basic industries. Congress should also before adjournment enact the Frazier-Sinclair bill creating a Government Marketing Corporation, empowered to purchase, process, and sell farm products to the ultimate consumers. Voters should insist Congress remain here till this program is enacted into law."

WHERE IS THE NATION HEADING?—ARTICLE BY SECRETARY ICKES

Mr. COSTIGAN. Mr. President, in the New York Times of Sunday, May 27, 1934, appeared an article entitled "Where Is the Nation Heading?" by Hon. Harold L. Ickes, Secretary of the Interior. Secretary Ickes in his discussion contrasts the "old deal" and the "new deal." He is a member of the President's Cabinet and prior to that was a lifelong Republican and progressive.

I ask unanimous consent that his article may be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Sunday, May 27, 1934]

WHERE IS THE NATION HEADING?—SECRETARY ICKES, ANSWERING THE QUESTION AND REPLYING TO CRITICS OF THE NEW DEAL, SAYS WE ARE MOVING TOWARD A DAY OF SOCIAL-MINDEDNESS IN BUSINESS LIFE AND OF HAPPIER LIVING FOR ALL

By Harold L. Ickes, Secretary of the Interior

The answer to the question, "Where are we headed?" is a simple one, although it must necessarily be expressed in general terms. We are headed toward the goal of the greatest happiness for the

greatest number of our people. And that is where we ought to be headed if we have any decent regard for the welfare of others or any intelligent concern for our own best interests.

After all, the human race has always been headed toward this same goal. There have been times when, in our quest for the greatest good of the greatest number, we have found ourselves standing still, mistakenly believing that at last we have reached the end of the long trail. At other times we have strayed into the wrong path through listening to false shibboleths or following ignorant or selfish leadership, only to bring ourselves up on the brink of an abyss.

On such occasions the progress back to the right path which, whether we consciously will it or not, we shall follow to the end, has been slow and painful and beset with dangers. But we have never lost hope, we have never been ready to call quits. Always the human race has gone forward, and always it will go forward. That persistent, unconquerable urge to make it possible for our children to lead fuller and richer lives than we ourselves have been able to live is a spiritual quality that distinguishes man from the rest of the animal kingdom.

In our attempt to say where we, as a nation, are now headed, it may be well to consider briefly where we were headed before we changed our direction on March 4, 1933. For almost 4 years before that day we had been drifting, going nowhere at all. Caught in the worst economic jam the country had ever known, we were milling around in a confusion that grew steadily worse. And throughout the 8 years before that, ending in the fatal autumn of 1929, we had been wandering in a fool's paradise of false prosperity and hastening directly for the jam.

In 1929 we had strayed far from the path which the Nation at the start had marked out for itself. We were spiritually drunk. We were living, so we assured ourselves, in a new economic era, an era that was the ultimate goal of human aspiration. The old simple virtues seemed outworn; they seemed quaint relics of a naive earlier generation. To the accompaniment of blaring jazz we refused any longer to take thought for the morrow. Brought up under a strict injunction to live within our incomes and save for a rainy day, we were encouraged even by bankers to withdraw our savings and invest them in insecurities.

It is not without significance that the latest Pulitzer prize for editorial writing went to the country editor who took for his subject the question, "Where is our money?" and answered by saying, "We spent it." Precisely so; and as individuals and communities we dissipated our credit also. Did we need extra funds to pay for our joy ride that was to stretch beyond the far horizon? Any stockbroker would open a trading account on a slender margin, permitting us to buy stocks and commodities that we never proposed to take title to, or to sell what we never expected to own. The way to keep the frenzied dance going was to buy what we neither wanted nor could afford.

In order to stimulate the purchase of the excess products of our industrial system our financial wizards invented the plan of installment buying, thus enticing people to pyramid purchases of unnecessary goods just as they were pyramiding speculative purchases of securities and commodities. The waitress in the restaurant took advantage of any lull to rush for a look at the stock ticker. The elevator boy on his way to becoming a capitalist passed along market tips to the janitor, who eagerly placed a second mortgage on his home in order to play them.

We dwelt in air castles and spent our days nervously clutching, like monkeys, at the narrow white ribbons on which the busy ticker was imprinting symbols indicating prices of stocks on the New York Exchange. Everyone might become rich without effort. In our haste to get our share we took no heed for the future nor felt any concern for our neighbor. We boasted, and honestly believed, that a miraculous new kind of era had come; an era of physical comforts and material luxuries; an era, we were told, of chicken dinners and two-car garages for all.

In those wild days we lost sight of spiritual values or deliberately ignored them. Racketeers flourished, and we read of their deeds with half-amused tolerance. We made heroes and prophets of clever crooks who were able to build up fortunes outside the law. We condoned the misdoings of men in high public office. "Why shouldn't they get theirs, too?" We were vexed at honest men who insisted upon exposing such outrages as the Teapot Dome steal. Provided we were acquiring wealth, either actually or on paper, we did not care what others, like minded, were doing. There was enough to go around, and the chief end of man was to glorify gold and get all he could of it.

After the World War, when our country was spiritually deflated and emotionally exhausted, our leaders had proceeded to take us back to "normalcy." An inspiring slogan that, to appeal to the spiritual quality in man! Our statesmen were perfect for their decade. It is only fair to say that had they attempted to lift their voices in deprecation of the materialism of the age no one would have heeded them. They and their public thoroughly understood one another.

"Get while the getting is good" became the national motto. Laissez-faire was on the throne. National leaders seemed great to the crowd if they simply let the crowd alone, and greatest of all seemed those who cheered on the orgy of speculation from the sidelines and issued encouraging statements whenever the stock market showed signs of fatigue.

At a time when we desperately needed the right kind of leadership to restore us to some degree of sanity, we had no leadership except the materialistic sort. If statesmanship implies an ability to peer even a little way into the future, we had no statesmanship. We had Presidents merely because, under our form of government, we are required to have Presidents.

During that materialistic decade few people thought of asking, "Where are we headed?" It is a hopeful sign that the question is asked so often today. Many people ask it sincerely, in profound concern for their country. They are still shaken by the crash of 1929; they are still appalled at what they saw when the awakening from the crazy dream of the nineteen twenties came at last. It is a question that every citizen with any patriotism in his soul ought to be asking. For not all of us have repented of those days or will admit that they were evil. Not all of us have forgotten the fleshpots.

Significantly, those who most sharply and even threateningly demand, "Where are we going?" are men who were political leaders of that era of folly. They are newspapers that sang paeans of praise of that era while it lasted. They are bankers and brokers and captains of industry who led that mad-dervish dance. The implication in the question, as they ask it, is that we were dwelling in peace and happiness; that all was right with the world until March 4, 1933.

Yet the question is a proper one, even though it is most frequently asked for the ulterior purpose of covering up the defects and the crimes of an economic period that constitutes a blot on our national history—a blot that will take more than one generation to wipe out. All of us are rightly, if anxiously, concerned over what lies ahead for us.

Just where, then, are we headed? First, and unmistakably, we are headed back from that make-believe land of mirages and will-o'-the-wisps where, 10 years ago, we hoped to establish ourselves permanently. We are retracing our erring footsteps, and it is hard going. At the same time, in my firm belief, we are entering a period of sound and genuine well-being; a period illuminated by our recent discovery that we cannot safely disclaim social responsibility for our acts in the economic world and that we cannot truthfully assume that we are not our brother's keeper.

We have learned much about economics since we went on that 12-year detour of ours. Theodore Roosevelt and Woodrow Wilson had tried to teach us, and we promptly forgot. We had to go down into the depression to learn our lesson. And now, as we struggle back to the highroad where we should have been traveling all the while, we humbly and thoughtfully take up again our traditional task of making our country a good place to live in for every man, woman, and child.

To itemize some of our major objectives: We want to make sure, by adopting the pending constitutional amendment, that child labor in this land will be abolished forever. We must do away with sweatshops. We must protect women workers from unreasonably long hours of toil at tasks beyond their strength.

We would see to it that every man or woman who works does so in wholesome surroundings and for wages that will provide the necessities of life and leave something over for modest pleasures and luxuries. We say that workers should have a share of leisure to enjoy the American civilization they help to build; that it is not enough any more that any worker in a land of plenty should derive from a life of toil only the bare privilege of staying alive to toil. We would require employers to recognize the legitimate demands of labor, and we would require labor, on its part, to be reasonable and just.

Generally, we are headed toward a day of social consciousness in our business dealings with one another. Whether that goal can be reached by our people voluntarily, or whether some measure of social control will be necessary remains to be seen. We declare, however, that our economic system shall no longer run wild periodically, ruining itself and throwing millions of us out of work. The day will come, I hope, when that system will be so enlightened as to see that it can best serve self-interest by serving the common welfare and when it can be trusted to regulate itself.

We have given it every opportunity in the last year to effect reforms of its own volition; we have even lifted old and vital laws to help it meet the emergency. If that experiment, conceived and conducted in good will, has erred, it has erred, I believe, on the side of lenity. It may be found that large monopolistic business has seized unfair advantages over little business. It may be that management today lacks the ability to organize itself to cooperate for the common good. In that case there is only one agency strong enough to undertake the task, and that is the Government. Through harsh experience we have come to see that it is the right and the duty of the community to intervene in whatever may be harmful to the good of the people.

As a Nation alert at last to dangers long ignored, we would strengthen our banking system so that never again will innocent depositors lose their savings as the result of incompetent or dishonest banking methods. While permitting the stock and commodity markets to perform the rightful functions which only they can perform, we would put laws on the statute books to prevent another such delirium of irresponsible gambling as that which contributed so heavily to the crash of 1929. Through legislation we would save honest business from the old lethal operations of financial pirates and the securities exchanges.

We would make it impossible for a handful of ruthless, predatory men to accumulate immense fortunes through exploiting less fortunate people in no position to protect themselves. We believe the day is over in America when men who are extravagantly rewarded for their skill in serving their special group at the expense of all other groups can hope to escape social censure.

In taxation we are headed toward new laws that will discard the time-honored principle of "soak the poor." By a just and

fair system we would, for the common welfare, assess taxes in proportion to ability to pay. In the public realm we would conserve our natural resources and prevent waste and reckless exploitation, at the same time drawing upon those resources for legitimate needs.

We look forward to cleaning up slum areas in cities and countryside; to bringing farm prices into fair relation with factory prices and otherwise aiding our greatest and worst-stricken industry to rehabilitate itself. We propose to inaugurate a system of old-age and unemployment insurance, realizing that this is the most economical and self-respecting method of meeting an obligation which society must somehow meet in the end. We want to provide schooling facilities ample to educate every child to his capacity to absorb and use an education. And our aim in foreign affairs is to play a generous and honorable role as a means of maintaining peace throughout the world.

To attempt to forecast the future of the Public Works program is not for one so closely identified with that program as I am. Some of the severest criticism today is directed at the Government's large-scale effort to create jobs for the millions of workers who were left idle by the collapse of the old economic order and at the same time to produce permanent social gains under the most careful supervision possible for us to establish in housing and other construction, in water power, flood control, land reclamation, reforestation, and like projects.

I would only say that it is unthinkable to me that before business has absorbed a greater part of the unemployed this Nation will abandon its policy of standing by those of its citizens who are still without means of sustenance, through no fault of their own. I regard the continuance of this work, even the increase of it, if necessary, as the Nation's first duty. To be parsimonious in this respect at this time will be at the cost of human suffering and will, in my judgment, gravely retard recovery.

It is asked whether industry, with its increasing use of labor-saving inventions and its new economical methods of distribution, can ever again absorb all of our unemployed. Possibly, as the years go on, the Nation will have to create and support new and useful public services, such as some of those under the C.W.A. and the C.C.C., in order to provide honorable work for all. That is a question for the future.

These are some of the goals toward which we are headed. Utopian goals? Yes, utopian indeed; but I do not apologize for suggesting that utopia is a proper goal for us to strive for and that we are worthy of such a realm if we can achieve it. We are a spiritual people, and life for us would not be worth living if we did not have this urge to reach for what will always seem beyond our reach. If we cannot have it for ourselves, we want it for our children, those projections of ourselves into immortality.

As a people, on election day of 1932, we willed that the advances listed here should come to pass. Despairing of the sordid policies that had led us to the verge of ruin, we turned our eyes for salvation to the long-neglected fundamental ideal of our Nation—the ideal of the greatest good for the greatest number; the ideal of government of, by, and for the people.

Thousands of us, self-seekers of every kind—and that includes most of us—wondered that we had forgotten it so long. We wondered that never before had it been so clear to us that the welfare of each of us depends on the welfare of all of us, and that the forceful, the shrewd, the successful, and the fortunate among us are safe only when all of the people are safe.

For a year and more that ideal has lighted our national course. It has inspired every step taken by the Government in the huge labor of repairing the wreckage left by the blind and selfish forces that brought us to the catastrophe of 1929 and the desolation of 1932. But now that further ruin is stopped and recovery begins to come, those same forces are pulling themselves together, viewing with alarm and uttering cries calculated to frighten the faint-hearted.

According to them, we are headed for paternalism, regimentation, socialism, communism, and a dictatorship; we are moving toward bureaucracy, the authoritarian state, the iron hand of government in business, the abrogation of the sacred right of individual initiative, rule by people with brains, the scrapping of the Constitution, and the scuttling of our free democratic order—to mention but a few of the bogies they raise to startle us.

These advocates of the economic anarchy of the nineteen twenties, asking us to forget what their system did to us, would have us think that we are headed for dreadful goals, indeed, and that we had better put ourselves quickly under their beneficent guidance again. Resorting to a mossy stratagem that worked well for them in the gilded past, they would pin the badge of bolshevism on the new deal.

But they offer no substitute for the new deal except an invitation to us to return to the old deal, and this they do in the name of patriotism. They offer themselves as saviors of our cherished democracy from its foes. They do not seem to know that this democracy has never been more alive and hearty and able to defend itself than in this year of 1934. Criticism is expected and welcomed in a republic, and one does not like to accuse critics of sinister motives. But surely there is more in the minds of these particular critics than mere Bourbon inability to learn.

Paternalism? I wonder how much of it the American people would stand if an attempt were made to force it upon them. Regimentation imposed by authority would have as small a chance with us. As a people we regiment ourselves cheerfully in times of national emergency. We did so in the World War. In the present crisis the policies we are following were willed by a free people glad to practice self-restraint and cooperation for the national welfare.

President Roosevelt said: "Here is the situation. There may be a way out if we all work together. Will you help?" The affirmative response was fairly unanimous. The administration has imposed nothing that the people did not ask for. It is but carrying out their mandate.

Oddly, a considerable part of the alarm sounded today against "regimentation" comes from the group of industrialists who have done more to regiment us and constrict individuality than any other influence among us. I think of their vast factories and the men and women at work there at the machines performing monotonous sets of operations day after day through their working lives. Men who have made robots of so many of our people might well think twice before they accuse others of regimentation.

If you call it voluntary self-restraint for the common good, I should say that we are headed for that. The opposition to such a move is bitter, of course. The cry about the loss of our individual initiative and the curtailment of our proud democratic freedom is particularly agitated and anguished. But a democracy that resolves to abolish piracy and other uneconomic practices of its antisocial members does not thereby impair any respectable right of any individual. It only increases the chance of the multitude of individuals to find their due share of happiness.

We have learned in these hard years that laissez-faire, the system of letting the strong alone to do as they will, in the hope that somehow good will come from it to all of us, is a pernicious doctrine in an age when the individual's potentialities for doing social harm are immensely multiplied, as they are in the machine age. We have learned that "the pursuit of self-interest is not an assurance of national prosperity."

As we try to apply this new discovery to our shattered economic life there arises an outcry about a dictator in the White House. It is hard for some to grasp the very clear fact that the voice "dictating" is the voice of democracy itself, speaking through its chosen leader and servant. There are those who, affecting a deep concern for democracy, would have democracy silent, submissive, grateful for such crumbs and crusts as may fall from oligarchy's table. Some of us have a better opinion of democracy than that.

I should like to believe that our system of self-government is eminently capable, when it has learned such a lesson as that of the last 5 years, of finding ways to strengthen and preserve itself. I should like to believe that we are heading toward a better and finer flowering of democracy than we have ever known. Certainly we have been an inspired democracy and a resolute one since March 1933. At the end of 15 months we are still headed toward our humane goals. I should like to believe that we can continue in that direction until our purposes are attained.

But we shall have to be vigilant. In the long run the chances always favor the Tories, and these gentry among us are now, after a period of highly appropriate silence, becoming clamorous. We need to bear in mind that the most impatient of those who today attack the Nation's recovery program are the very people and the very interests who mainly made that program necessary.

For 12 long years they led us wandering in the wilderness after gross, false gods. They brought us to the verge of bankruptcy. They turned the country over to President Roosevelt on a day when every bank in the country was closed as the result of their lack of vision, in the first instance, and of their inability to cope with the consequences, in the second.

Here was statesmanship for you! Yet these same "statesmen" are now demanding: "Where are we headed?" After all, it is a rare tribute to the ability of the President that they should expect him, within the space of little more than a year, to repair the wreck of their 12 years of misrule.

They go so far, some of them, as to say that the status quo of the Hoover administration should have been left undisturbed, thus assuring a quicker and more substantial recovery than has been brought about under the leadership of President Roosevelt. They are particularly displeased with the "brain trust." Even men on the floor of Congress, who proudly display Phi Beta Kappa keys on their expanding waistlines, seem not to want ripe judgment or expert advice in the conduct of our national affairs.

Certainly, for some years before March 4, 1933, there was little, if any, evidence of the use of brains in the national administration. As certainly, too, we are not headed back toward the catch-as-catch-can, unscientific system that prevailed then.

One of the specific criticisms of some of the steps we take in our new direction of march is that they are violative of the Constitution. This criticism is expressed so vigorously and so frequently that it will not be inappropriate to consider it here; for, after all, it is a grave criticism. It is directed, as a matter of fact, at the Supreme Court of the United States and not against the legislative or the administrative branches of the Government.

The duty of the Supreme Court is to pass upon the constitutionality of legislative acts, and that Court is alert to protect the Constitution in its essential integrity. It is absurd to argue that this country is in the slightest danger of having imposed upon it a series of unconstitutional laws so long as the Supreme Court continues to function. To argue thus is to question the wisdom or impugn the motives of the distinguished men who constitute that tribunal.

Of course, no one would be cynical enough to suggest, even in passing, that there may be an ulterior motive underlying the clamor about the violation, present or prospective, of the Constitution. No one would assume for a moment that the gentlemen

who are in the forefront of this attack upon the Supreme Court are proceeding in the hope that their talk may penetrate the sanctity of the Court itself and affect the judgments of the men who compose it. No such improper motive, I am sure, could possibly motivate the actions of these gentlemen, many of them outstanding members of the bar, in their assault upon the administration.

It should not be forgotten that while the legislative and executive branches of the Government were swept by the overwhelming votes of the people into new hands in November 1932 there has been no change in the personnel of the Supreme Court. That body as it stands consists of the nine men who composed it before the coming into power of this administration. Six of the nine were, and presumably still are, members of the Republican Party. One, and perhaps two others, are Democrats.

Regardless of the party affiliations of these 9 jurists, it is a matter of record that 7 of them were appointed by Republican Presidents and the 2 who were nominated by a Democratic President had that honor conferred upon them by President Wilson. A mere statement of these facts is sufficient to meet the charge that we are in the slightest danger of breaking away from the Constitution.

A knowledge of history helps the American people to remain perfectly calm amid such uproars as the reactionaries in our midst are now beginning to raise. We remember, for example, the furor that raged around President Lincoln. In 1863 The New York World was saying: "The administration shines, like the moon, by reflected light. It borrows its ideas and its policies, so far as it has any, from these crazy radicals. By surrendering itself to their wild and reckless guidance, it is ruining the country."

Not a single word of this invective against Abraham Lincoln and his policies need be changed to serve the purpose of those who berate President Roosevelt's leadership today.

These attacks upon our courageous, experimenting progress toward a new and hopeful order of things in the United States would be amusing if they were not so ominous. A democracy contains all sorts of minds and philosophies. There is no certainty that the Tories may not prevail and take charge of our destinies once more. What will happen in this country after another of their periods of materialistic rule, with possibly another 1929 at the end of it, is not even a guess.

Meanwhile, we are headed on the course which the founders of the Nation charted. We are on our way to raise the standard of living of the great mass of the people, to equalize opportunities, and to redistribute wealth fairly and equitably. And I have faith that the great majority of the American people wish this to be our course.

RECOVERY ALTERNATIVES—ADDRESS BY SENATOR REED, OF PENNSYLVANIA

Mr. McNARY. Mr. President, on Friday, May 11, 1934, the distinguished Senator from Pennsylvania [Mr. REED] delivered over the national network of the Columbia Broadcasting System a very interesting and informative speech, which I ask unanimous consent to have printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

RECOVERY ALTERNATIVES

Every loyal American wants his country to prosper and its people to be happy. There can be no distinction in motive between those who try to achieve this goal by one method and those who seek to achieve it by another. The differences which cause political divisions, which set political parties in separate paths, and which give rise to issues which divide Americans into political groups are differences of policy, representing divergent ideas as to how best to promote the ends sought to be achieved.

It is well to bear this in mind when considering the issues which confront the country at any time, and particularly at present. I credit President Roosevelt with patriotic motives in introducing the policies of the new deal. I regret that I cannot recognize the same patriotic purpose in certain others who surround him. But regardless of motive, and regardless of what you or I or anyone else may think of some of the things which are going on in Washington, and of the policies set in motion by the President and those to whose advice he listens, we all know that in the end they will be judged by results, and not by what we think of them now. If these policies are sound, the country will know it and accord their authors the credit they will have deserved. If they are not sound, it will be equally apparent and the condemnation of public opinion will be as searching. That is as it should be under our form of government.

In the meantime, however, while these experiments are in progress, there seems to be a growing tendency on the part of their sponsors to resent criticism, to attribute it to unworthily partisan motives, and to ascribe to the critics of certain policies of the new deal a purpose to break it down for their own advantage. This sensitiveness to criticism appears to some of us to have its source in fears on the part of its authors that perhaps all is not well, after all, and that those of us who have been pointing out the dangers of these policies are perhaps right, and the policies we are criticizing are perhaps wrong. I am sure in my own mind that this is so. But be this as it may, the friends of the new deal have on many occasions recently taken refuge behind the statement that no one has a right to criticize unless he can offer an alternative.

This is like saying that if we see a man staggering down the street, obviously under the influence of too much liquor, we have no right to say he should have stayed sober, or to try to persuade him to sober up. We should offer him, instead, some other kind of stimulant, or try to persuade him to become intoxicated in some other way. I do not intend in saying this to be facetious. I say it to illustrate what seems to me to be the state of mind of the professors, the doctrinaires, and the theorists who are supplying the ideas for the new deal, and to whom President Roosevelt unfortunately is listening. They have fed the country first one stimulant and then another until it is staggering under more different kinds of bad medicine than any country could possibly absorb without serious and possibly permanent injury.

And all it needs, in my own judgment, is to quit taking these stimulants, to get out of the overheated and stifling atmosphere of the new deal, to get back to plain living, and to sober up. That, basically, is the alternative I offer for the spree which has been in progress for the past year. If by liberal applications of cold water I can assist the country toward sobriety I shall continue to throw it by the bucketful.

There are alternatives which I would offer also for particular policies of President Roosevelt. In the short time allotted to me tonight I can discuss these only in outline. I present them for two reasons: First, as a sincere expression of my own views as to the best approach to real recovery; and, second, as an answer to those defenders of the new deal who ask constantly: "What is your alternative?" This is my answer:

FARM POLICY

Instead of paying the farmer for plowing under his crops and reducing his acreage, a policy which is wasteful, sectional in benefit, and dishonest in conception, which has led to wide-spread abuses throughout those sections of the country where it is in evidence and which likewise has placed a stupendous burden on all consumers, payable in higher living costs, I would give the farmer sound money, good roads, low taxes and interest rates, accurate market reports, and the benefit of scientific research in the field of agricultural aids. Given these, I would let him alone. I would not pay him for injuring himself, as the Government is doing at present. I would not encourage him to think that the Government will somehow support him. Above all, I would not interfere with his independence or in any way take from him the freedom which makes him prefer farming to any other occupation. The spending spree calculated to help the farmer has done untold injury to all farmers except those in a few States who have received money for work they did not do. And for this we all pay.

THE N.R.A.

To the extent that the N.R.A. has raised wages, shortened working hours, and succeeded in abolishing sweatshops and child labor it deserves commendation. These gains should be made permanent. To the extent that it has permitted price fixing at the expense of the consumer, operated to nullify the antitrust laws, and injure the small merchant and the small business man—like the pants presser in New Jersey who was given a jail sentence for charging 5 cents less for pressing a suit of clothes than the National Recovery Administration thought he ought to charge—I am against it and think these policies should be discarded and the law itself repealed. In a society in which big business is slowly crowding out little business, minimum-wage laws and fair-trade laws are necessary. The small, independent business man who relies for success on his own character, energy, and intelligence must be protected and encouraged. It is from this group that the Henry Fords have come. Yet it is big business which is being helped and little business which is being injured by the policies of the N.R.A. as administered at present.

THE CURRENCY

There can be no substitute for sound money in any country which uses money. To debase the dollar once is to establish a precedent for debasing it again. If it doesn't serve to raise prices the first time, there is always the temptation to inflate the currency a second time and a third and a fourth time. Inflation is a drug. I do not want to see the United States acquire the drug habit. It is probable that we can never go back to a gold dollar of the standard we knew before the arrival of the new deal. The Federal Government during the past year has reached into the pocket of every American citizen and taken 40 cents of every dollar he possesses, no matter in what form it may be held or invested. If you or I did that as individuals, it would be called "stealing." The professors call it "reflation." Called by any name the effect is the same: you lose your 40 cents. I do not want to see that happen again. I want the currency kept sound. I want prices to remain within reasonable limits so people can buy the food and clothing they need. I am against stealing the money of the American people in the name of recovery.

CREDIT

Every day the Federal Government is going a little farther into the field of private credit, lending more and more money to people who need it, forgetting that this process is likewise a drug which could easily ruin the country. This policy has operated to dry up credit, to scare capital into leaving the United States in search of more fertile fields of investment elsewhere, and to deprive

Americans of work while American capital is used to build factories abroad. But there is an even more sinister aspect of such a policy in the control it gives the Government over those who need money and must come to Washington to get it. As an illustration, we all know of the abuses which have grown up in the home loan system. In my own State of Pennsylvania the field force of the system is being rapidly replaced. The political appointees who administered these funds originally were lending money to their friends, refusing loans to political opponents, and making unsound loans on fictitious values. That is the danger of allowing politicians to control the machinery of credit. Given control of all credit, it would be possible for any government to perpetuate itself in power indefinitely. I am against that. The Federal Reserve System and the home loan system are necessary as reservoirs of credit for those engaged in the lending of money as a business. But they should not function directly in that field, except in emergency. When the emergency passes these functions should cease. I worked and voted for the law creating the Federal Home Loan Bank Board and the Home Owners' Loan Corporation, recognizing that there existed at the time a great need for funds for home financing and that these could not be obtained from any other source. There is still a great opportunity for service in this field. But I have been disappointed in the functioning of the system in the first year of its existence. In the field of farm credit I have said many times and still believe that the system should be simplified, so that the farmer who needs a loan could come to some one central agency and get an answer to his problem without wasting weeks or months learning where to go.

GOVERNMENT SPENDING

My alternative for the present policy of spending twice or three times as much as the Government receives in revenues is the old-fashioned one of living within our income. I persist in thinking that we can't spend our way to prosperity. No individual has been able to do it and no government can do it. The millions of Americans who have been on the receiving end of the $10,000,000,000 of Government money spent in the last year or two will not like it, but they must learn eventually that the process cannot continue indefinitely. One of two things will have to happen very shortly: The Budget will have to be balanced or we will find ourselves on the toboggan of inflation, starting down a slippery track to a certain crash at the bottom. It isn't too late to turn back. In another year it may be. I am for balancing the Budget now. The first lesson that every schoolboy and schoolgirl should be taught is that the American people themselves pay for the joy rides of their Government; that they are the Government, and that spending is always followed by paying the bill.

C.W.A., C.C.C., R.W.D., AND OTHER RELIEF MEASURES

A single, simple, permanent policy of work relief, based on the principle of the Civilian Conservation Corps, with military training and discipline added and work projects scrutinized more closely, should be substituted for the policy of handing out money by the millions to States, counties, cities, and individuals without adequate check on results. The idle population of the country must be supported, but those who receive relief funds from the Government must, if physically able to do so, render an equivalent service to the community for the relief received. I would exempt all women and children from the operation of this rule. I confine the work-relief policy as outlined to able-bodied men.

For the policy of hiring hundreds of press agents at public expense to put out propaganda defending the new deal, as is being done at present, I propose as an alternative that the President and his advisers tell the country the simple facts.

For shocking waste of public funds, I propose the alternative of rigid public economy, believing with Thomas Jefferson that to take one penny from the taxpayers unnecessarily is to steal that penny.

For the policy of ruling the life of the individual citizen from Washington, I would, as an alternative, restore to all Americans the sense of freedom in search of which their ancestors came to these shores. For the fantastic experiments of the past year, many of which have failed when tried by other countries and other civilizations, I propose the alternative of tested truths and common sense.

The application of these alternatives would hasten real recovery. They would set us on the road to a prosperity greater than we have ever known. The failure to apply them already is leading us in the direction of disaster.

WAR—ADDRESS BY DR. ARTHUR TALMAGE ABERNETHY

Mr. REYNOLDS. Mr. President, I ask unanimous consent that there be published in the RECORD an address delivered by Dr. Arthur Talmage Abernethy at Rutherford College, North Carolina, on the subject of War. For the information of those who read the article I should like to have the privilege of saying that Dr. Abernathy is an educator, a lecturer, and an author of North Carolina, and has the distinction of having written 52 books.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Every fiber of my nature rebels against any unholy effort to involve the United States in war. If we are sincere in our proclamations as the spiritual leader of the countries of the earth, we will accept the preachments of the Great Peacemaker and turn our full powers to avert rather than to promote war. We claim to be a Christian nation. No Christian nation can afford to make war. War is hell, hell regnant and rejoicing, and no Christian can lend his services to promote hell. War is the triumph of the devil. It can find no justification amongst men, nor forgiveness from God.

There never was a good war nor a bad peace. War is the rule of brute force over human reason. It is the recrudescence of barbarism. War stands stripped of its mask.

What is war? Not the flying flag, martial music, throbbing drum, flashing sword, gleaming epaulets. It is God's earth guttered with graves; the silver sea stained with blood; mangled bodies; arms and legs torn off; eyes shot out; buried alive; strangling with poison gas; stumbling through life on crutches; gaunt famine stalking through gullies and chasms which were once fertile gardens, grain fields, and orchards; ashes instead of happy homes; mourning instead of music and merriment; children tugging at empty breasts, and starving to death while mothers cry their hearts out; men trampled in the red mud under the hoofs of horses.

War is the concretion of all crimes; the sublimation of all sorrows; it is the avatar of death. War is the procurer and restaurateur of the ravenous vultures that fatten on the flesh of the sons of God. It is the apotheosis of hellish greed and cruelty. It is the incarnation of hell's archruler; the coronation of the Antichrist. On his throne of human bones he sits, and out of empty skulls he quaffs the blood of men and the tears of women. His music is the staccato snapping of heartstrings, measuring the moans of orphans and the idle prayers of widows.

War is the pimp and pander of his majesty the earthworm. War is an epicure feeding only on the flower of manhood. His triumphal march is marked by the livid light of burning churches, galleries of priceless art, libraries, and happy homes. His trail is followed by famine, pestilence, and disease and death. Thirty-five times the number that live on earth have been sacrificed on his red reeking altars, and yet he calls for more.

War is the siren that maddens men and transforms them into beasts. It dethrones reason, kills conscience, and destroys all sympathy. It is the deification of murder. To this archdemon the taste of blood is as sea brine to the sailor, exciting more thirst. War is the carnival of all devils dancing on an isolated world and deriding the God who pronounced it good. War never settled any question; it never will. In its murky slime all vices are spawned; in its holocaust all virtues are consumed.

War is a hellish wizard; it subsidizes the press; fires the flannel-mouthed jingoes; suborns the poet and painter; dazzles the diplomat; subverts science; crazes the clergy; stampedes statesmen; mocks at peace parleys; and poisons public opinion.

War is a pirate; it takes its toll and tithe of all production; it grinds the poor into powdered dust to enrich the profiteers, the bond barons, munition makers, the Coffin Trust, makers of surgical instruments, glass eyes, artificial legs and arms, the Steel Trust, and the undertakers.

War is an anarchist and outlaw, laughing at all conventions, tearing all treaties into strips, and planting every peace pact with seeds of subsequent struggle. War is of the devil—and "war is hell."

RECIPROCAL-TARIFF AGREEMENTS

The Senate resumed the consideration of the bill (H.R. 8687) to amend the Tariff Act of 1930.

Mr. VANDENBERG. Mr. President, I desire briefly to supplement the observations which I submitted at some length 10 days ago respecting the pending tariff-bargaining measure.

Mr. President, I might say in this connection that it seems to me the French exhibit is somewhat significant as bearing upon one phase of the tariff controversy which we have been rather constantly emphasizing, namely, the fact that it is the considered policy of European countries to increase their rates on the threshhold of a contemplated bargain for the purpose of ultimately reducing the rates without loss in respect to the indicated commodity.

I refer again to the fact that Senate Document No. 7 of the Seventy-third Congress, first session, particularly defines and emphasizes this process under a heading which significantly reads as follows:

The padding of tariff rates in preparation for bargaining.

Mr. President, we Americans have no padding upon which we can fall when we undertake to enter the international market place and seek one of these so-called "bargains." Other countries already have provided themselves with the padding—and I am using the word sent to us by the Tariff Commission as descriptive of the process. They have their padding. We have no padding. When we fall, we fall with a dull, sickening thud upon the hard floor of reality. We have no cushion. When they fall, they fall upon the pad-

ding which they have created for this precise purpose. We shall be hurt worse than they—or we shall be protected by a veritable miracle.

If France, for example, is considering at the moment an increase of 3,300 percent in the tariff on American films, it is perfectly obvious that the padding process already in contemplation will leave us utterly at a fatal disadvantage in respect to hoping ever to break even in connection with one of these padded undertakings. We are not equipped for such combat. The pending proposal does not bring us added equipment. It merely brings us added exposure.

I call attention in the same connection to the fact that we are advised in this debate and in the promotion of this bill that the world's economy has been particularly upset by tariff barriers and other artificial obstacles to the free flow of international trade and intercourse. We are told that by now embarking upon the tariff-bargaining policy ourselves we shall facilitate the world's release from these barriers and obstacles which have interrupted the free flow of world trade and world intercourse. Yet, Mr. President, in the very document from which I have been reading—namely, Senate Document No. 7 of the Seventy-third Congress, first session, which is a letter from the Chairman of the United States Tariff Commission—the following sentence occurs:

> Since 1919 there is evidence that the increase of tariff rates and the erection of barriers principally for use in bargaining—

I emphasize the phrase "principally for use in bargaining"—

> has grown rather than diminished. Accordingly, the difficulty of making a reciprocity treaty yield net reductions—

I emphasize the phrase "net reductions"—

> in foreign tariffs has increased rather than diminished as the bargaining countries have attained greater experience.

In other words, we are put upon notice by our own Tariff Commission that when we join this maelstrom of bargaining in the international market place we are not in fact contributing to any new and broadened international comity. On the contrary, we are simply following our European neighbors in the precise trends which have created the very difficulties from which we undertake to secure relief. We increase, we do not diminish, the frictions and the hurdles and the handicaps.

But, Mr. President, I rose particularly this morning, supplementing my observations of a few days ago, to call attention to one or two rather significant facts which are available in the experience of the past few days. I desire to call attention to the fact that the President of the United States on Saturday increased the protective-tariff rates on chenille-rug imports and imports of other cotton rugs. In response to the recommendation of his Tariff Commission, which had discovered by its inquiry that the cost of production in the United States in respect to these commodities required an additional import protection in order to permit them to survive against cheap foreign competition, the President on Saturday increased the tariff rates upon these rugs.

Former Governor Max O. Gardner, of North Carolina, counsel for the Cotton Textile Institute, was quoted in connection with this Presidential use of the flexible power to increase the tariff on rugs as follows:

> The cotton-textile industry as a whole has been vitally interested in this case. It is the first case affecting a basic industry which has been decided by the President on the provisions of section 3 (e) of the National Industrial Recovery Act. The decision will be interpreted by the industry as showing that the President is fully conscious of the peril to American labor and American industry resulting from uncontrolled importation from countries whose standards of living are lower than ours, and whose industries operate without codes and without limitation of hours or minimum wages.
>
> Coming at a time when tariff bargaining is in the forefront of national thought, this decision is reassuring and heartening, not only to the textile industry but to industry in general.

Mr. President, that is a very significant statement by a very distinguished Democrat from North Carolina who is intimately related to the present administration.

Mr. HATFIELD. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. HATFIELD. The rug industry in America, as it has suffered from imports from Japan, is not unlike the china and the pottery and the match industries, which have been suffering almost since the enactment of the Smoot-Hawley tariff bill, as the Senator will recall.

Mr. VANDENBERG. The Senator is quite correct.

Mr. President, I desire to reemphasize what ex-Governor Gardner, of North Carolina, has said in this connection. He said, in effect, precisely what I said in my original argument against the pending bill, namely, that if the powers inherent in this bill are used, they will be directly at war with the N.R.A. and with the A.A.A. He said, in terms, that the rug decision will be interpreted by industry as showing that the President is fully conscious of the fact that American industry cannot proceed with its artificially increased cost of production under the N.R.A., that American agriculture cannot proceed under its artificially increased cost of production under the A.A.A., and successfully face foreign competition except as there is an increased measure of protection instead of a decreased measure of protection, as contemplated by the pending bill.

I think it is no misstatement of the purpose of the pending bill to say that it anticipates lower tariff rates, because I can scarcely bring my imagination to conceive of a bargain which would interest any foreign country in which we increase our tariff rates in order to please our foreign neighbor.

The President, according to his action upon Saturday, and according to the interpretation of it by Governor Gardner, acknowledges—

> The peril to American labor and American industry resulting from uncontrolled importation from countries whose standards of living are lower than ours and whose industries operate without codes and without limitation of hours or minimum wages.

Governor Gardner, interpreting the action of the President upon Saturday in increasing the rate of duty upon rugs, specifically says that we cannot embark upon a lower tariff trend and hope to leave any remote opportunity even of survival for American industry under the N.R.A. and American agriculture under the A.A.A.

This tariff-bargaining bill, then, if used at all, will destroy the N.R.A. and the A.A.A. in whatever degree it is used. This bill, if not used, will create nevertheless the threat of destruction, and thus curse industry and agriculture with fatal uncertainty.

Mr. President, every economist that I have read in the past perplexing year has finally come to the conclusion that uncertainty is the major hazard and jeopardy which confront and undermine the recovery program. It seems to be universally acknowledged that if we could overtake and overcome uncertainty, if we could substitute a feeling of dependable certainty in American business, we should be well on our permanent way out of the slough of despond. I think it is well illustrated that this is the truth by the effect which our new Federal deposit insurance has had upon the banking experience and history of the country, and upon the attitude of our depositors.

Here is the one single point in the recovery program where there is definite and specific certainty. As a result, there has not been a single bank failure since New Year's Day; hoarding is almost at an end; bank balances have increased upon every hand and in every sector of the Nation. That is what happens when certainty is available to the understanding of the American people.

Governor Gardner, of North Carolina, discussing the industrial situation, reiterates the need for certainty if there is to be any constructive progress for the future. Governor Gardner says that the President's action in increasing tariff rates upon rugs, "coming at a time when tariff bargaining is in the forefront of national thought, is reassuring and heartening."

Mr. President, it can be reassuring and heartening to business as a whole only as it demonstrates that the President does not intend to use his bargaining power in the

reduction of any tariffs which will invade the differential and cost of production at home and abroad. If that is what Saturday's decision means, then the decision is reassuring; but if that is what Saturday's decision means, then this tariff bargaining bill is an idle gesture, pure and simple, will never be used to any appreciable extent, and, as a result, is utterly uncompensated in respect to the threat of uncertainty which it leaves, hanging like the sword of Damocles, over the head of American business and agriculture.

Mr. LEWIS. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. CUTTING in the chair). Does the Senator from Michigan yield to the Senator from Illinois?

Mr. VANDENBERG. I yield.

Mr. LEWIS. I listened to the able Senator from Michigan making an allusion, a fitting illustration to his argument, to the act for the insurance of bank deposits, in which, let it be said, the able Senator from Michigan contributed his intellect and ceaseless industry, and to which other Senators on this side and on the other contributed their best efforts and reflection. The able Senator says that the certainty of that measure brought back deposits, gave more security to the deposits in the banks, and worked a complete benefit, unquestioned, because of its application. I ask the Senator, Will he please explain, if it is in his mind to do so, why, with such a splendid piece of work done in behalf of the plain people, whose deposits had been jeopardized, and to prevent the banks from any further looting of their own institutions, after this measure was enacted a group called the Investment Bankers' Association, another, a State bank establishment in Virginia, in a meeting at the Greenbrier, White Sulphur Springs, and then the American Bankers' Association, all should have passed resolutions denouncing this administration, denouncing the insurance measure, speaking of it as an element of socialism, referring to it as a failure, and as one that was unbecoming statesmanship and destructive of the confidence of business?

Mr. VANDENBERG. What is the question the Senator submits?

Mr. LEWIS. I ask the Senator, What has the Senator from Michigan to say reconciling those forms of objections from these large interests attacking this administration because the bill in which the Senator had so prominent a part was enacted?

Mr. VANDENBERG. I had not expected to detour into a discussion of the bank deposit bill, but I am very happy to respond to the Senator's inquiry.

I would not undertake to explain or palliate the attitude of such bank associations as may foolishly continue to stand in opposition to the deposit-insurance formula under which we are now operating. I remind the Senator that the great American Bankers' Association, the A.B.A., met in Chicago, his home city, last September, and passed resolutions violently attacking the entire bank-deposit theory and text.

Immediately upon hearing that news I solicited the opportunity to appear before a convention the following week in Chicago of the National and State banking commissioners of the country, and I undertook to say in that presence that I considered the attitude of the American Bankers' Association to be not only inexcusably reactionary but utterly beyond economic defense. I continue to hold to the same view. And if any banking associations today persisted in an attitude of hostility to the fundamental proposition of bank-deposit insurance on the sound basis of today's operating formula, I would join the Senator from Illinois in saying that there are none so blind as those who will not see.

Have I answered the Senator's question?

Mr. LEWIS. The Senator has answered, in this respect, that he does not approve the action; but I call his attention to how they declined to see in so splendid and potent a measure certainty that business would revive. They regard the act as so uncertain as to be destructive of everything that makes for confidence in business.

Mr. VANDENBERG. Mr. President, even though they may still find elements of uncertainty in it—and I am happy to say that, in my judgment, 90 percent of the bankers of the country today are in favor of the existing bank-deposit formula—even though there still is a minority of bankers who object to the bank-deposit insurance law, nevertheless, the incontrovertible fact stands plain as day that some 30,000,000 bank depositors have found complete and dependable certainty as a result of that measure, and therefore the triumph for certainty is in proportion of about 30,000,000 upon the one hand to a comparatively few thousand upon the other.

Mr. LEWIS. I concede that. I am merely inviting the attention of the able Senator—who collaborated ably in this movement—that big, bad business always assails everything this administration has tried to do to lift the fallen and to aid the masses.

Mr. VANDENBERG. I am unable to see that the masses have any stake in a reduction of American tariffs which puts these American masses at the unprotected mercy of even competition with aliens at utterly low-wage standards and on a basis of utterly low living conditions. I fail to find any parallel in the Senator's observation, because if there is one group more than another which benefits from the maintenance of the American wage scale and from the maintenance of the American standard of living, it is the group to which he refers as "the masses."

Mr. FESS. Mr. President, will the Senator yield to me?

Mr. VANDENBERG. I yield.

Mr. FESS. I am of the opinion that the criticism on the part of the conventions referred to by the Senator from Illinois is against the old idea of bank-deposit guaranty, not of bank-deposit insurance.

Mr. VANDENBERG. I think the Senator is correct.

Mr. FESS. It indicates rather a blindness on the part of leaders in banking when they confuse the thing which has been accomplished with the thing we have never attempted, and scarcely would attempt unless we were willing to have the Government go into the banking business and operate the banks.

I have been considerably disturbed over the type of opposition we hear expressed in such conventions, which seems to be to what is now being done with so many splendid results to the people, when really the opposition is against something we have never attempted.

Mr. VANDENBERG. I think the Senator's analysis is acute and correct.

Mr. President, let me return now to my quotation of Governor Gardner, of North Carolina, who, I repeat, finds it—and these are his words—"reassuring and heartening" to American industry in the textile trade to discover that the President upon Saturday proposed to put certain tariff rates up instead of down.

Mr. President, that brings one more American commodity to a reprieve from this pending bill. We already have been told, unofficially, that wool need not worry about the application of the tariff bargaining bill. We were told upon yesterday by the able Senator from Mississippi that he will undertake, by textual amendment to the bill, to make it plain that coal and oil and lumber and copper need not worry about the pending bill. We have Governor Gardner's testimony, as a result of Saturday's tariff decision, that this phase of the textile industry need not worry. These are life-saving exemptions vouchsafed to us—although I do not know by what rule of consistency they are selected for the immunity equally craved by others.

Mr. President, each one of these reprieves is gratefully accepted. Each one of these few reprieves reduces, by just that much, the menace and the hazard and the jeopardy which are inherent in this pending tariff-bargaining measure. Each one of these few reprieves removes, in kindred degree, the element of uncertainty which otherwise will curse American business and American agriculture and hobble it and defeat long-range planning. But I submit that it is a

strange piece of legislation, brought forward in the name of recovery at the moment of critical American emergency; it is a strange formula, which can find its chief value only in the serial demonstration of the exemptions to the formula upon which the American people may rely. It is blessed solely in proportion as the country may contemplate escape from it.

There was a significant paragraph in the story in the Washington Star on Sunday, May 27, speaking of Governor Gardner's statement. I quote:

> While he did not say so, it is pointed out in other quarters that the raising of rates in this case serves to make it clear that it will be difficult from a practical standpoint for the State Department under the new tariff bill to reduce on industrial products in making trade agreements.

Mr. President, here is the suggestion upon semiauthoritative base that it is going to be difficult, if not impossible, to reduce industrial rates in order to achieve any of these contemplated tariff bargains. We already have the word of the President of the United States that it would be absurd to reduce agricultural tariffs. I quote him literally:

> It would be absurd to reduce agricultural tariffs.

So here is the amazing contemplation. On the one hand, it is next to impossible to reduce industrial tariffs; on the other hand, it would be absurd to reduce agricultural tariffs; yet for some unknown reason we must drive ahead with scarcely a word of defense from the other side of the aisle for this legislation; we must still drive ahead in contemplation of the exercise of this autocratic Presidential power in connection with the tariff.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Idaho?

Mr. VANDENBERG. I yield.

Mr. BORAH. I observed in a newspaper a few days ago what purported to be an interview with a leading official in Canada in which it was said that the Canadians would be prepared to take more automobiles if they could send some of their cattle and other products of that kind into the United States. Does the Senator think that a practical proposition?

Mr. VANDENBERG. No, Mr. President; but I think it is a very typical one, and I think it is precisely the type of bargain which lingers in the minds of our good foreign friends who contemplate this present legislation with great alien enthusiasm. We are going to disappoint them or we are going to wreck ourselves. Neither result is useful.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield to the Senator from Missouri.

Mr. CLARK. I suggest that it might be a good exchange to permit the importation of Canadian cattle in exchange for the exportation of American corn into Canada. Canada does not raise very much corn. We can bring their cattle over here and feed them with our corn.

Mr. BORAH. It would not be very agreeable, in my judgment, to the cattlemen or the corn raisers to do that.

Mr. CLARK. It would work no real hardship on the American cattlemen and I am certain that it would be extremely agreeable to the raisers of corn, who have suffered so much for lack of market.

Mr. VANDENBERG. Be that as it may, Mr. President, no Congress would ever vote it. And that emphasizes the basic vice of this thing we are asked to do. It is the reason we are asked to do it. We are asked to sublet a congressional power which it is known in advance we would not dare directly to exercise ourselves. Therefore it simply means that we are invited to pass this bill for the purpose of circumventing what would be the contrary tariff views of the American people as reflected through the American Congress and as reflected through most of the Democratic Party itself.

Mr. CLARK. Mr. President, will the Senator further yield?

Mr. VANDENBERG. I yield.

Mr. CLARK. On the contrary, this bill is proposed for the purpose of giving the nations of the world an opportunity to undo the results of their own folly in a tariff-making war almost as ruinous as the competition in armaments.

Mr. VANDENBERG. Mr. President, I am sorry the Senator from Missouri was not here when I began today, because I do not want to take the time of the Senate to retrace my argument. The very thing that the Senator from Missouri says will be the happy accomplishment of this legislation is disproved by the report of the Tariff Commission made to the Senate of the United States on March 30, 1933. This report dismisses such an achievement as an impossibility in all human probability, because this report states textually that the thing in the last decade which has chiefly caused this unnatural, artificial system of international barriers abroad at heights never heretofore known—and this is not my opinion; it is the opinion of the United States Tariff Commission—the very thing that has caused it has been the creation of this tariff-bargaining process in Europe. Why? Because, according to this official report, European countries have learned that the way to bargain is to put their rates up in the hope that they can bargain them back down. If they can bargain them back down, well and good; they have not lost anything. If they cannot bargain them down, there they stand at the new artificial altitude.

Mr. CLARK. Mr. President, will the Senator further yield?

Mr. VANDENBERG. In just a moment.

Therefore, I insist, upon the basis of this official exhibit, that we are not contributing to world comity in respect to trade when we enter this amazing business of trying to out-bluff our neighbors in respect to tariff deals.

I yield to the Senator from Missouri.

Mr. CLARK. I do not wish to interrupt the Senator, and I am very sorry if I have caused the Senator to repeat by coming into the Chamber after he had opened his address; but this much is certainly true, that the United States has been the aggressor in this tariff war. The other nations of the world never started this tariff bargaining business until they had been forced to it by the example set by the United States in a system of so-called "bargaining tariffs", but actually prohibitive tariffs. We are responsible for this whole system of bargaining tariffs, and we can only unravel the ball by beginning at the end where it was begun.

Mr. VANDENBERG. First, I want to assure the Senator from Missouri that I welcome his interruptions. It is such a novelty at the end of 10 days to hear an occasional voice on the Democratic side of the aisle in even casual defense of this dangerous measure, that I want to assure the Senator that I would encourage it no matter how much it might disarrange the continuity of my discussion.

Second, I think there is available proof that what the Senator says about the existing American tariffs is without warrant. It happens that the exhibit which I now submit to the Senate was the next thing in continuity that I proposed to present in defense of the thesis which I am submitting. I do not believe our American tariffs inspired Europe's tariff wars and walls. I think they started through a continental anxiety to prevent the payment of German reparations in goods, in commodities. I think they continued under the impulse of their own rivalry, as reported in the Tariff Commission document to which I have adverted. I think, further, that it is easily provable that our American tariff rates are not the exorbitant duties to which our Democratic friends love to refer—always, however, in the abstract.

Mr. President, since the 4th of March 1933 the President of the United States has had at his beck and call a United States Tariff Commission, which we are advised by its Chairman is so completely subservient, and so anxious to be completely subservient to the Executive disposition, that it would do almost anything the President might wish. I think that is no exaggeration of the accommodating Mr. O'Brien's testi-

mony before the House Ways and Means Committee and the Senate Finance Committee. In other words, in spite of the law which textually requires the Tariff Commission to assess its judgments according to the difference between the cost of production at home and abroad, we have been advised that this Commission would find some way to make a recommendation for a lower tariff if the President would just indicate that he wanted it. Very well. Now, what has happened?

Mr. HARRISON. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield to the Senator from Mississippi.

Mr. HARRISON. Does the Senator not think it is fair to state that Mr. O'Brien was first appointed by a Republican President, and that he was supposed to be a Republican?

Mr. VANDENBERG. Yes, I think that is true; and before that he was Grover Cleveland's secretary.

Mr. HARRISON. Well, he got away from the straight and narrow path.

Mr. VANDENBERG. Whatever he was, Mr. President, at the moment I suspect that he would even be willing to do what Professor Tugwell wants him to do if he were asked; and Professor Tugwell said the other day—I had the reference here, but it is mislaid—that there was not any rate on any industry which he did not think ought to be removed. He said no industry is entitled to support by a tariff; and he, by the way, will sit with the supergroup, which will be the President's tariff cabinet, under this bill, sitting in drumhead court martial upon the destiny of American industry and agriculture.

So here we have this Tariff Commission which has been perfectly willing to do anything that President Roosevelt wanted done in respect to lowered rates during the past 14 months.

All right; what has happened? How many rates have been lowered, Mr. President? How often has this so-called "iniquitous tariff protection" been dynamited by these new forces of economic virtue? How often during these 14 months have we had the reductions which will relieve the Nation from this exploitation to which the Senator from Missouri refers? Well, we had it once in connection with sugar, but in that instance it was offset by a compensating proposal of a processing tax, so that is not a clear indication.

Except for that one instance, the only two changes downward that have been made from this so-called "iniquitous" tariff during these 14 months, when the situation has been completely in the command of the President and his party—the only two revisions downward are on hay and manure forks. If there can be a major crisis made out of that, Senators who can do so have a better imagination than I have. And it has a significance as bearing upon the particular thing which we are discussing this morning.

Mr. FESS. The Senator ought to state in this connection that under the tariff law of 1930, of the changes made in rates on the recommendation of the Tariff Commission and the action on the part of the President, 16 percent, as I recall, were increases and 30 percent were decreases. So there were many more decreases than increases. That was under the administration prior to the present one. So the suggestion that there is no interest except in increasing the tariff is not carried out, because the major operations have involved decreases.

Mr. VANDENBERG. I thank the Senator for his correct observation.

Mr. HEBERT and Mr. CLARK addressed the Chair.

Mr. VANDENBERG. I yield to the Senator from Rhode Island.

Mr. HEBERT. I observed, in reading a statement made by the Chairman of the Tariff Commission, Mr. O'Brien, before the Ways and Means Committee of the House when this measure was there under consideration, a table showing the total number and the description of the different commodities which were considered for revision upward or downward by the Tariff Commission since 1930 down to date. They are 111 in number, and of those the Tariff Commission recommended increases in 20 instances, it recommended decreases in 26 instances, and in the remaining 65 instances they left the duty just where it was.

Mr. VANDENBERG. I thank the Senator.

I again yield with great pleasure to the only Democratic Senator who has invaded this debate in about a week.

Mr. CLARK. Mr. President, there will be plenty of remarks on this side.

Mr. VANDENBERG. I hope the Senator is a true prophet.

Mr. CLARK. We wanted, however, to accord the fullest opportunity to our adversaries to fill up the RECORD and delay the consideration of this bill as much as they pleased. Now that we have arrived at approximately a time to vote, there will be plenty of discussion of the subject on our side of the Chamber.

I simply want to explain to my friend from Michigan that it is apparent that I did not make myself clear to him a moment ago. The point I was trying to make was that, having been the aggressor in this retaliatory tariff war, it is now impossible for the United States to correct the situation merely by reducing tariff rates. By establishing prohibitive duties ourselves, we have caused other nations to establish prohibitive duties; and, whether the duties are prohibitive or not, we cannot correct that situation merely by a reduction of rates.

Personally I would prefer to have Congress enter on a scientific revision of the tariff, not by means of a general tariff bill, affording opportunity for logrolling and for trading and for chicanery which have made the whole tariff-making system of the United States disgraceful for so many years, but a revision schedule by schedule. But even a revision schedule by schedule, in the absence of reciprocal action by other nations, would not correct the situation which we have created by our own folly, because the situation of prohibitive tariff rates which we have ourselves created cannot now be corrected by our action alone.

May I say—and I am not going to interrupt the Senator again—that so far as the findings of the Tariff Commission are concerned, I, for one, wholly refuse to be bound by them, because it has been demonstrated time and again under the Republican administration that the Tariff Commission appointed by Republican Presidents was subject to Executive control and that its findings should not be taken as a matter of course.

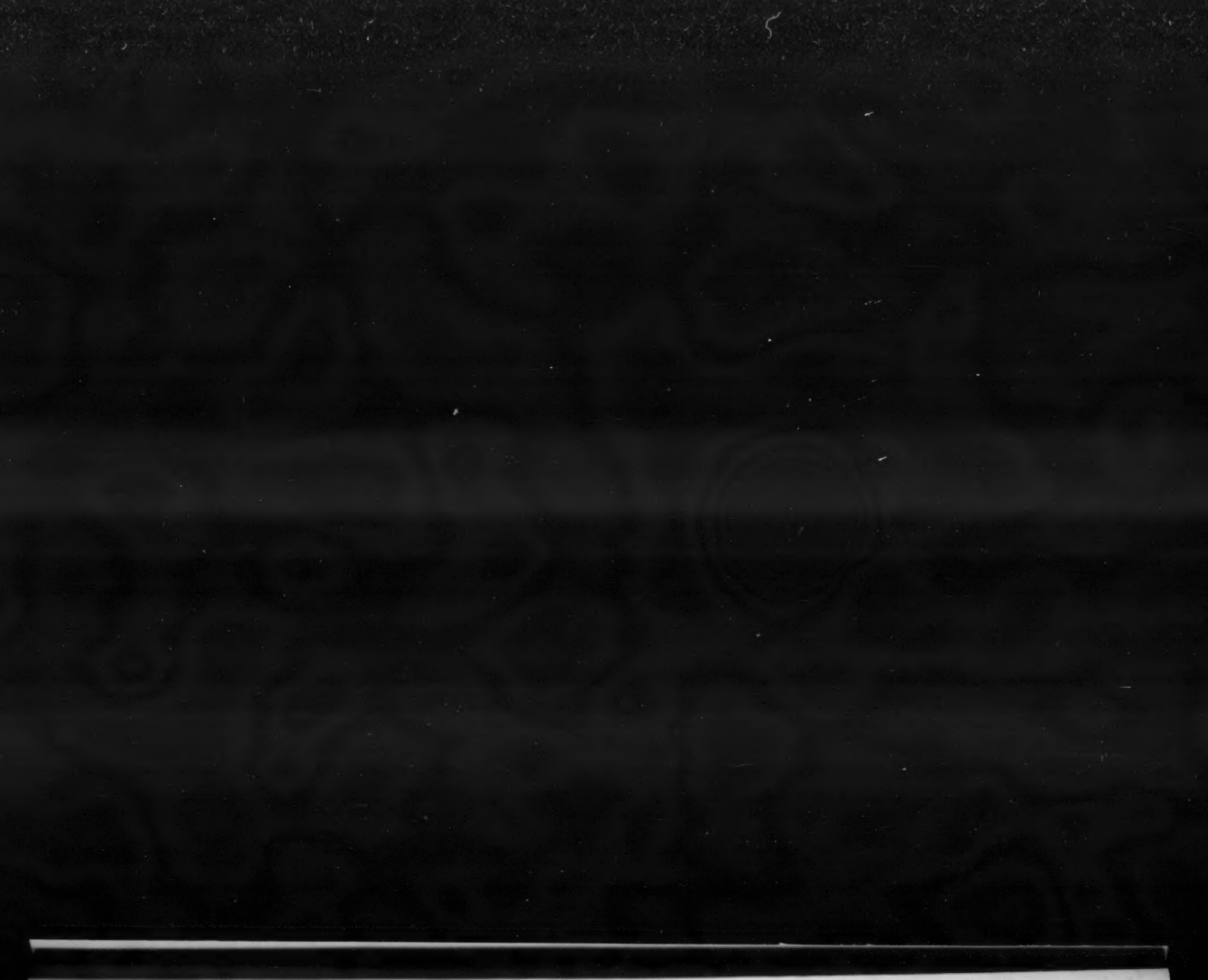
Mr. VANDENBERG. Is the Senator opposed to tariff commissions that are under Executive control?

Mr. CLARK. I am opposed to the present Tariff Commission set-up, yes; in other words, if the Senator wants a blunt answer, I will say that I am opposed to tariff commissions under Government control.

Mr. VANDENBERG. Precisely, and the Senator stands squarely upon his own Democratic national platform when he makes that candid response. It is exactly the response I would expect from the Senator from Missouri, and his position and the position of his party platform are just 100 percent diametrically opposed to the legislation which we are now asked to swallow, willy-nilly, without even a chance to look at the Colombian Treaty, which is supposed to be a model typification of what we are asked to do.

Mr. CLARK. I disagree with the Senator that my position and the position of the Democratic national platform are in any manner opposed to the pending bill. I am perfectly willing to have a fact-finding commission to submit facts to the President for his information, and that is not in the least inconsistent with giving the President the power to bring about by negotiation what cannot be brought about in this stage of the world's competitive tariff war by legislation. I thank the Senator for his courtesy.

Mr. VANDENBERG. I thank the Senator for his contribution; it is refreshing to hear an occasional Democratic voice. I want to revert, before I forget it, to his repeated statement that we have been responsible by our tariff policy for what has happened in Europe; and I want to refer him again to and prayerfully ask him to please get a copy of Senate Document No. 7, of the Seventy-third Congress, first session, and read the United States Tariff Commission's



unequivocal statement that ever since 1919 what has happened in the Old World is unrelated to our tariff policy but is primarily a reflection of this very bargaining back and forth, which has resulted in what is called the "padding process", one country padding its rates up in order to have something to bargain back down, and the other country padding its rates up in order to have something to bargain back down. We have padded nothing, if we accept the cost-of-production theory, which I insist is the American theory. We have padded nothing, as demonstrated by the fact that the Tariff Commission in 14 months could find only hay and manure forks as having rates greater than the actual differential in the cost of production at home and abroad. We have not been responsible for the tariff wars in Europe, according to our own Tariff Commission. As indicated in this official document, the tariff wars in Europe are the direct reflection of the precise tariff policy which we are now asked to embrace and embark upon, to wit, efforts at reciprocity bargains.

Mr. CLARK. I said I was not going to interrupt the Senator again.

Mr. VANDENBERG. The Senator need not apologize.

Mr. CLARK. But I should like to have the Senator yield for just one further remark. I have read the document to which the Senator refers, and I have read the passage to which he refers, but I refuse to be bound by a conclusion of the Hoover Tariff Commission.

Mr. VANDENBERG. Mr. President, this may be the Hoover Tariff Commission, but this report is signed by the Chairman of the Hoover Tariff Commission, who made the amazing statement to the House Ways and Means Committee and to the Senate Finance Committee, in effect, that he would do anything that President Roosevelt wanted him to do.

Mr. CLARK. Mr. President, I hope the Senator is not going to hold the Democratic Party responsible for anything that might be said by the appointees of former President Hoover.

Mr. VANDENBERG. I am going to hold them responsible for the pending bill now and hereafter, and so are American business and American industry and American agriculture.

Now, let me go on with what I intended to be but a brief discussion of the inevitable deduction to be drawn from the statement of Governor Gardner in the Sunday press, descriptive and analytical of the President's action upon Saturday in increasing the tariff duty on rugs.

If the President's action upon Saturday, plus the illuminating analytical statement of it by Governor Gardner, plus the fact that the Tariff Commission in 14 months has only been able to identify two insignificant products upon which the existing tariff is too high—I say that the inevitable conclusion from that series of facts is either that tariff rates cannot be reduced in the United States and bargains thus made, or if the rates shall be reduced and bargains thus made, some American commodity, industrial or agricultural, will be deliberately destroyed.

This is the first tariff debate, Mr. President, in which anyone has dared to presume that any public official intended deliberately to destroy an American industry. I want to absolve, in my own mind, the President of the United States from wittingly engaging in any such philosophy, but I cannot immunize his tariff advisers from the direct charge that they are willing to destroy any American industry or any American agricultural commodity which in their Olympian judgments are considered inefficient or expensive, those being the two words of fatality which they use in cracking down upon their intended victims. This is the first time we have ever had a tariff debate contemplating the exercise of a power for the destruction, the deliberate destruction, of an American commodity, either industrial or agricultural. We have it literally and by text in the present instance.

When the Senate votes for this bill, Mr. President, it, therefore, votes for either one or the other of these alternatives to which I have referred; either it votes for a futility, on the theory that the power cannot be used, since rates cannot be reduced on industrial or agricultural products, or it proceeds on the theory that it is willing to have some American commodity destroyed. I submit that it is utterly untenable for us to proceed in contemplation of either theory.

Mr. President, I add, in supplement, that it is not necessary to create this new power in order to get free list bargains, which is the one point at which, it seems to me, tariff bargaining might be logical. If we are correctly informed regarding the implication of the so-called "Colombian Treaty", which this coordinate treaty-making power of the Government is denied a chance to inspect, it involves nothing more than the freezing of the free list. It was a bargain made at least 4 months before this bill was written and at least 6 months before this bill will become a law. Therefore, the administration has demonstrated for itself, under the leadership of the President, that it can deal with the free list effectually if it wants to without asking Congress for this amazing surrender of the tax and treaty power.

I repeat, it is not necessary to pass this bill in order to create a tariff-bargaining power in respect to the free list. It is not necessary to pass it in order to contemplate an increasing American export trade either, Mr. President, as demonstrated by the figures submitted by the United States Automobile Chamber of Commerce, which show that during the last quarter the automobile exports increased 100 percent, which is a fairly encouraging percentage, without any thought of bargains or any attempt to make them. To attempt export encouragements by this particular method is to invite a chance of net loss quite as much as a chance of net gain. I demonstrated this fact 10 days ago and no apologist for the bill has tried to answer.

So it seems to me that we are driven to this inevitable conclusion in contemplation of the bill. We cannot apply it to agriculture, because the President himself has said that it would be "absurd"—that is his word, not mine—"absurd" to reduce any agricultural tariff rates. So we cannot apply it to agriculture.

We cannot apply it to industry except as we would ruin industry in whatever aspect we attack it, as I have previously demonstrated by my analysis, and we dare not do that, and neither would the President dare do it when he gets this power.

Here we are, then. This power cannot be used legitimately in respect to agriculture. It cannot be used legitimately in respect to industry. It is not needed in order to deal with the free list.

Then why pass the bill? Where, then, Mr. President, is the compensation either to the American Congress or the American people? Where is the compensation, first, for multiplying utter uncertainty in the American economic world, since no industry and no agricultural commodity may know what morning it shall be marked for slaughter?

Second, where is the compensation for creating an insufferable precedent in maximum bureaucracy—secret bureaucracy most of the time—ruling the lives and livelihood of the American people?

Third, where is the compensation for consenting literally to a Fascist dictatorship in respect to tariffs, because we are advised by Italy that it is the fundamental Fascist philosophy that one-man control of the economic life of a nation is prerequisite to Fascist perpetuation?

Fourth, where is the compensation for violating the spirit, if not the letter, of the Constitution of the United States in respect both to the taxing power and the treaty power?

Where is the Republican compensation for deserting the fundamental theory of protection upon which three-quarters of a century of American prosperity in factory and farm has been builded?

Where is the Democratic compensation for deserting the theories and the philosophies to which that party has subscribed its faith these many years, to say nothing of its 1932 platform?

Where is the compensation, Mr. President, in conclusion, for those of our able colleagues across the aisle who now turn their backs upon the urgent and earnest appeal which

they uttered to the Nation against the limited use of a limited flexing tariff power now existent, a flexing power which has been approved by the Supreme Court as constitutional and which involves no subletting of congressional power to a degree which invades the spirit and the letter of the Constitution?

Where is the compensation for their turning their own backs on their own warning to their own countrymen 4 years ago? I read in conclusion just one exhibit, the tremendous appeal signed at the time by the then Senator from North Carolina, Mr. Simmons, the Senator from Mississippi [Mr. HARRISON], the Senator from Utah [Mr. KING], the Senator from Georgia [Mr. GEORGE], the Senator from Massachusetts [Mr. WALSH], the Senator from Kentucky [Mr. BARKLEY], the Senator from Oklahoma [Mr. THOMAS], and the Senator from Texas [Mr. CONNALLY], as follows, this being the peroration of their appeal to the Nation:

In an age where there has been a steady tendency to rob the individual citizen of his power and influence in his government through bureaucracy, we deem it our duty to vigorously protest any further encroachment in this direction and especially with respect to taxation. In the hope of arousing the people, regardless of party, to take a broad and public view of this important public question, we make this appeal.

Mr. President, in direct paraphrase of the appeal, I address the Nation in the same hope on the same plea in behalf of the Constitution of the United States and the welfare of the American people.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

RECIPROCAL TARIFF AGREEMENTS

The Senate resumed the consideration of the bill (H.R. 8687) to amend the Tariff Act of 1930.

Mr. LOGAN. Mr. President, there has been so much dramatic argument on the tariff bill in the Senate during the last 2 weeks that I feel I ought to talk about the matter in a very simple way for a brief period of time. I never could understand how a man could grow eloquent over a subject as dry as taxes or the tariff. I believe that perhaps, unintentionally of course, some harm has been done to the country by the discussion on the part of some Republican Senators. They have expressed fears which I believe do not exist to any very great extent in their own minds.

Mr. CLARK. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. PATTERSON in the chair). Does the Senator from Kentucky yield to the Senator from Missouri?

Mr. LOGAN. I yield.

Mr. CLARK. I do not wish to interrupt the Senator, but I notice he uses the term as being in contradistinction, "taxes or the tariff." I am sure the Senator will agree with me that the tariff is nothing on earth except a tax, whether it goes into the Treasury of the United States or into the pocket of some tariff-protected concern.

Mr. LOGAN. I thank the Senator for making the suggestion, because I did not say what I intended to say. Of course, the tariff is a tax, the worst tax that ever has been invented by man. A protective tariff, in my judgment, is the most indefensible thing in the whole world. What I meant to say was "a discussion of taxes or the regulation of interstate commerce", which is quite a different thing.

I listened with very great interest, as I always do, to the speech of the Senator from Ohio [Mr. FESS]. It caused me to think how small things sometimes change the very course of a man's life. There is a place in the Rocky Mountains of Canada where a stream rises some 10,000 or 15,000 feet above sea level. It started toward the Pacific Ocean as a tiny stream, but there was a little boulder in its path which diverted it and it went around through a little sink and over to the other side where it eventually reached the Atlantic Ocean. If it had not been for that little boulder there would have been a great gulch or canyon over the mountain down toward the Pacific cut by the stream. But in view of the fact that the boulder diverted the course of the stream the canyon is on the other side, toward the Atlantic.

I have thought frequently if the distinguished Senator from Ohio had continued as a teacher in some great school throughout the years instead of coming to the Congress of the United States, that instead of his becoming associated with Republican statesmen, instead of having his trend of thought diverted, I believe most sincerely that he today would be one of the leading "brain trusters" advising the President of the United States. The Senator shakes his head, as much as to say that he would not; but I remind him that he cannot tell what he might have done if he had not come under the influence of such distinguished statesmen as Uncle Joe Cannon and many others whom I might mention.

In his speech the other day the Senator spoke frequently of revolution. He read from a book or books written by Mr. Tugwell, in which the word "revolution" was actually used. Because our friends on the Republican side, and probably some on this side, have talked about revolution and have mentioned revolution so frequently in these debates, the people have become somewhat alarmed. Particularly do they become afraid when a distinguished conservative Senator like the Senator from Ohio speaks of revolution.

I should like to remind the people of the country and the Senator from Ohio that he need not apprehend any difficulty in the use of the word "revolution" as it is used by some of our modern writers on political economy and on questions of government and governmental regulations. I desire to remind the people of the country that when we go back to the Declaration of Independence itself we find that revolution is written into it as one of the inalienable rights of the people; and we have never been afraid of the Declaration of Independence. I should like again to call attention, for the RECORD, to the language of that immortal document, which, so the Supreme Court has said, is as much a part of our laws as the Constitution itself. It is a document which has been quoted by those who have discussed government more, perhaps, than any other document that has ever been written in all the world.

I should also like to remind the people of the United States, as well as the United States Senate, that the Declaration of Independence was prepared by a group of young "brain trusters" who were trying to find some new way to build a government that would protect the rights of the people; and so the idea of having experts, men who have given particular thought to particular questions, is not new in the life of our American Republic.

When Thomas Jefferson and other members of the Continental Congress conceived the idea of preparing a Declaration of Independence, it was drafted and was adopted by those men who were thinking in revolutionary terms.

Now, let us see just what rights we have, as expressed in the Declaration of Independence:

We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain inalienable rights, that among these are life, liberty, and the pursuit of happiness.

When a people have been denied the pursuit of happiness by any government or by any law, they have been denied one of the inalienable rights guaranteed to them by the Declaration of Independence.

That to secure these rights governments are instituted among men, deriving their just powers from the consent of the governed; that whenever any form of government becomes destructive of these ends it is the right of the people to alter or to abolish it and to institute new government, laying its foundation on such principles and organising its powers in such form as to them shall seem most likely to effect their safety and happiness.

Mr. TYDINGS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Maryland?

Mr. LOGAN. I yield.

Mr. TYDINGS. I admire the courage of my friend from Kentucky. I wish to call his attention, however, to the fact that he is likely to be arrested for reading that very inflammatory document.

Mr. LOGAN. I thank the Senator, because, after listening to the debates on the other side of the Chamber for the past few days, one would believe that it was treason—I believe some of the speakers have used the word "treason"—to talk about changing anything in our Government that does not square itself with the ideas of those who have come to believe that Government rests with a few who should act as trustees for the whole people of the United States.

I shall not stop, however, with the reading merely of the Declaration of Independence. At that period of time in the history of the Nation men thought more clearly about political matters than they do today. It is true that they did not have so much to think about. It is true that they did not have the complex civilization which we have at the present time. When we stop to think that George Washington never saw a railroad train, never saw a steamboat, never talked over a telephone, never saw an automobile, never thought of such a thing as the radio, and a flying machine was something that it had been determined by the scientists could never be invented, we know how little the people in 1776 knew about the problems of today.

No one believes more sincerely than I that we must take the principles which they announced in those days, which seem so far in the distant past to us now, and apply them to new conditions which have arisen, because in no other way can government exist.

The right of revolution has been talked about in a book written by Roger Sherman Hoar. The name does not sound like that of a man who would be very progressive in his ideas, or very liberal in his views. I should judge that he comes from the State of Massachusetts. He had something to say on the question of revolution as it was understood in the old days; and I should like to call attention to a few things which he said in this book. He discusses the making of constitutions, and then says:

> But as the science of government became better understood, and the great doctrine of the right (not merely the power) of the people to change their government was promulgated, it was found that it was not necessary to resort to revolution in order to change or modify government, but that such changes or modifications might be made as peacefully, as orderly, and as legally as any ordinary function of government could be exercised.

He was quoting, it is true, from another author, Braxton; but he quotes with approval the language I have just read; that is, that the people can change and modify their government in a perfectly peaceful manner; that it does not require the overturning of government by riots; it does not require the overturning of governments by armies; but, so this author says "revolution"—the word which has been used by some of our modern writers—can be brought about by changing or modifying the government, and still remain within constitutional provisions.

Now I should like to quote from the same author as he quotes from the Reverend William B. Greene:

> It is not necessary—

Said Mr. Greene—

> in order that there be a revolution, that there should be bloodshed, powder burned, and other attendants of war displayed. A revolution may take place peaceably, and if the right is once recognized in a country, it should take place peaceably, because in the recognition of that right is also the recognition of the duty of obedience upon the part of the Government.

So I remind those who are so afraid of the word "revolution" when it is used in its proper sense that those who adopted the Declaration of Independence, and those who wrote the Constitution of the United States, did so with the principle always in the back of their minds that the people had the right to change or modify their Government when it was not so administered as to bring happiness to the people.

Now I desire to refer to a treatise on government by Mr. Holcombe and show what he thinks about revolution.

He quotes from someone—I do not know the author, neither does he give his name; but he quotes from someone—who wrote in the old days about American Government, and he referred to revolution as "the sacred right of revolution." He said, also:

> It is asserted in a more philosophical manner in the Massachusets Declaration of Rights of 1780.

Let me take occasion to say now that nearly every constitution that was adopted prior to 1800 contained in it a provision that the people had the right to change their government in any way that they deemed necessary to bring the blessing of happiness to the people.

Mr. BARKLEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. POPE in the chair). Does the Senator from Kentucky yield to his colleague?

Mr. LOGAN. I yield.

Mr. BARKLEY. Is not this ability and facility for changing gradually and peacefully the agencies as well as the forms of government one of the things that will ultimately prevent revolution by bloodshed; for if the people could not obtain their rights by peaceable methods they would be driven to the more forcible way of bringing it about?

Mr. LOGAN. My colleague has mentioned only that which was in the minds of the makers of our Constitution. Where there had been a government of tyranny, where there had been a government that was autocratic, there was no way for the people to change or modify the government peaceably.

Consequently, that condition led to revolution by bloodshed, and by powder and ball, as one of these writers has said. But our fathers, be it said to their great credit, and to their everlasting fame, were trying to build a government which could be changed to meet emergencies as they might arise. They were trying to adopt a constitution which would fit into every emergency, and they made ample provision for the people to change their Constitution if, perchance, some emergency should arise which had not been foreseen by them.

I should like to refer again to the book written by Mr. Holcombe when he quotes from article VII of the Constitution of Massachusetts, which was adopted in 1780:

> Government is instituted for the common good; for the protection, safety, prosperity, and happiness of the people; and not for the profit, honor, or private interest of any one man, family, or class of men: Therefore the people alone have an incontestable, inalienable, and indefeasible right to institute government; and to reform, alter, or totally change the same when their protection, safety, prosperity, and happiness require it.

Mr. President, that constitution was adopted in 1780, and at that time the people knew what the fathers meant when they wrote the Declaration of Independence, and when they were getting ready to write the Constitution of the United States. The political philosophy of that day was well known.

The Constitution of Kentucky was adopted in 1792. It contained almost exactly the language which I have read from the Constitution of Massachusetts, adopted in 1780, but there was a headnote, a catch line, to that particular section, written by the constitutional convention itself, which said, "The right of revolution shall never be denied."

Mr. FESS. Mr. President, will the Senator yield to me?

Mr. LOGAN. I yield.

Mr. FESS. I do not think anybody would contest the theory that the people have the right of revolution. That is fundamental, it is elemental, and I would not think anyone who had any conception of the growth of government would deny that right. It is essential, fundamental, with us, as has been stated by the Senator from Kentucky reading from the Declaration of Independence and also from the other documents, in reference to State constitutions.

My concern is not that the people have no right to change their government, not that; I concede without a minute's discussion that they have that right. We have established a government, and, unlike any other modern government, have a constitution, which limits power and is a guide to this body, given in the letter of instructions, given to the people through the Constitution, which is the letter, and it is my belief that if there are people who talk of revolution in the United States it ought not to be those who have taken the oath of office to preserve, protect, and defend the Constitution. Let the advocate of revolution proceed in

orderly ways, but let any man who wants to change the Government first resign if he holds public office, and not proceed while under the obligation of his oath of office to preserve the Constitution. Let him resign and proceed to foment public opinion back of his theory of revolution, and I shall say nothing about it; but when we have men committed to the Constitution talking revolution, I draw the line.

Mr. LOGAN. Mr. President, I have great respect for the great Senator from Ohio as a learned man, one familiar with all these matters which I am simply mentioning in passing; but his statement shows that the little pebble that diverted his course in his method of thinking has operated to such an extent that he really has misconstrued the inherent powers which are fundamental in all of our governmental papers which give us a national life. He suggests that a man should first resign and then say he is going to attempt to change the Government, and that the Members of the Congress ought to be the last men to mention revolution.

The Senator is in error about that. The very body that would bring about a revolution—within constitutional limits, of course—is the Congress of the United States. It is true that in the making of laws, it is true that in the exercise of the authority this body has, it may bring about such a revolution as was referred to in the Declaration of Independence; but, of course, it must be within the limits of the Constitution. We can do nothing outside of the Constitution itself. We can pass no law that will have any binding effect if it is not within the provisions of the Constitution.

When our Constitution was adopted, this body was set up to make laws to carry into effect the purposes stated and the powers granted in the Constitution. That power was vested in the Congress. It is our duty to do that. Perchance we might trespass and go beyond the limits of the Constitution; but the Constitution itself has set up a court which has the authority to determine whether we have done that or not; and so long as we have a government with a legislative body authorized to make laws and a court to determine whether or not those laws are constitutional, talk about a revolution that is not within the Constitution, of course, is foolish.

Mr. FESS. Mr. President, will the Senator yield further?

Mr. LOGAN. I yield.

Mr. FESS. I think there may be a confusion in the mind of the Senator and in my mind over the word "revolution." If the Senator means changes within the limits of the Constitution, that is not revolution, as I see it. He is speaking now about changes which must be made within the limits of the fundamental or organic law, the Constitution. I have in mind, when I talk about revolution, the definition of revolution that is accepted throughout the world, a fundamental change in political organization, or in government, or constitution, the overthrow or renunciation of one government and the substitution of another by the people. That is the accepted definition of revolution. If the change is within the confines of the Constitution, it is not revolution. I think there is a confusion in my mind and in the mind of the Senator from Kentucky.

Mr. LOGAN. Revolution in its broader sense means only change, that is all, and there can be a peaceful revolution within the Constitution which has been adopted. We can change our methods of government, we can change our methods of administering the affairs of a government within our Constitution, and I say to the Senator from Ohio that all the talk about a revolution that has frightened some of the people who do not understand these matters as well as does the Senator from Ohio, that all the things which have been said to arouse suspicion, ought to be answered by this one statement, that neither the Congress, the President of the United States, nor any bureau or department, can do anything with our constitutional government that is not in accord with the Constitution itself, and when anyone undertakes to say that we have denied the people their constitutional rights by any legislation which has been enacted, it shows that he is unfamiliar with the Government, that he is unfamiliar with the history of our Government, that he is wholly unfamiliar with our plans and theories of government.

We cannot pass a law that will take any power from the Congress, we cannot pass a law that will take any rights from the people, we cannot vest anything or take away anything unless the action is authorized by the Constitution itself. So why should we broadcast to the world from the Senate Chamber that the rights of the people are being taken away from them by legislation which is enacted by the Congress, when everyone who makes a statement of that kind must know that we can take no constitutional right away from the people, or away from anyone, nor can we vest any right that is contrary to the Constitution?

Since the Senator from Ohio [Mr. FESS] confesses that there is a right of revolution, I will not pursue the question further, except to say that nearly every State constitution, even down to the present day, has guaranteed to the people of the State the right of revolution, in that they have a right to change their government in such manner as they may think is best; but, since the Federal Government was established by the Constitution, as is said by some of the writers, there can be no revolution in a State, because if there be any revolution it must be a revolution by or within the Federal Government.

Those things are self-evident; they are so clear that there can be no reason for anyone to place in the minds of the people of America the thought that the Congress of the United States is taking rights away from the people. That it cannot do, and every Member of the Senate knows that it cannot do a thing of that kind.

Mr. FESS. Mr. President, will the Senator further yield?

Mr. LOGAN. I yield.

Mr. FESS. Does the Senator regard the change in government in Germany as a revolution?

Mr. LOGAN. I am not sufficiently familiar with the government of Germany to be able to determine that question. If they simply changed their government without abandoning their constitution or constitutional principles, then it was a revolution within the constitution. There are revolutions by force, and there are revolutions by reason of changes or modifications made which are not in violation of the fundamental principles of existing government. There are fundamental disagreements as to what may be done under the Constitution, and when the Senator from Ohio and I disagree, then there is a tribunal established by the Constitution to determine whether he is right or I am right. If, perchance, it is determined that he is right, then what I did or what I said counts for nothing; and if it is determined that I was right, then what he may have done or said counts for nothing.

My point, let me state to the Senator from Ohio, is that there cannot be taken away from the people any right that is guaranteed to them by the Constitution, and to say that such has been done, or that such we are trying to do, or that such we will do, is unfair as an argument to be sent to the people of America to be read and to be considered by them.

I also say that it is unfair to take some book expressing some theory of government, which does no more than express the same ideas and principles of government that were expressed by Thomas Jefferson or by many others who had made a study of political philosophy, when our Government was established, and to brand the author as a Communist or with some name that means that he is a traitor to the Government, when he is doing nothing but repeating what has been said from the foundation of this Government down to the present time.

Mr. FESS. Mr. President, I have been trying to arrive at what the Senator means by a revolution within the Constitution, and I wanted a concrete example. I regard what is taking place in Italy as a complete revolution in government. I so regard also what has been done in Germany, although it was not done by means of bloodshed. And even in Germany what was executed as a coup d'etat was afterward endorsed by a vote of the people of Germany. I wondered whether

the Senator in his discussion of revolution would state that he regarded either one of those two cases as being revolution? I would so regard them.

Mr. LOGAN. I am not talking about a revolution by force.

Let me give the Senator a concrete example. We are discussing it now. It is germane to the subject. For almost 100 years—for perhaps more than 100 years—Congress has been attempting to enact laws providing for a protective tariff on certain industries. That movement grew and developed until the rights of the people had been taken from them, perhaps rights guaranteed to them by the Constitution if it should be properly applied. This idea of shopping about and bargaining about to make tariff laws so that some may be made immensely rich by pilfering the pockets of the poor has become so notorious that it is a stench in the nostrils of the civilized world.

That has gone on until there are those today who believe in that theory of government, who believe it is right that we ought to make certain owners of industries rich and powerful because they will act as trustees for the people, and they will see that good wages are paid, and that the people are fed, and that the people are clothed.

That idea of government has gone so far that it has become a part of the very being of many of our old, conservative statesmen. They believe that is right, just as much as I believe it is wrong. They are entitled to their opinion. Now we are proposing to bring about a revolution in respect to that very condition.

What is the revolution? We will stop, if we can, the unfair practices which have been engaged in in the past, and we will endeavor to find a better way to protect the rights of the people. I do not know whether we are going to find it or not. I do not think that in this bill we are dealing with the tariff so much as we are dealing with something else, and I shall discuss that in a few minutes.

Personally, I know it is wrong for Congress to make rates in a tariff law. I know that Congress cannot intelligently do it. I have never been here when a tariff law was made, but I have read about it. I know a little about the tariff. It is a matter which should have been removed from politics many, many years ago. I think now that we ought to have a Tariff Commission appointed to serve 15 years or longer, which shall be entirely free from all political influence, and that it should deal with the tariff in a scientific manner so as to do that which would bring justice, insofar as possible, to a majority of all the people.

Mr. FESS. Mr. President, will the Senator yield?

Mr. LOGAN. I yield.

Mr. FESS. I see that the Senator's view of revolution and mine are not alike if the Senator refers to a change in the policy of tariff as a revolution. It is a revolution in policy, it is true, but that is not the type of revolution we are talking about when we are referring to the injection of certain practices that are disturbing the relationship between the executive branch and the legislative branch. Although what is done is done without bloodshed, although no force is used when we change the very character of our institutions of government, I call that revolution. But when we speak of a change in policy such as a change in the tariff we are referring to a revolution in policy only. I think we are confused in what we refer to when we talk of revolution.

I cannot believe that the Senator would differ from my own views in that regard. My view is that even though it be done in a perfectly peaceful manner, if gradually the proper relationship between the coordinate departments of the Government is undermined, and ultimately one department is made the major or the prime governmental force in American life, that is a change in the very organic life of our Government, and I would count that in a sense a revolution, although it is not a bloody revolution, and no force is used in accomplishing the purpose. That is what I had in mind when we were speaking about the change in Italy and the change in Germany. I am concerned about such revolution.

Mr. LOGAN. May I ask the Senator if he thinks there can be such a thing as a revolution unless there is a violation of constitutional rights?

Mr. FESS. When I use the word "revolution" I mean a violation of the organic law and not action in pursuance of it. The former would be a revolution in government in our country.

Mr. LOGAN. Then, if it be a violation of our organic law, does not every citizen in the United States have a plain and adequate remedy to protect himself against such violation of the Constitution through the courts?

Mr. FESS. So long as the Constitution holds; but when the revolution goes to the point of a breakdown of the Constitution the courts go with it.

Mr. LOGAN. The Senator in speaking the other day reached the point where he maintained that our courts were about to break down, that citizens would have no place to go, and if we passed laws which were unconstitutional there would be no relief the people could secure against our unlawful acts. Was that the idea of the Senator?

Mr. FESS. The only guarantee we have in this country is the guaranty written by the people in the Constitution of the United States. If the Constitution of the United States is broken down the guaranty is gone.

Mr. LOGAN. Will the Senator point out to me at this time a single law that has been passed by the Congress, or a single bill now pending, which takes away a single constitutional right from the people?

Mr. FESS. Yes; the power given to an individual to tax the people is a violation of the Constitution.

Mr. LOGAN. If that is a violation of the Constitution, then we have taken no right away so long as we have a court to determine that we cannot do such. Is not that true?

Mr. FESS. Provided the courts do not go along with the break-down of the Constitution.

Mr. LOGAN. Then, if the court goes along, we have no other body to interpret the Constitution except the court, and the Constitution is what the court says it is. Is not that true?

Mr. FESS. And then you will have the full fruition of complete revolution, where everything is gone; and the decision in the Minnesota case leads many of us to think that the Supreme Court drifts along with the current.

Mr. LOGAN. If we have reached the stage in our national life where we cannot trust our courts, where we cannot trust our Executive, and we cannot trust the Congress, of course, I should say that that is not revolution, that is oblivion, that is absolutely passing out of existence, simply because the people have no desire to resort to the court or to the Congress or to their Chief Executive. The Senator from Ohio, then, bases his entire argument that we are approaching a revolution upon the statement that he does not believe the courts are going to function; but we have, so far as the Supreme Court is concerned, in the main, the same Court that we have had for a quarter of a century. It functioned back in the good old Republican days, and nobody was afraid of the Court at that time. Why should the Senator from Ohio be afraid of the Court now? It is the same Court; it has the same Constitution, and it has all the powers that it ever had. Why should the Senator from Ohio be afraid of the Court that we have had so long?

Mr. FESS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Ohio?

Mr. LOGAN. I yield.

Mr. FESS. Does the Senator look with entire satisfaction, the lawmaking authority having been granted to this body, that it should delegate its authority to one man and thereby establish a government by one man rather than a government by law, as has been the case where we have authorized the antitrust laws to be suspended temporarily by the substitution of agreements entered into by interested parties, with the approval of the President, such agreements being regarded as fair trade practices, and becoming the law of the land, the violation of which is to be punished by a penalty

assessed without trial in the courts of the land, but in accordance with the decree of the director as to whether the law has been violated or not? Is the Senator capable of looking with perfect complacency upon a movement such as that at the present time?

Mr. LOGAN. Let me say to the Senator from Ohio that whether I look upon it with complacency or whether I do not is entirely beside the question.

Mr. FESS. No.

Mr. LOGAN. If the Constitution gives the Congress the right to vest someone with such authority, then no one has any right or any reason to complain if the Congress does it. If the Congress did it under the mistaken belief that it had the power or the right to confer such authority, then there is the Court that can say we have no such authority. So no right has been taken away from any citizen. If no constitutional provision has been invaded, if the Court upholds such legislation, then it is just a difference of opinion as to whether it should have been enacted or not, but it is not a violation of the Constitution.

Mr. FESS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Kentucky yield further to the Senator from Ohio?

Mr. LOGAN. I yield.

Mr. FESS. I do not think we are getting anywhere; we are arguing in a circle. The Senator says if the Congress has the right to do so-and-so, of course, then it should be done, and it should not be the subject of criticism and would be constitutional. Certainly if the Congress has the right to do this under the Constitution, then it would be constitutional. I claim, however, that the Congress has no right to delegate such power to an individual. The Senator evidently thinks it has, and it is merely a matter of opinion.

Mr. LOGAN. I do not know; I do not say that. I think it has, perhaps, and that is my judgment about it; but, sitting in the capacity as I am at the present time, I do not have the final determination of whether Congress has that right, and neither does the Senator from Ohio. So we have no right to say that Congress does not have any such power. That is for the Supreme Court to determine; and unless the Supreme Court determines that Congress has done an unconstitutional act, then no one has any right to complain; and if it does so determine, no one has any right to complain, because the act is abrogated.

Mr. LEWIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Illinois?

Mr. LOGAN. I yield.

Mr. LEWIS. I ask the Senator from Kentucky, who has long been a very eminent judge, if the able Senator from Ohio has not, in his consideration of very great matters, overlooked the fact that that against which he levels his complaint of some administrative body being given the right to announce a law in conformity with an act passed by Congress, and to enforce it, has been the fixed policy in the very lifetime of the very eminent Senator from Ohio? That point may be illustrated, first, by the action of Congress in giving to the Secretary of the Interior the power to sit in judgment on those who should violate the act of which we speak as the "oleomargarine law." Finding an individual offending, he may impose a penalty against him. Our courts have held that act valid and sustained it.

Second, has not the power been vested in the Secretary of Agriculture to sit in judgment of certain violations and to find individuals guilty and impose a penalty upon them; and has not that act been sustained by the Supreme Court?

Lately the most serious controversy our great administration has had with a great and respectable body of our citizenry has involved some of our soldiers, because of the power vested by the Congress in a board that has a right to hear questions of pension and take upon itself the judgment as to who shall be stricken from the rolls, or his property taken from him, so-called, and who shall be established there, and thus under such circumstance create an act and establish a judgment. Where, in the line of the precedents, is there any difference between these established precedents and the distinction brought forward by the able Senator from Ohio?

Mr. LOGAN. Mr. President, I thank the Senator very much for what he has said. He has expressed in elegant and intelligent language some of the ideas which I would have expressed if I could have done so as clearly.

Now, I wish to turn my attention for just a moment to the question of the delegation of authority. That is one of the questions which have been discussed by a number of Senators on the other side of the Chamber. The senior Senator from Idaho [Mr. BORAH] delivered a rather impassioned speech on that question the other day. I wish to point out, if I can, for the RECORD, and for those who are interested enough to listen, the errors in what he had to say about the matter. Although he is a great lawyer, and, as said by the Senator from Michigan [Mr. VANDENBERG] the other day, he can always make his voice heard, because he is given wide publicity by the newspapers, I am going to say a few things about his speech, because, in my judgment, it is equally as unsound as the speech made by the Senator from Ohio about a revolution, and that is saying a good deal under present circumstances.

The Senator from Idaho undertook to show, if we vested the President of the United States with authority to promote trade and to regulate commerce with foreign nations, that that was a delegation of the taxing authority. The Senator from Vermont [Mr. AUSTIN] and some of the other Senators have fallen into the same error. I might also say that the distinguished Senator from Louisiana [Mr. LONG] has followed them, and he has made some speeches along the same line, but if the senior Senator from Louisiana should ever find out what this legislation is about, he might really change his mind regarding it.

Now, I desire to call the attention of the Senate to some of the provisions of the Constitution which make it very clear, in my judgment, that Congress is doing no unlawful thing when it delegates the power to the President of the United States to regulate commerce; and that is all we are doing by this proposed act. This is not a taxing measure; this is not a measure providing for the imposition of a tariff; but it is a measure providing for the regulation of commerce with foreign nations, and it is nothing else.

The Constitution contains some very simple provisions that relate to this particular matter. I wish to call the attention of the Senate to some of those provisions. They were mentioned in the speech of the Senator from Idaho the other day, but he completely omitted to enlarge on the one provision of the Constitution which is under serious consideration at this time.

If we turn to article I of the Constitution and examine section 8, we find this provision—and I want the Senate to follow me, because it is rather simple, if we will forget our flamboyant oratory and get right down to the simple language that is used in this simple document, the Constitution of the United States:

> The Congress shall have power to lay and collect taxes, duties, imposts, and excises—

For certain purposes.

I would remind some of the Senators, particularly the Senator from Ohio [Mr. FESS], that for a long time it was argued by those who opposed the protective-tariff system that a protective tariff was illegal because there was no power in Congress and the power could not be found in the Constitution to protect industries; that the Congress could only lay taxes and duties to pay debts and provide for the common defense and the general welfare, and that imposing a tariff so that individuals and industries might be protected was violative of the provisions of the Constitution of the United States. That was argued much more extensively than even the question of the delegation of power to the President to impose tariffs has ever been argued by the Senate of the United States.

Mr. FESS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Ohio?

Mr. LOGAN. I yield.

Mr. FESS. Does the Senator recall that the question of the power of imposing a protective tariff was argued under the general-welfare clause in the preamble to the Constitution as being a means to promote the general welfare, and that that gave the authority for the protective-tariff policy?

Mr. LOGAN. Mr. President, I think the Senator is mistaken in suggesting that it came from the general-welfare provision in the preamble to the Constitution. I think it was taken from the general-welfare provision in the section which I just read, which allows the Congress "to lay and collect taxes, duties, imposts, and excises, to pay the debts, and provide for the common defense and general welfare of the United States." It is true that the courts finally held that it had become a part of the settled policy of our Government to impose a tax to foster industry upon the idea that it was for the general welfare of the Republic; but I suppose everyone in America who ever gave thought to the matter knows it is not for the general welfare.

A protective tariff is for the special welfare of a particular group. But we had a revolution in our Government, exactly the kind of revolution I am talking about, and if the Senator wants a specific and concrete example I would say that when the courts approved the policy of imposing a tax under the general-welfare provision of the Constitution for the good of a special few, then we had a revolution and the courts changed what apparently had been the plain meaning of the Constitution of the United States.

But I must get back to what I started to say. The first power which Congress has which we are to consider at this time is embodied in the first paragraph of section 8 of article I, which is what I have just read, the power to lay taxes.

There is another power of equal dignity, of equal importance, in the same section, which, I believe, is the third paragraph, and which confers upon the Congress the power to regulate commerce with foreign nations.

Then, not in this particular grant of power but under the authority conferred upon the Chief Executive, there is the power to make treaties, subject to the approval or the ratification of the Senate.

Then we have under consideration in the pending bill three constitutional provisions. Perhaps they blend; perhaps there is a twilight zone which separates the one from the other; but there are three great points in the Constitution which we must consider in connection with the bill. One of them is whether we are delegating to the President the power to lay taxes. I say no; that that is merely an incidental power, which is not the purpose of the bill.

The purpose of the bill is to empower the President or to delegate to the President the authority to regulate commerce with foreign nations. That is what we are trying to do. We are not trying to delegate the power to the President to make treaties under the other provision of the Constitution, but we are delegating to him the authority to regulate commerce with foreign nations.

In doing these things we say that he should use the taxing authority which Congress has as an instrumentality to bring about a regulation of commerce with foreign nations.

The Senator from Idaho [Mr. BORAH] the other day in discussing these matters mentioned the authority to tax, which he said we were delegating. He mentioned the authority to make treaties which he said we were delegating. But he only incidentally referred to and passed over without comment the power to regulate commerce with foreign nations, which we are proposing to do by the provisions of this bill.

Let us see what the difference is. A treaty, of course, must be ratified by the Senate. An agreement to regulate commerce does not have to be ratified by the Senate. Do we not have—and I ask this question because I do not know—postal conventions and regulations with foreign governments? The Senator from Tennessee [Mr. MCKELLAR], who is Chairman of the Committee on Post Offices and Post Roads, would know about it. We work out agreements with foreign nations for the carrying of the mails, and about postal rates, do we not?

Mr. MCKELLAR. The Senator is correct about that.

Mr. LOGAN. Then, if it be contended that when we make an agreement with some other nation to regulate any matter of business between the two nations such an agreement is a treaty, I say we have been making such postal agreements since the foundation of the Government down to the present time, and nobody ever thought to assert they were treaties.

It may be that in the event of an agreement made by the President with another nation to regulate commerce, Congress would have a right to revoke it by enacting a law denying the authority. But if he should make a treaty, which undoubtedly he could do if he desired, and that treaty should be ratified by the Senate, of course we could not revoke it.

Let us see a little further about the powers of the Congress to regulate commerce. I want to get that in the minds of those who are interested in the question. Read the last paragraph of section 8 of article I of the Constitution. The power to regulate commerce with foreign nations is clearly one of the powers vested in the Congress. Do we have any right to enact any law or laws which are necessary to carry out that power which is vested in the Congress? Let us see if we do:

> Congress shall have power * * * to make all laws which shall be necessary and proper for carrying into execution the foregoing powers, and all other powers vested by this Constitution in the Government of the United States, or in any department or officer thereof.

When power was given to the Congress by the States to regulate commerce with foreign nations they did not stop there, but said that we should have the full power to enact any law that Congress might deem necessary in furtherance of the regulation of commerce with foreign nations. Congress has determined or is getting ready to determine that we need to regulate commerce with foreign nations. Congress has the right to determine how it may be done, and, in view of the fact that Congress cannot do it itself, it has a right to select its own agency through which the regulation of commerce with foreign nations shall be brought about.

That is in the Constitution. Is that revolution?

Mr. FESS rose.

Mr. LOGAN. I yield to the Senator from Ohio, if that is his desire.

Mr. FESS. Where in the Constitution does the Senator find authority for the President to regulate commerce?

Mr. LOGAN. I am trying my best to tell the Senator. We find it first in the power to regulate commerce with foreign nations expressed in one of the enumerated powers in section 8. The closing paragraph of section 8 provides that Congress shall make all laws which shall be necessary and proper, and that means that Congress, in its judgment, may enact any law it deems necessary to regulate commerce with foreign nations. If the Congress shall determine that the President of the United States or the Senator from Ohio himself, or any other agency which the Congress may see fit, is the proper one to regulate commerce with foreign nations, then the Constitution itself says that Congress has the power to enact the law.

May I say to the Senator from Ohio that that is exactly the point which the distinguished Senator from Idaho [Mr. BORAH] confronted the other day. He argued at great length and with much force that the Field case did not hold that Congress could vest the President with power to make rates, and he argued that point rather successfully, I thought. But there is one thing, may I say to the Senator from Ohio, which the Field case does hold—and no one can escape the conclusion that the opinion of the Court in the Field case holds that the President of the United States may have power delegated to him to regulate commerce, because Congress placed in him the power to deny the importation of certain articles upon certain conditions that might arise. The Supreme Court of the United States held

that Congress properly vested that authority in the President of the United States and that it was purely the regulation of commerce which was invested in the President in that case.

So I might say, in answer to the Senator's question, that I find the authority not only in the plain provisions of the Constitution of the United States but also in the decision of the Supreme Court in the case to which I have referred, interpreting and construing the provisions of the Constitution.

Mr. FESS. Mr. President——

Mr. LOGAN. I yield further to the Senator from Ohio.

Mr. FESS. I have great admiration for the judgment of the distinguished judge from Kentucky, but I admit that he is jarring somewhat my admiration for his judgment unless I have entirely failed to get his premises.

I understand that article I of the Constitution deals with the Legislature, and states expressly what powers the legislative branch shall have. Article II of the Constitution deals with the Executive, and states the authority the Executive shall have. Article III of the Constitution deals with the judiciary, and nothing especially is said about the other two. I cannot understand, however, how the Senator from Kentucky, in reading article I, specifically stating that Congress shall have the power to regulate commerce, can carry that over into article II and say that that means that the Executive may do it.

The Senator knows that the body of the Constitution is a delegation of power by the people. It gives certain powers to the Congress and certain powers to the Executive. I cannot understand how the Senator can read into article II powers that are not granted there.

Article IV of the Constitution deals with limitations upon the Congress and upon the States. An instrument, such as the Constitution, which enumerates the powers that are delegated by the people, places limitations upon this body as well as grants powers to it. In reading the provision in article I that Congress has the power to regulate commerce, how can the Senator ascribe that power to article II, which deals with the President and gives him no such power? I cannot understand the reasoning of the Senator.

Mr. LOGAN. The Senator from Ohio is making an argument against the well-established decisions of the Supreme Court of the United States; but, so that the Senator may never again be mistaken about the power of Congress on this particular subject, let us epitomize the section and leave out everything except the essential parts under discussion, which read in this manner:

> The Congress shall have power * * * to regulate commerce with foreign nations * * * and to make all laws which shall be necessary and proper for carrying into execution the foregoing powers.

Then, if Congress has the power to regulate, it must provide the means of regulation, and it has the power to provide the means of regulation. It has the power to say who shall carry out the edict of Congress; who shall do what Congress may suggest shall be done. If it desires to say that the President, or a tariff board, or some other board, shall carry out its edict, the authority is abundant in article I, giving Congress specific power to do the very thing which the Senator from Ohio says it cannot do.

Mr. FESS. Mr. President, right there Congress has the power to say how its edict shall be carried out. That is the statement of the Senator?

Mr. LOGAN. That is correct.

Mr. FESS. Congress has the power to regulate commerce. The Senator takes the view that the Congress, having that power, can delegate it over to the Executive, thereby abdicating its authority. It has not given any edict to the President. It has given the President ipse dixit power to do as he pleases, upon his own initiative. Is that equivalent to the President having power under article II?

Mr. LOGAN. Congress did that back in the days when the Senator from Ohio was having much to do with legislation. Congress did do something of this kind, and the Supreme Court of the United States said Congress had the right to do it. When Congress said, "We will not presume to impose a tariff on certain articles that are coming into the country free, but we will delegate to the President of the United States the power to say whether or not these articles shall come into the country free", we gave the President authority to regulate commerce with foreign countries; and when the President asserted that power the Supreme Court of the United States said Congress had a right to delegate that power to him.

If the Senator from Ohio can get away from that plain proposition as to the provisions of the Constitution, and the distinction of the Supreme Court, he is an abler lawyer than I am. That is what the Court said, and that is what the Constitution says.

Mr. FESS. Let me ask one more question, and then I shall not interrupt the Senator any more.

The PRESIDING OFFICER. Does the Senator from Kentucky further yield to the Senator from Ohio?

Mr. LOGAN. I am very glad to yield.

Mr. FESS. The delegation of power which is involved in the pending bill, and which the Senator says is not a violation of the Constitution, would carry with it, as I interpret the argument of the Senator, that since Congress has the power to regulate commerce it can delegate that power to the President. Since Congress has the power to lay and collect taxes, it can delegate that power to the President. Since Congress has the power to regulate customs duties, it can delegate that power to the President. In other words, all the powers that this body has could be delegated to the President, and we could adjourn and go home and be better off.

Mr. LOGAN. Not at all. The Senator again has fallen into very serious error.

The other day when the Senator from Idaho [Mr. BORAH] was discussing the power to lay taxes and the power to make treaties, and avoiding any reference to, or any discussion, I might say, of the power to regulate commerce, he made an attack upon the opinion in the case of Field against Clark, and said that it was not the power to lay taxes that was delegated to the President in that case; and perhaps he was right. I rather think he was right about it. He was wrong about almost everything else he said, in my judgment, but in that I think he was right. Then Congress had delegated to the President the right to do something. What was it? To regulate commerce; and that is all it had done. So the Senator from Idaho seemed to reason out, although he did not say it in so many words, that the Supreme Court upheld the power of the President to regulate commerce with foreign nations; and if that opinion means anything, that is exactly what it means, as I understand.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Idaho?

Mr. LOGAN. I yield to the Senator.

Mr. BORAH. Did I understand the Senator from Kentucky to say that the Senator from Idaho did not refer to the question of the regulation of commerce?

Mr. LOGAN. I changed that and said that he did not discuss the question of the regulation of commerce. The Senator from Idaho dwelt very eloquently on the power to lay taxes, and said we could not delegate that power; and he dwelt on the power to make treaties, and said we could not delegate that power. As I recall his words, however, he did not say anything about the power to regulate commerce, more than to refer to it very briefly as one of the powers to be found in the Constitution.

Mr. BORAH. I did not discuss it at great length, but I did say that, in my judgment, this bill had for its object and purpose the regulation of commerce, and that that was a matter which belonged exclusively to the Congress.

Mr. LOGAN. If the Senator made that statement, then his reasoning about the opinion of the Supreme Court in the Field case must be wrong; and I think he was right, because that is all that was done in the Field case.

Congress, as I recall, delegated to the President of the United States the power to say whether certain goods should come into this country free. That, of course, was a regulation of commerce. The power of the President to do this

thing was attacked in the courts, and the Supreme Court said he did have the power. The Senator from Idaho said the Supreme Court so held because the power vested in the President was not the taxing power. If it was not the taxing power, it was the power to regulate commerce; and being the power to regulate commerce, the Supreme Court upheld the delegation of such authority in the case of Field against Clark.

Mr. BORAH. The Supreme Court upheld the law in the case of Field against Clark exclusively upon the proposition that Congress did not delegate to the President any power to lay taxes; that it did not delegate any power to regulate commerce; that the sole delegation to the President was the ascertainment of a fact and the announcement of that fact, but when that fact was ascertained and the announcement made, the law which Congress had passed went into effect; that Congress had legislated, the law was complete. The Court laid particular stress upon the fact that the sole function of the President was to ascertain a fact and to announce it. That has been accepted as a power of legislative bodies, of course, from the beginning of the Government.

Mr. LOGAN. The fact which the President was to ascertain was whether he should take certain action in the regulation of commerce with foreign countries.

Mr. BORAH. No; the Congress regulated the commerce by fixing the rates which should obtain both before and after the fact was announced. The sole thing which devolved upon the President was to ascertain a fact; to wit, whether other countries were levying a duty which was nonreciprocal.

Mr. LOGAN. And then what did the President do after he had ascertained that fact?

Mr. BORAH. After he had ascertained that fact, he announced that fact, and the act itself provided what rates should prevail after the fact was announced.

Mr. LOGAN. Then that was a delegation to the President of the power to say whether certain goods should come into this Nation free or should be dutiable, as provided by the Congress. The power to regulate interstate commerce unquestionably was delegated by that legislation, else the President could not have done anything.

Mr. BORAH. I do not wish to interrupt the Senator at length. I will simply state my position and then desist.

Mr. LOGAN. That is all right; I do not mind being interrupted.

Mr. BORAH. What I understand from that case is that the President was not given power to say whether certain goods should come into this country or not. Congress said that; and the Congress, in its legislative act, operated upon the single proposition of the ascertainment of the fact. That fact the President was permitted to ascertain; but after he ascertained the fact as to what goods should come in, the terms on which they should come in and the rate at which they should come in were fixed by the Congress itself in the act. The Supreme Court said that by reason of the fact that Congress itself had determined the rate and the conditions upon which the goods might come in and go out, that was not legislation upon the part of the President.

Mr. LOGAN. But it was a delegation relating to the regulation of commerce with foreign nations, and the President was vested with power which affected commerce with foreign nations.

Mr. President, a few weeks ago the Senator from Idaho made a great speech. The Senator is a great lawyer, and in sorrowing over the rights of the people which have been taken from them by Congress he grew very eloquent. He gave us a powerful burst of eloquence on the rights of the people. As I have undertaken to show to the Senator from Ohio, there is no Member of the Senate and no Member of the Congress who can put his finger on any act anywhere that has taken any fundamental constitutional right from the people of the United States.

I wish to call attention to some of the things which I think the Senator was in error about when he discussed the bill. The Senator's whole discussion was aimed at the taxing power of Congress, and that is not the subject of the bill pending before us. It is a bill to regulate commerce with foreign nations. The Senator said:

> It seems to me the bill runs counter to the plain provisions of the Constitution. I, therefore, beg the indulgence of my colleagues while I discuss the bill in the light of these constitutional provisions.

What I complain about is that the Senator then did discuss the power to tax, he did discuss the power to make treaties, but he did not discuss the power to regulate commerce with foreign nations, and that is the subject of the bill.

To show that he was discussing the taxing power, let me read what he then said:

> There is no subject in which the people have or could have a greater interest than that of where the taxing power of government should rest and how and under what circumstances it may be exercised.

I quote that from the Senator's speech simply to show that beyond all question the only thing he had in mind was the delegation of taxing power. That is not such a terrible thing, when we come to think about it. Taxing power is delegated by every legislative body that passes any tax law. Let us take the income tax law. We passed a law saying the rates should be so much. But who is it who determines the amount of the tax that shall be paid? Who is it who determines what is exempt and what is not exempt? It is the Bureau of Internal Revenue, and the amount of the tax is finally ascertained by some one to whom Congress has delegated the power to determine what the tax shall be.

Let us consider the plain, old-fashioned general property tax. Real estate has always been taxed, I suppose, and we impose taxes upon it. The legislature of a State passes a law imposing a tax rate of so many mills or so many cents, according to the value of the property, and states that the property shall be assessed at 100 percent of its market value, we will say. Then the legislature delegates to the tax assessors, or to the tax commissioners, or to a board, the power to determine what is the 100-percent value, what is the value of the property, and it is the assessed value of the property which determines the amount of the taxes which shall be paid. There is no tax law of a general nature of which I know which does not delegate authority to lay taxes. We cannot function as a Government without the delegation of power.

In this connection I wish to make another statement. Someone has said that parliamentary government is a thing of the past. That is not true. But parliamentary government, as we knew it in the beginning of our own Nation and as it has been understood for many years in England and other countries which have parliamentary governments, has finally discovered that there must be modifications, that there must be changes, or that parliamentary government must perish from the earth.

A while ago I mentioned the fact that the fathers of our country, who wrote the Declaration of Independence and established the Constitution, never saw a railroad train, never saw a reaper or a mower or a tractor, never saw a steam engine, never saw a railroad or any kind of a street car or an electric light, never talked on a telephone or heard of such a thing, never rode in an automobile or an airplane, never dreamed of such a thing as a radio. So these great questions have arisen since parliamentary government was instituted among men.

Then what are we to do? Are we to abandon parliamentary government? We would have that to do if we undertook to say that the Congress, or that the legislature, or that parliament must go into the details with every bill it passes so as to determine exactly how it should be administered. Yet that is parliamentary government.

Parliamentary government would have said, when we passed the bill for the relief of the distressed and appropriated hundreds of millions of dollars, "Congress must provide exactly how it shall be determined whether relief shall be administered to a particular unfortunate, exactly what officer shall administer relief. It must determine exactly what board and what people and what persons shall have control of the relief."

We could not have done that at all. We would have been here even now discussing the questions which would have arisen. But parliamentary government, as it was understood in the old days, meant that we should do exactly that thing. So we must get away from that. Parliamentary government must be modified to the extent that the parliament must have the authority and the power to delegate the details to someone else, because parliament as a body cannot work out the details and put the end to any law.

It means simply this, that the Congress of the United States must chart the course, it must determine the objective, it must determine the policies which the Government should follow, and write them into laws. That is all we can do in this day and age. We are forced, then, by the very circumstances and conditions to delegate authority to someone to put into effect the purposes which Congress has determined should be accomplished for the happiness of the people of the Nation.

If we had undertaken a little more than a year ago to pass a law regulating banks, and to provide how they should be opened, we would have been talking here yet if we had undertaken to say exactly what steps had to be taken before a bank should be opened or before a bank should be closed. Yet that is parliamentary government in its pristine purity, that is parliamentary government, perhaps, as it was understood in the beginning of our Republic; but it is not parliamentary government under the present-day civilization.

So I say that when we undertake to regulate some great business, such as banking, we have to delegate the authority to someone else. We do not leave them to do as they please. we set before them a goal, we place before them a flag flying high so that they may see it, and we say, "You must travel the path that leads you there, but we cannot determine every step you shall take or how you shall take it." So parliamentary government as it exists today means that we must delegate authority if we are to accomplish anything.

I presume there is no one here who would be bold enough to say that Congress could write a tariff law. The last one Congress enacted was perhaps the most horrific monstrosity the world has ever seen, and it brought upon us all of the troubles we have, though we may now try to get away from it and explain it away. Some Democrats, as well as Republicans, seem to be afraid of questions relating to the tariff. But I must pass on. I content myself by saying that the Congress has the power to delegate to the President of the United States the power, as the agent of the Congress, to regulate commerce with foreign nations.

Mr. President, I am not going to read the opinions referred to by the distinguished Senator from Idaho, but I want to say now that I agree with him most fully that an emergency does not have anything to do with constitutional provisions. We cannot set aside constitutional provisions because of an emergency. It would be foolish to make such a contention as that. It is in the time of emergency when we must stick closer to our Constitution and constitutional provisions. There is, however, one thing I should like to suggest. There are powers in the Constitution and there are authorities given the Congress by the Constitution which do not need to be exercised until an emergency arises; but when an emergency does arise, if we want to do something which we have not done before, we must find the authority in the Constitution. If we cannot find the authority there, then, of course, we should not take the action. I am persuaded, however, that every time we have had a crisis, every time we have had a calamity in our country, the people have been able, through the interpretation of the Constitution by the courts—and no other body has the right to interpret it under our laws—to find authority in the Constitution to meet emergencies; not because we develop anything new, but merely because we awaken a sleeping power which there was no need to exercise except when an emergency arose.

I think it has been necessary on several occasions for the people to amend their Constitution in order that the Federal Government might have more authority than it has ever had; but in every emergency we have had during our national life the people have had the power or have found the power, either in the Constitution already existing or by writing new provisions into the Constitution, to meet the emergency.

I do not think any of us would say that the Constitution of the United States is made of cast iron; that there is no resiliency to it; that it cannot be expanded to meet an emergency, if the emergency is contemplated by any provision of the Constitution. It is not a dead thing. The Constitution of the United States is a living force; and when the courts can find authority for acts of Congress and uphold them, no one has the right to say that Congress is violating the rights of the people in the enactment of laws which the courts uphold.

I note the quotation from the Minnesota case which was put into the RECORD by the Senator from Idaho [Mr. BORAH]. The Senator from Ohio [Mr. FESS] expressed the opinion that the decision in the Minnesota case is an indication that our courts are apt to break down. I have practiced law a long time; I have seen courts render opinions which I thought were very unsound. They seemed so to me at the time they were rendered. Perhaps I have lost cases which I thought I should have won; but sometimes I go back to the old opinions which I thought were so wrong, and when I read them again I do not wonder at the opinion of the court, but I wonder why I myself ever held such a position as I did at the time the opinion was rendered.

We sometimes mislead ourselves. I know that the executive branches of government are often swept off their feet by the passions and the prejudices of the people. I know that legislative branches of government are often influenced by the clamor of the public. I have never seen a time, however, and I do not believe that I shall ever see the time in the history of our country when the judicial rights of the people have been or will be seriously affected, if at all, by public clamor; and I do not believe that there is now any more danger of the Supreme Court of the United States or the other United States courts, or our State courts departing from constitutional government and constitutional provisions, than there has ever been at any other time in the history of our Nation.

I trust the courts. I am willing to trust them. The American people are willing to trust the courts unless their confidence is undermined by the statements of great men holding high places, willing to say that they are afraid every constitutional guarantee will be swept aside because the courts cannot be depended upon. I believe it is unfortunate, I believe it is unfair, to make such statements as that, and I know it is harmful to the people, who are distressed, and hardly know where to look for succor. Therefore I disagree with the Senator from Ohio when he says that the Minnesota case shows that perhaps the courts are becoming impregnated, as it were, with the idea of a "new deal" or a "new day." I do not think so. I am not afraid of the courts.

I desire to find the statement of the Senator from Idaho [Mr. BORAH] about a case which he said he thought much of. I shall not discuss the Hampton case which he mentioned. The Senator said he disagreed with the court in its decision in that case. I think perhaps I should have disagreed with it at the time; but it is the law. The court has so decided.

Here is the case I had in mind; and to show the Senate that the Senator from Idaho sometimes answers himself, I desire to read from it. He was quoting from a case and he said that it was a case of which he was very fond. Let us see what there is in that case to sustain his argument that the liberties of the people were being destroyed, when I am persuaded that he must have known that not a single right guaranteed to any individual in America has been destroyed by any legislation, nor, indeed, can it be until we overturn our Government.

The Senator from Idaho read from the Milligan case, and he said he is very fond of it. I am, too. I agree with the Senator fully. Let us see, however, what the court said is found in the Constitution; and if we find that the court thinks that we can find salvation in the Constitution on an

occasion like this, it seems to me the Senator from Idaho should be willing to concede that the Constitution does afford a remedy in times like these.

The court in that case said:

The Constitution of the United States is a law for rulers and people—

That is right—

equally in war and in peace—

That is right—

and covers with the shield of its protection all classes of men, at all times, and under all circumstances.

I wonder if the Senator from Idaho thinks the Constitution has been a shield to all classes of men during the past few years.

Mr. BORAH. Mr. President, I did not quite hear the reference to the Senator from Idaho. The Senator said he wondered if the Senator from Idaho did what?

Mr. LOGAN. I said I wondered if the Senator from Idaho thinks that the rights of all classes of people have been protected by the Constitution of the United States in the past few years.

Mr. BORAH. Mr. President, I made no charge that the people of the United States had not been protected in that speech. I was discussing the constitutional question alone. I have taken the position that the Constitution is sufficient and efficient under all circumstances and all conditions to protect the people of the United States and that it is not necessary to go outside the Constitution in order to do that.

Mr. LOGAN. I am fully in accord with the Senator's position.

Mr. BORAH. That is the position I have ever taken.

Mr. LOGAN. I am in full accord with that. But the Senator said, as I recall, that in the case of an emergency such as this the Government had no greater power than it had when there is not an emergency. I think that is true to a large extent.

Mr. BORAH. No, Mr. President; that is not what I said.

Mr. LOGAN. I desire to be corrected if I am wrong in my statement.

Mr. BORAH. The Senator from Kentucky misunderstood the Senator from Idaho. What I said was that, whether it was an emergency or normal times, we must still go to the Constitution to find whatever power we should exercise here. I have claimed that, as the Senator said a few minutes ago, an emergency makes no change in the Constitution. That if we are going to exercise some extraordinary power, still we must find that extraordinary power within the terms of the Constitution. In all circumstances we must find our power in the Constitution adopted by the people.

Mr. LOGAN. I continue to read the quotation from the Milligan case:

No doctrine, involving more pernicious consequences, was ever invented by the wit of man than that any of its provisions can be suspended during any of the great exigencies of Government.

That is the Milligan case, and that is sound.

Such a doctrine leads directly to anarchy or despotism, but the theory of necessity on which it is based is false; for the Government—

And note this—

for the Government, within the Constitution, has all the powers granted to it which are necessary to preserve its existence.

If all the powers are in the Constitution to preserve the existence of this Nation, it is time we were finding them. We have been hearing in the past 3 or 4 years of millions of men tramping the streets begging for work, while millions of pale-faced mothers stay at home and have to listen to their children cry for bread. Today there are millions of people who are hungry, millions who are naked, and millions who have not the place to lay their heads when night comes. It is such a condition as that which has been brought about through the abuse, perhaps, of the taxing power, or through the abuse in the imposition of what many choose to call a protective tariff. If such a condition exists, is not the Nation itself in danger? If it is in danger, if there is something that needs to be done to preserve the very existence of the Nation, the Supreme Court of the United States in the case which the Senator from Idaho said he loved so well, or was so fond of, said that there is in the Constitution the power and the authority for the Congress and the officials of Government to do the things that are necessary to preserve the existence of the Nation; and I agree fully with that.

Now a great noise goes up because it is proposed at this time to delegate to the President of the United States the power to regulate commerce with foreign nations. The reasons why it should be done have been discussed by many. We have seen our foreign trade shrink almost into nothingness. There was a time when millions of people—I think Mr. Hoover on one occasion estimated the number to be 3,000,000 men, laborers—were given work in factories producing goods which were exported and sold to foreign countries; but that business has dwindled away until it is almost nothing.

We carry on practically no commerce with other nations, and when we undertake to devise some means whereby we may restore commerce with foreign nations, we hear it said, "You must not do it; it is a delegation of authority; it is the creation of a dictator; it is bringing about a revolution; it is destroying the sacred rights of some of the people who have grown rich in taking that from the average man which they had no right to take."

Mr. President, I have discussed the constitutional provisions of the pending bill rather hurriedly and unskillfully. I now wish to say just a few more words and I will have finished. What I say now expresses my personal views about a protective tariff; I speak for no one else. I do not know what the views of the President of the United States are; I do not know what the views of many of the Senators are; but I do believe as sincerely as I ever believed anything in my life that all the troubles we have today are but the culmination of that system which started 100 years ago and which has developed since then of protecting industry. The excuses that have been given for it have been lame ones. There never was any excuse for it other than to give power to some group of people somewhere to take from the great masses of the people that which they had no right to take. I am against the protective tariff. I realize it has become so a part of our system of government that we cannot dispense with it all at once, but if I had the power I would begin now and I would work toward the one objective of eliminating from our statute books everything that carries the idea of a protective tariff.

If there had never been such a thing as a protective tariff, there would not today be the great congestion of population and wealth in certain centers that has been brought out through the protective tariff. Why is it the farmers of the West are having such a terrible time existing? Oh, it is easy to answer that question. The farmers of the West have been discriminated against by a tariff which they themselves have supported.

The greatest propaganda the world has ever seen has gone out in favor of what we know as the protective tariff. Men who have great talent and great brain power have been hired by those who are its direct beneficiaries to go on every lecture platform and on every Chautauqua platform, the theaters, the picture shows—yes, even at times the churches themselves have been but the instruments of propaganda to create a sentiment for the protective tariff. If there had never been a protective tariff, factories would have developed naturally where the raw material was; they would have developed because of the necessity for their development; the money which has been taken from the people to enrich a few easterners and some others who have lately been getting benefits from the protective tariff would have remained with the people; and the population would not have been congested in New York, Chicago, Detroit, and other great centers, but the population would have been distributed throughout the West, where it belongs. If that had been true, instead of the farmers of the West being compelled to build and support railroads, as they have done in order to ship their raw materials to the centers of population where they could feed the people, they would have kept

those raw products there, where the people would have been; and when they kept them there where the people should have been, they would not have been forced to pay freight rates to the eastern seaboard and freight rates again back on the finished product.

Mr. HASTINGS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Delaware?

Mr. LOGAN. I yield.

Mr. HASTINGS. In view of the Senator's position and his statement that he does not believe in the protective tariff, I wish to inquire whether he agrees with the recent action of the President in imposing a tariff, as I recall, of 150 percent on rugs?

Mr. LOGAN. Of course I do not.

Mr. VANDENBERG. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Michigan?

Mr. LOGAN. I yield.

Mr. VANDENBERG. In view of the Senator's position that ultimately he would eliminate all tariffs, may I ask him whether he thinks the pending bill is a step in that direction?

Mr. LOGAN. I do not; I am afraid it may result in higher tariffs. I am not much in favor of this bill because I am afraid that it is not a step in the right direction, but it is the only thing we can do. If there has ever been a piece of legislation that has wrought destruction to an already troubled world it was the Smoot-Hawley tariff bill.

Let me say in that connection that Senators on the other side of the Chamber are making a good deal of complaint about delegating authority to the President of the United States to make tariffs, if that is what they desire to call it, but I never heard any of them complain when they delegated the authority to Joe Grundy, of Pennsylvania, to make the tariff law of 1930. I would rather trust—and I think the American people prefer to trust—the President of the United States rather than Mr. Grundy, however good he may be.

Mr. HASTINGS. May I inquire whether the Senator would be in favor of repealing the present tariff law entirely?

Mr. LOGAN. The Smoot-Hawley tariff?

Mr. HASTINGS. Yes.

Mr. LOGAN. If it were left to me, I would burn it in fire and brimstone.

Mr. HASTINGS. I am wondering whether the Senator can state why the Democratic Party has taken no action in that direction?

Mr. LOGAN. I am very glad to state that. For a number of years the Republican Party fostered the protective tariff, and it conferred benefits upon particular industries in which the Republicans were interested. The Democrats walked around on the outside for a long time and said, "We are against that thing; we are not going to stand for it"; but they were never able to do very much about it. Finally someone said, "Well, while the getting is good let us get ours." Take the tariff on sugar. If there ever was an iniquity on earth it is the tariff on sugar.

The senior Senator from Louisiana [Mr. LONG] is not here, but some of the other Senators from sugar-producing States are present; and I think that is a good illustration. It was said, "We will build up a sugar industry if you will allow us to tax 124,000,000 people $250,000,000 in order to give to 500,000 people a bonus or a benefit, and we will be very well satisfied with a tax on sugar." That is what they have been doing. The senior Senator from Louisiana [Mr. LONG] has often boasted of his friendship for the poor; great tears roll down his cheeks copiously when he talks about the poor; and yet if there is any tax in the world that is continuously and forever reaching into the pockets of the poor and taking their hard-earned pennies, assessing the men who cannot earn enough to afford shelter and food for their families, it is the sugar tax, which makes them pay per capita just as much as does Henry Ford or any other millionaire. That is true, in a large measure, as to all the items in a protective tariff. It does but one thing; it taxes the poor equally with the rich.

Mr. OVERTON. Mr. President, will the Senator from Kentucky yield?

Mr. LOGAN. I yield to the Senator from Louisiana.

Mr. OVERTON. Will the Senator point out any country in the world where sugar is selling cheaper than it is selling in the United States of America?

Mr. LOGAN. I will not, because I do not know whether there is any, but I do know, as every man knows, that if the tariff on sugar did not increase the price to the consumer in America there would be no tariff there. I do not care what it sells for in other countries of the world, the fact that the price is increased to the American consumer is what makes it an abomination. Senators are entitled to their own opinions about it. For those who believe that the United States Government should treat the tariff as a sort of grab-bag and that every fellow should reach into it and get exactly what he can, that is all right, if they believe it is all right; but, so far as I am concerned, I am against any such system.

I say that it is one of the great mistakes under the Government of the United States that for years the tariff has been used as a logrolling device, so says the Senator from Louisiana, whereby each one could get what he wanted, but there has seldom been anyone representing the great masses of the people. Nearly all the people are hurt by a protective tariff, for the price they have to pay for their goods and necessities is increased by the tariff. All the other Democratic Senators may depart from that view, if they so desire, and Democratic platforms may depart from it, and Democratic candidates, as was pointed out yesterday by some Senator, may depart from that idea; but as for me and my house forever, I declare that there is no one who can convince me that it is right to make 95 percent of the people pay toward the support of a very small minority.

Mr. HASTINGS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Delaware?

Mr. LOGAN. I yield.

Mr. HASTINGS. I wonder if the Senator can find any justification for the theory that we are entitled to put a tariff upon rugs coming from Japan, where the rate of wages is probably 15 to 18 cents a day as compared with $5 to $6 a day in this country?

Mr. LOGAN. I would not have missed that suggestion of the Senator from Delaware for anything. I was forgetting something I had desired to note. I hear people talk about the standard of living in America and the standard of living in other countries, and they want to even up conditions with a protective tariff. If there has ever been anything that is foolish it is that.

Go over to England, about which Senators talk. Go out in the country there and see how many little tumble-down cabins are to be found scattered on the mountainsides and along the streams. See if there may be found men and women and hound dogs that appear as though they had not had anything to eat for months. They are not to be found there. Their living conditions are better than our living conditions, although our workmen may receive a vastly greater wage.

Go into Germany, if we will, and drive through Germany and see the neat little houses where the working people live, with flowers climbing over the windows and on the roofs, the neatly trimmed lawns, and evidences of happiness everywhere. Then go to the mountains of North Carolina, Tennessee, Virginia, and other sections of the United States and see the living conditions there. Go into the throngs of the great cities of the United States, and then go into the cities of Europe, and come back here and dare to tell me it is necessary that we shall have a protective tariff in order to make living conditions here equal to living conditions in Europe.

Mr. OVERTON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Louisiana?

Mr. LOGAN. I yield.

Mr. OVERTON. The Senator from Kentucky is speaking about England and about a tariff on sugar. I should like to have him to advise me if it is not a fact that in England there is not only a tax levied, but also a bounty paid for the growing of sugar and the production of sugar?

Mr. LOGAN. I would not dispute that at all; but I do not care if it be true. There may be a bounty paid and a tariff in every country on earth, but when we have a few sugar growers in Louisiana and other States who are filching the pockets of the people of the United States day in and day out, taking away the earnings of the poor, about whom our friends cry so much, I am against it because it is not right. We have less than 500,000 people in the United States interested in the sugar industry at all. We have nearly 125,000,000 people taxed for the support of that group. What is the justification for it?

The senior Senator from Louisiana [Mr. LONG] told us the other day, when he said—

> We wanted that tariff for our State, and so we went over and traded with somebody in Ohio for them to give us a tariff on sugar and the right to take from the people that which we had no right to take, if we would vote to give them the right to take something else from the people.

The Senator from Louisiana said he knows that is the way the tariff laws have been made. Bad as it may be to delegate the power to the President, I would delegate it to anyone, I would delegate it to Satan himself, before I would be willing to go through the processes which have been so ably described here by the senior Senator from Louisiana in the making of tariff laws, when he knows and we all know, that it is merely a filching from the people of the United States.

Mr. LONG. Mr. President——

The PRESIDING OFFICER (Mr. REYNOLDS in the chair). Does the Senator from Kentucky yield to the senior Senator from Louisiana?

Mr. LOGAN. I yield.

Mr. LONG. I wonder if the Senator knows that if the tariff philosophy which he is expounding were put into effect we would not have a coal mine in the United States, because foreign coal would take the market; we would not have a domestic oil field in the United States, because foreign oil would take the market; we would not have any sugar production in the United States, because foreign sugar would take the market; we would not have any lumber production, because foreign lumber would take that market over. We would have nothing if the tariff philosophy my friend is advocating were put into effect.

Mr. LOGAN. But the people who burn coal would be able to buy it somewhat cheaper, and they need every penny they can save. The people who buy gasoline would be able to buy it much cheaper, and the people who buy sugar would be able to buy it much cheaper. There is enough land in the United States to support a population five times that which we have today.

I am objecting to the regimentation about which our friends talk so much—not the regimentation about which Professor Tugwell talks. I am talking about the protective-tariff regimentation where great groups of people have been brought together. Let me say to the Senator from Louisiana that he has been vociferously urging the distribution of wealth, and yet he boasts of the fact that he is one Senator who on every occasion has voted to perpetuate the system whereby wealth shall always abound in the hands of the few and the poor shall have nothing.

The only reason why we have these great aggregations of wealth in the main—I do not say there are not some exceptions—but the reason why we have the tremendous wealthy influence, the reason why we have the tremendous aggregations of wealth, is because of the pernicious protective-tariff system which the Senator from Louisiana says he advocates. Therefore, I must say that his advocacy of the poor is but a pretense because when he comes to act he acts for the rich and in favor of making them ever richer and greater in wealth. [Laughter.]

Mr. LONG. Mr. President, I wonder if my friend from Kentucky knows that in his effort to take the tariff off sugar he is an ally of the American Sugar Refining Co.?

Mr. LOGAN. I do not care whose ally I may be. I do not care whether I may be an ally of the sugar-refining company or whether it be Germany or the United States or Africa, I am for taking the tariff off sugar. When Secretary Wallace said it was a foolish thing to foster, if he did say it, he was telling the truth. But I am not speaking for him.

Mr. OVERTON. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the junior Senator from Louisiana?

Mr. LOGAN. I yield; but I did not mean to get into a controversy with the two Senators from Louisiana. [Laughter.]

Mr. OVERTON. In order to avoid interrupting the Senator from Kentucky unduly, I should like to ask him two questions: First, whether he entertains the same view with respect to a tariff duty on tobacco and tobacco products that he does with reference to a tariff on sugar?

Mr. LOGAN. Exactly.

Mr. OVERTON. The second question is whether he has any information at all that in the event the bill shall be passed there will be a reduction in the tariff duties on sugar or on tobacco?

Mr. LOGAN. I hope there will be, but I have no information of the subject at all. I have not seen the President in months, nor have I had any information on the subject.

Mr. LONG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the senior Senator from Louisiana?

Mr. LOGAN. I yield.

Mr. LONG. I just want to try to ask my friend a question, and I am going to put it all in one question. Does he not know that the Copper Trust is against the copper tax, the Oil Trust is against the oil tax, the Sugar Trust is against the sugar tax, and does my friend from Kentucky still think he is not fighting the common people when he lines up with those trusts? They know what they are doing better than we know. The Copper Trust knows what it is doing, and so does the Oil Trust, and so does the Sugar Trust. But we people from Louisiana, whose farmers are raising sugar to keep soul and body together in this country, sugar that all must have, are opposed by these gigantic combinations and monopolies. The great trouble is that they steal our misguided friends in Kentucky away from us because they do not see where the lines are drawn.

Mr. LOGAN. I suppose the Senator does not make that statement seriously. I suppose it is for public consumption in order to defend the position he has taken since he has been in Congress that he is a friend of the poor and believes in the redistribution of wealth. Of course, no trust that ever existed is against a protective tariff unless, perchance, it could get more out of it by being against it.

I very well know that if we take the tariff off sugar, the consumer, the little hungry children about whom the Senator cries so much, the poor, pale women who rarely ever have a quarter to buy a quarter's worth of sugar, will pay less for their sugar, that sugar will be cheaper to them; and that is a good way to redistribute wealth.

Mr. VANDENBERG, Mr. FESS, Mr. LONG, and Mr. OVERTON addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Kentucky yield; and if so, to whom?

Mr. LOGAN. I yield first to the Senator from Michigan.

Mr. VANDENBERG. Mr. President, the only time in 20 years when sugar has sold for more than 5 or 6 cents a pound was in 1920, when it sold up to 30 cents a pound; and that is the only year when the domestic sugar production ceased to exist and went out of the competitive market. Therefore, based upon the American experience, the moment the domestic-sugar competition ceases—and the Senator admits that it can exist only under tariff protection—our market is delivered exclusively to the Wall Street control of Cuban sugar; and the masses of people concerning whom the Senator is righteously worrying—and I agree with him

in his solicitude—are the victims, not of the tariff but of the lack of domestic competition which is maintained by the tariff.

Mr. LOGAN. If the statement of the Senator is true—and I think it is; so far as I know, his statements are always true as he sees them—then there is a reason why the pending bill should be passed, and we should delegate to somebody the authority to break up a thing of that kind. We do not need a protective tariff to do it, but somebody should have authority to prevent that condition.

I think—and I am saying this seriously—that if I were writing this bill, I should write this kind of a measure: It would be about three or four lines in length. I should say:

The importation of all goods into the United States is hereby prohibited.

Then I should put in another sentence, saying:

Provided, however, That if any other nation shall work out an agreement with the Government of the United States which is satisfactory to both governments, then goods such as are agreed upon may be imported into the United States.

Mr. LONG. Mr. President, will the Senator yield for one more question?

Mr. LOGAN. Yes.

Mr. LONG. Does not the Senator know that the United States has the cheapest sugar market in the world?

Mr. LOGAN. I do not know about that. I assume that what the Senator says about it is true. I do know that it has the only market in the world, so far as I am advised, where the people are taxed on the very necessaries of life. We might just as well tax salt; we might just as well tax those things without which the body cannot exist.

Mr. CLARK. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Missouri?

Mr. LOGAN. Yes.

Mr. CLARK. The Senator from Louisiana is, of course, familiar with the fact that in the countries where the price of sugar is higher than in the United States, sugar is a monopoly of the government, as salt is in some uncivilized countries, as tobacco is in some countries, as cigarettes are in some countries, where an additional tax, over and above everything else, is put on the product for the purpose of government monopoly.

Mr. LOGAN. I thank the Senator from Missouri for his statement. I did not know about that. There are a great many things that I do not know.

Mr. LONG. I have not looked at the market lately, but I think it probably will be found that the price of sugar in Cuba today is higher than it is in the United States.

Mr. CLARK. The Senator from Michigan [Mr. VANDENBERG], who is better informed than the Senator from Louisiana, shakes his head, so I guess that is not true.

Mr. LONG. Perhaps not; it may not be today; but I know that on many occasions the sugar market in Cuba has been higher than in America. All over the world, unless it is in Cuba, America has the cheapest price.

To show how much sounder that is than the Senator would think, in the tropical countries which produce the foreign oil that comes in here so cheaply that it ruins the American market, gasoline always sells for about twice what it sells for here, notwithstanding that they are the home of the cheap oil. America, by keeping up its domestic oil production, keeps down the price of oil. If we should today get rid of the domestic sugar crop in the United States, we would not have any more 5-cent sugar. We would not have any 6-cent sugar. We would have what we had in 1920, 30-cent sugar, or something like that.

Who owns Cuba? The National City Bank and Wall Street own Cuba. They own the Philippine sugar business, and we are driving countless millions of little farmers out of a living.

Mr. LOGAN. Did the Senator say, "countless millions"? Oh, no; there are very few farmers engaged in the sugar industry. Let us not have statements about "countless millions."

Mr. LONG. Not countless millions, but there are millions of people engaged in the sugar business. Perhaps there are not millions of farmers.

Mr. LOGAN. No; there are less than 500,000 all told, including employees.

Mr. LONG. The Senator means there are that many families. Count four to the family, every one of them working in the fields. Every one of them, from the time he is 6 years old, works in the cane fields. If there are 500,000 farmers, there are 2,000,000 men, women, and children in the cane fields and on the beet farms today. If today we drive the American people to a monopoly for sugar, if we drive them to a monopoly for oil, or to a monopoly for copper, the foreign producers can charge us what they want to charge us; and where are the people of America going to get anything with which to buy sugar if they cannot make any lumber, if they cannot make any gasoline, if they cannot refine any sugar? Where are the people going to get all the money with which to buy these products?

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. LOGAN. I yield to the Senator from Maryland.

Mr. TYDINGS. I should like to point out to the Senator from Louisiana that Puerto Rico is a part of the United States. It is one of our possessions. It has no oil wells, and it has no tariff on oil coming from the United States to Puerto Rico proper; yet the price of gasoline and oil in Puerto Rico is from 25 to 60 percent higher than it is in continental United States.

The obvious reason is that there are less cars in Puerto Rico than there are in the United States, and therefore the evaporation and handling and transportation add greatly to the cost, while in the United States, where there is a great volume of sales, the transportation has been simplified and economized, and the volume is sufficient to prevent evaporation.

If, therefore, there prevails in a part of the United States a condition of high price of oil comparable to that in the South American countries which the Senator pictures, his argument must fall, because there is no support of fact under it.

Mr. BONE. Mr. President, will the Senator yield?

Mr. LOGAN. I yield to the Senator from Washington.

Mr. BONE. The Senator from Louisiana complains that a South American country producing oil sends it into this country, where it is sold at a figure far under the price at the point of production. I am wondering if the Senator from Louisiana is not aware that our American manufacturers engage in the same practice. We build in this country sewing machines which we sell at one price, and when we go to Mexico City we can buy them there for half the domestic price. The same thing is true of steel rails and a hundred commodities that are handled in identically the same fashion that the Senator from Louisiana suggested.

Mr. CLARK and other Senators addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Kentucky yield and, if so, to whom?

Mr. LOGAN. I yield to the Senator from Missouri.

Mr. CLARK. Mr. President, of course, it has been demonstrated several times by congressional investigations that under our tariff system steel billets have been sold to builders of naval vessels at Glasgow or in Germany or France, possibly to be used against the United States, for less than the price at which the same steel billets could be bought by American builders at the door of the factory in Pittsburgh.

Mr. LONG. Mr. President, if the Senator will permit me to answer that——

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Louisiana?

Mr. LOGAN. I will yield just for a minute, because I want to find terminal facilities pretty soon.

Mr. LONG. I wish to say that that is no argument. We find gasoline selling in San Francisco at one price and in New York at another. We sometimes find gasoline selling in California—where they get the oil out of the ground and

refine it—at a higher price than it is selling for in Jersey City. That has often happened, so that is no argument.

Mr. CLARK. That is the old tariff argument on monopoly.

Mr. LONG. Certainly. Now, I am not going to try to convince any free-trader. That is simply impossible. Why they are free-traders, I do not know; but a free-trader cannot be convinced. The fact stands out, however, that America is the cheapest market for oil, America is the cheapest market for sugar, and yet we are protecting our domestic industry. A free-trader cannot be made to see it. They want something like the South American countries have. I do not know why they do not get it. Why in the world they have not gone down there before now, I do not know; but they want free trade. Notwithstanding that America, with its standards of living, has the cheapest commodities, none the less they cannot see it. There is something in the way all the time.

Mr. CLARK. Mr. President, the Senator from Kentucky says he prefers not to yield further, but I will ask him to yield for just a minute.

Mr. LOGAN. I yield.

Mr. CLARK. Of course the Senator from Louisiana has never studied the tariff question sufficiently to understand the difference between a free-trader and a man who understands the Constitution, and who understands that under the Constitution the only theory upon which a tariff rate can be levied is that of a tariff for revenue. The Senator from Louisiana always insists that anybody who desires to cut out prohibitive tariffs and the tariff taxes that are paid by the American people, not into the Treasury of the United States but into the pockets of protective-tariff barons, is a free-trader.

Mr. LONG. Mr. President, may I ask a question?

Mr. LOGAN. I yield.

Mr. LONG. The Senator from Missouri, then, is not a free-trader?

Mr. CLARK. I am not a free-trader; no.

Mr. LONG. The Senator believes in a tariff?

Mr. CLARK. I think it is a legitimate use of governmental power to levy a tariff duty up to the maximum revenue-producing point; but I say that any tariff tax—because the tariff is a tax—which is levied above the maximum revenue-producing point is robbery under the forms of law.

Mr. LONG. Would the Senator accept our Democratic doctrine of the difference in cost of producing that article abroad and in America?

Mr. CLARK. The Senator from Louisiana is not very familiar with the Democratic doctrine, as he demonstrates by usually sitting on the Republican side when he makes a speech on the tariff. That is not a Democratic doctrine. That is a doctrine which has been enunciated in a good many Republican platforms. It has never been the doctrine of the Democratic Party. I know the Senator is going to the platform of 1924——

Mr. LONG. 1932.

Mr. CLARK. Or the platform of 1928, on which the Democrats received the most disastrous defeat they ever had in the history of the country.

Mr. LONG. I am going to read the platform of 1932.

Mr. OVERTON and other Senators addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Kentucky yield; and if so, to whom?

Mr. LOGAN. I yield to the junior Senator from Louisiana, and then I am going to try to get through. I started out to speak for 45 minutes, and I have been speaking for nearly 3 hours, and I have a right to quit.

Mr. OVERTON. Mr. President, this is the last time I shall transgress.

In view of the fact that the Senator from Missouri [Mr. CLARK] has stated that he believes very firmly in a tariff for revenue, and has made some observations in respect to a tariff on sugar, from which I infer that he is opposed to a tariff on sugar, I desire to ask him if he knows a greater revenue producer in the history of our Nation than the tariff on sugar.

Mr. CLARK. Mr. President, I do not desire to interrupt the Senator from Kentucky. I will expound my tariff views in my own time before the close of this debate. I shall be glad to respond to the question of the Senator from Louisiana, but I do not desire to transgress further on the patience of the Senator from Kentucky.

Mr. LOGAN. I thank the Senator from Missouri—in fact, all Senators. I hope the time may come some day when the Democratic Party will get back to its firm and sound position on the tariff.

Mr. LONG. So do I.

Mr. LOGAN. I hope that time may come. I realize, as I said in the beginning, that it will be a gradual process of getting back to a sound position on the tariff. Things are so terribly out of joint that it will take a long time to get back.

Now let me say, in response to some of the suggestions that have been made, that the last tariff bill—what is the name of that bill?

SEVERAL SENATORS. The Smoot-Hawley bill.

Mr. LOGAN. When the Smoot-Hawley tariff bill was passed——

Mr. CLARK. Mr. President, may I interrupt the Senator once more?

Mr. LOGAN. Yes.

Mr. CLARK. The name by which that tariff bill is commonly known over the United States is the "Hoover-Grundy tariff bill."

Mr. LOGAN. When the Hoover-Grundy tariff bill was passed it drove out of this country hundreds of millions of invested capital, because foreign countries began to put up their tariff walls against us, and our manufacturers went over into foreign countries and established their plants, and carried their money over there, and employed labor in the country where they were located, and spent their money there, and the money circulated all through that country. That, of course, amounted to hundreds of millions in money, and millions of our people found themselves unemployed by reason of it. After they made the article they shipped it back to the United States, and after paying the transportation, still were able to sell it at prices lower than those of some of the competitors who had stayed in the United States all the time.

What I started out to say was that the measure before us is a bill to regulate commerce, and before I conclude what I have tried to say—I have no idea what it is just now, because I have been interrupted by so many, and we have discussed so many things, that I am not entirely sure, but I am going to get back to that with which I started out. I also wish to say at this time that I think a resolution should be adopted providing that a tariff Democrat like the senior Senator from Louisiana should be assigned to a seat on the Republican side, because he is a Republican. A man who believes in a protective tariff and a tariff on sugar cannot be anything else.

The power to regulate commerce is the power we are attempting to exert in the pending bill, and we are doing that through the delegation of authority to the President. I want to read from one who wrote a good many years ago expressing his idea of the meaning of that provision in the Constitution authorizing Congress to regulate commerce. This was his idea about it, and I think it was sound:

> The power to regulate commerce is essentially a retaliatory power. It was bestowed in order to vest in the Government the power to employ retaliatory legislation against nations which excluded our products from their home or colonial ports. If any country would not permit us to traffic with its dependencies, Congress might so "regulate our commerce" with it as to exclude its products, wholly or in part, from our ports. If any nation adopted a policy adverse to our interests, Congress might retaliate by the imposing of discriminatory duties upon its commodities. Congress might also regulate our commerce with any country, which seeks to use its preponderance of capital for the purpose of crushing our industry, in such a manner as to thwart its injurious policy, and to maintain an advantageous system of commercial exchange. But this retaliatory legislation is very different from general duties laid upon the imported products of all foreign countries for the purpose of securing a monopoly to some favored interest. The intention in conferring this power on the Federal Government was not to give it power to foster any particular

branch of domestic industry by hostile legislation against the industry of all foreign countries, but to retaliate upon any foreign country that wished to foster their industry by a policy hostile to us. The policy of the Constitution was to secure to our industry an equal competition in the ports of the world, untrammeled by adverse legislation. In a word, the regulation of commerce was designed to promote intercourse, on equal terms, with foreign countries, not to impose barriers to it; to free the entire industry of the country from foreign oppression, not to oppress almost all its branches for the benefit of a few favored interests; to secure our industry free course, not to trammel it; to obtain for it the privilege of flowing in its natural channels, not to warp it into abnormal development.

I think that is the meaning of the provision of our Constitution, that Congress has the power to regulate commerce with foreign nations. We cannot do it. To sit here as a Congress and undertake to regulate commerce with nations which have retaliated against us, which have discriminated against us, is an utter impossibility, and everyone here knows that to be true. Then, if we have the power to regulate commerce with foreign nations, and if we cannot do it by sitting here as a congressional body, the only thing we can determine is that we will regulate commerce with foreign nations by delegating the authority to someone who will do it, and that is what this bill proposes to do.

I must beg the pardon of the Senate for the time I have taken.

Mr. McKELLAR. Mr. President, I wish to say that I have heard nearly all of the Senator's argument on the pending bill, and I think it is one of the best arguments, one of the most powerful arguments, that has been made in the Senate on any subject at this session of the Congress.

Mr. LOGAN. I thank the Senator.

Mr. LONG. Mr. President, will the Senator yield to me?

Mr. LOGAN. I yield.

Mr. LONG. I was just wondering whether the Senator from Tennessee had heard that kind of argument when he was voting for tariffs on the products of Tennessee.

Mr. McKELLAR. I could not explain that to the Senator from Louisiana in a thousand years. I do not think the Senator can understand those votes at all. [Laughter.]

Mr. LOGAN. Again I thank the Senate for its patience in hearing me. I realize that I have not been able to do all the things I would have liked to do. I did not know it took so long to discuss the tariff. But I am for the pending bill. Perhaps if it had been left to me I would have written a different bill, but it is the only thing we have before us, and I think it will fulfill the purposes Congress has in mind.

Mr. HEBERT obtained the floor.

Mr. FESS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Rhode Island yield to the Senator from Ohio?

Mr. HEBERT. I yield.

Mr. FESS. I ask unanimous consent that immediately following this oratorical effort in behalf of free trade on the part of the distinguished Senator from Kentucky there be inserted in the RECORD the address of the Honorable HENRY F. ASHURST on the 11th of April of this year on the protective tariff, in order that the two might be read together.

Mr. CLARK. Mr. President, I should like to join in that request and to ask that, in conjunction with the address covered by the request of the Senator from Ohio, and in connection therewith, there be included the very eloquent speech made by the Senator from Ohio [Mr. FESS] during the consideration of the Hoover-Grundy tariff bill in behalf of the flexible-tariff provision.

Mr. FESS. I join in that request. [Laughter.]

The PRESIDING OFFICER. Without objection, the matters referred to will be printed in the CONGRESSIONAL RECORD.

The addresses referred to are as follows:

ADDRESS OF SENATOR ASHURST, APRIL 11, 1934

Mr. ASHURST. Mr. President, I regret to take even a moment of the Senate's time when time is precious, but some attention must be paid to the motion of the Senator from Missouri [Mr. CLARK], and I feel disposed to pay some attention, respectfully of course, to the language he employed.

The Senator, with his scholarship, in a few sentences inveighed against the tax bill passed in 1912 because, forsooth, that tax bill had carried some items of taxes or tariff respecting certain articles imported into the United States.

I regard the Senator from Missouri as one of the ablest exponents of the low-tariff system we have in the Senate. I shall say for him he has tried to be consistent, but even if he were guilty of the apparent inconsistency adverted to by the learned Senator from Texas [Mr. CONNALLY], that would not condemn him in my judgment, and he would be secure from my prejudice, because when I took the oath of office I took it without reservation; but there was a pledge to myself that I would never, as a Senator, try to be consistent. The man who tries to be consistent simply says "I decline to be wiser today than I was yesterday."

So, Mr. President, I defend the tax or Tariff Act of 1932. That act laid a tax or tariff upon oils, copper, coal, and lumber imported. I voted for those items and I have searched my heart since then and find no regret for the vote I then cast.

It ought to be always the duty of an American Congress to try to promote the American market. There is no escape from the irresistible logic of the statement that the American is entitled to his own home market.

I am not so much concerned about foreign countries, romantic as their history is, as I am about America, and I rise now to serve notice, respectfully, of course, on the able Senator from Missouri that I have proposed a tax—a tariff, if you prefer—of 10 cents a pound upon all copper imported into the United States.

Mr. President, there are some Democrats, able men, before whom Columbia would be proud to lay her shining hair, who are high-tariff men, but some of them rather conceal the fact that they are for high tariffs. I make no concealment of my position—no concealment whatever.

Daniel Webster went to the Congress of the United States from New Hampshire as a free-trader, but that imperial intellect, yielding to the irresistible forces of logic, preparedness, national destiny, and national advancement, changed from a free-trader into a great champion of protection.

Mr. President, I do not deny that when I came to Congress many years ago I had studied theories and I believed in the theory of low tariffs, and my theories were so fine-spun and so brittle that I could liken them to porcelain or glass. With an agility and a nonchalance at that time that I now even in myself admire, I hurled my theories, my bric-a-brac, my porcelain, my glass, against the concrete wall of fact here for 10 years, and my porcelain was always shattered. It was not the wall that was shattered.

It is not theory that guides and controls the destinies of men. It is fact that controls.

So, Mr. President, this is, it must be, it should be a high-tariff country. You will not survive with your low tariffs. You will not survive with your free trade. You will not elevate, protect, defend, or strengthen the American workingman by a system of low tariffs.

Arizona produced during the World War one-third of all the copper used by the Allies. Arizona produced one-sixth of the copper of the world, and around her copper mines and copper camps a civilization comparable to that of any other city or town in America in culture, in patriotism, and refinement was built. The same thing is true of the other copper-producing States. But, forsooth, when the enormously rich deposits of copper were exposed in Africa and in South America, where labor receives 40 cents a day and works 12 hours daily, the copper-mining industry of the United States not merely fell into obsolescence and disrepair but it was almost exterminated.

If the Senator from Missouri will assist me in securing the passage of the amendment which proposes a tariff of 10 cents per pound on copper imported into the United States, I give him guaranties that Arizona will never ask a dollar from the C.C.C., the C.W.A., the E.R.A., or any other governmental relief agency, because such tariff would at once put to work 30,000 workingmen in the mines and smelters of Arizona; such tariff would at once cause the smoke to pour forth from the smelter stacks now so pathetically empty; it would at once cause the thud of the drill to be heard in the shafts, drifts, and stopes in the mines that are now dark.

I cannot speak now as to what revenue the tariff on oil brought into the Treasury; but I am able to say that under adverse conditions the copper tariff in about 18 months has brought into the Treasury of the United States $712,022. So if the tariff should be increased on copper, not only would it set to work the workmen of Arizona, but it would in large measure restore Nevada, it would restore Montana, it would, Mr. President, aid northern Michigan and some counties in Tennessee. It would at once set to work, with hope and with heart, and with industry and with smiling optimism many workmen in Idaho, Colorado, Utah, and New Mexico.

Senators may talk their fine-spun theories, but when I point them to a system which sets men to work at good wages, no shafts of ridicule pierce such system.

The able Senator from Missouri doubtless will say, because the Senator from Missouri has not only won laurels in the fields of statesmanship, but he has already won and will continue to win greater laurels in biographical literature, that the great Democratic statesmen of our early days were free-traders. I read with pride, not only because he was a fellow Senator but because of my admiration for accurate writers of history, the Senator's Life of John Quincy Adams. I do not perceive why he chose John Quincy Adams; I should have thought he would have chosen some free-trader, but doubtless this able historian will attempt

in the future to tell us that Thomas Jefferson was a free-trader, or that Thomas Jefferson was at least a low-tariff man.

Mr. President, I have 16 letters or copies of letters written by Thomas Jefferson pointing out that if the United States hoped to grow, expand, and become strong and efficient in governmental affairs and a power for good in the world she must protect herself by a proper tariff—letters written by Thomas Jefferson, the saint and sage of the Democratic Party.

And Andrew Jackson—what message comes to us from the Hermitage, from the grand old warrior who announced that we ought to have a protective tariff in order to stimulate and build up the industries in America that were necessary in times of war? By the way, Andrew Jackson was not nominated or even proposed for President by Tennessee. It was the high protective tariff State of Pennsylvania that championed the cause of Andrew Jackson; it was the State which from the writing of the Federal Constitution down to this day has stood for protection. Thomas Fitzsimmons, in the Constitutional Convention in 1787, announced the protective-tariff system from Pennsylvania.

It was James Madison, of Virginia, 8 years as Secretary of State and 8 years as President, who guided through the House of Representatives of the United States in 1789 the first tariff bill. It was that superb intellect—and Virginia has contributed a legion of them; they are here today in the persons of her Senators, although they may not agree with Madison on that point—it was James Madison who in his own hand wrote the preamble of the first tariff bill, which preamble stated:

"In order to protect the industries of the United States and raise revenue."

That preamble was written by the hand of James Madison, from whose hand and brain many great State papers have come.

When Pennsylvania, the high-tariff State, launched Andrew Jackson as a candidate for the Presidency, Martin Van Buren and Aaron Burr—Burr then had fallen into disrepute and was at that time a ruined man—championed his candidacy. I shall not consume the valuable time of the Senate to relate how much injustice has been done Aaron Burr more than to say that he saw in Jackson, as did Van Buren, possibilities of Democratic success. They championed Jackson, whereupon Mr. Ritchie, one of the most—if not the most—distinguished editor in the Democratic Party at that time, wrote to General Jackson and said:

"We have noted that you are advanced as a candidate for the Presidency"—that was in Jackson's first race—"and we desire in frankness to know if you are going to support the high-tariff system," now I use Mr. Ritchie's words, "and if you are going to support a high-tariff system, the support of Virginia will be relaxed."

Jackson, in a letter that I once could quote by heart—I shall only give it a passing reference—went on to point out to Mr. Ritchie that our workmen without a protective tariff could not compete with the workmen of foreign countries; that our industries could not succeed without a protective tariff; and Andrew Jackson, just as he never did, on that occasion did not retreat. Under the arrows of the enemy in the Creek and Seminole war Jackson would not retreat. When he faced the cold pistol barrel of his fellow duelist, Charles Dickinson, he allowed Dickinson the first shot, and then he fired; Jackson did not retreat. Under the guns on the plains of Chalmette, Jackson did not retreat; and under the political guns which cause many worthy men to retreat who do not even on the field of battle retreat, under the political guns Jackson declined to retreat, stood for a protective tariff, and served 8 years as President of the United States.

I respectfully say to my friend the Senator from Virginia [Mr. GLASS], one of the statesmen of the Senate, who, with his superb intellect, adorns this Chamber, that, while I did not agree with him the other day in his speech in support of the Presidential veto, mine eyes, mine eyes have long been dry but tears almost came to them under the majestic spell of his eloquence pleading for what he believed to be right. Although I did not agree with him then, I say to him that I am right on this question, and he is not following the true doctrine of democracy when he advocates low tariffs and free trade. The low-tariff or free-trade doctrine is one that has been engrafted upon the Democratic Party by men who sit in academic chairs and do not have to meet pay rolls.

So I serve notice in advance that the keen thrust, the almost sarcastic suggestion of the able Senator from Missouri that some disreputable thing was done in 1932, when we levied a tariff in a tax bill, falls harmless against the armor of historical truth and the logical position which we Democrats who are in favor of a tariff occupy on this occasion.

Mr. LONG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Louisiana?

Mr. ASHURST. I will yield for a moment only.

Mr. LONG. Just for a question.

Mr. ASHURST. I will yield for a question.

Mr. LONG. The Senator is not trying to convert the Senator from Missouri [Mr. CLARK] on the tariff question, is he?

Mr. ASHURST. Mr. President, I believe that even the Senator from Missouri may be converted. I refuse to believe that he, with his brilliant intellect, well trained in college——

Mr. CLARK. Mr. President, will the Senator yield?

Mr. ASHURST. I will yield in just a moment—trained in war, a superb lawyer under the tutelage of his distinguished father, whose memory we revere—I refuse to believe that such a Senator will not yield to logic and to common sense.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. ASHURST. Certainly.

Mr. CLARK. I thank the Senator very much, indeed, for his very kind compliment. I should like to say to the Senator, however, that when he offers his amendment providing for a tax of 10 cents on copper the Senate will have an opportunity to decide definitely between two theories, because I intend to offer as a substitute for that suggestion a proposal to repeal all the excise taxes contained in the Revenue Act of 1932.

Mr. ASHURST. The Senator's statement is commendable, at least from the viewpoint of frankness, because he attempted to do that, so I am advised, in the committee; but, of course, when he shall make his motion to strike out these excise taxes, I will then insist that the motion shall not prevail. Why, forsooth, when copper brings $750,000 in revenue to the Treasury, should that revenue be refused, sir?

Mr. CLARK. What does that tax cost the American people?

Mr. ASHURST. What does it cost the American people?

Mr. CLARK. That is the fairest test of a tax; not the amount that it brings into the Treasury but the amount of revenue it brings into the Treasury in comparison to the amount in which the American people are mulcted.

Mr. ASHURST. What does it cost the American people? Mr. President, I decline further to cavil with one who asks what will justice cost. "Oh, it is too expensive to have justice; let us have more injustice." I do not care to prolong a controversy with a man who is going to refuse justice to an American industry because it costs money.

Mr. President, some years ago in one of the thriving cities of Arizona—I shall not mention its name, as I do not wish to expose some of my friends to what would be good-natured raillery because of the position in which they were placed, so I will simply say it is a town well known for its hospitality, well known for its Americanism, well known from the fact that it has poured forth the red metal, copper, into the veins and channels of trade for 50 years; with the knowledge that this town produced vast quantities of red metal, copper, it was thought to be wise, inasmuch as many of the great cathedrals and other monumental buildings in Europe had been roofed with copper for more than 500 years, and that copper was durable, its ductility great, its tensile strength of a high degree, to roof a new schoolhouse in that town with copper. So, with enthusiasm, the trustees of the school district announced in proposals for bids that copper must be used for the roof of the building. Very good. They received the acclaim of their fellow townsmen, who said, "Now, Arizona and America are coming into their own; we are going to roof some of our buildings with copper." However, they overlooked to say "copper mined and processed in the United States", so the contractor sent to a foreign country and, at an exceedingly low cost, brought in great sheets of copper and roofed the building in a copper town in the Southwest with copper brought from a foreign country.

That was a refinement of irony; and the Senate will see now why I did not mention the name of the town and did not mention the names of the men who at that time happened to be on the school board.

I ask unanimous consent to include in the RECORD a table which I have from the Treasury Department, being figures showing the importations of copper and the amount of duty collected thereon since the last revenue act was passed.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and permission is granted.

The table referred to is as follows:

Imports of copper and manufactures dutiable under sec. 601, Revenue Act of 1932, June 21, 1932, to Feb. 28, 1934, inclusive

	Rate of duty	Pounds, copper content				Duty collected
		June 21–Dec. 31, 1932	Calendar year 1933	January and February 1934	Total under Revenue Act of 1932	
Copper, formerly free, made dutiable under Revenue Act of 1932:						
Copper ore, n.e.s.	4 cents per pound	200	937		1,157	$46
Copper in pyrite ore	do	1,520,779			1,520,779	60,381
Regulus, black, or coarse copper and cement copper	do	16,711	1,297		17,998	720
Unrefined, black, blister, and converter copper	do	539,637	1,014,543	224,165	1,778,345	71,134
Refined copper in ingots, plates or bars	do	1,364,901	7,447,257	1,289,311	10,101,459	404,059

Imports of copper and copper manufactures dutiable under sec. 601, Revenue Act of 1932, June 21, 1932, to Feb. 28, 1934, inclusive—Continued

	Rate of duty	Pounds, copper content				Duty collected
		June 21–Dec. 31, 1932	Calendar year 1933	January and February 1934	Total under Revenue Act of 1932	
Copper manufactures on which added duty was imposed by Revenue Act of 1932:						
Brass rods, sheets, plates, bars, and strips	4 cents per pound	1,653	55,475	360	57,488	$2,300
Brass tubes and tubing, seamless	do	12,303	28,771	3,761	44,835	1,793
Brass wire	do	252	26,004	2,801	29,057	1,162
Bronze tubes	do	261,934	278,832	70,035	610,791	24,432
Bronze wire	do	76,977	204,942	30,985	312,904	12,516
Other articles containing copper	do	9,279	42,926	5,782	57,987	2,319
Articles having chief value of copper	3 cents per pound	1,122,360	2,329,866	(1)	3,452,226	103,567
Articles having less than 4 percent of copper	¾ cent per pound	894,167	1,962,933	(1)	2,857,100	21,428
Articles having more than 4 percent of copper	3 percent			(1)		5,715
Total		5,821,143	13,393,773	1,627,200	20,842,126	712,022

[1] Not yet reported.

Mr. BONE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Washington?

Mr. ASHURST. I yield.

Mr. BONE. I should like to ask the Senator a question. During my service here it is my recollection that I have seen a statement in print that copper ingots have been laid down in New York at 6 cents a pound. I wonder if the Senator knows whether there is any truth in that statement?

Mr. ASHURST. I know of some copper laid down in some ports—I shall not say New York, but laid down in some of the Atlantic ports, and, indeed, at some of the Pacific ports—for a little less than 6 cents a pound, and some at 6 cents a pound. I will ask the Senator from Nevada if I am not correct as to that?

Mr. MCCARRAN. The Senator is correct.

Mr. ASHURST. So, it will be perceived that it is only by a remote excursion into the realms of imagination that anyone can be led to believe that we can mine and produce copper, pay our workmen good wages so that they may live as we claim we want our workmen to live, as dignified American citizens, and compete with Africa and South America, where, I repeat, many of the mines are richer than ours and the workmen wear only what a Senator during the debate a while ago referred to as that well-known article of habiliment, the breechclout, and labors 12 hours a day, and, as a magnate said, "They do not organize; do not bother us with organization." It is not possible for America to compete unless and until we have a proper tariff on copper or an embargo—and I do not hesitate at all to use the word "embargo" if we cannot make adequate provision by a tariff. Unless we shall have one of these, the entire copper-producing business and the copper-smelting industry in the United States will be gone.

Mr. President, may I say that he would be inhuman who wished another war and he would be a fool—I will withdraw the word "fool" and say he would be an unpretending simpleton—who did not see in certain quarters of this earth manifestations working, interchanges and exchanges, sinuous methods, devices being employed that may lead us on ultimately into some trouble; I hesitate to say would lead us into war. I abhor the words so much that it is with difficulty I approach the subject, but should we most unhappily be drawn into any conflict I do not want the United States to be found in the position, if such unfortunate eventuality should occur, as we were in during the World War. When the World War broke out we did not have supplies of manganese at all comparable with our needs, whereupon it was necessary to import manganese, because next to copper manganese is the most essential of all the war minerals.

It will be remembered by Senators that when the steamship *Cyclops* was lost she went down, and the loss of the *Cyclops* will be remembered with grief by Senators, because a nephew of one of our Senators was on board. All aboard were lost. She is now at the Port of Missing Men. No one knows what became of her. Not a spar, not a rope, not a board, not a piece of evidence survives today to tell us what happened to the *Cyclops*. She was laden with manganese, trying to reach an American port from Brazil in order that our factories might make weapons, munitions of war, to help win the World War in which we were engaged. In other words, we had to depend upon foreign countries for our supplies of manganese.

I do not intend to have it said when I retire from public service, "There goes a man who served in the Senate a long time, but he never had the vision to see to it that we of the United States ought to be producing all we need and require, that America should produce her own manganese and her own copper; but supinely he sat and permitted free-trade and low-tariff theorists to allow the importation of copper and manganese into the United States from foreign countries." Whatever may be my political fate, it shall not be charged that I sat here supinely and did not protest against this doctrine of free trade.

Mr. President, let me say a personal word. I am not going to retire from the Senate unless my constituents retire me. From the gathering of my friends it would seem that in my State they believe they can retire me. Indeed, they have paid me the compliment in my State of bringing out five very excellent and able gentlemen against me. I not only have one opponent to defeat but I have five worthy gentlemen to defeat. Scrubs never run against me. Always high-grade, excellent men run against me. Indeed, one of my most formidable opponents, a sound lawyer, a brilliant orator, well known by 25 or 30 Senators here, named Barnum, and whatever advertising he may obtain out of my reference to him he is welcome to, because if he or any other of my present opponents be chosen, I do not think the Senate or the country will suffer by my displacement or by his election; but, "believe you me", as I heard on the campus at Harvard, they will not displace me without some effort on their part! [Laughter.]

My own displacement might amount to but very little. Possibly there may be half a dozen men here—I shall not name them—whom we would miss upon their retirement, but if I or most of us were to retire, we would leave about the same impression that we would if we put our finger in a basin of water and withdrew the finger. [Laughter.]

I say again, in all seriousness, that I have no apologies to make, here or elsewhere, for my advocacy of a protective tariff. I chose this tariff course for myself more than 14 years ago, and I have adhered to it. Whenever I meet my good friend, the present able and cultured Secretary of State—I am sure he has an affection for me and I know I have an affection for him—I suspect that he knows if I secure opportunity I shall try to induce him to come over to my idea of a protective tariff and thus make America strong and efficient.

I thank the Senate for its attention.

FROM ADDRESS BY SENATOR FESS, MARCH 30, 1932

Mr. FESS. * * *

Mr. President, I have regarded the enactment of the flexible provision in the tariff law as the most important feature of tariff legislation in the last 40 years. I think writing into the law the flexible provision which permits under certain limitations a change in the tariff duty on a single item, without bringing into discussion and throwing open the whole tariff issue, is the longest step toward scientific tariff making that has ever been taken by the Congress. When the proposal was first made some of us questioned its wisdom. One source of doubt was whether in a tariff act embodying many thousand items the rates on individual commodities should be made subject to change by the Executive alone. When it was first suggested the Republicans were somewhat divided, as well as were the Democrats, as to whether under our system such an innovation in tariff legislation was wise. There are still those who have in their minds a doubt as to its wisdom, but the flexible provision has been in operation for a number of years, and I think has clearly demonstrated its wisdom.

When it was first proposed our friends on the other side of the aisle objected to it on the ground that there would be too many changes; that the changes would come too frequently, and thus business would be too much disturbed; yet when the last tariff measure was considered the argument then presented was that there had not been a sufficient number of changes; that there had only been 35 changes of rates, and I recognized at once that the argument was very largely a matter of politics. Still the question involves a sufficiently important issue to justify it being judiciously considered and discussed; and it has been so discussed ever since the pending bill has been before us. I regard the discussion of the tariff question which has taken place on the pending bill as being on as high a plane as any debates on any subject I have heard in this body.

Here is a proposal to change the flexible provisions of existing law. I am opposed to the change. I am opposed to it because it would nullify the very object sought to be attained by the insertion of the flexible provision in the law. If the flexible provision of the tariff act has any merit, or contains any element which should meet approval, it is the possibility which it contains of eliminating the logrolling process that inevitably creeps into general tariff legislation. If it is at all possible, the throwing of the whole question of tariff revision into Congress at one time

should be avoided; first, because under such circumstances, business cannot be stable; and, second, so long as the rates in the various schedules are uncertain there is bound to be more or less of a break-down in the employment of labor.

The purpose of the flexible provision was twofold: First, to minimize logrolling; and, second, to avoid throwing the whole question of the tariff into the hopper and disturbing business everywhere for an indefinite period. The flexible provision affords an opportunity to take up one item in the tariff law and deal with it alone, without taking up all the other items of the various schedules.

The proposal for a flexible provision in the tariff was first given impetus by President Roosevelt, who called attention to it at different times in messages he sent to the Congress, and the movement for it was advanced under President Taft. Its purpose was to avoid the necessity of taking up the whole tariff, but to make provision so that one schedule could be dealt with at a time and dealt with finally without taking up the others, thus offering the basis of trades. "If you do not give me your vote on my item, I will not give you my vote on your item." We wanted to avoid that; and that was a purpose of establishing the Tariff Commission, as well as to find a basis for scientific tariff legislation.

I think the Tariff Commission has justified its existence. The first body was not called a "commission." It was called a "board." After a certain time it was discontinued, as all of us have heard at different times, as a result of Congress refusing to make the necessary appropriation for its operation. The law never was repealed. The Commission simply discontinued its work by reason of being unable to operate.

Then, in 1916, under the presidency of Mr. Wilson, the present Tariff Commission was created, or the skeleton of it. I was for it; Republicans generally were for it, because it was a step in the direction of scientific tariff making in the first place. It also would in a way minimize the logrolling element; but, of course, it would not entirely get rid of it.

Then, as an outgrowth of that, we have the flexible provision. The objection to that in many quarters was that it was not warranted under the Constitution; that it did not have constitutional sanction. Under that particular provision, final judgment was held in abeyance for a considerable time. However, the purpose is good; and that is not only scientific tariff making, not only to put the tariff on a basis where it is possible to deal with 1 schedule without dealing with the other 15, but especially to make it possible to deal with 1 or more items in a schedule without having to take up the others and deal with them.

If there is one ambition that both sides of this body should have, it is to minimize the element of logrolling in tariff making. That is the one objection to former methods that most of us have seen and wanted to avoid. No step has been taken that even approaches the possibility of doing this like the flexible provision; and with that as a background, legislation on the subject is warranted.

We provided that the Tariff Commission, after making a finding, may make its recommendation as to changes of rates on articles on the dutiable list, with the possible approval or veto of the President. I think that is the way it should be. This proposal goes to the very heart of the very issue we want to avoid; namely, instead of its being an Executive function, under this bill it is to be a legislative function. Instead of the matter going to one mind, where unity of decision is not only possible but lack of it is impossible, it is proposed now to send it to 500 minds, where unity of decision is clearly impossible; and again we have the very essence of the injury in legislation that we are trying now to avoid.

I realize the force of the statement that when a duty is changed it ought to be changed by the legislative and not by the executive branch of the Government. I admit that there is force in that; but if the purpose is to avoid logrolling, then instead of going to 500 minds for decision, the matter should go to one. The present law has operated wholesomely, sanely, and rationally ever since it has been on the statute books, and it has justified its existence.

Mr. HARRISON. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. PATTERSON in the chair). Does the Senator from Ohio yield to the Senator from Mississippi?

Mr. FESS. I yield.

Mr. HARRISON. The Senator has paid a very high tribute to the Tariff Commission. He says its actions have been wholesome and sane, and he has used many other expressions of the kind. Why, then, was it necessary 2 years ago for the Senator and his colleagues to enact a general revision of the tariff carrying 890 increases?

Mr. FESS. Mr. President, the McCumber law had been on the statute books for some time. There was a general belief that its rates on agricultural products were too low. There was a contention all over the country that there had been heavy importations of various articles from Belgium and other countries of low-paid labor, due to the low rates of the McCumber law, which left similar articles of American production without tariff protection.

The Senator evidently thinks he can leave the inference that the legislation embodied in the last tariff revision was to be a downward revision. That is the first time anybody ever heard of that sort of a suggestion. The downward revision of any tariff law might be necessary; and ordinarily, under the development of our mass production, where competition brings about a reduction of prices, downward revision might be desirable. Our Democratic friends, however, are the people who demand downward revision. If Republicans start to revise the tariff, Democrats always howl about its being downward; but, on the other hand, when we revise the tariff it is for the purpose of furnishing protection where the protection is inadequate. So it was in the case of this law.

Mr. HARRISON. As a matter of fact, then, as I understand the Senator, while the Tariff Commission is a great institution, it was unable 2 years ago to cope with the situation; and, because of the condition, the Congress found it necessary to change 890 rates.

Mr. FESS. Oh, no. The Tariff Commission will be engaged in constant study, through their surveys, of all the items that are sent to them by order of this body. They will be in session constantly, and when they report on a certain item, in accordance with a resolution that we send to them, if they find that because of any elements that enter in the rate is too low, their recommendation is that it be increased. If the rate is too high, their recommendation is that it be decreased. It is inevitable in the development of the industry that it is not static, and a rate established today will not be a suitable rate 20 years from now. That is inevitable. It grows out of the development of industry, and we ought not to be compelled to throw the whole question in the hopper, and deal with all these issues, if we can get a tariff commission capable of responding to the resolutions that the Senate sends to them to investigate particular items to see whether the rates are too high or too low. That is precisely what the Commission exists for.

Mr. HARRISON. Mr. President——

Mr. FESS. I yield.

Mr. HARRISON. Then I understand the Senator to conclude that whatever rate the Tariff Commission may ascertain should be proclaimed by the President as the proper rate?

Mr. FESS. No; I do not take that position.

Mr. HARRISON. Would the Senator have the Tariff Commission proclaim it?

Mr. FESS. The Tariff Commission gathers the information and makes its recommendation.

Mr. HARRISON. To the President?

Mr. FESS. The President can act upon it favorably or unfavorably.

Mr. HARRISON. The Senator, then, would give to the President greater authority in accepting the recommendations of the Tariff Commission than he is willing to give to the Congress?

Mr. FESS. The Senator certainly would rather have one mind decide a matter in which we are trying to get rid of logrolling than to have 500 minds undertake it.

Mr. HARRISON. In other words, the Senator would rather place the discretion in the President of the United States than in the representatives of the American people. That is truly Hamiltonian.

Mr. FESS. That would be a perfectly safe thing provided the President is acting upon information that has been gathered by a commission created by this body, and this body sends a resolution to the commission asking for their information. That is in accordance with our legislation.

Mr. HARRISON. The Senator is very close to the President.

Mr. FESS. No; the Senator is not.

Mr. HARRISON. Oh, yes; the Senator is. He admits it sometimes when he talks to the newspaper boys.

Mr. FESS. Not any more. [Laughter.]

Mr. HARRISON. But I want to ask the Senator, because I know he is close to the President, what were the reasons that prompted the President to have so little faith in the findings of the Tariff Commission that recently he held up their findings and sent them back to them?

Mr. FESS. Mr. President, we would not give the President the veto power if we did not intend him to use his judgment on the facts that are submitted to him. Why does not the Senator ask me why the President should ever sign a bill or why he should ever veto a bill? That is the very nature of our political organization.

Mr. HARRISON. That would take a good deal of an answer. I can tell the Senator why the President would veto certain bills if I knew what influences were behind them. In this case, however, the Senator from Ohio knows the particular rate I am talking about; does he not?

Mr. FESS. The Senator from Ohio would not risk stating that he knows anything the Senator from Mississippi is implying that he does not say.

Mr. HARRISON. I refer to cherries. As the Senator knows, cherries are raised out in California.

Mr. FESS. In Ohio, also.

Mr. HARRISON. That may be the reason for the President's action. I did not know that before.

Mr. FESS. Very likely.

Mr. HARRISON. But the Tariff Commission found that the rates on a certain kind of cherries should be reduced, and the President would not stand for it. He was unwilling to accept their judgment. He perhaps did not think they had made a proper ascertainment, and so forth; and he sent back their finding. Does the Senator know why that was done?

Mr. FESS. Because it did not meet with his approval. Therefore, the President acted just as the Senator from Mississippi would have acted if he had been in the same position.

Mr. HARRISON. I thought perhaps the Senator would take the other angle. Since he believes so much in the ascertainment of facts by a tariff commission, if they went into the investigation, and it was a fair investigation, certainly he would accept their finding.

Mr. FESS. Oh, no! If we should do that we would not even have them report, either to Congress or to the President.

Mr. HARRISON. In another case, the case of tomatoes; some tomatoes are raised out in California.

Mr. FESS. And in Florida.

Mr. HARRISON. In Florida, but not in Ohio; so the same reason cannot be advanced.

Mr. FESS. Oh, yes; in Ohio, also. We are a great tomato country.

Mr. HARRISON. The Senator, then, would advance the same reason for the President refusing to accept the findings of the Tariff Commission on tomatoes as on cherries, would he?

Mr. FESS. The reason of the Senator is that the facts are not convincing.

Mr. HARRISON. Did not the Senator, in the consideration of the Smoot-Hawley bill, vote for an amendment that compelled the President either to veto or to sign a proposal within a certain time and not leave it optional with him whether or not he might send it back? In other words, it either had to become a law or he had to veto it.

Mr. FESS. The Senator may have voted for it. I do not see why I would not vote for it. I do not recall whether I did or not.

Mr. HARRISON. I understood the Senator to say a moment ago that the President ought to have the power either to accept it or to send it back to the Commission.

Mr. FESS. We gave him that power.

Mr. HARRISON. You did give him the power; yes.

Mr. FESS. The Senator from Mississippi wants to give it to the Congress.

Mr. HARRISON. I want to give it to the Congress of the United States, where the fathers placed it, and where for 140 years we have had it.

Mr. FESS. Mr. President, I appreciate these fine interruptions. Both the Senator from Mississippi and I want to get rid of log-rolling. The difference between him and me is that I am in favor of a plan that would get rid of it. He is proposing a plan that would not get rid of it. I would not say he knows that, but I think he knows that it would not get rid of it, for everyone must realize the result of sending such a matter back to this body for decision, because various sections of the country are interested in various items. My friend the Senator from Mississippi says he has that covered, and he thinks that it is covered by the provision which will not allow an amendment to be offered which is not germane. In the first place, that is a weak undertaking. In the second place, it would not work. Nobody can be a Member of this body for 1 year without being convinced that it could not work.

There would be no limit to the discussion as to whether a particular amendment was germane or not. Under some circumstances a thing is a raw material. In a different set of circumstances the same thing is a finished product, and the finished product will become raw material in some other finished product in whose manufacture it is used. There is no limit to the argument over whether a thing is germane or not.

Secondly, here we are in 1932, with the gold standard abandoned in most of the European countries, with money having been cheapened, and because of that the rates of our protective law are being nullified; and on the other side of the aisle are men clamoring for protection of articles which come from their sections, and if they cannot get it in a tariff bill they will attempt to get it in a tax bill, the tax bill being for the purpose of raising revenue, but protection for the opposite of raising revenue, to decrease the importations on behalf of the home products.

In that situation suppose there comes from the Tariff Commission a report on some particular item on which there is a duty, and they recommend an increase; how many Members in this body will be on their feet to offer amendments to the particular item on which the duty is being considered, just as my friend from Washington is offering an amendment to the pending bill, which I do not think is in order, but which, in all probability, will be held in order? It shows the interest, the keen intensity to seize the only opportunity of getting a vote on an article produced in a particular section of the country; and we cannot blame Senators for such actions.

Suppose a report comes from the Tariff Commission to this body, and a bill is introduced to carry their recommendation into effect. I rise and offer an amendment including another item. The Senator from Oklahoma rises and offers another one. The Senator from Arizona states, "I have an item here that I want considered", and he cannot offer it, but he says, "I want it printed. I want to offer it if the opportunity comes."

When I offer my amendment somebody raises a point of order, and the President of the Senate sustains it. I immediately appeal from his decision. Every Senator here who wants the same privilege of presenting his item will vote with me to overrule the President's decision, and we will open the bill to unlimited amendment. That is what we are doing every day.

The question of germaneness is for the Senate, whether it applies to appropriation bills, or what not. When appropriation bills are involved the question must be submitted to the Senate for a vote under the rule. In other cases it will be laid before the Senate by virtue of the appeal. That is exactly the same situation. Write into the flexible provision language making a report from the Tariff Commission subject to amendment only when it is germane, and see where we will get.

My friends, that is the thing we want to avoid. I am opposed to returning a report of the Tariff Commission, a body created to deal with a single subject, to Congress, with 435 Members in one branch and 96 in the other. There will be the same log-rolling the moment that is done, and that is why I am opposed to that. It would be a great mistake if after taking this long stride, the most progressive for 40 years, we turn about and nullify it by adopting this proposal.

I had intended saying something about the consumers' counsel provided for. The substitute contains three outstanding items, the second of which is the provision for the consumers' counsel. All I have to say is this, that I do not think it is very commendable for any Senator to assume that he does not represent the people. I do not think it is commendable for any man to assert that the Government in its agencies does not represent the people. I think it is an offense to suggest that the Department of Justice does not represent the people. I do not think it is commendable to announce that the prosecuting agencies of this Government are representing interests and do not represent the people of this country.

I resent the inference that when I stand on this floor and vote my conviction, although it does not coincide with manufactured clamor in the interest of some particular selfish movement, that I do not represent the people when I refuse to be merely a weather vane to find which way the wind is blowing last. If to represent the people a Senator had to be a weathercock, trying to ascertain what was the last desire of a particular group, I should not want to be a Senator.

I do not take kindly to the suggestion that in tariff matters we have to set up a people's counsel, assuming that the Government, the Tariff Commission, and the people who appear are against the interests of the people as a whole. That is not only an indefensible attitude for a Senator to take, but it tends to create class feeling and intense hatred. It is tantamount to saying, "All legislation is sordid, all legislation is selfish, all legislation is in the interest of somebody except the people, the people only are excluded."

I do not think such sentiments ought to be heard in this body. I assume that every Member of the Senate desires to do what is right in the premises, that his chief concern is to represent all the people, rather than the few.

Mr. McKELLAR. Mr. President, will the Senator from Rhode Island yield to me?

Mr. HEBERT. I yield.

Mr. McKELLAR. I should like to read a couple of paragraps from another speech of the Senator from Ohio delivered a short time ago on the same subject, if the Senator from Rhode Island will yield to me for a few moments.

Mr. HEBERT. Mr. President, will not the Senator postpone that until the conclusion of my remarks?

Mr. McKELLAR. I do not want to interfere with the Senator, but I think the quotation would be very appropriate at this place, and I think the Senate would like to read it in view of the remarks of the Senator from Ohio about the pending bill today.

Mr. HEBERT. I fear it might open up a discussion which would be rather extended.

Mr. McKELLAR. Very well; I will defer it to a later occasion.

Mr. FESS. Mr. President, the Senator from Tennessee is suggesting that I make a speech at one time and then later on abandoned the principle underlying my remarks. I hope the opportunity will be given him to read what I said. I do not want to interfere with the speech of the Senator from Rhode Island, but I am very anxious to have the Senator from Tennessee read the speech to which he has referred.

Mr. McKELLAR. It is a good speech on that side of the question.

Mr. CLARK. The Senator always makes a good speech on any side of a question. [Laughter.]

LEGISLATIVE APPROPRIATIONS—CONFERENCE REPORT

During the delivery of Mr. LOGAN's speech,

Mr. TYDINGS. Mr. President, I dislike to interrupt the Senator, but I have a conference report on the legislative appropriation bill. It contains provision for the Government Printing Office, whose appropriation will expire tomorrow. If the Senator would yield, I should like to present and ask for the adoption of the conference report.

Mr. LOGAN. I yield.

The PRESIDING OFFICER. The Senator from Maryland presents a conference report, which will be read.

The Chief Clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, and 15, and the amendments of the House to the amendments of the Senate numbered 12 and 16 to the

bill (H.R. 8617) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1935, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, and 15, and agree to the same.

Amendment numbered 12: That the Senate recede from its disagreement to the amendment of the House to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows: In lieu of the sum proposed by such amendment of the House insert the sum "$443,880"; and the House agree to the same.

Amendment numbered 16: That the Senate recede from its disagreement to the amendment of the House to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows: In lieu of the sum proposed by such amendment of the House insert the sum "$212,934"; and the House agree to the same.

MILLARD E. TYDINGS,
JAMES F. BYRNES,
MARCUS A. COOLIDGE,
FREDERICK HALE,
JOHN G. TOWNSEND, Jr.,
Managers on the part of the Senate.

LOUIS LUDLOW,
WILLIAM J. GRANFIELD,
JOHN N. SANDLIN,
J. P. BUCHANAN,
Managers on the part of the House.

The PRESIDING OFFICER. The question is on agreeing to the report.

The report was agreed to.

After the conclusion of Mr. LOGAN's speech,

RECIPROCAL-TARIFF AGREEMENTS

The Senate resumed the consideration of the bill (H.R. 8687) to amend the Tariff Act of 1930.

Mr. HEBERT. Mr. President, the debate on the pending measure has been unusual in two respects. First, until this morning no one has risen to advocate its passage unless it be the Senator from Mississippi in his statement explaining its provisions as it came from the Committee on Finance; and, second, the extraordinarily able and thorough presentation of the arguments of those Senators who oppose its passage. These arguments have ranged from constitutional objections to its objectionable technical phases, and have pointed out the dangers which lie in the course of its administration.

I shall try not to repeat that which has been so well said by other Senators, so I propose to confine my discussion for the most part to what I fear will be its effects upon the industrial life of that part of the country with which I am most familiar, never unmindful, however, that what is true in respect of conditions there may be equally true in respect to every other section of the country.

The Secretary of State in his argument before the Ways and Means Committee of the House of Representatives on March 8 last, as reported at page 5 of the printed hearings, speaking of the so-called "reciprocal tariffs" in other countries and the way they are put into effect, said:

> In some cases the legislative branch establishes in advance a minimum scale of duties, part or all of which may be granted to other countries by agreements. The more common practice, however, is to start with a general tariff and authorize the executive branch of the government to grant reductions in the course of negotiations, without prescribing in advance the amount of the reductions, such rates established by treaty then constituting the second or conventional column of the country's tariff. In a number of countries, such as Canada, Poland, Switzerland, Greece, and others, the executive has authority to enter into and make effective agreements such as is proposed by the pending bill without the approval of Parliament. In a majority of cases, while it is true that treaty reductions are not to be permanently operative until approved by the Parliament, it is true in practice that the parliamentary approval is most often a perfunctory matter. The reductions embodied in such agreements are put into operation at least provisionally on a day set by the executive without waiting for parliamentary action. This is especially true in those countries having a responsible cabinet form of government, mainly in Europe, or where the governmental structure is such that the general tariff authority is largely vested in the hands of the executive, as in many countries of Latin America.

I call particular attention to the qualifying phrase in the statement I have just quoted:

> In a majority of cases, while it is true that treaty reductions are not to be permanently operative until approved by the Parliament, it is true in practice that the parliamentary approval is most often a perfunctory matter.

If approval of Parliament is required, even in countries where there is no constitutional requirement for it, how much more is such action necessary in our own country where it is specifically provided.

If other countries are able to function under such requirements, then surely the United States can. Moreover, we are not without experience in that direction. We have operated in that way for more than a hundred years, and we have progressed to a point where we have challenged the admiration, if not the envy, of the world.

WORK DONE BY SUBORDINATES

We are told the Chief Executive will use this power with discretion. No one doubts the sincerity of the President. He will not—he cannot—give attention to the multiplicity of details. They must be left to subordinates. We have already observed the effects of the broad and almost unlimited delegation of legislative powers to the Executive.

In this very Congress the executive orders prepared by bureaucrats with the ruthlessness and abandon of Russian commissars, issued in pursuance of that legislation, were found unjustifiable in the case of the treatment accorded to veterans, and were overruled even in the face of a veto from the Chief Executive.

If we pass this bill I venture the assertion we shall again be called upon, and perhaps many times, to overrule the Chief Executive if we are to protect our industries and provide a livelihood for our people—not on the basis of European or other standards but according to those forms not known anywhere on earth except in our own country.

In the formulation of these proposed trade agreements it cannot be that the administration expects there will be any advantage accruing to American industry, even though it be hoped some benefit to agriculture is to follow. Indeed, the formula announced by the Secretary of Agriculture when he appeared before the Ways and Means Committee indicated that industrial activities alone will be affected. He said:

> I recognize that any action under this bill, in case it becomes a law, would of necessity have to be rather slow action; that the domestic industries affected by such action should be given the same kind of consideration as we are now affording to agricultural industries. * * *

While every attempt to have the representatives of the administration indicate what articles of manufacture are to be traded away or are to be considered or, as I believe, are destined for extinction, have so far failed, yet we may well infer that finer textiles are headed for the discard if we may judge by the observations of the Secretary of Agriculture.

What, then, may the mill operatives of Rhode Island and New England and other manufacturing centers expect? Are their wages to be increased by this proposed process of extinction and the removal of duties so as to encourage importations of like commodities from abroad? Will it result in giving more employment to them? Will their jobs be made more secure? No one has appeared to answer these questions. At any rate, none of the proponents of this measure has even attempted to do so. Yet an answer to them is vital to the tens of thousands of workers in the fine cotton and woolen and silk mills of New England and other sections of the country. They will want to know—and I submit they have a right to know—whether the administration contemplates trading away their means of livelihood.

Nor are they motivated by mere idle curiosity. They have learned from bitter experience what eventuates under low tariff duties on textiles. Many of them remember the periods of depression following the enactment of Democratic

tariff laws providing lowered rates of duty. They are not anxious for a return of those conditions. I know those who advocate the enactment of the measure will say that the existing duties did not prevent the existing depression. I know the familiar argument that high tariffs have been its cause. The so-called "economists" have shouted it from the housetops, spokesmen for the Democratic administration have reiterated the statement, but they have disregarded the facts, as I shall presently show.

CONSTITUTIONAL QUESTION

Article I, section 8, of the Constitution provides:

> The Congress shall have power to lay and collect taxes, duties, imposts, and excises * * * to regulate commerce with foreign nations, and among the several States * * *.

Article II, section 2, provides:

> He (the President) shall have power, by and with the advice and consent of the Senate, to make treaties, provided two-thirds of the Senators present concur * * *.

It must be clear to anyone who studies this provision that the sole power to collect taxes and impose duties and excises resides with the Congress. Up to the present time it seems to me there has never been any question about this. No one will deny that the proposed reciprocal tariff agreements to be entered into by the Chief Executive under the pending bill will in effect be a transference of the power of Congress specifically conferred by the Constitution. Whatever these agreements may be called, the fact remains that they are agreements to be entered into between this Government and the governments of other countries. In that respect, they are treaties within the meaning of section 2 of the Constitution, which confers upon the Chief Executive the power to make treaties, provided, however, two-thirds of the Senators present concur therein.

This bill would negative this provision of the Constitution and would place the entire control of the treaty-making power and of the ratification of treaties in the hands of the Chief Executive. If, now, under the parliamentary procedure referred to by the Secretary of State in his testimony before the Committee on Ways and Means of the House in respect of other countries where, as I apprehend, there is no express limitation upon the Government or any branch thereof, as is the case in our own country, there is need for parliamentary action, then how much greater reason is there for having such approval by the Congress of the United States when in point of fact the fundamental law under which we operate specifically requires it.

OUR FOREIGN COMMERCE, FOREIGN DEBTS, AND THE TARIFF

We are constantly reminded that the existing tariff law is responsible for the loss of our foreign trade. For example, I picked at random from the daily press during the past week the following quotation from one of the papers published in the South. Speaking of the pending measure, and comparing it to the tariff law of 1930, this paper said editorially:

> Instead of being a blind speculation, that measure (the tariff bill of 1930) was a sweeping loss fully realized before it was enacted. While it was being considered by the Republican Congress some 30 nations protested against its shut-out duties, and threatened to retaliate if the measure was passed. One thousand leading economists protested against it, declaring it would be ruinous to our world trade and urging Herbert Hoover to veto it. Congress and the President ignored the storm signal, and, as a result, our commerce was wrecked.

In the discussion which has been had in the Senate today I noticed that the distinguished Senator from Kentucky [Mr. LOGAN] made an observation very much in line with that to which I have just adverted, that the tariff law of 1930 was responsible for the wrecking of our foreign trade. So I propose to give some facts in the course of what I have to say this afternoon bearing upon that very question.

The quotation just read by me is but one of the thousands of loose statements that have been made regarding the effects of the tariff bill of 1930 upon our foreign trade. The fact is that the present program of the administration, with all of its reform measures, with its lavish expenditures of public funds, distributed with a largess such as no one in this country has ever known before, has done more to delay recovery than any other one thing. Let it be observed that our own country is not progressing out of the present depression as fast as other countries throughout the world, notwithstanding they have tried none of these new panaceas. Of course, relief for those in distress must be provided. No one in this country can be heard to say that our fellow citizens shall remain in want so long as there are any funds to procure for them the necessaries of life, but recovery is one thing, reform is another. As has repeatedly been said to us, let us consider first things first.

My idea is that recovery is and should be the subject of our first consideration. If, thereafter, there be need of reform—and I admit there are some conditions in this country which, for the benefit of all of us, should be changed—they can then be considered in their own proper time.

But let me revert to the subject of the loss of our world trade, which has been charged so many times to the operations of the tariff law of 1930. Let us examine critically the import statistics that are available to us, and which cover the period for the past 2 or 3 years. No one can doubt that imports have fallen tremendously in total value, because the figures show that they have declined from $4,338,572,000 in 1929 to $1,423,467,000 in 1933. It is to be noted, however, in passing that imports in 1933 exceeded in value those of 1932 by about $100,000,000.

As a basis for our observations, I now cite the figures showing the value of our total imports, both dutiable and nondutiable, from 1929 to 1933:

Total imports

Year:	*Value*
1929	$4,338,572,000
1930	3,114,455,000
1931	2,088,455,000
1932	1,325,093,000
1933	1,423,467,000

Having in mind the evidence adduced by Secretaries Hull, Roper, and Wallace, when they appeared before the Committee on Ways and Means of the House earlier in the session, in which they seemed to want to create the impression that this tremendous decline of importations during the past 5 years was due to the Hawley-Smoot Tariff Act of 1930, let us divide the total imports into two groups, one the dutiable articles and the other the articles imported free of duty. We shall then see the facts in their true perspective.

It will appear that the decrease in the value of imports was greater in the case of articles entering free of duty than in the case of dutiable articles. For example, imports entering free of duty declined from $2,880,128,000 in 1929 to $901,782,000 in 1933, or an average decline of 68.7 percent. For purposes of comparison, I am including at this point in my remarks the total imports entering free of duty during the years 1929 to 1933:

Total imports free of duty

Year:	*Value*
1929	$2,880,128,000
1930	2,081,132,000
1931	1,391,693,000
1932	885,536,000
1933	901,782,000

By way of contrast, it is to be noted the import value of articles subject to duty declined from $1,458,444,000 in 1929 to $521,685,000 in 1933, or 64.2 percent. For purposes of comparison, I am including in my remarks and shall insert at this point a table of the total imports that were dutiable during the years 1929 to 1933, both inclusive:

Total imports dutiable

Year:	*Value*
1929	$1,458,444,000
1930	1,032,954,000
1931	696,762,000
1932	439,557,000
1933	521,685,000

If, now, the decrease in our imports has been due to the Tariff Act of 1930, how does it follow that there has been a relatively greater decrease in the importation of articles that enter this country free of duty? If the charge be true that the decrease in imports can be traced to the Tariff Act of 1930, then we should expect that there would be a greater

decrease in the value of dutiable articles than there would be in the value of articles entering free of duty, and yet the reverse is actually the case.

DEPRESSION DECREASES IMPORTS

Of course, the figures that are available prove conclusively that the decrease in our imports, or, indeed, in our foreign trade generally, has not been due to the operations of the Tariff Act of 1930, but are solely the effects of a world-wide depression. It has come about because of a falling off in our quantity of goods consumed.

Mr. HATFIELD. Madam President——

The PRESIDING OFFICER (Mrs. CARAWAY in the chair). Does the Senator from Rhode Island yield to the Senator from West Virginia?

Mr. HEBERT. I yield.

Mr. HATFIELD. Does not the value in one period as compared with another also enter into the computation?

Mr. HEBERT. Yes; very much so, indeed.

Mr. HATFIELD. For instance, in 1929 the index value was 125.5, as compared with an index value for 1933 of 67.5.

Mr. HEBERT. There is no question that the decrease in the value of commodities has had its effect upon the value as reported in our import statistics.

The quantity of silk, wool, jute, and burlap has fallen off enough to be noticeable. The same thing is true of the items of rubber, sugar, and vegetable-oil group, which, as we know, are free of duty except some certain kinds of oil upon which we have recently imposed a tariff. The same thing is true of other items including perfumes from France and fine textiles from England. The decline in imports in plate glass from Belgium merely represents a decline in the activities in the building industry in the seaboard cities of our own country.

I come now to the very point raised by the Senator from West Virginia [Mr. HATFIELD] in his inquiry propounded to me. A combination of the decline in price and a decline in consumption accounts for practically 100 percent of the falling off in value of importations, both of articles on the free list and those on the dutiable list. Had there been a sudden and very marked decrease in imports of dutiable articles after the enactment of the Tariff Act of 1930, then there might have been some argument to support the charge that the higher rates were responsible for that decrease. The truth of the matter is that under the act of 1930 rates on industrial commodities were raised to a very limited degree, and that 95 percent of all increases in duties provided in that law affected commodities of agricultural origin. In fact, that law imposes average duties of about 16 percent of the value of all imports, both free and dutiable. This represents an increase of 3.2 percent over the Fordney-McCumber Act, which it succeeded, but represents a lower level compared to many former tariff laws. For example, the level under the McKinley Act was 23 percent; the Wilson Act, 20.9 percent; the Dingley Act, 25.8 percent; the Payne-Aldrich Act, 19.3 percent.

Approximately 66 percent of all goods imported from abroad are admitted to this country duty free. In comparison it is to be observed that preceding tariff laws admitted a much smaller proportion of imports without the imposition of tariff duties. Under the McKinley law the proportion was 52.4 percent; under the Wilson law, 49.4 percent; under the Underwood law of 1913, which placed almost all agricultural products on the free list, the average was from 60 percent to 73 percent.

Increases provided by the law of 1930 were made largely on behalf of agricultural interests of the country. The Tariff Commission reported in 1931 that of all increases that were made in this law, 93.73 percent were upon products of agricultural origin and 6.25 percent upon commodities of strictly nonagricultural origin.

The average rate upon agricultural raw materials was increased from 38.10 percent to 48.92 percent, whereas the increase on dutiable articles was, on the average, from 31.2 percent to 34.31 percent.

There were approximately 3,300 dutiable items in the Fordney-McCumber Act, which became a law in the year 1922. Of these, 890 were increased in the Hawley-Smoot Act, 234 were decreased, and 2,170 remained untouched.

It has been repeatedly charged, both in the public prints and by spokesmen for the Democratic administration, that the rates in the Hawley-Smoot Tariff Act are higher than those imposed by foreign countries. Figures compiled by the Department of Commerce and other Federal Government agencies indicate clearly that a number of foreign countries impose higher duties than those provided in the existing law in our own country. For example, the import duties on wheat coming into the United States are fixed at 42 cents per bushel; the rate in France is 85 cents per bushel; and only recently, in fact, in a Paris dispatch printed in the New York Times under date of the 27th instant, bearing a Paris date line, the statement is made that the wheat tariff of France has been increased to about $1.57 a bushel. Last July a law was passed in that country establishing a minimum domestic price of about $2.07 a bushel.

Mr. HATFIELD. Madam President——

The PRESIDING OFFICER. Does the Senator from Rhode Island yield to the Senator from West Virginia?

Mr. HEBERT. I yield.

Mr. HATFIELD. Then the high tariffs in foreign nations are made largely so that those nations may become self-sufficient in the production of the necessities of life, such as wheat, sugar, chemicals, and so forth. Is not that true?

Mr. HEBERT. That is my understanding. In my travels through France in 1931 I was informed by men in the government departments there that, because of protection afforded to the wheat growers of France, there was a sufficient quantity produced to provide for the necessary requirements of that country without importations from abroad. Following out that policy, I gather from the dispatch to which I have just referred that the production of wheat has increased in France to such a point that they not only will not need any importations from abroad but they will place an embargo against any importation of that commodity.

Mr. HATFIELD. The cost to the consumer possibly would be less than the price they would be required to pay if they imported the wheat.

Mr. HEBERT. I do not know how that has operated. I do know, and I have made the observation in the course of my remarks, that only last July a law was enacted in France establishing a minimum domestic price of approximately $2.07 per bushel for wheat. It occurred to me that possibly that was rather a high price for wheat even in France. It is much higher than realized by the wheat farmers of this country.

The article to which I have referred added that France had left the ranks of wheat-importing nations and joined those of exporting nations. Such nations as Canada and Argentina, the article said, should abandon all hope of resuming wheat exports to France. Of course, if that is true in respect of Canada and Argentina, it must be equally true in respect of the United States.

The United States imposes a duty on importations of bacon of $3.25 per hundredweight as compared with a duty of between $11 and $12 imposed by France.

Under United States law, the duty on importation of pig iron is $1.12½ per ton; most other countries listed in the studies made by the Department of Commerce indicate that this is the lowest duty imposed by any country. They range from the figure I have quoted as applying to the United States to $33 per ton imposed by Mexico. Canada has a duty of $2.50 per ton.

The United States has a 10-percent duty on the import value of shoes coming into this country, while France has a duty of 15 percent; Germany imposes a duty of 60 cents per pair; Italy 38 cents per pair and 15 percent of their value; Canada 35 percent of their value, while Australia imposes a duty of 90 percent of their value.

LABOR, AGRICULTURE, INDUSTRIES, SUPPORT EXISTING TARIFF LAW

Demands of Democratic politicians for downward revision of our tariff rates have found no response among those most directly concerned—the farmers, the workers, and the in-

dustries of our country. On the contrary, the farm organizations whose representatives in Washington declared the Hawley-Smoot Act to be the most equitable tariff law ever passed in behalf of agriculture, have steadfastly resisted the appeal for downward revision. The leading associations of manufacturers have warned the country that any successful political revision undertaken by the Democrats would mean greatly increased economic distress.

Mr. HATFIELD. Madam President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Rhode Island yield to the Senator from West Virginia?

Mr. HEBERT. Certainly.

Mr. HATFIELD. Can the Senator state how long the high tariff rates he has mentioned have been in effect in those European countries?

Mr. HEBERT. They were in existence in most instances long before the 1930 tariff law was enacted in the United States.

Mr. HATFIELD. Can the Senator say whether or not they had been in existence before the enactment of the Fordney-McCumber law or the Underwood-Simmons law?

Mr. HEBERT. A number of schedules of those foreign-tariff laws and some of the schedules to which I have already referred were in force back in those times. In more recent times, it has seemed to me, in anticipation perhaps of the action which it was believed might be taken by Congress at the behest of the President, tariff duties have gone skyrocketing in a number of countries in Europe, I assume for the purpose of trading. I do not know, but that is the conclusion at which I have arrived.

Mr. HATFIELD. Then, it cannot be accurately or truthfully said that the Smoot-Hawley tariff law of 1930 excited the high-tariff rates to which the Senator is referring and which are in existence in Europe.

Mr. HEBERT. Most of them were in existence long before the passage of the Smoot-Hawley Act.

Mr. HATFIELD. Is it not true that in Europe they have been enforcing embargoes against certain products of which they are proud and which they are trying to develop in those countries to the point where they may become self-sufficient? In order to protect those industries, they have embargoed, have they not, the importation of like products from other countries?

Mr. HEBERT. That is a very natural thing for a nation to do. It is not my notion that foreign nations are getting to the point of magnanimity where they would admit our products to the detriment of their own. I have never reached the conclusion that foreign countries were buying our commodities because they wanted to do some favor to us. They bought them and they will buy them in future whenever it is to their advantage to do so. When they can buy them more advantageously at a lower price than they can produce them themselves, then possibly we will get their trade, and not otherwise. We need not be looking for it whenever they can produce that which they need for their own consumption in their own land.

The representatives of labor organizations have not only resolutely defended the present tariff law, but also have appealed to the Tariff Commission for increased duties on commodities which cannot meet foreign competition at prevailing rates of duty.

The reason for labor's approval of the Hawley-Smoot Act is found in the comparison of average weekly wages paid in key industries in this country as compared to those in the leading competing foreign countries. Here are some significant comparisons prepared by the Department of Labor:

To cite but a few illustrations, the average weekly wage in the iron and steel industry in this country in 1931 was $20.35; in France in 1930, the figures for which are the last available, it was $9 per week; in Germany, $12.39; and in Great Britain, $13.83.

In the cotton-textile industry the average weekly wage in the United States in 1931 was $13.38; in Great Britain it was $9.17 in 1928, according to the last available data; in Germany it was $9.07 in 1930, according to the last available data.

In the woolen and worsted goods the average weekly wage in the United States in 1931 was $20.85; in 1928 it amounted in Great Britain on the average to $9.59; and in Germany it was $9.07.

In the boot and shoe industry in the United States in 1931, the average weekly wage was $19.27; in Great Britain in 1928, the last available figures, it was $10.30; and in France in 1930, $6.84.

In the women's clothing industry, the average weekly wage in the United States in 1931 was $22.16; but in France, our strongest competitor, the average weekly wage in 1930 was $8.56, or just a little more than one-third of what it was in this country.

During the year 1931, we imported more than $40,000,000 in value of cotton manufactures, including yarns. In approximately the same period, 520 concerns which manufacture cotton goods in this country reported to the Department of Labor that they had had to dispense with thousands of workers. While we were importing woolen manufactures valued at $23,000,000, thousands of our workers in the textile woolen industry were out of employment. Again, more than 10,000 employees in the leather, boot, and shoe industry lost their jobs, while $22,000,000 of American money was paid for the purchase of imported leather goods.

Thus we see from authentic and unimpeachable sources that the tariff has had little, if any effect, upon the volume of imports of commodities into this country. The facts are plain for anyone to see. We have imported that volume which our people could afford to buy. Not alone has that been true of imports, but it is likewise true of our consumption of commodities produced in our own country. Even the consumption of staple foodstuffs—bread and meat—has decreased as a result of the depression, and very materially, too. Surely it cannot be maintained that this decrease is due to high tariff duties. It would be equally true if there were no tariff laws; and no amount of tariff tinkering will alleviate that particular situation. It will improve just as it has improved many times in the past when, after a depression, confidence has been restored, and we return to normal conditions.

BILL AIMED SOLELY AT INDUSTRY

To my mind, there can be but one way to put into operation the provisions of such a bill as we are now considering. Clearly, there is no intention, nor would there be any purpose, in changing the rates on agricultural commodities. Of these we produce more than we can consume, and there is no reason why under the circumstances we should not maintain our home markets for our own agriculturists, just as we have in the past. In fact, it has been repeatedly stated that our existing tariffs on agricultural commodities are for the most part inoperative. It follows, then, that whatever changes are to be effected will relate to industrial products; and it may be of more than passing interest to consider the results of the studies made by the Tariff Commission from the enactment of the Tariff Act of 1930 down to the present time.

In the statement of Mr. Robert Lincoln O'Brien, Chairman of the Tariff Commission, made before the Committee on Ways and Means of the House of Representatives, and reported at page 72 of the printed hearings, there appears a summary of the articles upon which the Tariff Commission has reported to the President, and the action looking to a change in duty in every instance. In this summary Mr. O'Brien lists 111 articles. In 20 instances the Tariff Commission recommended increases in duties, and in 26 instances it recommended decreases; in the remainder of the cases, 65 in number, no change was recommended and none was made.

During the past year, when forces other than the tariff law itself came into operation because of the world-wide conditions and the enactment of the National Industrial Recovery Act, I am advised on reliable authority that in only two instances have the Tariff Commission recommended a decrease in duties. In every other case which

came to their attention for study they have found an increase in tariff duties to be imperative in order to protect our industries against importations from abroad.

Of course, it is natural that this should be so, because under the provisions of the National Industrial Recovery Act it is a well-known fact that requirements imposed upon industry have very materially raised the cost of production, and have made it impossible for our industrialists to compete with importations from abroad without not only maintaining our tariff duties but increasing them in a number of instances.

I repeat, the only way in which the administration could bring into operation the provisions of the pending bill would be to sacrifice some of our industries, probably resulting in more unemployment among our own people, for some supposed benefit to accrue to us in our trade relations with foreign countries. Beyond the shadow of a doubt it will be necessary to abandon the existing formula of equalizing the cost of production here and abroad. I venture to say that those of our citizens engaged in industry in this country are not apt to look with favor upon any program which contemplates the destruction of some of our industries for the benefit of citizens abroad.

SECRETARY WALLACE AND THE RECIPROCAL TARIFF

In a speech which I delivered here on April 9 last, I referred to the testimony of Secretary of Agriculture Wallace on the subject of inefficient industries. I called attention to the fact that for the first time—and I think the only time—an administration representative has singled out an industry which is to be subjected to the operations of the reciprocal tariff, and hence to be marked for extension, Secretary Wallace referred to the lace industry, which had its origin in this country in the State which I have the honor to represent in part in this body. Since then, I have had a great deal of correspondence both with those managing the lace industry and with citizens of my State and other parts of the country employed therein.

Among these is one of my fellow townsmen, who is himself a large investor in some of the lace mills in Rhode Island, Col. Patrick H. Quinn, formerly Democratic national committeeman from Rhode Island, and for 4 decades one of the outstanding members of the Democratic Party of my State. Colonel Quinn and I have always been on opposite sides in politics. He has always been as fervent a Democrat as I have been a constant advocate of the Republican cause. I know no one acquainted with him who will question his sincerity in politics or his intense interest in the cause of the Democratic Party in his State and in the Nation.

COLONEL QUINN'S STATEMENT

When the reciprocal tariff bill which we are now considering was before the Committee on Finance of the Senate and hearings were then being had, Colonel Quinn appeared to oppose its passage, and this is what he said:

Mr. QUINN. I appreciate this opportunity to appear today, Mr. Chairman, as a lace manufacturer, because I understand that the industry was reached yesterday, and Mr. Phillips made a very complete talk upon our reasons for being against this bill.

I will try not to repeat anything that he said or read any part of my speech; but because of a question that Senator KING asked this morning of one of the speakers, I should like to put this paragraph into the record.

The Senator referred to a statement of the President, which he made during the campaign:

"I have advocated the lowering of tariffs by negotiation with foreign countries, but I have not advocated, and I will never advocate a tariff policy which will withdraw protection from American workers against those countries which employ cheap labor or who operate under a standard of living which is lower than that of our own great laboring group."

That is the statement of President Roosevelt on October 30, 1932.

I have a good deal of money that I was able to earn as a lawyer invested in two lace mills down in Rhode Island. The lace industry was introduced into Rhode Island at the suggestion of Mr. Shepard, who was consul general in Italy under Grover Cleveland. It lingered along for a number of years, amounting to little until 1909 or 1910, when the Payne-Aldrich bill invited the industry to expand by putting lace machines on the free list. And now it has grown so that it produces one third of all the lace consumed in this country, and that, I say, is not an inefficient industry, and the only thing that could be classed as inefficient about it is that the wages paid in France to the employees of the industry there are less than one-third what we pay our employees for the same lines of work in this country.

Senator KING. With your superior machinery and your superior technique, and your more efficient labor and your greater use of electrical energy for man-power—aside from that, I presume, however, that your output per man is very much greater than in France.

Mr. QUINN. I doubt that very much, Senator. I know that used to be our argument on the Democratic stump—that the American workman produced so much more than the workman abroad. Because most of our workmen in this industry—that is, the key men who run the lace machines—are Frenchmen from France, and Englishmen from Nottingham.

The CHAIRMAN. You mean that the general rule would not pertain to the lace industry.

Mr. QUINN. I think that is true.

Senator HEBERT. May I ask a question there, Mr. Chairman?

The CHAIRMAN. Certainly, Senator.

Senator HEBERT. Have we ever produced any lace machines in this country?

Mr. QUINN. No; they attempted in Massachusetts to produce a couple down there. A machine concern attempted to build, and did build, I think, two or three machines, but they were not a success. These machines are all imported from France and England.

Senator HEBERT. So that the industry here uses the same machines as they do in Calais or in Nottingham?

Mr. QUINN. Exactly.

Senator HEBERT. Working fewer hours than they do over there?

Mr. QUINN. Yes; fewer hours, and for less than one third of the wages.

Now, I stand exactly with the President where he stood on this question in October 1932. In the town where Senator HEBERT and I live, within 3 miles of our homes, there are a half dozen of these lace mills whose pay rolls turned out into that rather small community amount from $12,000 to $15,000 a week. It is a very considerable item.

This is an important industry in Rhode Island. Why do we talk so much about lace? Because we have been warned. Because utterances have been made that we ought to have a fair warning in advance that something is going to happen to us. We have been picked out as one of those industries for the execution.

If that had come only from the Secretary of Agriculture, after listening here all day, I would not have been so fearful about it; but I listened with great attention to Senator COSTIGAN last Saturday afternoon in his debate with Mr. Oscar Villard, which was the first debate I ever attended where the speakers on both sides were in favor of the affirmative. But Senator COSTIGAN named a half dozen to 10 industries, and he named the lace industry, and he named it incorrectly; and I think when a man of Senator COSTIGAN'S experience on the Tariff Commission has a wrong idea of what the lace industry is, that it would be strange to some of you other Senators, too.

He talked about the hand-made lace industry. There is nothing of the kind. There is no hand-made lace industry in this country. It is a machine-made lace industry.

I listened with great attention to Senator COSTIGAN, and if you were to take all the industries that Senator COSTIGAN listed as inefficient and unimportant and having, as he said, a protection of 100 and 105 and 110 percent and list them together, the trading value would be practically nil.

Now, may I say in closing, I want to make my protest as broad as I can. I refrain from saying anything more about the lace industry. I want to protest, Mr. Chairman, against the passage of this bill on a broader scope than that of a lace manufacturer. The bill is wrong in principle and will not work in practice, and I want to call to your attention—both of you Senators being lawyers—I think I have followed these hearings fairly well, and therefore I am not astray when I say to you that of all the witnesses who have appeared here as proponents of this bill before your committee, only one, I think, Mr. Graham, of the automobile industry, was what we would call in court a witness testifying to facts.

Who else has appeared in favor of this bill? The opinion of expert witnesses buried my dear good friend Cordell Hull, the Secretary of State, the Secretary of Agriculture, and men of that type, Mr. Former Secretary Stimson—they have simply expressed to you the opinion which I say to you is nothing more than a hope that the passage of this bill will do some good.

I think it will do harm. I do not feel, as that speaker from Texas and one other gentlemen, speaking for the wool industry, this morning suggested, that there might possibly be an apology from a Democrat talking here for protection. That is not my understanding at all. I know of no organized Democratic movement in favor of anything contrary to protection. I have attended every Democratic National Convention since 1900, beginning with that one, except one, and it is only a difference in degree between the two parties.

Senator KING. You mean on the tariff question?

Mr. QUINN. On the tariff question. The only prominent statesman or distinguished economist in this country of whom I have read this year who has gone on record in favor of free trade is Professor Tugwell, and when we find Professor Tugwell fathering the statement that he believes—I am not pretending to quote him, but in substance—no industry that required the protection of a tariff had any business in this country, and, on the other hand, when we find the Secretary of Agriculture spotting out this industry and that industry, which includes my industry, and say-

ing, "You ought to be given fair warning", you can understand, Mr. Chairman, that it creates a disturbance in the section of the country where I live.

I think it would be bad for the country, and in answer to my good Democratic friends who talked here this morning, apparently they belong to the same party with me, and I never belonged to any other party, but I believe it will be bad for the country and worse for the Democratic Party if you pass this bill, and I appeal to the administration now in power in Congress, and I appeal to the men who have the large working majority in both Houses of this country, not to try this upon us.

It is asked for; why? My answer to that will be my closing, Mr. Chairman. Secretary Hull and those other distinguished gentlemen who come here and ask for this, put it upon what ground? The ground of emergency. Not one of them has said that this thing is good inherently. They ask that it be tested. They say that a great emergency has fallen upon us. One of the Senators interrupted Secretary Hull the other day with a question, and when he did, the only answer he could give for it was that the day of emergencies required extraordinary remedies.

Well, if those gentlemen were contrasting present-day conditions with conditions previous to October 1929, I would agree with them that there was an emergency and an extraordinary condition, but there is no extraordinary condition today compared with when President Roosevelt uttered that paragraph that I have inserted in the RECORD.

The CHAIRMAN. Thank you very much.

Senator HEBERT. Mr. Chairman, may I ask Mr. Quinn a question?

The CHAIRMAN. Certainly.

Senator HEBERT. This question is prompted by a letter which I received this morning from a man I do not know. I assume from the tenor of his letter that he is probably an importer of laces. He made the statement that it seemed to him that the inefficiency of the lace industry was due to watered stock.

You are familiar with the conditions in Rhode Island, where you and I live. You are one of the investors in the stock of some mills down there. Will you make a statement as to whether or not there is any watered stock in those mills?

Mr. QUINN. It is absolutely ridiculous to charge the lace industry with having watered stock. There are only two families in this country, the Bromleys, of Philadelphia, and the Goffs, of Pawtucket, R.I., who could be classed as rich people. All the other lace mills are owned by people of very ordinary means.

The mills in your town and mine have around 150 or 200 stockholders.

Senator HEBERT. I understand some of them were workmen in the cotton mills who invested their savings in that stock.

Mr. QUINN. Yes, sir; and not a few of them were workers in the lace mills themselves.

The CHAIRMAN. Thank you very much.

Under date of the 26th instant I received from Colonel Quinn a letter which I feel I ought to read to the Senate, because of what he says and because of his expressed desire to have his opinion recorded on this measure, as to the effects it will have, before the mistake is made of enacting it into law. I read:

QUINN, KERNAN & QUINN,
Providence, R.I., May 26, 1934.

Hon. FELIX HEBERT,
Washington, D.C.

MY DEAR SENATOR: I am sending you a copy of Advertising Age of December 2, 1933, containing a double-page advertisement of Wallace's Farmer and Iowa Homestead, which I understand to be the papers owned and published by Secretary Wallace and his family.

This advertisement ought to be given a place in the CONGRESSIONAL RECORD before the final vote is had on the pending tariff bill, so that the Democrats of the Senate and of the country may know just what Secretary Wallace's connections and views are when he is at home in Iowa.

In an effort to extend the circulation of the Wallace newspapers, it will be noted that he is promising his home State great things. The following quotations from the advertisement in question are a delightful expression of disinterested statesmanship:

"The flow of Federal cotton money started business booming in the South. What Federal funds will do for Iowa business is evident from the fact that Iowa, from the corn-hog contract benefits alone, will get 10 times as much as the average cotton State got from the cotton bonus, where 16 States shared $111,000,000."

And again, this disinterested (?) adviser has this choice morsel to offer in support of a larger circulation for his newspapers:

"Uncle Sam has been dotting up maps of the United States to show you where the corn-hog benefits go. The maps below show what he has done to Iowa. You can't see a dot for the dots."

As you well know, Senator, I never voted anything but the Democratic ticket. If I have got to start in now taking my political economy from Republican sources, I want some choice in my selection of Republican mentors.

If the pending tariff bill passes the Senate and if the President of the United States could be persuaded by men of the type of mind of Secretary Wallace to reduce the tariff on New England and northern products 50 percent (something that I hesitate to believe will be possible) the distinguished Secretary of Agriculture would have succeeded in raising more hell in this part of the country than hogs in Iowa. The reciprocal tariff bill, if passed, will be known as one of the great mistakes in the history of legislation, and I want my humble opinion to have been recorded before this mistake is made.

Very truly yours,

PATRICK H. QUINN.

Mr. President, I hold in my hand a copy of the advertisement to which Colonel Quinn made reference. It appeared in the Advertising Age, issue of December 2, 1932, and is signed "Wallaces' Farmer and Iowa Homestead, Des Moines, Iowa." The advertisement reads:

"MONEY SPOTS" CAN BE SPOTTED!—CAN BE BOUNDED GEOGRAPHICALLY!

The new fluid, cash money, that is being poured into the money spots can be measured accurately.

Alert sales management can know where—exactly where—there is enough cash, fluid-traveling, unfrozen money, to give bountiful response to sales effort!

Isn't that the simple solution of today's sales problems? Not to be overwhelmed by national or world conditions but to put aggressive sales effort in the cash-money spots—so easily, accurately spotted?

Uncle Sam has been dotting up maps of the United States to show you where the corn-hog benefits go.

The maps below show what he has done to Iowa. You can't see a dot for the dots.

$300,000,000 FOR IOWA FARMERS FROM CORN AND HOGS

The total of sales of old and new corn, corn rentals, corn loans, hog bonus, and hog sales for the next 14 months should reach a total of $300,000,000 for Iowa farmers from hogs and corn alone. Of this amount, approximately $100,000,000 will be in the form of funds advanced by the Federal Government through corn loans and benefits on corn-hog contracts. The balance will come from sales of corn and hogs on the market at the higher prices resulting from the corn-hog program.

This means over $3,000,000 per county from corn and hogs. Think what this means in spending power.

This new cash money being poured into Iowa between November 1933 and February 1935 makes Iowa the outstanding cash-money spot of America.

FEDERAL FUNDS BOOM BUSINESS

The flow of Federal cotton money started business booming in the South. What Federal funds will do for Iowa business is evident from the fact that Iowa, from the corn-hog contract benefits alone, will get 10 times as much as the average cotton State got from the cotton bonus, where 16 States shared $111,000,000.

Cash is now flowing to Iowa farmers. The first actual corn loan at 45 cents a bushel was made to a Pocahontas County, Iowa, farmer on Friday afternoon, November 24.

The spending power is here. It remains for the alert sales managers to take advantage of this extraordinary sales opportunity.

Don't overlook the fact that the income of the average Iowa farmer is approximately twice that of the income of the Nation's average farmer.

WALLACES' FARMER AND IOWA HOMESTEAD SUPREME IN IOWA FARM MARKET

Wallaces' Farmer and Iowa Homestead has a total circulation of 260,000. It is read in 92 percent of the farm homes of Iowa.

This means that every hour of the day, 9 out of every 10 farmers who pass your dealers' stores—all possible customers—are long-term subscribers to Wallaces' Farmer and Iowa Homestead, and are familiar with the brand names of shoes, clothing, foodstuffs, machinery, auto accessories—everything that appears on its advertising pages. To get turnover of your product in this major market, you must reach the major number of farmers—the 9 out of 10 who read Wallaces' Farmer and Iowa Homestead.

POST OFFICE COUNT CIRCULATION PUTS FULL TRUTH IN ADVERTISING

Stock turn-over, as influenced by advertising, is strictly dependent upon a coverage in a dealer's own particular locality adequate to create a buying preference at his own retail counter.

Post-office count is a paper's proof that its circulation is uniform and adequate in all parts of its territory to influence business for every dealer.

The farm paper that dares to give a post-office count of circulation must have uniform, unspotted circulation in every community and locality in its territory! No thin circulation in any community!

Wallaces' Farmer and Iowa Homestead offers the only dominant coverage in this exceptional farm market, and demonstrates it by post-office count, which, in the hands of your salesmen, gives conviction to Iowa dealers that advertising in Wallaces' Farmer and Iowa Homestead is of immediate value to them in their own communities.

Write for special literature on corn-hog benefits.

WALLACES' FARMER AND IOWA HOMESTEAD,
Des Moines, Iowa.

INCREASED UNEMPLOYMENT WOULD RESULT FROM PASSAGE OF BILL

In the light of these facts, what, may I inquire, is to be accomplished by reciprocal agreements which, if made effective, must inevitably result in making more severe the competition of the lower wage scales of other countries?

Every one of these tariff treaties will make more easy the importation of some articles which will displace some of our workers and prevent the reemployment of some of the ten millions of our unemployed.

Given the same hours of labor, the same scale of wages, and the same conditions of employment, I venture the assertion that our manufacturers could compete with the world. But who among us is willing to say that our American working men are overpaid, admitting their wages are, on the average, twice those which prevail in other countries? Shall we be heard to say that the American standard of living shall be reduced to the level of the countries with which we are in competition?

In our search for foreign markets for a mere 7-percent excess production over our annual consumption are we to jeopardize the 93 percent and make that available to the workmen of other lands? Are we to embrace the shadow and let fly the substance? My reply is that we shall do those very things the moment we enter into trade agreements such as I am led to believe are contemplated.

Let us assume the President, if given this power, will use it judiciously. No one doubts that. But even its judicious use will not remove its dangerous implications. Not only the exercise of such power may destroy our industries but the mere fact that the power exists is in itself ominous, since it may dry up the sources of capital essential to the continued existence of any business enterprise. Once let it be even rumored that an agreement affecting any particular industry is under consideration and immediately capital will flee from it and its ultimate extinction will not be long deferred.

Capital cannot be secure under such conditions. Industry cannot thrive under such an incubus. With such indecision, such uncertainty, such a disturbance of the existing order, recovery must of necessity be long deferred.

RHODE ISLAND WORKERS WOULD BE IMPERILED

I am not now nor have I ever been engaged in industrial pursuits. However, I am not unfamiliar with the conditions surrounding industry, particularly in Rhode Island. I was reared in the shadow of our cotton mills. Five generations of my people have lived in close proximity to them. Within sight of my home are a score of industrial plants, some of them established more than a century ago. Many of the workers in those plants have spent a lifetime of endeavor there. Some of them were my boyhood companions. I still number them among my friends.

They are my neighbors. They have prospered, many of them; they have reared their families and educated them out of their earnings. I know something of the sacrifices they have had to make through the years. Among them are large numbers of home owners—modest homes—upon which they have lavished their tender care and in which they have invested their all. Most of them could not now change the habits of a lifetime and seek employment in other lines if, as I am convinced, the effect of the pending bill will be to destroy their present means of livelihood.

What I say about the conditions in my immediate neighborhood applies with equal force in all parts of Rhode Island, and, indeed, throughout New England and the industrial East. In my own State we are essentially industrial. Our farming is negligible, though by no means inconsequential. Our dairy herds are among the finest in the world and our truck farming is carried on extensively, but few cereal crops are harvested for the market.

All of these people have honored me with their confidence and friendship through the years. If I were in the course of my service here, by my official acts, to do that which I firmly believe would jeopardize their future well-being, I would be violating that confidence and outraging that friendship which I have treasured for so long. Whatever eventuates I shall not do that. Believing as I do that the passage of this measure will not be conducive to their best interests but will be detrimental to the people of our country, I shall oppose it.

Let it be observed that we have as many factories, as many farms, capable of producing as many of the things we wear and use and consume as we ever had. We have as many people ready to buy these products just as they did in times of prosperity. The manufacturers are ready to produce if they can find a market. Our citizens will be as ready to purchase as they ever were if we can ever dispel that fear, that lack of confidence which holds them in its grasp.

It is far better to adhere to those forms which we know so well—to have faith in our country and its future, to live in the hope which I believe will not be long deferred that this cloud of depression which has hovered over the entire world for so long will soon be dispelled. It is our task to help restore confidence in this hour of need rather than to dissipate our efforts and waste our patrimony and mortgage our future in a vain effort to remake the world.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had passed without amendment the joint resolution (S.J.Res. 123) empowering certain agents authorized by the Secretary of Agriculture to administer oaths to applicants for tax-exemption certificates under the Cotton Act of 1934.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H.R. 8617) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1935, and for other purposes.

The message further announced that the House had passed the following bills of the Senate, each with an amendment, in which it requested the concurrence of the Senate:

S. 1780. An act to provide for the discontinuance of the use as dwellings of buildings situated in alleys in the District of Columbia, and for the replatting and development of squares containing inhabited alleys, in the interest of public health, comfort, morals, safety, and welfare, and for other purposes; and

S. 2714. An act to amend section 895 of the Code of Law of the District of Columbia.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 1646. An act to promote safety on the streets and highways of the District of Columbia by providing for the financial responsibility of owners and operators of motor vehicles for damages caused by motor vehicles on the public highways in the District of Columbia; to prescribe penalties for the violation of the provisions of this act; and for other purposes;

H.R. 2035. An act for the relief of Jennie Bruce Gallahan;

H.R. 6037. An act to exempt from taxation certain property of the National Society of the Sons of the American Revolution;

H.R. 6099. An act for the relief of Alfred Hohenlohe, Alexander Hohenlohe, Konrad Hohenlohe, and Viktor Hohenlohe by removing cloud on title;

H.R. 6130. An act to prevent misrepresentation and deception in the sale of milk and cream in the District of Columbia;

H.R. 7208. An act to amend an act entitled "An act to require the erection of fire escapes in certain buildings in the District of Columbia, and for other purposes", approved March 19, 1906 (34 Stat. 70), as amended by the act of March 2, 1907 (34 Stat. 1247);

H.R. 8517. A bill to provide for needy blind persons of the District of Columbia;

H.R. 8987. An act to amend an act entitled "An act to establish a Board of Indeterminate Sentence and Parole for the District of Columbia and to determine its functions, and for other purposes", approved July 15, 1932;

H.R. 9007. An act to amend section 11 of the District of Columbia Alcoholic Beverage Control Act;

H.R. 9143. An act providing educational opportunities for the children of soldiers, sailors, and marines who were killed in action or died during the World War;

H.R. 9180. An act relating to the incorporation of Columbus University of Washington, D.C., organized under and by

virtue of a certificate of incorporation pursuant to the incorporation laws of the District of Columbia as provided in subchapter 1 of chapter 18 of the Code of Laws of the District of Columbia;

H.R. 9184. An act to authorize the Commissioners of the District of Columbia to sell the old Tenley School to the duly authorized representative of St. Ann's Church of the District of Columbia;

H.R. 9400. An act to exempt from taxation certain property of the American Legion in the District of Columbia; and

H.R. 9622. An act to amend subsection (a) of section 23 of the District Alcoholic Beverage Control Act.

RECIPROCAL TARIFF AGREEMENTS

The Senate resumed the consideration of the bill (H.R. 8687) to amend the Tariff Act of 1930.

"THE SLIPPERY DEAL"

Mr. SCHALL. Mr. President, America is a patient Nation. In the name of emergency her citizens have submitted without protest to an unending series of uneconomic experiments ranging from interference with private enterprise, destruction of competition, the lifeblood of business, disorganization of established institutions, such as our air mail, to usurpation of functions allotted by the Constitution.

"Give the President a chance", the American people were told. And they gave him his chance. "Do not criticize", they were admonished; "that is unpatriotic." So, in spite of grave misgiving, people held their peace, hoping against hope that fine phrasing meant sound thinking, and that back of the wild and reckless hue and cry for change—any change—was some plan, some goal that would mean relief. The resulting state of confusion, bewilderment, dislocation, and danger should awaken even the blind followers of the blind, the mouthers of quick opinion.

On one hand, they claim the emergency to be passed; yet, under the guise of a war on depression, they seek to make permanent the drastic supervision, the flagrant interference with individual liberty and initiative, the violation, and repudiation of the Constitution, "the greatest piece of work ever struck off at a given time by the brain and purpose of man", as Gladstone said.

From a small nation, basing its faith on the right doctrines of the Constitution, we have grown to a mighty nation. If we throw away this mainstay of our greatness, we shall go the way of other great nations which, in a spirit of folly, replaced stalwart principles with experimentation.

It is useless to try to crowd down the throats of our people any program which fails of popular support. Rumblings are growing, and if they are not heeded patience will turn to fury, and the revolution which the administration boasts of will be upon us.

WE BELIEVED IN AMERICA

For 150 years we had protection. We were nationalists. We believed in America first. We became a great nation on the principles laid down in our Constitution. We had relations with other nations, but we kept our hands out of their politics. Ninety-five percent of the automobiles, the bathtubs, the radios, the aids to comfortable and luxurious living were used within our own borders. By protecting our laborers from foreign goods our standard of living became the envy of all nations up to the time Woodrow Wilson "kept us out of war" by dragging us into it as fast as he could. We did not need to go into that war; we should never have gone in; but the international bankers, who elect our Presidents, wanted us in; so Wilson drafted the soldiers and in we went. The riot of extravagance in the conduct of that war, the spendthrift loans to Europe which they today repudiate, were the essence of today's depression.

Beginning with Wilson there has been a constant fight to drag us down to the level of Europe. Franklin Roosevelt's campaign was won on the theory that conditions could not be worse. The same personnel as in Wilson's time, the same wrecking crew that took us into that war and ruined us, are now in command.

The President's first "noble experiment" when he came into office was to look about for some means by which he could do something that he was not in anywise authorized to do, to look for some secret way of "slipping something over." He did not call it by its right name, a "slippery deal." He called it a "new deal." He did not have any war, as did his predecessor, Wilson; so he invented a war and called it the "war upon depression"—along the line of a war for democracy; you know, where the result of the war for democracy has rendered the world bereft of democracy and rampant with dictatorships.

He needed some show of lawful authority with which to quiet the people while he usurped power. So he instructed his Attorney General to find some pretense of authority, and the Attorney General promptly found a law passed during our foreign war "to make the world safe for democracy", and upon its pretended authority closed every bank in the country, to make sure we reached the bottom of desperation. What little courage and confidence were left were taken away.

The next deed was to kick the soldiers out of their hospitals and off the compensation rolls. The Republicans took care of the soldiers, gave them decent compensation and decent hospitalization, but the international bankers wanted to balance the Budget, so they took it off the soldiers and the poorly paid Government employees.

ROOSEVELT A DIRECTOR

Franklin D. Roosevelt was a director on the board of the International Bankers Association up to the time that he became Governor of New York, and through the International Bankers Association loans to the amount of $15,000,000,000 were arranged for foreign nations.

The international bankers cannot get back their money or interest on this $15,000,000,000 loan unless these foreign peoples can sell their goods to us.

Owing to his declaration in Baltimore that "it was preposterous to think of lowering the tariff on agricultural products", and owing to his announcing to the convention that had made it that he was for the Democratic platform 100 percent, it was hardly feasible that the people would understand if he immediately, with his subservient Congress, reduced the tariffs with 12,000,000 men out of work. So he and his banker friends, and big business generally, conceived the idea of starting the N.R.A.—the so-called "National Recovery Act", better known today as the "national ruin act." It was reported that Barney Baruch and his friends had established approximately 1,800 factories in foreign countries, and the Republican tariffs were a little too high for them to make in our market with cheap foreign labor enough money to satisfy their big money ideas. So, why not, under the guise of a war on depression, foist upon the people the National Racketeer Association and place Barney Baruch's partner, "Crack-up" Brigadier General Johnson, in charge of seeing that prices were raised to the level of 1926, while at the same time setting prices for agriculture at an average between 1909 and 1914? The farmers would not notice the disparity; and, if they did, what mattered?—since under the act he could control the newspapers, the radios, the movies, and every avenue of information that the people had, and could, with the taxpayers' money, fill their ears and minds with the propaganda that he desired.

So we have had the N.R.A.; Barney and his crowd have been profiting thereby, and our 12,000,000 still are unemployed; but the last of February the newspapers succeeded in getting into their code the guaranty of free speech, and they began again to feel their freedom and again began to print some of the news out of Washington that had been theretofore so carefully guarded. In only a few months, with some of the real news going to the people, the N.R.A. was shown up in its true light and is now known, as it was feared it would be by those who had given it serious thought, either on the Democratic or Republican side, to be a "flop"; and it became very evident to the administration and his international banker friends that if they were to get back the

$15,000,000,000 loaned they must have some other scheme to advance now to the people, for further reduction of the tariff.

TARIFF PROTECTION IN DANGER

So we have before us this tariff bill, no doubt sent here to take the place of what was anticipated for the National Recovery Act. Now since the President's power over the newspapers and radios is slipping, he demands power to tamper secretly with the tariff. He has the power now to raise or lower the tariff 50 percent with the aid of the Tariff Commission, on the basis of known facts and figures. But that does not do. He must have absolute power within himself. Like all dictators, he wants secrecy. He does not want the people to know what he is about. It will not bear the light of day. He wants to act, regardless of facts and figures.

Since the N.R.A. is a failure, its life only a question of a few more months, its licensing power expiring in June, as a substitute for the help of the N.R.A. he proposes a tariff law, by which he can lower tariff rates by 50 percent at his own sweet will, to see that the international bankers, by whom he was elected, are taken care of. This, in effect, with the present 50 percent law in connection with the Tariff Commission, would give him power to raise or lower the tariff 75 percent.

All through the argument the statement is reiterated, "We must increase our foreign trade; we must let them sell to us so that they can pay us." Already things have been made easy for foreign manufacturers by reducing our week to 30 hours and increasing our prices under the N.R.A. To help the foreign nations pay the international bankers, the 12,000,000 unemployed are to be sacrificed. He purposes helping further by lowering the tariff and ruining our country and standard of living. This is to be done secretly. No one will know where the blow is to fall until it has fallen. What a power for political aggrandizement!

Of all our trade, 95 percent is within our borders. Foreign trade, even in our period of prosperity, was but 5 percent. It is patent that we shall never have recovery till we get back our own 95 percent. If Hoover had insisted on a protective tariff, after the depression hit us, amounting to an embargo, we should have been "out of the woods" of depression in 6 months, for in July wheat was $1.20 a bushel and all farm produce was selling for prices in proportion, as well as were industrial products. In 30 days after the N.R.A. went into effect, wheat fell to 75 cents a bushel, and everything else fell in proportion. Building stopped completely. Here in Washington alone in July nine hundred ninety thousand and some dollars in contracts were let. In 30 days they had fallen to $52,000, and have been falling ever since. This happened in the building industry and in every other industry all over the country. Even now, if nothing had been done, we would at least have been on a par of recovery with other countries, such as England, Canada, and Australia, which are on the high road to recovery, with balanced budgets and money in the treasury. But this eternal quest of the administration for more power, and still more power, together with its communistic regimentation, lock-stepping, individualism-crushing bills of doubtful remedy, has scared and will continue to scare every investing dollar.

The Democratic leaders who support and fight for the President's tariff bill are the same who, in Harding's and Hoover's administrations, condemned the flexible tariff as being unconstitutional.

This bill provides a strange parallel to the taxation without representation of George III, which led to the American Revolution and independence.

AGRICULTURE

Prof. H. J. Gramlich, in a speech delivered before the livestock feeders of Iowa in December, on the subject of the coconut-oil problem and American agriculture, disclosed the astounding fact that the importation of coconut oils from the Philippines has increased from 76,000,000 pounds in 1909 to about a billion pounds in 1933. And now, after killing the farmers' livestock and plowing under our cotton, the administration wants these coconut oils to come in free of duty.

On October 2, 1929, the issue now before us in the proposal to delegate tariff-making powers to the White House was before the Senate in the form of the so-called "Simmons amendment" to the flexible clause. The Simmons amendment—supported by a Senate majority composed of 33 Democrats and 14 Republicans—provided that changes of tariff duties proposed by the United States Tariff Commission should be submitted to Congress for approval instead of being directly approved by the President.

The question involved was, Should the legislative or the executive branch of Federal Government have direct power over tariff revision or, in effect, exercise priority of control over the Federal tax power?

FUNDAMENTAL CONFLICT

On that day, October 2, 1929, the chairman of the Senate Democratic committee, Senator Swanson, of Virginia, now Secretary of the Navy, delivered a four-page address reviewing the struggles of Anglo-Saxon nations from the day of Magna Carta down through the British and American Revolutions to the present day on the fundamental conflict between democracy and autocracy in control of the tax power. On page 4133 of the CONGRESSIONAL RECORD, Seventy-first Congress, first session, Senator Swanson described the issue thus:

> The issue now presented has been an issue from time immemorial. It is, Shall the taxing power in a nation be placed in the hands of one man or shall the people reserve that power to themselves and exercise it as their will and their judgment shall dictate? That is a conflict that has existed in the world since man became civilized. It is fundamental; it is far-reaching; it cannot be shirked. That is the issue here today, and no subterfuge, no sophistry can avoid that one specific issue.

Today, Mr. President, that issue is more specific and direct than it was in 1929. Five years ago it arose in the form of the power to approve a tariff revision proposed after public hearings and thorough investigation and findings by a Tariff Commission of experts. Today we are called upon to make a direct delegation of tariff-making powers and treaty contracts to the White House without Commission hearings and without advise and consent of the Senate. We are called upon to abdicate our treaty-making function and directly delegate to the White House the tariff-revision function without check and without even the knowledge of Congress.

The bill proposes an amendment of article I of the Constitution without submitting that amendment to the people.

CURSE OF MONARCHY

Our Secretary of the Navy, then Senator from Virginia and chairman of the Senate Democratic committee, called attention to a further danger, namely, that the power of the President to revise the tariff included the power to create monopolies for administration favorites. On the same page of the RECORD we find he said:

> What was the great curse of monarchy? It was the power on the part of the king to grant monopolies to a few to trade in England or in France or in Spain, as the case might be. One of the greatest curses of government until America was settled was the power given to monarchs to show favoritism, to bestow favors upon their particular friends and adherents, to make men rich or poor as the will of the monarch might dictate. In England privileges were given to favorites which resulted in monopolies in the woolen trade, the sugar trade, the cotton industry, and similar favors were bestowed in France and Spain. Court favorites were made rich by the monarchs who had it in their power to bestow such favors. That was one of the abuses denounced in our Declaration of Independence; it was one of the main grievances which resulted in wresting of Magna Charta from King John, for the King could bestow favors to the enrichment of his favorites.

Yet that very power, raised to a higher degree—the power which our Secretary of the Navy denounced in this Chamber as the curse of monarchy—we are asked today to delegate to the Executive by the very group of Senators for whom then Senator Swanson, their committee chairman, was the wise spokesman in 1929.

In support of the principle enunciated by their chairman, the Democratic members of the Senate Finance Committee

presented a like indictment of Executive participation in the tariff-making power as an encroachment upon the powers of Congress.

Six of the Senators signing that indictment are the six senior Democratic members of the present Senate Finance Committee, including the chairman thereof, the Senator from Mississippi [Mr. HARRISON]. Other Democratic Senators of that committee are the Senator from Utah [Mr. KING], the Senator from Georgia [Mr. GEORGE], the Senator from Massachusetts [Mr. WALSH], the Senator from Kentucky [Mr. BARKLEY], and the Senator from Texas [Mr. CONNALLY]. Likewise, in 1929, the Senator from Oklahoma [Mr. THOMAS] signed the indictment as a member of the Finance Committee.

This is what those Senators said then, and the Constitution with reference to article I has not been amended since 1929 nor the Declaration of Independence expunged—except in slippery new-deal literature.

The following paragraph from that indictment of alleged Executive encroachment upon the powers of Congress occurs immediately after the Senate roll call—page 4150, Seventy-first Congress, first session, October 2, 1929. I am unable to believe that Senators have reversed their convictions on the fundamental gospel of the Republic in this brief space of time. I suspect that a number of the Senators here quoted believe at this hour as they believed then, and have no apologies to make, because none will be required of them. The issue as they saw it then was thus well stated—and I agreed with that statement then, as I do now. Permit me to quote:

> The question involved is one that in our opinion strikes at the very roots of constitutional government. It concerns the preservation unimpaired or the abandonment of the power of levying taxes by that branch of government which the forefathers agreed should alone be charged with that duty and responsibility.

In approval of this point of view and in defense of the power of Congress under the grant of article I, the Senate had just voted to support the Simmons amendment by a majority of 47 to 42. I was one of the Republican 14 who, with 33 Democrats, voted for the Simmons amendment. Let me further quote from the minority report of the Senate Finance Committee, of which the present chairman, the Senator from Mississippi [Mr. HARRISON], was then a member, as now:

> Authority in the Executive to make the laws that govern the course of commerce through taxation is especially objectionable. It is an entering wedge toward the destruction of a basic principle of representative government, for which the independence of the country was attained and which was secured permanently in the Constitution.

Mr. President, can we find in American history a more admirable statement of the issue, couched in courteous though frank and logical terms, than the above statement of the issue today raised in this tariff bill introduced by the White House?

Then came the charge of secrecy. At that time the indictment drawn by Democratic Senators with reference to Executive secrecy was not particularly plain. Tariff revision under the flexible clause involved public hearings and published documents. Nevertheless, the fear of secrecy inspired a chapter of the Democratic minority report, from which I quote (p. 4151):

PROCESS HELD VIRTUALLY SECRET

> The principle is: Are taxation laws and their application to be made virtually in secret, whatever may be said about a limiting rule, or are they to be enacted by the responsible representatives of the people in the Congress, where public debate is held and a public record made of each official's conduct? * * * The arbitrary exercise of the taxing power, all the more dangerous if disguised and not obvious, in its basic character is tyranny.

Mr. President, by reason of the fundamental character of the issue involved, an issue upon which may hang the future destiny of the Republic, if Senators will read the following pages from the CONGRESSIONAL RECORD of October 2, 1929, they will find:

First. The speech of the Senator from Virginia [Mr. SWANSON], including the radio-broadcast address of the Senator from Arkansas [Mr. ROBINSON], pages 4132–4136, Seventy-first Congress, first session.

Second. The report on the investigation of the Tariff Commission by the Senators from Arkansas [Mr. ROBINSON], from Maryland [Mr. BRUCE], and from Wisconsin [Mr. LA FOLLETTE], pages 4138–4139, ibid.

Third. The roll call on the Simmons amendment to the Smoot amendment, page 4150 of same, followed by the minority report of the Democratic members of the Senate Finance Committee, pages 4150–4151, all of October 2, 1929.

OVERTHROW OF REPRESENTATIVE GOVERNMENT

In view of the historic fact that a majority of the Democratic Members of the present Senate held, and most logically maintained, that delegation of tariff-making powers to the Executive involved vital dangers, such as, monopoly, secrecy, and overthrow of representative government, I am sure that no Member of the present Senate majority would wish their well-considered utterances ignored now that the issue between executive and congressional control of the Federal tax power confronts us face to face.

I was on the *Mount Vernon* when it was torpedoed and 38 sailors were drowned or scalded to death. There was a hole in the side of the vessel as big as a small house, and in order to save the ship it was necessary to leave the airtight compartments closed. It meant the death of the 38. Our Ship of State is in the same condition. We have been torpedoed. It is the international bankers who are in the airtight compartments. There are about the same number of them, 38. Our President is busy in interviews and over the radio making it appear he is for the 12,000,000 unemployed. But he is not. He is all for opening the ship to the waters of the sea. He would sink the country to save a fraction of 1 percent. We must have a change of captain. We must get somebody, somewhere, with courage to act, to forget the yells of the 38 and save the 130,000,000.

He cannot save his international bankers under the high protective tariff left by the Republicans, and for that reason he took the people's money and inaugurated the N.R.A. It was intended to mask all his actions, to work as a screen to censor newspapers, radios, and movies. Senators will remember that Dr. Wirt was to speak the other day over the radio. He could not get a station. Finally he found a little radio company who was willing to brave the administration's wrath, but not a telephone wire would serve him. As I said in the Senate on the 22d of February, former Senator George Moses was not allowed to speak on the subject, Back to Sanity. Whenever he touched on criticism of the administration they put the buzzer on, and this was done under the guise of the N.R.A. They spent $100,000 a day for advertising. Once, I am told, it reached $500,000 per day.

We read in the papers that Bernie Baruch's partner "Hooey" Johnson thinks it is time for another educational drive. More wasted millions!

FREE SPEECH SAVED

When the newspapers got free speech under the code, the President was as mad as a hornet. He struck back viciously, insinuating immorality of the press, and harping upon the elimination of child labor, as Senators will remember. I will warrant it was then he began to cogitate in earnest this usurpation of tariff power, for with this weapon his hand could be upon the throat of every business and farmer in the Nation, which, together with the collecting of the $15,000,000,000, would moreover furnish the great means of silencing opponents in the coming election.

Anyone knows child labor is not an issue. Nearly all the States have had that law for many years. The morals of the Nation are in no danger from the newspapers.

There is a bevy of propagandists, paid for by the people's money, who see to it that nothing gets to the people of which the administration does not approve. So sure are they of the obedience of a frightened and cowed press, whose license might have been suspended unless they had behaved, that a group of key women from Democratic headquarters at a luncheon, it was told to me, were preening their feathers over being able to counsel neighborhood groups to buy and read their local paper. If they could not afford to buy one each "subscribe in groups. We cannot be accused of par-

tisan advice", these women gloated, "for surely it is not partisan to learn what your country is doing."

I have been told that since I dared to criticize Mrs. Roosevelt's interest in the furniture factory at Reedsville she threatens to withhold her news from any paper that gives me any mention.

This bevy of special writers and radio speakers are paid to twist, misquote, misstate with diabolical cleverness, to poison the wells of information.

FOGGY ILLUSIONS OF BRAIN TRUST

For example, when Silas Strawn made his courageous demand that Roosevelt give "a definite announcement that the emergency is over, and that there will be no more requests for emergency legislation and no more tinkering with the dollar", two characteristic bits of propaganda were inserted cunningly. One—

President Roosevelt is taking a pragmatic, businesslike view of export possibilities, and apparently does not intend to be stampeded by the outmoded dogmatism of theorists.

Yet every act and speech of Roosevelt's are but springes to catch woodcocks, his plans bred in the foggy illusions of "brain trust" dreamers, who have no foundation of fact and experience; and, as Silas Strawn well said:

I find difficulty in consenting to the abandonment of a scheme of government which for 150 years has made us happier and more prosperous than the people of any other nation, and the adoption of a daily portfolio of discordant experiments which seem impossible of being assembled into a new governmental machine.

The second misleading statement was:

There are influential men in the administration, like Secretary of State Cordell Hull, who would go along more or less with Strawn. * * * If protecting the American workingman from the competition of 5-cents-a-day worker in Japan, for example, is economic nationalism, then let the internationalists make the most of it.

A palpable characteristic weasel-worded attempt to cheat. Bernie Baruch and his fellows hire the 5-cents-a-day laborer and want the tariff barriers down so they can ship in their goods. Yet this statement would have us believe that Roosevelt, the second, is concerned with the welfare of the American laborer. Not one statement or action of Cordell Hull's shows him seeing eye to eye with Silas Strawn in his present enunciations. If we should go back when he spoke in Congress against the flexible tariff proposal of Hoover, there might be some comparison. He said, in effect, "No honest man would ask for this, and no President, however honest, should have it."

Impatient as always of criticism, indifferent to the grim discontent of the people, Roosevelt in his reply reverts to his threatening and secretive poison cup and dagger method of attack. He said:

The people as a whole will be impatient of those who complain and those who hold out false fears. It is time to stop crying "wolf" and to cooperate in working for recovery.

Again:

The Federal Government will continue its unceasing efforts to stimulate employment, increase American values, and bring about a more wholesome condition. Private business can and must take up the slack.

He ignores the information as to the real state of the country, the fatal results of the unceasing efforts of the meddling Government. He will not brook advice. The present program will be obstinately carried out despite calamities and despite protests of the people and the sounder men within his own party.

His every effort is to conceal from the people the true facts and to issue misleading high-sounding statements. Darrow's report on the N.R.A. is shelved. The Wirt inquiry was turned into a pillory for that honest patriot. He was prevented from bringing out his facts that a faction of the administration is seeking to bring about a social revolution, though it is common talk here in Washington and in the Government departments and all through the country. A group of workers in Miss Hildegarde Kneeland's department, present at the inquiry, stated that what Dr. Wirt said was mild compared to the talk they heard every day.

The discourteous treatment of Dr. Wirt and former Democratic Senator James A. Reed showed a narrow and partisan effort to smother the truth and prevent an honest hearing, to "crack down" on a man trying to render valuable public service. There was no attempt to call Donald Richberg, who said, "The revolution is already here." To add insult to injury, our jesting President nominates the dangerous radical, Rexford Tugwell, to an extra office which he creates, and raises him from $7,000 to $10,000 a year, in the face of the fact that this man has openly said for years that he does not believe in the Constitution and openly recommends its abolition; and yet with his tongue in his cheek he takes an oath, knowing as any man must know, and any court in the country having the facts before it would pronounce, that his action is perjury; and perjury in this instance is not only perjury but treason. In his new position, Tugwell can shape the destinies of our long-suffering farmers according to the principles and practices of Soviet Russia, on which he looks with such favor, and which he refers to so constantly.

Tugwell will make a perfect assistant to Secretary Wallace, who stated that regimented public opinion was a necessity. What does that mean but censorship of speech and press? He also said that "our people must change their attitude concerning the nature of men and the nature of human society", and referred to the "enduring social transformation, such as the 'new deal.'" Dr. Tugwell's book, Our Economic Society and Its Problems, advocates Government control of all production. It has the 1932 Socialist program printed. He has used his position to have this book circulated in American schools and colleges, perfectly proving Dr. Wirt's charges that the "brain trust" is sowing the seeds of slippery-deal revolution in the minds of our students.

Yet the President's only answer is to try to make a jest of these charges, and Dr. Wirt is insulted and browbeaten for saying what everybody knows.

George W. Christians, of Chattanooga, in a statement which has never been denied, admits he is the author of the statement that Roosevelt is to be the Kerensky of the revolution. Christians is president of the Red organization, the Crusaders for Economic Liberty, and of three subsidiaries, the Crusaders, or White Shirts, the American Fascists, and the Associated Groups for Economic Liberty.

He gives the following report of a conversation with Roosevelt in the presence of Raymond Moley at Warm Springs, Ga., December 1, 1932:

I pointed out to Mr. Roosevelt that Kerensky had been successful only until the Czar was removed—he failed because he was unable to reconcile the jealous elements of the revolution. * * *

I predicted that President Roosevelt would be the Kerensky of the new economic revolution, and that a stronger man, a Lenin, would arise and lead the masses to true liberty. * * * He couldn't close the wide gaps in American thought * * * and he would be succeeded by a dictator who could.

No leader has ever arisen to remain at the head of a government continuously during the three phases of a revolution, and I told Mr. Roosevelt so. Mr. Roosevelt listened patiently to me, and then replied, "Well, Oliver Cromwell did."

The only reward Dr. Wirt got for his heroic attempt to reveal actual happenings in Washington was stubborn official resistance, slander, and intimidation, just as did Colonel Lindbergh when he sought to remind the President that a fair trial was one of the requisites of our Government. The six witnesses called ganged up on Dr. Wirt, and testified to a whole-cloth denial, after they had a meeting to discuss what their testimony should be. Senator Reed, whose fearless patriotism has never been questioned, a member of the administration's own party, said, after the mock hearing—

If they will give me a committee that isn't gagged, I'll have no difficulty in proving that Dr. Tugwell and others in the Government are advocating doctrines which I regard as revolutionary in character. I don't know how far this movement is going in this country. I shudder when I think of the possibilities.

RUSSIAN COMMUNISM IN MINNESOTA

I could say to Senator Reed that one of the wide scopes of this slippery deal is that it has been incorporated in a Russian, communistic platform adopted by the Farmer-Labor Party of my State, whose object is to test public

opinion in the State of Minnesota to ascertain if slippery-deal revolution is feasible in Minnesota in 1934, and, if so, to install it throughout the United States in 1936.

I surmise that the Farmer-Labor Governor of my State, who is the candidate for reelection upon this Russian, Bolshevik, communistic platform, is to be well taken care of in case this bold slippery-deal experiment fails; for the President told me last August that no political appointment would be made in Minnesota contrary to the Governor's wishes. In compliance with the administration's desires, the Governor strenuously tried, but failed, to put through a special session of Minnesota's Legislature a Minnesota ruin act, known as the "M.R.A." Accordingly, the Governor was made the head of the N.R.A. for Minnesota, and resigned that to become the head of the C.W.A. and the F.E.R.A., the Federal Emergency Relief Administration.

I predict that this test will fail, even with the Governor's immense war chest collected from office-holders' salaries, and other devious racketeering devices. He will undoubtedly collect heavy tribute from the pirates who are trying, through this experiment, to scuttle our Ship of State. If this program carries in Minnesota this fall it will be the first outpost captured in an attack upon every State in the Union. I pray, I hope it will fail, because the people of Minnesota are less than one-half of 1 percent illiterate; and even under the sinister secrecy of this administration and its censorship of every avenue of information they will be able to read between the lines.

In his new book, On Our Way, the President states:

If it is a revolution, it is a peaceful one.

He makes the following statements, which are absolutely at variance with the facts:

Some people have called our new policy "fascism." It is not fascism, because its inspiration springs from the mass of the people.

"Springs from the mass of the people." Where does he get that people championship? The Democratic platform, a solemn covenant with the people, upon which he was elected and which he approved by word of mouth before the convention when he said, "I am for this platform 100 percent", he has utterly repudiated. Not one plank of it has he carried out; and in that platform was not one inkling of what he has actually done. The only way this administration's actions spring "from the mass of the people" is like Dickens' artful dodger running with the crowd, chasing Oliver Twist, calling "'Thief! Thief!' and me with the wipe in me pocket."

The President again says:

Rather than from a class or group or marching army.

It is said he is intending to arm and train his C.W.A. workers—a clever ruse of the President's to collect all the young blood of dissatisfaction in the country, including the Communists, into one great army whose leader is F. D. R. His benevolence and greatness is constantly dinned into them through speech, radio, and literature—

Moreover, it is being achieved without a change in fundamental Republican method. We have kept faith in and with our traditional political institutions.

Yet he is working as fast as he can to arrogate to himself all the essential powers of the legislative and judiciary branches.

POWERS BEING FILCHED

Last session the President demanded and took from Congress and the judiciary, 77 powers, according to Garet Garrett. I do not know how many more have been and will be taken this session. Every bill is in itself a little dictatorship. Every bill contains some dark secret method of usurping absolute power, either in the hands of the administration or in some left- or right-arm trusty.

Democratic President Wilson advocated "open covenants, openly arrived at." This administration talks of open covenants, but every demand he makes upon Congress is for secret exercise of power under the guise of emergency—the drummed-up war on depression. Our Government, according to our Constitution, is a government of laws, not of men, not of despots, not of dictators. Our evolution should be in the open; and if we are to have revolution, it should be understood by the people what is being done, and their approval should be secured before its attempted accomplishment.

This administration has no mandate of the people to do what he is doing. Nobody knows the devious source of his insidious demands on Congress. The plot of revolution, or evolution as he terms it, is being hatched in the dark, under cover, under secrecy. If the people will elect an opposition House and Senate, they will kick over the boards and expose to the sunlight the slimy, crawling things beneath.

The President has departed completely from the policies of Washington and Jefferson and Lincoln, Theodore Roosevelt, Jackson, and Cleveland.

Again, he says in his book, On Our Way:

Some people have called it "communism"; it is not that, either. It is not a driving regimentation founded upon the plans of perpetuating directorate which subordinates the making of laws and the processes of the courts to the orders of the Executive.

A direct denial of his aims and actions. Such bare-faced effrontery of American intelligence surely will meet its reward.

Again, he says:

If it is a revolution, it is a peaceful one, achieved without violence, without the overthrow of the purposes of established law, and without the denial of just treatment to any individual or class.

Words, words, words! What an answer the little business men and the farmers all over the country could make to this last misstatement if only their protests could come to light! He talks of the common fellow, but his deeds are all for the 38 international bankers.

The voice of Jacob for the people, but the hand of Esau is on the directing lever in the interests of the international bankers and the 600 trusts.

The President's administration is not the will and expression of true Democrats. They have endured with silent bitterness seeing their hands tied and constitutional prerogatives filched from the people. No wonder the Democrats, for the first time in scores of years, failed to hold a Jefferson's birthday banquet. The incongruity of it was too glaring.

If I were disposed, I could quote all day from distinguished Democrats their repudiation of the actions of the administration.

VAST BUREAUCRACY FASTENED UPON US

A prominent Democrat, Bainbridge Colby, former Secretary of State under President Wilson, said, as quoted in the Washington Herald for Monday, May 28, 1934:

A vast bureaucracy has been called into being and fastened upon us without our realizing it, much less authorizing it.

Gradually it has dawned upon the country, and it is now quite plain, that recovery was only partially the aim of the administration. A great part of its interest has been in radical institutional overturn and new modeling of the state.

The guarantees of the Constitution are dismissed lightly as if they were irrelevances in the present-day life of America. The basic principles of the Constitution, we are told, must be somehow got around.

But if one will review the history of past crises, it will be seen how splendidly the Constitution has met each one and how faithfully our highest Court has discharged its duty as the Constitution's guardian as well as its interpreter.

It is the most American thing about America. Darkness shall not envelop it.

Hear what another great Democrat, ex-Senator Thomas, has to say:

[Copy of a letter sent to ex-United States Senator Jonathan Bourne, Jr., by ex-Senator Thomas to Senator ELMER D. THOMAS]

DENVER, COLO., *April 15, 1934.*

Hon. ELMER D. THOMAS,
United States Senate, Washington, D.C.

MY DEAR SIR: Your letter of the 5th instant, enclosing copy of your speech before the National Women's Democratic Club, was received in due course and should have been answered before. The subject, however, has become so disgusting to me, because of present conditions, that I have not had the heart to consider it much further. I am obliged to you, nevertheless, for your consideration of me in the premises. I may say that I am not in any way disappointed with this administration, and have felt ever since it began that our party was under the thralldom of the most determined and at the same time the most ignorant

influences that have ever been dominant in national affairs so far as its financial policies are concerned. The President seems to be constitutionally opposed to the bimetallic system of money, knows nothing about it, does not want to know anything about it, and is congenitally averse to its discussion. All of his advisers, and those possessing his confidence, seem to be equally ignorant and set against it. I have had that intuitive feeling from the start. Hence, I am not disappointed with the developments of the administration. We never had and never will have a look-in. Those who have directed financial legislation and who dominate the banking interests of the country have perceived the opportunity involved in the prevailing monetary conditions, which are more than chaotic, for a change of status of which advantage could be taken to the limit and which nothing but an overwhelming political sentiment could prevent. Hence control and management of the new President has become of outstanding and overwhelming importance. The result up to date must have been more than satisfactory to the advocates and proponents of the single standard.

Mr. Roosevelt's absolute domination of the party has been obvious from the moment of his inauguration. To my mind the banking panic, coming as it did with the new administration, was the most successful and best-planned event in the financial history of all time. That it has not been suspected and charged before is not its least feature. I am convinced that every step taken by those in power was taken in advance and occurred accordingly. The abdication by Congress of its powers and prerogatives was too rapid and the emergency legislation enacted without deliberation was possibly only as a result of that catastrophe. Hence, the retirement of gold and the penalizing of its mere possession. Its demonetization, the debasement of its standard value in exchange and all the benumbing consequences were not a haphazard series of events, but the whole thing was foreplanned and made possible by a preconceived succession of events. What could not be planned was assumed, with consequences equally satisfactory. Our silver forces capitulated before they could be prevented and our so-called "leaders" in that movement hoisted the white flag, threw down all defenses, and surrendered in advance, and the administration did not hesitate to ride roughshod over all the safeguards and defenses essential to every government, and Mr. Roosevelt became, and since has been, as much a dictator as Stalin or Mussolini.

As far as I can see, the Department of Justice has also capitulated, so that Congress and the courts are equally subject to the prevailing conditions. My life is spent and I am not personally concerned with the consequences, but I did expect something at the hands of those responsible for some show of relief through the American Congress calling itself Democratic. Their abject cowardice and lack either of principle or public spirit admits of no extenuation or excuse. Their capitulation will inevitably prove to be that of the Republic. Hence, I solemnly affirm that the present President of the United States has in my judgment not only deliberately violated every principle embodied in the American Constitution indispensable to the preservation of what we were once pleased to call American liberty, but by his usurpations has struck a vital blow to the continuance of American institutions.

I have always believed that the demonetization of silver was the first step in our progress toward political extinction, and now I know it.

I am sending copies of this letter to a few of my old friends and collaborators without any restrictions upon such use as they may see fit to make of it.

Yours most earnestly and sincerely,

C. S. THOMAS.

P.S.—If Roosevelt is a Democrat, I am not and never was. He should never dare to assert political kinship with any member of the party now or heretofore having the remotest conception of the word. It is nothing but a memory of something that now stinks to heaven. He should be repudiated as something anathema. If he is not he must be accepted by posterity as everything that he is, that he is a colossal falsehood, false to mankind, and false to every tradition of the generation he commanded that he might betray.

Very sincerely yours,

CHARLES S. THOMAS.

William Randolph Hearst was as surprised as anyone else when he found he had sponsored a Frankenstein monster. Father Coughlin went along as far as he could, and when the reality faced him and he had to speak, he was cut off from his radio public.

Our condition is most grave and menacing, the more so as our leaders choose to smile and jest, to give humorous replies to laugh off all criticism. By their insouciance they lend aid and comfort to communism and anarchy, and by their childish injustice and reckless stupidity and mishandling they foment rancor in the breasts of otherwise law-abiding citizens. This situation, of their own devising, has prepared a fertile field for the dragon's teeth sowed by our international enemies.

With the recognition of Soviet Russia our channels were opened to the bold and outright dissemination of communistic doctrine; what had been done stealthily is now done openly. There has been disclosed irrefutably in the Hearst papers, during the past months, the perils that beset us through the spread of communism.

Ralph Easley proved by photostatic copies of letters and documents, whose authenticity has never been denied, that Reds are working actively in our navy yards, our schools and colleges, our towns and cities, spreading their propaganda of unrest and overthrow of government. Nothing was ever done about it.

INTERNATIONAL MERCHANT MARINE DOMINATED BY BRITISH

Another series of articles proved that the Roosevelt Steamship Co., a 100-percent-owned subsidiary of the International Mercantile Marine, is delivering our merchant marine, ship by ship, to the International Mercantile Marine, which is in turn American owned but British controlled, because they have a contract with the British Government which provides that they cannot commit any act injurious to the British merchant marine or British trade. This contract prevents the International Mercantile Marine from ever operating honestly any American ship on the North Atlantic because it would be in competition with British ships, and this would clearly be an act injurious to British trade and the British merchant marine.

The International Mercantile Marine is dominated by the British Government, because the interpretation of what constitutes an injurious act is reserved by the British Government, and the person who makes the decision as to the injurious acts is the Lord High Admiral of the British Navy.

It was this contract, which is in force, that destroyed the *Leviathan*, and it is this contract which threatens every American ship that falls into the hands of the International Mercantile Marine. Because of the existence of this contract, the International Mercantile Marine tracked down, through the Roosevelt Steamship Co., the prize ships of the United States Government war-time fleet, and have them now in their possession. It is interesting to know that in case of war we would find our merchant marine under the control of the Lord High Admiral of the British Navy.

Two fearless college lads, Walter Donnelly and William Sardo, set forth the college situation, and the proof that it is true is, again, that nothing is being done. They are on the ground and know what they are talking about. These boys say that the schools and colleges of the Nation are being flooded with foreign communistic propaganda, often with the encouragement of the faculty. They name the organizations which are openly carrying on these activities.

I shall ask that certain excerpts from newspaper articles be printed at the conclusion of my speech.

STATE DESTROYING INDIVIDUALISM

Europe calls it the Yankee trek to Moscow. In this Soviet Russia, which is held up to us as a shining example, to whose wrong principles our addled "brain trust" is committing us with feverish haste, 5,000,000 people died of starvation winter before last. They do not dare to complain. They are shot if they do. Delegations visiting are shown just what the propagandists want them to see. It is like the progress of Prince Buddha through the flower-garnished streets of the city—all the ugliness, the suffering, the dirt carefully hidden away. If, when they come back, they say anything not nominated in the bond, they cannot ever go back. There can be no mention of the deadly weakening effect of substituting the state for the individual.

We have had depressions before, thirty some, but this is the first time we have called in the Government to save us by wrecking the Constitution. Can it be American citizens are cast in softer mold; that they will not waken and rally to their own salvation? Surely they will not sit supinely by and permit this buying of votes with the people's money; this killing of initiative and industry; this squandering of our national wealth and resources. The move to make the individual the creature of the state and the state the creature of a few officeholders has gone far. The credit of the Nation has been disrupted. Small businesses have been wiped out. Savings of the thrifty have been gobbled up.

Capital has been relentlessly punished. The public debt has been enormously increased by an Ossa upon Pelion of clumsy, expensive, high-salaried commissions and duplicate bureaucracies, which pry into and endeavor to control every human activity. Voice a complaint, and the answer is a new commission.

The danger to American institutions, the list to the left, is so great that the question is removed from the realm of partisanship. It is a call to the Nation, regardless of party. The people were deceived by the slogan, "The new deal." They had no thought of voting-in a revolution or an industrial dictatorship. The Democratic platform, which they thought they were voting-in, has been abandoned in favor of the Socialist platform.

It is time for definite action and sharp command to halt the headlong rush to chaos and Red ruin. The "brain trusters" do not want recovery. We were well on the way to recovery in August and September of 1932. They purposely intermeddled and thwarted what would have been a natural and inevitable rebound, hoping that the people in their agony and starvation, their hopeless inability to escape, would welcome anything, even this revolution, on the familiar old theory that "it cannot be worse."

Mr. President, I now ask unanimous consent that certain excerpts from newspaper articles be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

1. The Communist Third Internationale.
2. The National Student League, a directly affiliated organization, which takes its orders from New York City, 114 West Fourteenth Street.
3. The Friends of the Soviet Union, directly affiliated, with headquarters in Washington.
4. The Young Pioneers of America, boldly communistic, of 43 East One Hundred and Twenty-fifth Street, New York City, which has a slogan entitled "Smash the Boy Scouts."
5. The Young Communist League, of New York origin.

Each of these has a publication or propaganda sheet, in which they call on American youth to prepare for coming class struggles.

Playing directly into their hands, by urging the abolition of the patriotic organizations and preparedness activities fostered by the United States Government are:

1. The World Congress of Youth Against War and Fascism, 104 Fifth Avenue, New York.
2. Intercollegiate Council on International Cooperation, 2929 Broadway, New York, which was founded at Geneva, Switzerland, and is operated by a group of graduates from some of the largest and most distinguished American universities.
3. Affiliates of the Intercollegiate Council of International Cooperation, including the Young Men's Christian Association, the Young Women's Christian Association, National Student Federation of America, League of Industrial Democracy, National Student League, and a long list of others, names of all of which we have. One other, the National Council Student Christian Associations.

Practically every school or college in Washington has been subjected to the campaigns of these organizations.

Only recently at Georgetown the Hoya, a student publication, was embarrassed to find in it an advertisement by the Friends of the Soviet Union, offering a free trip to Russia this summer, for "educational" purposes, to the student selling the most subscriptions to the Friends of the Soviet Union organ.

FACULTY MYSTIFIED

How this advertisement crept into the publication is a source of great mystery to the faculty, which has started an investigation to learn how such unauthorized material crept in.

Howard University, a school maintained by the United States Government, is a hotbed of such activities. The National Student League, which is one of the most directly affiliated of the Communist branch organizations, has even gone so far as to hold a national convention at Rankin Memorial Chapel there.

At Maryland University pacifist activities have been rampant for some time, and unpreparedness advocates made a great display of the "martyred" students who were expelled for refusal to serve with the R.O.T.C.

One Tucker Smith, secretary of the committee on militarism in education, visited the president of the university and declared that he was acting in behalf of the two students who were expelled for their refusal to take part in the R.O.T.C., and made veiled threats of unfavorable newspaper publicity for the school. He said he was present at the boys' request.

GEORGETOWN INCLUDED

The National Student League claims to have an organization at Georgetown University, which has managed to escape identity by faculty or patriotic students. The National Student League and other organizations are flooding Georgetown and other schools here with questionnaires. However, at Georgetown, at least, the faculty is exerting every effort to find all such material and send it back to its sources as rapidly as possible.

We have stated the case in Washington only briefly, trying to show what are the chief organizations at work here undermining traditional American ideals and attitudes among the students. As a matter of fact, Washington schools have repelled these invaders more successfully than some others, notably those of New York.

In tomorrow's article we shall describe in detail the Communist and unpreparedness machines, which seek to organize in student groups.

Persons prominent in civic and church life, unrealizing of the paths into which they are being led, have contributed heavily to support such bodies. We shall reveal their names and the procedure they endorse also.

The N.S.L., which boasts of organizations in 129 colleges and universities in this country, sets forth as follows:

"We demand abolition of the R.O.T.C., equality of students of all races, colors, creed, and nationality, transference of State and governmental appropriations for military purposes into funds to be used for needy students' relief, right of students to petition, hold meetings, or conduct strikes on or off campus, destruction of all illusions of race supremacy as fostered by our educational system."

Then, after denying that it is a "red organization", its yearbook for 1933 says:

"The fact that the school and city officials are opposed to Communists does not mean that the student body should also. On the contrary, we have found in the course of our struggle that the Communists in our organization have the clearest understanding of student problems and their relations and often provide us with the best leaders. Not only that, but our struggles often show, notably in the City College (N.Y.) case, that the Communist Party is the only political party prepared to give the student body concrete support in its studies."

The yearbook also states that there is a Young Communist League, with which we shall deal further on in this article, which also functions in the schools and colleges. Communism, it further says, has advanced education, while followers of other political beliefs have brought curtailment of it.

PUBLISH MAGAZINE

The N.S.L. publishes a monthly propaganda magazine, Student Review, which devotes its whole space to editorializing in stories of the revolutionary and antipreparedness sentiments it has announced. The advertising space in it is usually almost wholly taken up by Soviet Government agencies, such as Torgsin, the trust which has set up a series of 5- and 10-cent stores in Russia, and solicits purchases from America.

Also, Amkniga, a publication agency, takes considerable space to offer all kinds of Communist official literature. Other advertisements offer "food at proletarian prices", and "workers' dances."

Such is the N.S.L., which, as a prime principle, would abolish patriotic preparedness training in American schools and colleges.

A more frank organization is the Young Pioneers, strictly communistic, whose publication, New Pioneers, is couched for the grade-school student's eye, with cartoon strips, puzzles, and "proletarian" games to supplement the simply worded stories. But, like the N.S.L., it champions resistance to patriotic appeals for preparedness.

The Pioneers, incidentally, are out to smash the Boy Scouts as capitalistic manifestations and children prepared for imperialist war. Also they distribute Red songbooks, in which are words and music of such hymns as the famed Red marching song, "The Internationale", "Hit, Hit, Hitler", "Come, Comunard", "Red Star", and "Our Emblem."

FIGHTS CAPITALISM

The Intercollegiate League for Industrial Democracy, too, is more frankly violent in the open than is the N.S.L. It states through its publication, Student Outlook, that it fights against war, capitalism, race prejudice, and intellectual sham.

Organizations of similar temper which were subject to call for the World Congress of Youth Against War and Fascism, to be held in Paris last summer, include the American Committee for Struggle Against War, Anti-Imperialist League, Fellowship of Reconciliation, Green International, International Workers' Order, Labor Sports Union, National Lithuanian Youth Federation, National Student Committee, Negro Student Problems, National Student League, Nature Freundel Needle Trades Workers Industrial Union, War Resisters' League, Young Pioneers, and Young Communist League.

W. Walter Ludwig, secretary of the Pioneer Youth of America, and E. C. Johnson, secretary of the committee on militarism in education, also notified the congress of their availability.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had passed without amendment the bill (S. 2980) to modify the effect of certain Chippewa Indian treaties on areas in Minnesota.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (S. 3170) to revise air-mail laws.

The message further announced that the House had passed a bill (H.R. 9322) to provide for the establishment, operation, and maintenance of foreign-trade zones in ports of entry of the United States, to expedite and encourage foreign commerce, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 195. An act respecting contracts of industrial life insurance in the District of Columbia;

S. 1757. An act to amend an act entitled "An act to incorporate the Mount Olivet Cemetery Co. in the District of Columbia";

S. 2508. An act authorizing the Secretary of the Interior, with the approval of the National Capital Park and Planning Commission and the Attorney General of the United States, to make equitable adjustments of conflicting claims between the United States and other claimants of lands along the shores of the Potomac River, Anacostia River, and Rock Creek in the District of Columbia;

S. 2580. An act to exempt from taxation certain property of the National Society United States Daughters of 1812 in the District of Columbia;

S. 3257. An act to change the designation of Four-and-a-half Street SW. to Fourth Street;

S. 3442. An act to dissolve the Ellen Wilson Memorial Homes; and

H.R. 8617. An act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1935, and for other purposes.

AGRICULTURAL ADJUSTMENT ACT

Mr. FESS. Mr. President, I have just received a telegram from Chicago which I send to the desk and ask to have read.

The PRESIDING OFFICER. The telegram will be read.

The legislative clerk read as follows:

CHICAGO, ILL., *May 27, 1934.*

Hon. Senator SIMEON D. FESS,
United States Senate Chamber, Washington, D.C.

MY DEAR SENATOR: The A.A.A. compel the cotton grower to plow up his cotton. Then they destroyed 6,000,000 pigs. They make the wheat farmer plow up his wheat, cut his acreage, and paid him for so doing. Then this A.A.A. combination turn around and send relief to the districts where they cause less crops to be sown, and the taxpayers again pay both ways. Willful waste always makes woeful want; that is God's law, not Secretary Wallace. The A.A.A. sowed the wind; now they will reap the whirlwind due to one of the worst spring and summer droughts this country has ever experienced. Consistency, thou art a jewel; pay to destroy crops, then pay for relief of those destroyed. Keep up your good fight against such bureaus; it is the alphabetical soup that is ruining this great Commonwealth.

H. T. JOHNSON, *7610 Colfax Avenue.*

RECIPROCAL-TARIFF AGREEMENTS

The Senate resumed the consideration of the bill (H.R. 8687) to amend the Tariff Act of 1930.

Mr. McNARY obtained the floor.

Mr. HARRISON. Mr. President, will the Senator yield?

Mr. McNARY. I yield.

Mr. HARRISON. Would the Senator from Oregon agree to having the Senate committee amendments taken up at this time?

Mr. McNARY. No; Mr. President, I could not do that.

Mr. HARRISON. If the Senator prefers not to do so I shall not insist.

Mr. McNARY. I could not do that, because the understanding was that we were to start in on the limitation of debate tomorrow. So I could not agree to the request of the Senator from Mississippi.

Mr. HARRISON. Very well; I shall not insist upon it. I ask at this time if the Senator will agree that when we proceed to the consideration of the bill the Senate committee amendments may be first considered.

Mr. McNARY. I have no objection to that, Mr. President.

Mr. ROBINSON of Arkansas. Mr. President, I suggest the absence of a quorum, and ask for a roll call.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Cutting	Keyes	Robinson, Ark.
Ashurst	Davis	King	Robinson, Ind.
Austin	Dickinson	La Follette	Russell
Bachman	Dieterich	Lewis	Schall
Bankhead	Dill	Logan	Sheppard
Barkley	Duffy	Lonergan	Shipstead
Black	Erickson	Long	Smith
Bone	Fess	McCarran	Steiwer
Borah	Fletcher	McGill	Stephens
Brown	Frazier	McKellar	Thomas, Okla.
Bulkley	George	McNary	Thomas, Utah
Bulow	Glass	Metcalf	Thompson
Byrd	Goldsborough	Murphy	Townsend
Byrnes	Gore	Neely	Tydings
Capper	Hale	Norbeck	Vandenberg
Caraway	Harrison	Norris	Van Nuys
Carey	Hastings	Nye	Wagner
Clark	Hatch	O'Mahoney	Walcott
Connally	Hatfield	Overton	Walsh
Coolidge	Hayden	Patterson	White
Copeland	Hebert	Pittman	
Costigan	Johnson	Pope	
Couzens	Kean	Reynolds	

The PRESIDING OFFICER. Eighty-nine Senators having answered to their names, a quorum is present.

MESSAGE FROM THE PRESIDENT—TREATY OF RELATIONS WITH CUBA (EXECUTIVE Q)

A message in writing from the President of the United States was communicated to the Senate by Mr. Latta, one of his secretaries.

Mr. PITTMAN. Mr. President, I ask that the President's message be read.

Mr. ROBINSON of Arkansas. Mr. President, I ask that the injunction of secrecy be removed as to the message and accompanying papers.

The PRESIDING OFFICER. Without objection, it is so ordered. The Chair lays before the Senate a message from the President of the United States, which will be read.

The message from the President of the United States was read, and, with the accompanying papers, referred to the Committee on Foreign Relations and ordered to be printed, as follows:

To the Senate of the United States:

To the end that I may receive the advice and consent of the Senate to its ratification, I transmit herewith a treaty of relations between the United States of America and the Republic of Cuba, signed at Washington on May 29, 1934.

This treaty would supersede the treaty of relations between the United States and Cuba signed at Habana on May 22, 1903.

I have publicly declared "that the definite policy of the United States from now on is one opposed to armed intervention." In this new treaty with Cuba the contractual right to intervene in Cuba which had been granted to the United States in the earlier treaty of 1903 is abolished and those further rights, likewise granted to the United States in the same instrument, involving participation in the determination of such domestic policies of the Republic of Cuba as those relating to finance and to sanitation, are omitted therefrom. By the consummation of this treaty this Government will make it clear that it not only opposes the policy of armed intervention but that it renounces those rights of intervention and interference in Cuba which have been bestowed upon it by treaty.

Our relations with Cuba have been and must always be especially close. They are based not only upon geographical proximity but likewise upon the fact that American blood was shed as well as Cuban blood to gain the liberty of the Cuban people and to establish the Republic of Cuba as an independent power in the family of nations. I believe that this treaty will further maintain those good relations upon the enduring foundation of sovereign equality and friendship between our two people, and I consequently recommend to the Senate its ratification.

FRANKLIN D. ROOSEVELT.

Accompaniments:
Treaty as above;
Report of the Secretary of State.

THE WHITE HOUSE, *May 29, 1934.*

The accompanying treaty was made public, as follows:

The PRESIDENT:

The undersigned, Secretary of State, has the honor to lay before the President, with a view to its transmission to the Senate to receive the advice and consent of that body to ratification, if his judgment approve thereof, a treaty of relations between the United States of America and the Republic of Cuba, which was signed at Washington on May 29, 1934.

This treaty would supersede the treaty of relations with Cuba signed at Habana on May 22, 1903.

Article II of the treaty reiterates the provisions of article IV of the treaty of 1903, which provides that all the acts effected in Cuba by the United States during its military occupation of the island up to May 20, 1902, the date upon which the Republic of Cuba was established, have been ratified and held as valid, and that all the rights legally acquired by virtue of these acts shall be maintained and protected.

Under article III the United States retains its present rights with regard to its lease of the lands occupied at Guantanamo for a naval station, and it is provided that these rights shall continue so long as the United States does not abandon the said naval station and so long as the two Governments do not agree to any modifications thereof.

Article IV permits either of the two contracting parties to exercise, at its discretion, without its act being considered unfriendly, the right to suspend communications between those of its ports that it may designate and all or part of the territory of the other party, whenever in its own judgment a situation should arise which appears to presage an outbreak of contagious disease in the territory of the other contracting party.

Respectfully submitted.

CORDELL HULL.

Accompaniment: Treaty as above.

DEPARTMENT OF STATE, *Washington, May 29, 1934.*

The United States of America and the Republic of Cuba, being animated by the desire to fortify the relations of friendship between the two countries and to modify, with this purpose, the relations established between them by the Treaty of Relations signed at Habana, May 22, 1903, have appointed, with this intention, as their Plenipotentiaries:

The President of the United States of America; Mr. Cordell Hull, Secretary of State of the United States of America, and Mr. Sumner Welles, Assistant Secretary of State of the United States of America; and

The Provisional President of the Republic of Cuba, Señor Dr. Manuel Márquez Sterling, Ambassador Extraordinary and Plenipotentiary of the Republic of Cuba to the United States of America;

Who, after having communicated to each other their full powers which were found to be in good and due form, have agreed upon the following articles:

ARTICLE I

The Treaty of Relations which was concluded between the two contracting parties on May 22, 1903, shall cease to be in force, and is abrogated, from the date on which the present Treaty goes into effect.

ARTICLE II

All the acts effected in Cuba by the United States of America during its military occupation of the island, up to May 20, 1902, the date on which the Republic of Cuba was established, have been ratified and held as valid; and all the rights legally acquired by virtue of those acts shall be maintained and protected.

ARTICLE III

Until the two contracting parties agree to the modification or abrogation of the stipulations of the agreement in regard to the lease to the United States of America of lands in Cuba for coaling and naval stations signed by the President of the Republic of Cuba on February 16, 1903, and by the President of the United States of America on the 23d day of the same month and year, the stipulations of that agreement with regard to the naval station of Guantánamo shall continue in effect. The supplementary agreement in regard to naval or coaling stations signed between the two Governments on July 2, 1903, also shall continue in effect in the same form and on the same conditions with respect to the naval station at Guantánamo. So long as the United States of America shall not abandon the said naval station of Guantánamo or the two Governments shall not agree to a modification of its present limits, the station shall continue to have the territorial area that it now has, with the limits that it has on the date of the signature of the present Treaty.

ARTICLE IV

If at any time in the future a situation should arise that appears to point to an outbreak of contagious disease in the territory of either of the contracting parties, either of the two Governments shall, for its own protection, and without its act being considered unfriendly, exercise freely and at its discretion the right to suspend communications between those of its ports that it may designate and all or part of the territory of the other party, and for the period that it may consider to be advisable.

ARTICLE V

The present Treaty shall be ratified by the contracting parties in accordance with their respective constitutional methods; and shall go into effect on the date of the exchange of their ratifications, which shall take place in the city of Washington as soon as possible.

IN FAITH WHEREOF, the respective Plenipotentiaries have signed the present Treaty and have affixed their seals hereto.

DONE in duplicate, in the English and Spanish languages, at Washington on the twenty-ninth day of May, one thousand nine hundred and thirty-four.

[SEAL]	CORDELL HULL
[SEAL]	SUMNER WELLES
[SEAL]	M. MÁRQUEZ STERLING

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5884) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H.R. 1158. An act for the relief of Annie I. Hissey;

H.R. 1933. An act for the relief of Philip F. Hambsch;

H.R. 1943. An act for the relief of A. H. Powell;

H.R. 1977. An act for the relief of R. A. Hunsinger;

H.R. 2054. An act for the relief of John S. Cathcart;

H.R. 2322. An act for the relief of C. K. Morris;

H.R. 2433. An act for the relief of Anna H. Jones;

H.R. 2436. An act for the relief of Ruby F. Voiles;

H.R. 3056. An act for the relief of James B. Conner;

H.R. 3300. An act for the relief of George B. Beaver;

H.R. 3302. An act for the relief of John Merrill;

H.R. 4690. An act for the relief of Eula K. Lee;

H.R. 5477. An act to fix the rates of postage on certain periodicals exceeding 8 ounces in weight;

H.R. 6179. An act to amend an act entitled "An act to provide for the leasing of coal lands in the Territory of Alaska, and for other purposes;

H.R. 7168. An act for making compensation to the estate of Nellie Lamson;

H.R. 7289. An act for the relief of H. A. Soderberg;

H.R. 7343. An act to remove inequities in the law governing eligibility for promotion to the position of Chief Clerk in the Railway Mail Service;

H.R. 8241. An act to authorize the construction and operation of certain bridges across the Monongahela, Allegheny, and Youghiogheny Rivers in the county of Allegheny, Pa.;

H.R. 8494. An act to authorize the Secretary of the Interior to modify the terms of existing contracts for the sale of timber on the Quinault Indian Reservation when it is in the interest of the Indians so to do;

H.R. 8714. An act to extend the times for commencing and completing the construction of a bridge across the Pee Dee River and a bridge across the Waccamaw River, both at or near Georgetown, S.C.;

H.R. 8937. An act granting the consent of Congress to the State of Indiana to construct, maintain, and operate a free highway bridge across the Wabash River, at or near Delphi, Ind.;

H.R. 8938. An act to amend the act of Congress approved June 7, 1924, commonly called the "San Carlos Act", and acts supplementary thereto;

H.R. 8951. An act authorizing the city of Shawneetown, Ill., to construct, maintain, and operate a toll bridge across the Ohio River at or near a point between Washington Avenue and Monroe Street in said city of Shawneetown and a point opposite thereto in the county of Union and State of Kentucky;

H.R. 9000. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near Holtwood, Lancaster County;

H.R. 9065. An act granting the consent of Congress to the Department of Public Works of the Commonwealth of Massachusetts to construct, maintain, and operate a free highway bridge across the Connecticut River at Turners Falls, Mass.;

H.R. 9257. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near Bainbridge, Lancaster County, and Manchester, York County;

H.R. 9271. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near Millersburg, Dauphin County, Pa.; and

H.R. 9502. An act authorizing the State Highway Departments of the States of Minnesota and North Dakota to construct, maintain, and operate certain free highway bridges across the Red River from Moorhead, Minn., to Fargo, N.Dak.

TRANSFER OF ADMINISTRATION OF GOVERNMENT OF PUERTO RICO TO THE INTERIOR DEPARTMENT

The PRESIDING OFFICER laid before the Senate a message from the President of the United States, which was read and ordered to lie on the table, as follows:

To the Congress of the United States:

Pursuant to the provisions of section 16 of the act of March 3, 1933 (ch. 212, 47 Stat. 1517), as amended by title III of the act of March 20, 1933 (ch. 3, 48 Stat. 16), I am transmitting herewith an Executive order establishing the Division of Territories and Island Possessions in the Department of the Interior and transferring thereto the functions of the Bureau of Insular Affairs, War Department, pertaining to the administration of the government of Puerto Rico.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *May 29, 1934.*

THE AIR MAIL—CONFERENCE REPORT

Mr. McKELLAR. Mr. President, I ask the Chair to lay before the Senate the conference report on S. 3170 relating to air-mail contracts.

The PRESIDING OFFICER. The Chair lays before the Senate the conference report on Senate bill 3170.

[For conference report see RECORD of Senate proceedings, May 23, p. 9313.]

Mr. COPELAND. Mr. President, if the Senator from Tennessee will look at page 2 of the conference report, subsection (d), third line, I am advised that the language "eastern and western coastal routes" does not appear in either the House bill or the Senate bill. How does it happen to be in the report?

Mr. McKELLAR. It is perfectly simple. The House struck out all after the enacting clause of the Senate bill when the Senate bill went to the House, and thereupon passed a bill of its own. That put the whole matter in conference, and this was an amendment to the Senate bill.

Mr. COPELAND. I want to be fair about this matter.

Mr. McKELLAR. That is my understanding of it.

Mr. COPELAND. As I understand the Senator, the matter in italics in the report is the language of the bill as it passed the House. I do not understand that.

Mr. O'MAHONEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Wyoming?

Mr. McKELLAR. I yield.

Mr. O'MAHONEY. It is my understanding that neither in the original Senate bill nor in the House bill was there any reference whatever to any north or south primary route.

Mr. COPELAND. That is what I understand.

Mr. McKELLAR. There was not; but the House struck out all after the enacting clause of the Senate bill, which set up an entirely new bill, and thereupon an amendment to the Senate text was made; and under the rules, as I understand, that is perfectly permissible.

Mr. COPELAND. Mr. President, I know that that is exactly as the Senator understands it, but I do not so understand it.

Mr. McKELLAR. Does the Senator deny that the House struck out the entire Senate bill after the enacting clause and inserted a bill of its own? That is what happened.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. O'MAHONEY. In the House bill which was substituted there was no reference to any such primary route, was there?

Mr. McKELLAR. Of course there was not; but there is no reason in the world why an amendment to the Senate text could not be agreed upon in conference. I see the Senator from Missouri [Mr. CLARK], on the floor. He is conversant with the House rules.

In other words, the air mail bill was passed by the Senate and went to the House, and the House struck out all after the enacting clause and substituted its bill for the Senate bill. In conference, an amendment to the Senate text was offered and agreed to, and is a part of the conference report, adding two routes to the primary routes; and, of course, in my judgment, it was entirely in order.

Mr. CLARK. Mr. President, it seems to me perfectly clear that where one body strikes out all after the enacting clause of a bill passed by the other body the whole subject is then in conference, and any amendment germane to either bill may be made.

Mr. McKELLAR. That is my understanding of the rule.

Mr. ROBINSON of Arkansas. Mr. President, I think that is entirely correct, although some question has been raised about it here from time to time.

Mr. CLARK. I do not profess to speak for the Senate practice, but I know what the practice has been in the House of Representatives.

Mr. KING. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield to the Senator from Utah.

Mr. KING. My understanding is—and if I am in error I shall be glad to be corrected—that the House struck out all after the enacting clause of the Senate bill, and inserted a provision providing for the appointment of a commission to study the question and to make a report. There was no definite legislation.

Mr. McKELLAR. Oh, no, Mr. President; the Senator is entirely mistaken. The commission of which the Senator speaks was provided for in both bills, and there was practically no difference between the two.

Mr. COPELAND. Mr. President——

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from New York?

Mr. McKELLAR. I yield.

Mr. COPELAND. I feel quite confident that the Senator from Tennessee, usually so accurate, is mistaken.

Mr. McKELLAR. I hope I am not.

Mr. COPELAND. I hope so, too.

Mr. McKELLAR. I cannot say positively. I have been mistaken a great many times in my life.

Mr. COPELAND. Not many times, I regret to say, because the Senator has been in opposition to me at times when I was sorry that he was not wrong; but, Mr. President, I feel that we could not hurriedly agree to this report if I am right in my understanding that this language is not to be found either in the Senate bill or in the House bill.

Mr. McKELLAR. I am quite sure the Senator is correct about that. This particular language is an amendment to the Senate text.

Mr. COPELAND. I ask, then, that the report go over until we can find out about it.

Mr. McKELLAR. I shall be very glad to have it go over. I think the Senator from Ohio [Mr. FESS] wanted it to go over, also.

Mr. FESS. I have not seen the report.

Mr. McKELLAR. I shall be very glad to have it go over until tomorrow morning.

The PRESIDING OFFICER. The report will go over until tomorrow.

ADDITIONAL JUSTICE OF THE COURT OF APPEALS OF THE DISTRICT OF COLUMBIA

Mr. ROBINSON of Arkansas. Mr. President, I understand that the Senator from Vermont [Mr. AUSTIN] has a matter that he wishes to bring before the Senate in the form of a motion to reconsider a bill that was passed yesterday while the calendar was under call.

Mr. AUSTIN. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of a motion to reconsider which is to be found on page 38 of the calendar. It is to reconsider the vote by which was passed Senate bill 1777, providing for an additional justice of the Court of Appeals of the District of Columbia.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Vermont? The Chair hears none.

Mr. AUSTIN. Now, Mr. President, I move that the votes by which the bill was ordered to be engrossed for a third reading, and passed, be reconsidered.

The PRESIDING OFFICER. The question is on the motion of the Senator from Vermont.

The motion was agreed to.

Mr. AUSTIN. I now ask that the bill be indefinitely postponed.

The PRESIDING OFFICER. Without objection, the bill will be indefinitely postponed.

SYMPOSIUM ON THE MEANING OF MONEY

Mr. COPELAND. Mr. President, I hold in my hand a symposium on the meaning of money, written by world authorities, compiled and reviewed by the Consumers' Guild of America.

This valuable document is presented to the Congress of the United States by the Consumers' Guild, and in it will be found the answers to questions which are troublesome to us. I suggest that it be referred to the Committee on Banking and Currency, with the thanks of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE LATE BRAND WHITLOCK

Mr. FESS. Mr. President, a great number of editorials have been printed in honor of the late Brand Whitlock, ex-Ambassador to Belgium. One of the finest appeared in the Washington Evening Star. I ask the Senate to listen to the reading of this editorial, as it is one of the most beautiful I have seen in print.

I send the editorial to the desk and ask that it be read.

The PRESIDING OFFICER. Without objection, the editorial will be read.

The legislative clerk read as follows:

BRAND WHITLOCK

It is difficult to part with Brand Whitlock. He was one of the men who are good to know. His gifts of personal charm and courtesy transcended his talents in literature and were the foundation of his success in diplomacy. Gentle manners were the natural expression of his knightly and generous spirit, and they endeared him to all with whom he came into contact—humble people loved him and great people were frankly proud of his acquaintance.

When Americans think of Belgium in the maelstrom of the World War they will remember his name with those of Albert and Mercier. The King, the cardinal, and he constituted a trio whose function, providentially, it was to reassert humane ideals in the face of a heathen doctrine of selfish expediency. The white light of fame beat upon them the while they challenged rampant Nietzschianism, and their celebrity was promoted rather than impaired by the moderation of their methods, the chivalrous modesty of their conduct of themselves through the ordeal. They did their duty with a grace and wore their laurels unpresumingly. And now, 20 years after the debacle, they are reunited in the rest which men who have bravely toiled for peace are believed to merit as a fit reward.

The development of Mr. Whitlock's career differed but slightly from that of many another eminent American. He came of what may be described as average stock and received the ordinary type of education. His most effective and useful training he acquired in journalism. When he was appointed to represent the United States at Brussels he had an honorable reputation as a reform politician—he had been mayor of Toledo for four terms and had been active in the liberal wing of the Democratic Party in Ohio. President Wilson named him to Belgium because it was understood that he would appreciate a quiet post which would afford him leisure for writing. Fate laughed at the notion of such a sinecure and dealt him, instead, the cards of conflict and turmoil. But he was equal to his destiny, rose uncomplainingly to meet its demands, and emerged from the cataclasym a world figure—not made by the war, but simply disclosed by it.

His place in the chronicle of the age is secure. When future generations read the annals of Armageddon they will salute his memory with respect and gratitude—if only for the dramatic story of that one feverish night when he appealed in vain to Prussian officialdom in behalf of Edith Cavell.

EXECUTIVE SESSION

Mr. ROBINSON of Arkansas. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

The PRESIDING OFFICER (Mr. McGILL in the chair) laid before the Senate a message from the President of the United States submitting nominations of sundry postmasters, which was referred to the Committee on Post Offices and Post Roads.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER. The reports will be placed on the calendar. If there be no further reports of committees, the calendar is in order.

THE JUDICIARY

The legislative clerk read the nomination of Augustine V. Long to be United States judge for the northern district of Florida.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Leo. J. Hickey to be United States attorney for the eastern district of New York.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection the nominations of postmasters are confirmed en bloc.

IN THE NAVY

The legislative clerk proceeded to read sundry nominations for promotions in the Navy.

Mr. ROBINSON of Arkansas. Mr. President, on the calendar for appointment as ensigns in the Navy are the names of the midshipmen in the Naval Academy at Annapolis who are expected to receive their diplomas tomorrow or the next day. I ask unanimous consent that these nominations be confirmed en bloc, and that the President be notified.

Mr. CLARK. Mr. President, does the list include the nomination of the young man who has been getting his education from the Government for 4 years and resigned before his graduation, the resignation to take effect immediately after graduation?

Mr. ROBINSON of Arkansas. I know nothing about the case to which the Senator from Missouri refers.

Mr. CLARK. I have not had an opportunity to examine the list.

Mr. ROBINSON of Arkansas. I understand the list does not include that name.

Mr. CLARK. I do not wish to object, except that I should like to enter an observation against that as a very bad practice.

The PRESIDING OFFICER. Without objection, the nominations in the Navy are confirmed en bloc, and the President will be immediately notified.

IN THE MARINE CORPS

The legislative clerk read sundry nominations for promotions in the Marine Corps.

Mr. ROBINSON of Arkansas. I make the same request as to the nominations in the Marine Corps.

The PRESIDING OFFICER. Without objection, the Marine Corps nominations are confirmed en bloc, and the President will be immediately notified.

RECESS

Mr. ROBINSON of Arkansas. As in legislative session, I move that the Senate take a recess until tomorrow at 12 o'clock noon.

The motion was agreed to; and the Senate (at 5 o'clock and 25 minutes p.m.) took a recess until tomorrow, May 30, 1934, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 29 (legislative day of May 28), 1934

POSTMASTERS

ALABAMA

Charles W. Sarver to be postmaster at Athens, Ala., in place of C. M. Hillis, transferred.

Robert B. Vail to be postmaster at Bay Minette, Ala., in place of H. L. Jones. Incumbent's commission expired March 22, 1934.

Elias B. Reid to be postmaster at Cherokee, Ala., in place of H. S. Hill, resigned.

Evelyn Jones to be postmaster at Mentone, Ala., in place of S. M. Shigley. Incumbent's commission expired December 18, 1933.

Lawrence F. Howell to be postmaster at Moulton, Ala., in place of Lucy Downing, removed.

Olis O. Goode to be postmaster at Rogersville, Ala., in place of Luke Bates, removed.

ARKANSAS

Otis H. Parham to be postmaster at Bald Knob, Ark., in place of E. R. Wynn, removed.

Joseph T. Whillock to be postmaster at Clinton, Ark., in place of J. S. Burnett, resigned.

Ray Jones to be postmaster at Dardanelle, Ark., in place of S. B. Harkey. Incumbent's commission expired February 14, 1934.

Simpson A. Kemp to be postmaster at Hot Springs National Park, Ark., in place of J. R. Denby, transferred.

Ida T. Mayo to be postmaster at McCrory, Ark., in place of E. L. Hamilton. Incumbent's commission expired March 22, 1934.

James W. Burton to be postmaster at Marvell, Ark., in place of J. H. Bass. Incumbent's commission expired April 28, 1934.

Guy Stephenson to be postmaster at Monticello, Ark., in place of O. W. McClintock. Incumbent's commission expired April 16, 1934.

Jennings Bryan Lancaster to be postmaster at Mountain View, Ark., in place of J. W. Webb, resigned.

Lola B. Gregory to be postmaster at Portland, Ark., in place of W. E. Edmiston. Incumbent's commission expired April 3, 1934.

Maude Simpkins to be postmaster at Shirley, Ark., in place of O. L. West, resigned.

CALIFORNIA

Harold E. Rogers to be postmaster at Chowchilla, Calif., in place of J. A. Perry, Jr. Incumbent's commission expired December 18, 1933.

Leonard E. Whitener to be postmaster at Coalinga, Calif., in place of L. E. Whitener. Incumbent's commission expired April 2, 1934.

Everard M. Hiatt to be postmaster at El Cerrito, Calif., in place of L. W. McNeil. Incumbent's commission expired December 18, 1933.

Lena M. Preston to be postmaster at Harbor City, Calif., in place of G. E. Preston, deceased.

Wood I. Glasgow to be postmaster at Le Grand, Calif., in place of D. I. Castile, removed.

Paul W. McGrorty to be postmaster at McCloud, Calif., in place of R. A. Rigor, removed.

Merle H. Wiswell to be postmaster at Roseville, Calif., in place of W. R. Stephens. Incumbent's commission expired February 10, 1934.

Richard T. Ambrose to be postmaster at Santa Barbara, Calif., in place of J. B. Rickard, resigned.

COLORADO

Glenn G. Ellington to be postmaster at Delta, Colo., in place of C. A. Smith. Incumbent's commission expired March 8, 1934.

Lewis Hollenbeck to be postmaster at Salida, Colo., in place of S. A. Mohler. Incumbent's commission expired April 3, 1934.

CONNECTICUT

Thomas E. McCloskey to be postmaster at Danbury, Conn., in place of E. H. Bailey. Incumbent's commission expired January 9, 1934.

Martin M. J. Murray to be postmaster at Falls Village, Conn., in place of M. G. Marcy. Incumbent's commission expired December 16, 1933.

Harry W. Potter to be postmaster at Glastonbury, Conn., in place of W. E. Gates. Incumbent's commission expired January 28, 1934.

Willis Hodge to be postmaster at South Glastonbury, Conn., in place of Willis Hodge. Incumbent's commission expired December 16, 1933.

Clarence Davenport to be postmaster at Washington, Conn., in place of R. J. Benham. Incumbent's commission expired December 16, 1933.

FLORIDA

John W. Barrs to be postmaster at South Miami, Fla., in place of J. E. Parrish. Incumbent's commission expired November 20, 1933.

GEORGIA

Rem B. Edwards to be postmaster at Crawfordville, Ga., in place of W. R. Chapman, removed.

Elizabeth S. Maxwell to be postmaster at Lexington, Ga., in place of K. C. Knox, resigned.

William H. Wood, Jr., to be postmaster at Loganville, Ga., in place of W. G. Smith. Incumbent's commission expired June 19, 1933.

George H. Busha to be postmaster at Toccoa, Ga., in place of P. J. Ridgway, resigned.

HAWAII

Rose De Fries Austin to be postmaster at Aiea, Hawaii, in place of E. K. Ayau, removed.

IDAHO

Angus G. David to be postmaster at Bovill, Idaho, in place of G. O. Coy. Incumbent's commission expired December 18, 1932.

ILLINOIS

George A. Porter to be postmaster at Alexis, Ill., in place of C. H. Loveridge. Incumbent's commission expired January 28, 1934.

Frank Dvorak to be postmaster at Algonquin, Ill., in place of C. W. Franks, removed.

Joseph L. Lampert to be postmaster at Alton, Ill., in place of P. B. Cousley. Incumbent's commission expired January 19, 1933.

Samuel J. Schuman to be postmaster at Astoria, Ill., in place of Frank Gain, removed.

George A. McFarland to be postmaster at Avon, Ill., in place of M. R. Hunter, removed.

Emma Zinschlag to be postmaster at Beckemeyer, Ill., in place of G. H. Beckemeyer. Incumbent's commission expired April 20, 1934.

Vernard D. Snyder to be postmaster at Bethany, Ill., in place of C. M. Crowder. Incumbent's commission expired December 18, 1933.

Ruth M. McElvain to be postmaster at Broughton, Ill., in place of Fred Wilson. Incumbent's commission expired February 6, 1934.

Carl J. Markel to be postmaster at Carpentersville, Ill., in place of G. R. Adams. Incumbent's commission expired May 27, 1933.

Conrad C. Miller to be postmaster at Chadwick, Ill., in place of J. E. Humbert. Incumbent's commission expired January 28, 1934.

Charles J. Schneider to be postmaster at Columbia, Ill., in place of A. G. Arnin, removed.

Lee C. Vinyard to be postmaster at East Alton, Ill., in place of J. D. Nutt. Incumbent's commission expired December 18, 1933.

Charles R. Bowers to be postmaster at Elmwood, Ill., in place of L. O. McKerrow, removed.

Edwin J. Heiligenstein to be postmaster at Freeburg, Ill., in place of W. C. Borger. Incumbent's commission expired December 18, 1933.

Roy R. Pattison to be postmaster at Godfrey, Ill., in place of F. W. Squire, deceased.

C. Mancel Wightman to be postmaster at Grayslake, Ill., in place of M. E. Murrie. Incumbent's commission expired December 18, 1933.

Warthen K. Kimball to be postmaster at Gurnee, Ill., in place of Richard Hook. Incumbent's commission expired September 18, 1933.

Leah Pearl York to be postmaster at Hartford, Ill., in place of W. B. Suppiger. Incumbent's commission expired September 18, 1933.

Raymond J. Kelley to be postmaster at Huntley, Ill., in place of W. M. Amos. Incumbent's commission expired May 17, 1932.

Lyle O. Kistler to be postmaster at Joy, Ill., in place of Charles Jackson. Incumbent's commission expired December 20, 1932.

Mark J. Humphreys to be postmaster at Keithsburg, Ill., in place of S. J. Stanley, removed.

George H. Wales to be postmaster at Lanark, Ill., in place of Mille Flickinger. Incumbent's commission expired November 12, 1933.

Henry J. Hosman to be postmaster at Lyons, Ill., in place of Lela Killips. Incumbent's commission expired January 8, 1934.

John A. Peters to be postmaster at Mason City, Ill., in place of D. C. Lowe, transferred.

John V. Barr to be postmaster at Mazon, Ill., in place of E. B. Gardner. Incumbent's commission expired May 22, 1932.

Benjamin B. Holston to be postmaster at Nashville, Ill., in place of W. E. Tharp, resigned.

Thomas J. Studley to be postmaster at Neponset, Ill., in place of C. S. Russell, resigned.

John L. Mead to be postmaster at New Boston, Ill., in place of H. D. Harris. Incumbent's commission expired December 18, 1933.

George G. Martin to be postmaster at Noble, Ill., in place of H. W. Schilling. Incumbent's commission expired April 16, 1934.

Mansford W. Blackard to be postmaster at Omaha, Ill., in place of Rola Eubanks, resigned.

Harry U. Hartzell to be postmaster at Orangeville, Ill., in place of R. B. Ritzman. Incumbent's commission expired December 18, 1933.

Walter Hill to be postmaster at Pana, Ill., in place of C. F. Gaffner, removed.

Hugh J. Gorman to be postmaster at Peotone, Ill., in place of W. G. Harsh. Incumbent's commission expired May 22, 1932.

Marguerite A. Lamb to be postmaster at Port Byron, Ill., in place of J. M. Yolton. Incumbent's commission expired January 29, 1933.

Ben W. Sharp to be postmaster at Reynolds, Ill., in place of E. G. Mallette. Incumbent's commission expired December 18, 1933.

John H. Ryan to be postmaster at Richmond, Ill., in place of J. C. Wilson, removed.

James Higgins to be postmaster at St. David, Ill., in place of L. D. Lyons, removed.

Marcus M. Wilber to be postmaster at Sorento, Ill., in place of Norredden Cowen. Incumbent's commission expired January 31, 1934.

Hubert W. Darby to be postmaster at Tampico, Ill., in place of Edwin Temple. Incumbent's commission expired January 16, 1934.

George Lyons to be postmaster at Tilden, Ill., in place of Robert Murphy. Incumbent's commission expired February 6, 1934.

James Wheeler Davis to be postmaster at Troy, Ill., in place of E. J. Wise, removed.

Wilfred J. Brennan to be postmaster at West Chicago, Ill., in place of B. H. Marschinke. Incumbent's commission expired May 27, 1933.

Floyd E. Madden to be postmaster at Willow Hill, Ill., in place of Iley Smith. Incumbent's commission expired April 28, 1934.

Zeno G. Stoecklin to be postmaster at Wood River, Ill., in place of Edward Walls. Incumbent's commission expired May 27, 1933.

Ernest F. Picker to be postmaster at Worden, Ill., in place of A. J. Meyer, resigned.

Elmer M. Bickford to be postmaster at Wyanet, Ill., in place of G. R. Huffstodt, resigned.

Frances I. Thurman to be postmaster at Yates City, Ill., in place of W. E. West. Incumbent's commission expired April 28, 1934.

INDIANA

Howard T. Brockway to be postmaster at Brookston, Ind., in place of Leo Yount. Incumbent's commission expired January 22, 1934.

Lawrence M. Welsh to be postmaster at Brownstown, Ind., in place of H. A. Vermilya, removed.

J. Clyde Davis to be postmaster at Carmel, Ind., in place of R. W. Carey. Incumbent's commission expired December 13, 1932.

Alpha T. McKnight to be postmaster at Cicero, Ind., in place of S. R. Young, removed.

Herschel V. Brouillette to be postmaster at Clay City, Ind., in place of G. P. Crabtree. Incumbent's commission expired December 13, 1932.

Helen M. Krekler to be postmaster at Clinton, Ind., in place of G. M. Hennis, removed.

Frank Ellett to be postmaster at Coatesville, Ind., in place of W. E. Greenlee, resigned.

Alfred E. Pate to be postmaster at Dillsboro, Ind., in place of C. H. Siekerman, removed.

Orville Martin to be postmaster at Grand View, Ind., in place of H. O. Stuteville. Incumbent's commission expired January 27, 1932.

Orel J. Montgomery to be postmaster at Holton, Ind., in place of W. G. McNeelan, removed.

Carroll W. Cannon to be postmaster at Knox, Ind., in place of H. K. Laramore. Incumbent's commission expired April 2, 1934.

Thomas S. Stephenson to be postmaster at Leavenworth, Ind. Office became Presidential July 1, 1932.

Paul E. Byrum to be postmaster at Milltown, Ind., in place of E. L. Rhodes, resigned.

John H. Smith to be postmaster at Monon, Ind., in place of G. F. Long, resigned.

George H. Clarkson to be postmaster at Morocco, Ind., in place of B. G. Hayworth, removed.

Clarence C. Robertson to be postmaster at Nashville, Ind., in place of I. F. Poling, resigned.

Cora Riley to be postmaster at Oaklandon, Ind., in place of P. F. Walton. Incumbent's commission expired February 1, 1933.

Peter Holzer to be postmaster at Osgood, Ind., in place of C. E. Sparling, resigned.

Alva K. Costin to be postmaster at Paragon, Ind., in place of E. S. Applegate. Incumbent's commission expired February 18, 1933.

Harry W. Gilbert to be postmaster at Remington, Ind., in place of Jacob Ochs, Jr., removed.

Harry E. Patterson to be postmaster at Thorntown, Ind., in place of Fred Youkey. Incumbent's commission expired December 20, 1932.

Iva C. Hardesty to be postmaster at Veedersburg, Ind., in place of R. D. Gookins, removed.

IOWA

Audra Pearson to be postmaster at Ainsworth, Iowa, in place of W. W. Moore. Incumbent's commission expired January 16, 1934.

Clarence N. Hildebrand to be postmaster at Belmond, Iowa, in place of W. R. Ramsay. Incumbent's commission expired January 22, 1934.

Vern Freeman to be postmaster at Clarence, Iowa, in place of L. A. Brink, resigned.

Fannie Hach to be postmaster at Clutier, Iowa, in place of Frank Popper, Jr. Incumbent's commission expired April 28, 1934.

Lemuel S. Hill to be postmaster at Des Moies, Iowa, in place of E. J. Frisk. Incumbent's commission expired January 31, 1934.

Herman J. Schroeder to be postmaster at Fort Madison, Iowa, in place of D. P. Glazier, removed.

Lilly B. Gibbons to be postmaster at Jefferson, Iowa, in place of W. M. Osborn. Incumbent's commission expired April 28, 1934.

Daniel P. O'Connor to be postmaster at Lawler, Iowa, in place of C. A. Peck. Incumbent's commission expired April 22, 1934.

Ray O. Bass to be postmaster at Ogden, Iowa, in place of D. O. Clark. Incumbent's commission expired March 18, 1934.

Joseph P. Quinn to be postmaster at Riverside, Iowa, in place of Iva McCreedy. Incumbent's commission expired January 16, 1934.

David A. McElliott to be postmaster at Ryan, Iowa, in place of W. H. Ward. Incumbent's commission expired December 13, 1932.

KANSAS

Gertrude R. Seitz to be postmaster at Bunkerhill, Kans., in place of D. A. Strobel. Incumbent's commission expired March 8, 1934.

Margaret M. Hanlon to be postmaster at Caney, Kans., in place of V. C. Wallar. Incumbent's commission expired January 30, 1933.

Benjamin F. Hemphill to be postmaster at Clay Center, Kans., in place of F. I. Shoaf, resigned.

Mae S. Hodgson to be postmaster at Downs, Kans., in place of W. B. Underwood, resigned.

Walter S. Davis to be postmaster at Florence, Kans., in place of Shamus O'Brien. Incumbent's commission expired January 28, 1934.

William A. Harris to be postmaster at Le Roy, Kans., in place of F. L. Powers, removed.

William R. Jones to be postmaster at Reading, Kans., in place of Leslie Fitts, resigned.

George F. Riley to be postmaster at Soldier, Kans., in place of B. L. Mickel, removed.

Esta S. Riseley to be postmaster at Stockton, Kans., in place of C. G. McNulty. Incumbent's commission expired January 8, 1933.

George Harman to be postmaster at Valley Falls, Kans., in place of O. F. Falls. Incumbent's commission expired December 19, 1931.

Arthur A. LeBeau to be postmaster at Zurich, Kans., in place of P. M. Mickey. Incumbent's commission expired December 8, 1932.

KENTUCKY

Ralph E. Vaughn to be postmaster at Greensburg, Ky., in place of E. V. Taylor, resigned.

LOUISIANA

Owen R. Phillips to be postmaster at Glenmora, La., in place of Edna Byrd. Incumbent's commission expired September 30, 1933.

Thomas E. Barham to be postmaster at Oak Ridge, La., in place of T. E. Barham. Incumbent's commission expired May 20, 1934.

MAINE

Charles W. Richardson, Jr., to be postmaster at Castine, Maine, in place of Pearl Danforth. Incumbent's commission expired December 18, 1933.

MARYLAND

Elizabeth H. S. Boss to be postmaster at Laurel, Md., in place of A. E. Williamson. Incumbent's commission expired December 18, 1933.

MASSACHUSETTS

Minnie A. Barden to be postmaster at Agawam, Mass., in place of R. S. Bailey. Incumbent's commission expired April 28, 1934.

Parker E. Wilson to be postmaster at Bryantville, Mass., in place of H. A. Wilson. Incumbent's commission expired December 11, 1933.

Armand L. Bengle to be postmaster at Indian Orchard, Mass., in place of S. F. Brown. Incumbent's commission expired April 22, 1934.

MICHIGAN

Edward L. Kenny to be postmaster at Onekama, Mich., in place of L. A. Quale. Incumbent's commission expired January 28, 1934.

James S. O'Rourke to be postmaster at Richmond, Mich., in place of C. H. Heath, resigned.

MINNESOTA

Elizabeth C. Bahr to be postmaster at Waconia, Minn., in place of E. C. Bahr. Incumbent's commission expired February 12, 1933.

MISSISSIPPI

John T. Miller to be postmaster at Myrtle, Miss., in place of A. D. Dorman. Incumbent's commission expired March 8, 1934.

James F. Howry to be postmaster at Sardis, Miss., in place of H. P. Patton, removed.

Hermine D. Walker to be postmaster at Senatobia, Miss., in place of J. C. Bowen. Incumbent's commission expired March 18, 1934.

MISSOURI

George J. Goeltz to be postmaster at Bismarck, Mo., in place of H. C. Oehler. Incumbent's commission expired December 18, 1933.

Floyd L. Decker to be postmaster at Crocker, Mo., in place of W. S. Johnston. Incumbent's commission expired April 30, 1934.

Sam B. Shackleford to be postmaster at Ewing, Mo., in place of J. W. McGee, retired.

Lamonte R. Saxbury to be postmaster at Queen City, Mo., in place of J. G. Gresham, resigned.

Lonnie A. B. Leslie to be postmaster at Russellville, Mo., in place of J. H. Hunter. Incumbent's commission expired January 28, 1934.

Vernon V. Goslee to be postmaster at Skidmore, Mo., in place of E. D. French. Incumbent's commission expired March 8, 1934.

NEBRASKA

Ray W. Jones to be postmaster at Ashland, Nebr., in place of A. F. Jarman. Incumbent's commission expired December 20, 1932.

Don Dey Ermand to be postmaster at Dalton, Nebr., in place of H. C. Blome. Incumbent's commission expired January 18, 1933.

Harvey E. Poole to be postmaster at Dunning, Nebr., in place of J. G. Fountain. Incumbent's commission expired December 17, 1932.

Daniel F. Sheehan to be postmaster at Emerson, Nebr., in place of C. L. McEntaffer. Incumbent's commission expired January 11, 1934.

Bryan J. Snyder to be postmaster at Fullerton, Nebr., in place of F. G. Frame. Incumbent's commission expired January 28, 1934.

George H. Looschen to be postmaster at Hooper, Nebr., in place of H. E. Schemmel, removed.

Mary W. Morrow to be postmaster at Merna, Nebr., in place of W. I. Farnham. Incumbent's commission expired December 13, 1932.

Marvin H. Lutt to be postmaster at Niobrara, Nebr., in place of E. R. Hunt. Incumbent's commission expired April 16, 1934.

Matthew T. Liewer to be postmaster at Osmond, Nebr., in place of J. E. Scott. Incumbent's commission expired April 28, 1934.

Martin Sorensen to be postmaster at Plainview, Nebr., in place of Philip Stein, resigned.

Paulus W. Barker to be postmaster at Rising City, Nebr., in place of L. J. Saylor. Incumbent's commission expired December 16, 1933.

Charles O. Kocina to be postmaster at Verdigre, Nebr., in place of Vaclav Randa. Incumbent's commission expired April 28, 1934.

NEW HAMPSHIRE

Arthur P. Varney to be postmaster at Alton, N.H., in place of W. C. Varney, resigned.

Roy T. Hildreth to be postmaster at Bethlehem, N.H., in place of W. W. McGregor. Incumbent's commission expired December 16, 1933.

Stuart W. Heard to be postmaster at Center Sandwich, N.H., in place of W. W. Russell, removed.

Hazel J. Hayes to be postmaster at Rye Beach, N.H., in place of R. E. Berry, removed.

Edna C. Mason to be postmaster at Tamworth, N.H. Office became Presidential July 1, 1932.

NEW JERSEY

Frank Tilton to be postmaster at Avon by the Sea, N.J., in place of W. S. Clayton. Incumbent's commission expired September 30, 1933.

Robert H. McKinney to be postmaster at Barrington, N.J., in place of M. C. D. Ball. Incumbent's commission expired June 19, 1933.

John P. Euler to be postmaster at Belford, N.J., in place of Mae Hanley. Incumbent's commission expired January 26, 1933.

Ethel H. McDonald to be postmaster at Englishtown, N.J., in place of James Hamilton, resigned.

Thomas Whittington to be postmaster at Sea Isle City, N.J., in place of R. W. Rosenbaum, removed.

NEW MEXICO

Perla E. Darbyshire to be postmaster at Anthony, N.Mex., in place of J. P. Milner. Incumbent's commission expired November 20, 1933.

Helen M. Sears to be postmaster at Capitan, N.Mex., in place of G. A. Titsworth. Incumbent's commission expired February 2, 1933.

Dolores I. Lujan to be postmaster at Des Moines, N.Mex., in place of Guy Miner, deceased.

J. Robert McNeil to be postmaster at Dexter, N.Mex., in place of F. E. Knight. Incumbent's commission expired May 29, 1930.

Dominic Rollie to be postmaster at Gallup, N.Mex., in place of P. E. Coon, resigned.

George T. Meyers to be postmaster at Hillsboro, N.Mex. Office became Presidential July 1, 1932.

Eugene Montague to be postmaster at Lordsburg, N.Mex., in place of J. L. Augustine. Incumbent's commission expired December 14, 1932.

Hezekiah Hall to be postmaster at Magdalena, N.Mex., in place of J. A. Houghton, deceased.

Rosalie Branch to be postmaster at Mora, N.Mex., in place of P. N. Sanchez. Incumbent's commission expired February 1, 1934.

Canuto Gonzales to be postmaster at Roy, N.Mex., in place of C. E. Anderson, removed.

Hayden L. Greene to be postmaster at Santa Rita, N.Mex., in place of A. M. Walsh, removed.

NEW YORK

Charles Robert Freece to be postmaster at East Worcester, N.Y., in place of E. J. Skinner. Incumbent's commission expired December 16, 1933.

William F. Driscoll to be postmaster at Kauneonga Lake, N.Y., in place of E. J. Norris. Incumbent's commission expired December 16, 1933.

John P. Young to be postmaster at Liverpool, N.Y., in place of C. F. Brandt. Incumbent's commission expired December 8, 1932.

Joseph E. Chester to be postmaster at Manhasset, N.Y., in place of W. A. Henderson. Incumbent's commission expired December 16, 1933.

Isidore Smith to be postmaster at Mountain Dale, N.Y., in place of G. M. Atwell. Incumbent's commission expired January 28, 1934.

Benjamin J. Kuhn to be postmaster at St. Bonaventure, N.Y., in place of E. W. Seraphin, resigned.

Harold E. Morrell to be postmaster at South New Berlin, N.Y., in place of W. H. Boyce. Incumbent's commission expired December 16, 1933.

James D. Desmond to be postmaster at Waddington, N.Y., in place of J. E. McKee. Incumbent's commission expired December 18, 1933.

Charles H. Widrick to be postmaster at Whitesboro, N.Y., in place of G. T. Anderson, deceased.

NORTH CAROLINA

Wiley G. Hartzog to be postmaster at Boone, N.C., in place of A. W. Smith, resigned.

John R. Hughes to be postmaster at Madison, N.C., in place of J. M. Joyce. Incumbent's commission expired April 16, 1934.

Karl M. Cook to be postmaster at Mount Pleasant, N.C., in place of E. M. Watson, resigned.

NORTH DAKOTA

William E. Ravely to be postmaster at Edgeley, N.Dak., in place of J. D. Greene. Incumbent's commission expired January 29, 1933.

James R. Turner to be postmaster at Fort Yates, N.Dak., in place of G. W. Hokanson, removed.

Margaret E. Wirtzfeld to be postmaster at Martin, N.Dak., in place of C. C. Harr, removed.

Caroline Lipinski to be postmaster at Minto, N.Dak., in place of C. P. Thomson. Incumbent's commission expired January 8, 1934.

Peter M. Schmitz to be postmaster at Ray, N.Dak., in place of H.A. Hart, resigned.

Arthur W. Hendrickson to be postmaster at Walcott, N.Dak., in place of M. T. Hefty. Incumbent's commission expired January 28, 1934.

OHIO

Paul E. Smith to be postmaster at Ansonia, Ohio, in place of N. E. Beam. Incumbent's commission expired March 22, 1934.

John M. Hudson to be postmaster at Bigprairie, Ohio, in place of L. I. Kerr. Incumbent's commission expired April 28, 1934.

Fred Durr to be postmaster at Bradford, Ohio, in place of C. E. Kniesly, removed.

Paul D. Fleming to be postmaster at Cardington, Ohio, in place of J. G. Mills, removed.

Durbin W. Gerber to be postmaster at Dover, Ohio, in place of W. H. Scheu. Incumbent's commission expired March 18, 1934.

Benjamin J. Chambers to be postmaster at Genoa, Ohio, in place of B. A. Bell. Incumbent's commission expired December 7, 1932.

Ethel S. Reames to be postmaster at Lynchburg, Ohio, in place of Peter Weishaupt. Incumbent's commission expired April 15, 1934.

Lora L. Lamborn to be postmaster at Marion, Ohio, in place of French Crow. Incumbent's commission expired February 6, 1934.

OKLAHOMA

William A. Jenkins to be postmaster at Beggs, Okla., in place of C. W. Ramsey, removed.

Phebe B. Bolin to be postmaster at Forgan, Okla., in place of E. C. Moore. Incumbent's commission expired December 14, 1932.

Mike Craig to be postmaster at McCurtain, Okla., in place of J. G. Sprouse, removed.

Grover C. Diedrich to be postmaster at Marshall, Okla., in place of W. A. Kelley. Incumbent's commission expired February 6, 1934.

Frank B. Lucas to be postmaster at Ponca City, Okla., in place of F. T. Kirby, removed.

Tom L. Pike to be postmaster at Weleetka, Okla., in place of J. W. Gregory. Incumbent's commission expired December 16, 1933.

OREGON

Anona Rae Hodgen to be postmaster at Freewater, Oreg., in place of W. D. Hardesty. Incumbent's commission expired May 26, 1932.

PENNSYLVANIA

James A. Patterson to be postmaster at Avella, Pa., in place of W. G. Hall. Incumbent's commission expired February 28, 1933.

J. Daniel Moore to be postmaster at Bridgeville, Pa., in place of O. N. Barclay, removed.

Oliver F. Stolz to be postmaster at Carrolltown, Pa., in place of C. A. Grieff. Incumbent's commission expired December 18, 1932.

Jesse C. Yoders to be postmaster at Clarksville, Pa., in place of D. J. Turner, removed.

Daniel J. Frantz, Jr., to be postmaster at Coal Center, Pa., in place of L. M. Cole. Incumbent's commission expired March 18, 1934.

Herman L. Levy to be postmaster at Daisytown, Pa., in place of H. L. Levy. Incumbent's commission expired April 16, 1934.

Peter T. Dotey to be postmaster at Dingmans Ferry, Pa., in place of Arthur Bensley, removed.

Clair F. Semelsberger to be postmaster at Duke Center, Pa., in place of J. E. Cronk, deceased.

Philip S. McDermott to be postmaster at Duquesne, Pa., in place of W. E. Reed, resigned.

Antonio R. Minio to be postmaster at Edge Hill, Pa., in place of Edward Hoffner. Incumbent's commission expired February 28, 1933.

James Nevant to be postmaster at Farrell, Pa., in place of B. F. Parry. Incumbent's commission expired March 2, 1932.

Clara B. Dunmire to be postmaster at Foxburg, Pa., in place of C. A. Miller. Incumbent's commission expired January 8, 1934.

C. Gaddis Howland to be postmaster at Gaines, Pa., in place of M. M. Smith. Incumbent's commission expired December 18, 1933.

James W. Earley to be postmaster at Gilberton, Pa., in place of P. J. Kessler. Incumbent's commission expired January 29, 1933.

James N. Gardner to be postmaster at Glen Campbell, Pa., in place of Levi Conner. Incumbent's commission expired February 28, 1933.

Charles T. Bonner to be postmaster at Glen Riddle, Pa., in place of H. L. Warnick, deceased.

William L. Nolder to be postmaster at Grampian, Pa., in place of E. M. Chelgren. Incumbent's commission expired March 16, 1932.

Carrie Stephens to be postmaster at Great Bend, Pa., in place of F. L. White. Incumbent's commission expired January 29, 1933.

Wilmer F. Sowers to be postmaster at Green Lane, Pa., in place of J. W. Kuhn. Incumbent's commission expired February 28, 1933.

Paul O. Holtz to be postmaster at Hastings, Pa., in place of H. M. Lord. Incumbent's commission expired February 28, 1933.

Willard K. Allison to be postmaster at Hickory, Pa., in place of R. S. Rankin. Incumbent's commission expired January 8, 1934.

S. Marple Lemmon to be postmaster at Honey Brook, Pa., in place of J. M. Kurtz. Incumbent's commission expired January 12, 1933.

Amy G. Murray to be postmaster at Hop Bottom, Pa., in place of A. F. Stephens. Incumbent's commission expired May 3, 1933.

James O. Bergantz to be postmaster at Huntingdon, Pa., in place of Fred Etnier, retired.

William H. Solomon to be postmaster at Hyndman, Pa., in place of G. S. Albright. Incumbent's commission expired January 5, 1933.

Frank J. Studeny to be postmaster at Johnstown, Pa., in place of Carl Steuer, resigned.

Majorie L. Samson to be postmaster at Lake Ariel, Pa., in place of A. L. Keyes. Incumbent's commission expired January 19, 1933.

Cornelius McCullough to be postmaster at Lansdowne, Pa., in place of J. J. Nichols, retired.

Fred Schneider to be postmaster at Lettsdale, Pa., in place of E. W. Hopkins, removed.

Stephen F. Payer to be postmaster at McAdoo, Pa., in place of Anna Postupack. Incumbent's commission expired January 11, 1933.

Vernon J. McCarty to be postmaster at Marianna, Pa., in place of R. J. Horne. Incumbent's commission expired February 9, 1933.

Helen T. Henrie to be postmaster at Meshoppen, Pa., in place of L. S. Bisky. Incumbent's commission expired January 26, 1933.

Ezra D. Parker to be postmaster at Kiffintown, Pa., in place of Wilberforce Schweyer, deceased.

Joseph C. Clark to be postmaster at Natrona, Pa., in place of G. D. Claassen, removed.

Samuel S. Ulerich to be postmaster at New Florence, Pa., in place of S. S. Ulerich. Incumbent's commission expired January 5, 1933.

Gerald H. Rickerson to be postmaster at North Warren, Pa., in place of L. J. Sturdevant, deceased.

Ralph B. Mushler to be postmaster at Norwood Station, Pa., in place of N. G. Hazell, removed.

James F. Dugan to be postmaster at Osceola Mills, Pa., in place of F. H. McCully, deceased.

Tasker Howard Cairns to be postmaster at Radnor, Pa., in place of O. G. Darlington. Incumbent's commission expired January 8, 1934.

William T. Collihan to be postmaster at St. Clair, Pa., in place of W. W. Thorn, removed.

James D. Creary to be postmaster at Shenandoah, Pa., in place of Michael Wolsky, removed.

W. Fred Williams to be postmaster at Shippenville, Pa., in place of L. C. Ehler, resigned.

Gordon H. Fish to be postmaster at South Montrose, Pa., in place of G. H. Roberts, removed.

William D. McIntire to be postmaster at Stoneboro, Pa., in place of M. G. Cann. Incumbent's commission expired January 10, 1933.

Ollie W. Aucker to be postmaster at Tionesta, Pa., in place of J. C. Scowdon, removed.

Llewellyn L. Childs to be postmaster at Townville, Pa., in place of E. D. Mallinee. Incumbent's commission expired December 18, 1933.

G. Frank Zerbe to be postmaster at Valley View, Pa., in place of L. W. Keisling, removed.

Michael J. Winters to be postmaster at Villanova, Pa., in place of J. F. Dougherty, removed.

Stafford W. Parker to be postmaster at Wallingford, Pa., in place of J. S. Butterworth. Incumbent's commission expired January 10, 1932.

Earl R. Young to be postmaster at Weatherly, Pa., in place of N. H. Koch. Incumbent's commission expired January 15, 1933.

George D. Arner to be postmaster at Weissport, Pa., in place of B. M. Boyer. Incumbent's commission expired January 15, 1933.

Samuel H. Tschop to be postmaster at Windsor, Pa., in place of C. E. Grim. Incumbent's commission expired January 19, 1933.

Charles E. Fereday to be postmaster at Woodville, Pa., in place of E. K. Bedortha, removed.

Francis G. Ackley to be postmaster at Wyalusing, Pa., in place of C. W. Newman. Incumbent's commission expired January 8, 1934.

Frank A. Crippen to be postmaster at Youngsville, Pa., in place of A. M. Schnell, removed.

SOUTH CAROLINA

Charlton W. Ellis to be postmaster at Estill, S.C., in place of C. M. Norton, removed.

SOUTH DAKOTA

Mattie E. Smith to be postmaster at Burke, S.Dak., in place of K. T. Kallander, resigned.

Charles H. Page to be postmaster at McLaughlin, S.Dak., in place of W. H. Nesbitt. Incumbent's commission expired February 6, 1934.

Naomi Killian to be postmaster at Wasta, S.Dak., in place of G. L. Hamsen, removed.

TENNESSEE

William I. Easley to be postmaster at Bruceton, Tenn., in place of T. M. Boyd. Incumbent's commission expired February 21, 1934.

Thomas G. Hughes to be postmaster at Jackson, Tenn., in place of J. D. Haggard, resigned.

Robert L. Oakes to be postmaster at New Tazewell, Tenn., in place of Garfield Russell, resigned.

Loraine Adkins to be postmaster at Wartburg, Tenn., in place of C. S. Honeycutt. Incumbent's commission expired January 11, 1933.

TEXAS

George W. Kidd to be postmaster at Brownwood, Tex., in place of J. D. Stewart. Incumbent's commission expired June 19, 1933.

Lon M. Peeples to be postmaster at Milano, Tex., in place of Asa McGregor. Incumbent's commission expired March 18, 1934.

VERMONT

Walter H. Beckwith to be postmaster at Chelsea, Vt., in place of G. P. Flint. Incumbent's commission expired April 15, 1934.

Lawrence E. Mason to be postmaster at Newbury, Vt., in place of I. H. Holton. Incumbent's commission expired March 8, 1934.

VIRGINIA

Isaac P. Weston to be postmaster at Jonesville, Va., in place of C. F. Flanary, removed.

Joseph Schmidt to be postmaster at Yorktown, Va., in place of G. W. Hammontree. Incumbent's commission expired April 28, 1934.

WASHINGTON

Alex Huse to be postmaster at Cheney, Wash., in place of Willis Swank. Incumbent's commission expired March 18, 1934.

Nellie E. Merryweather to be postmaster at Concrete, Wash., in place of F. A. McGovern. Incumbent's commission expired February 6, 1934.

Floyd D. Tatman to be postmaster at Kalama, Wash., in place of M. A. Johns. Incumbent's commission expired April 16, 1934.

David N. Judson to be postmaster at Oak Harbor, Wash., in place of D. W. Packard. Incumbent's commission expired January 28, 1934.

Eudocia B. Leech to be postmaster at Steilacoom, Wash., in place of W. I. Leech. Incumbent's commission expired March 18, 1934.

Rufus B. Kager to be postmaster at Sultan, Wash., in place of J. S. Atwood. Incumbent's commission expired January 28, 1934.

Donald S. Farver to be postmaster at Tonasket, Wash., in place of Frank Putnam, resigned.

Connie C. Wall to be postmaster at Winlock, Wash., in place of M. E. Meloy. Incumbent's commission expired April 30, 1934.

WEST VIRGINIA

Elmer O. Bowyer to be postmaster at Dundon, W.Va., in place of E. O. Bowyer. Incumbent's commission expired February 13, 1933.

Alice McCoy to be postmaster at Franklin, W.Va., in place of Wilbur Dolly, removed.

William M. Boardman to be postmaster at Gary, W.Va., in place of J. H. Petty. Incumbent's commission expired April 28, 1934.

Edward J. Rush to be postmaster at Grant Town, W.Va., in place of L. A. Lint, resigned.

George W. Kilmer to be postmaster at Hedgesville, W.Va., in place of R. K. Pearrell. Incumbent's commission expired December 18, 1933.

Clarence C. Francisco to be postmaster at Iaeger, W.Va., in place of Lida Steinke. Incumbent's commission expired December 18, 1933.

Denny B. Browning to be postmaster at Logan, W.Va., in place of P. A. Spurlock, transferred.

Edward E. Williams to be postmaster at Mason Town, W.Va., in place of E. E. Radabaugh. Incumbent's commission expired January 9, 1932.

Okey J. Garrett to be postmaster at Matoaka, W.Va., in place of F. D. Williams, resigned.

George E. Dunaway to be postmaster at Ranson, W.Va., in place of M. I. Baker. Incumbent's commission expired December 18, 1933.

Marmion S. R. Moler to be postmaster at Shepherdstown, W.Va., in place of C. S. Musser, removed.

WISCONSIN

John F. Loschky to be postmaster at Arpin, Wis., in place of H. F. Roehrig, deceased.

Dominic W. Riley to be postmaster at Baldwin, Wis., in place of O. K. Hawley, deceased.

George Heiderer to be postmaster at Butternut, Wis., in place of A. G. D. Besse. Incumbent's commission expired February 25, 1933.

Alfa Ruth Anderson to be postmaster at Colfax, Wis., in place of L. A. Fjelsted. Incumbent's commission expired February 8, 1933.

Anna Loftus to be postmaster at De Soto, Wis., in place of B. S. Wild. Incumbent's commission expired January 21, 1933.

Henry J. Gramling, Jr., to be postmaster at Dousman, Wis., in place of L. G. Waite. Incumbent's commission expired February 25, 1933.

Walter H. Emanuel to be postmaster at Fairchild, Wis., in place of T. D. Smith. Incumbent's commission expired February 28, 1933.

William B. Ackerman to be postmaster at Gays Mills, Wis., in place of H. R. Hays, resigned.

Matthew J. Hart to be postmaster at Glidden, Wis., in place of C. H. Roser. Incumbent's commission expired January 29, 1933.

Reginald L. Barnes to be postmaster at Greenwood, Wis., in place of W. G. Hartson. Incumbent's commission expired January 21, 1933.

Mable N. Duxbury to be postmaster at Hixton, Wis., in place of F. L. Sheldon. Incumbent's commission expired February 14, 1934.

Simon Skroch to be postmaster at Independence, Wis., in place of Simon Skroch. Incumbent's commission expired May 2, 1934.

Irving W. Volkmann to be postmaster at Iron Ridge, Wis., in place of O. E. Hoyt. Incumbent's commission expired January 29, 1933.

Wenzel M. Dvorak to be postmaster at La Crosse, Wis., in place of C. C. Looney, retired.

Casimir Jaron to be postmaster at Lublin, Wis., in place of F. W. Kulwiec. Incumbent's commission expired February 28, 1933.

Henry Stanke to be postmaster at Marathon, Wis., in place of H. L. Menzner. Incumbent's commission expired February 8, 1933.

Clarence G. Lockwood to be postmaster at Markesan, Wis., in place of L. E. Butenhoff. Incumbent's commission expired February 25, 1933.

Oscar M. Rickard to be postmaster at Merrillan, Wis., in place of C. E. Reichenbach, removed.

John K. Wotruba to be postmaster at Milladore, Wis., in place of J. J. Kocian. Incumbent's commission expired February 28, 1933.

Roswell S. Richards to be postmaster at Monticello, Wis., in place of E. J. Blum. Incumbent's commission expired June 8, 1933.

Laurence L. Shove to be postmaster at Onalaska, Wis., in place of J. S. Hammond. Incumbent's commission expired January 21, 1933.

Cleon E. McCarty to be postmaster at Osceola, Wis., in place of H. B. Goodwin. Incumbent's commission expired February 28, 1933.

Dan F. Vicker to be postmaster at Park Falls, Wis., in place of Francis Stone. Incumbent's commission expired June 13, 1933.

Joyce S. Stoveken to be postmaster at Pembine, Wis., in place of J. J. Stoveken. Incumbent's commission expired January 31, 1933.

John W. Johnson to be postmaster at Pepin, Wis., in place of P. L. Miner. Incumbent's commission expired February 28, 1933.

Maurice A. Reeves to be postmaster at Pewaukee, Wis., in place of L. M. Bennett. Incumbent's commission expired February 25, 1933.

John P. Pabst to be postmaster at Pittsville, Wis., in place of A. E. Schmidt. Incumbent's commission expired February 28, 1933.

Edward D. Feeney to be postmaster at Prairie du Chien, Wis., in place of J. H. Frazier. Incumbent's commission expired September 30, 1933.

Patrick H. Laughrin to be postmaster at Prentice, Wis., in place of D. R. Fryklund, deceased.

Victor J. Kozina to be postmaster at St. Francis, Wis., in place of F. N. Lochemes, removed.

Curtis R. Hanson to be postmaster at Scandinavia, Wis., in place of G. S. Peterson. Incumbent's commission expired June 9, 1933.

Herman H. Lins to be postmaster at Spring Green, Wis., in place of G. R. Morgan. Incumbent's commission expired February 25, 1933.

James S. Kennedy to be postmaster at Shell Lake, Wis., in place of R. D. Stouffer. Incumbent's commission expired January 29, 1933.

William S. Wagner to be postmaster at Thorp, Wis., in place of R. H. Tolford, deceased.

Roy D. Fahland to be postmaster at Webster, Wis., in place of A. J. Christianson. Incumbent's commission expired February 28, 1933.

Frank P. McManman to be postmaster at Wisconsin Dells, Wis., in place of S. P. Van Dyke. Incumbent's commission expired February 28, 1933.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 29 (legislative day of May 28), 1934

UNITED STATES JUDGE

Augustine V. Long to be United States judge for the northern district of Florida.

UNITED STATES ATTORNEY

Leo J. Hickey to be United States attorney for the eastern district of New York.

PROMOTIONS IN THE NAVY

To be commanders

Hamilton V. Bryan.
Terry B. Thompson.

To be lieutenant commander

Edward B. Peterson.

To be lieutenants

Richard C. Webb, Jr.
John C. Daniel.

To be paymasters

James E. Brennen
George P. Smallman
Robert R. Thompson
Edward Mixon
Harry G. Kinnard
Golden F. Davis
John H. Gallion

To be ensigns

Neil E. Kingsley
Frank A. Nusom
Walter E. Baranowski
Verne L. Skjonsby
Charles H. Gerlach
Arthur R. Gralla
George C. Wells
Edward J. Fahy
Edward R. Tilburne
James P. Craft, Jr.
Edgar H. Batcheller
James E. Halligan, Jr.
Bernard A. Smith
William A. Brockett
Richard F. Kane
Frank L. Pinney, Jr.
Forrest R. Biard
Spencer M. Adams
Edward G. Bauer
George H. Browne
Robert K. Johnston
Leslie M. Slack
George F. Pittard
Melvin W. Woods
John V. Smith
William R. Smith, 3d
Homer H. Nielson
Reginald Rutherford
Harley K. Nauman
Marvin E. Lundfelt
William F. Cassidy
Paul T. Metcalf
Edwin H. Schantz
James M. Wright
Russell H. Maynard
Lester S. Chambers
William B. Brooks
William W. Walker
Francis J. Novitski
James R. Davis
Robert D. Risser
Grayson Merrill
Claude S. Kirkpatrick
Edwin S. Lee, Jr.
Fred D. Pfotenhauer
William W. Keller
Ernest S. Bathke
Jacob T. Bullen, Jr.
John J. Hyland
Lewis C. Coxe
Lester R. Schulz
Cedric W. Stirling
William M. McCormick
Grafton B. Perkins, Jr.
Brown Taylor
Richard L. Mann
John W. Kearns
Royal R. Ingersoll, 2d
Paul Van Leunen, Jr.
Robert L. Townsend
Eugene C. Rider
Edgar S. Powell, Jr.
William C. G. Church
Charles M. Henderson
Albert L. Becker
Clyde J. Van Arsdall, Jr.
Rollin E. Westholm
James S. Shilson
Howard T. E. Anderson
Robert J. Ovrom
Hugh M. Maples
Arthur C. Smith
Willard J. Bain
Richard C. Latham
John M. Phelps
William I. Robbins
John P. Condon
Donald A. Scherer
William L. Guthrie
Charles R. Stephan
Otto C. Schatz, Jr.
Charles C. Mann
John M. McMahon
Charles B. Paine, Jr.
Ernest E. Christensen
Richard R. Boutelle
Orme C. Robbins
Charles Blenman, Jr.
Robert H. Close
Juan B. Pesante
James R. Compton
Walter T. Griffith
Edward F. Dissette
John W. Howard
David S. Edwards, Jr.
William E. Sweeney
John Metcalf
John R. Bromley

William S. Maddox
John C. Nichols
William C. Murphy
James D. Fulp, Jr.
Earl K. Solenberger
James S. Nutt
Frederic W. Hawes
Robert N. Robertson
Robert C. Houston
Charles W. Fell
Marvin I. Rosenberg
Melvin H. Dry
Reuben T. Whitaker
Arthur L. Newman
Howard E. Day, Jr.
Beverly R. Van Buskirk
George E. T. Parsons
Charles W. Brewer
John A. Horton, Jr.
Harry L. Thompson, Jr.
Keith E. Taylor
Alexander G. Hay
Alfred D. Kilmartin
Robert M. Brinker
Joseph B. Tibbets
Dennison C. Ambrose
John M. Hyde
William H. Lawrence
Carl W. Middleton, Jr.
Lewis Freedman
Robert J. Oliver
George W. Lautrup, Jr.
Duncan P. Dixon, Jr.
Donald G. Irvine
Robert J. Hardy
John B. Morland
Christy C. Butterworth
Thomas C. Edrington, 3d
George S. Bullen
Wilson M. Coleman
Joseph J. Staley, Jr.
Statton R. Ours, Jr.
Richard E. Nichols
Herman H. Kait
William A. Smyth
Arden Packard
Richard D. Shepard
Carl W. Rooney
Joseph E. Stulgis
Harold D. Fuller
Earl K. McLaren
Clarence E. Dickinson, Jr.
Albert L. Gebelin
Edward N. Blakely
Allan G. Schnable
Benjamin C. Fulghum
Ernest V. Bruchez
Eric L. Barr, Jr.
Samuel Bradbard
Paul L. Joachim
Terry L. Watkins
Walter H. Baumberger
Charles H. Clark
Arthur E. Krapf
James E. Smith
Raymond L. Abrahamson
Nels C. Johnson
Lyle E. Strickler
William C. Hembury
Sidney L. Erwin
John G. Roenigk
John Harllee
Wayne R. Merrill
Cecil K. Harper
Benedict J. Semmes, Jr.
Richard G. Kopff
Warren S. Macleod
Barton E. Day
Harry H. Greer, Jr.
Frederic G. Pegelow
Allyn Cole, Jr.
Francis O. Fletcher, Jr.
William J. Drumtra
Robert A. Paton
Edgar J. Hailey
Lowell S. Price
Robert Donaldson
Richard E. Bly
Ellis B. Rittenhouse
Robert E. Wheeler
Philip H. Torrey, Jr.
James M. Clute
William M. Collins, Jr.
Frank K. Upham
Stanley S. Daunis
Curtis H. Hutchings
William R. Peeler
Arthur C. House, Jr.
Marshall W. White
Thompson C. Guthrie, Jr.
Robert R. Williams, Jr.
Thomas B. Oakley, Jr.
Irving S. Presler
John F. McGillis
Richard H. O'Kane
Charles F. Fischer
George W. Welch
George M. Clifford
James W. Brock
John W. Florence
Charles Antoniak
Edward M. Fagan
Jackson D. Arnold
Arthur L. Benedict, Jr.
Louis Lefelar, Jr.
Bernard A. Clarey
Douglas M. Swift
Francis A. G. Kelly
Paul S. Savidge, Jr.
Kendall Casey
Arthur R. Manning
Henry C. Spicer, Jr.
Ronald Q. Rankin
Henry L. Miller
Willard E. Hastings
Walker Ethridge
Frank M. Whitaker
Francis W. Scanland, Jr.
Forrest M. Price
Francis D. Boyle
John T. Lowe, Jr.
James H. Newell
Martin H. Ray, Jr.

MARINE CORPS

To be second lieutenants

Clyde R. Nelson
Joseph L. Dickey
Elmore W. Seeds
John P. Condon
John A. Butler
Ralph K. Rottet
George C. Ruffin, Jr.
Roger S. Ahlbrandt
Harold O. Deakin
Maurice T. Ireland
Henry W. Buse, Jr.
Samuel R. Shaw
Robert S. Fairweather
Robert E. Hommel
Joseph P. Fuchs
John W. Sapp, Jr.
Harry W. G. Vadnais
Frank C. Tharin
Bennet G. Powers
Samuel F. Zeiler
Lawrence B. Clark
Ernest L. E. Ritson
Colin J. Mackenzie
George B. Nicol
Joe McK. Alexander

POSTMASTERS

ALABAMA

William B. Wilder, Andalusia.
Leroy McEntire, Decatur.
Mim C. Farish, Grove Hill.
Roy J. Ellison, Loxley.
Annie H. Townsend, Tuscaloosa.

ARIZONA

Ross H. Cunningham, Jerome.
Mary W. Hand, Winkelman.

GEORGIA

Lelia W. Maxwell, Danville.
Elbert L. Fagan, Fort Valley.
Herman C. Titshaw, Pitts.
Nettie H. Woolard, Sylvester.
Cecil F. Aultman, Warwick.

IDAHO

Ezekiel Holman, Sugar.
Edwin N. Kearsley, Victor.

ILLINOIS

Peter F. Harder, Atwood.
William E. Leischner, De Land.

KANSAS

Nell C. Graves, Columbus.
Rosa B. Blaine, Copeland.
Arch E. Hosmer, Holton.
Bryan F. Scarborough, Iola.
Edward W. Shiney, McCracken.
Eunice E. Buche, Miltonvale.
Caroline Doerschlag, Ransom.
Henry F. Dodson, South Haven.

KENTUCKY

Richard W. Wilson, Elizabethtown.
Frances W. Lyell, Hickory.
Omer W. Cleek, Walton.

MAINE

Lee M. Rowe, Bryant Pond.
Anna M. McLaughlin, Dryden.
George L. Hawes, East Corinth.
Lillian L. Guptill, Newcastle.
Edward J. McKay, North Jay.
Howard H. Herrick, Rangeley.
Fred T. Eaton, York Harbor.

NEBRASKA

Albin J. Kriz, Brainard.
Harry Boesen, Cairo.
Curtis B. Benger, Callaway.
Roy E. Sheffer, Gering.
Stanley R. Wheeler, Giltner.
Dorothy M. Porter, Haigler.
Mary E. Krisl, Milligan.
Henry C. Cope, Mitchell.
Stanton A. Troutman, Palisade.
Mildred I. Onstot, Riverton.
W. LeRoy Larson, Sidney.
Margarete C. Phelps, Valentine.
Edith C. Hackl, Wynot.

NEVADA

Anne M. Holcomb, Battle Mountain.
Roy T. Williams, Minden.

NEW HAMPSHIRE

George W. Moulton, Lisbon.

NORTH CAROLINA

William R. Young, Badin.
Joseph C. Peed, Creedmoor.
William T. Culpepper, Elizabeth City.
Thomas T. Hollingsworth, Greenville.
John E. Morris, Hertford.
Wightman C. Vick, Norwood.

OHIO

Carl L. Meloy, Garrettsville.
Duward B. Snyder, Grand Rapids.
Helen E. Dunn, Holland.
Perry L. Heintz, Jackson Center.
Charles Fishley, Mineral City.
John H. H. Welsch, Port Washington.
Clara B. Dix, Prospect.
Edward T. Brighton, Sylvania.
Donald K. Studer, Whitehouse.

OKLAHOMA

Delbert H. Rounsaville, Atoka.
Cloyd H. Burton, Commerce.
Erwin D. Keys, Earlsboro.
John L. Beckham, Enid.
Cyril M. Surry, Hartshorne.
Georgie M. Jeffers, Inola.
Gertrude Barker, Kaw.
John A. Park, Krebs.
Pearl Brazell, Lamont.
Buford E. Stone, Manchester.
Walter E. Primm, Meeker.
Dennis F. Almack, Moore.
Guy B. Hilton, St. Louis.
John R. Redwine, Jr., Spiro.
Kib H. Warren, Shawnee.
William B. Wyly, Tahlequah.
Charles A. Knight, Tecumseh.

SOUTH CAROLINA

Allie V. Collum, Jr., Blackville.
Hattie C. Sherard, Calhoun Falls.
Basil T. Brinkley, Ellenton.
Rufus Ford, Jr., Holly Hill.
Edward H. Blackmon, Orangeburg.
Jack C. Pate, Sumter.
Jackson L. Flake, Swansea.

TEXAS

Glad Campbell, Mertzon.

WEST VIRGINIA

Thomas F. Ward, Keyser.
John A. Ball, Mullens.
Henry S. Ellison, Union.

HOUSE OF REPRESENTATIVES

TUESDAY, MAY 29, 1934

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D.D., offered the following prayer:

Merciful God, our Heavenly Father, may our faith in Thee be strong and may our hopes lead us to brighter and happier days. Make them vivid, distinct, and free from obscurity and uncertainty. Let them be illuminating, expanding our lives and giving a new meaning to our activities. Be gracious to assure us that all things work together for good for those who put their trust in Thee, who are right in purpose and are unselfish in the things they seek. Heavenly Father, bless the homes of the officers and the Members of the Congress. We entreat Thee to hold us all in Thy hands, in which we may rest without fear. In the dispensation of Thy providence, prepare us for whatever awaits us, and praise and glory be unto Thee forever. In our Savior's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on May 28, 1934, the President approved and signed a bill and joint resolution of the House of the following titles:

H.R. 9530. An act granting the consent of Congress to the county of Pierce, a legal subdivision of the State of Washington, to construct, maintain, and operate a toll bridge across Puget Sound, State of Washington, at or near a point commonly known as "The Narrows"; and

H.J.Res. 347. Joint resolution to prohibit the sale of arms or munitions of war in the United States under certain conditions.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 2414. An act for the relief of Frank Salisbury, executor of the estate of Emerson C. Salisbury; and

H.R. 2418. An act for the relief of certain claimants at Leavenworth, Kans., occasioned through damage to property inflicted by escaping prisoners.

The message also announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 1744. An act enabling certain farmers and fruit growers to receive the benefits of the Federal Farm Loan Act and amendments thereto and the Emergency Farm Mortgage Act of 1933;

S. 1760. An act for the relief of the Snare & Triest Co., now Frederick Snare Corporation;

S. 1786. An act for the relief of Lucile A. Abbey;

S. 1947. An act to provide for the creation of the St. Croix Island National Monument, located near the mouth of the St. Croix River in the State of Maine, and for other purposes;

S. 2242. An act for the relief of the Collier Manufacturing Co., of Barnesville, Ga.;

S. 2272. An act for the relief of Bert Moore;

S. 2617. An act for the relief of the estate of Jennie Walton;

S. 2619. An act for the relief of E. Clarence Ice;

S. 2888. An act to provide for expenses of the Crow Indian Tribal Council and authorized delegates of the tribe;

S. 2889. An act for the relief of certain Indians of the Fort Peck Reservation, Mont.;

S. 2906. An act for the relief of Ransome Cooyate;

S. 2918. An act for the relief of N. Lester Troast;

S. 2980. An act to modify the effect of certain Chippewa Indian treaties on areas in Minnesota;

S. 3096. An act for the relief of John T. Garity;

S. 3286. An act authorizing the exchange of the lands reserved for the Seminole Indians in Florida for other lands;

S. 3307. An act for the relief of W. H. Le Duc;

S. 3366. An act for the relief of C. O. Meyer;

S. 3380. An act providing for the appointment of Richmond Pearson Hobson, formerly a captain in the United States Navy, as a rear admiral in the Navy, and his retirement in that grade;

S. 3486. An act for the relief of George L. Rulison;

S. 3493. An act to revive and reenact the act entitled "An act authorizing H. C. Brenner Realty & Finance Corporation, its successors and assigns, to construct, maintain, and operate a bridge across the Mississippi River at or near a point between Cherokee and Osage Streets, St. Louis, Mo.", approved February 13, 1931;

S. 3502. An act authorizing the Oregon-Washington Bridge Commission to construct, maintain, and operate a toll bridge across the Columbia River at or near Astoria, Oreg.;

S. 3641. An act to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Ogdensburg, N.Y.; and

S.J.Res. 86. Joint resolution for the adjustment and settlement of losses sustained by the cooperative marketing associations.

FOREIGN-TRADE ZONES

Mr. BYRNS. Mr. Speaker, on yesterday the previous question was ordered on the passage of the bill which was then under consideration, H.R. 9322, to provide for the establishment, operation, and maintenance of foreign-trade zones in ports of entry of the United States, to expedite and encourage foreign commerce, and for other purposes.

This bill was introduced by the gentleman from New York [Mr. CELLER], who was absent yesterday on account of illness and, therefore, was not able to come here and participate in the discussion and consideration of the bill. I ask unanimous consent that before the roll call is had he may be permitted to proceed for 2 minutes.

Mr. SNELL. The gentleman is making a rather unusual request.

Mr. BYRNS. I know it is an unusual request, but these are unusual circumstances.

Mr. SNELL. I am not going to object, but the statement was made the gentleman could not be here. The request is an unreasonable one, and the gentleman knows it is.

Mr. BLANTON. This is in behalf of a good New Yorker.

Mr. BYRNS. The gentleman from New York [Mr. CELLER] is the author of the bill and was prevented from being here on account of illness. I think we ought to give him the opportunity to make a few remarks.

Mr. SNELL. The gentleman is establishing a very poor precedent, but go ahead.

Mr. WOODRUFF. Mr. Speaker, reserving the right to object, may I remind the gentleman from Tennessee [Mr. BYRNS] that before we adjourned yesterday he asked and received unanimous consent of the House that the gentleman from New York may extend his remarks in the RECORD on this bill.

Mr. BYRNS. I did not make that request.

Mr. WOODRUFF. The request was made by someone on that side of the House.

Mr. SNELL. It was made by the gentleman from New York [Mr. CULLEN].

Mr. WOODRUFF. I have an idea that the gentleman from New York may under that leave to extend his remarks set forth fully his views on this bill. In view of the fact, Mr. Speaker, that I have never yet objected to a unanimous-consent request of any Member of this House to address the House, I shall not establish the precedent now.

Mr. TERRELL of Texas. Mr. Speaker, reserving the right to object, may I ask if this will interfere with the 30 minutes that I was allowed to address the House?

The SPEAKER. It will delay the gentleman 2 minutes. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

CELLER FREE PORT BILL

Mr. CELLER. I shall not take long, and rise primarily to express my gratitude to the members of the subcommittee of the Ways and Means Committee, presided over by my esteemed friend the gentleman from New York [Mr. CULLEN], and the other members of the committee, the gentleman from Massachusetts [Mr. MCCORMACK], the gentleman from Kentucky [Mr. VINSON], the gentleman from California [Mr. EVANS], and the gentleman from New York [Mr. CROWTHER]. I am also indebted to my esteemed friend and colleague, Mr. O'CONNOR, of the Rules Committee, who helped us get the rule. I am very gratified that after 20 years of struggle, we have been able to get this bill out of committee and well on its way to final passage. [Applause.]

This bill has the support of this administration. President Roosevelt, at a press conference, indicated his approval. Hon. Cordell Hull, our Secretary of State, in part writes as follows:

> In the opinion of the Department, the establishment of foreign-trade zones under proper regulations is calculated to further the foreign commerce of the United States, and the Department views such legislation with favor.

Hon. Daniel P. Roper, Secretary of Commerce, writes in part as follows:

> The Department of Commerce has at various times in the past expressed itself to the detailed provisions of any particular bill. The establishment of such foreign-trade ones is for the purpose of facilitating reexport and transshipment trade * * *. The proposal does not introduce anything essentially new into our law. In fact, this is little more than the minimizing of the official limitations and costs involved in the formalities of entry into bonded warehouse and drawback now provided in the American tariff law * * *. However, it appears that the legislation is desirable in principle as a grant of authority to be utilized should the occasion warrant.

Hon. George H. Dern, Secretary of War, writes in part as follows:

> Insofar as the interests committed to this Department are concerned, I am not aware of any objection to the enactment of the bill.

Hon. Henry Morgenthau, Jr., Secretary of the Treasury, in part writes as follows:

> I believe that, under normal conditions in world trade, foreign-trade zones, such as provided for in the bill, might aid materially in fostering a growth of the transshipment and reexport trade of ports advantageously situated to handle such trade. In principle, therefore, I believe the bill is meritorious, and I see no objection to its enactment.

In addition, the bill has the approval of the United States Tariff Commission, the United States Shipping Board, and Hon. George Peek, head of the United States Import-Export Bank.

Let me invite your careful attention to the opinion expressed by President Herbert Hoover when he was Secretary of Commerce, in a letter written on December 19, 1925, after the Tariff Act of 1922 had been in operation more than 3 years.

The letter is addressed to the late lamented Senator Jones, of the State of Washington. The letter says:

> Complying with your request of the 12th instant for a report from this Department on Senate bill no. 66, entitled "To provide for the establishment, operation, and maintenance of foreign-trade zones in ports of entry of the United States, to expedite and encourage foreign commerce, and for other purposes", it is my opinion that properly located foreign-trade zones would facilitate and encourage the export trade of the United States and be of material benefit to our merchant marine, for the following reasons:
>
> It will promote and expedite our transshipment trade by eliminating the customs formalities and difficulties under our present system of warehousing for reexport.
>
> In the course of the tariff revision of September 1922 customs administrative regulations were so liberalized that many of the activities relating to foreign merchandise under section 3 of the bill are now allowed in bonded warehouses without requiring the payment of duties; however, they are so encumbered with requirements, such as filing manifests, making formal entry of all foreign merchandise whether intended for ultimate entry into this country or not, having goods weighed or otherwise examined before they are allowed to be deposited in bonded warehouses, that the privileges available are not sufficiently attractive to be used to any great extent.

That applies to the provisions of the act of 1930, which did liberalize them to some extent, but they still have the same red tape to go through in the case of reshipment, with the same conditions referred to by President Hoover, who was then the head of the Department of Commerce. His letter to the late Senator Jones goes on to say:

> It would place this country in a better position to take advantage of our large consumption of many foreign raw materials and distribute such among foreign countries.
>
> It would improve the opportunity for obtaining full cargoes for American ships both ways and result in a more economical use of our merchant marine by eliminating delays due to customs formalities.
>
> In my opinion, the bill is designed to accomplish the foregoing, and I therefore indorse it and recommend its passage.

The bill has the approval of the following trade associations: Chamber of Commerce of the United States, Port of New York Authority, Chamber of Commerce of the State of New York, the Merchants Association of the City of New York, the Maritime Association, Boston Chamber of Commerce, Boston Port Authority, Maritime Association of Boston, Retail Trade Board of Boston, the State Port Authority of Virginia, Miami Beach Chamber of Commerce, Miami Beach City Commission, the Port of Philadelphia Ocean Traffic Bureau, the Philadelphia Board of Trade, the Baltimore Association of Commerce, the Export and Import

Bureau of Baltimore, the New Orleans Association of Commerce, the New Orleans Cotton Exchange, the Chicago Association of Commerce, the San Francisco Chamber of Commerce, the Pacific American Steamship Association, Ship Owners Association of the Pacific Coast, the Trade Association of Hampton Roads and Norfolk, the Chamber of Commerce of Jersey City, the Port of Newark, N.J., the Shippers Conference of Greater New York, and the American Association of Port Authorities.

DEFINITION OF A FREE PORT

The question has been asked by many Members, What is a free port? The best definition I know is the one given by the Federal Trade Commission some time ago, after it made an exhaustive study of foreign-trade ones and free ports. This definition is as follows:

The word "free" in connection with "port" or "zone" is apt to be misleading. It is proper to note, therefore, that the term has no relation either to port charges or to any policy of free trade or protection in this case. Conventional nomenclature is in this case misleading. "A neutral zone" would be more properly descriptive. A free port or free zone is a place limited in extent but differs from adjacent territory in being exempt from customs laws as affecting goods destined for reexport. It means simply that, as regards duties, there is freedom unless and until imported foods enter the domestic market. A free zone may be defined as an isolated, inclosed, and policed area in or adjacent to a port of entry, without resident population, furnished with the necessary facilities for lading and unlading, for supplying fuel and ship stores, for storing goods, and for reshipping them by land and water—an area within which goods may be landed, stored, mixed, blended, repacked, manufactured, and reshipped without payment of duties and without the intervention of customs officials. It is subject a little within adjacent regions to all the laws relating to public health, vessel inspection, postal service, labor conditions, immigration, and indeed everything except the customs. The purpose of the free zone is to encourage and expedite that part of a nation's foreign trade which its government wishes to free from the restrictions instituted by custom duties. In other words, it aims to foster the dealing in foreign goods that are imported, not for domestic consumption but for reexport to foreign markets and for the conditioning or for combining with domestic products previous to export.

For the longest time our Government has sought to do the very things that a free port aims at; namely, to encourage transshipments of goods out of the country that have been imported, to encourage the repacking, blending, mixing, manipulating, and reshipment of foreign goods upon which there is now allowed the drawback. It sought to do this by setting up, first, bonded warehouses; second, bonded manufacturing warehouses; and third, by the drawback.

But the Government, jealous of its revenues, has hedged about these drawbacks (which were designed to bring about facility of reexports and transshipments) to such an extent that business finds itself utterly handicapped and frustrated.

A Government bonded warehouse is a place where goods bonded for reexport may be entered and held free of duty. A bonded manufacturing warehouse is a place where, without payment of duties, the imported goods may be handled, altered, sorted, blended, and manipulated, as well as manufactured, either with or without the admixture of domestic materials and parts. The drawback is the payment of 99 percent of the duty paid on imported goods after they have been reexported.

You might ask, after the Government has set up these facilities for drawback, for warehousing, and for manufacturing and warehousing, why is it necessary to pass the free port bill? The answer lies in the restrictions and handicaps inherent in the drawback, the bonded warehouse and the bonded manufacturing warehouse. Let me point out a few of the inadequacies, inconsistencies, and difficulties in these bonding and drawback provisions of our tariff legislation.

First, if a man, for example, wishes to store some imported goods he must give a bond in an amount double of the duty, and that bond is forfeited if the goods are stolen or lost or destroyed or removed. Secondly, even the drayage and the carting of the goods between the dock and the warehouse, probably over a comparatively short distance, must be under bond. Thirdly, there must be constant customs control and supervision.

The Government is so jealous of its revenues, and rightly so, that it sort of holds a policeman's club over the merchants' and manufacturers' heads at all times. The dealer is confronted constantly with a uniform. That surely does not make for peace of mind and business comfort. While, for example, the goods are in the bonded warehouse, they must be placed and arranged in accordance with well-defined regulations, so that at any time they may be checked and inspected by special agents of the Treasury Department. Under the free port bill no such minute regulations as to the placing and arrangement of goods would be necessary. Under a free port, there would be the absence of strict surveillance within the zone. The surveillance would be transferred to the boundaries of the zone.

Under the free port bill there would not be the necessity for the strictest kind of accounts of all warehousing transactions. Under the present regime, the warehouse must be closed and locked by a Government lock, except during usual business hours. Special permission must be obtained, overtime charges must be paid, a customs agent must be present to enter the warehouse after hours. No matter how great the emergency, the merchant or dealer cannot enter the warehouse, save under these conditions and restrictions. All this red tape would be avoided under my bill. There would be no necessity for these minute regulations. There would be no danger of loss of revenue because there would be no necessity for payment of revenue or tariff unless and until the goods leave the stockaded area and enter customs territory.

Permit me to direct attention to some of the irksome provisions concerning bonded manufacturing warehousing, from a report of the Tariff Commission.

The mere statement of the regulations sufficiently indicates the limited usefulness, so far as export trade is concerned, of the bonded storage warehouse. Even more stringent are those applying to the bonded manufacturing warehouse. In the later institution foreign materials may be entered free of duty and worked up into manufactures ready for consumption.

(a) Production can be carried on in such a warehouse for export only. With a few special exceptions, the output cannot be disposed of in the domestic market, even on payment of duty. The most important exceptions are metal from ore smelted in bond, and cigars "made in whole from tobacco imported from one country." Minor exceptions are found in a provision for the entry of Mexican peas, or garbanzo, which have been cleaned at such warehouses, and in the permission to sell for domestic consumption byproducts and waste arising in the manufacture of goods for export, provided duty is first paid on such articles as if imported from abroad.

(a) To protect the public revenue from unauthorized entry of goods into domestic trade, the owner of the goods is required, under present procedure, to give bond in double the amount of the duty, which is forfeited if the goods are stolen, lost, destroyed, or fraudulently removed.

(b) Even drayage between dock and warehouse must be done under bond.

(c) In addition, from the time they enter port until they are reshipped the goods are under constant customs control and supervision.

(d) While in the warehouse they must be placed and arranged in accordance with certain well-defined regulations, so that they may at any time be checked and inspected by special agents of the Treasury Department.

(e) Permits must be obtained for their reception and delivery, and strict accounts must be kept of all warehouse transactions.

(f) Except during the usual business hours in the warehouse there is no freedom; one is constantly met with a uniform and a cop's stick always held over him.

Let us turn to the drawback provision. Importers complain bitterly about the procedure that must be followed. The drawback is the 99-percent return of the duty paid the Government upon the reexportation of the goods that had been imported. Ordinarily, the duty is paid, the goods are taken into customs territory, possibly to the importer's place of business. Then the goods are reexported, either with or without admixture of domestic goods. The reexporter then makes application for the drawback. But here again the Government imposes so many restrictions and such irksome regulations, that the importer often grows disgusted and abandons his claim. Take the situation, for example, that confronted a very large concern in Brooklyn, from whence I come. The concern is Hills Bros. Mr.

Lucius R. Hillman, of this firm, importers of citrons, dates, and fruits, testified as follows:

We import dry fruits, dromedary dates, and currants from Greece, citron from the Mediterranean. We repack and standardize these goods, and export to Mexico and other countries. This business brought us in contact with the drawback system. I have come to the conclusion that the manufacturing end would be largely an assembling of food products. With the use of sugar and the drawback on sugar, the difficulty which we experienced there has made the drawback claims, in our own case, so complicated and there are so many points which are objectionable, that we dropped making such claims.

The following list shows how the applications for drawbacks are declining, clearly far more proportionately than the general decline of commerce, indicating surely that there is something wrong with the system.

Amount of customs drawbacks paid by United States since 1922

1922	$35,290,000.00
1923	11,934,000.00
1924	14,095,000.00
1925	20,658,000.00
1926	13,136,000.00
1927	13,560,046.08
1928	13,194,682.45
1929	14,925,838.43
1930	12,577,970.51
1931	12,162,475.46
1932	8,418,434.14
1933	7,154,527.56

At the hearings there was given a mass of testimony from most responsible sources, concerning the annoying and piddling regulations of the Government concerning drawback, bonding, and bonded warehouses. Here is a typical example of the testimony of such red tape.

There are a great many provisions in connections with these arrangements which are decidedly difficult and expensive to comply with. I have in my hand the announcement of the Treasury Department of rules governing "storage-manipulation warehouses" which are one of the type of warehouses providing for the handling of this transshipment business. Without going into detail, I want to call your attention to the fact that this notice indicates that there is a considerable routine which must be gone through not only by the owner of the warehouse in question in having his premises inspected, in filing his bond, in having a storekeeper in constant attendance while the warehouse is open, which entails considerable expense, but there is a further provision that when two or more manipulations are carried on simultaneously such additional storekeepers will be detailed as the collector of customs deems necessary. And then if someone comes in to have his goods manipulated—say they are furs—the provisions are that if on that manipulating floor one man has his furs out and with a Government storekeeper watching over their operations, and another man wants to withdraw some of his products from manipulation—that cannot be done at the same time if there is any conceivable possibility that there will be any mix-up.

Now, as this thing shapes up, I think—I may be wrong, but I think the United States actually discourages commerce. First, it sets up this tariff wall, then the customs book, a very formidable affair of regulations, covering some 700 pages, which require a customhouse broker to interpret, then about 8 classes of bonded warehouses, and storage, cartage, and lighterage, in customs, and a hundred forms you get from the United States Shipping Board to fill out. The exporter must export in the original marks of importation.

GENERAL SCOPE OF THE BILL

H.R. 9322 authorizes a board consisting of the Secretaries of Commerce, Treasury, and War, that under such rules and regulations as they may provide, to grant to certain corporations the privilege of establishing and maintaining these free ports in or adjacent to ports of entry under the jurisdiction of the United States. The Secretary of the Treasury shall assign to the zones the necessary customs guards and officers to protect the revenue of the United States. The zone may be operated by either a public corporation or a private corporation. If a private corporation, it must be chartered under a special act of the legislature of the State. Each port of entry shall be entitled to at least one zone. In the event of repeated violations, the grant to the public or private corporation may be revoked. The grantee must provide adequate docks, warehouses, and adequate transportation connections with surrounding territory.

DECLINE OF OUR REEXPORT TRADE

The following table shows a steady decline in our reexport trade:

1920	$147,535,436
1921	106,103,332
1922	66,686,628
1923	76,777,989
1924	93,334,536
1925	91,125,076
1926	96,939,347
1927	106,511,635
1928	98,257,740
1929	83,912,175
1930	62,008,991

Here, again, there is indicated that there is something wrong with our system. I firmly believe that a foreign trade zone would greatly encourage this reexport business.

A free port has nothing to do with free trade.

The best statement that I have found on that is by Hon. William C. Redfield, formerly Secretary of Commerce.

He says, on page 20 of this United States Chamber of Commerce document [reading]:

There seems to be a lingering impression in the minds of some persons that a foreign trade zone has something to do with free trade. I wish, therefore, to repeat that a free zone or a foreign trade zone is a normal complement of a so-called "protective" policy. There is no occasion for a foreign trade zone in a free-trade country. A tariff status quo of the United States is maintainable in principle and in fact by the provisions of this bill.

Germany, a highly protective country, has several free ports. Japan and Italy also are protective countries, and have free ports. England, on the other hand, formerly practically a free-trade country, did not need foreign-trade zones, because all England was a sort of foreign-trade zone. Goods could come to English ports and could there be handled, sorted, manipulated, and transshipped to other countries without the embarrassments of customs. It is not the purpose of my bill to make this country a free-trade country in any event.

The foreign-trade zone has not that effect. Whether we have a high tariff or a low tariff, free ports can and should be established. In other words, the tariff policy of a country has nothing to do whatsoever with free ports.

THE EFFECT ON TRADE WITH WEST INDIES AND LATIN AMERICA

Permit me to quote the testimony of Hon. Frank Katzentine, mayor of Miama Beach, Fla.:

Mr. KATZENTINE. Mr. Chairman, I understand that the proponents of free-trade zones, or foreign-trade zones, or free ports, or whatever you might call it, are here from New York and much more important locations than we are, and I am very happy to concede this position to any of those gentlemen that want to speak.

The only fresh view that we can give on the problem of free ports which might be of interest to this committee, of course, lying close to the Latin-American countries like we do, having a position that we think is strategic for the attraction of Pan American or Latin American trade, we are disturbed in our area by the fact that legislation in many of those Latin American countries is now pending, or about to be brought up, for the establishment of free ports. Now I am familiar, personally, in a degree, with the situation in Cuba. Being so close, within 2 hours from Cuba by plane from Miami Beach, we intervisit a great deal from the two countries, and you would be interested to know that the new regime that has replaced Machado in the Government of Cuba are fighting seriously at this moment to establish Habana as a free transshipping point. Now, that disturbs us. We are making a bid in Miami and Miami Beach to garner all of the island trades that we can. There are many islands in the West Indies, and along the western coast of South America many republics, many independent governments, who do not warrant being made a port of call by ocean liners; and if transshipment features without the intervention of customs could be established in a southern port, and located—if it were possible for us to have the advantages of a free zone where these goods could be brought in and taken out by the small vessels who call at these islands regularly, it would certainly economically be a big feature for us.

TRANSSHIPMENTS

Foreign trade in New York dropped 75 percent in value and 50 percent in volume since 1929. This drop is typical of ports throughout the country. We must do something to fill this void. Encouragement of transshipments will help. Establishment of foreign trade zones will induce greater transshipments between two foreign countries by way of ports of the United States.

Our ports are strategically located to handle transit business between South and Central America, West Indies, and

Canada on the one hand, and Europe, Asia, and Africa on the other hand.

One of the difficulties in capturing transit or reexport business is the complexity and cost of the customs regulations now necessary in connection with movement through or storage or manipulation in United States ports. Detailed supervision by Government storekeepers, filing of bonds, making out of endless forms, tickets, and receipts are necessary under the present system, but would be eliminated inside of a foreign trade zone, all policing being limited to the outside barrier in order to see that none of this business leaked into the domestic market without paying duty.

Suppose you are importing laces and embroideries, and fancy goods from Europe, and you want to distribute them in South America, and let us assume that the South American trade is of such a nature that you have got to have a peculiar shape of package, that you can throw over the pack of a mule, or even a llama, an evenly balanced package. You would be surprised to know how much the success of South American trade depends upon such a small thing as the size and shape of the package.

Now, suppose this embroidery and these fancy goods when they come from Europe are in square boxes, which are unsuitable for the South American trade. You cannot put one of them on the back of a mule. The customs regulation will not let you touch that box, or reopen it or repack it or change the shape of the package, without going through so much red tape that it just makes it unprofitable to conduct the operation at all.

Now, under this free-zone proposition, you can bring in all of those goods to this free zone, take them out of their packages, put them into the kind of package you want, and send it down to South America.

Our colleague, Representative J. MARK WILCOX, made a very interesting statement concerning transshipments through Miami. His statement could be duplicated concerning trade in almost every other port of entry along our great sea coast.

The beauty of that plan, as I see it from our own standpoint in southeast Florida, is that the various small Republics—Haiti, Cuba, and the various island republics in the West Indies, and those in northern and western South America, and the Central American countries—will have a point at which they may meet and exchange, somewhat on the idea of the old farmers' exchanges that we have in some of the rural sections of the country.

Now, in Haiti and Cuba and the Bahama group, and the various other small republics in the West Indies, and northern South America, it seems to us, if they had some point at which they might meet and exchange their goods, that it would be to the mutual advantage not only of those republics but of our country as well.

We think that we are particularly favored in our location, with reference to this particular group of nations. We think that great good can come to this country as the result of this, because there will be a point at which the buyer and the seller can meet. They can exhibit their goods, they can inspect their goods, and it will result in mutual advantage to both parties.

Now, it so happens that a great many times these small island republics, particularly down in the Bahama group, there is no individual island that is big enough to import a full cargo of any particular product, but if we had, at Miami, or at Miami Beach, a free port, at which our products might be exhibited, and they might bring their products there for exchange and exhibition, they could probably make up a cargo of various classes of goods and products of this country for importation into their own country; so it seems to me that enormous good can result to our foreign trade, particularly through our port, to South and Central America.

I herewith insert a table concerning transshipments by principal countries, which trade would be greatly benefited by foreign-trade zones.

TABLE I.—*In transit and transshipment trade of the United States, by principal countries, 1932* [1]

[Illustrating trade which may benefit from foreign-trade zones]

Shipped to—	
Belgium	$5,076,382
France	7,254,699
Germany	8,982,826
Italy	5,038,854
Netherlands	4,834,151
Spain	2,358,066
United Kingdom	$19,229,304
Canada	14,755,431
Mexico	5,440,359
Cuba	6,084,602
South America	9,016,376
Asia	3,423,289
Total all countries	110,595,439

[1] Foreign Commerce and Navigation of the United States, 1932, Department of Commerce.

I also insert table of imports and exports of foreign merchandise in the United States. It contains articles of trade which would be greatly benefited by foreign-trade zones.

TABLE II.—*Important exports (reexports) of foreign merchandise from the United States, 1932* [a]

[This is merely an illustration list of articles of trade which may benefit from foreign-trade zones]

Articles	Amount	Principal countries
Total trade	$34,864,654	
Bristles	354,493	United Kingdom.
Wheat	729,513	Do.
Bananas	592,710	Canada.
Cocoa beans	456,099	Japan and Canada.
Coffee	1,593,319	Germany and France.
Cane sugar	1,407,262	United Kingdom and Mexico.
Rubber, crude	2,015,612	Canada.
Copra	210,033	Mexico.
Tobacco, leaf	541,980	Netherlands.
Cotton, unmanufactured	666,946	China and Germany.
Sisal	1,339,593	Canada.
Abacá	202,099	Do.
Combing wool	506,929	United Kingdom.
Silk, raw	4,957,076	Canada.
Hat braids and sheets of straw	435,469	Switzerland.
Hats of straw, palm leaf	619,185	France and Italy.
Hats and hat bodies of fur felt	226,808	Italy and France.
Other iron and steel manufactures (miscellaneous)	470,256	Sweden.
Copper, refined, etc	210,566	France.
Tin, bars, block, etc	550,411	Canada.
Art works, paintings, etc	4,046,801	France.

[a] Foreign Commerce and Navigation of the United States, 1932, Department of Commerce.

I also submit a table of the principal articles upon which drawback was paid, showing other articles of trade which will be benefited by foreign trade zones.

TABLE III.—*Principal articles on which drawback was paid on exportation, 1932* [1]

Illustrations of articles of trade which may benefit from foreign-trade zones

Dairy products	Razor blades
Rice, polished	Jewelry
Patent upper leather	Motion-picture films
Pork and beans, canned	Chewing gum
Hides and skins	Sirup, including maple
Dressed furs	Cotton cloth
Linseed-oil cake	Silk fabrics
Linseed meal	Dress piece goods
Canned fruits	Steel, plates, etc.
Soybean oil	Tungsten
Sugar	Lead, pigs, and bars
Confectionery	Storage batteries and parts
Cigarettes	

TRANSSHIPMENTS OF ENGLAND

England is way ahead of us in the matter of transshipments. Half of the goods bought by the United States from England are not produced there at all. Cotton from Egypt we buy in London. Tin from Bolivia we buy in London. Wool from Australia and hemp from the Philippines we buy in London. We buy East Indian spirits in English ports. This should all be reversed. Encouragement of transshipments would reverse this process.

PORTS OF ENTRY

Where volume of business justifies it, ports of entry may be established inland. This is provided for under section 552 of the Tariff Act of 1930. There are seaports of entry, border ports of entry, and inland ports of entry. By virtue of thirty-eighth volume, United States Statutes at Large, page 633, a port may be established by Executive order. I herewith sub-

[1] Foreign Commerce and Navigation of the United States, 1932, Department of Commerce.

mit from the Customs Bureau a list of customs districts, headquarters, and ports of entry. The inland customs ports of entry are marked with an (x).

List of customs districts, headquarters, and ports of entry

[The port first named in the following list is the headquarters for the district. (*) Indicates ports at which marine documents are issued]

No.	District	Boundary	Ports of entry
31	Alaska	All of the Territory of Alaska	*JUNEAU. Cordova. Craig. *Eagle. *Hyder. *Ketchikan. *Nome. *Petersburg. *Seward. *Sitka. *Skagway. Unalaska. *Wrangell.
26	Arizona	All of the State of Arizona	NOGALES. Douglas. Naco. San Luis. Sasabe.
9	Buffalo	All of the counties of Niagara, Erie, Cattaraugus, and Chautauqua in the State of New York.	*BUFFALO. Dunkirk. Niagara Falls (including Lewiston).
50	Chicago	All of the State of Illinois lying north of 39° of north latitude and all that part of the State of Indiana north of 41° of north latitude.	*CHICAGO. *Peoria, Ill.
47	Colorado	All of the State of Colorado	DENVER.
6	Connecticut	All of the State of Connecticut	*BRIDGEPORT. *Hartford. *New Haven. *New London.
34	Dakota	All of the States of North and South Dakota and the county of Kittson in the State of Minnesota.	*PEMBINA. Ambrose. Antler. Carbury. Crosby. Hannah. Hansboro. Lancaster, Minn. Neche. Northgate. Noyes, Minn. Portal. Sarles. Sherwood. St. John. Walhalla. Westhope.
36	Duluth and Superior.	All of the State of Minnesota except the county of Kittson lying north of 46° of north latitude and all of the State of Wisconsin lying north of said latitude, and the island of Isle Royale in the State of Michigan.	*DULUTH, MINN. and Superior, Wis. (including West Superior). Ashland, Wis. Baudette, Minn. International Falls, Minn. Ranier, Minn. Warroad, Minn.
24	El Paso	All of the State of New Mexico and that part of the State of Texas lying west of the Pecos River.	EL PASO, TEX. Columbus, N.Mex. Fabens, Tex. Presidio, Tex.
18	Florida	All of the State of Florida and the north bank of the St. Marys River and the city of St. Marys, Ga.	*TAMPA (including Port Tampa). *Apalachicola. Bocagrande. *Fernandina (including St. Marys, Ga.). Fort Pierce. *Jacksonville. *Key West. *Miami. Panama City. *Pensacola. Port Everglades. *St. Augustine. West Palm Beach.
22	Galveston	All of that part of the State of Texas lying east of 97° of west longitude, except the territory embraced in district no. 21 (Sabine).	*Galveston (including Port Bolivar and Texas City). Dallas. (x) *Houston.
17	Georgia	All of the State of Georgia except the north shore of the St. Marys River and the city of St. Marys, Ga.	*SAVANNAH. Atlanta. (x) *Brunswick.
32	Hawaii	All of the Territory of Hawaii	*HONOLULU. Hilo. Kahului. Port Allen.
40	Indiana	All of the State of Indiana lying south of 41° of north latitude.	*INDIANAPOLIS. (x) *Evansville. (x) Lawrenceburg (including Greendale).
44	Iowa	All of the State of Iowa	*DES MOINES. (x) *Dubuque. (x) *Sioux City. (x)
42	Kentucky	All of the State of Kentucky	*LOUISVILLE. (x)

List of customs districts, headquarters, and ports of entry—Con.

No.	District	Boundary	Ports of entry
27	Los Angeles	All of that part of the State of California lying south of the northern boundaries of the counties of San Luis Obispo, Kern, and San Bernardino, except the counties of San Diego and Imperial.	*LOS ANGELES, CALIF. *Port San Luis.
1	Maine and New Hampshire.	All of the State of Maine and all of the State of New Hampshire except the county of Coos.	*PORTLAND, MAINE. *Bangor. *Bar Harbor. *Bath (including Booth Bay and Wiscasset). *Belfast. *Calais (including townships of Calais, Robbinston and Baring). *Eastport (including Lubec and Cutler). Fort Fairfield. Fort Kent. Holeb-Jackman. Houlton. *Jonesport. Limestone. Madawaska. Mars Hill. *Portsmouth, N.H. (including Kittery, Maine). *Rockland. Van Buren. Vanceboro.
13	Maryland	All of the State of Maryland and the District of Columbia.	*BALTIMORE. *Annapolis. *Cambridge. *Crisfield. *Washington, D.C.
4	Massachusetts.	All of the State of Massachusetts	*BOSTON (including Cambridge, Chelsea, Medford, Everett, Quincy, Somerville, Braintree, Weymouth, and Hingham, and waters adjacent thereto). *Fall River. *Gloucester. Lawrence. *New Bedford. Plymouth. *Provincetown. *Salem (including Beverly, Marblehead, and Lynn). Springfield. (x) *Vineyard Haven. Worcester. (x)
38	Michigan	All of the State of Michigan except the island of Isle Royale.	*DETROIT. Bay City. Cheboygan. *Grand Haven. Grand Rapids. (x) *Port Huron. Saginaw. (x) *Sault Ste. Marie.
35	Minnesota	All of the State of Minnesota lying south of 46° of north latitude.	*MINNEAPOLIS. (x) St. Paul. (x)
19	Mobile	All of the State of Alabama and all of that part of the State of Mississippi lying south of 31° of north latitude.	*MOBILE, ALA. Birmingham, Ala. (x) *Gulfport, Miss. Pascagoula, Miss.
33	Montana and Idaho.	All of the States of Montana and Idaho.	*GREAT FALLS, MONT. (x) Eastport, Idaho. Gateway, Mont. Porthill, Idaho. Sweetgrass, Mont.
20	New Orleans	All of the State of Louisiana except the parishes of Cameron and Calcasieu, and all that part of the State of Mississippi lying north of 31° of north latitude	*NEW ORLEANS, LA. Baton Rouge, La.
		York not expressly included in the districts of Buffalo, Rochester, and St. Lawrence, and also to include the counties of Sussex, Passaic, Hudson, Bergen, Essex, Union, Middlesex, and Monmouth in the State of New Jersey.	*Albany. *Newark, N.J. *Perth Amboy, N.J.
15	North Carolina.	All of the State of North Carolina.	*WILMINGTON. *Beaufort. Charlotte. (x) Durham. (x) *Elizabeth City. Reidsville. (x) Winston-Salem. (x)
41	Ohio	All of the State of Ohio, and the county of Erie in the State of Pennsylvania.	*CLEVELAND. Akron. (x) Ashtabula. *Cincinnati. (x) Columbus. (x) Conneaut. Dayton. (x) *Erie, Pa. *Sandusky. *Toledo.

List of customs districts, headquarters, and ports of entry—Con.

No.	District	Boundary	Ports of entry
46	Omaha	All of the States of Nebraska and Wyoming.	*OMAHA, NEBR. (x)
29	Oregon	All of the State of Oregon and that part of the State of Washington which embraces the waters of the Columbia River and the north bank of the said river west of 119° of west longitude.	*PORTLAND, OREG. *Astoria. Longview, Wash. *Marshfield. *Newport.
11	Philadelphia	All of that part of the State of Pennsylvania lying east of 79° of west longitude, all of the State of Delaware, and all that part of the State of New Jersey not included in district no. 10 (New York).	*PHILADELPHIA, PA. (including Camden and Gloucester City, N.J.). Chester, Pa. Lewes, Del. *Wilmington, Del.
12	Pittsburgh	All of the State of West Virginia and all that part of the State of Pennsylvania lying west of 79° of west longitude, except the county of Erie.	*PITTSBURGH, PA. (x)
49	Puerto Rico	All of the territory of Puerto Rico	*SAN JUAN. Aguadilla. Arecibo. Arroyo. Fajardo. Guanica. Humacao. Mayaguez. Ponce.
5	Rhode Island	All of the State of Rhode Island	*PROVIDENCE. *Newport.
8	Rochester	All of the counties of Oswego, Oneida, Onandaga, Cayuga, Seneca, Wayne, Broome, Tompkins, Chenango, Madison, Cortland, Hamilton, Schuyler, Chemung, Herkimer, Monroe, Ontario, Livingston, Yates, Steuben, Orleans, Genesee, Wyoming, Allegany, and Tioga in the State of New York.	*ROCHESTER, N.Y. Fair Haven. *Oswego. Sodus Point. Syracuse. (x) Utica. (x)
21	Sabine	All of that part of the State of Texas from Sabine Pass north along State line to north boundary line of Shelby County; west to Neches River; down western shore of said river to north boundary of Jefferson County; westerly along said boundary to east boundary of Liberty County; south to Gulf. Also, the parishes of Cameron and Calcasieu in the State of Louisiana.	*PORT ARTHUR, TEX. Beaumont. *Lake Charles, La. Orange. Sabina.
23	San Antonio	All of that part of the State of Texas lying west of 97° of west longitude and east of the Pecos River.	*SAN ANTONIO, TEX. (x) Brownsville. *Corpus Christi. Del Rio. Eagle Pass. Fort Worth. (x) Hidalgo. Laredo. Rio Grande City. Roma.
25	San Diego	All of the counties of San Diego and Imperial in the State of California.	*SAN DIEGO, CALIF. Andrade. Calexico. San Ysidro. Tecate.
28	San Francisco	All of that part of the State of California lying north of the northern boundaries of the counties of San Luis Obispo, Kern, and San Bernardino.	*SAN FRANCISCO-OAKLAND. (Collector of customs located at San Francisco, Calif.) *Eureka, Calif.
16	South Carolina	All of the State of South Carolina.	*CHARLESTON. *Georgetown.
7	St. Lawrence	All of the counties of Clinton, Essex, Franklin, St. Lawrence, Jefferson, and Lewis in the State of New York.	*OGDENSBURG, N.Y. Alexandria Bay. *Cape Vincent. Champlain. Chateaugay. Clayton. Fort Covington. Malone. Mooers. Morristown. Rooseveltown. *Rouses Point. Waddington.
45	St. Louis	All of the States of Missouri, Kansas, and Oklahoma, and all that part of the State of Illinois lying south of 39° of north latitude.	*ST. LOUIS, MO. (including East St. Louis, Ill.). (x) *Kansas City, Mo. (x) Oklahoma City, Okla. (x) St. Joseph, Mo. (x) Tulsa, Okla. (x)
43	Tennessee	All of the States of Tennessee and Arkansas.	*MEMPHIS. (x) *Chattanooga. (x) Little Rock, Ark. (x) *Nashville. (x)
48	Utah and Nevada	All of the States of Utah and Nevada.	SALT LAKE CITY, UTAH.

List of customs districts, headquarters, and ports of entry—Con.

No.	District	Boundary	Ports of entry
2	Vermont	All of the State of Vermont and the county of Coos in the State of New Hampshire.	*ST. ALBANS (including townships of St. Albans, Swanton, Highgate, and Franklin). Alburg. Beecher Falls. *Burlington. Derby Line. Island Pond. Newport. North Troy. Richford.
14	Virginia	All of the State of Virginia and including the waters and shores of Hampton Roads.	*NORFOLK and *NEWPORT NEWS. *Alexandria. *Cape Charles City. Petersburg. (x) *Reedville. Richmond. (x)
30	Washington	All of the State of Washington except that part which embraces the waters of the Columbia River and the north bank of the said river west of 119° of west longitude.	*SEATTLE. *Aberdeen. Anacortes. *Bellingham. Blaine. Danville. Everett. Ferry. Friday Harbor. Laurier. Meisen. Nighthawk. Northport. Olympia. Oroville. *Port Angeles. *Port Townsend. South Bend. Spokane. (x) Sumas. *Tacoma.
37	Wisconsin	All of the State of Wisconsin lying south of 46° of north latitude.	*MILWAUKEE. Green Bay. Manitowoc. Marinette (including Menominee). Racine. Sheboygan.

SOME OF THE OPERATIONS POSSIBLE IN A FREE PORT

First. Merchandise may be repacked in different containers. If now done, same must be under bond or duty must be repaid and drawback applied for.

Second. Division of goods for preparation of commercial grades.

Third. Mixture of goods with this same object.

Fourth. The hulling and toasting of coffee and cocoa.

Fifth. The working of hides and skins.

Sixth. Grinding of wood.

Seventh. Washing of wool.

Eighth. Extraction of oil from copra, and other oilseeds.

Ninth. The possible solidification of same.

Tenth. All operations involving manipulation of goods.

Eleventh. The exhibition of samples.

I can greatly multiply these examples. Take, for example, rice milling. This is an industry that can be successfully prosecuted in this country, provided we have sufficient supply of raw material. It is now almost limited entirely to the preparation of the domestic products for domestic consumption. It does not involve full employment. There is required expensive machinery and much skilled labor. The largest mills are idle much of the time because the domestic crop can keep them in operation only for half a year. Efforts have been made to use the idle mills in cleaning and milling oriental rice, the supply of which is very large, for reexport to the West Indies and Spanish America. To do this work profitably, the rice must be imported in full shipped cargoes and handled in bulk through grain elevators. These cargoes usually contain about 6,000 tons. The average duty is one-half cent a pound on the rice. The duty, therefore, on a full cargo, is $60,000. This is a considerable amount of capital to pay out. Under the present regime, it can only be returned by way of drawbacks—a difficult and expensive operation taking months to get the money back. This outlay of capital is a serious handicap to this successful reexport business. However, if we had a free zone or a

free port we could easily bring in this rice from China and Japan to New Orleans or Galveston, clean it and process it and then ship it to Cuba or South America in the finished form without payment of one cent of import duties, and there would result a great stimulation of United States trade, giving employment to many more skilled laborers.

CONSIGNMENTS

There would be permitted in the free port the exhibiting of samples. This is now permitted in the Rockefeller Center in New York, where fine articles may be exhibited without the payment of duty. We would extend greatly the principle of exhibiting and consignment of goods by the establishment of a free port.

For example, the United States Chamber of Commerce comments favorably, particularly on that advantage that will result from a foreign-trade zone, in the following language. I will just read it briefly from one of their reports. They say that, alongside of transshipment trade, their chief argument for the free zone is its importance in the building up of a broad consignment market, that is, a consignment market for import as well as reexport. In the free ports of European countries, having protective-tariff systems, and in the ports of free trade of England, extensive consignment markets have grown up. Many grades of many commodities, raw materials, and semimanufactured materials for use in manufacturing, as well as finished products, are shipped to the great ports in quantities large enough to make for economical ocean shipment. There the manufacturers and merchants of the country, buyers from foreign countries, go and buy for immediate delivery, in the quantities desired by each individual purchaser, grades of merchandise which are known from actual display.

Auctions in consignment markets lead to advantageous purchasing. Grades and commodities found not to be suitable for the trade of the domestic market can be reexported without seriously hampering customs formalities.

In the United States we have a high protective tariff bearing on a wide range of raw materials and semimanufactured materials for further use in manufacturing. In 1920 the total dutiable imports of raw and semimanufactured materials, including foodstuffs, greatly exceeded $1,000,000,000. On manufactured products our manufacturers and merchants do not have the advantages of a consignment market. Our system of bonded warehouses has imposed certain handicaps on this class of business. The American manufacturer or merchant today has to negotiate at long range, often through foreign middlemen, for comparatively large quantities of dutiable merchandise. With free zones in the United States, where a broad consignment market could be built up, the American business men would have the advantages which European business men have, of negotiating in the ports of their home country for quick delivery of merchandise in amounts immediately desired and grades known by inspection. The American manufacturers would benefit by having stocks of dutiable supplies readily accessible and could buy in quantities as needed without tying up the large sums of money now tied up in carrying comparatively large stocks, by reason of the nonexistence of the facilities of a consignment market in the United States. As a diversified entrepôt and consignment business grows up in the United States it would direct to our markets a great many Latin-American and other buyers from abroad, who now do their buying in the established consignment markets in European centers.

LIST OF FREE PORTS

I am offering a statement prepared by the Division of Foreign Tariffs of the Department of Commerce on September 26, 1933, listing the free ports and zones through the world.

FREE PORTS AND ZONES IN OPERATION

Abyssinia: Assab, Eritrea (Italian Africa).
Austria: Vienna (practical free port privileges).
Canary Islands: All ports.
China: Dwang-Chow-Wan (French leased territory).
Danzig Free City: Free zone.
Greece: Saloniki, Pireaus.
Hungary: Budapest (Csped).
Italy: Genoa, Fiume, Zara, Naples, Trieste, Cararo District, Leghorn, and Bari.
Japanese Manchuria: Darien and Port Arthur (no duties are assessed in this territory).
Latvia: Libau and Windau.
Poland: Gdynia.
Portuguese China: Macao.
Russia (Siberia): Vladivostok.
Denmark: Copenhagen.
Finland: Hango is no longer operated as a free port.
France-Switzerland: Territory of Gex and Haute Savoie.
Germany: Bremen, Bremerhaven, Cuxhaven, Emden, Flensburg, Hamburg, Kiel, Brake, Stettin, Altoona, Goestemuende.
Rumania: Free port at Sulina (discontinued).
Spain: Barcelona, Bilboa, and Cadiz.
Spanish Morocco: Cueta and Melilla.
Sweden: Goteborg, Malmo, and Stockholm.
Switzerland (free depots—no customs control): Basle, Lausanne, St. Gall, and Zurich.
Yugoslavia: Saloniki (section of Greek port).
Bolivia: Puerto Suarez, Yacluba, and Cabija (not real free ports, but places where certain articles for local consumption are free of duty).

FREE STORAGE (FOR CUSTOMS PURPOSES THE SAME AS FREE PORTS)

Germany: Hamburg, Koenigsberg, Leer, and Luebeck.
Spain: Malaga, Mahon, and Valencia.

FREE CITIES (DUTIES ONLY ON TOBACCO AND SPIRITS AS A RULE)

Aden, Falkland Islands, Gibraltar, Hong Kong, Kowloon, Phoenix Islands.
Singapore (Straits Settlements). (Duties have recently been assessed on a wide range of commodities for consumption in Malaya.)
Spanish ports: Alhucemas, Pinon de la Gomera y Chalfarina.
Macao (consumption taxes have recently been assessed on certain products).
French Indian ports.
Malacca.

FREE PORTS OR ZONES PROPOSED OR AUTHORIZED

Austria: Stadlau.
Belgium: Antwerp, Ostend, and Zeebrugge.
Italy: Ancona, Brindisi, Catania, Messina, Palermo, Ravena, and Venice.
Latvia: Riga.
Norway: Plans for free zones at Bergen, Christiania, Christiansand, and Trondhjen have been dropped.
Rumania: Galatz and Braila.
Constanza: Guirgui.
Spain: Almeria, Santander, and Vigo.
Switzerland: Chiasso and Romanshorn.
Estonia: Baltiski.
Irish Free State: Dublin.
Yugoslavia: Spalato and Susak, sections for Hungary and Poland.
Palestine: Haifa, zone for Iraq trade.
Cuba: Matanzas.
Argentina: Buenos Aires.
Brazil: Rio de Janeiro.
Costa Rica: Limon.
Panama: Colon.
Paraguay: Concepcion (mainly a transshipment point to Brazil).
Uruguay: Colonia, Nueva Palmira, and Santo Rosa.
Venezuela: Turiamo.

UNDER DISCUSSION

Bulgaria: Varna.
Syria: Beirut and Alexandretta.
Morocco: Tangier.
Mexico: Tia Juana and Ensenada.

PERMISSION TO ADDRESS THE HOUSE

Mr. McGUGIN. Mr. Speaker, I ask unanimous consent that upon the conclusion of the remarks today of the gentleman from Pennsylvania [Mr. McFADDEN] I may be permitted to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

THE CRISIS IN EDUCATION

Mr. DRIVER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to insert therein an address delivered by the gentleman from Mississippi [Mr. COLLINS] on May 13.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. DRIVER. Mr. Speaker, on Mother's Day, May 13, 1934, of this year I listened with much enjoyment to a very fine speech delivered by Hon. ROSS A. COLLINS, of Mississippi, over the NBC-WEAF network.

The program was sponsored by the National Educational Association of the United States. Dr. Belmont Farley, of that association and one of the outstanding leaders in the educational world, introduced Mr. COLLINS in these words:

INTRODUCTION BY MR. FARLEY

Among those leaders of Congress who have recognized the importance of education at all times is Ross A. COLLINS, of Mississippi. When he was first a candidate for Congress in 1920, he advocated "I favor additional Government aid for common schools, such aid to be expended by and at all times to be under the control of State authorities." He can be classified as a lifelong friend of the cause of education. We are, therefore, pleased to have Mr. COLLINS speak to you from the headquarters building of the National Education Association in Washington, D.C.

It was Mr. COLLINS who, a few years ago, secured the unanimous passage through both Houses of Congress of a bill to purchase the most famous library of all times, the Vollbehr collection, including the Gutenberg Bible on vellum, thereby preserving thousands of books of historical and cultural value published during the infancy period of printing.

Mr. COLLINS likewise helped to secure for the Library of Congress the Russian Czar's private library.

In recent months he has devoted much time effectively to providing emergency aid to the public schools. Every parent in the Nation is indebted to him for his efforts in behalf of their children.

Recently Congressman COLLINS was rated by Washington newspapermen as one of the eight Members of the House of Representatives possessing the most personal power and influence among their colleagues.

I am pleased to introduce to you Congressman Ross A. COLLINS, of Mississippi.

SPEECH OF MR. COLLINS

Free education is the United States' greatest contribution to civilization. Our forefathers realized that education is the very root and heart of our national existence and of our natural well-being. Our statesmen were impressed by the intimate relation existing between education and democracy, and today we fully realize that education is essential and, in fact, the first prerequisite for a democratic state. Democracy depends for its very existence and its efficient functioning on education. It, therefore, behooves us, during the strenuous upheaval through which we are passing, that we do not neglect the cornerstone of our democracy.

The national stock-taking of our educational facilities reveals several interesting facts. First, education is expensive but not extravagant. It is worth every cent put into it. Yet it does cost money and, therefore, during the period of economic depression—punctured by bankruptcies of all kinds, business and bank failures, unmarketable crops, unsalable land, and uncollectible taxes—certain economies in public expenditures became necessary, and educational appropriations suffered accordingly.

Until economic adversity overtook the Nation its record of education was an ever-expanding one. New school facilities and new responsibilities were annually being added to the American system of public education. Today this great record of new opportunities for our children has ceased to grow and has receded and shrunk with alarming rapidity.

Instead of new schools being opened old ones are being closed. In all States the school term has been drastically shortened. Thus pupils who would normally have entered high school at 14 may be 16 or 17 when they start to school. It is almost impossible to realize the significance of this retardation in the life of the boy and girl.

Again, the number of teachers, instead of increasing to take care of added enrollment is decreasing month by month. Last year, for example, 15,000 teachers were dismissed and one-third of those actually employed are existing on salaries below the subsistence level. Moreover, courses and opportunities offered to American children are becoming fewer and fewer. A crisis that is a real threat to our Nation and one which deeply concerns every thinking man and woman does indeed exist in our school system. We cannot be indifferent to an educational system that throws children of school age into the city streets.

Recently 32 great civic, labor, and patriotic organizations combined to form a committee to study this crisis. This committee on Federal emergency relief for education confirmed the findings of the United States Office of Education in a survey undertaken late last year. And these two studies have brought home to me with stark effectiveness the critical situation in our school system which has been uppermost in my thoughts and actions during the past 2 years.

This situation demands immediate action. It demands what I have advocated upon all occasions—Federal aid to the States and municipalities that cannot provide for their children complete, up-to-the-minute educational facilities. This Federal aid should be given directly to the States to be administered by the State school systems. There should be no extension of Federal control over our great State school organization. But adequate Federal funds, aggregating at least $100,000,000, should be provided by this Congress at once.

Figures are tiresome at best. But the figures that show the very real crisis in our schools are so significant as to demand the serious consideration of everyone.

Today more than one million children are in school only because Federal funds are keeping them there. Twenty thousand teachers are inculcating these children with the rudiments of learning and with the tenets of loyal citizenship because Federal funds have made it possible.

Through the liberalization of a Federal relief order, in which I am proud to say I played a small part, hundreds of rural schools have been able to finish their regular terms this spring.

That is the bright side of the picture.

When Federal aid ran out this spring, 140,000 children had to leave school because the schools closed. And unless ample Federal aid is forthcoming for the school year of 1934–35, it may be said without exaggeration that the happiness, the opportunities, and the training in citizenship of hundreds upon hundreds of thousands of children will be seriously affected if not totally wrecked.

Why is Federal aid so necessary? The report I have already mentioned tells how tax delinquencies have mounted, how school budgets have been cut and cut again, how more and more abatements of taxes are effected, how income for school uses has grown smaller and smaller, how States and municipalities have borrowed up to their limit, and how enrollments, due to the elimination of child labor, will increase next year.

No person who has given consideration to our crisis in education denies that virtually all of our States and many localities need Federal aid for their schools. In February, 44 State superintendents of instruction were asked whether Federal aid would be needed for the next year and all but 3 answered in the affirmative.

It must be remembered also that this aid was requested on the basis of the barest necessities in education. I am deeply moved when I think how all the fine advances and refinements and opportunities in our educational system have been practically swept away in the upheaval of the last few years. Kindergartens, nursery schools, art courses, manual and vocational training, night classes, music instruction, domestic science, and specialized work for students with marked aptitude—all of those advances have been cast overboard in the efforts of many school systems to give the minimum three R's under depression circumstances. Today these educational systems are fighting to keep in operation—they are, in truth, drowning men. Unless the Federal Government can give them aid the school year of 1934–35 will see hundreds of casualties in the educational world and hundreds of thousands of children denied their rights.

My message is this: Education is a necessity if this Government is to exist. It is our duty to provide this training for our children. It is the further duty of the Federal Government to see that this obligation is properly fulfilled when circumstances prevent the States and municipalities from fulfilling it.

Therefore, I contend that it would be a great catastrophe if proper and ample provision were not made by the Federal Government to preserve our whole system of public instruction in its entirety. I refuse to stand by and watch our growing generation denied their rights and opportunities. And with this resolution I pledge to you my unswerving service in behalf of our children, our schools, and our Nation.

FOREIGN-TRADE ZONES

The SPEAKER. The unfinished business for today is the passage of the bill (H.R. 9322) to provide for the establishment, operation, and maintenance of foreign-trade zones in ports of entry of the United States, to expedite and encourage foreign commerce, and for other purposes.

The question was taken; and on a division (demanded by Mr. BLANCHARD) there were—ayes 86, noes 42.

Mr. WOODRUFF and Mr. BLANCHARD rose.

Mr. WOODRUFF. Mr. Speaker, I object to the vote on the ground there is not a quorum present.

The SPEAKER. Evidently there is not a quorum present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 254, nays 95, answered "present" 2, not voting 80, as follows:

[Roll No. 149]

YEAS—254

Adair	Brown, Ga.	Cartwright	Crosser, Ohio
Adams	Brown, Ky.	Cary	Crowe
Arnold	Brown, Mich.	Castellow	Crump
Ayers, Mont.	Brunner	Cavicchia	Cullen
Ayres, Kans.	Buchanan	Celler	Cummings
Bacharach	Buck	Chapman	Darden
Bacon	Burch	Chavez	Darrow
Bakewell	Burke, Calif.	Cochran, Mo.	Dear
Bankhead	Burke, Nebr.	Colden	Deen
Beam	Burnham	Cole	Delaney
Beck	Byrns	Collins, Calif.	DeRouen
Beiter	Cady	Collins, Miss.	Dickinson
Biermann	Caldwell	Colmer	Dickstein
Bland	Cannon, Mo.	Condon	Dies
Blanton	Carden, Ky.	Cooper, Tenn.	Disney
Bloom	Carmichael	Cox	Dobbins
Boehne	Carpenter, Kans.	Cravens	Dockweiler
Boylan	Carpenter, Nebr.	Crosby	Doughton
Brooks	Carter, Calif.	Cross, Tex.	Doxey

Drewry	Jacobsen	Mitchell	Smith, Va.
Driver	Jenckes, Ind.	Monaghan, Mont.	Smith, Wash.
Duffey	Johnson, Okla.	Montague	Somers, N.Y.
Duncan, Mo.	Johnson, Tex.	Montet	Spence
Durgan, Ind.	Johnson, W.Va.	Moran	Steagall
Eagle	Jones	Muldowney	Stokes
Eaton	Kahn	Nesbit	Strong, Tex.
Eicher	Kee	O'Brien	Stubbs
Ellenbogen	Keller	O'Connell	Studley
Ellzey, Miss.	Kelly, Ill.	O'Connor	Sullivan
Eltse, Calif.	Kennedy, N.Y.	Oliver, Ala.	Sumners, Tex.
Englebright	Kleberg	Oliver, N.Y.	Sutphin
Evans	Kocialkowski	Owen	Swank
Faddis	Kopplemann	Palmisano	Tarver
Farley	Kramer	Parker	Taylor, S.C.
Fernandez	Lanham	Parks	Terry, Ark.
Fitzpatrick	Larrabee	Parsons	Thom
Flannagan	Lea, Calif.	Patman	Thomason
Ford	Lee, Mo.	Peyser	Thompson, Ill.
Frear	Lehlbach	Polk	Thompson, Tex.
Fuller	Lehr	Prall	Tinkham
Fulmer	Lewis, Colo.	Ramsay	Turner
Gambrill	Lewis, Md.	Ramspeck	Umstead
Gasque	Lindsay	Rankin	Underwood
Gavagan	Lozier	Rayburn	Utterback
Gilchrist	Ludlow	Reilly	Vinson, Ga.
Gillespie	McCarthy	Richards	Vinson, Ky.
Glover	McClintic	Richardson	Wallgren
Goldsborough	McCormack	Robertson	Walter
Granfield	McDuffie	Rogers, N.H.	Warren
Gray	McFarlane	Romjue	Welch
Greenwood	McGrath	Rudd	Werner
Gregory	McKeown	Ruffin	West, Ohio
Griffin	McMillan	Sabath	West, Tex.
Griswold	McReynolds	Sanders, La.	Whittington
Harlan	McSwain	Sanders, Tex.	Williford
Hartley	Mansfield	Sandlin	Williams
Hastings	Martin, Colo.	Schaefer	Wilson
Henney	Martin, Oreg.	Schuetz	Wood, Ga.
Hildebrandt	May	Schulte	Wood, Mo.
Hill, Ala.	Mead	Scrugham	Woodrum
Hill, Samuel B.	Meeks	Sears	Young
Howard	Merritt	Shallenberger	Zioncheck
Huddleston	Miller	Shannon	
Hughes	Milligan	Sirovich	

NAYS—95

Allen	Focht	Lemke	Simpson
Andrew, Mass.	Foss	Lundeen	Sinclair
Arens	Gifford	McFadden	Snell
Beedy	Goodwin	McGugin	Stalker
Blanchard	Goss	McLeod	Strong, Pa.
Bolleau	Guyer	Maloney, Conn.	Swick
Cannon, Wis.	Hancock, N.Y.	Mapes	Taber
Carter, Wyo.	Hess	Marshall	Taylor, Tenn.
Christianson	Higgins	Martin, Mass.	Terrell, Tex.
Clarke, N.Y.	Hill, Knute	Millard	Thomas
Coffin	Hoeppel	Morehead	Tobey
Connery	Hollister	Mott	Traeger
Connolly	Holmes	Murdock	Treadway
Crowther	Hope	O'Malley	Truax
Culkin	Imhoff	Peavey	Weideman
De Priest	James	Pierce	White
Dingell	Johnson, Minn.	Plumley	Whitley
Dirksen	Kelly, Pa.	Powers	Wigglesworth
Ditter	Kinzer	Ransley	Withrow
Dondero	Kloeb	Reed, N.Y.	Wolcott
Dowell	Kniffin	Rich	Wolfenden
Edmiston	Knutson	Robinson	Wolverton
Fiesinger	Lambertson	Rogers, Mass.	Woodruff
Fletcher	Lamneck	Secrest	

ANSWERED "PRESENT"—2

Dunn	Gillette

NOT VOTING—80

Abernethy	Clark, N.C.	Jeffers	Pettengill
Allgood	Cochran, Pa.	Jenkins, Ohio	Randolph
Andrews, N.Y.	Cooper, Ohio.	Kennedy, Md.	Reece
Auf der Heide	Corning	Kenney	Reid, Ill.
Bailey	Douglass	Kerr	Rogers, Okla.
Berlin	Doutrich	Kurtz	Sadowski
Black	Edmonds	Kvale	Seger
Boland	Fish	Lambeth	Shoemaker
Bolton	Fitzgibbons	Lanzetta	Sisson
Brennan	Foulkes	Lesinski	Smith, W.Va.
Britten	Frey	Lloyd	Snyder
Browning	Green	Luce	Sweeney
Brumm	Greenway	McLean	Taylor, Colo.
Buckbee	Haines	Maloney, La.	Thurston
Bulwinkle	Hamilton	Marland	Turpin
Busby	Hancock, N.C.	Moynihan, Ill.	Wadsworth
Carley, N.Y.	Hart	Musselwhite	Waldron
Chase	Harter	Norton	Wearin
Church	Healey	Perkins	Weaver
Claiborne	Hoidale	Peterson	Wilcox

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Corning (for) with Mr. Waldron (against).
Mr. Seger (for) with Mr. Jenkins of Ohio (against).
Mr. Black (for) with Mr. Reid of Illinois (against).
Mr. Fish (for) with Mr. Chase (against).
Mr. Lanzetta (for) with Mr. Reece (against).

Until further notice:

Mr. Douglass with Mr. Cooper of Ohio.
Mr. Allgood with Mr. Luce.
Mr. Kerr with Mr. Turpin.
Mrs. Norton with Mr. Bolton.
Mr. Weaver with Mr. Kurtz.
Mr. Taylor of Colorado with Mr. Buckbee.
Mr. Green with Mr. Doutrich.
Mr. Bulwinkle with Mr. Thurston.
Mr. Busby with Mr. Brumm.
Mr. Browning with Mr. Wadsworth.
Mr. Abernethy with Mr. Cochran of Pennsylvania.
Mr. Boland with Mr. Britten.
Mr. Clark of North Carolina with Mr. McLean.
Mr. Hancock of North Carolina with Mr. Kvale.
Mr. Kennedy of Maryland with Mr. Perkins.
Mr. Maloney of Louisiana with Mr. Edmonds.
Mr. Sweeney with Mr. Andrews of New York.
Mr. Smith of West Virginia with Mr. Moynihan of Illinois.
Mr. Church with Mr. Jeffers.
Mr. Carley of New York with Mr. Shoemaker.
Mr. Pettengill with Mr. Brennan.
Mr. Haines with Mr. Claiborne.
Mr. Lloyd with Mr. Kenney.
Mr. Berlin with Mr. Randolph.
Mr. Marland with Mr. Snyder.
Mr. Wearin with Mr. Harter.
Mr. Wilcox with Mr. Sisson.
Mr. Lambeth with Mr. Hoidale.
Mr. Bailey with Mr. Foulkes.
Mr. Auf der Heide with Mr. Lesinski.
Mr. Healey with Mr. Sadowski.
Mr. Peterson with Mr. Fitzgibbons.
Mrs. Greenway with Mr. Frey.
Mr. Hamilton with Mr. Hart.

Mr. CANNON of Wisconsin changed his vote from "aye" to "no."

The result of the vote was announced as above recorded.

The doors were opened.

On motion of Mr. CULLEN, a motion to reconsider the vote by which the bill was passed was laid on the table.

Mr. BYRNS. Mr. Speaker, I ask unanimous consent to make a brief announcement at this time.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. BYRNS. Mr. Speaker, the gentleman from West Virginia [Mr. RANDOLPH] is necessarily absent today. If he were present, he would vote "aye" on this bill.

ORDER OF BUSINESS

Mr. SNELL. Mr. Speaker, I ask unanimous consent to ask the majority leader a question about the program.

Will the gentleman inform us whether we are to be in session tomorrow, and, if so, what the program will be for that day and, so far as the gentleman may know at this time, what will be the program for the balance of the week?

Mr. BYRNS. It is the expectation to be in session tomorrow, and the gentleman from North Carolina [Mr. DOUGHTON], Chairman of the Ways and Means Committee, expects to call up the silver bill in the morning.

Mr. SNELL. That will probably take the major part of the day at least?

Mr. BYRNS. I do not know how long it will take.

Mr. SNELL. Can the gentleman tell us what he expects to come up during the balance of the week?

Mr. BYRNS. It is impossible to say now. Of course, it is the purpose to give the appropriation bill the right-of-way as soon as it is reported, but I have not been able to get any definite information about when the committee will be ready to make its report. The same thing is true of the communications bill.

Mr. SNELL. Bills on the Private Calendar are to be considered tonight.

Mr. BYRNS. Yes; and I may say to the gentleman that if the two bills to which I have referred are not reported, or are not ready for consideration, either conference reports or some of the rules that are now on the desk will be taken up for consideration.

Mr. SNELL. In the consideration of the Private Calendar today is preference to be given to bills passed by the Senate?

Mr. BYRNS. That was not the order of the House. Of course, if the House wants to take such action when it meets, that can be done.

Mr. SNELL. I think we really should take action before we meet, if any such action is going to be taken at all, so

that the Members who attend the session tonight may have a definite understanding one way or the other.

Mr. BYRNS. I may say to the gentleman that it has been my purpose to ask the House to hold a session to consider solely Senate bills on the Private Calendar, but I thought it was a little early to make such a request this week, because Members who have House bills on the calendar should have the opportunity of having them considered by the House tonight.

Mr. SABATH. Does not the gentleman think it would be well if the Senate would consider some of the House bills before we act on the Senate bills?

Mr. ZIONCHECK. I think that is a good suggestion.

Mr. BYRNS. I think that is true, and I presume they are doing that.

Mr. ZIONCHECK. I think that is, perhaps, a rather violent presumption.

Mr. HASTINGS. Mr. Speaker, will the majority leader tell us what is to be the program for the balance of the day?

Mr. BYRNS. I understand we have special orders which will consume 1 hour and 20 minutes and then there may be a conference report on the air mail called up by the gentleman from New York [Mr. MEAD]. Then, I understand, it is the purpose to call up the conference report on the legislative bill, and after that, if there are no other conference reports, the Rules Committee proposes to take up a bill authorizing the District of Columbia to borrow money from the P.W.A. Then there is the bill with respect to prison-made goods, introduced by the gentleman from Georgia [Mr. TARVER]. I do not know whether we will conclude the consideration of all of them today or not.

Mr. RAYBURN. Mr. Speaker, I wish to propound an inquiry to the majority leader and the minority leader about the program for this week. Is it the expectation to stay in session all of this week?

Mr. BYRNS. That is the expectation now.

Mr. RAYBURN. I had in mind the conference report on the stock exchange bill, which will go to the Senate this afternoon. I should certainly like to get that out of the way.

Mr. BYRNS. I hope the gentleman may call it up at the earliest opportunity.

Mr. RAYBURN. I also wanted to ask if it would not be possible to get up the communications bill early next week.

Mr. BYRNS. I do not think there is any question about that.

Mr. BIERMANN. I understand the silver bill is coming up tomorrow.

Mr. BYRNS. Yes.

Mr. BIERMANN. Is the consideration of that bill to be completed at that time?

Mr. BYRNS. I may say to my friend that, of course, no one can tell whether the consideration of the silver bill will be concluded tomorrow or not. I hope it will be. I understand some of the gentlemen have made engagements for tomorrow on account of its being Memorial Day, and it is my purpose, if the consideration of the silver bill is concluded and the bill gets up to a vote, to ask the House to postpone the vote until Thursday, so as to give the gentlemen who may be absent an opportunity to be here. However, I cannot, of course, guarantee that this will be done.

Mr. BIERMANN. Does the gentleman expect that we will be in session on Saturday of this week?

Mr. BYRNS. At the present time I think so; but, of course, that is a matter for future consideration.

LEGISLATIVE APPROPRIATION BILL—1935

Mr. LUDLOW submitted the following conference report on the bill (H.R. 8617) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1935, and for other purposes:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, and 15, and the amendments of the House to the amendments of the Senate numbered 12 and 16 to the bill (H.R. 8617) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1935, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, and 15; and agree to the same.

Amendment numbered 12: That the Senate recede from its disagreement to the amendment of the House to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows: In lieu of the sum proposed by such amendment of the House insert the sum "$443,880"; and the House agree to the same.

Amendment numbered 16: That the Senate recede from its disagreement to the amendment of the House to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows: In lieu of the sum proposed by such amendment of the House insert the sum "$212,934"; and the House agree to the same.

LOUIS LUDLOW,
WILLIAM J. GRANFIELD,
JOHN N. SANDLIN,
J. P. BUCHANAN,
Managers on the part of the House.

MILLARD E. TYDINGS,
JAMES F. BYRNES,
MARCUS A. COOLIDGE,
FREDERICK HALE,
JOHN G. TOWNSEND, JR.,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate nos. 1, 2, 3, 4, 5, 6, and 15, and the amendments of the House to the amendments of the Senate nos. 12 and 16, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

The Senate amendments involve increases in compensation to six employees of the Senate involving a total of appropriations in this bill of $4,410. The managers on the part of the House have agreed to all of such amendments in the amounts and in the language contained in the Senate amendments.

In the adjustment of this difference between the two Houses involving the principle of the right of each House to determine the compensation of its own respective employees, the managers on the part of both Houses have reached an understanding that in the preparation of future bills carrying compensation of employees of Congress they will confer prior to the formulation and reporting of the bills in either House, with a view to reaching a joint understanding touching the matter of general policy to be pursued toward such compensation.

LOUIS LUDLOW,
WILLIAM J. GRANFIELD,
JOHN N. SANDLIN,
J. P. BUCHANAN,
Managers on the part of the House.

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent for the present consideration of the conference report.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The Clerk read the statement.

Mr. LUDLOW. Mr. Speaker, I yield such time as he may desire to the gentleman from Texas, Mr. BUCHANAN, chairman of the committee.

Mr. BUCHANAN. Mr. Speaker, it is absolutely essential that this conference report be agreed to now and the bill signed, so that it can go to the Senate, have the conference report agreed to by the Senate, and the bill reach the President before 12 o'clock tomorrow, when he leaves Washington.

The circumstances are that there are 4,000 employees in the Government Printing Office, and without this bill the authorities will have no money to pay their monthly salaries. They depend upon the monthly salary to pay for their daily bread. It would be unjust to postpone the conference report and make them go without their salaries on a difference between the two Houses of less than $5,000.

I will say that the conference committee made an agreement that this character of controversy will not arise in the future, if the agreement is lived up to. We agreed that on any future proposed increase of salaries the proper subcommittees of the House will confer and reach an understanding between the two Houses.

Mr. SINCLAIR. In all future differences between the two Houses?

Mr. BUCHANAN. No; but on the differences arising before the bill is marked up as to the salary of employees. The two committees will confer and reach an agreement or policy as to the employees' salary.

Mr. CULKIN. Will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. CULKIN. Does this bill carry an appropriation to take care of the difference in exchange for consular representatives?

Mr. BUCHANAN. A little over $7,000,000. That was adopted in the first conference on the bill.

Mr. SINCLAIR. Is this resolution the gentleman speaks of in relation to increase in salaries a continuing resolution or law between the two bodies?

Mr. BUCHANAN. It is not a law; it is merely an agreement or understanding recorded in the report of this conference committee for future reference and future guidance. Of course, they can violate it, but I do not believe they will, for we have had too much trouble on this.

Mr. LUDLOW. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. McLEOD].

Mr. McLEOD. Mr. Speaker, I merely want to call the attention of the House to the agreement just referred to by the chairman, because it is unprecedented. During the hearings in the House Committee it was learned that certain employees of the House were in line for increases in salary, and that the same condition prevailed in the Senate. It was decided at that time, and supported by the chairman of the full committee [Mr. BUCHANAN] that this was not the time to increase salaries, and if that question was to be considered, that it should be by a special resolution whereby a survey could be made by a special committee and all cases considered on their merits.

At the first meeting of the conferees it was tentatively agreed that the Senate should have additional employees, but promised no additional moneys to be appropriated for increase of salaries. I will ask the gentleman from Texas if that is correct?

Mr. BUCHANAN. That is correct.

Mr. McLEOD. Then, later, the Senate conferees sidestepped and would not agree unless additional salaries were included. There are several House employees whom the House committee felt should receive increases in their salaries. We reluctantly agreed to let that go by this session. Then during the first consideration in the House of this bill, the chairman of the subcommittee [Mr. LUDLOW] advised that there was such a resolution as I referred to a moment ago now pending, for a survey of this situation relative to increasing the salaries of employees of the House of Representatives. With the Senate having the additional places allotted, with no objection on the part of the House, with the House in the position that no increase in salaries will accrue to its own employees, we are now obliged, in order to cater to the Senate, to accede to their request. This is not necessary and we should stand pat. The chairman of the committee has pointed out that there are 4,000 employees of the Government Printing Office who have to be taken care of at once. They can be taken care of by a continuing resolution. That has been done before and it can be done now.

Mr. BUCHANAN. But the gentleman understands that it would be impossible to get a continuing resolution through both Houses between now and 12 o'clock tomorrow so that the President would have a chance to sign it.

Mr. McLEOD. Does not the chairman believe that such a resolution could be put through as quickly as this conference report?

Mr. BUCHANAN. No; we would have to have an investigation and the report of the subcommittee and a meeting of the whole committee and reported to the House, where it would not have a privilege status, and then it would have to go from the House to the Senate, where the same procedure would be gone through.

Mr. McLEOD. Does not the chairman believe that this indicates a weakness on the part of the House in a situation such as this?

Mr. BUCHANAN. I do not. I believe that we have made substantial progress along the line that the House conferees started out to make. We have procured a solemn recorded agreement that they will confer with the House committee before any other bill is reported by either House covering increase of salaries, and adopt and agree upon a policy to be pursued regarding the salaries of employees of Congress.

Mr. McLEOD. The chairman knows that this bill has been in conference more than 4 weeks. A continuing resolution could have been introduced and passed a long time ago, and this weakness that we are now about to admit would have been avoided.

Mr. BUCHANAN. Would the gentleman deprive 4,000 men of their weekly or daily or monthly salary just on a squabble over less than $5,000 between the two Houses?

Mr. McLEOD. The gentleman is an authority on this question, and he knows that it would not deprive those employees of a penny.

Mr. BUCHANAN. I certainly know it would.

Mr. McLEOD. A continuing resolution could be put through both Houses if we insisted.

Mr. BUCHANAN. Oh, a continuing resolution could be put through for everything.

Mr. McLEOD. Mr. Speaker, I rose merely to call this situation to the attention of the House. I trust we can find ways and means so that we may not be obliged to continue to bow to the Senate.

Mr. LUDLOW. Mr. Speaker, this is an exigent situation that we are facing. Day after tomorrow, unless we take this action, about 4,000 employees of the Government Printing Office will be camping at our doors. As a matter of fact, instead of displaying weakness, we have made a good fight and have secured the establishment, I think, of a very great principle, and that principle is that the Senate hereafter will make no increases in the salaries of their personnel without first consulting the chosen representatives of the lower branch of Congress on the Committee on Appropriations. I think that fight has been worth while, and I think the result is very important. Mr. Speaker, I call for a vote.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to; and a motion to reconsider the vote by which the conference report was agreed to was laid on the table.

OATHS TO APPLICANTS FOR TAX-EXEMPTION CERTIFICATES, COTTON CONTROL ACT

Mr. JONES. Mr. Speaker, I ask unanimous consent for the present consideration of Senate Joint Resolution 123, empowering certain agents authorized by the Secretary of Agriculture to administer oaths to applicants for tax-exempt certificates under the Cotton Act of 1934.

The SPEAKER. The gentleman from Texas asks unanimous consent for the present consideration of Senate Joint Resolution 123, of which the Clerk will report the title.

The Clerk reported the title of the joint resolution.

The SPEAKER. Is there objection?

Mr. SNELL. Mr. Speaker, I reserve the right to object. Is this satisfactory to the gentleman from Kansas [Mr. HOPE]?

Mr. JONES. Yes; I have had the matter up with him. All it does is simply to authorize the county and community committees to take affidavit from these applicants.

Mr. SNELL. And this will make it easier to carry out the Cotton Act?

Mr. JONES. I hope so.

Mr. SNELL. Then I am for it.

Mr. JONES. I thank the gentleman for his consideration.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

Senate Joint Resolution 123

Resolved, etc., That any county agent or member of a county committee or community committee of a cotton-production-control association who is authorized in writing by the Secretary of Agriculture to act as his agent in the administration of the Agricultural Adjustment Act shall, while he is acting as such agent, have power to administer oaths to persons making applications (if made within the county in which such agent is authorized to act) for tax-exemption certificates under section 6 of the act of April 21, 1934, entitled "An act to place the cotton industry on a sound commercial basis, to prevent unfair competition and practices in putting cotton into the channels of interstate and foreign commerce, to provide funds for paying additional benefits under the Agriculture Adjustment Act, and for other purposes", but no fee or compensation shall be charged or received by any such agent for administering such an oath.

The joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

WORK OF THIS CONGRESS

Mr. SWANK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. SWANK. Mr. Speaker, the present session of Congress is drawing to a close, and I wish to take advantage of this opportunity to make a few remarks concerning the work done by the administration and Congress.

When President Franklin D. Roosevelt was inaugurated March 4, 1933, we were standing on the brink of disaster, and it was necessary that something be done and done at once. Under the wise and able leadership of the President, Congress passed the National Recovery Act, which authorized appropriations in the sum of $3,300,000,000 for construction projects throughout the United States to put people to work. Congress and the administration did not have time for prolonged discussion and debate, as immediate action was necessary. We had to try something, and this bill was enacted with notable results, providing work for millions of our former idle and unemployed.

Congress then passed the Agricultural Adjustment Act, which increased the prices of farm products. Many would probably have approached this question from a different angle, but we were all working together and doing the best we could. This bill also provided for refinancing farm loans to the amount of $2,000,000,000. When this bill was considered in the House I offered an amendment providing for the issuance of sound currency instead of nontaxable bonds, because that is unnecessary and fills the coffers of the money changers of the country with billions of unearned dollars. This bill also provided for inflation of the currency at the discretion of the President.

Against the wishes and objections of the international bankers, the President took the United States off the gold standard and that without consulting other nations. America can legislate for her people without the advice of other nations. President Roosevelt has gone further than any other President since Andrew Jackson toward restoring our Government to the people. These same international bankers, who have in the past controlled the money and credits of the United States, also opposed the remonetization of silver, but they are going to be overridden on that, the same as they were on the gold standard. The question of the issuance and control of money is going to be placed back in Congress, as provided in the Constitution.

In addition to supporting the Agricultural Adjustment Act, I also, for the benefit of agriculture, supported the Frazier bill which would provide for the refinancing of farm mortgages by the issuance of Federal Reserve notes to pay these mortgages at 1½-percent principal and 1½-percent interest per annum over a long period of years. In my judgment, a bill with these provisions will be passed in the near future. I believe that the only way the farmers can eventually pay out of debt is by being given a long time and a small rate of interest. This rate of interest would more than pay for the cost of administration. I introduced a bill to liberalize the provisions of the Home Owners' Loan Corporation for the benefit of home owners who live in towns, along the same lines as the Frazier bill. This provides for the issuance of Treasury notes or currency against the home mortgages to pay the indebtedness at not more than 1½-percent interest and 1½-percent principal per annum over a long period of time.

Before we can recover from this depression, it is necessary that agriculture be rehabilitated. When we have a prosperous agriculture, there is no depression, and every citizen is benefited.

I am also joint author of the Swank-Thomas bill, which provides that farmers shall receive not less than the cost of production for crops consumed in this country, plus a reasonable profit. The Frazier bill, my home owners' bill, and the Swank-Thomas bill are supported by the National Farmers Union of the United States and many other citizens and organizations.

I have always favored remonetization of silver in order to provide a broader basis for the issuance of currency, which is necessary for the business of the country. I helped prepare the Dies silver bill, as it was referred to the Committee on Coinage, Weights, and Measures, of which I am a member. We passed this bill through the House and it is now pending in the Senate. This bill will open the markets of the silver-producing countries of the world for the purchase of our farm products.

I voted against giving $20,000,000 to Russia, which was done in a previous administration, and opposed the settlement of the French debt which canceled $2,000,000,000 that country owes us, and also opposed the Italian debt settlement which canceled $1,500,000,000 due from that country to us. Foreign governments owe us $12,000,000,000, and I am opposed to any cancelation or reduction of these debts. They were contracted in good faith with our people and the contracts of nations should be kept the same as individuals.

The mother and the home are the foundation of our Government and we should do everything possible to protect them. I have supported all legislation for bettering the conditions of our women and children and supported the child labor amendment to prevent the employment of children in occupations detrimental to their health and welfare. My bill providing Federal aid for public schools has been endorsed by many of the leading educators in Oklahoma and numerous school boards and parent-teacher associations. I appeared before the Committee on Education in support of the bill and also spoke on the floor of the House in its behalf. Since the bill was introduced, larger appropriations have been made for emergency school work.

I have always supported old-age pensions and in the Seventy-second Congress and in this Congress introduced a bill for that purpose. This would prevent many old people from being separated in their declining years and would not cost as much as the present system of almshouses.

When the people sent me to Congress, Platt National Park at Sulphur was receiving an appropriation of $7,500 per year. The first year I had this increased to $10,000, and for this year the appropriation is $28,500, in addition to

$76,000 allocated by the Civil Works Administration. The Agricultural Adjustment Administration has paid to Oklahoma more than $16,000,000, and it is estimated that more than $31,000,000 will be received this year. Rental and benefit payments on cotton for 1933 in each of the seven counties of the Fifth Congressional District of Oklahoma amounted to the following:

Payne County	$136,066.50
Logan County	973,377.50
Oklahoma County	69,954.28
Cleveland County	72,852.00
McClain County	219,022.25
Garvin County	230,329.87
Murray County	63,533.50

Of the 26 conservation camps in Oklahoma, I succeeded in having 8 of them established in the Fifth Congressional District.

The total cotton payments to the State for 1933 amounted to the sum of $11,595,657.46, and benefit payments for wheat amounted to $1,149,863.80, or the total sum of $12,745,521.26.

The Civil Works and Federal Relief Administrations have paid over $19,000,000 to Oklahoma the past year. We have also appropriated and allocated for public roads in Oklahoma more than $10,000,000, and for the Public Works Administration more than $19,000,000. We have appropriated $2,775,000 for Indian welfare in Oklahoma. All these amounts help our recovery program.

My bill became a law, which provided for the Circuit Court of Appeals to sit in Oklahoma City, and afterward we passed a law creating the tenth circuit which holds sessions of the court at that place. I also introduced a bill which became a law establishing a Federal court at Pauls Valley. I secured Federal buildings for Norman and Stillwater, an appropriation for a building at Cushing, and assisted in getting the large appropriation for the new Federal building at Oklahoma City. Other cities in the district will receive Federal buildings in the near future.

I have worked for universal peace and legislation that will, in the event of another war, if men are drafted, draft capital also. We must take the profits out of war. Legislation to promote these ends is now being considered by Congress.

When the Democrats organized the House of Representatives in the Seventy-second Congress, Speaker Garner did me the honor of calling me, the first Democrat from Oklahoma, to preside over the House after he became Speaker. I have also presided in the present Congress. I am next to the chairman on the Public Lands Committee and third in rank on the Flood Control Committee. I am also a member of the Committee on Claims and the Committee on Coinage, Weights, and Measures. Flood control is one of the most important committees in Congress, and especially for Oklahoma and the West.

I secured an appropriation providing for the broadcasting of livestock and crop reports from Oklahoma City and also established a port of entry there, which is a great convenience to our merchants. Lately Oklahoma City has been made district headquarters for the Interior Department, which has charge of conservation camps.

Some of the big papers and special interests criticized those who voted to override the President's veto on the independent offices appropriation bill affecting disabled veterans. These charges were not only unfair but untrue. Some of the articles stated that we voted to increase our salaries. The provision in the act which reduced Federal salaries 15 percent expires June 30, 1934, and without additional legislation this reduction would have been restored in full. A vote to sustain the veto was a vote to restore the entire reduction and a vote to override was a vote against full restoration of salaries. Under this amendment salaries will be restored 5 percent February 1 and 5 percent July 1, leaving a 5-percent reduction, which would not have been the case had the veto been sustained. Instead of voting to increase our salaries I voted against a restoration, and also voted for the Borah amendment which was offered in the House, and which amendment would have prevented any increase in salaries above $6,000, which would have included salaries of Members of Congress. The people are not as easily fooled as some think.

The amount which the appropriation was increased is not $228,000,000, as some stated. The bill will carry an increase for veterans of $20,000,000 above the recommendations of the President and $63,000,000 for Federal employees, making a total increase of $83,000,000. The chief controversy was around 29,000 presumptive cases of tuberculosis and mental. The bill, as passed, will restore these 29,000 pitiful cases to the compensation rolls, and will not leave it to a board to act arbitrarily. My vote was to place the burden of proof upon the Government instead of upon these disabled veterans. I have always supported legislation for the benefit of our disabled veterans and their dependents, and shall continue to do so.

This vote was not a question of voting for or against the President. In the House 210 Democrats voted to override the veto, including many committee chairmen. The chairman of the steering committee and other administration leaders and friends of the President voted to override the veto. In the Senate 29 Democrats voted to override the veto and 27 voted to sustain. In addition to these stalwart Democrats voting to override the veto, the three leading Progressives voted likewise, namely, Senators NORRIS, JOHNSON, and CUTTING. They all supported the President in his campaign and are supporting him now. No one will accuse any of these men of selfishness or disloyalty. The President of the United States is a big man and accords every Member of Congress the right to vote as his conscience dictates. No one thinks more of the President than I do, and I have supported his recovery program, including the National Recovery Administration, Agricultural Adjustment Administration, Public Works, and other legislation.

This bill did some measure of justice to the veterans, but, as stated before, its passage prevented a complete restoration of Federal salaries.

An appropriation of $3,300,000,000 was made for the N.R.A. and a few days before this veto was acted upon $284,658,799 was appropriated for the Navy and $354,781,899 for the Army. Therefore, $20,000,000 for these disabled and helpless veterans will not unbalance the Budget.

Those who have heretofore profited by special legislation, like the profiteers during the World War, of course, are opposed to any Congressman who does not take their orders and they will try to defeat such Congressmen. I have always supported legislation that I thought was for the best interests of the people whom I have the honor to represent, and that shall continue to be my course as long as the people of the Fifth Congressional District of Oklahoma keep me in Congress.

EXCISE TAX ON PHILIPPINE COCONUT OIL

Mr. GUEVARA. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the message sent by the President yesterday concerning the revenue bill.

The SPEAKER. Is there objection?

There was no objection.

Mr. GUEVARA. Mr. Speaker, yesterday the President of the United States sent a message to Congress expressing his opposition to the excise tax on Philippine coconut oil as provided in section 602 of the recently enacted revenue act, and urging the appropriate remedial legislation.

In the name of the legislature and people of the Philippines, I wish to register my profound gratitude for the President's message. It is a message that is at once a call to Congress to uphold the terms of the Tydings-McDuffie Act, Public, No. 127, Seventy-third Congress, and a notice to the Filipino people that they can rely on the sense of justice and reasonableness of the American Government.

I hasten, therefore, to ask Congress to accede to the President's request that the coconut-oil provision in the revenue act be reconsidered, repealing the tax forthwith, while a more objective study of the question is made between now and next January with a view to formulating a solution that would be more equitable and satisfactory all around.

Mr. Speaker, my faith in President Franklin D. Roosevelt includes a belief in his genius to read correctly the mind of the American people and to do what they would want done in any given problem before the Nation. I am morally sure his present message will receive their approval, and they will urge its translation into positive legislation once they know the facts and the equities upon which it is predicated. And when it is borne in mind that the present case involves the doing of justice to a dependent people, the 14,000,000 wards of America living half way around the globe, the action of the President in the premises acquires a patent of nobility.

There were two outstanding facts in the question. One involves national policy and the other economic considerations.

On March 23 last, only 9 weeks ago, Congress, with overwhelming majorities in both Houses, passed the Tydings-McDuffie Independence Act. It sets forth in detail the terms and conditions precedent to the achievement of complete Philippine independence. Under it the Philippines assume heavy economic sacrifices in the form of tonnage limitations without compensation and export duties to meet the government-bonded obligations to American banks.

As described by President Roosevelt, the Independence Act is an offer of solution of the Philippine problem formally and deliberately made by the Government of the United States to the people of the Philippines. The offer, Mr. Speaker, was as formally and deliberately accepted by unanimous vote of the Philippine Legislature on May 1, the thirty-sixth anniversary of Admiral Dewey's glorious victory in Manila Bay and 5 weeks after the offer was made. The President of the United States has notified the Congress of the action of the Philippine Legislature.

Now what do we find? Even before the initial step in the organization of the new Philippine government is taken, Congress has already approved a law imposing an excise tax on our coconut oil, a tax that is one and a half times as much as the article sold last year in New York, a tax that is an effective embargo, a clear confiscation, a cruel deprivation of the livelihood of fully a quarter of the entire Philippine population.

Of course, Mr. Speaker, we protest against a treatment so oppressive and so inconsistent. We would be hopelessly recreant to our elemental duty did we do an iota less. The American people will hear our appeals and our supplications, and I am confident they will heed us and bid their Government to give us the old-fashioned American square deal.

Not a word of ingratitude to America will escape from my lips, for my soul wills it so, but I certainly cannot understand how the noble and benevolent America which has been our friend, mentor, and benefactor for the last 36 years should now turn so sharply against us during the short time left before we Filipinos finally bid a grateful farewell to the American flag under which we have lived in security and contentment for over a third of a century.

Mr. Speaker, I wish to direct particular attention to the possible effects of the excise tax law upon the independence legislation.

The tax will annihilate a major industry in the Philippines. The resulting poverty and misery may give rise to civil disturbance which may necessitate the armed forces of the United States to suppress. What does this mean? This means bloodshed, hatred, expenditures of money, destruction of property, and possible overthrow of the constituted government. In other words, Congress will, unwittingly but efficaciously destroy what it proposes to build with the Independence Act. Therefore, I ask, prayerfully ask, the entire Membership of this deliberative body to pause and survey the mischievous possibilities of the situation.

The enactment of the excise tax law gets sets a precedent for similar corrosive and oppressive laws with respect to other Philippine products. Judging by the bills which have already been presented in this Congress, our other industries are due for some rough treatment. And what can we do to resist it? We do not have the power to adopt retaliatory measures. That power Congress has not given us, so we are entirely at its mercy. Neither do we have the power to conclude commercial treaties with foreign countries, and that is why we cannot find substantial markets abroad for our products. Does not the American Government see that it is putting the Philippines in an economic straitjacket?

With all these unpleasant consequences to the Filipino people, I am afraid the American farmer will benefit not at all. The proscription of coconut oil will not bring an additional dollar a year to him. He will lose a market for some of his products in the Philippines. And he may find that in slaughtering the coconut-oil industry he may be giving life to new foreign industries that can give him real competition.

However, the American bondholders seem to be safe. To pay them, the Philippine Commonwealth government, after the sixth year of its existence, is directed to collect export duties to pay the government bonded indebtedness. If the payment is defaulted the American High Commissioner shall take over the administration of the Philippine customs offices and do the collecting himself. That situation, which smacks of the much-criticized cases of Haiti and Santo Domingo, will surely come to pass if Philippine industries are not given a chance to live, for it is these industries which provide our government with its revenue.

The Filipino people, Mr. Speaker, are entitled to a fair chance to make the government which they will establish under the Tydings-McDuffie Act work smoothly and successfully. But what chance are you giving them? Let me answer in all candor and in all loyalty. You are putting a monkey wrench in the machinery of government which they are trying to put together under circumstances which are already difficult and burdensome. You are digging with the excise tax law the grave for the Independence Act. You are giving the Filipino people mighty little chance to succeed with their new venture in self-government.

Now, Mr. Speaker, I shall ask that certain letters which I addressed to the President of the United States and typical communications to various Members of Congress pertinent to the question I am discussing be printed immediately after the foregoing remarks. These letters discuss the economic questions involved in the excise tax, and I invite their perusal by Members.

I now close with an appeal to you, the constitutional Representatives of the American people, to take up the message of President Roosevelt and translate his recommendations into law. The Filipino people are your friends and admirers. They are your wards and protégés. They are still under your flag. They revere that flag and love the institutions and the principles for which it stands. Mr. Speaker, I bespeak the continued generosity of the American people to my people.

(The letters referred to above follow:)

APRIL 14, 1934.

The PRESIDENT,
The White House, Washington, D.C.
(Through the Secretary of War.)

DEAR MR. PRESIDENT: Following my conference today with the Secretary of War on the excise tax on Philippine coconut oil, I am leaving this letter with him with the request that he be good enough to submit it to your distinguished consideration.

I desire to associate myself with Your Excellency, the Secretary of War, and various Members of Congress in declaring that the excise tax in question is a violation of the terms, the spirit, and the plan of the Tydings-McDuffie Act, which the American Government has just offered the Filipino people as their new organic law and as the covenant that shall govern the political and economic relations between the United States and the Philippines before complete Philippine independence is achieved.

If such violation is permitted to stand, I am afraid it would set a precedent for similar violations respecting other Philippine products, and that would simply mean inaugurating in the Philippines while still under the American flag the reign of poverty and penury, chaos and confusion, uncertainty and more uncertainty.

Philippine industries would be destroyed before they could even start an orderly readjustment, which in itself is a mighty difficult operation, from the present tariff-protected to the unprotected basis during the 10-year transition period contemplated in the Tydings-McDuffie Act.

Mr. President, as the CONGRESSIONAL RECORD will show, the coconut-oil excise tax has been posed as a question of the American farmer versus the Filipino farmer, and Members of Congress were

frank in saying that they were for the former. As the Philippines have no vote in Congress and not even a voice in the Senate, it was to be expected that a more judicial attitude would be taken on questions affecting the Philippines.

There are proofs overwhelming that between American agriculture and the Philippines there are infinitely more points of harmony and mutual benefit than competition and conflict. What is needed is a calm examination of their mutual interests.

In the debate in the Senate it was repeatedly stated that taxing the Philippine coconut oil is merely placing the Filipino copra producer on a comparable basis with the American farmer with respect to the processing tax under the A.A.A. May I point out the difference between the two cases by saying that the processing tax accrues directly to the American farmer, while the coconut-oil excise tax goes to the Philippine government, which, under the Norris amendment, is prohibited from subsidizing the coconut industry under penalty of forfeiting the tax.

The provision to give the tax that may be collected to the Philippine government does nothing but raise false hopes for more revenue. The rate of 3 cents a pound is equivalent to 130 percent ad valorem. The steep price increase would inevitably force the consumption of coconut oil in American industries to the very minimum We have the word of the proponents of the tax that coconut oil is not indispensable except in certain industries which use perhaps less than 5 percent of the coconut oil now consumed.

The net effect of the tax would be to reduce the coconut-oil and copra exports of the Philippines to the United States to a very small proportion of the present amounts, and the corresponding increase of copra surplus in the Philippines for disposal at depressed prices in the markets of the world.

The Filipino copra producer would get less from his product than he is getting now, which is already near the starvation basis; and the Philippine government would not get the revenue, but instead would probably be the loser as its present substantial income from the sales tax on copra and coconut oil suffers considerable diminution.

I am, therefore, urging you to take the necessary action not only to save a major industry in the Philippines but also to save the Tydings-McDuffie Act from virtual disintegration.

Faithfully yours,

PEDRO GUEVARA,
Resident Commissioner from the Philippine Islands.

APRIL 30, 1934.

SECTION 602 OF THE REVENUE BILL 1934 AS AGREED UPON IN CONFERENCE BETWEEN THE HOUSE AND THE SENATE

The draft of section 602 proposed by the conference between the House and the Senate is no less a violation of our obligations under the Philippine Independence Act than were the drafts of the section in the House bill and in the Senate bill.

It is said that the conferees' proposal is favorable to the Philippines in that it gives them a monopoly in the sale of copra and coconut oil in the American market. The 2-cent preference on coconut oil, however, is merely a gesture and will not result in any real benefits to the Philippine producers:

(a) The tax of 3 cents on this Philippine product will reduce materially the consumption of coconut oil in the United States and thereby reduce the market to which the Philippine producers are entitled under the provisions of the Independence Act.

(b) Palm-kernel oil and other oils are to bear the same tax as that imposed upon Philippine coconut oil. Palm-kernel oil from Africa competes directly with coconut oil. The conferees' proposal gives the Philippine coconut oil no monopoly since it has no advantage in competition with palm-kernel oil.

(c) Babassu-nut oil, cohune-nut oil, and coquito-nut oil are exempt from the tax; and so far as they are available, they will undersell Philippine coconut oil in the American market.

(d) The Norris amendment which returns the tax to the Philippine treasury is no advantage to the producers of copra and coconut oil in the Philippines, since the amendment states that if the Philippine government provides for any subsidy to be paid to the producers of copra and coconut oil, the provisions of the amendment shall become null and void.

The issue remains as it was before the conference met: Whether or not the American Government is going to recognize its obligations assumed under the Philippine Independence Act and under treaties with foreign nations.

WASHINGTON, D.C., *April 22, 1934.*

HON. GEORGE W. NORRIS,
United States Senate, Washington, D.C.

DEAR SENATOR NORRIS: Inspired by your well-earned reputation for fairness and reasonableness, I wish to engage your attention on the effect of the Norris coconut amendment to the revenue bill upon the coconut industry of the Philippines.

I am convinced that you want to do justice to the Filipino. I am equally convinced that you want to secure justice for the American farmer. To you, therefore, it is not a question of wrong against right but rather one of right against right, which is the more difficult question to conscientious men like your good self.

The Norris coconut amendment, I am sure, is the expression of what you consider right and fair to the parties concerned.

Will you allow me to state that the Norris amendment will work terrible havoc with the Philippine coconut industry, impoverishing 4,000,000 Filipinos, endangering law and order and shattering the simple faith of the people in the goodness and fairness of the American Government.

These deplorable consequences are rendered more poignant and oppressive when it is considered that the coconut industry means so much to the Filipino people while its destruction will bring so little benefit to American agriculture.

The 3-cent tax on coconut oil is equivalent to 130 percent ad valorem. Since, according to the tax proponents, coconut oil is not indispensable in American industries except perhaps to the extent of 5 percent, the tax would push the price of the article up to a level that would make its use prohibitive. That could only mean that thenceforth coconut-oil imports from the Philippines would be reduced to but an infinitesimal portion of the present volume.

That must be the expectation of the tax proponents, for they did not deem it necessary to place a tonnage restriction in the Norris amendment. Indeed, the tax would be more effective than restriction, for it would operate as an embargo.

The tariff duty is not a real protection for Philippine coconut oil in the United States, for copra, from which coconut oil is expressed, is free from foreign countries, and there is a copra-crushing industry in this country.

The Filipino copra producer, Senator, is not placed by the Norris amendment on a comparable basis with the American farmer under the A.A.A., for, while the processing tax accrues to the American farmer, the excise tax does not go to the Filipino copra producer but to the Philippine government, which is prohibited under the amendment from subsidizing the coconut industry under penalty of forefeiting the tax.

And the Philippine government will not get any revenue either, for with coconut-oil consumption in America reduced to the vanishing point, where will the revenue come from? On the contrary, the Philippine government will likely suffer reduction in its income from the coconut industry under the Norris amendment through the diminution in the revenue from the sales tax collected on copra and coconut oil exported to the United States.

After losing the American market, the woe of the Filipino copra producer is not finished. What will happen to the coconuts which no human law can stop the trees from producing. They will form tremendous copra surpluses which will have to be disposed of at distress prices in the world markets if they can be disposed of at all. That would reduce the income of the Filipino copra producer to the starvation level. It would, moreover, demoralize the price structure of vegetable oils in the world markets, and that would affect adversely American competitive exports abroad and otherwise produce depressing repercussions on the fats and oils markets in the United States.

In the debate in Congress the fact that the balance of trade between the United States and the Philippines was against the United States in 1932 was taken as a further justification for the imposition of the tax and presumably and logically the stoppage of the copra and coconut-oil imports from the Philippines. The trade statistics tell but half of the story. The unfavorable trade balance is almost entirely offset by the invisible items which move between the two countries.

Senator, press dispatches from Manila say that the Filipinos will accept in the next 2 or 3 weeks the Tydings-McDuffie Independence Act, which the American Government has offered them. The act sets forth the terms of the relationship between the United States and the Philippines. The Filipinos consider those terms as the solemn word of America, which if altered in the future would be for the purpose of assuring more liberalism to the Filipino people.

Is it too sanguine to hope that America will consider the Tydings-McDuffit Act as obligatory as a treaty? I appeal to you, Senator, to give the Filipinos a chance to enjoy a measure of economic peace during the difficult period of preparation for their final independence. I beg of you not to pit the American farmer against the lowly Filipino copra producer. I plead with you to do justice by the Filipino people while they are still under the American flag.

Repeating what I said at the outset, I am emboldened to tell you my thoughts on this coconut-oil tax question with frankness and confidence, for I consider you as a bulwark of square dealing, civic courage, and humanitarian sentiments.

Faithfully yours,

PEDRO GUEVARA,
Resident Commissioner from the Philippines.

WASHINGTON, D.C., *April 2, 1934.*

HON. MILLARD E. TYDINGS,
Chairman Committee on Territories and Insular Affairs,
United States Senate, Washington, D.C.

DEAR SENATOR TYDINGS: As the Senate starts consideration of the revenue bill today, I cannot overcome the fear that the final fate of the Tydings-McDuffie Act may be involved in section 602 of the bill taxing Philippine coconut oil.

With the tax, the coconut-oil quota under the Tydings-McDuffie Act may as well be reduced from 200,000 to 50,000 tons. And with the precedent established, the economic readjustment contemplated under the act may become a series of violent business convulsions.

Self-preservation and self-respect would be too strong in any people to acquiesce in such unjustifiable sacrifices. The Filipino people do think of their economic well-being, and they crave for a modicum of fair treatment, and I am confident that even in these hectic times America will not fail them.

Senator, we naturally turn to you in an earnest appeal to labor mightily, as is your habit, for the integrity of the week-old legislation that bears your distinguished name. The challenge to you, sir, if I may presume to express it, is to save the Tydings-McDuffie Act from corrosive laws like section 602 of the pending revenue bill.

Your work, Senator, for the new Philippine organic law has retinted the political horizon of the Filipino people in bright colors. But that is not all you have achieved. You have convinced my people that they have in you a real friend and benefactor. You have, moreover, effected the reconciliation of warring Filipino political factions. And you have salvaged with your deft hands from the legislative scrap heap a measure which it took 18 months to elaborate and complete, and gave it a new lease of life.

With so much at stake, with so much to jeopardize, it would be a superfluity to call on you to take up the fight for the Filipino people. I am sure you will do it without any urging from us. And, needless to say, you have our best wishes and our undivided support. Your fight, sir, as is our fight, is to keep intact the plan, the genius, and the ultimate aim of the Tydings-McDuffie Act.

Faithfully yours,

PEDRO GUEVARA,
Resident Commissioner from the Philippines.

WASHINGTON, *April 17, 1934.*

Hon. PAT HARRISON,
Chairman Finance Committee,
United States Senate, Washington, D.C.

DEAR SENATOR HARRISON: I hope that upon the reconsideration of the revenue bill the Norris coconut amendment may be substituted by your amendment which exempts a certain quantity of Philippine coconut oil from the excise tax fixed in section 602 of the bill.

Theoretically, the Norris amendment would be a godsend to the Philippines, for it would raise the price levels of copra and coconut oil, besides giving to the Philippine government an additional annual revenue of some $15,000,000, a sum that is more than 50 percent of the total income of that government from taxation.

Actually, it would do just the opposite thing. It would force the consumption to the indispensable minimum, and according to the proponents of the tax coconut oil is indispensable only in certain technical industries which use perhaps less than 5 percent of the present total consumption. It would, consequently, increase the copra surplus in the islands which must be disposed of in the already arid markets of the world at distress prices, thereby causing demoralization and depression in the world's price levels, a fact which would inevitably produce unfavorable repercussions in the oils and fats price structures in the United States.

So the net result would be that the Filipino copra producer would get less for his product under the Norris amendment than what he is getting now, which already borders on the starvation line, and the Philippine government would receive a great disillusionment, for the $15,000,000 revenue bonanza would not be forthcoming as there would be but a small amount of copra and coconut-oil exports to the United States from the Philippines.

Senator, I don't want to make an unreasonable request in this connection. Your amendment exempts 520,000,000 pounds a year of Philippine coconut oil from the tax. That amount is the average of the depression years. A more normal figure is 600,000,000 pounds, which roughly represents the amount imported in 1933.

As better times have started for the American people, may I prayerfully bespeak for the Filipino people the continuation of America's generosity as we move toward the day of separation as planned under the Tydings-McDuffie Act?

Faithfully yours,

PEDRO GUEVARA,
Resident Commissioner from the Philippine Islands.

WASHINGTON, D.C., *April 3, 1934.*

Hon. KEY PITTMAN,
United States Senate, Washington, D.C.

DEAR SENATOR PITTMAN: I cannot resist the apprehension that the final fate of the new Philippine organic law, the Tydings-McDuffie Act, may hinge upon the action of the Senate on the question of taxing coconut oil under section 602 of the pending revenue bill.

The tax of 3 cents a pound is still more than 100 percent of the price received for the commodity on the Atlantic seaboard. Without a doubt the tax is a much heavier burden than the tonnage limitation contained in the Tydings-McDuffie Act. It will at once reduce our coconut-oil exports to the United States by at least one-half, diminishing substantially as the months go by.

So even before the inauguration of the projected Philippine Commonwealth a major industry in the islands would be dislocated and incapacitated to effect a readjustment in an orderly and successful manner.

I am apprehensive not only of the tax itself but the precedent it will set. What if our other products are similarly taxed? And, in fairness to the industry concerned, why should coconut oil be singled out for a special tax burden? Why not sugar also? And what special privilege has cordage to be immune? And what about other Philippine products which are heavily tariff protected but are not even placed under a tonnage restriction under the Tydings-McDuffie Act?

As you know, Senator, I am for the Tydings-McDuffie Act and its parent legislation, the Hawes-Cutting Act. I want it to be accepted by the Filipino people. I want them to know that their friends in Congress prepared it and passed it, spending more than 18 months in the work.

And so I don't want to see any legislation that will vitiate the atmosphere around the new organic law. I don't want the Filipino people to get the idea that Congress has become so hostile to them that even before their expected commonwealth comes into being they will be thrown into an economic holocaust through the enactment of corrosive and oppressive laws like the proposed tax on their coconut oil.

I therefore appeal to you most earnestly and most solemnly to let the Congress know from the floor of the Senate the serious and far-flung implications of section 602 of the pending revenue bill insofar as it relates to Philippine coconut oil.

Faithfully yours,

PEDRO GUEVARA.

Hon. JOHN H. OVERTON,
United States Senate, Washington, D.C.

DEAR SENATOR OVERTON: Thank you very much for your letter of March 26. You stated that coconut oil offers a "disastrous competition with cotton and cottonseed oil." Permit me to comment with pertinent facts and figures. I am sure you want to be fair both to American and insular industries.

Over 98 percent of cottonseed oil is used in edible compounds, while 70 percent of coconut oil goes to the soap kettle. It is true that about two decades ago cottonseed oil was used in soap but is now displaced by coconut oil. The displacement has been a good thing to the cottonseed oil. From the soap kettle the oil went to the edible field where it commands much better prices and encounters less competition. It is, therefore, a case of the coconut oil kicking cottonseed oil upstairs.

Of course, you will readily agree that increasing the production of cottonseed oil, which is but a byproduct of cotton, would bring disaster to the cotton industry, upsetting the entire administration program to help that industry under the A.A.A.

The Philippines bought in 1932, a severe depression year, over $10,000,000 worth of American cotton goods. May I suggest that there is infinitely more of mutual benefit than conflict between the American cotton farmer and the Philippines?

Faithfully yours,

PEDRO GUEVARA.

APRIL 3, 1934.

Hon. THOMAS P. GORE,
United States Senate, Washington, D.C.

DEAR SENATOR GORE: Please accept my profound thanks for your letter of March 31, answering mine of the 26th, regarding coconut oil and the proposal to tax it under the revenue bill.

Permit me to salute a real, thoroughgoing Jeffersonian Democrat incarnated in your person." We Filipinos who depend on the sense of justice and fairness of the American people look up to you to champion our reasonable causes in the American Congress, and I hope and trust that when the proposal to tax Philippine coconut oil comes up for debate today or tomorrow, you will let your voice be heard against the proposal.

I am sure American statesmanship can do something, like the suggestion contained in your letter, that will at once meet the reasonable desires of your constituents and save the Filipino people from suffering and impoverishment.

May I submit just one thought. Cottonseed oil is but a byproduct of cotton. To increase its production would imperil the administration program of acreage curtailment of cotton. Besides, over 98 percent of cottonseed oil is used in edible compounds, while 70 percent of coconut oil is used in the soap industry. If coconut oil has driven cottonseed oil out of the soap kettle, the former has gone into a field where it commands better prices and has less competition. In the vernacular, "coconut oil has kicked cottonseed oil upstairs."

Faithfully yours,

PEDRO GUEVARA.

WASHINGTON, D.C., *April 1, 1934.*

STATEMENT TO THE PRESS

By PEDRO GUEVARA, Philippine Resident Commissioner

THE PHILIPPINE COCONUT-OIL TAX AND ITS IMPLICATIONS

On March 22 Congress passed a new organic law for the Philippines, the Tydings-McDuffie Act, and 2 days afterward it was signed by President Roosevelt.

Tomorrow the Senate will consider taxing Philippine coconut oil under the revenue bill at 3 cents a pound, a tax that is more than 100 percent of its price.

This will precipitate two results:

First, it will dynamite the Tydings-McDuffie Act, which is now pending for acceptance in the Philippines, by injecting into that new covenant of Philippine-American relations changes that will make the economic sacrifices of the Filipino people, which are already heavy, well-nigh unbearable.

Second, it will destroy the coconut industry in the islands, upon which, as Governor General Frank Murphy reports, fully a quarter of the population of the Philippines depend for their livelihood.

Therefore I ask: Is it not colossal inconsistency for the Congress to give the Filipino people a new organic law and, before the President's signature has dried, penalize the recipient with addi-

tional burdens and oppressive inflictions, thereby exposing the week-old law itself, its philosophy and its objective, to disintegration? It looks like giving the Filipino people a boon accompanied with a bomb.

DUTY OF THE REPUBLICAN PARTY

Mr. HOLLISTER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. HOLLISTER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered by myself to Republican Builders at Town Hall, New York City, May 22, 1934:

I take particular pleasure in appearing before you tonight, for the foundation and development of your organization has been to me one of the most encouraging signs of the times. I am one of the small group now in Congress who has been characterized by an eloquent Member on the majority side as "an almost extinct relic of a fast-dying regime." I have had to sit in my place day after day and watch the steam roller pass over me. I have had to realize that the most earnest and strenuous opposition to dangerous legislation not only is ineffectual, but can hardly be made vocal. I have seen steady encroachment on American liberties by legislative enactment, all in the name of the new deal and the Democratic Party.

We of the Republican Party, who still remain in Congress, and the members of your organization can be of great mutual advantage to each other. We are in a particularly good position to see the wheels go round, evaluate the trends of the administration as typified by the pressure exerted for or against legislation and then report back to you. You can help us bring the truth home to the American people for I have enough confidence in the American people to believe that if they once know the truth, their course of action will be sound. We and those of our party around the country who are expecting next fall to cut down the huge Democratic majorities in the House and Senate must go on the firing line very soon and we want the help of every one of you in disseminating our principles and our policies.

I often think that the years of the depression, bitter though they may be, have rendered a great service to the cause of popular government. When our present troubles are over and the country returns again to a period of steady and orderly progress, as it will in spite of politics and parties, I hope we may look back on these days as a demonstration of the stability of our institutions. Though we may be forgetful of it today, our country has developed under the aegis of the Constitution, and by the operation of the two-party system of national control, whereby responsibility for the operation of the Government is placed on a party rather than on a group. This is no time to digress into a study of parliamentary procedure. There may be advantages in the European system of cabinet representation in parliament where the policies of the government are subject to daily test, and if the responsible ministry fails of support on a test vote, the ministry falls and another one must be set up. Since we have provided by our Constitution for the separation of the executive and the legislative branches and a definite term of office for all our national elective officers, whether executive or legislative, to preserve our governmental system we must perforce look to the record of the party represented by the administration in power and let the people decide from the record whether or not to allow that party to remain in control.

For a number of years there has been great danger that the lack of distinct lines of political cleavage between the parties would tend to break them down. Up until recently even those high up in party councils would have had difficulty in stating wherein the Republican Party and the Democratic Party differed on principle. The tariff has been, of course, theoretically a party question for many years, but we all know that it has been in its essence a local economic question. The Democrats have given tariff reduction lip service, but have showed conclusively that they did not expect to do anything about it. Prohibition, may heaven rest its soul, cut across all parties. Until recently resurrected, currency questions have been dead since the time of Bryan. As between the parties there has been no great issue to challenge the apathetic citizen.

You and I know that the balance of power between the great parties is swung by the great mass of voters who have no fixed party allegiance, and are therefore inclined, unless fundamental issues are presented in a clear-cut way, to vote largely from the point of view of the economic situation in the country. The Republican Party was in power for many years during a time of prosperity. Even though its principles may not have been very distinct in outline to the average voter, there was no particular reason for a change of government. The Republican Party contained to a great extent the political, economic, and financial leaders of the country, and it required some great change in the economic status to shake the confidence of the independent voter. When the period of trade dislocation caused by the Great War finally brought the long-delayed depression, the great mass of the independent voters swung to the Democratic ticket without any particular reason except a blind desire to register their discouragement over the existing situation. There was no deep study of principles. The temper of the people was such that platforms, campaign promises, or principles meant little. They forgot the years of peace, prosperity, and progress, but remembered only a few months of disaster. As they had been content to credit the party in power for good times, they blamed it unthinkingly for the bad. It is safe to say that no matter what principles had been enunciated by the respective candidates, in the last Presidential campaign, the result, with slight variations, would have been the same. The people wanted a change and they got it with a vengeance.

The situation today is greatly altered, and is altering more rapidly every day. The President has been in office considerably more than a year, and has had during this time a House of Representatives with a majority of almost 3 to 1, and a Senate with a majority of more than 3 to 2 of his own political faith. It is therefore right and fair to judge the Democratic Party by the record of the administration. This record shows that for the first time in many years there are fundamental issues at stake on which the parties must take the field in battle array. Our party has an opportunity unequaled in recent years to obtain the backing of the orderly, common-sense American citizen on a platform of constitutional and hereditary liberty.

I am not much interested in pointing out the discrepancies between the Democratic record since March 1933, and the principles enunciated in the Democratic platform, Mr. Roosevelt's campaign speeches, and his inaugural address, except so far as it is pertinent to point out that the voters who put Mr. Roosevelt into office certainly did not visualize what he was going to do after he was elected, for what he said he would do, and what he has done are the poles apart. What I do wish to point out, however, is that all campaign promises have been jettisoned, and the administration has charted out a course, which carried to its logical conclusion will ultimately change fundamentally the principles of government laid down by our forefathers and found by their descendants to be worthy over a period of 150 years. The time has come for the Republican Party to take up the gage of battle and bring this great issue home squarely to the country. If with full knowledge of the situation the people of the country wish to continue such a course, so be it, but it is the duty of those of us who see the danger to warn of it in no uncertain terms. If this is done properly, I have little fear of the outcome.

I am convinced that the great thinking mass of the American people believes basically in the competitive economic system under which our country has developed so greatly. They have realized that no system is perfect, and that there are shortcomings in the competitive system—times when it must be supported and directions in which it must be curbed. They realize, however, that the experience of other countries with other systems has not tended to bring about anywhere near the wealth, comfort, peace, and happiness that ours has given us over a long period of years. Our system is based on the liberty of the individual, from which in turn arises the ability of private industry to develop and thus to give employment on a fair basis to the wage-earning group, which, after all, is far the largest and most important in any country. Any system which tends to break down that theory spells the doom of this country's greatness.

It is the profit motive which makes for thrift, for efficiency, and for the energy and foresight which result in the development of natural resources. Once place all this under a planned economy of a Tugwellian nature, and the inefficiency, wastefulness, arbitrariness, and red tape of government kill the vital spark. It is this we face today.

Please do not look on me as a blind obstructionist or objector. I have tried to lean backward in studying without partisanship the whole administration record. In the last and present sessions of Congress I have supported a number of measures which in my opinion gave hope of relief and recovery and which tended to help the individual, whether human or corporate, keep its head up and help itself. It is the sinister and insidious attempt to regiment the individual person and the individual business which has had and shall have my continued and bitter opposition as long as I have any voice in public affairs.

I could talk indefinitely along this line. I could take up each important measure passed during the last 14 months and point out how it fits into my exposition of administration trends. I could show how the two theories—one of relief the other of reform—come into direct conflict; how proper relief helps industry and how ill-considered reform tends to disrupt it. In times of business prosperity certain reforms are advantageous. In times of business depression we must avoid at all costs the upheaval of business which untried experiments bring about.

What I wish to point out particularly, however, is the steady creep of the tentacles of the governmental octupus of control; how little by little, in measure after measure, powers unheard of in the past have been given to the Executive, powers which in the nature of things he cannot exercise personally but must delegate to subordinates—subordinates in many cases who do not even have to be appointed by and with the advice of the Senate, as provided in the Constitution, but may be irresponsible individuals picked by the Executive for political considerations or otherwise. Whether we refer to the Securities Act, the stock-exchange-control measure, the Agricultural Adjustment Administration, the National Recovery Administration, the control of the value of the dollar, the enormous Public Works fund, in all of these we find vast discretionary powers delegated to the Executive, which in turn will be exercised not by him but by some subordinate body or individual. It may be the Federal Trade Commission, it may be the Administrator of the National Recovery Act, it may be the head of the A.A.A., it may be the Secretary of the Treasury, it may be the Public Works Administrator. The fact

remains that a bureaucrat with no responsibility to anyone except the individual who has appointed him and who is far too busy to give personal attention to the acts of his appointees, is given supreme power over matters on which depend the prosperity, happiness, almost the lives of you and me.

There is contained in all this new legislation an even greater menace to our liberties. Not only are we subjected to civil suit for damages resulting from innocent acts but most of these measures contain criminal provisions, subjecting us to fines and in many cases jail sentences for a breach not only of the specific law itself but of rules and regulations not set forth in the law, but as they may be promulgated from time to time at the whim of the bureaucrat in whose hands the administration of the law may be placed. This country has come to a pretty pass when the owner of a plot of land can be sent to jail for producing more cotton than some official in Washington says he can produce, or when the director of a small company which happens to be listed on a stock exchange can be held liable to damages for an inadvertent statement with respect to his company unless he can sustain the burden of proof that he made the statement in good faith. These are merely a few of the results of the new deal which I could elaborate indefinitely if the time only permitted.

I am not asking a return to the doctrine of laissez faire. I realize that the frailties of human nature are such that government must for many years exercise certain reasonable restraints on the unbridled development of financial and economic power. These restraints should, however, be exercised as far as possible in cooperation with private industry and private capital and with sympathy for its problems. I do not believe that happiness and prosperity will return with greater and greater governmental control or through the adoption by the Government of measures which tend to make business doubtful of the future.

I believe that basic conditions, through the operation of the inexorable laws of supply and demand, are today very much better than at the depth of the depression. I believe that the world at large, and this country particularly, are prepared for general improvement. I deeply fear that this general improvement will be greatly delayed by experimenting with the currency, by unnecessary overexpenditure, which will place a tax burden on the country which it must carry for many years, and particularly by overcentralization of government, and by Government interference and competition with business, which makes it increasingly difficult for industry to get into its stride.

There are three simple principles which I should like to see made the background of the new development of the Republican Party which is now on its way.

First. We must balance the Budget, and balance not only the regular Budget but the so-called "emergency budget." Bankruptcy of a nation is just as destructive whether it comes as a result of emergency expenditures or of regular expenditures.

Second. We must fix once and for all our currency policy. The experience of the centuries proves that a stabilized currency is the only thing which the average business man can understand and which will give him confidence. Commodity dollars may be satisfactory for the professor, but the mere fact that even the commodity-dollar professors cannot agree on the way in which they can control the value of their dollar seems to indicate that such an experiment is unsound and full of dynamite.

Third. We must get rid, as soon as possible, of our emergency governmental bodies, abolish the regimentation of industry which the present administration is developing more and more, and give it a chance to help itself. I firmly believe that if these three principles are carried at once to the American people there will result an ever-growing return to the Republican Party as the party of common sense and constitutional rights.

WHAT BUTTER SUBSTITUTES ARE MADE OF

Mr. CULKIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. CULKIN. Mr. Speaker, the message of the distinguished President of the United States, urging the exemption from import duty or excise taxes of the 440,000,000 pounds of coconut oil from the Philippines, is full of tender sympathy for the Philippine exporter but makes only a casual reference to the dairymen who, due to the importation of this oil and its manufacture into butter substitutes, is unable to live decently, pay his taxes, and educate his worth while child. Nor does it mention the health of the American people which is jeopardized by the importation and manufacture of coconut oil into butter substitutes.

For some years, under the lash of the internationalists and the importer who were benefited by this strange performance, agriculture and particularly dairying, has been sacrificed on the altar of foreign trade. It is not called by that name but that is the real influence back of the whole situation. The fact is that in the last year 127,967,000 pounds of coconut oil valued at $6,782,000 has gone into the manufacture of butter substitutes. These substitutes have depressed the price of butter and are at the root of the present unhappy condition of the dairymen. The profits from this performance have gone either to the Philippine exporter or to the packer kings of America who have made millions of dollars from the sale of this counterfeit food.

Let us look into the source of coconut oil and consider the matter from the standpoint of the American consumer.

Coconut oil is made from copra which is dried coconut meat. A description of copra and the processing procedure appeared in Duncan's Trade Register, a grocery magazine, published at Portland, Oreg. It is as follows:

> The coconuts fall from the trees, are broken open and the meat dried in heaps under the tropical suns. This is called copra.
>
> When dry, copra looks and smells something like stable manure, or worse.
>
> When the stuff is ready for shipment swarms of half-naked Malays load it on ships, tramping it in the hold of vessels with bare feet. An army of naked Malays sweating under the tropical heat tramping copra that is going to be made into the poor man's butter. Think of it!
>
> When copra arrives at American oil mills it is run out of the ship with conveyors. Generally it is piled up in the open air, where it attracts millions of flies and looks exactly like piles of stable manure, and smells a "darn sight" worse.
>
> This compost is then ground and pressed between steam-heated rollers. The raw oil is about the most rancid and evil-smelling thing in the world. Until recently it was used exclusively for soap grease. German scientists discovered ways of refining it. The process is simple.
>
> First, the oil is heated to a very high degree. It is then placed in vats and large quantities of sodium injected. The rancidity attacks the sodium solution and is eaten away. The oil is then treated with ether, which process solidifies the oil.
>
> And this is the stuff they advertise as the "white meat of the coconut." This is the fatty substance of the poor man's butter. This is the vile carrion the packer kings give American children.
>
> But do not take my word for it. Go to the copra mill and see for yourselves. Watch the process from compost to coconut oil. If you can see it made and still eat it or feed it to your children, there is nothing that will turn your stomach.

Is not it about time to get away from sentimentality and think not only in terms of the American dairymen, whose condition is desperate, but also give consideration as well to the health and well-being of the growing children of America.

The health of the American people can be given a belated inning and the American dairyman, who thus far has been ruthlessly ignored and partially destroyed by the administration's policies, materially aided by the enactment of H.R. 6612, which provides that the manufacture and sale of butter substitutes shall hereafter be prohibited in America. This measure is patterned on the Canadian statute which has been in effect for more than 10 years. The enactment of this legislation would substantially increase the buying power of the 4,000,000 dairymen in America and give great impetus to national recovery.

I wish the distinguished President had presented this phase of the case more fully in his message to Congress.

REVISION OF AIR-MAIL LAWS—CONFERENCE REPORT

Mr. MEAD. Mr. Speaker, I call up the conference report upon the bill S. 3170, to revise air-mail laws, and ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. The gentleman from New York calls up a conference report upon the bill S. 3170, to revise the air-mail laws, and asks unanimous consent that the statement be read in lieu of the report. Is there objection?

There was no objection.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3170) to revise air mail laws, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

"That the act of April 29, 1930 (46 Stat. 259, 260; U.S.C., supp. VII, title 39, secs. 464, 465c, 465d, and 465f), and the sections amended thereby are hereby repealed.

"SEC. 2. (a) Effective July 1, 1934, the rate of postage on air mail shall be 6 cents for each ounce or fraction thereof.

"(b) When used in this act—

"(1) The term 'air mail' means mail of any class prepaid at the rate of postage prescribed in subsection (a) of this section.

"(2) The term 'person' includes an individual, partnership, association, or corporation.

"(3) The term 'pilot' includes copilot.

"SEC. 3. (a) The Postmaster General is authorized to award contracts for the transportation of air mail by airplane between such points as he may designate, and for initial periods of not exceeding 1 year, to the lowest responsible bidders tendering sufficient guaranty for faithful performance in accordance with the terms of the advertisement at fixed rates per airplane-mile: *Provided*, That where the Postmaster General holds that a low bidder is not responsible or qualified under this act, such bidder shall have the right to appeal to the Comptroller General who shall speedily determine the issue, and his decision shall be final: *Provided further*, That the base rate of pay which may be bid and accepted in awarding such contracts shall in no case exceed 33⅓ cents per airplane-mile for transporting a mail load not exceeding 300 pounds. Payment for transportation shall be at the base rate fixed in the contract for the first 300 pounds of mail or fraction thereof plus 0.1 of such base rate for each additional 100 pounds of mail or fraction thereof, computed at the end of each calendar month on the basis of the average mail load carried per mile over the route during such month, except that in no case shall payment exceed 40 cents per airplane-mile.

"(b) No contract or interest therein shall be sold, assigned, or transferred by the person to whom such contract is awarded, to any other person without the approval of the Postmaster General; and upon any such transfer without such approval, the original contract, as well as such transfer, shall at the option of the Postmaster General become null and void.

"(c) If, in the opinion of the Postmaster General, the public interest requires it, he may grant an extension of any route, for a distance not in excess of 100 miles, and only one such extension shall be granted to any one person, and the rate of pay for such extension shall not be in excess of the contract rate on that route.

"(d) The Postmaster General may designate certain routes as primary and secondary routes and shall include at least four transcontinental routes and the eastern and western coastal routes among primary routes. The character of the designation of such routes shall be published in the advertisements for bids, which bids may be asked for in whole or in part of such routes.

"(e) If on any route only one bid is received, or if the bids received appear to the Postmaster General to be excessive, he shall either reject them or submit the same to the Interstate Commerce Commission for its direction in the premises before awarding the contract.

"(f) The Postmaster General shall not award contracts for air-mail routes or extend such routes in excess of an aggregate of 29,000 miles, and shall not establish schedules for air-mail transportation on such routes and extensions in excess of an annual aggregate of 40,000,000 airplane-miles.

"(g) Authority is hereby conferred upon the Postmaster General to provide and pay for the carriage of mail by air in conformity with the terms of any contract let by him prior to the passage of this act, or which may be let pursuant to a call for competitive bids therefor issued prior to the passage of this act, and to extend any such contract for an additional period or periods not exceeding 9 months in the aggregate at a rate of compensation not exceeding that established by this act nor that provided for in the original contract: *Provided*, That no such contract may be so extended unless the contractor shall agree in writing to comply with all the provisions of this act during the extended period of the contract.

"SEC. 4. The Postmaster General shall cause advertisements of air-mail routes to be conspicuously posted at each such post office that is a terminus of the route named in such advertisement, for at least 20 days, and a notice thereof shall be published at least once a week for 2 consecutive weeks in some daily newspaper of general circulation published in the cities that are the termini for the route before the time of the opening of bids.

"SEC. 5. After the bids are opened, the Postmaster General may grant to a successful bidder a period of not more than 30 days from the date of award of the contract to take the steps necessary to qualify for mail services under the terms of this act: *Provided*, That at the time of the award the successful bidder executes an adequate bond with sufficient surety guaranteeing and assuring that, within such period, said bidder will fully qualify under the act faithfully to execute and to carry out the terms of the contract: *Provided further*, That, if there is a failure so to qualify, the amount designated in the bond will be forfeited and paid to the United States of America.

"SEC. 6. (a) The Interstate Commerce Commission is hereby empowered and directed, after notice and hearing, to fix and determine by order, as soon as practicable and from time to time, the fair and reasonable rates of compensation for the transportation of air mail by airplane and the service connected therewith over each air-mail route, but not in excess of the rates provided for in this act, prescribing the method or methods by weight or space, or both, or otherwise, for ascertaining such rates of compensation, and to publish the same, which shall continue in force until changed by the said Commission after due notice and hearing.

"(b) The Interstate Commerce Commission is hereby directed, at least once in every calendar year from the date of letting of any contract, to review the rates of compensation being paid to the holder of such contract, in order to be assured that no unreasonable profit is resulting or accruing therefrom. In determining what may constitute an unreasonable profit, the said Commission shall take into consideration all forms of gross income derived from the operation of airplanes over the route affected.

"(c) Any contract which may hereafter be let or extended pursuant to the provisions of this act, and which has been satisfactorily performed by the contractor during its initial or extended period, shall thereafter be continued in effect for an indefinite period, subject to any reduction in the rate of payment therefor, and such additional conditions and terms, as the said Commission may prescribe, which shall be consistent with the requirements of this act; but any contract so continued in effect may be terminated by the said Commission upon 60 days' notice, upon such hearing and notice thereof to interested parties as the Commission may determine to be reasonable; and may also be terminated by the contractor at its option upon 60 days' notice. On the termination of any air-mail contract, in accordance with any of the provisions of this act, the Postmaster General may let a new contract for air-mail service over the route affected, as authorized in this act.

"(d) All provisions of section 5 of the act of July 28, 1916 (39 Stat. 412; U.S.C., title 39, secs. 523 to 568, inclusive), relating to the administrative methods and procedure for the adjustment of rates for carriage of mail by railroads shall be applicable to the ascertainment of rates for the transportation of air mail by airplane under this act so far as consistent with the provisions of this act. For the purposes of this section the said Commission shall also have the same powers as the Postmaster General is authorized to exercise under section 10 of this act with respect to the keeping, examination, and auditing of books, records, and accounts of air-mail contractors, and it is authorized to employ special agents or examiners to conduct such examination or audit, who shall have power to administer oaths, examine witnesses, and receive evidence.

"(e) In fixing and determining the fair and reasonable rates of compensation for air-mail transportation, the Commission shall give consideration to the amount of air mail

so carried, the facilities supplied by the carrier, and its revenue and profits from all sources, and from a consideration of these and other material elements, shall fix and establish rates for each route which, in connection with the rates fixed by it for all other routes, shall be designed to keep the aggregate cost of the transportation of air mail on and after July 1, 1938, within the limits of the anticipated postal revenue therefrom.

"SEC. 7. (a) After December 31, 1934, it shall be unlawful for any person holding an air-mail contract to buy, acquire, hold, own, or control, directly or indirectly, any shares of stock or other interest in any other partnership, association, or corporation engaged directly or indirectly in any phase of the aviation industry, whether so engaged through air transportation of passengers, express, or mail, through the holding of an air-mail contract, or through the manufacture or sale of airplanes, airplane parts, or other materials or accessories generally used in air transportation, and regardless of whether such buying, acquisition, holding, ownership, or control is done directly, or is accomplished indirectly, through an agent, subsidiary, associate, affiliate, or by any other device whatsoever: *Provided*, That the prohibitions herein contained shall not extend to interests in landing fields, hangars, or other ground facilities necessarily incidental to the performance of the transportation service of such air-mail contractor, nor to shares of stock in corporations whose principal business is the maintenance or operation of such landing fields, hangars, or other ground facilities.

"(b) After December 31, 1934, it shall be unlawful (1) for any partnership, association, or corporation, the principal business of which, in purpose or in fact, is the holding of stock in other corporations, or (2) for any partnership, association, or corporation engaged directly or indirectly in any phase of the aviation industry, as specified in subsection (a) of this section, to buy, acquire, hold, own, or control, directly or indirectly, either as specified in such subsection (a) or otherwise, any shares of stock or other interests in any other partnership, association, or corporation which holds an air-mail contract.

"(c) No person shall be qualified to enter upon the performance of an air-mail contract, or thereafter to hold an air-mail contract, if at or after the time specified for the commencement of mail transportation under such contract, such person is (or, if a partnership, association, or corporation, has and retains a member, officer, or director that is) a member, officer, director, or stockholder in any other partnership, association, or corporation, whose principal business, in purpose or in fact, is the holding of stock in other corporations, or which is engaged in any phase of the aviation industry, as specified in subsection (a) of this section.

"(d) No person shall be qualified to enter upon the performance of, or thereafter to hold an air-mail contract, (1) if at or after the time specified for the commencement of mail transportation under such contract, such person is (or, if a partnership, association, or corporation, has a member, officer, or director, or an employee performing general managerial duties, that is) an individual who has theretofore entered into any unlawful combination to prevent the making of any bids for carrying the mails: *Provided*, That whenever required by the Postmaster General the bidder shall submit an affidavit executed by the bidder, or by such of its officers, directors, or general managerial employees as the Postmaster General may designate, sworn to before an officer authorized and empowered to administer oaths, stating in such affidavit that the affiant has not entered nor proposed to enter into any combination to prevent the making of any bid for carrying the mails, nor made any agreement, or given or performed, or promised to give or perform, any consideration whatever to induce any other person to bid or not to bid for any mail contract, or (2) if it pays any officer, director, or regular employee compensation in any form, whether as salary, bonus, commission, or otherwise, at a rate exceeding $17,500 per year for full time.

"SEC. 8. Any company alleging to hold a claim against the Government on account of any mail contract that may have heretofore been annulled, may prosecute such claim as it may have against the United States for the cancelation of such contract in the Court of Claims of the United States, provided that such suit be brought within 1 year from the date of the passage of this act; and any person not ineligible under the terms of this act who qualifies under the other requirements of this act, shall be eligible to contract for carrying air mail, notwithstanding the provisions of section 3950 of the Revised Statutes (act of June 8, 1872).

"SEC. 9. Each person desiring to bid on an air-mail contract shall be required to furnish in its bid a list of all the stockholders holding more than 5 percent of its entire capital stock, and of its directors, and a statement covering the financial set-up, including a list of assets and liabilities; and in the case of a corporation, the original amount paid to such corporation for its stock, and whether paid in cash, and if not paid in cash, a statement for what such stock was issued. Such information and the financial responsibility of such bidder, as well as the bond offered, may be taken into consideration by the Postmaster General in determining the qualifications of the bidder.

"SEC. 10. All persons holding air-mail contracts shall be required to keep their books, records, and accounts under such regulations as may be promulgated by the Postmaster General, and he is hereby authorized to examine and audit the books, records, and accounts of such contractors and to require a full financial report under such regulations as he may prescribe.

"SEC. 11. Before the establishment and maintenance of an air-mail route the Postmaster General shall notify the Secretary of Commerce, who thereupon shall certify to the Postmaster General the character of equipment to be employed and maintained on each air-mail route. In making this determination the Secretary of Commerce, in his specifications furnished to the Postmaster General, shall determine only the speed, load capacity, and safety features and safety devices on airplanes to be used on the route, which said specifications shall be included in the advertisement for bids.

"SEC. 12. The Secretary of Commerce is authorized and directed to prescribe the maximum flying hours of pilots on air-mail lines, and safe operation methods on such lines, and is further authorized to approve agreements between air-mail operating companies and their pilots and mechanics for retirement benefits to such pilots and mechanics. The Secretary of Commerce is authorized to prescribe all necessary regulations to carry out the provisions of this section and section 11 of this act.

"SEC. 13. It shall be a condition upon the awarding or extending and the holding of any air-mail contract that the rate of compensation and the working conditions and relations for all pilots, mechanics, and laborers employed by the holder of such contract shall conform to decisions of the National Labor Board. This section shall not be construed as restricting the right of collective bargaining on the part of any such employees.

"SEC. 14. The Federal Radio Commission shall give equal facilities in the allocation of radio frequencies in the aeronautical band to those airplanes carrying mail and/or passengers during the time the contract is in effect.

"SEC. 15. After October 1, 1934, no air-mail contractor shall hold more than three contracts for carrying air mail, and in case of the contractor of any primary route, no contract for any other primary route shall be awarded to or extended for such contractor. It shall be unlawful for air-mail contractors, competing in parallel routes, to merge or to enter into any agreement, express or implied, which may result in common control or ownership.

"SEC. 16. The Postmaster General may provide service to Canada within 150 miles of the international boundary line, over domestic routes which are now or may hereafter be established and may authorize the carrying of either foreign or domestic mail, or both, to and from any points on such routes and make payment for services over such routes out of the appropriation for the domestic Air Service: *Provided*, That this section shall not be construed as repealing the authority given by the act of March 2, 1929 (U.S.C., supp. VII, title 39, sec. 465a).

"SEC. 17. The Postmaster General may cause any contract to be canceled for willful disregard of or willful failure by the contractor to comply with the terms of its contract or the provisions of law herein contained and for any conspiracy or acts designed to defraud the United States with respect to such contracts. This provision is cumulative to other remedies now provided by law.

"SEC. 18. Whoever shall enter into any combination, understanding, agreement, or arrangement to prevent the making of any bid for any contract under this act, to induce any other person not to bid for any such contract, or to deprive the United States Government in any way of the benefit of full and free competition in the awarding of any such contract, shall, upon conviction thereof be fined not more than $10,000 or imprisoned for not more than 5 years, or both.

"SEC. 19. If any person shall willfully or knowingly violate any provision of this act his contract, if one shall have been awarded to him, shall be forfeited, and such person shall upon conviction be punished by a fine of not more than $10,000 or be imprisoned for not more than 5 years.

"SEC. 20. The President is hereby authorized to appoint a commission composed of five members to be appointed by him, not more than three members to be appointed from any one political party, for the purpose of making an immediate study and survey, and to report to Congress not later than February 1, 1935, its recommendations of a broad policy covering all phases of aviation and the relation of the United States thereto. Members appointed who are not already in the service of the United States shall receive compensation of not exceeding the rate of compensation of a Senator or Representative in Congress.

"SEC. 21. Such commission shall organize by electing one of its members as chairman, and it shall appoint a secretary whose salary shall not exceed the rate of $5,000 per annum. Said commission shall have the power to pay actual expenses of members of the commission in the performance of their duties, to employ counsel, experts, and clerks, to subpena witnesses, to require the production by witnesses of papers and documents pertaining to such matters as are within the jurisdiction of the commission, to administer oaths, and to take testimony, and for such purpose there is hereby authorized to be appropriated the sum of $75,000.

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title and agree to the same with an amendment as follows: In lieu of the title proposed to be inserted by the House amendment, insert the following: "An act to revise air mail laws, and to establish a commission to make a report to the Congress recommending an aviation policy."

And the House agree to the same.

JAS. M. MEAD,
D. C. DOBBINS,
M. A. ROMJUE,
Managers on the part of the House.
KENNETH MCKELLAR,
HUGO L. BLACK,
CARL HAYDEN,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the bill (S. 3170) to revise air-mail laws, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment struck out all of the Senate bill after the enacting clause. The Senate recedes from its disagreement to the amendment of the House, with an amendment which is a substitute for both the Senate bill and the House amendment. The differences between the Senate bill and the substitute agreed upon by the conferees are noted in the following discussion, except for incidental changes made necessary to harmonize various provisions affected by the agreements reached.

Section 1 of the Senate bill repealed the act of April 29, 1930, and the sections of the Air Mail Act amended thereby. The House amendment in section 16 repealed laws in conflict with the provisions of the House amendment. The conference agreement retains the Senate provisions.

RATE OF AIR-MAIL POSTAGE

Section 22 of the Senate bill amended section 3 of the Air Mail Act to fix the postage rate on air mail at 6 cents per ounce or fraction thereof. The House amendment in section 2 fixed the rate of postage at 5 cents, effective July 1, 1934. The conference agreement retains the provisions of section 2 of the House amendment (which also includes definitions of "air mail" and "pilot", in addition to a definition of "person" similar to that in section 2 of the Senate bill) except that the rate of postage is fixed at 6 cents.

CONTRACTS FOR CARRYING AIR MAIL

Section 3 of the Senate bill provided for (1) the awarding of contracts to carry air mail for periods not exceeding 1 year, with payment at the rate of 30 cents per airplane-mile for a mail load not exceeding 300 pounds, plus one-tenth of such rate for each additional 100 pounds of mail carried, subject to a maximum payment of 40 cents per airplane-mile; (2) granting of not to exceed one extension for any route for a distance not exceeding 100 miles; (3) designating of routes as primary and secondary routes, with at least four transcontinental routes to be included as primary routes; (4) authorizing bidders to appeal to the Interstate Commerce Commission from a denial of an award by the Postmaster General; and (5) prohibiting transfer of contracts except with approval of the Interstate Commerce Commission and the Postmaster General. The House amendment, in section 3 thereof, (1) fixed the rate at 35 cents instead of 30 cents; (2) authorized appeal from the Postmaster General in the manner provided by law; (3) authorized the extension of temporary contracts awarded under competitive bidding for additional periods not exceeding 9 months; (4) prohibited transfer of contracts except with the approval of the Postmaster General; and (5) limited air-mail routes to an aggregate of 29,000 miles and air-mail schedules to an annual aggregate of 40,000,000 airplane-miles.

The conference agreement (1) fixes the rate of payment at 33⅓ cents per airplane-mile subject to the maximum of 40 cents per airplane-mile, (2) provides for appeal by bidders to the Comptroller General, (3) retains the provision of the House amendment on limitation of route mileage and aggregate airplane mileage, (4) retains the provisions of the House amendment authorizing the extension of existing emergency contracts, making such contracts subject to the provisions of the act, (5) provides that all of the transcontinental routes and the eastern and western coastal routes shall be designated as primary routes, and (6) prohibits transfer of contracts except with the approval of the Postmaster General.

Section 4 of the Senate bill provided for posting of advertisement of air-mail routes for 30 days, and publication of a notice in a daily newspaper for 4 weeks before opening the bids. The House amendment required posting for 15 days and publication of the notice once in a daily newspaper. The conference agreement requires posting for 20 days and publication of notice thereof once a week for 2 weeks.

Section 5 of the Senate bill allowed a successful bidder a period of 3 months from the date of the award to qualify for carrying air mail. The House amendment contained no corresponding provision, and the conference agreement retains the Senate provision except that the 3 months' period is reduced to 30 days.

FIXING OF RATES BY INTERSTATE COMMERCE COMMISSION

Section 6 of the Senate bill (1) authorized the Interstate Commerce Commission to fix and determine the public convenience and necessity for all air transportation routes

and the fair and reasonable rates of compensation for the transportation of mail matter by airplane common carriers, (2) authorized the extension of emergency air-mail contracts for not to exceed 9 months at the rates fixed in the contracts, (3) made the provisions of the Railway Mail Service Pay Act of July 28, 1916 (relating to the rates for carriage of mail by railroad), applicable to the adjustment of rates for carrying air mail by airplane, and (4) prohibited the inclusion of any subsidy by way of compensation for carrying air mail. The House amendment contained no corresponding provisions, except as to extension of emergency contracts (sec. 3).

The conference agreement provides that the Interstate Commerce Commission shall (1) fix and determine as soon as practicable the fair and reasonable rates of compensation for carrying air mail by airplane, (2) take into consideration in determining rates various elements relating to air-mail operations, (3) fix the rates so as to keep the aggregate cost of air-mail transportation on and after July 1, 1938, within the limits of the anticipated postal revenue from air mail, and (4) review annually the rates to determine that no unreasonable profit is accruing from air-mail operations. The conference agreement further provides for the indefinite extension of air-mail contracts let under the act, if satisfactorily performed, subject to any reduction in the rate of payment pursuant to the rates fixed by the Interstate Commerce Commission.

RELATIONS OF AIR-MAIL CONTRACTORS WITH HOLDING COMPANIES, AVIATION MANUFACTURING COMPANIES, AND OTHER AIR-MAIL CONTRACTORS

Section 7 of the Senate bill prescribed requirements relating to holding-company control, relations with aviation manufacturing companies, interlocking directorates and other intercorporate relationships, and salaries of officers of air-mail contracting companies. The House amendment had no similar provisions. The conference agreement in general retains the provisions of the Senate bill with some rearrangement of language for greater clarity, postponing the effective date of the requirements until January 1, 1935.

Section 8 of the Senate bill relating to eligibility of bidders for air-mail contracts and cancelations of air-mail contracts under section 3950 of the Revised Statutes corresponded substantially with section 5 of the House amendment, and the language of the Senate bill is retained.

Section 9 of the Senate bill required the furnishing of lists of stockholders and a financial statement in connection with bids for air-mail contracts. The House amendment contained no similar provision, and the conference agreement retains the Senate section.

Section 10 of the Senate bill relating to the keeping of accounts by air-mail contractors is the same as section 6 of the House amendment and is retained without change.

Section 11 of the Senate bill relating to equipment to be used by air-mail contractors is the same as section 7 of the House amendment and is retained without change.

Section 12 of the Senate bill authorized the Secretary of Commerce to prescribe maximum flying hours of pilots, safe operation methods, and to initiate and approve agreements for retirement benefits for pilots and mechanics. The corresponding section 8 of the House amendment did not have the provision relating to retirement benefits. The conference agreement authorizes the Secretary of Commerce to approve (but not to initiate) agreements relating to retirement benefits for pilots and mechanics.

Section 13 of the Senate bill relating to rate of compensation of pilots, mechanics, and laborers corresponds to section 9 of the House amendment, and is retained except for modifications of language to take care of the extensions of contracts provided for in previous sections and to recognize the fact that the National Labor Board has already rendered decisions on rates of compensation, working conditions, and relations of pilots, mechanics, and laborers, which have modified those in force in 1933.

Sections 14, 15, and 16 of the Senate bill contained provisions relating to transfer and training of personnel of the Army, Navy, and Marine Corps with respect to the commercial air-mail service. The House bill contained no corresponding provisions, and the conference agreement omits any such provisions.

Section 17 of the Senate bill provided for the allocation of equal radio facilities to airplanes. The corresponding section 10 of the House amendment limited the allocation to radio frequencies in the aeronautical band, and the conference agreement (sec. 14) accepts this House amendment.

MERGER OF CONTRACTORS

Section 18 of the Senate bill contained provisions relating to the merger of air-mail contractors and the holding of more than one contract by an air-mail contractor. The House amendment contained no corresponding provision. The conference agreement (sec. 15) provides that no air-mail contractor shall hold more than three contracts for carrying air mail and that the contractor of a primary route shall not be allowed to hold a contract for any other primary route. The conference agreement (sec. 15) retains the Senate provision against the merging of air-mail contractors competing in parallel routes.

Section 19 of the Senate bill reenacted section 8 of the Air Mail Act of 1925, and this provision is retained in the conference agreement (sec. 16).

PENAL PROVISIONS

Sections 20, 21, and 23 of the Senate bill contained the penal provisions and correspond to sections 12, 13, and 14 of the House amendment. The conference agreement (secs. 17, 18, and 19) modified (1) section 20 to provide for cancelation of contracts for failure to comply with the terms of the contract as provided in section 12 of the House amendment; (2) retains section 13 of the House amendment, which contained a provision making it unlawful to deprive the United States of the benefit of full and free competition; and (3) retains, without change, section 23 of the Senate bill, which is the same as section 14 of the House amendments.

COMMISSION ON AVIATION POLICY

Sections 24 and 25 of the Senate bill provided for an aviation policy commission composed of seven members, with a secretary at a salary of $7,500 per annum and with an authorization for expenses of $100,000. The House amendment in sections 17 and 18 provided for a commission of five members to report to Congress not later than February 1, 1935, and to have a secretary at a salary of $5,000 per annum, and with an authorization of expenses of $75,000. The conference agreement (secs. 20 and 21) retains the provisions of the House amendment.

JAS. M. MEAD,
M. A. ROMJUE,
D. C. DOBBINS,
Managers on the part of the House.

Mr. MEAD. Mr. Speaker, I yield 20 minutes to the gentleman from Pennsylvania [Mr. KELLY].

Mr. KELLY of Pennsylvania. Mr. Speaker, this conference report, which is the result of efforts to straighten out the present confused air-mail situation, in my estimation, will make the chaos complete. The last 90 days have witnessed a number of strange situations, but this measure will put the capsheaf on the chaotic situation which has existed during that time.

The House committee brought in a bill which was frankly a temporary measure. It had two features. One provided for the temporary contracts; the second was a commission to make a study and report to the next Congress. That at least was a logical plan and could have been operated had it not been for the fact that the Post Office Department prior to that time had awarded contracts under the old, superseded wagon route law of 1872, and had announced that they proposed to let all contracts on that basis. Therefore, when the House committee brought in its bill it was a temporary bill which was nullified by the action of the Post Office Department.

That bill went to conference and we met there a bill which had a permanent plan for air mail. This conference report is the alleged permanent policy for the future of air mail.

In my estimation, it is so temporary that everybody concerned will be pleading for its repeal at the earliest moment possible in the next Congress.

This measure provided in the conference report is built upon two exactly opposite principles. It is a conflict of incompatibles. In the first place, it puts its faith in unrestricted competitive bidding. In the first section of the bill it has a plan laid out as follows:

> The Postmaster General is authorized to award contracts for the transportation of air mail by airplane between such points as he may designate, and for initial periods of not exceeding 1 year, to the lowest responsible bidders tendering sufficient guaranty for faithful performance in accordance with the terms of the advertisement.

Now, that is at least a plan whereby the lowest responsible bidder can come in and take contracts, but it is not the intention to let contracts under that provision. Contracts have already been let and are being let on a 90-day provision under the act of 1872. It is not the intention to use these 1-year contracts at all. Such action might be logically defended, although I oppose it. That is, on the basis of unrestricted competitive bidding, companies could come in and take the contracts. That is completely nullified in this bill by the restrictions which are laid down upon bidders and upon the awarding of a contract. For instance, primary routes are laid out in this bill as transcontinental and eastern and western coast lines. Those are called primary routes, and by the terms of this bill, as now written, no company shall have more than one of those routes. At the present time, under the bids which have been let and awarded by the Post Office Department, United Airways holds a contract for the transcontinental, from New York to San Francisco. They also hold, as the lowest bidders, a contract between Seattle and San Diego. Under the provisions of this bill one of those routes must be canceled. Now these operators have come in; they have been bidding; they have been declared responsible, and they have legal contracts, yet under the terms of this bill they must be deprived of either the transcontinental or the west coast line. That is one restriction which completely nullifies the open competitive-bidding plan.

There is another. Under this bill, as written, no company shall have more than three contracts. At the present time American Airways has been granted two contracts as the lowest responsible bidders. On Friday the Department opened bids on other contracts, and the American Airways came in as the low bidder on five of them. Under the terms of the conference report bill, it is impossible to grant them to the lowest responsible bidders. They can only have three contracts. Therefore there must be a cancelation and new contracts must be ordered.

Mr. DOBBINS. Will the gentleman yield as to the statement just now made?

Mr. KELLY of Pennsylvania. I yield.

Mr. DOBBINS. The bill recommended by the conference report provides that that shall not be in effect after October 1, 1934, and will permit these 3-month contracts let to be carried out.

Mr. KELLY of Pennsylvania. Yes; but that makes it worse. After 3 months' operation they must give way to a new company. This is a permanent policy bill and the provisions written into it are supposed to be for permanent legislation. There must be cancelation of some of these contracts in order to bring them within three, which is the limit in this bill.

Now, this bill also lays down requirements which are unknown and uncertain, and which apply after an award has been made. For instance, there is a very worthy provision in any air mail law. That is, all contractors must abide by the decision of the Labor Board as to wages and working conditions. The bidders bid under no such consideration, and they are in a position to say the advertising for bids was unfair and the award was made on a different basis.

Then there is the provision that the equipment requirements may be laid down by the Secretary of Commerce. That is another restriction on the principle of the lowest responsible bidder's getting the award. They are good requirements but they cannot be squared with the fundamental principle of this bill. In my opinion, it will be impossible to operate this measure as it is provided, and there will be a cancelation of contracts and continual confusion. There will be opening of new bids. There will be varying interpretations. It will bring uncertainty and chaos into the situation, and there is no solution in this measure.

Further, this bill provides that these 90-day contracts may be extended from time to time up to an aggregate of 9 months.

At the end of these extensions, however, it is provided that the Interstate Commerce Commission may take over the contracts, give them an indefinite franchise, and fix the rates of payment. One section of the report would indicate that the Commission might make a fair rate for the carriage of air mail by airplane; but that is not the real intent. The Interstate Commerce Commission is given authority only to reduce the rates under the contract bid. They cannot fix a fair rate which will cover the actual carriage of the air mail. They are held down to the contract bid for all time.

Last Friday American Airways put in a bid of 8 cents a mile from Chicago to Fort Worth. At the same time they put in a bid of 43½ cents a mile for another line. There is no justification for such a variance in bids. If the low bid is fair, the high bid is outrageously unfair. If the lowest bid of 8 cents a mile is unfairly low, then the Interstate Commerce Commission is forever precluded from going above 8 cents but can only bring the rate down. The 39½-cent rate can be shaded down little by little, leaving a great margin between rates paid.

I wish the entire membership of the House knew these bids which were made as the result of advertising under the law of 1872. It is the most striking thing which can be imagined. For instance, the United was awarded the contract between New York and San Francisco at a rate of 38 cents an airplane-mile. The other transcontinental line, T.W.A., on a route between New York and Los Angeles, was awarded the contract at 24 cents a mile. Between these two bids is a range of 14 cents a mile for service under exactly similar conditions. A still more striking example is the bid of the American Air Lines, known as the "Cord Co." It was given a contract on bids made under the law of 1872 between Fort Worth and Los Angeles at a rate of 39½ cents a mile.

On Friday this company bid on the route between New York and Fort Worth, the other leg of a transcontinental route, at 13 cents a mile. Now, if they are granted this contract as the lowest bidder, then mail going from New York to Fort Worth will be paid for at the rate of 13 cents a mile and will be picked up at Fort Worth and carried to Los Angeles at 39 cents a mile, an astounding situation that should never exist under any legislation. By dividing this transcontinental route in two, the company can hold three contracts instead of one. If the Department says that this is a transcontinental line and combines the two, making the route New York to Los Angeles by way of Fort Worth, then there must be a cancelation of these two contracts and bids again submitted under entirely new conditions. Those things mean that there is chaos and uncertainty built into this entire bill. It is impossible to believe that the situation can continue where there is a difference in bids from 8 cents to 39½ cents. Sooner or later some attempt must be made to get a fair rate for the actual carriage of the mail. I do not believe a single Member of this House would contend that this measure is a solution of the air-mail situation. It is a desperate attempt to meet a series of emergencies resulting from the cancelation of all contracts on February 9. I know the Post Office Committee of this House could write a measure which would provide a fundamental solution, and was ready to do it at the time of the cancelation of the contracts.

This measure, as now written, will have to be repealed or completely modified as soon as the next Congress meets. Not only that, but during the ensuing 6 months there will be continual rearrangements, cancelation, and complaints. The operation under interstate-commerce control will be confusion worse confounded. I believe we should have undertaken to write permanent air-mail legislation. We had a bill before the House committee which was the result of a year's study. The basis of pay was not the airplane-mile basis as used in this bill. Under the pending bill there is no relationship between the amount of mail carried and the payment up to 300 pounds. In other words, the limitation here of 33⅓ cents per mile is based on loads up to 300 pounds, but it is possible to have payment for a 10-pound load up to the entire amount of this rate.

The Postmaster General has been declaring that the result of all this medley has been a greatly decreased cost of carrying the air mail. It has been declared that we will save $10,000,000 a year under the low bids that are now being received. Mr. Speaker, this is a fallacy. We have now a spider web over this country without proper regard to where the mail volume really is. We have a spider web on a one-round-trip-a-day basis. Under this system, figuring on the lowest bids received, counting the 8-cent bid and all the rest, the total cost will run between $7,000,000 and $8,000,000. In order to give the country air-mail service such as it was receiving before February 9, it will be necessary to double these schedules, and by doubling them there will be a doubled cost. So before we say there has been any $10,000,000 saving we shall have to figure the service that must be given. The only way to get air mail on a basis which provides a permanent solution is through the pound-mile basis instead of the airplane-mile basis, so that on every pound of mail carried 1 mile a fixed rate would be established. This can be done to come within the revenues being received.

I have not time to call attention to all the inconsistencies in this bill. One of them provides that no bidder shall bid unless he files with his bid a list of his stockholders, his directors, and his assets and liabilities. Another provision of the bill provides that a bidder may have 30 days to organize a company and qualify after the award of the contract has been made.

In other words, a bidder without any assets can be awarded a contract, and with that contract in his pocket he can go out and sell stock, arrange his board of directors, and establish his assets.

Contradictions in this bill are numerous, and operation will prove their impossibility. However, the fundamental thing that is wrong is the attempt to put a competitive, unrestrictive price-bid plan in effect with all kinds of restrictions which completely nullify that principle. If I had the power I would make these airplane companies common carriers as are the railroads. I would lay down an established rate per pound-mile for the carriage of mail by aircraft and provide that after a fixed date the total pay should not exceed the amount of revenues received. That would be a fundamental policy, and sooner or later we must adopt it.

Mr. BACON. Will the gentleman yield?

Mr. KELLY of Pennsylvania. I yield to the gentleman from New York.

Mr. BACON. What is the necessity for this legislation at all if the Postmaster General is proceeding under the act of 1872?

Mr. KELLY of Pennsylvania. There is no necessity for it at this time, because they can extend those routes for 9 months.

Mr. BACON. Would it not be better to wait until the next Congress and then have a real investigation so that a permanent policy could be worked out?

Mr. KELLY of Pennsylvania. That is the only sensible thing to do under the conditions as they now exist. We have to face the fact that they are going to continue for 9 months under the old law unless they are declared invalid in the courts. There is a commission to be appointed under this bill, with an appropriation of $75,000 for them to make a study of the situation. This commission is to report by February 1935. In the same measure we are setting up permanent provisions while we are spending this $75,000 for a commission to report recommendations as to permanent policy.

This is an absurd situation, and it seems to me it might be well to allow the matter to rest in the hands of the Department with the power to make 9-month contracts by extensions and then have the commission report permanent recommendations. Under such circumstances we might then have a final solution. Under this measure there will be many complications, and it will be impossible for the public to know what air-mail service can be extended to them.

It is an absurdity to attempt to write a permanent bill on a temporary framework. It is an absurdity to set up unrestricted competition and, at the same time, handicap bidders with restrictions that were not taken into consideration at the time of bidding. While I take it for granted the measure will be passed, I simply want to say that the operation of it will be the culmination of the air-mail chaos. It will prove impracticable, and it will only make more certain the necessity of the Congress itself writing a fundamental air-mail bill for the benefit of the public and the Postal Service. The sooner we do that the better it will be for all concerned.

Mr. CARTER of Wyoming. Will the gentleman yield?

Mr. KELLY of Pennsylvania. I yield to the gentleman from Wyoming.

Mr. CARTER of Wyoming. I notice on page 2 of the conference report these words, "and the eastern and western coastal routes." In the bill which passed the House these words were not included?

Mr. KELLY of Pennsylvania. They were not.

Mr. CARTER of Wyoming. Can the gentleman tell me what brought about the declaration that the eastern and western coastal routes were among the primary routes?

Mr. KELLY of Pennsylvania. It was declared that the east and west coastal lines were transcontinental lines and should be put in that classification.

Mr. CARTER of Wyoming. At the opening of bids recently the United Air Lines was successful in bidding on the route from New York to San Francisco and a[illegible]e on the west coast. If this bill passes, it will penalize the United Air Lines, and they will have to give up one of those routes?

Mr. KELLY of Pennsylvania. Yes. That is just one of the features in the measure. United has already been awarded the contract, and here is a cancelation enforced by the terms of this bill which we are passing now.

Mr. CARTER of Wyoming. It seems to me this was put in to favor some line that had not been a successful bidder.

[Here the gavel fell.]

Mr. KELLY of Pennsylvania. Mr. Speaker, I ask unanimouse consent to extend my remarks by including the bids received in the recent letting by the Department.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. KELLY of Pennsylvania. Mr. Speaker, I am appending herewith the result of the bidding for air-mail contracts under the 1872 law, with the successful companies shown.

	Route	Total mail-miles scheduled	90 percent of mail-miles scheduled	Cost for 90 percent service	Rate
United Air Lines	New York to San Francisco	4,517,240	4,065,516	$1,544,896.08	$0.38
Transcontinental & Western Air, Inc	New York to Los Angeles	3,709,140	3,338,226	801,174.24	.24
Eastern Air Lines	New York to Miami	1,744,700	1,570,230	455,366.70	.29
United Air Lines	Seattle to San Diego	1,143,910	1,029,519	405,660.00	.395

	Route	Total mail-miles scheduled	90 percent of mail-miles scheduled	Cost for 90 percent service	Rate
Eastern Air Lines	New York to New Orleans	1,529,350	1,376,415	$261,518.85	$0.19
Central Airlines	Washington to Detroit	667,220	600,498	142,918.52	.238
Eastern Air Lines	Chicago to Jacksonville	677,440	609,696	115,842.24	.19
Long & Harman	Amarillo to Brownsville	821,250	739,125	145,977.18	.1975
United Air Lines	Salt Lake City to Seattle	751,170	676,053	267,040.93	.395
General Air Lines	Salt Lake City to San Diego	567,940	511,146	122,675.04	.24
American Airlines	Boston to New York	293,460	264,114	88,029.19	.333
Pacific Seaboard Airlines	Chicago to New Orleans	659,190	593,271	103,822.42	.175
American Airlines	Fort Worth to Los Angeles	969,440	872,496	344,635.92	.395
Do	New York to Buffalo to Chicago	687,010	618,309	244,232.05	.395
Wyoming Air Service	Cheyenne to Pueblo	216,940	195,246	68,336.50	.35
Braniff Airways	Chicago to Dallas	697,150	627,435	141,172.87	.225
Alfred Frank	Salt Lake City to Great Falls	377,410	339,669	132,470.91	.39
Hanford Tri State	Chicago to Pembina	873,080	785,772	154,011.31	.196
Northwest Airlines	Fargo to Seattle	938,780	844,902	285,154.42	.3375
American Airlines	New York to Fort Worth	1,065,800	959,220	124,698.60	.13
Delta Air Service	Charleston to Fort Worth	793,510	714,159	177,111.43	.248
American Airlines	Chicago to Fort Worth	667,220	600,498	48,039.84	.08
Do	Washington to Chicago	495,670	446,103	129,369.87	.29
Do	Cleveland to Nashville	343,100	308,790	45,932.51	.14875
Do	Boston to Cleveland	446,760	402,084	98,516.58	.245
National Airways	Boston to Bangor	299,300	269,370	79,464.15	.295
Pennsylvania Airlines & Transport Co	Detroit to Milwaukee	193,450	174,105	67,726.84	.389
Robertson Airplane Service Co	New Orleans to Houston	246,010	221,409	36,975.30	.167
Wyoming Air Service	Billings to Cheyenne	295,650	266,085	75,834.22	.285
Hanford Tri-State	St. Paul to Kansas City	629,990	566,991	107,161.29	.189
Varney Speed Lines	Pueblo to El Paso	386,900	348,210	83,570.40	.24
Franklin & Baker	Daytona to St. Petersburg	108,040	97,236	16,513.12	.17

Mr. MEAD. Mr. Speaker, I yield 10 minutes to the gentleman from Illinois [Mr. DOBBINS].

Mr. DOBBINS. Mr. Speaker, the gentleman from Pennsylvania who has so emphatically denounced this conference report, has well described our conference and the proceedings leading up to the passage of this legislation as a conflict of incompatibles. The incompatibility in this conflict has resulted from the widely divergent views of those who desire the air mail to be carried over the country at the most reasonable rate which the Government can obtain, and of those who would create a monopolistic rate and would perpetuate the old carriers in their monopoly.

On the first day of the special session of this Congress, in March of last year, there was introduced in this House a bill which represents one school of thought in this conflict of incompatibility. It is H.R. 3, introduced by the gentleman from Pennsylvania [Mr. KELLY]. May I call the attention of the House to the purpose expressed in that bill as to the manner in which air-mail contracts should be let?

In section 4 appears this language:

Provided, further, That no mail shall be dispatched on planes operated by any individual, firm, or corporation whose planes were not carrying air mail on January 1, 1933, except as hereinafter provided.

Think [illegible] that language. It would permit none to carry the air mail of this country unless it is one of the favored contractors who had received one of the contracts awarded by the former Postmaster General, Mr. Brown.

True, there is an exception, but the exception is a very minor one and appears in section 7 of the bill H.R. 3, where provisions for extension of existing service are set forth. Then others might come in and get a contract, but only in the case of new or additional routes, which would not duplicate service already in existence and performed by what the bill calls a "regular operator." And no one could get one of these comparatively rare new contracts, under that bill, unless he had maintained a daily scheduled air transportation service over a route not less than 250 miles in length for a period of 6 months.

Referring to this legislation, which would continue upon improved terms, the very reasonable contracts now being started, the gentleman calls it chaos. If this be chaos, we had better have more of it. Under the contracts that have just been let, and assuming the lowest bidders in these recent lettings will receive the contracts now in process of formation, the cost of the air-mail service for this country, with over 3,000 miles of additional routes and reaching every State of the Union, which we did not do before this, and supplying 20 cities never served before, will amount to less than 40 percent of what it was 2 years ago, when Mr. Brown was in office. We shall see an annual saving of nearly $12,000,000.

Mr. HARLAN. Mr. Speaker, will the gentleman yield?

Mr. DOBBINS. I yield.

Mr. HARLAN. I understood the gentleman from Pennsylvania [Mr. KELLY] to make the statement that the quantity of service on these different lines and to these different stations had been materially reduced and that this reduction in cost was due to the reduction in quantity of service. Is the gentleman prepared to give us some information on that point?

Mr. DOBBINS. The aggregate trip mileage of the routes flown in 1932 was about 34,500,000 miles. Under the schedules now provided it runs something over 28,500,000 miles. So an increase of considerably less than 25 percent would provide more schedules than we had before with an increase of about 20 percent in the cost, and this would run us up to about $9,000,000 annually, whereas the cost was just about $20,000,000 before.

Mr. HARLAN. If the gentleman will permit another question, the matter I am interested in is this: Under the old schedule a certain number of deliveries were made, say, in Washington in a day. Is the number of deliveries being reduced under the new bill?

Mr. DOBBINS. By an increase of less than 25 percent in the number of airplane miles or schedules now provided for, we can furnish more service than we had before, but it is the feeling of the Post Office Department that we had an unnecessary number of schedules before; that schedules were sometimes provided where they were not needed, and this resulted in unwarranted payments of additional compensation to the carriers.

Competition in this matter has produced, it is true, some rates which are not in harmony. As the gentleman from Pennsylvania [Mr. KELLY] pointed out, over one route there is a bid of 13 cents a mile for one part of the route and a bid of about twice as much for the remainder of the route. This law, however, provides that the Interstate Commerce Commission shall supervise these rates and will harmonize them, and when they have done that, the rates will have to be reduced down to whatever the Interstate Commerce Commission finds to be reasonable or the contract will be terminated.

The bill, as it has been agreed to in conference, ratifies and confirms the contracts now being let by the Post Office Department and provides for their extension, but in permitting such extension it is further provided they cannot be extended for more than they were originally bid for nor for more than this act provides as a top limit.

This answers completely the contention that these contractors are bidding a ridiculously low rate so as to per-

petuate themselves in a contract and, later, will have their rate of pay increased. That simply cannot be done. If they are not satisfied with the rate they have bid or if they are not satisfied with the limitation which this bill puts upon the contract, the only alternative is to call for new competitive bids.

Now, Mr. Speaker, it is not necessary, in order to protect these corporations against their own folly, that we guarantee them a rate more than that for which they say they can carry this mail and carry it at a profit. By their own admissions in these competitive biddings, they have shown they can carry the mail for less than half what it was carried for before and make a profit, and I do not think it is necessary for Congress to constitute itself a conservator for the airlines to see that they are paid twice as much as they think they should have upon the absurd pretext that they may otherwise not ruin themselves in the undertaking.

This act recommended by the conference provides that no holder of a primary route may have a contract on another primary route, and it provides that the eastern and western coastal lines shall be primary routes.

There is a good reason back of this provision. Four transcontinental routes terminating at different points on the Pacific coast are primary routes. If the holder of any one of these routes should be allowed to have a connecting link across the termini of the four great transcontinental airlines on the Pacific coast or on the Atlantic coast, it would be quite possible for that one concern so to arrange its passenger schedules as to divert an undue proportion of the transcontinental-air-passenger traffic to the particular trunk route being operated by the company having the coastal-route contract. Therefore it is provided in this bill that no two of these contracts shall be held by the same person.

The pound-mile rate of pay is advocated by the opposition as the only ideal way of compensating air-mail carriers for the transportation of the mails. If that idea should be carried into effect, it would mean that any operator in any part of the country must be paid the same rate per pound of air mail carried as any other operator in any other part of the country; and it is well known, as the regulations established by the former Postmaster General recognize, that there are varying conditions throughout the country which make it more expensive to carry mail through the air in some parts of the country than in others. Some ships must fly over mountains, while others have nothing but plains to traverse, with an emergency landing field furnished by every field or pasture beneath them, whereas those going over the Rocky Mountains or similar terrain must frequently fly hundreds of miles before they can find an emergency landing field. Fog and snow conditions in the Northwest make it difficult and expensive to operate an air service there, whereas down in the southern part of the country the service can be operated on an uninterrupted daily schedule without any climatic handicap adding to the expense. Some lines have heavy passenger traffic, which enables them to support their overhead costs without requiring much help from air-mail revenues, while on other lines there is practically nothing to be transported except the mails.

The directions to the Interstate Commerce Commission provided for in this bill are that all of such elements shall be taken into consideration by the Interstate Commerce Commission in establishing what are fair rates in this bill. That, Mr. Speaker, protects the United States Government and the people of the United States in the matter of rates, and this law provides for revision of rates by the Interstate Commerce Commission in only one direction—downward. Moreover, the Interstate Commerce Commission is prevented by the provisions of this act from increasing the cost of air transportation above whatever rate the contractors themselves may bid for their respective contracts, so long as the contracts are held without a new competitive letting of bids.

Therefore, the only direction that we can go under this bill is in the direction of improvement, in the direction of the best interests of the people, and that is what we are going to do.

This new air mail act has been most carefully studied by the conferees. It does not represent solely the views of the House, neither does it represent the individual views of the Senate, but it constitutes a very fair and reasonable compromise between the views of both bodies; and I am satisfied that experience will demonstrate that it is an excellent law. [Applause.]

Mr. MEAD. Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. DOCKWEILER].

Mr. DOCKWEILER. Mr. Speaker and Members of the House, I agree with the House conferees and the Democratic conferees fixing the rate for carrying air mail. I do not agree with my friend from Pennsylvania [Mr. KELLY] in the 1 mill per pound-mile for carrying air mail.

I do believe that the method fixed by the House bill is the correct method. Now, that is purely a question that is debatable, and I think time will prove whether the Democratic conferees are correct, or whether the other side of the House is correct, because I believe that the gentleman from Pennsylvania speaks more or less the sentiment on his side of the House.

Now, my only objection to this report is that I am wondering what is going to happen to the Pacific coast. I do not see the logic in preventing a contractor of a transcontinental line from taking a contract on a part or all of a north and south primary route.

Now, four great routes across the country are fixed by this bill, and two routes north and south, one on the Atlantic and one on the Pacific coast. I shall speak only of the situation on the Pacific coast. We have been served by airplane service for passenger, express, and also for mail from San Diego to Seattle. The United Air Lines happens to be at this time the successful bidder and operator of the line going up and down the coast on the Pacific. It is thought by letting United Air Lines retain that primary route as a contractor and then permitting that same line to have a transcontinental primary route from the eastern coast of San Francisco that that particular company might discriminate along the coast in order to secure all of the coastal business over its primary route across the continent. I believe that is a bugaboo and that in practice will not be a real objection, because you have a primary route ending at San Diego. Whatever company has that terminus at San Diego, naturally enough will get all business generated in that area, and that business will go over that transcontinental route if that business seeks to reach the Atlantic coast or other points east. Los Angeles is the terminus of a primary transcontinental route. Whatever business is generated in that area will naturally go across the continent on the primary route whose terminus is at Los Angeles, and, so far as the business generated at San Francisco is concerned, whatever company has the terminus at San Francisco will take it east across the continent. That happens to be the United. Naturally enough they will get that business out of that area; and when you get to Seattle, Wash., and Portland, Oreg., whatever business is generated there will go east over the northern transcontinental primary route. It is not logical to believe that a man will go over the United Air Lines and leave Los Angeles and fly to San Francisco in order to get east across the continent.

That is my objection to this report. I believe the report should be voted down in order that that illogical situation may be clarified.

Mr. MEAD. Mr. Speaker, I yield 2 minutes to the gentleman from Oklahoma [Mr. MCCLINTIC].

Mr. MCCLINTIC. Mr. Speaker, I have asked for this time to announce that today I have placed in the basket a joint resolution which has been prepared by me with the aid of the drafting committee, which would authorize the Secretary of the Treasury to use the unpledged monetary stocks and the unpledged securities of the R.F.C., the Farm Credit Administration, and other Government agencies for the purpose of issuing currency, so that a sufficient amount can be issued to relieve the enormous burden that today is falling upon the Government, which causes us to pay over eight hundred million dollars a year in the way of interest on

	Route	Total mail-miles scheduled	90 percent of mail-miles scheduled	Cost for 90 percent service	Rate
Eastern Air Lines	New York to New Orleans	1,529,350	1,376,415	$261,518.85	$0.19
Central Airlines	Washington to Detroit	667,220	600,498	142,918.52	.238
Eastern Air Lines	Chicago to Jacksonville	677,440	609,696	115,842.24	.19
Long & Harman	Amarillo to Brownsville	821,250	739,125	145,977.18	.1975
United Air Lines	Salt Lake City to Seattle	751,170	676,053	267,040.93	.395
General Air Lines	Salt Lake City to San Diego	567,940	511,146	122,675.04	.24
American Airlines	Boston to New York	293,460	264,114	88,029.19	.333
Pacific Seaboard Airlines	Chicago to New Orleans	659,190	593,271	103,822.42	.175
American Airlines	Fort Worth to Los Angeles	969,440	872,496	344,635.92	.395
Do	New York to Buffalo to Chicago	687,010	618,309	244,232.05	.395
Wyoming Air Service	Cheyenne to Pueblo	216,940	195,246	68,336.50	.35
Braniff Airways	Chicago to Dallas	697,180	627,435	141,172.87	.225
Alfred Frank	Salt Lake City to Great Falls	377,410	339,669	132,470.91	.39
Hanford Tri State	Chicago to Pembina	873,080	785,772	154,011.31	.196
Northwest Airlines	Fargo to Seattle	938,780	844,902	285,154.42	.3375
American Airlines	New York to Fort Worth	1,095,800	986,220	124,698.60	.13
Delta Air Service	Charleston to Fort Worth	793,510	714,159	177,111.43	.248
American Airlines	Chicago to Fort Worth	667,220	600,498	48,020.94	.08
Do	Washington to Chicag				
Do	Cleveland to Nashvill				
Do	Boston to Cleveland				
National Airways	Boston to Bangor				
Pennsylvania Airlines & Transport Co	Detroit to Milwaukee				
Robertson Airplane Service Co	New Orleans to Houst				
Wyoming Air Service	Billings to Cheyenne				
Hanford Tri-State	St. Paul to Kansas Ci				
Varney Speed Lines	Pueblo to El Paso				
Franklin & Baker	Daytona to St. Peters				

Mr. MEAD. Mr. Speaker, I yield 10 minutes to the gentleman from Illinois [Mr. DOBBINS].

Mr. DOBBINS. Mr. Speaker, the gentleman from Pennsylvania who has so emphatically denounced this conference report, has well described our conference and the proceedings leading up to the passage of this legislation as a conflict of incompatibles. The incompatibility in this conflict has resulted from the widely divergent views of those who desire the air mail to be carried over the country at the most reasonable rate which the Government can obtain, and of those who would create a monopolistic rate and would perpetuate the old carriers in their monopoly.

On the first day of the special session of this Congress, in March of last year, there was introduced in this House a bill which represents one school of thought in this conflict of incompatibility. It is H.R. 3, introduced by the gentleman from Pennsylvania [Mr. KELLY]. May I call the attention of the House to the purpose expressed in that bill as to the manner in which air-mail contracts should be let?

In section 4 appears this language:

Provided, further, That no mail shall be dispatched on planes operated by any individual, firm, or corporation whose planes were not carrying air mail on January 1, 1933, except as hereinafter provided.

Think [redacted]at language. It would permit none to carry the air mail of this country unless it is one of the favored contractors who had received one of the contracts awarded by the former Postmaster General, Mr. Brown.

True, there is an exception, but the exception is a very minor one and appears in section 7 of the bill H.R. 3, where provisions for extension of existing service are set forth. Then others might come in and get a contract, but only in the case of new or additional routes, which would not duplicate service already in existence and performed by what the bill calls a "regular operator." And no one could get one of these comparatively rare new contracts, under that bill, unless he had maintained a daily scheduled air transportation service over a route not less than 250 miles in length for a period of 6 months.

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Mr. McCLINTIC. Mr. Speaker, I have asked for this time to announce that today I have placed in the basket a joint resolution which has been prepared by me with the aid of the drafting committee, which would authorize the Secretary of the Treasury to use the unpledged monetary stocks and the unpledged securities of the R.F.C., the Farm Credit Administration, and other Government agencies for the purpose of issuing currency, so that a sufficient amount can be issued to relieve the enormous burden that today is falling upon the Government, which causes us to pay over eight hundred million dollars a year in the way of interest on

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Mr. MEAD. Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. DOCKWEILER].

Mr. DOCKWEILER. Mr. Speaker and Members of the House, I agree with the House conferees and the Democratic conferees fixing the rate for carrying air mail. I do not agree with my friend from Pennsylvania [Mr. KELLY] in the 1 mill per pound-mile for carrying air mail.

I do believe that the method fixed by the House bill is the

securities and bonds, many of which are untaxable. The question uppermost in the minds of many people is, How long can this Government continue at its present rate of spending? Unless something is done to solve this problem, and put an end to the issuing of tax-exempt securities, the burden of the Government will gradually grow larger. I take the position that the best policy that could be put into effect would be to print sound currency against the assets of the Government; take up and cancel as many as possible of the outstanding tax-free bonds and securities with this new issue of money, thus causing those who have invested their funds in Government securities to seek investments through normal channels which will result in a stimulation to business and at the same time reduce the Government's annual interest obligation. In other words, my proposal would cause currency to be printed and have behind it securities based upon land values and other kinds of legitimate business that have a recognized value, as well as the surplus gold and silver owned or controlled by the Government.

I ask unanimous consent to extend my remarks and to include a copy of the joint resolution.

The SPEAKER. Is there objection?

There was no objection.

The matter referred to follows:

House Joint Resolution 360

Joint resolution to provide for the issue of United States notes on Government owned or pledged securities to be used to retire interest-bearing obligations of the United States and levying a tax on profits made in certain transactions

Resolved, etc.,

Whereas the question uppermost in the minds of all thinking people is how far and how long can this Government continue at the rate of speed it is now going with respect to expenditures without being confronted with a serious catastrophe; and

Whereas the United States has outstanding obligations amounting to over $25,000,000,000, which is causing the Government to expend over $800,000,000 per year in the way of interest, which is being principally paid to the holders of outstanding bonds and various kinds of short-time certificates of indebtedness; and

Whereas such bonds and certificates of indebtedness are wholly or in part exempt from taxation, which allows many individuals to invest their capital without being called upon to defray any part of the necessary expense of maintaining the Government; and

Whereas the policy of issuing tax-exempt securities can be compared to an inward malignant cancer, which is gradually consuming the capital stock in the way of values belonging to our Government, and, unless new policies can be put into effect which will change existing conditions, it is apparent to all that a small minority of beneficiaries will be able to retain control over the wealth of the Nation in a way that is certain to bring hardships to all of our citizens: Therefore be it

Resolved, etc., That the Secretary of the Treasury is authorized and directed to issue United States notes in such form and such denominations as he deems advisable, and in amounts as authorized in section 2 (b) of this act. Such notes, to the extent of the aggregate amount thereof so authorized to be outstanding, shall be used to meet all maturing and all called obligations to repay sums borrowed by the United States, and may be used to purchase before maturity any United States bonds and other interest-bearing obligations of the United States.

All obligations and bonds so acquired or taken up shall be retired and canceled.

SEC. 2. (a) The Governor of the Farm Credit Administration is authorized and directed to assign and transfer to the Secretary of the Treasury all stock or other forms of securities, owned by the United States and held by such administration at any time after the enactment of this act, in all organizations over which such administration exercises supervisory jurisdiction. The Reconstruction Finance Corporation is authorized and directed to assign and transfer to the Secretary all collateral pledged as security for loans made by such corporation, but which has not been redeemed on the date of such enactment, and all collateral so pledged after such date. Such stock and collateral shall, together with all other stock owned by the United States and held by the Secretary in organizations over which the Farm Credit Administration exercises supervisory jurisdiction, constitute stock and collateral reserve for United States notes, but the Secretary shall withdraw from such reserve, and dispose of according to law, any such stock which is retired and collateral which is redeemed.

(b) The Secretary of the Treasury—

(1) Shall issue an amount of United States notes under section 1 equal to — percent of the value, as determined by him, of the stock and collateral constituting stock and collateral reserve for United States notes, as is provided for in section 2 (a).

(2) Shall issue an amount of United States notes under section 1, in addition to the amount authorized by paragraph (1), equal to 2½ percent of the monetary value of all gold and silver owned by the United States not otherwise appropriated or obligated. As used in this section, the term "monetary value" means a value calculated on the basis of $1 for an amount of silver or gold equal to the amount at the time contained in the standard silver dollar and the gold dollar, respectively; and

(3) Shall maintain an amount of such notes outstanding as nearly as practicable at such percentages of value by issuing additional notes, or by redeeming and canceling outstanding notes, as the circumstances may require.

(c) Such gold and silver and the stock and collateral reserve for United States notes shall be held in the Treasury as security for all outstanding United States notes issued under this act until redeemed.

SEC. 3. There is hereby imposed a tax of one-fiftieth of 1 percent on all profits, including interest, derived from redeemed securities other than silver and gold which are used as a medium for the issuing of United States notes under regulations which shall be prescribed by the Commissioner of Internal Revenue and approved by the Secretary of the Treasury.

SEC. 4. All provisions of law (including penalties) applicable in respect of United States notes and other currency of the United States shall, insofar as not inconsistent with this act, be applicable with respect to United States notes authorized to be issued under this act.

SEC. 5. The Secretary of the Treasury shall prescribe such rules and regulations as he deems for the enforcement of this act.

Mr. MEAD. Mr. Speaker, I yield the remainder of the time to myself. This conference report should receive the approval of the House because in my judgment its adoption will result in improved Air Mail Service. It will prevent monopoly and it will substitute competitive bidding for outright grants and extensions. It will substitute honesty and fair dealing for discrimination and favoritism. It will result in an economical service, it will save, as has been stated, from six to eight million dollars annually. It will give 4 States and 20 cities service which have never had it in the past. It will expand the Air Mail Service and free it from the damaging outgrowths of the past, it will enjoy greater opportunity to be of service in time of peace as well as in time of war.

Something has been said about the eastern and western coastal lines, and about the number of contracts allotted to any one contractor. Let this be understood in the beginning. The Senate bill limited the holder of any primary contract to one contract. The House liberalized that provision by permitting the holder of a primary contract to hold two additional secondary contracts.

Under the provisions of the bill the four transcontinentals and the east and west coastal lines will be primary lines, and each contractor operating a primary line may hold two secondary lines. This limitation will eliminate the possibility of a monopoly of the Service in any section of the country; it will also permit of improved service and more satisfactory arrangements between the several lines serving the same general territory. The west coast line will serve as a North and South connecting link for all four transcontinentals.

If we give any one of the primary lines a monopoly on any section of the country there will be dissatisfaction resulting from claims of discrimination. We had that difficulty in the past, and the only way the matter could be solved was to extend paralleling service to two of the transcontinental lines. A transcontinental line cannot be successful if it is limited in its eastern or western termini. Each should have access to the principal cities of the east and west coasts. To bring such a condition about the coastal lines were listed as primary lines.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. MEAD. I yield.

Mr. FITZPATRICK. Is there anything in the bill to compel companies to build a certain type of ship, so that in case of war it could be used for national defense?

Mr. MEAD. Yes. The Department of Commerce has to do with the specifications with regard to the ships. There is also in the bill the creation of a commission that will study that question. The ships now in use and the personnel, the pilots and mechanics, would all be useful to the Government in time of war. They would prove to be most helpful to the national defense.

Mr. FITZPATRICK. The reason I ask that question is because I understand the European countries insist that all commercial planes must be built so that they can be used for the national defense in case of emergency.

Mr. MEAD. And that should be done here also.

The Senate bill eliminated the subsidy when the present contracts were extended. The House conferees insisted that there should be a continuation of the subsidy policy until such time as the weaker lines were able to stand upon their own feet. As a result, the subsidy payments where necessary are permissible until July 1, 1939. That will give this commission some opportunity to study the question of the subsidy.

The Senate limited the amount of pay to 30 cents per mile for 300 pounds of mail carried. The House insisted upon an increase, and it was granted, to 33⅓ cents per mile for 300 pounds of mail. Holding companies were not barred by the House bill, but holding companies, affiliates, associates, and subsidiaries, were eliminated in the Senate bill. The House, believing that it would be a hardship on some of the contractors to do that immediately, succeeded in postponing such action until January 1, 1935. This postponement will give the commission created under the bill an opportunity to study the question, although it will be impossible for them to make their report to Congress in time to secure legislation.

The interchange of pilots has been left to the commission. The military training of pilots now in the Air Mail Service has been left to the commission also, and several other matters of minor importance have likewise been left to the commission to study. It must be understood that this commission is not limited to a study of Air Mail Service. This commission will study manufacturing and experimentation in aircraft production, military and naval aviation, and many other phases of the subject. There is abundant work for the commission created under this bill.

It is true that we validated the temporary 3-month contracts, but there is another reason for that action other than the reasons which were given to the House this afternoon. We validated those contracts, and we permitted their extension for the 9-month period, but we compel the contractor to sign an agreement in writing that he will carry out all the provisions and requirements contained in this act. That means that the pilots and mechanics will have a right to organize and bargain collectively; that their wage scales and working conditions will be protected.

This bill gives the independents a real opportunity to come into the air-mail picture. We make possible the expansion of the Service and we give to some States and many cities a service they never enjoyed before. The Post Office Department very willingly relinquished much of their authority in the conduct of the Air Mail Service, and the House and Senate conferees agreed upon provisions that will permit a review of the contracts by the Comptroller and a review of the rates by the Interstate Commerce Commission. We require the Interstate Commerce Commission to make a survey of the rates paid at least annually, and if any contractor is receiving in excess of a reasonable amount, we require a reduction in that specific case. In no case do we allow the Interstate Commerce Commission, the Postmaster General, or the Comptroller or any other agency of the Government to do what was done in the past—to extend franchises or to increase rates.

We permit only the downward revision of rates paid for air-mail service. Mr. Speaker, we have been liberal in our treatment of the contractors whose contracts have been canceled. We have insured to the Government a saving of over $6,000,000, an honest service, an expanded service, a service of which I believe you and I and the country at large will be proud.

CONFERENCE REPORT, S. 3170—AN EXPLANATION

While the House committee believes that air mail could be carried much cheaper than it has been in the past, it did not deem it advisable to cripple the development of the Air Mail Service by suddenly reducing the rates of compensation of the carriers and destroying the organization, personnel, and equipment developed to carry air mail. For that reason it accepted the 6-cent postage rate fixed in the Senate bill, which by reason of the desired policy of keeping the cost of air-mail transportation within the revenue therefrom, will aid in maintaining the service of the carriers, while at the same time increase the amount of air mail carried because of the lower rate as compared to the rate now in force. The definition of air mail was expanded to include mail of all classes prepaid at the air-mail rate, instead of being limited to the first class as provided in the Senate bill and in existing law. The Senate bill provided that no payment by way of subsidy should be made for carrying air mail, and the protection of the public in this feature is retained in the conference agreement secured by the House, except that the effective date of the policy is postponed until July 1, 1939, in anticipation of development of the volume of air mail and increase in the revenue therefrom before such date.

The Senate bill fixed the rate of pay at 30 cents per airplane-mile for a load of 300 pounds, and the House conferees secured a rate of 33½ cents per airplane-mile. This is, of course, a maximum which may be bid and paid, and was secured by the House in the belief that the rate should not be so low as to encourage mushroom development of airlines and air-mail companies with inadequate equipment and personnel. At the same time, provisions were retained in the conference agreement as a check upon undue profits by air-mail contractors, among them being examination and audit by the Postmaster General, the Interstate Commerce Commission, and an annual check-up by the Interstate Commerce Commission, of rates, with a view to disclosing any unreasonable profits.

The Senate bill authorized the Interstate Commerce Commission to determine the public convenience and necessity for all transportation routes and the fair and reasonable rates of compensation for transportation of air mail by airplane common carriers. The House committee and conferees believe that in view of the provision for a commission on aviation policy it would be better to leave the question of control of the establishment of routes in the hands of the Postmaster General until the said commission could report a permanent policy. The conference agreement authorizes the Interstate Commerce Commission to fix the rates of compensation only and adds provisions for the protection of the public and of the carriers as to the means of determining reasonable rates and the enforcement thereof.

The conference agreement permits the indefinite extension of any contract awarded under the act subject to the safeguarding provisions contained in section 6 (c) and permits the extension of emergency contracts now in force for periods not exceeding 9 months at rates not exceeding those in the contracts or in the act.

The Senate bill contained in section 7 thereof provisions designed to punish air-mail contractors whose contracts were canceled in February 1934 and to prevent any recurrence of the alleged collusion on which such cancelation was based. Some members of the House committee believe that certain of these provisions were in the nature of a bill of attainder. For that reason it secured the postponement of such provisions until January 1, 1935, in order to enable such air-mail contractors to reorganize their affairs and their relations with other companies, qualify under the new provisions, and still retain for the benefit of the public the benefits of the trained personnel and organization and existing facilities of such companies. The conference agreement permits contractors whose contracts were canceled to bid for contracts under the act if they have divested themselves of interest in other air-mail companies, other aviation-manufacturing companies, and discharged any individuals connected with such companies who were directly concerned with the alleged unlawful combination and collusion in connection with the canceled contracts. The agreement exempts from such discharge any employee of a company who was not an executive or managerial officer of the company, and permits the Postmaster General to accept an affidavit of the bidder or an officer thereof as evidence that such bidder or officer has not participated in any collusive agreement with respect to air-mail contracts.

The Senate bill provided for the initiation of retirement agreements between air-mail contractors and their pilots and mechanics. The House conferees believe that such a provision would be unduly burdensome on the air-mail contractors at the present time and believe that the develop-

ment of a policy on the retirement of pilots and mechanics should be left to the Aviation Commission. The authority to initiate agreements was modified and made wholly permissive by authorizing the Secretary of Commerce to approve such agreements in case air-mail contractors and their pilots found it desirable to enter into any such contract.

The Senate bill forbade any air-mail contractor to hold more than one contract for carrying air mail. The House conferees believe that this was unduly restrictive and secured a modification permitting air-mail contractors to hold not more than three contracts, but provided that the contractor of a primary route—that is, a transcontinental or coastal route—should not hold a contract for any other primary route. The provision against merger companies operating parallel routes was retained.

The Senate bill empowered the Postmaster General to cancel any contract in case of failure by the contractor to comply with its terms or the provisions of the act. Your conferees believe that this provision was unduly arbitrary and it was modified to provide for cancelation only in the case of willful failure to so comply.

The Senate bill in sections 14, 15, and 16 contained elaborate provisions relating to interchange of personnel between the military and naval services and the commercial mail service. Your conferees were of the opinion that these provisions might be unduly complicated and burdensome because of the lack of any experience or investigation on which to base such a policy. The provisions were omitted from the bill with the expectation that the Commission on Aviation Policy would report findings on the question of training of personnel in the military and commercial air services.

Sections 12 and 13 of the Senate bill corresponding closely to sections 8 and 9 of the House amendment, and intended to protect pilots, mechanics, and laborers of the air-mail contractors in respect of their safety, pay, and working conditions, were retained in the conference agreement with only slight modifications designed to make them more effective in behalf of such pilots and other employees.

The House conferees believe that too arbitrary powers should not be vested in the Postmaster General, and for that reason insisted on provisions providing for an appeal from the Postmaster General to the Comptroller General in the awarding of contracts in case the Postmaster General held that a low bidder is not responsible to qualify under the act, and also provided that in case only one bid, or excessive bids were received, they should be submitted to the Interstate Commerce Commission for its direction before awarding any contract. The Postmaster General is also limited in granting extensions of routes to one extension to any one contractor, and not in excess of 100 miles. The aggregate air-mail routes shall not exceed 29,000 miles, and the annual aggregate of air-mail schedules shall not exceed 40,000,000 airplane-miles.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the adoption of the conference report.

The question was taken; and on a division (demanded by Mr. BACON) there were—ayes 70, noes 35.

Mr. BACON. Mr. Speaker, I object to the vote on the ground there is not a quorum present.

The SPEAKER. Evidently there is not a quorum present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 261, nays 72, not voting 98, as follows:

[Roll No. 150]

YEAS—261

Adair	Biermann	Brown, Ga.	Busby
Adams	Bland	Brown, Ky.	Byrns
Arens	Blanton	Brown, Mich.	Cady
Arnold	Bloom	Brunner	Caldwell
Ayres, Kans.	Boehne	Buchanan	Cannon, Mo.
Bankhead	Boileau	Buck	Carden, Ky.
Beam	Boylan	Burch	Carmichael
Beiter	Brooks	Burke, Nebr.	Carpenter, Kans.
Cartwright	Fletcher	McClintic	Sanders, La.
Cary	Ford	McCormack	Sanders, Tex.
Castellow	Frear	McDuffie	Sandlin
Celler	Gambrill	McFarlane	Schaefer
Chapman	Gavagan	McGrath	Schuetz
Chavez	Gilchrist	McKeown	Schulte
Christianson	Gillespie	McMillan	Scrugham
Cochran, Mo.	Glover	McReynolds	Sears
Coffin	Goldsborough	Maloney, Conn.	Secrest
Colden	Granfield	Maloney, La.	Shallenberger
Cole	Greenwood	Mansfield	Shannon
Collins, Miss.	Gregory	Martin, Colo.	Sirovich
Colmer	Griffin	Martin, Oreg.	Smith, Va.
Condon	Griswold	May	Smith, Wash.
Connery	Haines	Mead	Somers, N.Y.
Cooper, Tenn.	Harlan	Meeks	Spence
Cox	Hart	Miller	Steagall
Cravens	Hastings	Milligan	Strong, Tex.
Crosby	Henney	Mitchell	Stubbs
Cross, Tex.	Hildebrandt	Monaghan, Mont.	Studley
Crosser, Ohio	Hill, Ala.	Montague	Sumners, Tex.
Crowe	Hill, Knute	Montet	Sutphin
Crump	Hill, Samuel B.	Moran	Sweeney
Cullen	Hoidale	Morehead	Tarver
Cummings	Howard	Murdock	Taylor, S.C.
Darden	Huddleston	Nesbit	Terrell, Tex.
Dear	Hughes	O'Brien	Terry, Ark.
Deen	Imhoff	O'Connell	Thom
Delaney	Jacobsen	O'Connor	Thomason
DeRouen	Jenckes, Ind.	Oliver, Ala.	Thompson, Ill.
Dickinson	Johnson, Minn.	Oliver, N.Y.	Thompson, Tex.
Dickstein	Johnson, Okla.	Owen	Truax
Dies	Johnson, Tex.	Palmisano	Turner
Dingell	Johnson, W.Va.	Parker	Umstead
Dirksen	Jones	Parks	Underwood
Disney	Kee	Parsons	Utterback
Dobbins	Keller	Patman	Vinson, Ga.
Doughton	Kelly, Ill.	Peavey	Vinson, Ky.
Dowell	Kennedy, N.Y.	Pettengill	Wallgren
Doxey	Kleberg	Peyser	Walter
Drewry	Kloeb	Pierce	Warren
Driver	Kniffin	Polk	Wearin
Duffey	Kocialkowski	Prall	Weideman
Duncan, Mo.	Kopplemann	Ramsay	Werner
Dunn	Kramer	Ramspeck	West, Ohio
Durgan, Ind.	Lamneck	Rankin	West, Tex.
Eagle	Lanham	Rayburn	White
Edmiston	Larrabee	Reilly	Whittington
Eicher	Lea, Calif.	Richards	Williams
Ellenbogen	Lee, Mo.	Richardson	Wilson
Elizey, Miss.	Lehr	Robertson	Wood, Ga.
Faddis	Lemke	Robinson	Wood, Mo.
Farley	Lewis, Colo.	Rogers, N.H.	Woodrum
Fernandez	Lindsay	Romjue	Young
Fiesinger	Lozier	Rudd	Zioncheck
Fitzgibbons	Ludlow	Ruffin	
Fitzpatrick	Lundeen	Sabath	
Flannagan	McCarthy	Sadowski	

NAYS—72

Allen	Ditter	James	Reed, N.Y.
Andrew, Mass.	Dockweiler	Kahn	Rich
Bacharach	Dondero	Kelly, Pa.	Rogers, Mass.
Bacon	Eltse, Calif.	Kinzer	Sinclair
Bakewell	Englebright	Knutson	Snell
Beedy	Evans	McFadden	Swick
Blanchard	Focht	McGugin	Taber
Burnham	Foss	McLean	Taylor, Tenn.
Carter, Calif.	Gifford	McLeod	Thomas
Carter, Wyo.	Goodwin	Mapes	Tinkham
Cavicchia	Goss	Marshall	Traeger
Clarke, N.Y.	Guyer	Martin, Mass.	Treadway
Collins, Calif.	Hancock, N.Y.	Merritt	Welch
Connolly	Hess	Millard	Whitley
Crowther	Higgins	Mott	Wigglesworth
Culkin	Hollister	Plumley	Wolcott
Darrow	Holmes	Powers	Wolverton
De Priest	Hope	Ransley	Woodruff

NOT VOTING—98

Abernethy	Cochran, Pa.	Kennedy, Md.	Rogers, Okla.
Allgood	Cooper, Ohio	Kenney	Seger
Andrews, N.Y.	Corning	Kerr	Shoemaker
Auf der Heide	Douglass	Kurtz	Simpson
Ayers, Mont.	Doutrich	Kvale	Sisson
Bailey	Eaton	Lambertson	Smith, W.Va.
Beck	Edmonds	Lambeth	Snyder
Berlin	Fish	Lanzetta	Stalker
Black	Foulkes	Lehlbach	Stokes
Boland	Frey	Lesinski	Strong, Pa.
Bolton	Fuller	Lewis, Md.	Sullivan
Brennan	Fulmer	Lloyd	Swank
Britten	Gasque	Luce	Taylor, Colo.
Browning	Gillette	McSwain	Thurston
Brumm	Gray	Maryland	Tobey
Buckbee	Green	Moynihan, Ill.	Turpin
Bulwinkle	Greenway	Muldowney	Wadsworth
Burke, Calif.	Hamilton	Musselwhite	Waldron
Cannon, Wis.	Hancock, N.C.	Norton	Weaver
Carley, N.Y.	Harter	O'Malley	Wilcox
Carpenter, Nebr.	Hartley	Perkins	Williford
Chase	Healey	Peterson	Withrow
Church	Hoeppel	Randolph	Wolfenden
Claiborne	Jeffers	Reece	
Clark, N.C.	Jenkins, Ohio	Reid, Ill.	

So the conference report was agreed to.

The Clerk announced the following additional pairs:
On this vote:

Mr. Corning (for) with Mr. Tobey (against).
Mr. Randolph (for) with Mr. Jenkins of Ohio (against).
Mr. Lewis of Maryland (for) with Mr. Wadsworth (against).
Mr. Kenney (for) with Mr. Simpson (against).
Mr. Peterson (for) with Mr. Bolton (against).
Mr. Healey (for) with Mr. Cooper of Ohio (against).
Mr. Hamilton (for) with Mr. Doutrich (against).
Mr. Musselwhite (for) with Mr. Chase (against).
Mr. O'Malley (for) with Mr. Britten (against).
Mr. Bulwinkle (for) with Mr. Cochran of Pennsylvania (against).
Mr. Lanzetta (for) with Mr. Brumm (against).
Mr. Black (for) with Mr. Fish (against).
Mr. Hancock of North Carolina (for) with Mr. Kurtz (against).
Mrs. Norton (for) with Mr. Buckbee (against).
Mr. Boland (for) with Mr. Edmonds (against).
Mr. Sullivan (for) with Mr. Seger (against).
Mr. Weaver (for) with Mr. Turpin (against).
Mr. Smith of West Virginia (for) with Mr. Waldron (against).
Mr. Abernethy (for) with Mr. Reid of Illinois (against).
Mr. Carley of New York (for) with Mr. Moynihan of Illinois (against).
Mr. Hoeppel (for) with Mr. Stokes (against).
Mr. Fuller (for) with Mr. Beck (against).
Mr. Kerr (for) with Mr. Muldowney (against).
Mr. McSwain (for) with Mr. Wolfenden (against).
Mr. Swank (for) with Mr. Reece (against).
Mr. Pulmer (for) with Mr. Withrow (against).
Mr. Taylor of Colorado (for) with Mr. Stalker (against).
Mr. Gasque (for) with Mr. Lehlbach (against).
Mr. Clark of North Carolina (for) with Mr. Eaton (against).

Until further notice:

Mr. Allgood with Mr. Andrews of New York.
Mr. Browning with Mr. Thurston.
Mr. Church with Mr. Hartley.
Mr. Ayers of Montana with Mr. Perkins.
Mr. Kennedy of Maryland with Mr. Kvale.
Mr. Lambeth with Mr. Strong of Pennsylvania.
Mr. Sisson with Mr. Shoemaker.
Mr. Auf der Heide with Mr. Wilcox.
Mr. Williford with Mr. Carpenter of Nebraska.
Mr. Douglass with Mr. Snyder.
Mr. Cannon of Wisconsin with Mr. Burke of California.
Mr. Brennan with Mr. Bailey.
Mr. Foulkes with Mr. Lloyd.
Mr. Gray with Mr. Berlin.
Mr. Claiborne with Mr. Lesinski.
Mr. Green with Mr. Harter.
Mr. Marland with Mrs. Greenway.
Mr. Jeffers with Mr. Frey.

The result of the vote was announced as above recorded.
A motion to reconsider was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8617) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1935, and for other purposes.

CHIPPEWA INDIANS

Mr. HOWARD. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2980) to modify the effect of certain Chippewa Indian treaties on areas in Minnesota.

The Clerk read the title of the bill.

Mr. SNELL. Mr. Speaker, will the gentleman explain the bill?

Mr. HOWARD. Mr. Speaker, this bill is companion to the bill of the House, H.R. 7549, introduced by the gentleman from Minnesota [Mr. KNUTSON]. I may say to the gentleman from New York that Mr. KNUTSON'S Indians speak a different language from mine and I am not entirely familiar with it; so I should like to have someone who speaks their language explain the bill.

Mr. SNELL. There is no one here who can speak the language so we had better pass the bill.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That on and after the passage of this act lands in Minnesota ceded to the United States by the treaty of September 30, 1854 (10 Stat.L. 1109), between the United States and the Chippewa Indians of Lake Superior and the Mississippi and by the treaty of February 22, 1855 (10 Stat.L. 1165), between the United States and the Mississippi Bands of Chippewa Indians, shall no longer be considered as "Indian country" for the purposes of article 7 of said treaties: *Provided*, That in that portion in the said State of Minnesota affected by this act the Indian liquor laws shall continue to apply to the sale, gift, barter, exchange, etc., of liquors to ward Indians of the classes set forth in the act of January 30, 1897 (29 Stat.L. 506), and to the manufacture or sale of liquors on individual Indian allotments or other individual Indian-owned lands while the title to same is held in trust by the United States or while the same shall remain inalienably by the Indian without the consent of some governmental officer.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DECENTRALIZATION OF GOVERNMENT

The SPEAKER. Under the special order for today the gentleman from Texas [Mr. TERRELL] is recognized at this time for 30 minutes.

Mr. TERRELL of Texas. Mr. Speaker, as one who subscribes to the Declaration of Independence and the Constitution of the United States, and a believer in the political philosophy of Thomas Jefferson, I desire to discuss the decentralization of government as the only escape from destruction of government. You may not be interested in what I say, but I am quoting from former Presidents and Governors, all great Democrats, and you should be interested in what they say.

Being a new Member I have naturally refrained from taking an active part in the discussions of legislative questions, knowing that long service or seniority counted most in Congress. I have watched the proceedings with profound interest and much apprehension as I witness the daily departure from what I was taught to believe to be the principles of the Democratic Party and the powers of the Federal Government as prescribed in the Constitution.

This Government was formed in 1787 by delegates from the Colonies, who desired to amend the Articles of Confederation in order to bind them together in stronger ties, as they had voluntarily bound themselves together to win their independence from England.

After many months of serious consideration, and at times almost despairing of reaching any beneficial results, they adopted the present Constitution as the best compromise they could make, and not entirely satisfactory to either side of the opposing forces. But I consider it the greatest document ever written by man for the proper government of man.

This Constitution has stood the test of time, with the adoption of certain amendments to meet changed conditions or popular demand, and it can be amended to meet all emergencies. Congress should never resort to the dangerous expedient of enacting legislation unauthorized under the guise of emergency. Violating the Constitution does more harm in the long run than the good accomplished by illegal legislation.

The Constitution divides the Government into three divisions clearly defined—the legislative, executive, and judicial—and the duties and powers of each are clearly defined, and neither division has any authority except that given up by the States and conferred upon the General Government.

There are some implied powers, but they so closely follow expressed powers, and are intended to complete them, that there should be no controversy about them. For instance, the power to declare war carries with it the power to provide the means to prosecute the war. The power to coin money and regulate its value carries with it the power to distribute the money to the people—either through Government agencies or through private banks, as is now being done. I thought that when the Federal Reserve System was being established that it would be a Government agency to distribute the money to the people and the Government would receive the benefits, but in this I was sadly mistaken. The Reserve System, with a capital of $145,000,000, has issued more than $3,000,000,000 in Federal Reserve notes on the credit of the United States, and the Government should have received this tremendous profit instead of giving it to the private banks. I believe the Government should own and control the Federal Reserve banks for the benefit of all the people.

Our Government was simple, with simple machinery, when it was organized, and its powers and functions were easily understood by the officers and the laymen at that time, and

it should have been kept that way by the addition of only enough governmental machinery and extra employees to meet the growing population and business of the country; and a government of larger units should operate cheaper proportionately than one with smaller units and fewer activities, but the reverse has been true with our Government.

The great danger to our Government and its institutions is the rapid growth of bureaucracy, with various appointive commissions, boards, and bureaus far removed from the people, administering laws affecting every activity of the citizens in their various business operations. These boards and bureaus have authority to make rules and regulations imposing penalties for their violation, carrying heavy fines and imprisonment which virtually denies a fair trial as contemplated by the Constitution.

In order to present this matter in a comprehensive manner, to show the rapid growth of bureaucratic government, I present here two tables—the first showing the date of the creation of each Cabinet position, independent office, board, or bureau, and the number of employees and appropriations the first year—where the information is available—and the number of employees and appropriations for the year 1934. The second table shows total appropriations for all departments and activities of the Government, taken from the Budget as prepared by the Director of the Bureau of the Budget for 1934. These tables will appear at the end of my address.

The tables show that there are now on the pay roll of the Government 764,573 regular employees and 459,355 temporary employees, many of whom will become permanent, making a total of 1,223,928 employees, with total salaries of $1,227,992,770. The second table shows that the total appropriations for all departments and activities, including emergency, temporary, and permanent appropriations, taken from the Budget for 1934, amount to $7,648,703,028.67. The figures are official, though there are necessarily some discrepancies caused by permanent appropriations and the shifting of these appropriations from one department to another and the uncertainty of the tenure of temporary employees.

Many small boards and bureaus are omitted for lack of space and because they are under the control and supervision of some executive department and the appropriations are carried under said departments.

Starting out in 1789 with three Cabinet positions, the Department of Foreign Affairs—now called the Department of State—the Treasury Department, and War Department, with few employees, and insignificant appropriations, the Government has now grown to immense proportions, with 10 Cabinet officers at $15,000 each per annum, 9 Supreme Court Justices, with the Chief Justice drawing a salary of $20,500, and 8 Associate Justices with salaries of $20,000 each, and with 225 Federal judges throughout the United States and many independent offices, commissions, boards, and bureaus, with fancy salaries attached.

If anybody can tell me where we are headed for, I would be glad to have some comforting information, as I believe we are headed for the rocks. Of course, we have a great country—the richest in the world—and we talk about the "land of the free and the home of the brave"; but where does our freedom come in and in what does our bravery consist?

Are we free, when the Government tells every farmer how much land he can plant and how much of a particular crop he can grow and sell; and when it tells every business man how he shall operate his business; how many hours a day he shall operate; what wages he shall pay and what price he shall charge for his products? If this is not planned regimentation and Government dictation, I do not know what to call it.

Are we brave, when we cowardly submit to some bureau officer from Washington coming out to our place of business and telling us that Uncle Sam says you shall do this and you shall not do that? If this is liberty or bravery, Mr. Webster ought to make another dictionary.

The Democratic platform says: "We advocate the strengthening and impartial enforcement of the antitrust laws to prevent monopoly and unfair trade practices." Now these laws are repealed or suspended in the air while trade agreements and price-fixing are protected by law. How much longer will the country stand for the benign principle of fining and jailing a man because he presses a suit of clothes or sells a bottle of milk cheaper than a Government regulation specifies? Again, the platform says: "We advocate the removal of the Government from all fields of private enterprise." Instead of being removed, the Government is being extended further into all fields of private enterprise. It is immaterial whether it is called revolution or evolution, it is a fundamental change in our Government just the same. Changing the name of a rose does not change its scent. The "cracking-down" process has cracked the patience of the people and popular sentiment for the N.R.A. is fast waning, and its control of business should be dropped before the collapse comes; and combinations in restraint of trade should be prohibited by the rigid enforcement of the antitrust laws.

If the National Recovery Act, with its codes regulating industry within the States, and the Cotton Production Control Act, limiting production in the States, are held constitutional by the Supreme Court, there is nothing Congress cannot do to extend Federal authority over the States and control every activity of the citizens within the States, and local self-government would be a hollow mockery.

It was well understood at the time of the adoption of the Constitution and for many years thereafter, that the States had given up certain specific powers to the Federal Government and retained all powers not granted to the General Government, and to place the matter beyond future controversy, the tenth amendment was adopted immediately after the ratification of the Constitution, which reads as follows:

> The powers not delegated to the United States by the Constitution nor prohibited by it to the States, are reserved to the States respectively or to the people.

I should like to ask if this language does not confine the activities of the Congress to the powers specifically conferred by the Constitution. This was the view held by the Congress and the courts for more than a century, and if, perchance, the Congress overstepped its authority the President called the hand of Congress by a veto message that could not be misunderstood, and if the illegal measure escaped a veto of the President, the Supreme Court stood ready to strike it down and protect the rights of the people. Now the Government is considered from a national standpoint, like the monarchies of Europe and not as a republic of limited powers conferred by independent States, as provided in the Constitution.

In 1859, Congress passed a law appropriating public lands and land scrip to the States to establish agricultural and mechanical colleges, and President Buchanan vetoed the bill as "inexpedient and unconstitutional." Since that time the Morrill Act, the Hatch Act, the Smith-Lever Act, and others have been enacted establishing and perpetuating these colleges in the States, with annual Federal appropriations, when the Constitutional Convention had voted down every resolution offered in the convention to establish and finance colleges or schools of any kind in the States.

I quote from the veto message of President Buchanan:

> I return with my objections to the House of Representatives, in which it originated, the bill entitled "An act donating public lands to the several States and Territories, which may provide colleges for the benefit of agriculture and the mechanic arts."
>
> I shall proceed to state my objections to this bill. I deem it to be both inexpedient and unconstitutional.
>
> Waiving for the present the question of constitutional power, what effect will this bill have on the relations established between the Federal and State Governments? The Constitution is a grant to Congress of a few enumerated, but most important powers relating chiefly to war, peace, foreign and domestic commerce, negotiations, and other subjects which can be best, or alone, exercised beneficially by the common Government. All other powers are reserved to the States and to the people. For the efficient and harmonious working of both, it is necessary that their several spheres of action should be kept distinct from each other. This can alone prevent conflict and mutual injury.
>
> Should the time ever arrive when the State governments shall look to the Federal Treasury for the means of supporting themselves and maintaining their systems of education and internal policy, the character of both governments will be greatly deteriorated.

That time is here now.

It is extremely doubtful, to say the least, whether this bill would contribute to the advancement of agriculture and the mechanic arts—objects the dignity and value of which cannot be too highly appreciated. The Federal Government which makes the donation has confessedly no constitutional power to follow it into the States and enforce the application of the fund to the intended objects. As donors we shall possess no control over our own gift after it shall have passed from our hand. The Federal Government has no power to compel the execution of the trust.

Does Congress possess the power under the Constitution to make a donation of public lands to the different States to provide colleges for the purposes of educating their own people? I presume the general proposition is undeniable that Congress does not possess the power to appropriate money in the Treasury, raised by taxes on the people of the United States, for the purpose of educating the people of the respective States.

It is doing this now.

It will not be pretended that any such power is to be found among the specific powers granted to Congress nor that "it is necessary and proper for carrying into execution" any one of these powers.

Should Congress exercise such a power, this would be to break down the barriers which have been so carefully constructed in the Constitution to separate Federal from State authority. We should then not only "lay and collect taxes, duties, imposts, and excises" for Federal purposes, but for every State purpose which Congress might deem expedient or useful. This would be an actual consolidation of the Federal and State Governments, so far as the great taxing power is concerned, and constitute a sort of partnership between the two in the Treasury of the United States, equally ruinous to both.

This language of President Buchanan is prophetic of everything now being done and that has been done since the Congress met in March of last year, and should be a warning to future Congresses to return to constitutional government before all State lines have been blotted out and the wellsprings of freedom have completely dried up.

In 1887 Congress appropriated $10,000 to purchase planting seed for farmers in west Texas because of a severe drought and failure of crops. President Cleveland vetoed this bill, and I quote from his veto message as follows:

I return without my approval House bill no. 10203, an act to enable the Commissioner of Agriculture to make a special distribution of seed in the drought-stricken counties of Texas, and making an appropriation therefor.

It is represented that a long, continued, and extensive drought has existed in certain portions of the State of Texas, resulting in a failure of crops and consequent distress and destitution. Yet I feel obliged to withhold my approval of the plan as proposed by this bill to indulge a benevolent and charitable sentiment through the appropriation of public funds for that purpose.

I can find no warrant for such an appropriation in the Constitution, and I do not believe that the power and duty of the General Government ought to be extended to the relief of individual suffering, which is in no manner properly related to the public service or benefit.

How does this message compare with the practice of today in which the Government is lending and giving away billions of the taxpayers' money? There is but one reason for these loans and donations to the States, some of which were made before the depression began, and that is to make a political record by getting Federal appropriations for State purposes with the idea of getting something for nothing, which is a false idea, as these loans and donations must be paid with interest by the taxpayers.

We have passed through the panics of 1837, 1873, 1893, 1907, and 1920 without violating the Constitution and without loading the country down with billions of dollars of bonded debt, and we could have passed through this banker's panic without violating the Constitution or loading the country down with debt if we had provided the country with ample currency to transact the business. Panics and emergencies do not change the meaning of constitutions; they make excuses for violating them.

This panic in the midst of plenty is a crime, and the Government is responsible for it, but it cannot be relieved by issuing billions of dollars in interest-bearing bonds and taxing the people to pay the principal and interest on the bonds and giving the money away to States and individuals. It must be relieved by removing the causes that produced it—the lack of a proper monetary system—and establish and maintain a system adequate to meet the needs of agriculture, industry, and commerce.

When the panic of 1837 struck in full force, President Van Buren sent a message to Congress outlining his recovery plans, in which he said:

The preceding suggestions and recommendations are submitted in the belief that their adoption by Congress will enable the executive department to conduct our fiscal concerns with success, so far as their management has been committed to it. Whilst the objects and the means proposed to attain them are within its constitutional powers and appropriate duties, they will at the same time, it is hoped, by their necessary operation afford essential aid in the transaction of individual concerns, and thus yield relief to the people at large in a form adapted to the nature of our Government.

Those who look to the action of this Government for specific aid to the citizen to relieve embarrassments arising from losses by revulsions in commerce and credit lose sight of the ends for which it was created and the powers with which it is clothed. It was established to give security to us all in our lawful and honorable pursuits under the lasting safeguard of republican institutions. It was not intended to confer special favors on individuals or on any classes of them; to create systems of agriculture, manufactures, or trade; or to engage in them, either separately or in connection with individual citizens or organized associations.

If its operations were to be directed for the benefit of any one class, equivalent favors must in justice be extended to the rest; and the attempt to bestow such favors with an equal hand or even to select those who should most deserve them would never be successful. All communities are apt to look to government for too much. Even in our own country, where its powers and duties are so strictly limited, we are prone to do so, especially at periods of sudden embarrassment and distress. But this ought not to be.

The framers of our excellent Constitution and the people who approved it with calm and sagacious deliberation acted at the time on a sounder principle. They wisely judged that the less government interferes with private pursuits the better for the general prosperity. It is not its legitimate object to make men rich or to repair by direct grants of money or legislation in favor of particular pursuits losses not incurred in the public service. This would be substantially to use the property of some for the benefit of others. But its real duty—that duty the performance of which makes a good government the most precious of human blessings—is to enact and enforce a system of general laws commensurate with, but not exceeding, the objects of its establishment; and to leave every citizen and every interest to reap, under its benign protection, the rewards of virtue, industry, and prudence.

We hear much about decentralization of government and abolishment of Federal boards and bureaus, but nothing is being done about it. The distinguished Chairman of the Judiciary Committee, Mr. SUMNERS, made a very interesting speech on the subject of decentralizing the Government and said that it must be done but the time has not come for it—that we must first get out of the depression.

I think one of the first steps to enable us to get out of the depression is to abolish about half the boards and bureaus and lessen the tax burdens of government by taking the tax eaters off our backs and reducing the exorbitant taxes, and stop issuing interest-bearing, tax-exempt bonds, which constitute an interest debt of practically a billion dollars annually. This Government cannot borrow itself out of debt on into prosperity. It cannot survive on bond issues and taxes. No individual or government can live beyond its income without bankruptcy. Take the iron hand of big business from the throat of little business by the rigid enforcement of the antitrust laws, and business will survive and liberty will be safe.

Strike the shackles from agriculture and industry and restore initiative, faith, and hope for the future. Let Congress coin money and regulate its value until the products of farm and factory reach the price level of 1926, and hold that price level at a fair exchange price between the value of products and the value of the dollar, in order that purchasing power may be created and maintained and business recovery may be made permanent.

The Democratic platform declares for a reduction of 25 percent in governmental expenses, and this cannot be done unless we materially reduce salaries or stop many of the activities of the Government, and I favor doing both by reducing the higher salaries much more than the lower ones, and stopping 25 percent of the activities of the Government.

We have a great many boards and bureaus performing functions which the Government is not authorized to perform by any express provision of the Constitution, and were

never intended to be performed by the framers of the Constitution.

The Office of Education in the Department of the Interior started out with 4 employees and an appropriation of $18,000 and now has an appropriation of $310,000 for administration and 83 employees. In addition to this it has an appropriation of $10,902,700 to be expended in various educational activities in the States. The entire field of public education was left to the States and every dollar of Federal taxes spent for educational purposes in the States is not legally expended, and should be stopped. I am in favor of the best public-school system that can be had, and in favor of higher education, but these are purely State matters with which the Federal Government has no legal authority. Texas has a great university, a great agricultural and mechanical college, a college of industrial arts for girls, a technological college, and a number of splendid teacher's colleges, and a splendid public-school system with consolidated high schools throughout the State, and I will not ask Congress to violate the Constitution in order that we may receive Federal aid for agriculture or education. I have written those who requested me to support appropriations for education in the States that such expenditures were illegal and I would not support them.

Besides the appropriations for the regular and legitimate activities of the Government, the Federal Government has spent many millions more, and is still spending money for education in the States. I do not believe that anyone who has ever read the Constitution will seriously contend that such expenditures are authorized by the Constitution. I cannot understand why Congress will continue to make these illegal appropriations.

Federal appropriations for education in the States have been challenged by some of the ablest exponents of the Constitution in Congress, but they have been unable to stop these illegal appropriations.

The Federal Civil Service Commission is one of the most overrated agencies ever established by any government to tax the people to perpetuate jobs. It has an annual appropriation of $1,050,000 in order to make it possible for persons who once succeed in getting on the Government pay roll to hold the job for the remainder of their lives, or until they become too old to work and then retire on a pension for life.

I am opposed to life tenure in office. The passing of a civil-service examination does not qualify any person for a position. He must have inherent qualities and energy and a will to work and practice to make him efficient. The examination is only one factor in determining the qualifications. [Applause.]

The making of any kind of grade in any examination does not qualify anyone for a Government position. I can pick out a number of men or women in my town who would make splendid postmasters, who might not make a passing grade in a civil-service examination. But I am required to recommend one of the three applicants making the highest grade for postmaster, and the grading to be done in Washington. Yet this is no test of a person's qualification for postmaster. I should like to see this farce of civil-service examination abolished, yet many people think it very important. Its primary purpose was and is to put people on the pay roll through these examinations and keep them there through Executive order and prevent other worthy people from getting these positions.

[Here the gavel fell.]

Mr. BIERMANN. Mr. Speaker, this is perhaps one of the best speeches we have heard during the Seventy-third Congress. I hope the gentleman may be given such time as he needs to complete his speech.

Mr. BANKHEAD. Mr. Speaker, reserving the right to object, the gentleman from Texas is, of course, making a very illuminating and very interesting address, but we are under a great pressure for the consideration of some rules that are to be called up today. How much more time does the gentleman need?

Mr. TERRELL of Texas. I shall need about 7 minutes more.

Mr. McFARLANE. Mr. Speaker, I ask unanimous consent that the gentleman from Texas may be allowed to proceed for 7 additional minutes.

Mr. TARVER. Mr. Speaker, I am forced to object to any extension of the gentleman's time.

Mr. HOLMES. Mr. Speaker, I make the point of order that a quorum is not present.

Mr. SUMNERS of Texas. Mr. Speaker, may I suggest that this is probably the only time our colleague has attempted to make an extended address and I think he certainly should be permitted to conclude his speech. I therefore ask that the gentleman be given 10 additional minutes.

Mr. BANKHEAD. Mr. Speaker, the purpose of my inquiry was simply to ascertain how much longer the gentleman would need. I have no objection to his being given another 10 minutes.

Mr. TARVER. Mr. Speaker, I withdraw my objection.

Mr. HOLMES. Mr. Speaker, I withdraw my point of no quorum.

The SPEAKER pro tempore (Mr. PEYSER). Is there objection to the request of the gentleman from Texas [Mr. SUMNERS]?

There was no objection.

Mr. TERRELL of Texas. Mr. Speaker, I held an executive office for 10 years and employed many people, and it was to my interest, both from a business and political standpoint, to employ the very best people I could get to do the work, and I discharged only two or three for incompetency or other causes during the 10 years, and I could not have gotten more capable people under civil-service examination. No sensible public official is going to discharge all his experienced workers and employ inefficient help. It would be bad business and bad politics. Employees should, of course, be qualified in education and ability to do the work; but integrity and loyalty—the most important qualifications—are not shown in civil-service examinations. [Applause.]

The Department of Agriculture was established in 1862 under a commissioner with a salary of $3,000 a year, with a few employees, and nothing to do. It was made a Cabinet position in 1889, with the title changed to Secretary of Agriculture.

Now the salary is $15,000, with 32,601 employees, and a regular appropriation of $210,512,207, and a special appropriation, including all funds collected under the Agricultural Adjustment Act, of $955,379,811, making a total of $1,065,892,018. It has hundreds of experts giving advice on every conceivable subject from building silos to pickling pigs feet, and from baby-beef clubs to making baby dresses, and with "brain trusters" directing the social evolution.

There is but one reasonable excuse for a Federal Department of Agriculture, and that is for quarantine purposes to protect the States against insect pests and dangerous diseases of plants and livestock, which insects and diseases do not respect State lines; and this should be called a "quarantine commission", and not a Department of Agriculture.

The Constitution does not authorize Congress to appropriate any money for agriculture in the States, and the Government has no business controlling agricultural operations in the States.

The Government should have a capable quarantine commission to give protection to the States against the spread of these diseases and insect pests wherever it is possible to do this by quarantine measures. I would not give 30 cents for all the educational work and expert advice given through the Agricultural Department, which is now costing a billion dollars a year.

With one set of agricultural advisers teaching the farmers to produce more and another bunch paying them to make less and destroy a part of what they had already made, the Government wires must be crossed somewhere. This agricultural work should be done by the States and every State should have a strong department of agriculture and a good school of agriculture.

The Department of Labor was established in 1913 with 1,906 employees. It now has 4,345, with an appropriation of $16,522,477.11.

There is no real reason for this Department, except to furnish soft jobs for those who prefer to advise workers rather than work themselves. [Applause.]

An arbitration board to adjust labor disputes affecting laborers engaged in interstate commerce might be valid and might be of some benefit in an advisory capacity, but it would have no authority to make people work or to punish them for not working. All these matters, including child-labor laws, can best be administered by State laws in the States where the laborers reside and the controversies arise.

I am firmly of the conviction that our Government is vastly overorganized and overmanned, and that the best service Congress can render would be to immediately begin decentralization and take everything away from the Federal Government not authorized by the Constitution and every agency that can be better managed by the States. It is not possible for any person to know what boards and bureaus can best be abolished without destroying any useful and necessary service unless he has made a thorough study of the work being done by these boards and bureaus, and I have mentioned only a few that I believe can be abolished without injury to the public, but there are many others that ought to be abolished and would do no harm, except to hurt the feelings of those who lose their jobs.

The Democratic platform says:

> We advocate an immediate and drastic reduction of governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance to accomplish a saving or not less than 25 percent in the cost of the Federal Government.

This Congress ought to appoint a committee of its own Members to make a thorough study of the boards and commissions during vacation and report to the next Congress and recommend the abolishment of all boards and bureaus whose work is not absolutely necessary, or where the work can best be done by the States, and I have introduced a resolution providing for the appointment of such a committee. It is very likely that at least 25 percent of all work performed by these boards and bureaus can be abolished without detriment to the people or be left to the States, and this would be a great saving to the taxpayers.

I believe in very little governmental machinery; in keeping out of debt; in obeying the laws; and following the Constitution.

Texas once had a great Governor, whose name was O. M. Roberts. He was criticized by his opponents for his economy in holding down expenses to the receipts of the government and for vetoing extravagant appropriations and illegal laws. They said: "Governor, you will send the State to hell by your niggardly policy." He replied: "If the State goes to hell, she will go according to law and pay her way as she goes." [Applause.]

When I witness the extravagant and illegal appropriations made and the vast bonded debt created by this Congress, I can only wish we had more men like Governor Roberts in legislative and executive positions.

The Government is now becoming unwieldy and top-heavy and may fall by its own weight like the Insull power empire. You may say that the Insull power empire fell because of graft and corruption. This doubtless hastened its fall, but can anybody say that there is no graft in the billions of dollars now being expended by the Government?

These billions of dollars expended for relief and other purposes have doubtless aided in recovery by increasing purchasing power and stimulating business, but instead of donating 30 percent of it and loaning 70 percent for illegal and sometimes useless purposes, it could have been expended legally on post roads through the commissioners' courts of the various counties wherever the mail is carried, at little cost to the Government, and with the highest percent of labor employment and the greatest benefit to the people. I hope the Senate will pass the House bill authorizing $400,000,000 for highway construction and allocating 25 percent for rural highways. While I do not expect this much, I trust the Senate will be liberal.

A network of rural highways of a permanent character could have been built through every county and the people would have received lasting benefits for these vast expenditures, but the most of the money has been spent on State, municipal, and private projects (non-Federal projects) for which Congress has no legal right to expend taxpayers' money.

The Democratic Party has almost abandoned its time-honored principles of strict construction of the Constitution and States' rights, and is now advocating Federal control of agriculture and industry, and even Federal enforcement of criminal laws within the States.

The late Governor James Stephen Hogg, of Texas, was one of the greatest Governors any State ever had, and he vetoed an act of the Legislature of the State of Texas accepting the sugar bounty offered by the Federal Government on sugar grown on State convict farms. In his veto message he said in part:

> This act requires the State to apply for and procure a license from and give bond to the Commissioner of Internal Revenue for the privilege of producing sugar on her own land in order to secure the bounty. While, to my mind, the act is clearly unconstitutional, and, without reference to the organic law, is void and would be so held by a circumspect court, but as Congress has seen fit to pass it, I shall base my action herein on other grounds.
>
> The State is sovereign of her own affairs and cannot be disturbed in the legitimate exercise of her prerogatives. If she desires to raise sugar by convict labor, under no circumstances could she with propriety ask or accept from any government a license to do so; nor could she yield to a supervision of her affairs by any officer not subordinate to her own laws. To do so in one instance would lead to another, and finally to supervision by the Federal Government over the cotton patches, wheat fields, stock ranches, lumber yards, and factories within her limits. Precedents by Government usurptions become stronger than law. The worse they are, the more difficult to overthrow. When they are erected on the destruction of the Constitution, like this bounty act, the wrong which produced them strengthens as the fruits of the crime spread, until they become fastened forever on the people.
>
> There can be no more reason to support a bounty on sugar than on cotton, grain, tobacco, or stock. Two cents a pound offered by the Government is but the beginning. Let it stand and there must be a premium also on every article produced within the United States. With the premium goes the license; and coupled onto the license follows Federal supervision. So will end the last vestige of State sovereignty.

It will not be surprising in the next national campaign to see the two parties completely reverse their former positions on policies and principles, and to see the Democratic Party advocating a strong central government of the Hamiltonian type and the Republican Party advocating Jeffersonian principles of State's rights and individual liberty. [Applause.] This is a logical conclusion based upon the present course of the Democratic Party. Politics make strange bedfellows.

If the Democratic Party does not begin immediately to repeal these federalistic laws, decentralize the Government, and return to the principles of Jefferson and Jackson—which principles will never die—its days are numbered and some other party will arise upon its ruins and take the reins of government, and the Republican Party may be wise enough to avail itself of this opportunity. This would be an anomaly in government, but stranger things have happened.

My State has been under six flags. She has been a Province of Spain, France, and Mexico, a State of the Confederacy, a republic, and finally a State of the Union under the Stars and Stripes. She voluntarily entered the Union, retaining her public domain and her self-respect, but she has lost her self-respect by bartering away her sovereignty for a mess of Federal pottage. [Applause.]

I would rather return to Texas and live under our lone-star flag as an independent republic than to become a stepchild of a soviet union which we are fast approaching.

I am for this Republic and democratic principles 100 percent, but if we shall have the Republic in name and form only, without the substance, I am for a smaller union of States, where we can have a republic in both form and substance.

If we must have a government controlled by the international bankers of Wall Street and Lombard Street, who hold their stocks and bonds and clip coupons and control the Governments of two nations, then give me the South and West for my country, where the wheat and corn, the cotton,

cattle, and cane, and the fruits of the field flourish to feed and clothe the hungry hordes of the earth. [Applause.]

Let the Shylocks of high finance hoard their money and eat their stocks and bonds, but give me a country that produces the real wealth that sustains human life and a Government that will protect the wealth they create, and guarantee freedom in the enjoyment of the fruits of their labor and I will ask nothing more and be satisfied with nothing less.

We must choose between decentralization or destruction. [Applause.]

(The tables previously referred to follow:)

TABLE I

EXECUTIVE DEPARTMENT

President's salary	$75,000.00
Vice President's salary	15,000.00
Salaries of various secretaries, clerks, stenographers, etc., and all other expenses for maintenance and upkeep of Executive Office	279,483.00
Total, Executive Office	369,483.00

LEGISLATIVE DEPARTMENT (CONGRESS)

96 Senators, $10,000 each	864,000.00
Secretaries, clerks, stenographers, and all other expenses of the Senate	2,198,023.50
Total cost of Senate	3,062,023.50
435 Representatives, at $10,000 each	3,963,750.00
Secretaries, clerks, stenographers, and all other expenses of the House	3,553,741.50
Total cost of the House	7,517,491.50
Grand total of the legislative department	16,840,000.00
(All salaries subject to economy pay cut.)	

JUDICIAL DEPARTMENT

Supreme Court proper: 1 Chief Justice at $20,500 and 8 Associate Justices at $20,000.	
Employees for 1934, 51.	
Appropriation for 1934	279,173.00
Costs of Federal judiciary, including 225 district courts, correctional and penal institutions, appropriation for 1934	41,231,835.00

CABINET OFFICES

Department of State:	
Department of Foreign Affairs was established by act in 1789, denominated "Department of State" same year.	
Salary of Secretary fixed at $4,000 per annum.	
Salary of Secretary (1934), $15,000 per annum.	
Total employees in 1934, 4,321.	
Total amount of appropriation for 1934	18,015,447.00
Department of Treasury:	
Established by act 1789.	
Salary of Secretary fixed at $3,500 per annum.	
Salary of Secretary (1934), $15,000 per annum.	
Total employees in 1934, 58,736.	
Total amount of appropriation for 1934	1,787,214,357.00
War Department:	
Established by act 1789.	
Salary of Secretary fixed at $3,000 per annum.	
Salary of Secretary (1934), $15,000 per annum.	
Total number of employees 1934 (civilian employees), 58,893.	
Total amount of appropriation for 1934	361,983,738.00
Department of Justice:	
Established 1870.	
Salary of Secretary fixed at ——.	
Salary of Secretary (1934), $15,000.	
Total employees (1934), 10,930.	
Total amount of appropriation for 1934	42,177,847.00
Post Office Department:	
Established by act 1794.	
Salary of Postmaster General fixed at $2,400.	
Salary of Postmaster General (1934), $15,000.	
Total number of employees (1934), 270,000.	
Total amount of appropriation for 1934	726,987,126.18
Navy Department:	
Established by act 1798.	
Salary of Secretary fixed at $3,000.	
Salary of Secretary (1934), $15,000.	
Total number of employees (1934) (civilian employees), 50,619.	
Total amount of appropriation for 1934	309,667,160.00
Department of the Interior:	
Established by act 1849.	
Salary of Secretary fixed at $6,000.	
Salary of Secretary (1934), $15,000.	
Number of employees (1849), 531.	
Total number of employees (1934), 26,165.	
Total amount of appropriation for 1934	68,718,911.67
Federal Emergency Administration of Public Works	200,777,815.00
Emergency Conservation Work	20,745,772.50
Grand total	290,242,499.17
Department of Agriculture:	
Established by act 1862.	
Salary of Commissioner fixed at $3,000.	
Salary of Secretary (1889), $10,000.	
Salary of Secretary (1934), $15,000.	
Number of employees (1863), 29; (1880), 443.	
Total number of employees (1934), 32,601.	
Regular appropriation, 1934	110,512,207.00
Special appropriation (A.A.A.)	955,379,811.00
Total appropriation for 1934	1,065,892,018.00
Deduct processing tax	855,379,811.00
Total	210,512,207.00

CABINET OFFICES—continued

Department of Commerce:	
Established by act 1903 as Department of Commerce and Labor.	
Commerce established alone in 1913.	
Salary of Secretary:	
1903, $8,000.	
1913, $12,000.	
1934, $15,000.	
Employees:	
1903, 6,627.	
1913, 7,693.	
Total 1934 (2,236 P.W.A. and 675 C.W.A.), 16,227.	
Department of Commerce proper; grand total, 19,138.	
Total appropriations for 1934:	
P.W.A.	$15,020,600.00
C.W.A.	2,097,450.00
Department of Commerce	36,911,575.00
Total	54,029,625.00
Department of Labor:	
Established by act 1913.	
Salary of Secretary fixed at $12,000.	
Salary of Secretary, 1934, $15,000.	
Number of employees, 1913, 1,906.	
Total employees, 1934, 4,345.	
Total appropriation for 1934	16,552,447.11

INDEPENDENT OFFICES

United States Board of Tax Appeals:	
Created and organized 1924.	
The Board consists of 16 members receiving $10,000 each annually.	
Number of employees end of fiscal year 1925, 66.	
Appropriation for first fiscal year (1925)	350,000.00
Number of employees 1934 (not including Board), 115.	
Appropriation for 1934	490,000.00
Increase in employees, 49.	
Increase in appropriation	140,000.00
United States Employees' Compensation Commission:	
Created and organized 1916 and 1917.	
The Commission consists of 5 Commissioners, receiving $10,000 each annually.	
Number of employees and of fiscal year 1918, 48.	
Appropriation for first fiscal year (1918)	550,000.00
Number of employees 1934, 166.	
Appropriation for 1934	4,215,000.00
Increase in employees, 118.	
Increase in appropriation	3,665,000.00
Federal Power Commission:	
Created and organized 1920.	
Commission consists of 5 commissioners receiving $10,000 each annually.	
Number of employees at end of first fiscal year, 31.	
First appropriation made when commission was created	$100,000.00
Number of employees 1934 (including members), 51.	
Appropriation for 1934	210,000.00
Increase in employees, 20.	
Increase in appropriation	110,000.00
Federal Radio Commission:	
Established and approved 1927.	
Commission consists of 5 commissioners receiving $10,000 each annually.	
Number of employees end of first fiscal year, 17.	
Appropriation for first fiscal year (1928)	122,926.26
Number of employees 1934, 238.	
Appropriation for 1934	640,000.00
Increase in employees, 221.	
Increase in appropriation	517,073.74
Federal Trade Commission:	
Created and approved 1914 and 1915.	
Commission consists of 5 Commissioners receiving $10,000 each annually.	
Number of employees end of first fiscal year, 138.	
Appropriation for first fiscal year (1915)	184,016.23
Number of employees 1934, 400.	
Appropriation for 1934	1,185,000.00
Increase in employees, 262.	
Increase in appropriation	1,000,983.77
National Advisory Committee for Aeronautics:	
Created in 1915.	
Director gets $9,000 per annum.	
Number of employees end of first fiscal year, 1.	
Appropriation for first fiscal year (1915)	5,000.00
Number of employees 1934, 296.	
Appropriation for 1934	695,000.00
Increase in employees, 295.	
Increase in appropriation	690,000.00
Federal Tariff Commission:	
Created in 1916, Commission consisting of 6 members (Commission now has 5 members receiving $11,000 each annually).	
Number of employees end of first fiscal year, 50.	
Appropriation for first fiscal year (1917)	350,000.00
Number of employees 1934, 274.	
Appropriation for 1934	800,000.00
Increase in employees, 224.	
Increase in appropriation	500,000.00

INDEPENDENT OFFICES—continued

Interstate Commerce Commission:
Established 1887, act providing for 5 members of Commission (Commission now has 11 members at $12,000 each annually).
Number of employees first fiscal year (1887), 11.
Appropriation for first fiscal year (1888) $100,000.00
Number of employees 1934, 1,623.
Appropriation for 1934 ..... 5,190,000.00

Increase in employees, 1,612.
Increase in appropriation 5,090,000.00

Civil Service Commission:
Created 1883, act providing for 3 Commissioners, at $3,500 each.
Number of employees, first fiscal year, 4.
Appropriation for first fiscal year 17,300.00
Number of employees 1934, 609.
Appropriation for 1934 ..... 1,050,000.00

Increase in employees, 605.
Increase in appropriation 1,032,700.00

Veterans' Administration:
Created in 1930, by combining the Veterans' Bureau, World War Veterans' Act, and other agencies.
Salary of Administrator of Veterans' Affairs is $12,000 per annum.
Number of employees 1934, 33,711.
Appropriation for 1934 ..... 54,918,526.00

Court of Claims:
Created in 1855, act providing for 3 judges at $4,000 each and 2 clerks.
Number of employees 1934, 27.
Court now has 5 judges receiving $12,500 each annually.
Appropriation for 1934 ..... 102,000.00

Reconstruction Finance Corporation: Organized Feb. 2, 1932, with a capital of $500,000,000 which amount has been increased from time to time. Corporation consists of 6 directors, receiving $10,000 each annually. The Corporation has authorized 18,161 loans to various corporations, amounting to $5,189,430,378.43. $1,882,828,921.45 has been repaid. Some of the larger loans are as follows:

To bank and trust companies	1,805,069,171.53
To building and loan associations	121,541,512.29
To insurance companies	100,528,957.51
To mortgage loan companies	328,575,048.05
To regional agricultural credit corporations	160,777,463.92
To 67 railroads	411,345,678.60

Employees for 1934 of the Reconstruction Finance Corporation are as follows:
32 agencies employ 1,600 people.
Washington office, 1,500 people.
Total employees for 1934, 3,100.

Many small boards and commissions are omitted for lack of space, and because they are under some executive department, and appropriations for such boards and commissions are carried under respective departments.

TABLE 2.—*Appropriations made by Congress for the fiscal year 1935, as taken from Budget*

Judicial Department	$21,231,835.00
Legislative Establishment	16,910,720.00
Executive Office and Independent Establishments	4,054,881,379.00
Department of Agriculture	210,512,207.00
Department of Commerce	36,618,575.00
Department of Interior	55,876,535.67
Department of Justice	41,864,050.00
Department of Labor	14,181,365.00
Navy Department	309,667,190.00
Post Office Department	718,198,378.00
Department of State	12,311,719.00
Treasury Department	526,144,036.00
War Department, including Panama Canal	262,303,249.00
District of Columbia	33,073,334.00
Public debt, principal and interest	1,259,070,821.00
Total, including postal service payable from postal revenues	7,642,703,028.67

Total employees of the Federal Government:
Permanent, 764,573.
Temporary, 459,355.
Grand total now on pay roll, 1,223,928.

(Mr. TERRELL of Texas asked and was given permission to revise and extend his remarks.)

The SPEAKER pro tempore. Under a special order the gentleman from Massachusetts [Mr. CONNERY] is recognized for 30 minutes.

Mr. BANKHEAD. Will the gentleman from Massachusetts yield for a moment so that I may submit a rule?

Mr. CONNERY. I yield to the gentleman from Alabama.

PHILIPPINE CURRENCY RESERVES

Mr. BANKHEAD, from the Committee on Rules, submitted the following privileged resolution for printing in the RECORD under the rule.

The Clerk read as follows:

House Resolution 400

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H.R. 9459, a bill relating to Philippine currency reserves on deposit in the United States, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Insular Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

SILVER

Mr. BANKHEAD, from the Committee on Rules, submitted the following privileged resolution for printing in the RECORD under the rule.

The Clerk read as follows:

House Resolution 401

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H.R. 9745, a bill to authorize the Secretary of the Treasury to purchase silver, issue silver certificates, and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

6-HOUR DAY AND 5-DAY WEEK

Mr. CONNERY. Mr. Speaker, first of all may I make clear just what the Committee on Labor is trying to do with petition no. 30 for the 30-hour week bill which I have on the desk and which now has, I believe, 76 names.

This petition seeks to discharge the Committee on Rules from further consideration of S. 158, a bill introduced by Senator HUGO BLACK, of Alabama, which bill passed the United States Senate during the last session of Congress by a large majority. This bill was referred to the Committee on Labor of the House and was amended by our committee. Then I asked for a rule to bring up the bill in the House. We were unable to get a rule, so now we are moving to discharge the Rules Committee from the further consideration of the bill (S. 158) and hope to bring this bill up for action on June 11.

The Committee on Labor amended the bill, but when we bring the bill up on June 11 we do not intend to ask the House to pass the bill as amended by the Committee on Labor during the last session. I intend, if the Labor Committee agrees, to ask the House to pass the bill, S. 158, just as it passed the Senate, and then the bill will go immediately to the President for his signature.

I am going to read this bill into the RECORD so that the Members will have an opportunity to know what is in the bill, which is a very short one. There are several whereases at the start, then the bill provides as follows:

That no article or commodity except milk and/or its products shall be shipped, transported, or delivered in interstate or foreign commerce, which was produced or manufactured in any mine, quarry, mill, cannery, workshop, factory, or manufacturing establishment situated in the United States, in which any person, except officers, executives, and superintendents, and their personal and immediate clerical assistants, was employed or permitted to work more than 5 days in any week or more than 6 hours in any day: *Provided*, That this section shall not apply to commodities which a cannery or manufacturing plant produces by canning or preparing for marketing or commerce fish, sea food, fruits, or vegetables of a perishable character: *Provided further*, That upon the submission of satisfactory proof of the existence of special conditions in any other industry included herein, making it necessary for certain persons to work more time than herein provided, the Secretary of Labor may issue an exemption permit in respect to such persons, relieving the commodity from the provisions of this act. Newspapers and periodicals are not included in the description of the business activities herein designated.

SEC. 2. Any person who ships, transports, or delivers, or causes to be shipped, transported, or delivered in interstate commerce, any commodities or articles contrary to the provisions of section 1 of this act, shall be punished by a fine of not less than $200 or by imprisonment for not more than 3 months, or by both such fine and imprisonment, in the discretion of the court.

SEC. 3. This act shall not become effective until 30 days after the date of its enactment, and it shall not apply to commodities or articles produced or manufactured prior to the date it becomes effective; and this act shall remain in force for 2 years after the date it becomes effective. Nothing in this act shall apply to agricultural or farm products processed for first sale by the original producer.

This bill passed the Senate March 13 (calendar day, April 6), 1933.

Mr. Speaker, I have taken the floor today to give my own opinion in reference to this bill. It is merely my opinion, and I do not claim to have a cure-all for the depression, and I do not say that my word is the final open sesame to open the door to prosperity; but I do believe that as Chairman of the Committee on Labor for the past 4 years, after the hearings which have been held in our committee during this session and last session when we had before that committee every industrial leader of the United States, including the leaders of all the big industries of the United States, every big labor leader of the United States, every representative of the farmers of the United States, every representative of other labor—organized and unorganized—and industrial organizations in the United States, in hearings held during the last session and this session of Congress, sometimes beginning at 10 o'clock in the morning and running through until 7, 8, or 9 o'clock at night, that I know something about the situation. I believe as the result of these hearings, as a result of the thousands and thousands of letters which I have in files in my office, coming from every single State in this Union, after conferences with the American Federation of Labor and with representatives of organized labor and of unorganized labor not affiliated with the American Federation of Labor, and with leaders from every part of the country, that I do know something about what is going on in the United States today in reference to labor conditions.

I felt it was my duty as a Member of this House, with the knowledge which I possessed from these labor men and from these industrialists and the consumers all over the country, to make a statement to you today, and I say this advisedly. You have seen strikes in Toledo, you have seen Minneapolis, you have seen San Francisco, and you have seen some of the southern textile strikes—Birmingham, for instance—but, Mr. Speaker, a labor man in whom I have the greatest confidence said to me 2 days ago, "You have seen Toledo, Minneapolis, and San Francisco. That is mild. You have not yet seen the gates of hell opened, and that is what is going to happen from now on unless the Congress of the United States passes labor legislation to cure the evils which are existing in industry and which are driving these workers to desperation."

That is strong language. I do not say this to stir you up, but I say it because the man who stated those words to me probably has a better first-hand knowledge of the labor conditions in the country than anyone I know. I believe what he told me, and I dread the days that are to come, because I know that strikes mean misery, suffering, and many times bloodshed and death to the workers and their dependents. It is because I hope that Congress can prevent these things by passing labor legislation that I take your time to address you today.

The day after the agreement on the Detroit automotive situation I said that I had hoped in that agreement it would be recognized that if you ever expect industrial peace in the United States you have got to outlaw company unions. This agreement with the Detroit manufacturers was the Waterloo of labor from labor's point of view. They were up then right on the line. That agreement to recognize company unions partially and to recognize organized labor partially is the cause of your strike today in Toledo, your strike in San Francisco, and your strike in Minneapolis.

You know it is very difficult for a stepchild and the real child of the family to get along together, just as it is very difficult for a child to get along with its stepmother. Company unions are the children of big business. Trade unions are the representatives of the workers of the United States and are stepchildren to the big industrialists.

Let us start off with the premise that either trade unions are bad or they are good. If they are bad—if they are bad for the American people, if they are bad for the American Government, they should be abolished and wiped out of existence. If they are good, if they are responsible for whatever wages labor has got in the past, if they are responsible for doing away with sweatshops and the terrible living conditions of the workers in the United States, then they ought to be supported, and there is no half-way between trade unions and organized labor in the United States and the children of big industry known as "company unions."

I appeal to your common sense as men who have studied these problems; how can a group of men in any large corporation in the United States get together in a company union and have their representatives stand up and fight for the interests of the workers? Of course it cannot be done. You may say, "Why, some manufacturers are so kind-hearted that their workers do not want unions; they want to form their own organizations and deal with the kind-hearted owner of the plant who is going to take care of them and give them everything they want."

Well, I have worked. I know the feelings of men and women who work in industry. I was a foreman in the General Electric Co., the Edison Lamp Works, at East Boston, where they make lamp bulbs. I had labor experience when I was on the stage in the theatrical profession. I was in a strike in New York and was arrested for picketing on the East Side when we of the actors' union were picketing the Avenue B Theater. We were trying to get decent living conditions for the people on the stage who at that time were in vaudeville. Conditions were such, for instance, that actors would be booked to play, for instance, Keith's Theater in Washington for a week, and Monday afternoon, if they did not like your act, they fired you and you did not get paid for anything you had done or even your expenses to Washington. They had various tricks in New York whereby they would employ 10 acts for Monday afternoon; of course, all the people would come in to see the 10 acts and then they would fire five of the acts before the evening performance and pay them nothing, not even for the afternoon performance. This is just a sample of conditions at that time. We went on strike. I was arrested as a picket and taken up to the night court of New York. They put men on the stand who stated we pushed people off the sidewalk, which was all a lot of lies, because not a soul went into that theater all the time we were picketing that day, and I shall always remember the Jewish people of New York City.

The patronage of this theater was almost entirely Jewish, and they would come up to the door and when they would see us walking up and down they would just utter the one word, "Strike", and turn around and go home and not two people went into the theater that day or night, and ordinarily the theater was packed, as it was a Saturday. We were tried and we were each fined $1 after the judge told us what terrible people we were and told if we came into court the next day on the same charge we would be sent to Welfare Island for 30 days. We went on with the strike next day, picketed the same theaters again, and they found out we were not subject to arrest but were within our rights of lawful picketing, and we were not arrested.

I know something about these company unions. The man who belongs to a company union and goes to the foreman or the boss to discuss wages or hours is not a representative of labor. He is a man trying to court favor; he is a man trying to hold his job; he is a man getting special privileges; he is a man who is allowed to go around the plant and be paid for work he is not doing, when he is around spreading the propaganda, "We have a fine boss." Then the unions step in and say, "Listen, let us be Americans. Let us not be bootlickers. Let us not bow down before the boss and say, 'Please, can I have a decent living wage?' Let us be Americans under the Constitution of the United States and stand up and say, 'We demand our right to organize. We demand the right of collective bargaining.'"

Do not forget, while we are on this point, that the bulwark against communism in the United States has been your labor unions—the American Federation of Labor. [Applause.] Your unions have been the defense of the United States against communism and bolshevism and nazi-ism. They are American citizens fighting for a decent living.

Let us think this thing over. Do you think in Toledo today and in Minneapolis today and in any place else in the country where they are having strikes—do you think a man with a family of five children goes out there and is chased down the street with bayonets by the National Guard, as I saw in a picture yesterday of the strike in Toledo, does this

because he likes excitement? Do you think he goes out there risking his life or to get a clubbing on the head from the police or the hired guards of these companies because he likes it? Do you think he does it with these five children at home, perhaps hungry, for such a reason as that? No; he is out there fighting for bread for these hungry little mouths. He is fighting for clothing to put on these wasted little forms. He is fighting for milk for the baby. That is what he is fighting for, and I am asking you here today if you will not pass legislation through this Congress shortening the hours by enacting the 30-hour week bill, and give them decent, living wages after you shorten the hours. Pass legislation now to take these 10,000,000 people unemployed in the United States and put them back to work.

Now, here is the legislation I think this Congress should pass. I say this is only my opinion—I do not claim to have any cure-all, but I do claim that I know a little something about it. I think this Congress should not adjourn until it passes the Black 30-hour week bill. I want to congratulate Senator BLACK on his courage and foresight for having introduced the bill and for having it passed through the Senate.

I think we ought to pass the Black bill, and I think we should pass the Wagner disputes bill, which does away with the evils of company unions, although it does not go as far as I should like to have it go. But it does bring out the principle that 7A in the N.I.R.A. gives to labor the right to bargain collectively, through representatives of their own choosing. I think we ought to pass that bill, and I think we ought to pass the Wagner-Lewis bill, the unemployment insurance bill, because that is a bill to prevent hard times, to provide funds for paying wages to workers thrown out of employment by machines until they can be reabsorbed in industry.

We ought to pass the railroad pension bill, making the railroads do their share to take care of railroad employees and retire them, thus making available thousands of jobs for the younger workers and apprentices now unable to secure employment. I believe we should pass old-age pension legislation and do away with workhouses which are relics of the age of barbarism. That is the labor legislation that we ought to pass now. What has Congress done for labor in this session of Congress; I ask you, what?

Mr. COX. What about the N.R.A.?

Mr. CONNERY. I am talking about this session of Congress; not the last session. I want to say this to my friend from Georgia [Mr. COX]—and he is a good and sincere friend—that I think the N.R.A. is the greatest piece of legislation put on the statute books in a hundred years for labor. The N.R.A. came as the result of the Black-Connery 30-hour week bill. It abolished child labor, abolished the "yellow dog" contract, and authorized labor to bargain collectively as an organization, and upheld the right of labor to organize, and it shortened the hours by writing into the bill some other provisions of the Black-Connery bill which had been reported favorably by our Labor Committee. All the foregoing provisions I have mentioned were written into the Black-Connery 30 hour bill weeks before the N.I.R.A. was presented to Congress, and the Black-Connery bill was reported favorably to the House weeks before the N.I.R.A. was presented to either House or Senate. I say this in justice to my colleague on the Committee on Labor.

Mr. O'CONNOR. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. O'CONNOR. Is not the gentleman mistaken? Did we not pass the bill abolishing the "yellow dog" contract long before the N.R.A. was passed?

Mr. CONNERY. Yes; but that only applied to the Federal courts. You could not go into the States on an intrastate question.

Mr. O'CONNOR. But it practically abolished the "yellow dog" contract.

Mr. CONNERY. No; I wish it had. But in order to get into the Federal court they had to prove diversity of citizenship. But, further, I will say to my good friend from New York [Mr. O'CONNOR] that it took labor 40 years of hard fighting to get through that Norris-LaGuardia anti-injunction bill; and I was happy to be designated by Speaker Garner to preside in the chair during the consideration of that bill, and I was very happy to see it pass.

If the N.R.A. had done nothing else but abolish child labor and abolish the "yellow dog" contract, it would have been well worth its passage. [Applause.]

The passage of the N.R.A. has been a great forward step. It has set up principles that labor has fought for for a hundred years.

That the law has been badly administered in spots does not detract from the wonderful things that are possible under it when properly administered.

Properly administered, the N.R.A. can be made a new charter of liberty for the American workers and for industry.

I am not here to criticize the N.R.A. Above all, I am not here to criticize the President of the United States. I have repeatedly said at home and here that I think he is the greatest President we have had since Abraham Lincoln. [Applause.] I am not going to compare the Democratic administration with the Hoover administration, because there is no comparison. The American people know the answer to that without being told. I am asking, What have we done for labor now, in this session of Congress, with the terrible need for something to be done, with 10,000,000 people unemployment in the United States? Take the codes! We tried to fix it in the bill reported by the Committee on Labor this year. We tried to have labor representatives on the codes. That was in the Connery bill which we reported to the House this year—the 30-hour week bill. Where you have 15 men on code authorities under that bill there would be 5 employers, 5 labor employees, and 5 for the public, but you do not have that.

On your code authorities, with the exception of Sol Rosenblatt, on the amusement code, you have not a friend of labor. Look up and see who are on your code authorities. I am not blaming the President of the United States. On March 5 of this year the President, addressing a large assemblage of industrial leaders in Constitution Hall in Washington, asked industry to shorten hours and increase wages. It is now May 29, and less than one twenty-fifth of 1 percent of these industrialists have complied with the request of the President. Congress should act and do by legislation what industry refused to do for the President. The President has hundreds of problems to take care of, foreign and domestic, but I am blaming the administration of the N.R.A. Take the shoe industry. They put that on a 40-hour week. They have never worked 40 hours weekly in the history of the industry. All labor in that industry united to ask for a 30-hour week. They were refused. Then they asked for a reopening of the code to present their case. That was refused. I sent a telegram to Maj. George Berry, the administrator of that code, asking would he or would he not reopen that code. I have yet to receive an answer to my telegram sent weeks ago.

Mr. MOTT. Mr. Speaker, will the gentleman yield?

Mr. CONNERY. Yes.

Mr. MOTT. The gentleman says that he is not blaming the President, but he does say that he blames the administration of the N.R.A.

Mr. CONNERY. Yes.

Mr. MOTT. Is not the President responsible for the Administrator and the immediate personnel of the Administrator?

Mr. CONNERY. I suppose he is. I suppose the President appointed him; but when a law goes on the statute books, and this bill has been on the books for only a year, the President cannot be expected to know every detail of everything; he has to take the word many times of his subordinates that things are O.K., when they are not O.K., and he may have it in his mind for all we know to fire them all 2 weeks from now.

Mr. MOTT. But the President has not done it.

Mr. CONNERY. No. But I do know that that law has brought about wonderful things, which the President intended it should bring, as, for instance, the matter of the abolition of child labor, and the other things I have men-

tioned previously. There are weaknesses in the codes, and they can be fixed. These weaknesses would be eliminated if this Congress would pass the legislation which the Committee on Labor reported to the House, because you would have real labor men on every code, and they would soon tell the other code authorities what decent wages were, how many hours should be worked, and why.

Mr. MOTT. I voted last year to substitute this Black 30-hour bill for the hours provision of the N.R.A.

Mr. CONNERY. I thank my friend, and I still believe that ours was the better bill.

Mr. MOTT. I think we would have been a great deal further along if that had been substituted.

Mr. CONNERY. So do I; and in addition we would have saved the Government millions of dollars.

Mr. MOTT. Can the gentleman tell us what are the average hours of labor per day or per week under the code?

Mr. CONNERY. Forty hours a week.

Mr. MOTT. And if this bill—the Black 30-hour bill—is passed, what proportion of the unemployment will the 30-hour bill take up?

Mr. CONNERY. We figure that it would put 6,000,000 people to work.

Mr. MOTT. And how many are out of employment now?

Mr. CONNERY. Ten million; and that is why I favor unemployment insurance to provide for that other 4,000,000 who would still be unemployed even after we passed the 30-hour bill.

Mr. MOTT. I favor that. The only objection I have is the persistent assertion of Democrats that the President of the United States is not responsible for anything in this administration.

Mr. CONNERY. The President of the United States would have to be superhuman in order to read every code and say how many hours should be worked in each industry. He could not do it, together with silver problems, foreign problems, and stock exchange, banking, and farm problems, and what not. Why, no human being can do that.

Mr. JOHNSON of Minnesota. Mr. Speaker, will the gentleman yield?

Mr. CONNERY. Yes.

Mr. JOHNSON of Minnesota. The gentleman has referred to the city of Minneapolis two or three times. I understand the strike there is settled, and I understand the settlement is satisfactory to organized labor.

Mr. CONNERY. That is fine. And may I say here to my friend, Mr. JOHNSON, that my distinguished colleague, Mr. LUNDEEN, a member of our Labor Committee, has just informed me that no troops were called out in Minneapolis in the strike, as was done in Toledo. I congratulate the Governor of your State.

Mr. JOHNSON of Minnesota. On top of that, I think we ought to give credit to the Farmer-Labor Governor, Governor Olson, for settling that strike. He worked night and day for nearly 10 days; and let me say one more thing, I think the Farmer-Laborites ought to be heard on this and other measures benefiting labor and the workingman.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. CONNERY. Yes. I gladly yield to my friend from Texas.

Mr. BLANTON. Because the gentleman from Massachusetts [Mr. CONNERY] is such a decent, splendid citizen, he has presented the decent side of strikes. What are you going to do with plants like Henry Ford's, where he has paid more than any other plant in the world as a minimum wage, and where the hours have been shorter than at other plants, and where the employees have been satisfied?

Mr. CONNERY. Oh, no.

Mr. BLANTON. Are you going to force him to unionize?

Mr. CONNERY. I can only answer my friend by stating that all of his premises are wrong. Mr. Ford did not pay a decent wage, and his hours were not right, and his workers were never satisfied; and only last week he shifted all men who had dared to unionize to one plant and then fired that whole plant.

Mr. BLANTON. Our friend from Massachusetts has the respect and affection of all of his colleagues. The gentleman presents the decent side of strikes, with which everyone is agreed. But there is another side, where unions flagrantly violate the law and should not be upheld in it. The law should be respected both by capital and unions. What about the indecent side, where in Toledo the other day, by force of arms and brutality, unions, after beating him, stripped a young boy naked and marched him naked, beaten half to death, in front of their mob down the streets of the city as an example of what would happen to anyone who would oppose union mob strength and brutality? That is wrong. We must not uphold such lawlessness.

Mr. CONNERY. No one would favor that, of course.

Mr. BLANTON. The gentleman does not favor that?

Mr. CONNERY. No; and neither do I favor it when they shot down women in Pennsylvania in your Homestead strike, and shot down strikers in Pennsylvania with machine guns, and neither do I approve of what they did in Minneapolis, when they hit them on the heads with clubs, or when they stabbed the strikers with bayonets in Toledo.

Mr. BLANTON. We must stop this lawlessness and brutality on both sides.

Mr. TRUAX. Will the gentleman yield?

Mr. CONNERY. I yield to the gentleman from Ohio.

Mr. TRUAX. I will say to the gentleman from Texas [Mr. BLANTON] that that was no worse than the shooting down in cold blood of 2 of the strikers by the National Guard and the bayoneting of 50 others. While the Governor of Minnesota may have been working day and night to correct the situation in Minneapolis, our Governor was up in Michigan fishing.

Mr. BLANTON. Two wrongs do not make a right. Labor wrong and capital wrong do not make a right.

Mr. TRUAX. No. But two men killed are worse than one man undressed. [Applause.]

Mr. GOSS. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. GOSS. I want to ask the gentleman what he proposes to do on the Black bill with reference to goods coming into this country from foreign countries which have no limitation on labor, as against the 30-hour week?

Mr. CONNERY. The gentleman knows that during the last session there was a provision in the Connery bill——

Mr. GOSS. But it is not in the Black bill now.

Mr. CONNERY. No. In the Connery bill there was a provision which provided that any article arriving in the United States at total landed cost less than the cost of production of a similar article in the United States would be barred. In section 3E of the N.R.A. we have a provision which gives the President full power to declare an embargo, to tax them, or to do anything he sees fit to prevent interference with the administration of the N.R.A. due to foreign competition. He has already begun to use this power within the last few days in the case of Japanese goods.

Mr. GOSS. But that is on the 40-hour basis, according to the gentleman's own statement. What will it be when it becomes 30 hours?

Mr. CONNERY. The President has the same power.

Mr. GOSS. Will the gentleman offer an amendment to the Black bill to include that, to make it mandatory?

Mr. CONNERY. No; because I want to see the Black bill passed, and fear that the issue would be clouded by such an amendment, since the President already has the power to take care of the situation under the N.I.R.A. I want to see the Black bill passed without any amendment, because I want to get on the 30-hour-week basis.

Now, Mr. Speaker, let me say in conclusion, I have told you as well as I could in my own way what I think we ought to do. I ask you if you believe in some of these things, to sign that petition, no. 30, up there. The farmers are for it. All labor, organized and unorganized, in every State in this Union is for that 30-hour week bill. You only have to check back in your own districts and you will find what I say is true.

Mr. KNUTSON. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. KNUTSON. The gentleman said there are 10,000,000 out of work. Does that include the 6,000,000 in the C.W.A.?

Mr. CONNERY. No. The C.W.A. has been demobilized.

Mr. KNUTSON. Then that makes 16,000,000?

Mr. CONNERY. There are 10,000,000 not working on anything—C.W.A. or anything else. Now, I ask the Membership to sign that petition, because the leading economists told us when they come before our committee that that would put 6,000,000 people to work. Further, it will give that much increased buying power to the people. The people with extra buying power can buy farm products; they can buy the products of industry and help us to get back to prosperity.

I shall not now go into this matter any further. There are hundreds of things I could tell you. In answer to the gentleman from Texas [Mr. BLANTON], I could tell you things I have seen with my own eyes, terrible things done to labor in strikes, but I am not trying to say that today. I am trying to cover in the limited time the legislative situation and to tell what I believe will happen if we do not pass this legislation. I hate strikes. I do not like to see men bayonetted. I do not like to see men die and see their little families left starving, with no pensions, and go to the poor rolls for relief. I do not like that. I do not want to see strikes; and because I hate strikes, because I want to see labor get its place in the sun and a real, decent United States of America to live in, I ask you, in the name of all these little children, in the name of the helpless aged, in the name of labor throughout the Nation, and for your own country, to sign that petition on the desk to pass that 30-hour-week bill and pass this other labor legislation before Congress adjourns. [Applause.]

The SPEAKER pro tempore. Under the special order the gentleman from Tennessee [Mr. COOPER] is recognized for 10 minutes.

Mr. COOPER of Tennessee. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include a statement presented by me to the Mississippi River Commission, which embraces a memorandum prepared by me for the President.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. COOPER of Tennessee. Mr. Speaker, I am asking the indulgence of the House again on this occasion to discuss a matter of importance and very great interest to the people whom I have the honor to represent. It is the subject of flood control, drainage, and river matters.

I have worked hard and been very active in these matters since my period of service in Congress began. I introduced a bill providing relief for the Tennessee side of the Mississippi River, and public hearings were held on this bill. I then succeeded in having the Flood Control Committee of the House include the west Tennessee area in its inspection trip through the Mississippi Valley. The administration then in control took a very strong position against this bill, which prevented favorable action on it. I have continued my activities on the matter during the present administration and am still exerting my best efforts to secure desired results. I assisted in securing some $3,000,000 for bank-protection work on the Tennessee side of the Mississippi River. I have conferred repeatedly with the Chairman of the Flood Control Committee during this session of Congress, from the very beginning of the session in January, with the view of having this area included in legislation considered and reported.

Mr. WILSON. Mr. Speaker, will the gentleman yield?

Mr. COOPER of Tennessee. I yield to the Chairman of the Flood Control Committee.

Mr. WILSON. Mr. Speaker, I wish to say that the gentleman from Tennessee as a member of the Flood Control Committee was one of the most valuable members we ever had on this committee and his services then and ever since his election on the great Ways and Means Committee has been of very great assistance to us in connection with this matter. The gentleman has at all times been most active and diligent in protecting the interest of his people in Tennessee and they could not have a more able champion of their cause than he is. I would recall to him now that on account of these controversies, such as he has in mind in Tennessee and other places on the river, we secured an entire engineering review and reexamination of the entire flood-control project from Cade Girardeau to the Gulf. This review is now under way and the area in Tennessee in which he is so much interested will be given every consideration. [Applause.]

Mr. COOPER of Tennessee. I thank the gentleman. I was just about to call attention to the resolution adopted during this session of Congress.

Mr. WILSON. I also suggest to the gentleman from Tennessee that this review is now under way but is not yet complete and at the present time the Chief of Engineers states that he cannot make a report until he has completed the investigation of the entire problem with a determination to bring about an adjustment to solve the problem on a just and equitable basis to all concerned.

Mr. COOPER of Tennessee. I thank the gentleman.

Mr. BYRNS. Mr. Speaker, will the gentleman yield?

Mr. COOPER of Tennessee. I yield.

Mr. BYRNS. I am sure we all concur in what the gentleman from Louisiana [Mr. WILSON], Chairman of the Food Control Committee, has had to say with reference to the value of the services rendered by the gentleman from Tennessee, a former member of the Flood Control Committee, in starting the work to which the gentleman has alluded.

The gentleman from Tennessee is now, of course, a member of the Committee on Ways and Means, one of the most powerful of all the committees of the House, having been elected to this committee by his Democratic colleagues. While the gentleman is no longer a member of the Flood Control Committee, his membership upon the Ways and Means Committee and the fact that he is also a member of the Committee on Committees has given him a power and influence in the House which makes him not only influential in matters relating to flood control but in all legislation that comes before the House. I think all the Members of the House will agree with me in the statement that the gentleman from Tennessee, by virtue of his position in the House and his ability and industry, has rendered a great service. [Applause.]

Mr. COOPER of Tennessee. I thank my colleague.

Mr. KNUTSON. Mr. Speaker, will the gentleman yield?

Mr. COOPER of Tennessee. I yield.

Mr. KNUTSON. Mr. Speaker, I concur in everything the distinguished majority leader has said with reference to the value of the services rendered by the gentleman from Tennessee [Mr. COOPER]. As a Republican member of the Ways and Means Committee, I may say that he is one of the most valuable Members on this committee as well as of the House. The gentleman's district is to be congratulated upon having a man of his attainments to represent it. [Applause.]

Mr. COOPER of Tennessee. I thank my colleague.

During the early part of this session the following resolutions were passed by the Senate and the House of Representatives:

Resolved, That the President be, and he is hereby, requested to send to the House of Representatives (and the Senate) a comprehensive plan for the improvement and development of the rivers of the United States, with a view of giving to Congress information for its guidance in legislation which will provide for the maximum amount of flood control, navigation, irrigation, and development of hydroelectric power.

During this session of Congress General Markham, Chief of Engineers, appeared before the Flood Control Committee of the House and stated that the whole matter of flood-control legislation should be held up until the review and investigation being made under these resolutions could be completed.

As stated by the Chairman of the Flood Control Committee, who was the author of the resolution passed by the House, the purpose of this action by the Congress was to extend the comprehensive plan and national policy to all streams in every State in the Union. The President appointed a committee of Cabinet officers, as well as other committees, to assist in working out the plans, and the entire country has been divided into sections as follows: Atlantic coast, Gulf coast, West coast, east Mississippi, and west Mississippi.

I also call attention to the following statement made by the Chairman of the Flood Control Committee during a recent speech in the House on this subject. In speaking of the Flood Control Act of May 15, 1928, he stated that—

Amendments to this act are necessary to carry out the intent of Congress in respect to compensation for lands taken and used by the Government for the passage of flood waters in the main channel of the Mississippi River by new locations, set-backs, and changes in levee lines under the flood-control plan, lands or flowage rights over same embraced within spillways and floodways, and also areas adjacent to the main channel of the Mississippi River, the protection of which by levee construction is not deemed practical, when and wherever such lands are used or designed for use in the passage or storage of flood waters in the execution of the adopted project.

The alluvial valley of the Mississippi River, comprising 30,000 square miles, is now used for the passage and storage of the drainage and excess flood waters from 31 States, more than four-fifths of the entire area of the United States. The work now in progress will coordinate with whatever may be essential in the comprehensive plan. The work undertaken in the alluvial valley is an emergency project and should proceed as such.

Anyone familiar with the procedure here in subjects of this kind realizes the importance of favorably impressing the officials of the Government who have such an important part in such matters. I desire here to invite attention to a statement which I presented to the Mississippi River Commission at the hearing held at Memphis, Tenn., on May 2, 1934, during an inspection trip through the Mississippi Valley:

I appreciate the notice of this hearing and the opportunity to present this statement. I regret that on account of pressing matters of such great importance now pending in Congress which require me to remain at my post of duty in Washington that I am unable to be present at the hearing as I would like very much to be. I think I have attended all hearings on flood control and river matters, and have taken a very active interest in them since my period of service began. I have exerted every possible effort to present the problem and secure desired results for the people whom I have the honor to represent in connection with these important matters.

In a further effort to secure relief for the people along the east side of the river I arranged a conference with President Roosevelt in February of this year and Senator McKELLAR, Senator BACHMAN, and I went to the White House and conferred at considerable length with the President about flood control, flowage rights, drainage, and river matters. The President assured us that he would include our territory in the comprehensive study of this whole problem which he is making. He requested me to prepare and submit to him a memorandum on the subject of flowage rights for the area in Tennessee and Kentucky along the Mississippi River which I very gladly and promptly did. As this memorandum embraces my views on this subject and I think presents a fair statement of the situation, I am including it here, as I have secured permission from the White House to use it as a part of my statement at this hearing.

FLOWAGE RIGHTS FOR THE AREA IN TENNESSEE AND KENTUCKY ALONG THE MISSISSIPPI RIVER

Memorandum for the President.

MY DEAR MR. PRESIDENT: Complying with your request during our recent conference, I am pleased to submit the following memorandum on the above subject:

There is situated along the east bank of the Mississippi River in the western part of the States of Tennessee and Kentucky an area of some 500,000 acres of land which is subject to floods and overflows from the Mississippi River. This is not wild or waste land. From one-third to one-half of it is in cultivation and improved, and much of it is among the finest land to be found anywhere in the Mississippi Valley. This area includes homes, farms, and improvements, many of which have existed for more than 100 years. These people have put their life's work and savings in the development and improvement of this property. They are exceedingly anxious to retain their homes and farms and to be able to enjoy them in the manner which existed prior to the time of the destructive floods which have been diverted upon them.

In the state of nature the land on the Tennessee and Kentucky side, or the east bank of the Mississippi River, is from 3 to 4 feet higher than the land on the west bank of the river. There is no levee system along the east bank of the river in this territory to protect this area. The construction and maintenance of the levee system across the river from this area has thrown this tremendous volume of water from the Mississippi River over on the Tennessee and Kentucky side, and has increased the flood heights from 6 to 7 feet in depth on these lands. While there was formerly a distance of some 30 or 40 miles from the river for this water to extend over the west side along this stretch of the river, the effect of the present levee system above, below, and across the river is to so restrict the river as to force these waters over all the area along the east bank. This levee system was connected up and made effective about 1896. The policy has been to raise and strengthen these levees since that time.

The Jadwin plan adopted under the Flood Control Act approved May 15, 1928, failed entirely to afford any relief or benefit to this area, but, on the contrary, it greatly aggravated the situation and increased the flood heights on these lands. The adopted project provides for the raising and strengthening of the levee system on the west side and gives no consideration whatever to the east side of the river. The New Madrid floodway is above this area and the entire volume of water is brought back into the main channel of the Mississippi River before it reaches this area. Naturally, this increased volume of water spreads over this area in Tennessee and Kentucky to the very great loss and damage to these people.

Prior to the adoption of this levee system the overflows were much more shallow and of very much shorter duration of time. It was practically unknown then for the people of this area to fail to make a crop on these lands. Since that time, and especially during recent years, they have either lost their crops entirely or they have been cut short to a very great extent. The loss of houses, barns, and other improvements has been very heavy. The water now remains on the land too late in the year for them to make a crop. The best they can hope for under existing conditions is not more than one-fourth of the crop formerly made by them. The situation is getting worse year after year and these people have sustained tremendous losses, and certainly it is through no fault of their own. A careful survey and estimate made by the Mississippi River Flood Control Association showed that during one flood this area sustained a property loss of some $6,000,000 and seven lives were lost.

The Federal Government has assumed responsibility for the existing levee system which is causing the injury and damage to this area in Tennessee and Kentucky along the Mississippi River. The Government engineers reported that it is not feasible to protect this area by levee. The practical effect of the existing situation is that this area is dedicated and used as a storage basin along the main stem of the Mississippi River. It is, therefore, most respectfully urged that the people of this area who are suffering such great losses and damage in the manner herein indicated should receive fair and adequate consideration from the Government. These people who are of the very highest and finest type of citizenship feel most keenly that they should be paid for annual flowage rights on their land by the Government. The amount of which to be fixed by proper agency with their being given full and ample opportunity to be heard and present proof. While these people most strongly favor and prefer this method of treatment, they also feel that in the event this method is not approved that the Government should acquire permanent flowage rights.

It is earnestly requested that due consideration be given to this area in Tennessee and Kentucky in the comprehensive plan to be submitted to the Congress under the provisions of resolutions recently adopted by the Senate and the House, and that the method of treatment embraced herein be recommended therein. In case it is found that it will take some time to work out and put into effect a comprehensive plan it is felt that this relief through flowage rights for this area should be provided now.

It is the purpose in this memorandum to submit as brief and concise a statement of the situation as possible, and any further data or information on the subject will be gladly furnished.

Respectfully submitted.

JERE COOPER,
Member of Congress from Tennessee.

As indicated by this statement, I desire to very strongly urge that this area be included in your inspection and consideration of this problem and that the relief herein requested be included in your report and recommendation.

Respectfully submitted.

JERE COOPER,
Member of Congress from Tennessee.

In the early part of this year I secured the passage of resolutions by the Rivers and Harbors Committee of the House for the review of reports and investigation of the Obion, Forked Deer, and Hatchie Rivers in Tennessee, with the view of improving these streams.

DRAINAGE DISTRICTS

I want to also call attention to the matter of drainage districts, which is of great importance to our people. I was gratified when we finally succeeded in getting the provision in the Agricultural Adjustment Act to refinance drainage districts through the R.F.C., and had $50,000,000 set aside for that purpose. Since none of the districts have taken advantage of the plan, I am convinced that its provisions are not generally known by those affected. It is also true that certain additional legislation has been enacted at this session of Congress which will further enable the people to take advantage of the benefits provided for these districts. We have also just passed a measure providing for loans from the R.F.C. to small industries, and there is included in this measure a provision which increases the amount of the

funds to refinance drainage districts and similar purposes from $50,000,000 to $125,000,000.

Circular no. 7 has been issued describing the course to be followed in reorganization to reduce and refinance these drainage districts, and I hope the landowners will acquaint themselves with its terms. Briefly, it provides for reorganization of a district, the purchase by the R.F.C. of the outstanding bonds at market value, the issuance of refunding bonds based on the purchase price of the originals, allowance of 40 years to pay the new assessment at the small interest charge provided under section 5 of the R.F.C. act. This gives the landowner the direct benefit of a reduction of his basic assessment in the amount of the depreciation of the district bonds. This in most cases will be a large percentage of what remains, as the bonds are being offered for exceedingly low figures. Based on this small assessment, and amortized over the 40-year period, owners of drainage land can develop it without the destructive demands in taxes they have now hanging over them.

I have considered this as a fair method of relief. I advocated it from the beginning of my congressional services, and appeared before the committee considering the plan to especially urge that the farmer be given the advantage of any depreciation of the bonds, to make it his bill instead of the bondholders' bill. I have been very active in securing the passage of this legislation in the interest of our farmers and landowners.

I understand other methods of relief are being suggested that call for full governmental assumption of all drainage charges. It is a serious thing to call on the man owning the hillside farm to pay for drainage developments in the bottom area. These were undertaken as private projects; and while I realize and deeply regret the disastrous results to landowners in many instances, yet I doubt if these people would want to fasten the cost of any mistake that was made in this respect directly on their neighbors and call on them to pay the bill. I am inclined to believe that the method of treatment by the Federal Government, through legislation enacted by Congress, for which I voted and worked, is fair and reasonable and gives a proper degree of equal treatment of all of our people.

The present administration has provided substantial relief for our people on the drainage question and still further benefits will be afforded. Our great President is working on the comprehensive plan for further relief on flood-control and river matters. He is applying his splendid talents along with his able assistants to these questions. I feel confident that he will meet and solve this great problem in the interest of the people of this country in the same splendid manner in which he has solved all other problems to which he has applied his great ability and efforts. [Applause.]

The SPEAKER pro tempore. Under the special order of the House the gentleman from Pennsylvania is recognized for 10 minutes at this time.

Mr. McFADDEN. Mr. Speaker, I call the attention of the House to Senate Resolution 83, which was passed in 1928. It was under this resolution that the investigation now being conducted by the Federal Trade Commission has been pursued.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include at this point a copy of this resolution as it passed the Senate. It is a short resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The resolution is as follows:

[S.Res. 83, 70th Cong., 1st sess.]

Report No. 225

IN THE SENATE OF THE UNITED STATES,

December 17, 1927.

Mr. Walsh, of Montana, submitted the following resolution, which was ordered to lie over under the rule.

December 19, 1927, referred to the Committee on Interstate Commerce February 1 (calendar day, Feb. 2), 1928, reported by Mr. Watson with amendments.

February 6, 1928, referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

February 9, 1928, reported by Mr. Deneen with an additional amendment.

February 13 (calendar day, Feb. 15), 1928, considered, modified, and agreed to.

Resolution

Resolved, That the Federal Trade Commission is hereby directed to inquire into and report to the Senate, by filing with the Secretary thereof, within each 90 days after the passage of this resolution and finally on the completion of the investigation (any such inquiry before the Commission to be open to the public and due notice of the time and place of all hearings to be given by the Commission, and the stenographic report of the evidence taken by the Commission to accompany the partial and final reports) upon (1) the growth of the capital assets and capital liabilities of public-utility corporations doing an interstate or international business supplying either electrical energy in the form of power or light, or both, however produced, or gas, natural or artificial, of corporations holding the stock of two or more public-utility corporations operating in different States, and of non-public-utility corporations owned or controlled by such holding companies; (2) the method of issuing, the price realized or value received, the commissions or bonuses paid or received, and other pertinent facts with respect to the various security issues of all classes of corporations herein named, including the bonds and other evidences of indebtedness thereof, as well as the stocks of the same; (3) the extent to which such holding companies or their stockholders control or are financially interested in financial, engineering, construction, and/or management corporations, and the relation, one to the other, of the classes of corporations last named the holding companies, and the public-utility corporations; (4) the services furnished to such public-utility corporations by such holding companies and/or subsidiary companies, the fees, commissions, bonuses, or other charges made therefor, and the earnings and expenses of such holding companies and their associated, affiliated, and/or subsidiary companies; and (5) the value or detriment to the public of such holding companies owning the stock or otherwise controlling such public-utility corporations immediately or remotely, with the extent of such ownership or control, and particularly what legislation, if any, should be enacted by Congress to correct any abuses that may exist in the organization or operation of such holding companies.

The Commission is further empowered to inquire and report whether, and to what extent, such corporations, or any of the officers thereof, or anyone in their behalf or in behalf of any organization of which any such corporation may be a member, through the expenditure of money or through the control of the avenues of publicity, have made any, and what, effort to influence or control public opinion on account of municipal or public ownership of the means by which power is developed and electrical energy is generated and distributed, or since 1923 to influence or control elections: *Provided*, That the elections herein referred to shall be limited to the elections of President, Vice President, and Members of the United States Senate.

The Commission is hereby further directed to report particularly whether any of the practices heretofore in this resolution stated tend to create a monopoly or constitute violation of the Federal antitrust laws.

Mr. SIROVICH. By whom was this resolution introduced?

Mr. McFADDEN. It was introduced by the late Senator Walsh, of Montana.

I may say in this connection that Senator Walsh had great difficulty in getting this resolution passed. He was sidetracked from his original intention that the Senate should appoint a special committee to carry on this investigation. This investigation was fought by the Power Trust and by the public-utility interests, and Senator Walsh had to accept the final edict transferring this investigation to the Federal Trade Commission. From time to time the Federal Trade Commission has made its report as its investigators reported the completion of their examinations in accordance with the resolution.

I direct particular attention at this time to that part of their investigation to which I have heretofore referred, namely, the investigation of Henry L. Doherty and his corporations, known as the Cities Service Co., and other subsidiaries, because of the disclosures which the Federal Trade Commission have uncovered in regard to the exploitation of the American investing public through which hundreds of millions of dollars have been taken fraudulently from the people by this gentleman and his companies. Proof of the statements which I have made previously on the floor of this House is now available to a great extent by the disclosures which are being made before the Federal Trade Commission at the present time. I want to call attention, however, to the fact that this report has been greatly delayed.

The tables in this report are of particular importance not only to the Members of the House, but to the Congress and to the people of the United States. A most unusual procedure has taken place in regard to the final analysis and

report of the Federal Trade Commission in connection with the Cities Service group. In this connection I direct attention to that which took place when the Darrow report on the N.R.A. was made to the President of the United States a few weeks ago. Apparently, because that report did not meet the approval of the President and the administration, it was held up for a period of 2 weeks until those in authority in the administration of the N.R.A. could examine it, so that simultaneously with the publication of the Darrow report the analysis of the administration could also be put out and to that extent smother the effect of the report of the Darrow committee.

The same thing is apparently taking place as regards the reports of the Federal Trade Commission, and again we find the administration interfering in the manner in which this report of the Federal Trade Commission on H. L. Doherty's companies is to be made. How do we notice this? For a number of years the Federal Trade Commission has had a department of publicity and propaganda. This department was headed by a very capable man, Mr. Mayer. Mr. Mayer has now been superseded by a Mr. Baker, apparently a trusted man of the administration. So, now, under the direction of Mr. Baker, when the publicity, incident to the publishing of the reports by the Federal Trade Commission of Mr. Doherty and his companies, particularly Cities Service, is released and made public under the authority of the Federal Trade Commission, Mr. Baker puts out a mimeographed report—this has not been the practice heretofore—which is available to the press and the public, and to Mr. Doherty's attorneys and publicity agent, who simultaneously put out their version of whatever disclosures are made, so that the public has Doherty's answer simultaneously with the Federal Trade Commission's disclosures—the same trick that was played in the release of the Darrow report on N.R.A.

I can understand why the President and the administration have been concerned and interested in these criticisms of H. L. Doherty and his companies by the Federal Trade Commission, owing to the fact that Mr. Doherty was chairman of the President's birthday parties which raised a million dollars, and he presented this to the President at the White House for one of the President's pet projects, the Warm Springs Foundation. The public have been interested in Mr. Doherty's maneuvers to gain the good graces of the President and the administration through this birthday party activity, and the other entertainment features which Mr. Doherty has so lavishly given to the President and the administration, as likewise the public were interested to note another of Mr. Doherty's attempts to popularize himself with the administration through the assistance, both physical and financial, which he contributed to the embassy abroad over which Mrs. Ruth Bryan Owen presides. The public are watching, particularly that part of the public who have lost millions of dollars through the fraudulent financial manipulations of Henry L. Doherty and his companies, as to just what Mr. Doherty has accomplished in the way of securing the protection of the President and the administration so that Mr. Doherty and his companies may be kept free from any possible prosecution by this Government.

Because of the closeness of Henry L. Doherty to this administration and the things he has been doing for the President of the United States, I charge that the President of the United States and this administration are attempting through their edicts to cover up and protect Henry L. Doherty and his companies, who are now under investigation by the Federal Trade Commission.

Mr. COX. Will the gentleman yield?

Mr. McFADDEN. I yield to the gentleman from Georgia.

Mr. COX. Do I understand the gentleman to say that the President is deliberately undertaking to cover up Henry L. Doherty?

Mr. McFADDEN. I may say to the gentleman that that is the net result of the action he has taken in reference to the Federal Trade Commission. Does the gentleman desire proof of this?

Mr. COX. The gentleman will make his own speech. I think if he makes such charges he ought to sustain them.

Mr. McFADDEN. I will be very glad to sustain them.

I have here an order dated May 14, 1934: "Memorandum for chief counsel, chief economist and mails and files section, Federal Trade Commission; Senate Resolution 83, public utilities investigation, Seventieth Congress, first session, February 15, 1928." I call the attention of the Members of the House particularly to this order issued by the secretary, Mr. Otis B. Johnson, of the Federal Trade Commission:

> The Commission today directed that the chief counsel and the chief economist instruct their staff that in connection with the completion of the report on utilities as planned in accordance with the President's letter of April 26, 1934, they are not to initiate any new investigations either into utility finances or propaganda phases of the inquiry.

It would be interesting, I may say to the gentleman from Georgia, if he would read this letter of the President of April 26, 1934, which resulted in the order of the Commission to stop its investigation, or its further inquiry, if you please, into the manipulations of Henry L. Doherty and his public-utility operations or of the Associated Gas & Electric Co. in regard to their negotiations, and all other investigation of public utilities under the Walsh resolution.

Mr. BLANTON. Will the gentleman yield?

Mr. McFADDEN. I am sorry; I cannot yield.

Mr. O'CONNOR. Will the gentleman yield?

Mr. McFADDEN. No; I am sorry, but I cannot yield.

I call attention to the fact that this investigation of the public utilities is one of the most important things that is before the public at the present time. It was instigated by the late Senator Walsh of Montana, a leading Democrat, and I say that this report indicates that the authority vested in this Commission is being interfered with and that the investigation under such interference cannot proceed in accordance with the Walsh resolution.

By what authority, I ask, has any President the right to direct any investigation that has been authorized by the Congress?

The carrying out of the investigation provided for under Senate Resolution 83 was the crowning achievement of the late Senator Walsh, and I know, as every Member of this Congress knows, of the deep interest of this great Senator in this investigation. I also happen to know that it was one of his purposes, had he been permitted to serve as Attorney General of the United States, to watch closely the uncovering of the operations of dishonest exploiters and financiers who operated in public utilities and to properly prosecute and stop these fraudulent practices.

This administration came into power with definite promises of correction of this and other monetary and fiscal manipulations. This interference by the President with orderly procedure in this investigation indicates what might have taken place had the supervision of the operations of the New York Stock Exchange, which is now under consideration in the Congress, been left to the Federal Trade Commission.

I have been trying all this session and last session to get the Rules Committee of this House to pass out my resolution proposing to investigate one phase of this public-utility scandal of Henry L. Doherty and his companies. It is apparent now that inasmuch as the Rules Committee of this House is so completely dominated by the administration in their efforts to protect Henry L. Doherty and his companies that I could not get even a hearing on the bill. This investigation would have disclosed to the administration of the Bureau of Internal Revenue, the Federal Trade Commission, and the public the men in the Bureau of Internal Revenue who were protecting outfits like the Doherty group.

In the several speeches that I have made on the floor of the House I have from time to time pointed out the fraudulent practices of Henry L. Doherty and his companies. He organized a Delaware corporation known as "Henry L. Doherty & Co., Inc." This company was created for the distinct purpose of defrauding the Government.

In the course of the presentation for the record by the Federal Trade Commission of the report on Cities Service Co. under Senate Resolution 83, at the opening of the hearing there were handed out mimeographed copies of a summary of volume 1 of the Report on Cities Service Co., put out by the Federal Trade Commission, and typewritten copies of answers thereto put out by representatives of the company.

The mimeograph copy of the summary of volume 1 of Cities Service Co.'s report show that—

First. As of December 31, 1930, the closing date of the report, Henry L. Doherty owned 29.6 percent of the voting control of Cities Service Co.

Second. Only two other stockholders owned as much as 1 percent of the voting control.

Third. By such 29.6-percent stock ownership Mr. Doherty controlled as a one-man institution Cities Service Co. and all of its subsidiaries, affiliates, and associates, and dictated every policy of the management, control, and financing of the whole group.

Fourth. As at this date, December 31, 1930, there appeared on the books of Cities Service Co. and its subsidiaries over $246,000,000 in write-ups—$246,000,000 of that represented not one cent of real value, but was all water that had been poured into the company upon which the security investors, without knowing the true facts, had invested in the stocks of these securities as offered on the market, and on the basis of which inflated values it will be shown that Mr. Henry L. Doherty unloaded over $19,000,000 of the securities that had been held by him at a price ranging above $50 a share on stock that is now quoted on the curb—which quotations are shown to have been maintained by a rigged market that was kept up by manipulations of this man Doherty—at a price of $2.50 to $2.62½ cents, and which stock at the time he sold it he well knew had no such value as that at which he sold it, and that this price was one that had been maintained by him by manipulating the market, all of which was done directly in fraud of the rights of the stockholders whom he represented in a fiduciary capacity and the public on whom he was unloading; and $246,000,000 of water and air upon which the ratepayers using the commodities—electricity, gas, oil, and so forth—must pay a premium. This is the type of transaction, a fraud upon the public, that the President is protecting.

Fifth. Concurrently with the write-ups of the plant and investment accounts of subsidiaries and largely as a result of them, Cities Service Co. recovered in excess of $100,000,000 in cash of its initial investment in companies and properties which were consolidated and merged or transferred from one company to another within the system. This $100,000,000 represents the contribution of the companies that were so treated toward the acquisition of other companies by this reckless, greedy manipulator and defrauder of the public and the ratepayers using these commodities, an amount out of which the prior holders of securities in these companies were mulcted in order that this financial buccaneer might personally fatten at the public's expense and parade the country as a great benefactor. (Instead of the President protecting, as he is doing, this fraud as perpetrated upon the investing public, it should be in the hands of the Attorney General for prosecution. The evidence is in the Lundvall report, now in the possession of the Federal Trade Commission.)

Sixth. For the most part, these consolidations and mergers resulted in an increase in securities issued, with consequent write-ups in plant and investments; a refinancing of companies, resulting in a greater proportion of outstanding senior securities—securities that were palmed off on the public by this man Doherty—and a smaller proportion of common stock after the merger than before, all of which permitted him to exercise the same degree of control over these properties with a smaller investment and in some instances without any investment at all.

Seventh. These inflations appear both on the books of the subsidiary companies and on the books of Cities Service Co. In other words, the value of plant and investment accounts of the subsidiary companies and of the parent company, Cities Service Co., were both inflated by this amount, and the value of the securities offered to the public in these companies were deflated or reduced by this amount.

Eighth. Over $35,000,000 of this amount represented intercompany profits to Cities Service Co. in transferring securities or properties to subsidiaries, capitalized preferred and common-stock discounts incurred in the issuance of stocks, the capitalization of the par value with common stocks issued as a bonus with the sale of its preferred stocks, the capitalization of depreciated reserves of its subsidiaries which had been capitalized in reorganization by the merged company, the capitalization of earnings of subsidiaries in reorganizations in excess of the actual earnings accrued, the erroneous capitalization of surpluses of acquired companies, the erroneous capitalization of losses incurred by subsidiaries, and write-ups in value investment, which were reflected principally in an overstatement of its surplus accounts by $11,000,000, an overstatement in its premium and discount on capital-stock account, or paid-in surplus of over $10,000,000, and the creation of surplus from revaluation of assets amounting to over $8,000,000, a total of $30,000,000. This means, according to the perverted theory of this man Doherty, the manipulator, a surplus of over $35,000,000 of thin air available for dividends.

How much of this sum out of these reserves and fictitious surplus were used for the payment of dividends? I am informed this will be shown in volume 2 of the report on Cities Service, which will not be presented for the record until after Congress adjourns. You gentlemen can interpret the significance of that for yourselves. There is not a man on this floor whose constituents have not been sold the stocks of these companies on the theory that the asset values behind them were far in excess of the real values shown by the books of the companies. These are matters that you must answer to your constituents for. They are matters which I have been trying to bring to light and which I have used every means to have the Bureau of Internal Revenue make available to this Congress so that you might be able to intelligently present the whole crooked situation to the people of the country.

Ninth. There is a more presently pressing serious situation involved in this affair than is disclosed by the mimeographed statement put out by the Federal Trade Commission, and one that concerns every taxpayer in this country, whether he be of my constituency or of your constituency—a matter that is susceptible of correction and cure, a matter that is within the jurisdiction of this body, a matter to which I have heretofore pointed a way for the development, correction, and cure. I refer to the evasion of the income tax by the fraudulent deceptions practiced not only by this taxpayer but by innumerable other taxpayers whose income-tax returns are or can be made available to this body at any time they see fit to exercise their jurisdiction.

I have heretofore presented to this body for its consideration and have asked you to adopt a resolution for an investigation of the Bureau of Internal Revenue. If such a resolution is approved by this body and a committee is appointed, I pledge you that the whole matter can be adjusted without cost, or with very little cost, to the Government within 60 days and the whole matter can be laid before the Secretary of the Treasury and the President for their action without any public exposures or reflection upon any innocent person in the service or person or corporation taxpayer. This can be done under jurisdiction of a committee of three or five persons who can command assistance of persons already employed by the Government who can be transferred from the Bureau of Internal Revenue or the Joint Committee of Congress for this purpose. Among other cases than that of Henry L. Doherty it will be shown that every sort of device has been conceived and put forward and every sort of practice has been indulged in both by representatives of the Government in the Internal Revenue Bureau and by taxpayers to defraud the Government out of the taxes justly due it.

[Here the gavel fell.]

PERMISSION TO ADDRESS THE HOUSE

Mr. BLANCHARD. Mr. Speaker, I ask unanimous consent that on tomorrow, after the reading of the Journal and the disposition of such business as may be upon the Speaker's desk, I may be permitted to address the House for 3 minutes.

Mr. BANKHEAD. Mr. Speaker, as I stated earlier in the afternoon, we have a very comprehensive and a very pressing program for tomorrow and several days thereafter. For the present I will have to object to any request that interferes with our program tomorrow.

The SPEAKER. Under the special order, the gentleman from Kansas [Mr. McGUGIN] is recognized for 5 minutes.

Mr. McGUGIN. Mr. Speaker, in the summer of 1933, when to question an act of the administration was like questioning the Deity, an Executive order was ordered pertaining to postmasters. Through clever propaganda, that order was held out to the people as one which took postmasters out of politics. Naturally, the great majority of the people could only read the publicity propaganda pertaining to the order and had no opportunity to read the order itself. Even Will Rogers took the propaganda "hook, line, and sinker." He said:

This man Roosevelt seems to think that a postmaster should know how to read and write.

It would still be the signal to start the smearing brigade if a Republican spoke the mere truth pertaining to this order. Here is what the annual report of the nonpartisan National Civil Service Reform League says of this order:

It is a sham and a mere cloak for the spoils system.

This same report brands the postal civil-service examinations as—

a disgrace to the Roosevelt administration and a serious liability to the United States Civil Service Commission.

The league in its report states that President Roosevelt should either modify his order so that examinations for postmasters are free and open or else—

frankly return to selecting postmasters on an undisguised spoils basis, thus relieving the Civil Service Commission of the odious and useless task that has been put upon it.

This annual report of the Civil Service Reform League, speaking of the general return of the spoils system, said:

Ordinary Government services have been cut and employees in the departments furloughed, laid off, or dismissed. Spoils raids have been made under the guise of economy, yet, at the same time a score of new agencies have been created and have employed without regard to the civil service law nearly 60,000 persons at an annual cost of $75,000,000.

Speaking further, the league in its report said:

The tremendous responsibilities which the new deal has placed upon the Government are too heavy for the handling by amateurs, whose greatest qualification is that they were for Roosevelt before Chicago.

These words would be unpardonable political words if they came from a Republican, but coming from the Civil Service Reform League, they must be accepted as the truth, which they are.

This report of the league criticizes the shameful conduct of this Congress in writing into all new legislation that the provisions of the civil service law shall not apply.

This report of the league further points out the spoils raid in the Home Owners' Loan Corporation. The report refers to this Corporation not as a haven for distressed home owners but as "the politicians' happy hunting ground." The report makes clear that turning the Home Owners' Loan Corporation over to spoilsmen has not only been an injustice to nonpartisan merit men and women but also most costly to the distressed home owners. The report sets forth the record of these spoilsmen in the meeting of their responsibility to save homes from foreclosures. The report gives the following startling disclosures:

In Illinois, up to March 15 of this year, out of 63,877 applications, 1,048 loans were closed by 422 employees; in New York out of 68,172 applications, 3,128 loans were closed by 760 employees; and in California employees were forced to contribute 5 percent of their salaries for the Democratic campaign fund.

Mr. BYRNS. Will the gentleman yield?

Mr. McGUGIN. I yield to the gentleman from Tennessee.

Mr. BYRNS. May I inquire of the gentleman if he voted for the Reconstruction Finance Corporation law which passed under the previous administration?

Mr. McGUGIN. I did not.

Mr. BYRNS. And may I inquire if that law did not put the employees under the civil service. It was due to the gentlemen's party that it was passed in that manner.

Mr. McGUGIN. The R.F.C. became a law under the leadership of the gentleman's party as well as mine.

Mr. BYRNS. It was signed by your President.

Mr. McGUGIN. Yes; but my party was not in control. The gentleman from Alabama [Mr. STEAGALL] put the bill through the House.

Thus we find from the report of the Civil Service Reform League that the post offices have not only drifted back further into the mire of spoilsmanship, but to hide the inequity from the people, by Executive order, the Civil Service Commission has been made a fraud and a sham, that 60,000 new spoilsmen have been added to the public pay roll to bleed the taxpayers of America.

[Here the gavel fell.]

Mr. MILLARD. Mr. Speaker, I ask that the gentleman be allowed to proceed for 2 additional minutes.

Mr. COX. Mr. Speaker, I object.

Mr. BYRNS. Mr. Speaker, we have spent most of the day in speeches here.

Mr. SNELL. The majority of the time has been taken up by the Members on that side of the House. Why not give the gentleman from Kansas 2 minutes more?

Mr. BYRNS. It makes no difference whether it is on this side or on that side.

Mr. MILLARD. Mr. Speaker, I ask unanimous consent that the gentleman be allowed to proceed for 2 additional minutes.

Mr. BYRNS. I object.

Mr. McGUGIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

Mr. TABER. Mr. Speaker, I make the point of order there is no quorum present.

Mr. BYRNS. Mr. Speaker, I shall not object if the gentleman wants 2 additional minutes, but I am going to object to further requests to make speeches this afternoon or tomorrow.

Mr. MILLARD. I have asked unanimous consent that the gentleman may proceed for 2 minutes.

Mr. TABER. Mr. Speaker, I make the point of order there is no quorum present.

Mr. BYRNS. Mr. Speaker, let me say to my friend from New York that we have an agreement to take up the Private Calendar this evening, and we will have to have a quorum here to take a recess. The gentleman is simply compelling the Members to come from their offices at this hour in the afternoon in order that we may take a recess until tonight.

Mr. SNELL. Why not let the gentleman from Kansas have 2 minutes?

Mr. BYRNS. I am not objecting to that, but the gentleman from New York is making a point of no quorum.

Mr. TABER. Mr. Speaker, I withdraw the point of no quorum.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. MILLARD]?

There was no objection.

Mr. McGUGIN. They are not Democrats replacing Republicans. They come from but one faction of the Democratic Party. They are Farley men replacing merit men and women. That is not only an injustice practiced against Republicans, Socialists, and Independents, but also against the great majority of Democrats. The average Democrat, his son or his daughter, would have a better chance of obtaining employment under a civil-service merit system than under the spoils system. The merit system would not have placed some 8 or 10 members of Secretary of Commerce Roper's family on the public pay roll. The spoils system has so cared for the Roper family. Throughout the

executive department, the families of executive heads have been given preferential appointments. This could not be under a system of merit. It is as iniquitous for nepotism to be practiced in the executive department as it is for nepotism to be practiced in the legislative branch.

This annual report of the Civil Service Reform League presents the undisputable evidence that this administration has returned this country to the spoils system of 50 years ago. Further, that this return to the spoils system robs the taxpayers, denies public employment to the meritorious, and does irreparable wrong to those who have business with the Government, such as the applicants for farm and home loans. The intolerable delay in the payment of benefits under allotment contracts to the farmer is doubtless due largely to incompetent spoilsmen and visionary bureaucrats in the Department of Agriculture. [Applause.]

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—DIVISION OF TERRITORIES AND ISLAND POSSESSIONS IN THE DEPARTMENT OF THE INTERIOR (H.DOC. NO. 390)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Expenditures in the Executive Departments and ordered printed:

To the Congress of the United States:

Pursuant to the provisions of section 16 of the act of March 3, 1933 (ch. 212, 47 Stat. 1517), as amended by title III of the act of March 20, 1933 (ch. 3, 48 Stat. 16), I am transmitting herewith an Executive order establishing the Division of Territories and Island Possessions in the Department of the Interior and transferring thereto the functions of the Bureau of Insular Affairs, War Department, pertaining to the administration of the government of Puerto Rico.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *May 29, 1934.*

UNIFORM SYSTEM OF BANKRUPTCY

Mr. McKEOWN submitted the following conference report on the bill (H.R. 5884) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5884) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 2, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 29, 32, and 34, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: Strike out the Senate amendment numbered 1 and insert in lieu thereof the following: "whether filed before or after this section becomes effective, provided the present operations of such corporation do not exclude it hereunder, and whether or not the corporation has been adjudicated a bankrupt"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows: Strike out the Senate amendment numbered 3 and insert in lieu thereof the following: "or in any territorial jurisdiction in the State in which it was incorporated. The court shall upon petition transfer such proceedings to the territorial jurisdiction where the interests of all the parties will be best subserved"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows: Strike out the Senate amendment numbered 14 and insert in lieu thereof the following:

"In case an executory contract or unexpired lease of real estate shall be rejected pursuant to direction of the judge given in a proceeding instituted under this section, or shall have been rejected by a trustee or receiver in bankruptcy or receiver in equity, in a proceeding pending prior to the institution of a proceeding under this section any person injured by such rejection shall, for all purposes of this section and of the reorganization plan, its acceptance and confirmation, be deemed to be a creditor. The claim of a landlord for injury resulting from the rejection of an unexpired lease of real estate or for damages or indemnity under a covenant contained in such lease shall be treated as a claim ranking on a parity with debts which would be provable under section 63 (a) of this act, but shall be limited to an amount not to exceed the rent, without acceleration, reserved by said lease for the 3 years next succeeding the date of surrender of the premises to the landlord or the date of reentry of the landlord, whichever first occurs, whether before or after the filing of the petition, plus unpaid rent accrued up to such date of surrender or reentry: *Provided*, That the court shall scrutinize the circumstances of an assignment of future rent claims and the amount of the consideration paid for such assignment in determining the amount of damages allowed assignee hereunder."

And the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows: On page 10, line 23, of the House engrossed copy of the bill, after the word "committee", insert a colon and the following: "*Provided*, That the judge shall scrutinize and may disregard any limitations or provisions of any depositary agreements, trust indentures, committee or other authorizations affecting any creditor acting under this section and may enforce an accounting thereunder or restrain the exercise of any power which he finds to be unfair or not consistent with public policy and may limit any claims filed by such committee member or agent, to the actual consideration paid therefor"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment as follows: At the end of the Senate amendment strike out the period and insert a colon and the following: "*Provided, however*, That such personal representative shall first obtain the consent and authority of the court which has assumed jurisdiction of said estate, to invoke the relief provided by said act of March 3, 1933. The first sentence of subdivision (m) of said section 74 is amended to read as follows: 'The filing of a debtor's petition or answer seeking relief under this section shall subject the debtor and his property, wherever located, to the exclusive jurisdiction of the court in which the order approving the petition or answer as provided in subdivision (a) is filed, and this shall include property of the debtor in the possession of a trustee under a trust deed or a mortgage, or a receiver, custodian or other officer of any court in a pending cause, irrespective of the date of appointment of such receiver or other officer, or the date of the institution of such proceedings: *Provided*, That it shall not affect any proceeding in any court in which a final decree has been entered'"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment as follows: Strike out the Senate amendment numbered 28 and insert in lieu thereof the following:

"SEC. 3. In the administration of the act of July 1, 1898, entitled 'An act to establish a uniform system of bankruptcy throughout the United States', approved July 1, 1898, as amended, the district court or any judge thereof shall, in its

or his discretion, so apportion appointments of receivers and trustees among persons, firms, or corporations, or attorneys therefor, within the district, eligible thereto, as to prevent any person, firm, or corporation from having a monopoly of such appointments within such district. No person shall be appointed as a receiver or trustee who is a near relative of the judge of the court making such appointment. The compensation allowed a receiver or trustee or an attorney for a receiver or trustee shall in no case be excessive or exhorbitant, and the court in fixing such compensation shall have in mind the conservation and preservation of the estate of the bankrupt and the interest of the creditors therein."

And the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment as follows: Strike out the Senate amendment numbered 30 and insert in lieu thereof the following: "but the claim of a landlord for injury resulting from the rejection by the trustee of an unexpired lease of real estate or for damages or indemnity under a covenant contained in such lease shall in no event be allowed in an amount exceeding the rent reserved by the lease, without acceleration, for the year next succeeding the date of the surrender of the premises plus an amount equal to the unpaid rent accrued up to said date: *Provided*, That the court shall scrutinize the circumstances of an assignment of future rent claims and the amount of the consideration paid for such assignment in determining the amount of damages allowed assignee hereunder: *Provided further*, That the provisions of this clause (7) shall apply to estates pending at the time of the enactment of this amendatory act"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment as follows: Strike out the Senate amendment numbered 31 and insert in lieu thereof the following:

"SEC. 7. Proceedings under section 77 of chapter 8, amendment to the act of July 1, 1898, entitled 'An act to establish a uniform system of bankruptcy throughout the United States', as amended, approved March 3, 1933, shall not be grounds for the removal of any cause of action to the United States district court which was not removable before the passage and approval of this section, and any cause of action heretofore removed from a State court on account of this section shall be remanded to the court from which it was removed, and such order of removal vacated."

And the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment as follows: Strike out the Senate amendment numbered 33 and insert in lieu thereof the following:

"SEC. 9. That the second sentence of subdivision (b) of section 75 of the act of July 1, 1898, entitled 'An act to establish a uniform system of bankruptcy throughout the United States', as amended, is amended to read as follows: 'The conciliation commissioner shall receive as compensation for his services, including all expenses, a fee of $25 for each case docketed and submitted to him, to be paid out of the Treasury.'"

And the Senate agree to the same.

HATTON W. SUMNERS,
A. J. MONTAGUE,
TOM D. MCKEOWN,
FRANK OLIVER,
RANDOLPH PERKINS,
Managers on the part of the House.

FREDERICK VAN NUYS,
PAT MCCARRAN,
DANIEL O. HASTINGS,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the bill (H.R. 5884) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The following Senate amendments, to which the House agreed, are formal and merely improve the language of the bill: Amendments 2, 4, 6, 7, 8, 9, 10, 11, 12, 17, 18, 19, 20, 21, 22, 23, and 24.

On amendment no. 1: Amendment no. 1, as agreed upon by the conferees, makes it possible for a corporation in bankruptcy, either before or after this section becomes effective, to proceed to reorganize under this section.

On amendment no. 3: The House bill provided that proceedings under this section should be initiated before the court in whose territorial jurisdiction the corporation during the preceding 6 months had had its principal place of business or its principal assets. The Senate amendment provided that in case of controversy as to the principal place of business or the place where the principal assets are located, then the petition could be filed in the territorial jurisdiction in which the corporation was incorporated, provided that the court could transfer the proceedings to any jurisdiction where the corporation had a substantial portion of its assets if satisfied that the interests of all parties would be better subserved thereby.

The amendment, as agreed upon by the conferees, retains jurisdiction as provided in the House bill and also provides that the petition may be filed in any territorial jurisdiction in the State in which the corporation was incorporated. The court, however, is directed upon petition to transfer such proceedings to the territorial jurisdiction where the interests of all the parties will be best subserved.

On amendment no. 5: The Senate amendment, to which the House agreed, makes it unnecessary to show that the corporation has committed an act of bankruptcy within 4 months in case a prior proceeding in bankruptcy or an equity receivership is pending at the time proceedings under the reorganization section are initiated.

On amendment no. 13: Amendment no. 14, as agreed upon by the conferees, makes unnecessary the language which amendment 13 strikes out. The House therefore receded.

On amendment no. 14: Under the House bill, executory contracts, including claims for future rent, are made provable claims for the purposes of this section. The Senate amendment limited claims for future rent to an amount equal to the rent reserved by the lease for 1 year.

The amendment agreed to by conference makes any person injured by the rejection of an executory contract or unexpired lease of real estate a creditor for the purposes of this section. The claim of the landlord for injury resulting from loss of future rents is limited to an amount not to exceed the rent reserved by the lease for 3 years next succeeding the date of surrender of the premises or the date of reentry of the landlord, whichever first occurs, plus unpaid rent accrued up to such date of surrender or reentry of the landlord. The court is directed to scrutinize the circumstances of an assignment of future rent claims and the amount of the consideration paid for such assignment in determining the amount of damages to be allowed such assignee.

On amendment no. 15: The Senate amendment provides for the purposes of this section a creditor may act by an attorney at law as well as in person, or by duly authorized agent or committee. The House, by the conference amendment, agreed to the Senate amendment providing that a creditor may act by an attorney at law, and also provided that the judge shall scrutinize and may disregard any limitations or provisions of depository agreements which may limit any claims filed by a committee member or agent to the actual consideration which such committee member paid therefor.

On amendment no. 16: This Senate amendment, to which the House agreed, tolls the running of the statutes of limitations during the pendency of proceedings under this section.

On amendment no. 25: The House bill provides that the judge may require the trustee or trustees, or if there be no trustee, the debtor, to make any transfer or conveyance necessary to effectuate the plan of reorganization after confirmation.

The Senate amendment, to which the House agreed, includes as parties whom the court may require to make such transfers or conveyances, any mortgagee, the trustee of any obligation of the debtor, and all other proper and necessary parties.

On amendment no. 27: The Senate amendment amends the section of the Bankruptcy Act dealing with individual debtors which was added to the act by the amendment of March 3, 1933. It provides that such section shall include the personal representative of a deceased individual for the purpose of effecting a settlement or composition with the creditors of the estate.

The conferees agreed to the Senate amendment with the addition of the proviso that such personal representative shall first obtain the consent and authority of the court which has assumed the jurisdiction of said estate. Also the provision is added that the filing of a debtor's petition or answer seeking relief under section 74 shall subject the debtor and his property wherever located to the jurisdiction of the court and that this shall include property in possession of a trustee or receiver irrespective of the date of appointment of such receiver or other officer, provided that this amendment shall not affect any proceeding in any court in which a final decree has been entered.

On amendment no. 28: This amendment has to do with the prevention of monopolies of receiverships, trusteeships, and appointments as attorney for receiver in any district.

The amendment agreed to by the conferees provides that "the district court or any judge thereof shall in its or his discretion so apportion appointments of receivers and trustees among persons, firms, or corporations, or attorneys therefor, within the district eligible thereto as to prevent any person, firm, or corporation from having a monopoly of such appointments within such district." The appointment of a person as a receiver or trustee who is a near relative of the judge making the appointment is prohibited.

The further provision is made that the compensation allowed the receiver or trustee or his attorney shall in no case be excessive or exorbitant and the court is directed in fixing such compensation to have in mind the conservation and the preservation of the estate of the bankrupt and the interests of the creditors therein.

On amendment no. 29: Senate amendment 29 makes judgments for negligence provable claims in bankruptcy. The House agreed to the amendment.

On amendment no. 30: This amendment has to do with claims for future rent under the general bankruptcy act. As agreed upon by the conferees, such claims are permitted to be provable claims, provided that in no event shall a claim for damages be allowed in an amount exceeding the rent reserved by the lease for 1 year after surrender of the premises, plus the unpaid rent accrued to said date. The courts are directed to scrutinize the circumstances of an assignment of future rent claims and the consideration paid therefor in determining the amount of damages to be allowed an assignee. The provisions of this clause are made to apply to estates pending at the time of the enactment of this amendatory act.

On amendment no. 31: This amendment clarifies the intent of Congress that no cause of action not removable to the Federal court before the enactment of the railroad section of the Bankruptcy Act shall be removable by reason of the enactment of such section.

The House conferees agreed to the Senate amendment with the addition of a further provision requiring the remanding to the courts from which removed, all such suits heretofore removed to Federal court.

On amendment no. 32: Amendment 32 makes mandatory the appointment by the courts of bankruptcy within 30 days after the enactment of this act of a conciliation commissioner in every county having an agricultural population of 500 or more farmers for the administration of the agricultural composition section of the Bankruptcy Act enacted in March 1933. The House agreed to this amendment.

On amendment no. 33: By the terms of this Senate amendment the filing fee for farmers under the agricultural composition section is increased from $10 to $25 and the compensation of the conciliation commissioner is raised to $25 for each case filed.

Under the amendment agreed to by the conferees, the compensation for the commissioners is increased to $25 for each case, but the filing fee for farmers is left at $10.

On amendment no. 34: Amendment no. 34 amends the subdivision of the agricultural composition section extending the secondary liability in case of an extension granted the principal debtor so as to include within its provision those who may have insured, or guaranteed such debts, or bonds issued on the security thereof. The House agreed to the amendment.

TOM D. MCKEOWN,
A. J. MONTAGUE,
FRANK OLIVER,
HATTON W. SUMNERS,
RANDOLPH PERKINS,
Managers on the part of the House.

Mr. McKEOWN. Mr. Speaker, I ask unanimous consent for the present consideration of the conference report.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. McKEOWN. Mr. Speaker, I ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the statement.

Mr. McKEOWN. Mr. Speaker, I move the adoption of the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

Mr. McKEOWN. Mr. Speaker, I present a House concurrent resolution and ask unanimous consent for its present consideration.

The Clerk read the concurrent resolution as follows:

House Concurrent Resolution 40

Resolved by the House of Representatives (the Senate concurring), That the Clerk of the House is authorized and directed, in the enrollment of the bill, H.R. 5884, entitled "An act to amend an act entitled 'An act to establish a uniform system of bankruptcy throughout the United States', approved July 1, 1898, and acts amendatory thereof and supplementary thereto", to strike out in the first section of said bill "Sec. 78" and insert in lieu thereof "Sec. 77A", and in said section to strike out "section 79" wherever it appears and insert in lieu thereof "section 77B", and in said section to strike out "Sec. 79" and insert in lieu thereof "Sec. 77B."

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

PRISON INDUSTRIES

Mr. COX. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 369.

Mr. HOLMES. Mr. Speaker, I raise the point of no quorum.

Mr. BLANTON. Mr. Speaker, may I ask the majority leader if we are to have a night session?

Mr. BYRNS. We are, and we shall have to have a call of the House if a point of no quorum is sustained. If the gentleman wants to bring Members over here at 5 o'clock in order that we may take a recess to consider the Private Calendar this evening, that is his privilege, but I do hope the gentleman will withdraw his point of no quorum.

Mr. BLANTON. Mr. Speaker, will not the majority leader give us two hours and a half to sign up our mail and get up our notes on the numerous bills on the Private Calendar so we can be back here ready for the evening session?

Mr. BYRNS. I may say that I had understood from the gentleman from Georgia this would only take a few minutes.

Mr. SNELL. There is a controversy over this bill.

Mr. BLANTON. This bill creates another board with members drawing $20 a day, and I am fundamentally against such a proposition. I think we have too many boards now.

Mr. BYRNS. Of course, if it is going to take time we cannot consider it now and we will take a recess, but I had the idea this would only require a few minutes.

Mr. HOLMES. I want to say that I have been fighting this for 15 years, and there are many objectionable features to the bill.

Mr. TARVER. This bill is to minimize the competition between prison labor and industry, and it is endorsed by the head of the American Federation of Labor.

Mr. HOLMES. I want to say to the introducer of the resolution that that is not going to change the situation; but, Mr. Speaker, I withdraw the point of order.

LEAVE OF ABSENCE

By unanimous consent, the following leaves of absence were granted:

To Mr. FERNANDEZ, for 3 days, on account of official business.

To Mr. LANZETTA, indefinitely, on account of illness in family.

To Mr. THURSTON (at the request of Mr. DOWELL), indefinitely, on account of sickness in his family.

To Mr. RANDOLPH, for 3 days, on account of important business.

To Mr. LAMBETH, indefinitely, on account of sickness.

To Mr. VINSON of Georgia, for 2 days, on account of official business.

To Mr. MCGRATH, for 4 days, on account of official business.

To Mr. KNIFFIN, for 2 days, on account of official business.

To Mr. DELANEY, for 2 days, on account of official business.

HOUR OF MEETING TOMORROW

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that when the House adjourns tonight it adjourn to meet at 11 o'clock tomorrow. I want to say that that request is made in pursuance of a request by the Chairman of the Ways and Means Committee in order to give an additional hour for general debate tomorrow, and I hope no one will object.

The SPEAKER. Is there objection?

There was no objection.

Mr. LOZIER. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 2745) to provide for the changing of time of the meeting of Congress, the beginning of the terms of Members of Congress, and the time when the electoral vote shall be counted, and for other purposes, an uncontested measure. It simply amends the law as to the election machinery so as to comply with the Norris amendment to the Constitution.

Mr. SNELL. Does this change anything except the count of the electoral vote?

Mr. LOZIER. It changes dates in the statute so as to harmonize with the constitutional amendment.

Mr. SNELL. Unless we do that we would not elect the President until after he was inaugurated.

Mr. LOZIER. Yes.

The Clerk read the bill as follows:

Be it enacted, etc., That section 152 of the Revised Statutes (U.S.C., title 3, sec. 41) is hereby amended by striking out the words "fourth day of March" and inserting in lieu thereof "20th day of January."

SEC. 2. Section 25 of the Revised Statutes (U.S.C., title 2, sec. 7) is hereby amended by striking out the words "fourth day of March" and inserting in lieu thereof "3d day of January."

SEC. 3. Section 1 of the act entitled "An act providing a temporary method of conducting the nomination and election of United States Senators", approved June 4, 1914 (U.S.C., title 2, sec. 1), is hereby amended by striking out "fourth day of March" and inserting in lieu thereof "3d day of January."

SEC. 4. The first sentence of section 20 of the act entitled "An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands", approved August 29, 1916 (U.S.C., title 48, sec. 1091), is hereby amended by striking out the words "fourth day of March" and inserting in lieu thereof "3d day of January."

SEC. 5. The second sentence of section 36 of the act entitled "An act to provide a civil government for Porto Rico, and for other purposes", approved March 2, 1917 (U.S.C., title 48, sec. 891), is hereby amended by striking out the words "fourth of March" and inserting in lieu thereof "3d day of January."

SEC. 6. The act entitled "An act providing for the meeting of electors of President and Vice President and for the issuance and transmission of the certificates of their selection and of the result of their determination, and for other purposes", approved May 29, 1928, is hereby amended as follows:

(a) By striking out the words "first Wednesday in January" in section 1 of such act (U.S.C., supp. VII, title 3, sec. 5a) and inserting in lieu thereof "first Monday after the second Wednesday in December."

(b) By striking out the words "by the third Wednesday in the month of January" in section 5 of such act (U.S.C., supp. VII, title 3, sec. 11b) and inserting in lieu thereof "by the fourth Wednesday in December."

(c) By striking out the words "on the fourth Wednesday of the month of January" in section 6 of such act (U.S.C., supp. VII, title 3, sec. 11c) and inserting in lieu thereof "on the fourth Wednesday in December."

SEC. 7. The first sentence of section 4 of the act entitled "An act to fix the day for the meeting of the electors of President and Vice President, and to provide for and regulate the counting of the votes for President and Vice President, and the decision of questions arising thereon", approved February 3, 1887 (U.S.C., title 3, sec. 17), is amended by striking out the words "second Wednesday in February" and inserting in lieu thereof "sixth day of January."

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. SUMNERS of Texas. Reserving the right to object, and I shall not object, I want to make a statement in this connection. I drafted the bill of which this is amendatory. I want to suggest to the House that we are going to have to move up the time for electors about a month. We may get by this next election, but there is not enough time since the recent amendment to the Constitution intervening between the election of the electors and the time when they are to meet. There is not time enough to settle any contest as to the election to electors. The "lame-duck" amendment moves the whole program up from March to January. The time for the general election should be moved up to the first Tuesday in October or to about that time in order to allow a reasonable time for settling contests over the election of Presidential electors.

The SPEAKER. Is there objection?

There was no objection.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The House bill was laid on the table.

EXTENSION OF REMARKS

Mr. TARVER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by publishing a resolution adopted by the General Conference of the Methodist Episcopal Church South during its recent quadrennial session.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

Mr. GAVAGAN. I object. That is a dried-up subject.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 2242. An act for the relief of the Collier Manufacturing Co., of Barnesville, Ga.; to the Committee on Claims.

S. 3040. An act to give the Supreme Court of the United States authority to make and publish rules in actions at law; to the Committee on the Judiciary.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 1158. An act for the relief of Annie I. Hissey;

H.R. 1933. An act for the relief of Philip F. Hambsch;

H.R. 1943. An act for the relief of A. H. Powell;

H.R. 1977. An act for the relief of R. A. Hunsinger;

H.R. 2054. An act for the relief of John S. Cathcart;

H.R. 2322. An act for the relief of C. K. Morris;
H.R. 2433. An act for the relief of Anna H. Jones;
H.R. 2438. An act for the relief of Ruby P. Voiles;
H.R. 3056. An act for the relief of James B. Conner;
H.R. 3300. An act for the relief of George B. Beaver;
H.R. 3302. An act for the relief of John Merrill;
H.R. 4690. An act for the relief of Eula K. Lee;
H.R. 5477. An act to fix the rates of postage on certain periodicals exceeding 8 ounces in weight;
H.R. 6179. An act to amend an act entitled "An act to provide for the leasing of coal lands in the Territory of Alaska, and for other purposes";
H.R. 7168. An act for making compensation to the estate of Nellie Lamson;
H.R. 7289. An act for the relief of H. A. Soderberg;
H.R. 7343. An act to remove inequities in the law governing eligibility for promotion to the position of chief clerk in the Railway Mail Service;
H.R. 8241. An act to authorize the construction and operation of certain bridges across the Monongahela, Allegheny, and Youghiogheny Rivers in the county of Allegheny, Pa.;
H.R. 8494. An act to authorize the Secretary of the Interior to modify the terms of existing contracts for the sale of timber on the Quinault Indian Reservation when it is in the interest of the Indians so to do;
H.R. 8617. An act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1935, and for other purposes;
H.R. 8714. An act to extend the times for commencing and completing the construction of a bridge across the Pee Dee River and a bridge across the Waccamaw River, both at or near Georgetown, S.C.;
H.R. 8937. An act granting the consent of Congress to the State of Indiana to construct, maintain, and operate a free highway bridge across the Wabash River at or near Delphi, Ind.;
H.R. 8938. An act to amend the act of Congress approved June 7, 1924, commonly called the "San Carlos Act", and acts supplementary thereto;
H.R. 8951. An act authorizing the city of Shawneetown, Ill., to construct, maintain, and operate a toll bridge across the Ohio River at or near a point between Washington Avenue and Monroe Street in said city of Shawneetown, and a point opposite thereto in the county of Union and State of Kentucky;
H.R. 9000. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near Holtwood, Lancaster County;
H.R. 9065. An act granting the consent of Congress to the Department of Public Works of the Commonwealth of Massachusetts to construct, maintain, and operate a free highway bridge across the Connecticut River at Turners Falls, Mass.;
H.R. 9257. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near Bainbridge, Lancaster County, and Manchester, York County;
H.R. 9271. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near Millersburg, Dauphin County, Pa.; and
H.R. 9502. An act authorizing the State Highway Departments of the States of Minnesota and North Dakota to construct, maintain, and operate certain free highway bridges across the Red River from Moorhead, Minn., to Fargo, N.Dak.

The Speaker announced his signature to enrolled bills of the Senate of the following titles:

S. 195. An act respecting contracts of industrial life insurance in the District of Columbia;
S. 1757. An act to amend an act entitled "An act to incorporate the Mount Olivet Cemetery Co. in the District of Columbia;"
S. 2508. An act authorizing the Secretary of the Interior, with the approval of the National Capital Park and Planning Commission and the Attorney General of the United States, to make equitable adjustments of conflicting claims between the United States and other claimants of lands along the shores of the Potomac River, Anacostia River, and Rock Creek in the District of Columbia;
S. 2580. An act to exempt from taxation certain property of the National Society United States Daughters of 1812 in the District of Columbia;
S. 3257. An act to change the designation of Four-and-a-half Street SW. to Fourth Street; and
S. 3442. An act to dissolve the Ellen Wilson Memorial Homes.

RECESS

Mr. BYRNS. Mr. Speaker, I move that the House stand in recess until 7 o'clock and 30 minutes tonight.

The motion was agreed to. Accordingly, at 5 p.m., the House stood in recess until 7:30 p.m.

EVENING SESSION

The recess having expired, the House was called to order by the Speaker at 7:30 o'clock p.m.

PRIVATE CALENDAR

The SPEAKER. The Clerk will call the first bill on the Private Calendar.

Mr. BLOOM. Mr. Speaker, according to the agreement at the last call of the Private Calendar, I had permission to call up the bill, H.R. 6241, which was put over from the last call of the calendar.

Mr. BLANTON. And that is calendar number what?

Mr. BLOOM. Calendar no. 506.

Mr. BLANTON. We have not reached that yet.

The SPEAKER. The Clerk will report the bill.

INTERNATIONAL ARMS & FUZE CO., INC.

The Clerk called the bill (H.R. 6241) conferring jurisdiction upon the Court of Claims to hear and determine the claims of the International Arms & Fuze Co., Inc.

Mr. BLANTON. Reserving the right to object, this is a bill which seeks to permit this company to go before the Court of Claims and have heard and determined its claim against the Government. How much is its claim?

Mr. BLOOM. There is no telling. If it is found that this company owes the Government any money, they can collect that.

Mr. BLANTON. But surely it has in mind proving up some amount as claimed. Now, how much is it claiming against the Government?

Mr. BLOOM. They are not claiming any special amount.

Mr. BLANTON. Are they claiming 5 cents or $500,000,000?

Mr. BLOOM. They are only asking for the right to go before the Court of Claims and find out if there is anything owing to them. This company has done a business of $60,000,000 with the Government and without any complaint of any kind.

Mr. BLANTON. Now, the facts that I have in this case are these: There was a settlement by the Government with this company on November 10, 1919.

Mr. BLOOM. Yes.

Mr. BLANTON. And the Government has paid them $1,427,449.81.

Mr. BLOOM. That is right.

Mr. BLANTON. Now they are coming in here and claiming some more.

Mr. BLOOM. No; they are not. When they made that settlement with the Government they gave a receipt for the amount of goods that was delivered to the Government at that time.

Mr. BLANTON. Now, this is what they signed: They signed a receipt and a settlement agreement with the Government wherein they acknowledged, "We have received $1,427,449.81 in full adjustment, payment, and discharge of said contract."

Mr. BLOOM. On the goods that they had delivered.

Mr. BLANTON. On "their contract." Now, if that was a full adjustment, settlement, and payment of their contract, why should we let them come and sue again?

Mr. BLOOM. They are not suing.

Mr. BLANTON. Oh, whenever you bring a matter before the Court of Claims it is suing. It is not anything else but suing. You appear there with your lawyers and you present your evidence, and by this bill you are seeking to waive the limitation. The limitation has run against them, and we would be waiving the limitation and letting them come into the Court of Claims and present evidence of an additional claim, after they have acknowledged full settlement with the Government, if we pass this bill.

Mr. BLOOM. If I might be permitted to answer the gentleman, I should like to say that the amount they settled for at that time was——

Mr. BLANTON. Was a very good sum. Of course, to my good friend from New York who owns many of the picture shows and theaters in his great metropolis, the sum of $1,427,000 is a mere bagatelle, but down with us poor folks it is a pretty good sum of money.

Mr. BLOOM. Will the gentleman allow me to explain to him?

Mr. BLANTON. Certainly.

Mr. BLOOM. The committee which gave this receipt to sign in the testimony says that that settlement was made only for the goods that they had delivered up to that time. Now, let me say to the gentleman that during the war this company did $60,000,000 worth of business with the United States Government without any complaint.

Mr. BLANTON. And they got about $60,000,000 in money from the Government. That gave them a tremendous profit.

Mr. BLOOM. But the Government was getting $60,000,000 in value. They only ask now to go to the Court of Claims to prove whether the Government owes them any money. The testimony of the entire Government committee at that time in the evidence shows that they claimed this was not a final settlement in that sense of the word.

Mr. BLANTON. Mr. Speaker, there is no Member of this House who would go further to grant a personal favor to our good colleague from New York, Mr. BLOOM, than I. I think as much of him as any other Member of this House, but this way of waiving limitation is all wrong, after they come in and sign a settlement agreement with the Government—they ought to take their medicine and live up to it.

Mr. BLANCHARD. Will the gentleman yield?

Mr. BLANTON. Certainly.

Mr. BLANCHARD. The record discloses that this was not accepted in full accord and satisfaction.

Mr. BLANTON. Well, they put their "John Hancock" on this language, "In full adjustment, payment, and discharge of said contract."

Mr. BLANCHARD. I have gone into it carefully, and the understanding was that that was up to that point in the settlement.

Mr. BLANTON. I want to say to the gentleman, who has been doing some good service on this calendar since he has been here, what is the use of our putting this additional clause on each of these bill that we pass, that "this shall be in full settlement of all claims against the United States Government" if we do not mean it?

Mr. BLANCHARD. I put the same question to the gentleman from New York and he was able to show me from the RECORD a reason for it.

Mr. BLOOM. I may say that the gentleman from Wisconsin [Mr. BLANCHARD] objected to this bill and I went all over it with him. He objected as strenuously as has the gentleman from Texas. It is an absolute fact that this receipt was given just the same as every receipt is given to the Government; they were asked to sign this statement; but it was understood that the final settlement was only up to the moment of signing. The members of the Government board testifying under oath said that that was not a final settlement.

Mr. BLANTON. Does not the gentleman from New York think that the Government, having given this concern $60,000,000 worth of business, has done pretty well by it?

Mr. BLOOM. There is no question about that, but at the same time the Secretary of War at that time gave this concern a diploma, saying that it was one of the best firms they had traded with. Now, if there is any reason to believe that there is anything coming to this firm and they made a settlement at that time, with the understanding that there would be another adjudication, they should have their day in court; and I believe the gentleman from Texas wants to give this firm its rights.

Mr. BLANTON. Mr. Speaker, I notice that this concern has another claim; the bill No. 720 on the calendar is for this same concern and is another bill waiving the statute of limitations in their favor.

Mr. BLOOM. No; I may explain to the gentleman from Texas, Mr. Speaker, that that is a bill which has passed the Senate and was amended by the Senate. If unanimous consent is given for the consideration of the bill at this time, I shall ask permission to substitute the Senate bill as amended.

Mr. BLANTON. This is Senate bill 2809.

Mr. BLOOM. That is what it is; that is what I want to have considered; and I shall ask unanimous consent to substitute the Senate bill for the House bill that we are now talking about (H.R. 6241).

Mr. BLANTON. Mr. Speaker, will the gentleman accept an amendment to the effect that in connection with the adjudication of this claim the Court of Claims is directed to consider the settlement that has already been made by the Government and is to not grant anything to this company above what was legally undetermined in the former settlement? With such language in the bill I would not object; but the company received a million and nearly four hundred thousand dollars in settlement of their contract. It has been my observation that when in cases of this kind we waive the statute of limitations and permit the company to sue in the Court of Claims the Court of Claims assumes that Congress has directed them to open the case up and pay them whatever they might have claimed originally.

Mr. BLOOM. I do not believe that is the case.

Mr. BLANTON. I have watched these cases, and the Court of Claims takes such bills as directions from Congress.

Mr. BLOOM. If the Court of Claims says the company has nothing coming to it, that will be the end of it. On the other hand I think the Court of Claims can be trusted to do justice should anything more be found to be due the company.

Mr. BLANTON. I want such a provision in this bill that the Court of Claims will be reminded that Congress had the former settlement in mind, and that such settlement must be considered.

Mr. BLOOM. Mr. Speaker, I ask unanimous consent that this bill may go over for a few minutes, until the gentleman from Texas can write out his suggestion so I may see just what it is.

Mr. TRUAX. Mr. Speaker, reserving the right to object, I ask the gentleman from New York if this is a claim arising out of war profits from the manufacture of munitions?

Mr. BLOOM. This company manufactured munitions and sold the Government $60,000,000 worth of munitions; and the Government gives them a clean bill of health, stating that it was one of the best concerns with which they did business.

Mr. TRUAX. And the company probably made a handsome profit; that is the way it went.

Mr. BLOOM. If they made a profit, doubtless they were entitled to it.

Mr. TRUAX. As I recall, during the war, there grew up 20,000 new millionaires in this country.

Mr. McFARLANE. I think the number was 33,000.

Mr. TRUAX. One for every two and a fraction American doughboys who were killed.

Mr. EAGLE. And all of them are broke now.

Mr. TRUAX. Who does the gentleman mean are broke now?

Mr. McFARLANE. The boys who fought the war.

Mr. TRUAX. The boys; yes, that is correct; that is a statement of fact.

Mr. Speaker, I think it is time this Government and this Congress ceased giving even consideration to bills that go back to profits made during the war by men who are now getting refunds of income taxes, men who made millions of dollars during the war.

Mr. BLOOM. I do not believe the gentleman wants to say that these people were profiteers. They were doing work for this Government; somebody had to do the work.

Mr. TRUAX. Yes; and they made plenty of money.

Mr. BLOOM. They have lost money.

Mr. TRUAX. I never heard of any munitions manufacturer losing money.

Mr. BLOOM. If this is a just claim, these people certainly are entitled to be heard by the Court of Claims whether there is any money coming to them or not.

Mr. TRUAX. Mr. Speaker, I have a letter from a gentleman connected with the Court of Claims complimenting me on the position I have taken with reference to the refund of income taxes.

Mr. COLLINS of California. Mr. Speaker, I demand the regular order.

Mr. TRUAX. If the regular order is demanded, Mr. Speaker, then, I shall have to object to the bill.

Mr. BLOOM. Mr. Speaker, the gentleman states that just because the regular order is demanded he objects. I do not think I should be put in this position.

Mr. BLANTON. Mr. Speaker, I ask unanimous consent that this bill be put aside without prejudice until 9 o'clock this evening, so that we may agree upon an amendment that will fully protect the Government.

Mr. LEE of Missouri. Mr. Speaker, I object.

ROLAND ZOLESKY

Mr. CANNON of Wisconsin. Mr. Speaker, I ask unanimous consent to return to no. 399 on the Private Calendar (H.R. 3912), a bill for the relief of Roland Zolesky.

Mr. BLANTON. Mr. Speaker, we have our calendar arranged, and this is a bill that we have left in our office. We understood we were going to begin at the star, Private Calendar 406.

Mr. ZIONCHECK. Mr. Speaker, reserving the right to object, I objected to this bill on a previous occasion because the gentleman from Wisconsin [Mr. CANNON] threatened to object to every bill if this bill was not passed. That is the only reason I did not insist at that time. I understand this bill has been threshed out upon its merits, and that it is a meritorious bill and should be passed. Personally, I am going to object to any other bill that is called out of order.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The Clerk read the title of the bill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $2,500 to Roland Zolesky as compensation for injuries sustained, without fault or negligence on his part, when on the 26th day of February 1919, at Milwaukee, Wis., by reason of the negligent supervision and control by agents and officers of the United States Government of certain tests of rifle grenades, the said Roland Zolesky came into possession of a certain rifle grenade which exploded with great force, causing permanent injuries to his right arm and face: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SETTLEMENT OF MILITARY CLAIMS

The Clerk called the next bill, H.R. 6856, to authorize the settlement of individual claims of military personnel for damages to and loss of private property incident to the training, practice, operation, or maintenance of the Army.

Mr. ZIONCHECK. Mr. Speaker, I object to the bill for the reason that we do not want to establish a precedent of the Government becoming the insurer for property of officers or privates in foreign countries lost by fire or water.

CHURCH OF THE GOOD SHEPHERD, MEMPHIS, TENN.

The Clerk called the next bill, H.R. 7161, to provide for the refund or abatement of the customs duty on altar candlesticks and cross imported for the Church of the Good Shepherd, Memphis, Tenn.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he hereby is, authorized and directed to refund or abate the customs duty (consumption entry no. 023, June 26, 1933) assessed on altar candlesticks and cross imported by Canon Hiram K. Douglass for the Church of the Good Shepherd, Memphis, Tenn.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM CHINSKY

The Clerk called the next bill, H.R. 7697, for the relief of William Chinsky.

Mr. BLANCHARD. Mr. Speaker, reserving the right to object, may I ask the gentleman from Illinois if he is willing to accept some amendments to this bill? First of all, may I ask him why there is any necessity for a guardian? This accident happened in 1919. At that time the boy was 12 or 13 years old. He must be 27 years old now.

Mr. SABATH. I do not think there is a guardian required at this time.

Mr. BLANCHARD. I think the amount should be cut to $2,000.

Mr. SABATH. It should have been $5,000. By mistake it was introduced in this way. It was cut the last time. Have you seen a picture of the boy?

Mr. BLANCHARD. May I ask about his present physical condition?

Mr. SABATH. He is maimed and crippled for life. The amount should have been $5,000, and it was cut down to $2,500.

Mr. BLANCHARD. I have no objection with that understanding.

Mr. HENNEY. How did this accident happen?

Mr. SABATH. He picked up a grenade and it exploded and maimed him for life.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the legal guardian of William Chinsky the sum of $2,500, in compensation for injuries sustained as the result of an explosion of a hand grenade which he had picked up in Grant Park, Chicago, Ill., October 12, 1919.

With the following committee amendment:

On page 1, line 9, after the figures "1919" insert the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

Mr. BLANCHARD. Mr. Speaker, certainly the words "to the legal guardian" should be stricken from this bill.

Mr. SABATH. I will accept an amendment to that effect.

Mr. BLANCHARD. Mr. Speaker, I offer an amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. BLANCHARD: Line 5, page 1, after the word "appropriated", strike out the words "to the legal guardian."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LOUIS ZAGATA

The Clerk called the next bill, H.R. 7698, for the relief of Louis Zagata.

Mr. YOUNG. Mr. Speaker, I object.

Mr. SABATH. Will the gentleman withhold his objection?

Mr. YOUNG. I withhold the objection, but I will probably object later.

Mr. SABATH. This is a case where a friend gave a bond for an individual who was here illegally. He gave the bond in good faith, and when he was informed that the man had not surrendered he looked for him and the man had disappeared. He worked on the matter for nearly a year or a year and a half and helped apprehend the man. He did apprehend him, and finally the individual was deported. I think he has acted as a good, loyal citizen in the performance of his duty, and that he should not be punished for his effort and service that he rendered in apprehending the man.

Mr. YOUNG. Mr. Speaker, Louis Zagata signed the bond for $1,000. It was his duty as bondsman to have the culprit in court and in the presence of the magistrate at all times. I insist on the objection.

WOODHOUSE CHAIN WORKS

The Clerk called the next bill, S. 177, for the relief of Woodhouse Chain Works.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Woodhouse Chain Works the sum of $352.93 in full settlement for extra work for which the Government agreed to pay under the supplemental contract to contract no. 448 with the Navy Department.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ELIZABETH BOLGER

The Clerk called the next bill, S. 785, for the relief of Elizabeth Bolger.

Mr. ZIONCHECK. Mr. Speaker, reserving the right to object, I think the amount of $1,000 should be reduced to $700, and I understand that such an amendment will be acceptable to the committee.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay Elizabeth Bolger the sum of $1,000 in full settlement of all claims against the Government on account of personal injuries sustained as the result of the carelessness of the driver of Navy automobile no. 637, on April 5, 1919, in Brooklyn, N.Y.

Mr. ZIONCHECK. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ZIONCHECK: Line 4, strike out "$1,000" and insert in lieu thereof "$700."

The amendment was agreed to.

Mr. BLANCHARD. Mr. Speaker, I offer the usual attorneys' fee amendment.

The Clerk read as follows:

Amendment offered by Mr. BLANCHARD: At the end of line 8, strike out the period, insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

E. WALTER EDWARDS

The Clerk called the next bill, S. 1073, for the relief of E. Walter Edwards.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay to E. Walter Edwards, successor to C. B. Edwards & Bro., of Raleigh, N.C., out of money in the Treasury not otherwise appropriated, the sum of $106.30, in full satisfaction of all claims for payment of premium on a policy of fire insurance written in 1918 by C. B. Edwards & Bro., covering certain goods of the value of $127,000, more or less, while in the process of being laundered for the United States Army by the Model Laundry of Raleigh, N.C.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

M'KIMMON & M'KEE, INC.

The Clerk called the next bill, S. 1081, for the relief of McKimmon & McKee, Inc.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay to McKimmon & McKee, Inc., successor to the Raleigh Insurance & Realty Co., of Raleigh, N.C., out of any money in the Treasury not otherwise appropriated, the sum of $71.59 in full satisfaction of all claims for payment of premiums on policies of fire insurance written in 1918 by such Raleigh Insurance & Realty Co., covering certain goods of the value of $95,000, more or less, while in the process of being laundered for the United States Army by the Model Laundry, of Raleigh, N.C.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

KORBER REALTY, INC.

The Clerk called the next bill, S. 1321, authorizing adjustment of the claim of Korber Realty, Inc.

Mr. ZIONCHECK. Mr. Speaker, I object.

WALTER J. BRYSON PAVING CO.

The Clerk called the next bill, S. 1504, for the relief of Walter J. Bryson Paving Co.

Mr. ZIONCHECK. Mr. Speaker, I object.

ESTATE OF GEORGE B. SPEARIN, DECEASED

The Clerk called the next bill, S. 1680, for the relief of the estate of George B. Spearin, deceased.

Mr. BLANTON. Mr. Speaker, I object to this bill. It involves $141,180. If we do not stop bills like this, our Treasury will be depleted.

Mr. WIGGLESWORTH. Mr. Speaker, will the gentleman withhold his objection?

Mr. BLANTON. If the Membership is willing, but eventually I shall have to object.

Mr. TRUAX. Mr. Speaker, I also object to this bill.

Mr. WIGGLESWORTH. Mr. Speaker, the amount is $5,616.29 and not $140,000.

Mr. BLANTON. The principal paid was $141,180.

Mr. TRUAX. Well, it should have been filed April 13, 1916.

Mr. WIGGLESWORTH. Will the gentleman permit me to make a brief statement in reference to the bill?

Mr. BLANTON. There has been $141,180 paid, has there not?

Mr. WIGGLESWORTH. The principal amount of the claim; yes.

Mr. BLANTON. The principal is paid and this is interest?

Mr. WIGGLESWORTH. That is correct.

Mr. TRUAX. I object, Mr. Speaker.

WILLIAM T. ROCHE

The clerk called the next bill, H.R. 6696, for the relief of William T. Roche.

Mr. ZIONCHECK. Mr. Speaker, reserving the right to object, it is my understanding that there has been an amendment prepared striking out everything after the enacting clause and providing a lump-sum settlement of $1,000.

Mr. GILLETTE. $2,500.

Mr. ZIONCHECK. Suppose we make it $2,000.

Mr. GILLETTE. We will make the change.

Mr. ZIONCHECK. With that understanding, I withdraw my reservation of objection.

There being no objection, the clerk read the bill, as follows:

Be it enacted, etc., That sections 17 and 20 of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended, are hereby waived in favor of William T. Roche, who lost both his hands as a result of his duties as a rural mail carrier.

Mr. GILLETTE. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GILLETTE: Strike out all after the enacting clause and insert in lieu thereof the following:

"That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to William T. Roche, out of any money in the Treasury not otherwise appropriated, the sum of $2,000 as full compensation to said William T. Roche for the loss of both hands as a result of freezing, without negligence on his part, while he was engaged in the regular performance of his duties as a rural mail carrier in Sac County, State of Iowa."

The amendment was agreed to.

Mr. BLANCHARD. Mr. Speaker, I offer the usual attorneys' fee amendment.

The Clerk read as follows:

Amendment offered by Mr. BLANCHARD: At the end of the bill, after the word "Iowa", strike out the period, insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIE LOUISE JOHNSTON

The Clerk called the next bill on the Private Calendar, H.R. 6861, for the relief of Willie Louise Johnston.

Mr. TRUAX and Mr. BLANTON objected.

MARY FORD CONRAD

The Clerk called the next bill on the Private Calendar, H.R. 6943, to extend the benefits of the Employers' Liability Act September 7, 1916, to Mary Ford Conrad.

The SPEAKER. Is there objection?

Mr. ZIONCHECK. I reserve an objection. The policy is not to go behind 1916.

Mr. SMITH of Virginia. This does not go behind that date. All the bill does is to enable this lady, who was ignorant of the law, to come in and file her claim and have her day in court as other people have. Whether she gets anything depends on what the Compensation Board does about it.

Mr. ZIONCHECK. As I understand the case, the claimant worked for the Treasury Department and was in good health at the time she left. Later on, after she quit work, she became sick and decided that it was caused by her labor in the Treasury Department.

Mr. SMITH of Virginia. My friend has so many things on his mind with reference to these cases that he is not always able to keep the facts in mind. This lady did not quit while she was in good health. She collapsed while at work with heart trouble.

Mr. ZIONCHECK. How long after she left was she taken sick?

Mr. SMITH of Virginia. She was taken sick while at work, and she was attended by a physician. His affidavit is in the case. She did not get anything by the way of compensation, because she did not know anything about the compensation law.

Mr. BLANTON. Reserving the right to object, the Secretary of the Treasury says there is no merit in this bill. I want to read a part of his statement:

Although it is possible that Mrs. Conrad's health may have been somewhat affected by the overtime work, there is nothing of record in this Department to show that her ill health was caused by any injury or unfavorable working conditions while in the performance of her duties during the period cited in the bill. While this Department would not interpose any objection to the passage of the bill, in view of the circumstances connected with the case, I would refrain from submitting an opinion as to its merit.

If the Department says there is nothing to show that the Government is liable, why mulct the Government?

Mr. SMITH of Virginia. The gentleman was good enough to read what the Secretary of the Treasury says, who knows nothing about the matter, will he be good enough to read what her immediate superior, who did know, said about it?

Mr. BLANTON. When you go into court you do not try the case on affidavits; you try it on evidence that has probitive force and effect. You cannot come into court and say that a man was injured in the service—that is a conclusion. You have to produce evidence that has probitive force establishing facts to warrant such a conclusion. If we are going to extend this act to take in such cases, we might as well take down the door of the Treasury and leave it wide open and let everybody come in and help themselves by the armful.

Mr. SMITH of Virginia. If the gentleman has firmly made up his mind to object, regardless of the facts, I do not want to take up any more time.

Mr. BLANTON. To establish such a bad precedent, sooner or later, would cost the Government of the United States millions of dollars. Thousands of similar claims would result.

I have been watching these bills to keep us from setting a bad precedent, and we have had some very good help from our friends, especially the gentleman from Washington [Mr. ZIONCHECK], and others. I object.

J. W. ANDERSON

The Clerk called the next bill, H.R. 6944, for the relief of J. W. Anderson.

The SPEAKER. Is there objection?

Mr. ZIONCHECK. Mr. Speaker, I reserve the right to object. I think this claim goes back to 1921, when this party, pursuing some prisoners, fell under the train.

Mr. SMITH of Virginia. That is correct.

Mr. ZIONCHECK. The $4,700 provided in the bill is the amount which he would have received had the present compensation law been in effect in 1921.

Mr. SMITH of Virginia. That is correct.

Mr. ZIONCHECK. As a matter of fact, we have been objecting to all of these bills.

Mr. SMITH of Virginia. I do not think that we have had a bill like this.

Mr. ZIONCHECK. What is the distinguishing feature between this bill and the other bills?

Mr. SMITH of Virginia. The particular distinguishing feature is the fact that this does not cost the Government of the United States anything. This is a claim against the government of the District of Columbia and is to be paid out of the revenues of the District of Columbia by the taxpayers of the District of Columbia, and is recommended by the governing board of the District, the Commissioners of the District of Columbia.

Mr. BLANTON. Mr. Speaker, is the gentleman from Virginia wholly unconcerned about the interests of the people of the District of Columbia and their treasury?

Mr. SMITH of Virginia. If the gentleman is going to allow me to answer that question, I shall be delighted to do it.

Mr. BLANTON. The gentleman has intimated that. He says that this will not come out of the Treasury of the Government, but it will come out of the treasury of the District of Columbia and, therefore, intimating that we should be unconcerned. That is the result of his argument.

Mr. SMITH of Virginia. The gentleman has misquoted me. When the gentleman finishes I should like to have something to say about this bill, but I do not want to do so until he has finished.

Mr. BLANTON. As we are the guardians of the people of the District, and their treasury, I am just as much concerned about improperly taking money out of their treasury as I am out of the Treasury of the United States.

Mr. SMITH of Virginia. I know the gentleman is. He demonstrates that every day.

Mr. SABATH. There is no question but that the gentleman is interested not only in the people of his district, but he has demonstrated fully to the House and to various committees that he is also interested in the people of the District of Columbia.

The SPEAKER. Is there objection?

Mr. McFARLANE. Mr. Speaker, I object.

Mr. SMITH of Virginia. Will the gentleman withhold his objection?

Mr. McFARLANE. I will withhold my objection.

Mr. SMITH of Virginia. Mr. Speaker, the gentleman agrees to withhold his objection on the Anderson bill.

Mr. TRUAX. Mr. Speaker, I demand the regular order.

The SPEAKER. The regular order is demanded.

Mr. BLANTON. Mr. Speaker, I object.

ERNEST LINWOOD STEWART

The Clerk called the next bill, H.R. 7073, for the relief of Ernest Linwood Stewart.

The SPEAKER. Is there objection?

Mr. BLANCHARD. Mr. Speaker, I object.

FRANK BAGLIONE

The Clerk called the next bill, H.R. 7107, for the relief of Frank Baglione.

The SPEAKER. Is there objection?

Mr. ZIONCHECK. Mr. Speaker, I reserve the right to object. The only question I have in this case is the amount. I think $3,500 would be amply sufficient for the injuries received.

Mr. DOUGLASS. Mr. Speaker, this boy has a fractured skull and the danger of such a case is what the future will bring.

Mr. ZIONCHECK. How long was he in the hospital?

Mr. DOUGLASS. I do not know the exact date.

Mr. ZIONCHECK. He was in the hospital a short time.

Mr. DOUGLASS. Should the gentleman insist on his amendment I would have to submit.

Mr. ZIONCHECK. With the understanding that the amendment will be agreed to, I withdraw my reservation of objection.

Mr. McFARLANE. Mr. Speaker, I reserve the right to object in order to ask some questions about this case.

Mr. DOUGLASS. This boy was 5 years old when hit by a mail wagon negligently driven by a United States Government employee. He was severely injured. His family suffered and he suffered. If the gentleman had a child with a fractured skull I am sure that he would want the boy compensated.

Mr. BLANTON. I think it is a just claim for $3,500.

Mr. ZIONCHECK. Yes.

Mr. DOUGLASS. The Post Office Department admits its liability.

Mr. McFARLANE. It was the negligence of the Department?

Mr. DOUGLASS. Yes. Mr. Speaker, I am very glad to accept the amendment.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Frank Baglione, of Suffolk County, Boston, Mass., the sum of $5,000 for damages to his son, Vincent Baglione, caused by negligence on the part of the employees of the United States in the operation of a mail truck owned and operated by the United States Government on March 19, 1924.

With the following committee amendment:

Page 1, line 6, after "$5,000" insert: "in full settlement of all claims against the Government of the United States."

At the end of the bill after the figures "1924" insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

Mr. ZIONCHECK. Mr. Speaker, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. ZIONCHECK: Page 1, line 6, strike out "$5,000" and insert "$3,500."

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time and passed and a motion to reconsider laid on the table.

HOWARD LEWTER

The Clerk called the next bill, H.R. 7167, for the relief of Howard Lewter.

Mr. BLANCHARD. Mr. Speaker, I object.

ADDIE I. TRYON AND LORIN H. TRYON

The Clerk called the next bill, H.R. 7181, for the relief of Addie I. Tryon and Lorin H. Tryon.

Mr. TRUAX and Mr. ZIONCHECK objected.

Mr. BLANTON. Mr. Speaker, I object.

M. N. LIPINSKI

The Clerk called the next bill, H.R. 7264, for the relief of M. N. Lipinski.

Mr. ZIONCHECK. Mr. Speaker, reserving the right to object, will the gentleman from Minnesota please state the circumstances of this bill? As I recall, there was some kind of poison put into a lake by the Department of Agriculture, which was supposed to have killed some cattle.

Mr. ARENS. The Department of Agriculture got permission to experiment by putting poison in a couple of small lakes to eliminate vegetation and weeds, with the assurance that the poison was not sufficient to kill cattle. This was done in May and June. Arsenic was used, and it was determined that it was poison, and by fall the cattle had died. He lost 11 head of Hereford cattle, and the rest of them were badly affected. It was discovered that the continuous drinking of water killed the cattle.

Mr. ZIONCHECK. How many cattle were killed?

Mr. ARENS. I think there were 11 cattle killed, but the entire herd was damaged.

Mr. ZIONCHECK. Eleven of them at $100 each would be $1,100.

Mr. ARENS. The whole herd of some 200 herd were affected. Many of them would have died if it had not been for the fact that the cattle were withdrawn on account of winter setting in. The cattle were affected by it. Eleven actually died.

Mr. ZIONCHECK. The Bureau of Fisheries contends that the solution which they used for experimental purposes was so weak that it could not affect cattle. I think if the gentleman would accept an amendment to accept compensation for just the cattle which actually died at $100 each, that is, $1,100, it would be sufficient compensation and I would be inclined to withdraw my reservation of objection.

Mr. ARENS. Of course, I have no right to compromise. I have asked the gentleman himself whether $1,900 was not a lot of money for 11 head, but he said he would have lost more than that. Of course, I would rather take $1,100 than not take anything.

Mr. TRUAX. Will the gentleman yield?

Mr. ZIONCHECK. I yield.

Mr. TRUAX. In what year did this occur?

Mr. ARENS. In 1929.

Mr. TRUAX. What kind of cattle were these?

Mr. ARENS. They were Hereford cattle.

Mr. TRUAX. Beef cattle?

Mr. ARENS. Beef cattle.

Mr. TRUAX. How big were they?

Mr. ARENS. Oh, they were feeder cattle; probably ten or eleven or twelve hundred pounds.

Mr. TRUAX. They were not fat?

Mr. ARENS. They should have been. They were not, but they should have been and they would have been if it had not been on account of the poison in their systems.

Mr. ZIONCHECK. Is the gentleman contending that the Government should pay for the potential beef?

Mr. ARENS. I think the Government should have known that the poison was ruinous to the cattle. His cattle would have been in good condition if it were not for the poison in the water.

Mr. ZIONCHECK. Is not $100 a pretty good price for one beef today, or at the time this damage took place?

Mr. ARENS. It was not in 1929. The gentleman will remember that cattle brought $14 and $15 a hundred pounds at that time.

Mr. TRUAX. What business did the Bureau of Fisheries have in there killing weeds?

Mr. ARENS. They were experimenting to eliminate vegetation in water in these little lakes. They got permission from the man provided the poison was not sufficient to damage the cattle, but it did.

Mr. TRUAX. What were they trying to poison?

Mr. ARENS. They were trying to kill vegetation, weeds and grass which grow in water.

Mr. McFARLANE. What year was this experimenting going on?

Mr. ARENS. Nineteen hundred and twenty-nine.

Mr. TRUAX. I would say that from what little knowledge I have of the Bureau of Fisheries there never was any attempt to kill weeds and vegetation, because grasshoppers and insects which infest these weeds are feed for the fish.

I think the claimant has a good claim, and I am not going to object.

Mr. ARENS. These lakes are not natural lakes, and there are no fish in them. As a matter of fact, they are nothing but puddles of water created by the spring overflows of the Mississippi River. These puddles stay in the pasture all summer. They are not natural lakes.

Mr. TRUAX. I would say that this case is comparable with experiments of the Department of Agriculture now being carried on.

Mr. ARENS. I think it was a worthy experiment; I am not criticizing the Department because they made the experiment.

Mr. ZIONCHECK. Mr. Speaker, unless the gentleman will accept $100 a head for the cattle actually killed, I shall have to object.

Mr. ARENS. Mr. Speaker, I will accept $1,100 if I cannot get $1,900, although I think the claimant is entitled to $1,900.

Mr. ZIONCHECK. With that understanding I shall not object.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated and in full and complete settlement, to M. N. Lipinski the sum of $1,980 as reimbursement for damages sustained in the losses of livestock by poisoning as the result of weed-killing experiments conducted by the Bureau of Fisheries of the Department of Commerce on premises used for pasture purposes by M. N. Lipinski: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. ZIONCHECK. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ZIONCHECK: Page 1, line 6, strike out "$1,980" and insert in lieu thereof "$1,100."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN W. ADAIR

The Clerk called the next bill, H.R. 7272, for the relief of John W. Adair.

Mr. HOPE. Mr. Speaker, reserving the right to object, I desire to offer two amendments at the proper time.

Mr. ZIONCHECK. Mr. Speaker, reserving the right to object, I intend to offer an amendment to increase the compensation from $15 to $30 a month. I think it is a very small amount if there is any merit whatever to the claim.

Mr. HOPE. I shall have no objection to the gentleman's amendment if he thinks $15 is too small.

Mr. BLANTON. Mr. Speaker, I doubt whether it is advisable to double the amount when the author of the bill does not ask for it.

Mr. ZIONCHECK. I think the Representative introducing the bill was very modest in fixing the amount.

Mr. BLANTON. Certainly the author of the bill knew the amount to which the claimant was entitled.

Mr. ZIONCHECK. I understand the claimant was killed fighting fires. The payment of $15 a month for 8 years is certainly a niggardly sum to pay for a life.

Mr. BLANTON. Is our colleague from Arizona willing for this amount to be doubled?

Mrs. GREENWAY. The gentleman can imagine how grateful I would be.

Mr. BLANTON. I shall not stand in our colleague's way.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the provisions of the act of September 7, 1916, entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", are hereby extended to John W. Adair, of Pinetop, Ariz., for the death of his son, John Robin Adair, who lost his life on June 21, 1916, while fighting a forest fire on the Fort Apache Indian Reservation; and the United States Employees' Compensation Commission is authorized and directed to pay compensation to John W. Adair as a partial dependent parent at the rate of $15 per month for a period of 8 years from and after the passage of this act.

Mr. ZIONCHECK. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ZIONCHECK: page 2, line 2, strike out "$15" and insert "$30."

The amendment was agreed to.

Mr. HOPE. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOPE: Page 2, line 3, after the word "act", strike out the period, insert a colon, and add the following: "*Provided*, That no compensation shall be held to have accrued prior to the passage of this act, and the payments above provided for shall be in full settlement of all claims against the United States."

The amendment was agreed to.

Mr. HOPE. Mr. Speaker, I offer the usual attorney-fee amendment.

The Clerk read as follows:

Amendment offered by Mr. HOPE: At the end of the bill add the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attor-

neys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DONALD K. WARNER

The Clerk called the next bill, H.R. 7372, for the relief of Donald K. Warner.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated and in full settlement against the Government, to Donald K. Warner, former postmaster at Oakdale, Nebr., the sum of $869.17, being the amount of stamps and postal funds lost in the burglary of the post office on the night of December 13, 1928.

With the following committee amendment:

At the end of the bill on page 1, line 10, insert the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LETTIE LEVERETT

The Clerk called the next bill, H.R. 7448, for the relief of Lettie Leverett.

Mr. HOPE. Mr. Speaker, I object.

Mr. JOHNSON of Oklahoma. Mr. Speaker, will the gentleman withhold his objection?

Mr. HOPE. Yes; I will withhold my objection if the gentleman desires to explain the bill.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I am very much surprised to hear the gentleman object. There is no objection on the Democratic side. I feel sure if the distinguished gentleman from Kansas knew the facts of this case and knew the parties involved he certainly would not object to such a meritorious measure.

The original claim in this case was for $15,000 for the relief of the widow of one Silas Leverett, who was killed on the Fort Sill military reservation while under orders of an Army officer. The evidence shows that one E. C. McCormick, of Elgin, Okla., was given permission to cut hay on the military reservation, and that the deceased was employed by McCormick. I will admit it was understood that in case of fire McCormick and those working for him would fight it; but it is not reasonable to believe that anyone could anticipate the very unusual circumstances involved in this case. May I state that deceased lost his life while under orders of an Army officer.

This man was about one-fourth of a mile from the fire and was in absolute safety beyond the reach of the fire when the Army officer in question rode up to where he was at work and ordered deceased and his crew of 13 men to get on a truck and fight the prairie fire. In obedience to the command of the Army officer deceased climbed on the truck, which was operated by a soldier under command and supervision of the Army officer and driven into a dangerous position. The deceased lost his life while under direct orders of an officer of the Army. He left a penniless widow and three minor children. It is a clear-cut case, and this Government has heretofore accepted responsibility in similar cases and surely will not refuse to do so in this instance.

Mr. HOPE. Will the gentleman yield?

Mr. JOHNSON of Oklahoma. I yield to the gentleman from Kansas.

Mr. HOPE. The gentleman is aware of the fact that the War Department has made an adverse report on this bill and that it is the contention of the Department that this man's death was not in any way due to any act on the part of any employee or official of the United States Government; and further, that when this man went on the reservation as a civilian employee of a contractor who had permission to cut hay on the reservation it was explained to him that he was there on his own liability and that the Government of the United States undertook to assume no liability and that he was subject to whatever might occur in the way of gunfire or any other action that might befall him while he was on the reservation? The gentleman understands that that is the War Department's contention?

Mr. JOHNSON of Oklahoma. I have read the report, but the War Department is not altogether correct in giving this information. I have also discussed the facts with some of the parties involved. I have talked to some of the officers involved, and I know that this report does not altogether comply with the facts, because this man lost his life through no negligence of his own, but while under command of an Army officer. Remember, my good friend, before pressing your objection, that a soldier was driving a truck and that neither the deceased, his widow, nor either of his dependent children are responsible for the death of this man; but if the gentleman still insists on his objection, I will do my utmost to satisfy him before the bill comes up for consideration again.

Mr. CARTER of California. Mr. Speaker, I demand the regular order.

The SPEAKER. Is there objection to the present consideration of this bill?

Mr. CARTER of California. Mr. Speaker, may I say that the gentleman has had an opportunity to explain the bill and to make a statement. If any other gentlemen desire to object, they have ample opportunity to object, and I must insist on the regular order.

Mr. HOPE. Mr. Speaker, I object.

K. S. SZYMANSKI

The Clerk called the next bill, H.R. 7618, for the relief of K. S. Szymanski.

Mr. MOTT. Mr. Speaker, I object.

ARTHUR A. BURN, SR., AND J. K. RYLAND

The Clerk called the next bill, H.R. 7631, for the relief of Arthur A. Burn, Sr., and J. K. Ryland.

Mr. HOPE. Mr. Speaker, I object.

Mr. McMILLAN. Mr. Speaker, will the gentleman withhold his objection?

Mr. HOPE. I will be glad to withhold my objection.

Mr. McMILLAN. Will the gentleman state the ground for objection to the bill?

Mr. HOPE. The report in this case shows that both of these men who were killed were not men who left dependent families. The parents of one of them filed a claim with the United States Employees' Compensation Commission, an award was made, and the claim has been settled in that way.

In the case of the other man, the parents apparently were not dependents; at least, they made no claim of dependency, but the United States Compensation Commission paid the burial expenses and also made an award in favor of a dependent sister. This award was paid for some time, and then ceased because the sister married and was no longer dependent.

I cannot conceive under these circumstances why the Federal Government has any further liability to the parents of these young men. A finding was made by the Employees' Compensation Commission that the parents of one of the young men were dependent, and they were given the usual award of compensation. It seems to me that is sufficient in that particular case.

There is no showing in the case of the other man that the parents were dependent, and I cannot see why the Gov-

ernment of the United States should pay $5,000 to the parents of either of these young men. I acknowledge that their death was caused through no act of their own and through the fault and negligence of an officer of the United States, but I do not believe that puts upon the United States an obligation to pay this large sum of money to the parents who were not dependent upon them, except in the degree stated.

Mr. McMILLAN. The gentleman admits that these deaths were caused as a result of the negligence of a superior officer.

Mr. HOPE. There is not any question about that fact.

Mr. McMILLAN. I may say that the father of one of these boys has not filed his claim simply out of a matter of pride. He did not want to file a claim against the Government, but, like a great many people, adversity has hit him.

In the case of the other man, there was a sister 18 years of age left and I assume the gentleman is not going to deny payment of the claim simply because she goes out, like many other girls, and gets married in a year or two. As I see this case, it is an absolute liability on the part of the Government where these two men, under orders of a superior officer, were taken out on board a ship which was not seaworthy and were drowned. There is undoubtedly a liability on the part of the Government.

Mr. CARTER of California. Mr. Speaker, I demand the regular order.

The SPEAKER. Is there objection?

Mr. HOPE. I object.

K. S. SZYMANSKI

Mr. ELLENBOGEN. Mr. Speaker, I ask unanimous consent to return to Calendar 486, the bill (H.R. 7618) for the relief of K. S. Szymanski.

Mr. TRUAX. Mr. Speaker, I object to returning to any bills that have been passed.

Mr. ELLENBOGEN. Mr. Speaker, may I ask the gentleman to withhold his objection for a moment?

Mr. ENGLEBRIGHT. Mr. Speaker, I demand the regular order.

The SPEAKER. The Clerk will call the next bill.

CARRIE PRICE ROBERTS

The Clerk called the next bill, H.R. 7716, for the relief of Carrie Price Roberts.

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice and be the first bill called up at the next call of the Private Calendar.

The SPEAKER pro tempore (Mr. BYRNS). Is there objection to the request of the gentleman from Washington?

There was no objection.

K. S. SZYMANSKI

Mr. ELLENBOGEN. Mr. Speaker, I ask unanimous consent to return to Calender No. 486.

Mr. TRUAX. Mr. Speaker, I object.

ROSEMUND PAULINE LOWRY

The Clerk called the next bill, H.R. 7781, for the relief of Rosemund Pauline Lowry.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Rosemund Pauline Lowry, widow of Edward Prindle Lowry, late second secretary to the American Embassy at Mexico City, the sum of $4,500, being 1 year's salary of her deceased husband who died while in foreign service; and there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, a sufficient sum to carry out the purpose of this act.

With the following committee amendment:

Page 1, line 11, insert: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

I. T. M'REE

The Clerk called the next bill, H.R. 7789, for the relief of I. T. McRee.

Mr. ZIONCHECK. Mr. Speaker, reserving the right to object, may I state to the proponents of the bill that the amount is $2,500, and I think $1,250 would be ample.

Mr. TURNER. This is a very meritorious case and I do not think this is really as much as the claimant is entitled to receive. The doctor states he is permanently injured.

Mr. ZIONCHECK. What is the nature of his permanent injury?

Mr. TURNER. This man was shot from ambush, and I do not know that I can tell the gentleman just what his permanent injury is, but the doctors state that, due to his limited education, his livelihood was provided for by manual labor; and since this wound prohibits him from doing such labor you can readily see that he is entitled to some assistance from the Government.

Mr. BLANCHARD. Mr. Speaker, will the gentleman yield?

Mr. ZIONCHECK. Yes.

Mr. BLANCHARD. I had in mind the same objection—not to the bill but to the amount. I think the amount should be cut down to at least $2,000.

Mr. ZIONCHECK. I had in mind $1,250 or $1,500.

Mr. Speaker, with the understanding that the amount will be reduced to $2,000, we will let the bill go through.

The SPEAKER pro tempore. Without objection, a similar Senate bill will be considered in lieu of the House bill.

Mr. ZIONCHECK. How much does the Senate bill provide?

The SPEAKER pro tempore. The same amount.

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to I. T. McRee, out of any money in the Treasury not otherwise appropriated, the sum of $2,500 in full settlement of damages sustained April 11, 1922, in a prohibition raid in Lewis County, Tenn., when he was shot from ambush: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. ZIONCHECK. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ZIONCHECK to the Senate bill: Line 6, strike out "$2,500" and insert in lieu thereof "$2,000."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider and a similar House bill were laid on the table.

OSWALD H. HALFORD ET AL.

The Clerk called the next bill, H.R. 7816, for the relief of Oswald H. Halford, Hunter M. Henry, William C. Horne, Rupert R. Johnson, David L. Lacey, William Z. Lee, Fenton F. Rodgers, Henry Freeman Seale, Felix M. Smith, Edwin C. Smith, Robert S. Sutherland, and Charles G. Ventress.

Mr. MOTT. Mr. Speaker, I object.

Mr. ELLZEY of Mississippi. Mr. Speaker, will the gentleman withhold his objection?

Mr. MOTT. Yes.

Mr. ELLZEY of Mississippi. I should like to make this statement to the gentleman from Oregon. This bill provides for two-thirds of the pay during the World War of some enlisted men. What they did was that just before leaving for France, having been in the service about 1 year, they took French leave to say good-bye to their folks. They then returned and rendered good service. There were 13 of them in all, and the Secretary of War states that they rendered good service and that their records were good, both prior to this event as well as afterward.

Mr. BLANTON. But the Secretary of War recommends against the bill.

Mr. ELLZEY of Mississippi. That is true, but here is what he did. There were 13 men and they refunded 1 man's pay—Private Hardy—but withheld two-thirds of the pay from the other men, and I believe that this is simply doing simple justice to all these men. I do not believe any man on this floor would want to see this kind of injustice done. They refunded all of one man's pay but withheld two-thirds of the pay in the other cases.

Mr. MOTT. Mr. Speaker, in view of the gentleman's statement I withdraw my objection.

Mr. BLANTON. Patrick J. Hurley, former Secretary of War, says that these men were courtmartialed and tried and given from 1 to 3 years' confinement.

Mr. ELLZEY of Mississipi. And he also stated this:

Each soldier is shown to have conscientiously and faithfully performed his duty prior to his absence and even after his return to military control.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury of the United States not otherwise appropriated, in full settlement of all claims against the Government of the United States, to Oswald H. Halford, bugler (1599067), $76.63; Hunter M. Henry, private, first-class (1599070), $192.13; William C. Horne, wagoner (1599034), $226.77; Rupert R. Johnson, corporal (1599036), $220.94; David L. Lacey, private, first-class (1599038), $214.73; William Z. Lee, private (1599080), $203.60; Fenton F. Rodgers, private (1599092), $151.47; Henry Freeman Seale, wagoner (1599094), $193.17; Felix M. Smith, private (1599021), $193.38; Edwin C. Smith, private, first-class (1599047), $79.80; Robert S. Sutherland, bugler (1599102), $78.55; Charles G. Ventress, sergeant (1599107), $253.06; being amount of salary deducted on account of general court-martial sentences June 1918: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this Act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

RALPH LAVERN WALKER

The Clerk called the next bill on the Private Calendar, H.R. 7893, for the relief of Ralph LaVern Walker.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any funds in the Treasury not otherwise appropriated, the sum of $500 to the legal guardian of Ralph LaVern Walker for the loss of his arm and other injuries as the result of an explosion of a cap on the site of Camp Gordon on February 23, 1929.

SEC. 2. That the United States Employees' Compensation Commission be, and it is hereby, authorized and directed to pay to the legal guardian of Ralph LaVern Walker the sum of $50 per month, beginning with the passage of this act and continuing for the period of 8 years: *Provided*, That no part of the amount appropriated in this act in excess of $100 shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of $100 on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000: *Provided further*, That the above amounts shall be in full settlement against the Government.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MYRTLE ANDERSON

The Clerk called the next bill on the Private Calendar, H.R. 7990, for the relief of Myrtle Anderson.

The SPEAKER. Is there objection?

Mr. TRUAX. I object.

PAUL J. SISK

The Clerk called the next bill on the Private Calendar, S. 85, for the relief of Paul J. Sisk.

There was no objection.

The bill is as follows:

Be it enacted, etc., That the Comptroller General is authorized and directed to settle and certify for payment to Paul J. Sisk, a clerk in the post office at Spokane, Wash., out of any money in the Treasury not otherwise appropriated, the amount of $60, on account of an erroneous payment by him on money order no. 234886, for that amount, issued at Payette, Idaho, on September 5, 1931.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MILBURN KNAPP

The Clerk called the next bill on the Private Calendar, S. 256, for the relief of Milburn Knapp.

The SPEAKER pro tempore. Is there objection?

Mr. BLANTON. Mr. Speaker, this bill carries $16,000 and the gentleman from Oregon should explain its merits.

Mr. TRUAX. I object.

Mr. PIERCE. Will the gentleman reserve the objection?

Mr. BLANTON. I reserve it.

Mr. PIERCE. I want to say that this is a very just claim. [Cries of "Regular order!"]

Mr. BLANTON. Well, if you demand the regular order and are not going to allow the gentleman from Oregon to make a statement, I will withdraw my objection, and let him pass his bill.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay to Milburn Knapp, out of any money in the Treasury not otherwise appropriated, the sum of $16,000 in full settlement of all claims against the United States for losses sustained by him as the result of the revocation by the Department of the Interior, on November 12, 1913, of a permit granted for the use of the Williamson River in connection with a contract for the cutting and removal of certain timberlands in the Klamath Indian Reservation, in the State of Oregon, entered into on January 24, 1913, by Milburn Knapp and the Commissioner of Indian Affairs on behalf of the United States.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FAIRMONT CREAMERY CO.

The Clerk called the next bill on the Private Calendar, S. 749, for the relief of the Fairmont Creamery Co.

The SPEAKER pro tempore. Is there objection?

Mr. TRUAX. I object.

MRS. ASA CASWELL HAWKINS

The Clerk called the next bill on the Private Calendar, S. 1078, for the relief of Mrs. Asa Caswell Hawkins.

The SPEAKER pro tempore. Is there objection?

Mr. ZIONCHECK. I object.

EDGAR STIVERS

The Clerk called the next business on the Private Calendar, S. 1460, for the relief of Edgar Stivers.

There was no objection.

The bill is as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit the account of Edgar Stivers, postmaster at Dodge Center, Minn., in the sum of $240.45, due the United States on account of loss of

postal funds resulting from the failure of the Farmers National Bank of Dodge Center, Minn.: *Provided*, That the said postmaster shall assign to the United States any and all claims he may have to dividends arising from the liquidation of said bank.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

STANDARD DREDGING CO.

The Clerk called the next bill on the Private Calendar, S. 1683, for the relief of the Standard Dredging Co.

The SPEAKER pro tempore. Is there objection?

Mr. TRUAX. I object.

EDGAR STIVERS

Mr. CHRISTIANSON. Mr. Speaker, I ask unanimous consent that Calendar No. 835, H.R. 4895, for the relief of Edgar Stivers, be stricken from the Private Calendar and laid on the table, as an identical bill has just been passed.

Mr. ZIONCHECK. Reserving the right to object, is the gentleman sure of that?

Mr. CHRISTIANSON. I am sure of it, because it is my own bill.

The SPEAKER pro tempore. Is there objection?

There was no objection.

R. B. MILLER

The Clerk called the next bill, S. 2278, for the relief of R. B. Miller.

The SPEAKER pro tempore. Is there objection?

Mr. TRUAX. I object.

Mr. COCHRAN of Missouri. Mr. Speaker, will the gentleman withhold his objection?

Mr. TRUAX. Yes.

Mr. COCHRAN of Missouri. Mr. Speaker, the last 8 or 10 bills on the calendar have been Senate bills. We must remember that House bills will have to be considered in the Senate. It seems to me gentlemen objecting to Senate bills should briefly explain their objection so that the Senator interested will be informed why objection is advanced. I think we owe this to the author of a Senate bill.

Mr. TRUAX. I shall be very glad to state. I object to the bill because it goes back and dips into the Treasury on war profits, away back in 1921.

Mr. COCHRAN of Missouri. I have no criticism to make of the gentleman's objection, but my thought is the objector should state why he objects. We passed a bill a moment ago to which the gentleman from Texas [Mr. BLANTON] at first objected.

Then, because someone demanded the regular order, he withdrew his objection, and, no other objection being recorded, the bill was passed.

I have read the report upon the bill since the measure was passed. I see no reason why the Government of the United States should pay any money to the claimant. That is the bill of the gentleman from Oregon [Mr. PIERCE].

Mr. BLANTON. But the Department said that it was a just bill.

Mr. COCHRAN of Missouri. But the Department in the middle of its statement said the Department never gave the claimant the right to use that river at the time the contract was made.

Mr. BLANTON. But it finally approved the bill.

Mr. COCHRAN of Missouri. That is true, but at the same time it appears to me the contractor had no just claim against the Government. The contractor never could have recovered in the Court of Claims.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. TRUAX. Mr. Speaker, I object.

ERNEST ELMORE HALL

The Clerk called the next bill, H.R. 3176, for the relief of Ernest Elmore Hall.

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent that this bill, being no. 503 on the Private Calendar, and the next bill, H.R. 3179, for the relief of William J. Cocke, no. 504 on the Private Calendar, be passed over without prejudice, to be called at the next call of the Private Calendar, for the reason that the gentleman from North Carolina [Mr. WEAVER], who introduced these bills, is not here.

Mr. YOUNG. Mr. Speaker, will the gentleman withhold that request, insofar as no. 503, H.R. 3176, the bill just called by the Clerk, is concerned?

Mr. ZIONCHECK. Is the gentleman interested in no. 503?

Mr. YOUNG. It happens that I have the honor to be the chairman of the subcommittee that handled that bill, and I think 503 is without question the most meritorious bill that has been passed out of the War Claims Committee during this session. In this case a little boy, 12 years old, a mere child, at Camp Wadsworth, at Spartanburg, S.C., got hold of a hand grenade, carelessly left there by some soldiers.

Mr. ZIONCHECK. There is no question about the liability.

Mr. YOUNG. It is a meritorious case.

Mr. ZIONCHECK. It is a question of the amount. The actual loss here was two fingers and a thumb. There was a temporary injury to the eye. No State compensation board would pay $5,000 for such an injury, and no jury would return a verdict for that amount unless there happened to be a great deal of sympathy involved.

Mr. BLANTON. Five thousand dollars is the amount of a death claim that we have agreed upon.

Mr. YOUNG. Had this little fellow been killed by the explosion the pecuniary loss would probably amount to only $1,500, but, as a matter of fact, he lost his thumb and two fingers. They were obliterated from one hand. His eyes were slightly injured.

Mr. ZIONCHECK. If the gentleman from Ohio will allow me to make a statement?

Mr. YOUNG. Yes.

Mr. ZIONCHECK. The gentleman from Illinois had a claim in here wherein a hand grenade exploded and crippled a boy for life, damaging one hand, and he asked only $2,500.

Mr. YOUNG. This claim came to the committee for $10,000. It was cut down to $7,500, and we cut it down to $5,000.

Mr. BLANTON. The gentleman did not cut it low enough. If the gentleman will cut it down to $2,500, we will help him pass the bill. That is the maximum amount allowed for a claim of this kind.

Mr. YOUNG. If the gentleman insists upon that, I shall accept the compromise.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Ernest Elmore Hall, of Asheville, N.C., the sum of $7,500. Such sum shall be in full satisfaction of all claims against the United States for damages resulting from injuries to Ernest Elmore Hall, who lost a thumb and two fingers from the explosion in his hand of a hand grenade which was left at or near Camp Wadsworth, Spartanburg, S.C., on November 22, 1919.

With the following committee amendment:

Line 6, strike out "$7,500" and insert in lieu thereof "$5,000."

Mr. BLANTON. Mr. Speaker, I offer the following amendment which I send to the desk.

The Clerk read, as follows:

Amendment offered by Mr. BLANTON: Amend the committee amendment by striking out "$5,000" and insert in lieu thereof "$2,500."

The SPEAKER pro tempore. The question is on the amendment to the committee amendment.

The amendment to the committee amendment was agreed to.

The committee amendment as amended was agreed to.

Mr. HOPE. Mr. Speaker, I offer the following amendment which I send to the desk:

The Clerk read as follows:

Amendment by Mr. HOPE: At the end of the bill strike out the period, insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or

agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The amendment was agreed to, and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

WILLIAM J. COCKE

The Clerk called the next bill, H.R. 3179, for the relief of William J. Cocke.

Mr. ZIONCHECK. Mr. Speaker, I ask that this bill be passed over without prejudice.

Mr. TRUAX. I object to that request. Will the gentleman withhold his request for a moment?

Mr. ZIONCHECK. Yes.

Mr. TRUAX. I want to say to the Members of this House that, in my judgment, this is one of the "lousiest" bills that has ever been put on this calendar.

Mr. CARTER of California. Mr. Speaker, regular order.

Mr. LAMBERTSON. Mr. Speaker, I ask that the gentleman withhold his request. I know this man Shipley and I know that it is not a "lousy" bill. I ask unanimous consent that the bill be passed over without prejudice until Mr. GUYER can be here.

Mr. TRUAX. I am asking the gentleman to withhold that request. Otherwise I shall have to object to the bill. There was some justification for my remark because this bill concerns hogs, and hogs are sometimes lousy.

Mr. SWICK. Mr. Speaker, regular order.

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice, to be called up at the next call of the Private Calendar. At that time the gentleman from Ohio will have an opportunity to quiz the gentleman from Kansas.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington [Mr. ZIONCHECK]?

There was no objection.

CHARLES P. SHIPLEY SADDLERY & MERCANTILE CO.

The Clerk called the next bill, H.R. 4573, for the relief of Charles P. Shipley Saddlery & Mercantile Co.

Mr. ZIONCHECK. Mr. Speaker, I object.

Mr. LAMBERTSON. Will the gentleman withhold that? Mr. GUYER may be here a little later. I ask unanimous consent that this be passed over without prejudice.

Mr. HOPE. Mr. Speaker, I ask unanimous consent that the consideration of this bill be deferred until later during the evening session.

Mr. TRUAX. I object to that.

Mr. BLANTON. When the claimant first presented this matter, he claimed $17,000. Now he claims $11,000. He had no proof whatever for the $17,000.

Mr. HOPE. The gentleman has no objections to the bill's going over?

Mr. BLANTON. Let it go over generally.

Mr. HOPE. I have no objection to that procedure.

Mr. BLANTON. I ask unanimous consent that the bill be passed over without prejudice.

Mr. TRUAX. Mr. Speaker, I object to that.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. BLANTON. Mr. Speaker, I object.

R. S. HOWARD CO.

The Clerk called the next bill, H.R. 7561, for the relief of R. S. Howard Co.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. EVANS. Mr. Speaker, I ask unanimous consent that a similar Senate bill (S. 2002) be substituted for the House bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $20,827.51 to R. S. Howard Co., Inc., of New York City, as just compensation and in full settlement and satisfaction of the damages and/or losses incurred and suffered by it in complying with United States Navy order no. N-3255, dated June 18, 1918.

With the following committee amendment:

Strike out all after the enacting clause and insert: "That jurisdiction is hereby conferred upon the Court of Claims to hear and adjudicate, without regard to existing statutes of limitations, the claim of R. S. Howard Co., for just compensation arising out of the service upon said company of United States Navy commandeer order no. N-3255, dated June 18, 1918, with the same right as in other cases to either party to apply to the Supreme Court of the United States for writ of certiorari to review any judgment that may be rendered."

The committee amendment was agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

A. C. MESSLER CO.

The Clerk called the next bill, S. 503, to confer jurisdiction on the Court of Claims to hear and determine the claim of A. C. Messler Co.

Mr. BLANCHARD. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

DELAWARE BAY SHIPBUILDING CO.

The Clerk called the next bill, H.R. 189, for the relief of the Delaware Bay Shipbuilding Co.

Mr. ZIONCHECK. Mr. Speaker, I object.

C. V. MASON

The Clerk called the next bill, H.R. 1354, for the relief of C. V. Mason.

There being no objection the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to C. V. Mason, out of any money in the Treasury not otherwise appropriated, the sum of $1,206.76, representing expenses incurred by him as a result of the death and burial of his son, Dwight D. Mason, who died as a result of injuries received while employed as a teacher of manual training at Kanakanak Industrial School in Alaska on December 30, 1931.

With the following committee amendments:

Page 1, line 5, after the word "appropriated" insert "and in full settlement of all claims against the Government of the United States", and page 2, line 2, after the figures "1931" strike out the period, insert a colon, and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The amendments were agreed to.

The bill as amended was ordered to be engrossed, and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SANFORD & BROOKS CO.

The Clerk called the next bill, H.R. 2042, for the relief of Sanford & Brooks Co.

Mr. TRUAX. Mr. Speaker, reserving the right to object, as I understand this bill is for the refund of income taxes.

Mr. BLANTON. Yes; in the amount of $53,208.49.

Mr. McFARLANE. Is Andrew Mellon connected with it?

Mr. TRUAX. If Mellon did not recommend that it be refunded then there is not the ghost of a show for anybody else to get it through; so I object, Mr. Speaker.

W. H. LE DUC

The Clerk called the next bill, H.R. 4999, for the relief of W. H. Le Duc.

The SPEAKER pro tempore [Mr. BYRNS]. The Chair is informed that there is a similar Senate bill on the Clerk's desk. Without objection, the Senate bill will be substituted for the House bill.

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to W. H. Le Duc the sum of $1,000, with interest thereon at the rate of 6 percent per annum from the date of payment of fine or penalty, representing the amount deposited by him on account of a fine or penalty of $1,000 assessed against him and by him paid to the United States under protest at the Port of Galveston on or about March 26, 1928, for alleged violation of the navigation laws: *Provided*, That such sum shall be in full settlement of all claims against the Government of the United States: *Provided further*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider and a similar House bill were laid on the table.

NAVY AND MARINE CORPS

The Clerk called the next bill, H.R. 5408, to provide for the reimbursement of personnel of the Navy and Marine Corps for personal property lost, damaged, or destroyed as a result of the earthquake which occurred at Managua, Nicaragua, on March 31, 1931.

Mr. ZIONCHECK. Mr. Speaker, I object.

ANNIE M. AYER

The Clerk called the next bill, H.R. 7828, for the relief of Annie M. Ayer.

Mr. ZIONCHECK. Mr. Speaker, I object.

JAMES M. PACE

The Clerk called the next bill, H.R. 8035, for the relief of James M. Pace.

Mr. TRUAX. Mr. Speaker, reserving the right to object, will the gentleman from Illinois state why this claim has not been paid before? This loss occurred back in 1929.

Mr. THOMPSON of Illinois. I may say to the gentleman from Ohio that under the rules of the Post Office Department there is no way for the account of a postmaster to be credited except by an act of Congress.

Mr. TRUAX. Yes; I understand that.

Mr. THOMPSON of Illinois. This bill passed the House on at least two occasions, if not three, but failed of passage in the Senate not because of any opposition to it but just because of the fact it was not reached on the Senate Calendar.

Mr. TRUAX. And the Postmaster General recommends the passage of the bill?

Mr. THOMPSON of Illinois. He does. The bill really is for the relief of the claimant's estate, for Mr. Pace has died and his entire estate is being held up pending the adjudication of this loss.

Mr. ZIONCHECK. Did he actually have to pay this money before his death?

Mr. THOMPSON of Illinois. I do not understand so. As I understand, it is just a claim that has been filed, but it is holding up the final disposition of this man's estate in the probate court.

Mr. TRUAX. Is the gentleman willing to accept the usual attorney-fee proviso?

Mr. THOMPSON of Illinois. Absolutely; there is no attorney involved in the case.

Mr. TRUAX. Mr. Speaker, I withdraw my reservation of objection.

Mr. BLANTON. Mr. Speaker, reserving the right to object, this bill appropriates $21,476.99 to reimburse a postmaster for postage stamps burglarized from a post office. It is just one of many such bills. I do not intend to object to it, because there is here proof of loss; but our Post Office Department ought to take steps right now to stop carelessness that is causing many such losses.

Mr. CARTER of California. Mr. Speaker, I demand the regular order.

Mr. BLANTON. Then, if that course is pursued, I object.

Mr. THOMPSON of Illinois. Mr. Speaker, will not the gentleman withhold his objection to permit a further explanation?

Mr. BLANTON. If the gentleman over there from California [Mr. CARTER], who perhaps has a little bill to pass, cannot sit here without getting impatient when one of us who really work hard on the Private Calendar wants to say something, then I am going to see that our rights are protected.

Mr. SABATH. But why should the gentleman take it out on the gentleman from Illinois?

Mr. CARTER of California. Out of deference to the gentleman from Illinois I withdraw my demand for the regular order.

Mr. BLANTON. Then I shall finish my statement, after which I will withdraw my reservation of objection.

I say that the Post Office Department ought to take steps now to see that the postmasters all over the United States are duly warned and admonished to handle their stamps and money more carefully. There are literally hundreds of similar claims introduced every Congress for losses growing out of burglaries, some real and some not so real. There is too much carelessness and too much indifference.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Postmaster General be, and he is hereby, authorized and directed to credit James M. Pace, former postmaster at Macomb, McDonough County, Ill., in his accounts with the sum of $21,476.99, the amount of money and postage stamps lost in the burglary of the post office at Macomb, Ill., on April 5, 1929.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PETER PIERRE

The Clerk called the next bill, S. 512, for the relief of Peter Pierre.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $45 to Peter Pierre, in payment for a horse which was lost while being used to transport supplies to a forest fire on the Flathead Indian Reservation, State of Montana.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHARLES L. GRAVES

The Clerk called the next bill, S. 690, for the relief of Charles L. Graves.

Mr. TRUAX. Mr. Speaker, reserving the right to object, this bill involves an appropriation of $51,277, and I think that is too large a sum to be considered on the Private Calendar; therefore I object.

Mr. BLANCHARD. Will the gentleman yield for a question?

Mr. TRUAX. Yes.

Mr. ZIONCHECK. Mr. Speaker, reserving the right to object, as I understand this claim, the agent on this reservation actually bought the sheep, but did not comply with certain technicalities. The sheep were actually delivered. It does not make any difference whether there is $5 or $50,000 involved. The Department of the Interior has investigated and Secretary Ickes recommends that this bill be passed.

Mr. TRUAX. The gentleman would pass anything that Secretary Ickes recommends?

Mr. ZIONCHECK. No; but he states that the Indians got the sheep, that they were good sheep, and, I think, fat sheep, and maybe a pig or two.

Mr. TRUAX. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

Mr. BLANCHARD. The gentleman ought not to make that request in a case of this kind. I am not interested in the bill. It is a question of whether you deliver the sheep or money. This fellow cut the red tape and spent the money, but the sheep were delivered.

Mr. BLANTON. And the Comptroller General held it up on a technicality. He spent the money, spent it honestly, and I think he ought to be paid.

Mr. TRUAX. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. ZIONCHECK. Mr. Speaker, I object.

The SPEAKER. Is there objection to the bill?

Mr. TRUAX. I object.

Mr. ZIONCHECK. Mr. Speaker, I withdraw my objection to the unanimous-consent request.

The SPEAKER pro tempore. Without objection, the bill will be passed over.

JAMES R. YOUNG

The Clerk called the next bill, S. 1089, for the relief of James O. Young.

Mr. ZIONCHECK. Mr. Speaker, I object.

M. M. TWICHEL

The Clerk called the next bill, S. 1126, for the relief of M. M. Twichel.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay to M. M. Twichel, of St. Ignatius, Mont., out of any money in the Treasury not otherwise appropriated, the sum of $3,433.34 in full satisfaction of his claim against the United States for compensation for services rendered and expenses incurred in connection with the burial of Indians on the Flathead Indian Reservation, Mont., prior to May 1, 1933.

Mr. HOPE. Mr. Speaker, I offer the usual attorney's fee amendment.

The Clerk read as follows:

Amendment offered by Mr. HOPE: On page 1, line 9, after the figures "1933", insert the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANTHONY J. LYNN

The Clerk called the next bill, S. 1429, for the relief of Anthony J. Lynn.

Mr. TRUAX. Mr. Speaker, I object.

Mr. ZIONCHECK. May I ask the gentleman to reserve his objection?

Mr. TRUAX. I reserve the objection.

Mr. ZIONCHECK. I think the objection is offered because the man was a criminal, but I think the testimony in the case shows that he was put in jail on false evidence, which was later proven to be false, and the Government admits it was false.

Mr. TRUAX. In this case the claimant was convicted in Siberia of burglary and sentenced to 10 years at hard labor. The conviction was on May 27, 1919. Subsequently it developed that the testimony on which he was convicted was untrue and he was restored to duty by Presidential order on October 24, 1919. Under the circumstances, Mr. Speaker, I withdraw my objection.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay to Anthony J. Lynn, formerly a private, Company G, Thirty-first Regiment United States Infantry, out of any money in the Treasury not otherwise appropriated, the sum of $254.40, said sum representing the whole amount of pay and allowances of which he was deprived by reason of proceedings against him in 1919 on false charges of burglary and the sentence of courtmartial rendered in such proceedings.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WESTERN MONTANA CLINIC

The Clerk called the next bill, S. 1772, for the relief of the Western Montana Clinic, Missoula, Mont.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay to the Western Montana Clinic, of Missoula, Mont., out of any money in the Treasury not otherwise appropriated, the sum of $5,022.30 in full satisfaction of its claim against the United States for surgical and medical services rendered prior to May 30, 1932, to Indians on the Flathead Indian Reservation, Mont.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

STELIO VASSILIADIS

The Clerk called the next bill, H.R. 7916, to authorize an appropriation for the reimbursement of Stelio Vassiliadis.

Mr. HENNEY. Mr. Speaker, I ask unanimous consent that the Senate bill S. 2748 be substituted for the House bill.

Mr. McFARLANE. Mr. Speaker, reserving the right to object, may I ask the gentleman to explain the bill?

Mr. HENNEY. This is a very small bill, as will be noted. The amount involved is $406, and is for the reimbursement of Stelio Vassiliadis, who was at that time vice consul at Kiev. In 1918, during the war, the American consul, Mr. Jenkins, was removed from there because of war conditions, and he turned over the American consul duties to the Spanish vice consul at that location, who incurred a bill amounting to 440 gold rubles. At that time the American consul turned over to him 50 gold rubles, equivalent to 300 paper rubles, leaving a balance of 790 gold rubles, or $406, due the Spanish vice consul for expenses incurred in caring for the American post for 2 years, March 1, 1918, to March 1, 1920.

This bill was first introduced in 1926 and has gone back and forth all this time. The bill has the O.K. of the State Department and a letter from President Roosevelt requesting that it be paid.

Mr. McFARLANE. This is a war bill, and I was wondering why it was so late in getting here.

Mr. HENNEY. This was because of delay in getting the papers validated by the State Department.

Mr. SABATH. The State Department's O.K. was required.

Mr. McFARLANE. It does not take 15 years to get the O.K. of the State Department?

Mr. SABATH. Surely; under a Republican administration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, to be paid to Stelio Vassiliadis the sum of $406.53, being the equivalent of 790 gold rubles at $0.5146 to the ruble, for the reimbursement of certain expenditures made by him as vice consul of Spain at Kiev, Russia, in representing the interests of the United States at that post from March 1, 1918, to the end of February 1920.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

J. M. DOOLEY FIREPROOF WAREHOUSE CORPORATION

The clerk called the next bill, S. 489, for the relief of the J. M. Dooley Fireproof Warehouse Corporation, of Brooklyn, N.Y.

Mr. TRUAX. Mr. Speaker, I object.

ROBERT RAYFORD WILCOXSON

The Clerk called the next bill, H.R. 5809, to provide compensation for Robert Rayford Wilcoxson for injuries received in citizens' military training camp.

Mr. BLANCHARD. Mr. Speaker, reserving the right to object, may I inquire of the gentleman whether he is familiar with the physical condition of this claimant at the present time?

Mr. THOMPSON of Illinois. Only from the evidence submitted to our subcommittee of the Committee on Military Affairs.

Mr. BLANCHARD. Does the gentleman recall how he arrived at the sum of $150 as representing this man's earnings?

Mr. THOMPSON of Illinois. Upon the recommendation of the War Department. This was the smallest amount that the War Department could use, we were informed by the Secretary, in fixing the amount which the United States Employees' Compensation Commission should consider in the matter. The bill has been amended in accordance with the suggestion of the War Department.

Mr. BLANCHARD. Did the Military Affairs Committee unanimously recommend this bill?

Mr. THOMPSON of Illinois. If I remember correctly, yes, it did.

Mr. ZIONCHECK. Mr. Speaker, I am going to object to this bill for the reason that I do not believe the United States Employees' Compensation Commission should pay any damages for injuries received in military camps.

Mr. THOMPSON of Illinois. I may say to the gentleman from Washington that these young men come out, as I see it, and offer their services in order to prepare themselves for war service, and there is no arm of the Federal Government that can take care of these young men in the event they are injured.

Mr. ZIONCHECK. Why do not the appropriations of the Army take care of these cases?

Mr. THOMPSON of Illinois. Existing law does not permit that.

Mr. ZIONCHECK. We can pass a law to take care of that.

Mr. THOMPSON of Illinois. We have to meet a condition here. This man gave his life in order to prepare himself to serve his country in the event of an emergency.

Mr. ZIONCHECK. I am willing to work with the gentleman in the preparation of a bill to take care of these cases as a general matter, but I can see no justification for the United States Employees' Compensation Commission paying for injuries occurring on military reservations.

Mr. THOMPSON of Illinois. Let me remind the gentleman that this boy is a civilian, and in such cases these young men are only there for a couple of weeks carrying out the program of these citizens' military training camps.

Mr. ZIONCHECK. He came in voluntarily; but it is still war activity.

Mr. THOMPSON of Illinois. It is in preparation for war.

Mr. GOSS. Mr. Speaker, will the gentleman yield?

Mr. ZIONCHECK. I yield.

Mr. GOSS. I may say to the gentleman that all the bills with respect to the few injuries that have happened in the citizens' military training camps have been handled in this way in previous Congresses. There is one case exactly similar to this where a bill was passed in the Seventieth Congress. The reason there is no general law from the Military Affairs Committee is because there are so few accidents, and the War Department has suggested putting this up to the Compensation Commission as the only way relief can be had.

Mr. THOMPSON of Illinois. So far as I know, there are only two such cases before the Military Affairs Committee of all the fellows who went into the citizens' military training camps and the officers' training camps.

Mr. CARTER of California. Mr. Speaker, I demand the regular order.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated and in full settlement against the United States, to Robert Rayford Wilcoxson, of Lawrenceburg, Tenn., the sum of $20 per month because of physical injury and damages sustained by him while at the citizens' military training camp at Fort Oglethorpe, Ga., on June 20, 1931.

With the following committee amendment:

Strike out all after the enacting clause and insert: "That the United States Employees' Compensation Commission be, and it is hereby, directed to apply and extend the provisions, benefits, and privileges of the act entitled 'An act to provide compensation for employees of the United States suffering injuries in the performance of their duties, and for other purposes,' approved September 7, 1916, as amended, to the case of Robert Rayford Wilcoxson on account of injury suffered by him on June 20, 1931, while a student at the citizens' military training camp at Fort Oglethorpe, Ga., effective from said June 20, 1931: *Provided*, That, for the purposes of this act, the pay and allowances of said Robert Rayford Wilcoxson at the time of his said injury shall be considered as having been $150 per month."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HARRY H. HORTON

The Clerk called the next bill, S. 308, to authorize the award of a decoration for distinguished service to Harry H. Horton.

Mr. GOSS. Mr. Speaker, reserving the right to object, I should like to call the attention of the House to the fact that the Military Affairs Committee is shortly going to bring out a bill that will touch upon general legislation of this kind, and I think it would be unfair to pass a bill here tonight when other bills have been held up in the committee waiting for this general bill to be considered. I reserved my rights in committee when this bill was reported, and I was going to ask that it go over without prejudice to see if the committee does report such a general bill.

Mr. TRUAX. Mr. Speaker, will the gentleman yield?

Mr. GOSS. I want to call the attention of the gentleman to the fact that under the law today we must extend the time for the consideration of awards of decorations, and the subcommittee has a bill coming up before the main committee next Tuesday on this very subject. We will be making fish out of one and fowl out of another if we take these bills up haphazardly.

Mr. MALONEY of Connecticut. May I ask the gentleman if this bill is not favorably reported by his committee?

Mr. GOSS. Yes.

Mr. MALONEY of Connecticut. Would the gentleman do a soldier an injustice by not passing this bill?

Mr. GOSS. I may say to the gentleman that we have held up bills of other Members awaiting general legislation extending the time in the War Department so as to allow all to come in under a general law and the War Department has recommended against this bill for that reason.

Mr. MALONEY of Connecticut. There appears to be a disposition to pass this bill now and the gentleman has no assurance that the other legislation which has been proposed will be enacted into law.

Mr. GOSS. I may say to the gentleman that there are members of the committee on the floor here who can vouch for the statement that we have held up every other bill in the Military Affairs Committee awaiting the establishment of this policy.

Mr. MALONEY of Connecticut. There must have been an unusual situation which prompted the committee to report out this bill.

Mr. GOSS. I reserved my rights in committee pending the consideration of this general bill.

Mr. TRUAX. Mr. Speaker, I want to say to the gentleman from Connecticut that in my judgment this is one of the most meritorious bills that has ever been presented on

this floor. This is to award a decoration to a buck private for service in the World War. This private was hit by a shell in a dugout and the lower part of his face blown away, and the surgeons, by a remarkable operation in the grafting of bone, have restored this man's jaw.

It is an outstanding example of bone surgery in the United States today. Here is a chance to do something for the men in the trenches, and not be always awarding medals to officers.

The SPEAKER pro tempore. Is there objection?

Mr. GOSS. I object.

CARL L. BERNAU

The Clerk called the next bill on the calendar, H.R. 3980, for the relief of Carl L. Bernau.

The SPEAKER pro tempore. Is there objection?

Mr. HOPE. I object.

UNION SHIPPING & TRADING CO., LTD.

The Clerk read the next bill on the Private Calendar, S. 1192, for the relief of the Union Shipping & Trading Co., Ltd.

The SPEAKER pro tempore. Is there objection?

Mr. TRUAX. I reserve the right to object.

Mr. BLAND. This is a bill to submit this claim to the Court of Claims. I can see that there might appear to be a reason for an objection, if the statements of the people who were on the American ship were not permitted to be submitted in evidence, but the bill permits that. I have no constituents interested in the matter, but I have made inquiry as to when the *Berwind* was destroyed.

Mr. TRUAX. Is it not a fact that this claim for damage goes back to April 1918?

Mr. BLAND. Yes. It was in April 1918 that the collision occurred, and it was in August 1918 that the American ship *Berwind* and all on board were destroyed. The statement of the United States officials at the time led these people to believe that there would be no defense to the claim.

Mr. TRUAX. This is for the relief of a British corporation, is it not?

Mr. BLAND. Yes; it is for a British corporation, but I want to give them justice.

Mr. TRUAX. We should give the American people their just dues first.

Mr. SABATH. That is just what the gentleman from Virginia is asking for.

Mr. TRUAX. I am looking after the American interests.

Mr. BLAND. I am trying to give every man his rights.

Mr. TRUAX. I am for this country first, last, and all the time and, Mr. Speaker, I object.

ST. LUDGERS CATHOLIC CHURCH OF GERMANTOWN, MO.

The Clerk called the next bill on the Private Calendar, H.R. 3595, for the relief of St. Ludgers Catholic Church of Germantown, Henry County, Mo.

The SPEAKER pro tempore. Is there objection?

Mr. ZIONCHECK. Reserving the right to object, I should like to find out what the actual damage was here.

Mr. DICKINSON. The actual damage was more than is asked for in this bill—more than the amount fixed by the committee. This bill has been reported time and again. I introduced this bill 20 years ago, and it has been reported out of the committee time and again.

Mr. BLANTON. Mr. Speaker, most of the older Members here know this case has been thoroughly investigated, and everyone who investigated it decided that it was a meritorious bill. I do not see why there should be any objection to it. It is a good bill; the damage was nearly twice as much as they ask for in this bill.

The SPEAKER pro tempore. Is there objection?

There being no objection, the bill was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to St. Ludgers Catholic Church at Germantown, county of Henry, and State of Missouri, the sum of $3,000, in full compensation for the use and occupation of, and incidental damage to, St. Ludgers Catholic Church at Germantown by the United States Army during the Civil War.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

OSCAR C. OLSON

The Clerk called the bill, H.R. 4175, for the relief of Oscar C. Olson.

The SPEAKER pro tempore. Is there objection?

Mr. MOTT. Mr. Speaker, I object.

GUY GOODWIN

The Clerk called the next bill, H.R. 4180, for the relief of Guy Goodwin.

The SPEAKER pro tempore. Is there objection?

Mr. ZIONCHECK. Mr. Speaker, I object.

OSCAR C. OLSON

Mr. PEAVEY. Mr. Speaker, I make the point of order that there is no quorum present.

Mr. BLANTON. Why does not the gentleman wait until half past 9. We will all be ready to adjourn by 10 o'clock.

Mr. PEAVEY. But I want to return to a bill that was objected to, H.R. 4175.

Mr. BLANTON. The gentleman should not do that.

Mr. BLANCHARD. Will the gentleman withhold his point of order for a moment?

Mr. PEAVEY. Yes.

Mr. BLANCHARD. Mr. Speaker, I ask unanimous consent to return to Calendar No. 532, a bill for the relief of Oscar C. Olson, just objected to.

Mr. TRUAX. Mr. Speaker, reserving the right to object, what is the bill?

Mr. ZIONCHECK. It is immaterial, if there is no objection after we get through.

Mr. BLANCHARD. It is a bill called up by the gentleman from Wisconsin [Mr. PEAVEY], and I think we better return to it if we do not want a point of order raised.

Mr. TRUAX. Let him raise the point of order.

Mr. BLANTON. If that policy is pursued, then every time a member has his bill objected to he will make a point of order of no quorum.

Mr. BLANCHARD. But the gentleman from Wisconsin was on his feet asking for recognition, but he was not recognized by the Chair.

Mr. BLANTON. I think he should be permitted to offer an explanation. I ask unanimous consent that we return to the bill.

The SPEAKER. Is there objection to returning to the bill (H.R. 4175)?

There was no objection.

The SPEAKER. The Clerk will report the bill.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of the Treasury of the United States, from any money not otherwise appropriated, to Oscar C. Olson, the sum of $52.50, being compensation for loss on May 23, 1918, of his personal effects, baggage, and clothing while en route to France on the British ship *Moldarra*, under military orders, when said ship was torpedoed and sunk in the English Channel.

The SPEAKER. Is there objection?

Mr. PEAVEY. Mr. Speaker, the only objection that I have ever heard to this bill is because of the smallness of the amount asked. The reason the bill comes before the House is this. On several occasions the House has passed bills similar to this. This man lost his property, and his money, and the things he took with him necessary to his service in France when his vessel was sunk in the English Channel. He saw notices in the newspapers after that about receiving compensation, and it is the first time he ever knew he was entitled to recover anything. He sent the matter to me and I introduced the bill.

Mr. BLANTON. And it involves only $52?

Mr. PEAVEY. That is all.

Mr. TRUAX. There is no recommendation for it from the War Department.

Mr. PEAVEY. The War Department makes no recommendation one way or the other.

Mr. MOTT. Mr. Speaker, will the gentleman yield?

Mr. PEAVEY. Yes.

Mr. MOTT. The only objection here was the fact that this man waited for 18 years before filing any claim. I think the explanation that the gentleman has given is a reasonable one. He did not know that he was entitled to anything. In view of that fact I withdraw my objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

MACK COPPER CO.

The Clerk called the next bill, H.R. 6245, conferring jurisdiction upon the Court of Claims to hear and determine the claim of the Mack Copper Co.

The SPEAKER. Is there objection?

Mr. BLANTON. Mr. Speaker, this bill involves $229,500 and I object. Such a bill should not be passed without reading, as $229,500 is quite a large sum of money. I object.

VELIE MOTORS CORPORATION

The Clerk called the next bill, H.R. 6349, to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Velie Motors Corporation.

The SPEAKER. Is there objection?

Mr. TRUAX. Mr. Speaker, I object.

Mr. MOTT. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection?

Mr. TRUAX. Mr. Speaker, I object.

DAVID A. WRIGHT

The Clerk called the next bill, H.R. 7389, granting jurisdiction to the Court of Claims to hear the case of David A. Wright.

The SPEAKER. Is there objection?

Mr. TRUAX. Mr. Speaker, I object.

Mr. MOTT. Mr. Speaker, I object.

Mr. WILLIAMS. Will the gentleman withhold his objection?

Mr. TRUAX. Mr. Speaker, this is another bill that seeks to cancel the statute of limitations for the purpose of hearing a claim in the Court of Claims, for an implied contract made in 1918 with officers of the Ordnance Department.

Mr. WILLIAMS. That is correct. It is a bill asking to give jurisdiction to the Court of Claims. This is not a bill, however, that seeks to mulct the Treasury of the United States out of a dollar. The fact is that this is an individual that never received a dollar out of the contract which he made with the Government at that time.

Mr. TRUAX. Is that what this claim is for, some profit that he should have received?

Mr. WILLIAMS. It is to repay him for actual expenses that he had on account of preparation in fitting up a factory, renovating a factory and placing machinery in it in preparation for the manufacture of tool machines. The fact is he never got a dollar out of it, and as a result of the contract which he entered into he is today down on a little patch of land in the Ozarks of Missouri, entirely bankrupt. That is the fact of the matter.

Mr. TRUAX. I call attention to the fact that during the war the farmers also had implied contracts to raise more wheat, and they did raise more wheat, and they are all bankrupt today. What are we going to do for them?

Mr. WILLIAMS. He entered into this contract with the authorized agents of the Government.

Mr. TRUAX. The farmers entered into contracts with Mr. Hoover to raise more wheat.

Mr. WILLIAMS. He entered into a contract with the representatives of the Ordnance Department of the War Department.

Mr. TRUAX. The War Department recommends against it.

Mr. WILLIAMS. The War Department recommends against it for this reason: They say that the War Claims Board which was set up found against it. The fact is they did find against him, but it was because of the fact that they would not permit this claimant to submit evidence at all.

Mr. TRUAX. That was 16 years ago.

Mr. WILLIAMS. That was 16 years ago; yes.

Mr. TRUAX. Why has not this bill been passed before?

Mr. WILLIAMS. It was presented to the Court of Claims. The Court of Claims heard it and passed upon the merits and found that he had a meritorious claim, but denied the claim for the reason that he did not have a technical right under the law——

Mr. CARTER of California. Mr. Speaker, I demand the regular order.

The SPEAKER. Is there objection?

Mr. TRUAX. Mr. Speaker, I object.

COHOES HISTORICAL SOCIETY, NEW YORK

The Clerk called the next bill, H.R. 387, donating bronze trophy guns to the Cohoes Historical Society, Cohoes, N.Y.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of War, in his discretion, is hereby authorized to deliver to the order of the Cohoes Historical Society two bronze trophy guns stored in the Watervliet Arsenal at Watervliet, N.Y., and marked "W. A. 240" and "W. A. 241", caliber, 4.125: *Provided*, That the United States shall be put to no expense in connection with the delivery of said guns.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

JAMES HENRY GREEN

The Clerk called the next bill, H.R. 6497, for the relief of James Henry Green.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers James Henry Green, deceased, who was a member of the Forty-third Ohio Volunteer Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the 9th day of April 1865: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GROSSE POINT LIGHTHOUSE RESERVATION, ILL.

The Clerk called the next bill, H.R. 7863, authorizing the Secretary of Commerce to dispose of part of the Grosse Point Lighthouse Reservation, Ill.

Mr. McFARLANE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

CHARLES E. DAGENETT

The Clerk called the next bill, H.R. 7560, for the relief of Charles E. Dagenett.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the General Accounting Office is hereby authorized to credit the accounts of Charles E. Dagenett, supervisor of Indian employment and special disbursing officer (retired), in the sum of $125.56, representing funds expended by him, in that sum, for telephone tolls, lodging, traveling expenses, etc., for himself and others in connection with work under his supervision.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed; a motion to reconsider was laid on the table.

INDIANS OF THE FORT PECK RESERVATION, MONT.

The Clerk called the next bill, H.R. 8074, for the relief of certain Indians of the Fort Peck Reservation, Mont.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The SPEAKER. Without objection, a similar Senate bill (S. 2889) will be substituted for the House bill.

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the following-named Indians of the Fort Peck Reservation the amounts herein set forth: James Black Dog, $185; Archie Red Elk, $25; Catherine Medicine Walk and Belle Medicine Walk, $25; James Garfield, $70; Nancy Titus, $35; and Carl W. Eagle, administrator of the estate of Charles Peterson, $25; the above sums representing funds collected for the Indians named, but misapplied by a former employee of the Indian Service.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

PHYSICIANS AND SURGEONS HOSPITAL, LTD.

The Clerk called the next bill, H.R. 471, for the relief of Physicians and Surgeons Hospital, Ltd.

Mr. ZIONCHECK. Mr. Speaker, reserving the right to object, as I understand the matter, the Navy Department has no objection to the payment of the hospitalization, but does object to the amount of $204.14.

Mr. EVANS. Mr. Speaker, that is not the issue, I may say to the gentleman from Washington. There is really no objection on the part of the Navy Department. It is a bill that should be paid.

Mr. ZIONCHECK. I understand they object to the amount. They did not assume liabiilty for these men.

Mr. EVANS. No; the amount is not questioned. The circumstances were something like this: These two enlisted men of the Navy were injured in an automobile accident near this hospital out in San Fernando Valley. They were taken to the hospital. The surgeon called up the ship to which these boys were attached.

Mr. ZIONCHECK. May I call the gentleman's attention to page 2 of the report, a letter from the Acting Secretary of the Navy, dated February 25, 1933, in which the following statement is made:

> In view of the foregoing the Navy Department does not recommend that the bill H.R. 14285 be enacted until the amount stated therein is reduced to a proper sum.

Mr. EVANS. I do not remember that; but it seems to me a bill for $204 is very reasonable. This boy's legs were cut off and he was in this hospital for several weeks.

I wonder if we are talking about the same bill?

Mr. ZIONCHECK. I am sure we are.

Mr. EVANS. The number of this bill is H.R. 471.

Mr. ZIONCHECK. I am looking at the report on that bill; I read a statement from it setting forth the views of the Acting Secretary of the Navy.

Mr. EVANS. This boy was enlisted in the Navy and was treated by the Physicians and Surgeons Hospital.

Mr. BLANTON. This is Calendar No. 546, H.R. 471. The report states that the boy's right leg was amputated. The Navy Department states that in view of the foregoing the Navy Department does not recommend that the bill be enacted until the amount thereof is reduced to a proper sum.

Mr. ZIONCHECK. I suggest that the gentleman accept an amendment reducing the amount to $150.

Mr. EVANS. I feel it is very unjust, but under the circumstances I shall have to accept the amendment.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Physicians and Surgeons Hospital, Ltd., Glendale, Calif., out of any money in the Treasury not otherwise appropriated, the sum of $204.14 in full settlement for professional services rendered Wilfred Henry Engel for injuries sustained in a motorcycle accident on or about January 15, 1931, said services having been authorized by a naval officer: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 7, after the word "settlement", insert the words "of all claims against the Government of the United States."

The committee amendment was agreed to.

Mr. ZIONCHECK. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ZIONCHECK: Page 1, line 7, strike out "$204.11" and insert in lieu thereof "$150."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CLARENCE A. WIMLEY

The Clerk called the next bill, H.R. 1306, for the relief of Clarence A. Wimley.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he hereby is, authorized and directed to pay to Clarence A. Wimley, out of any money in the Treasury not otherwise appropriated, the sum of $5,000 for personal injuries resulting from a collision between a taxicab in which he was a passenger and a Navy bus on October 26, 1930.

With the following committee amendments:

Page 1, line 6, strike out "$5,000" and insert in lieu thereof "$100 in full settlement of all claims against the Government of the United States."

Page 1, line 9, strike out "26" and insert "29."

Page 1, line 10, add the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN PARKER CLARK, SR.

The Clerk called the next bill, H.R. 1308, for the relief of John Parker Clark, Sr.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to John Parker Clark, Sr., out of any money in the Treasury not otherwise appropriated, the sum of $11,325 for personal and property loss resulting from collision with Army vehicle near Freehold, N.J., on the night of October 26, 1929.

With the following committee amendments:

On page 1, line 6, strike out "$11,325" and insert in lieu thereof "$5,000 in full settlement of all claims against the Government of the United States"; and on page 1, line 10, after the figures "1929", insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ARTHUR A. BURN, SR., AND J. K. RYLAND

Mr. CARTER of California. Mr. Speaker, I ask unanimous consent to return to Calendar No. 487, the bill (H.R. 7631) for the relief of Arthur A. Burn, Sr., and J. K. Ryland. I make this request because on this bill I demanded the regular order, and I understand the gentleman from South Carolina [Mr. McMILLAN] did not have an opportunity to make some explanation which he desired to make in reference to his bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. ZIONCHECK. Mr. Speaker, I object to that request at this time. As soon as we get through a few more bills, I will not object to the request being made.

Mr. CARTER of California. Mr. Speaker, I withdraw my unanimous-consent request and will renew it later.

JOHN PARKER CLARK, JR.

The Clerk called the next bill, H.R. 1345, for the relief of John Parker Clark, Jr.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay John Parker Clark, Jr., out of any money in the Treasury not otherwise appropriated, the sum of $5,325.72 for personal injuries resulting from a collision with Army vehicle near Freehold, N.J., on the night of October 26, 1929.

With the following committee amendments:

On page 1, line 6, strike out "$5,325.72" and insert in lieu thereof "$2,500 in full settlement of all claims against the Government of the United States"; and on page 1, line 10, after the figures "1929", insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BERTHA A. BISHOP

The Clerk called the next bill, H.R. 1794, for the relief of Bertha A. Bishop.

Mr. TRUAX. Mr. Speaker, I object.

Mr. BAKEWELL. Will the gentleman withhold his objection?

Mr. TRUAX. I withhold my objection.

Mr. BAKEWELL. I wish the gentleman would explain his objection to this bill.

Mr. ZIONCHECK. This man's death occurred 21 years after the fall, and there is hardly any casual connection between the man's death and a fall 21 years previously.

Mr. TRUAX. The Secretary of Commerce and the Commissioner of Lighthouses both recommend against the bill on the ground that there is no casual connection.

Mr. BAKEWELL. I think the gentleman is mistaken, and I wish he would withdraw his objection. The evidence is very clear that this man was crippled from the moment of his fall and that he performed his duties with pain and very much difficulty for some 5 years after his fall.

Mr. McFARLANE. What was the nature of his injury?

Mr. BAKEWELL. It was a spinal injury and is fully described on the first page of the report. He was thrown from the lighthouse by the swinging of the lamp and fell some 10 feet and was never able to move about freely afterward. For 5 years he continued to drag himself up to the lighthouse.

There was no compensation insurance in force at the time. There seems to be every reason why in the interest of justice this claim should be recognized. Secretary Roper does not advise against it, and he does not advise for it.

Mr. TRUAX. Does not the gentleman believe that the Department has gone into this case thoroughly, as they do in all such cases, and that when they recommend against the enactment of a bill this Congress ought to be guided by their investigation, judgment, and decision?

Mr. BAKEWELL. No; because it will be noticed in the statement upon which Mr. Roper bases his comment that the records do not show that Mr. Bishop reported the injury. Of course, he did not report the injury. There was no compensation law in effect at that time. He carried on his duties faithfully and diligently. There is even the statement that there is no evidence of his death, although you will find an affidavit in the statement following.

Mr. TRUAX. The gentleman from Texas [Mr. BLANTON] has made some statements here about affidavits and that they prove nothing.

Mr. BAKEWELL. What kind of proof would the gentleman require in a case of this kind?

Mr. TRUAX. I am willing to accept the decision of the Department which has conducted an investigation, and a fair one.

Mr. BROWN of Kentucky. Mr. Speaker, I demand the regular order.

The SPEAKER. Is there objection?

Mr. ZIONCHECK. Mr. Speaker, I object.

C. J. MAST

The Clerk called the next bill, S. 1949, for the relief of C. J. Mast.

The SPEAKER. Is there objection?

Mr. ZIONCHECK. Mr. Speaker, I object.

MARY A. ROCKWELL

The Clerk called the next bill, H.R. 4387, for the relief of Mary A. Rockwell.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the United States Employees' Compensation Commission is hereby authorized to consider and determine the claim of Mary A. Rockwell on account of the death of her husband, Fred P. Rockwell, November 6, 1926, while employed by the Post Office Department as a railway mail clerk, in the same manner and to the same extent as if said Mary A. Rockwell had made application for the benefits of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended, within the 1-year period required by sections 17 and 20 thereof: *Provided*, That no benefits shall accrue prior to the approval of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MAUDE G. NICHOLSON

The Clerk called the next bill, H.R. 5064, to pay certain fees to Maude G. Nicholson, widow of George A. Nicholson, late a United States commissioner.

Mr. TABER. Mr. Speaker, I ask unanimous consent that the bill (S. 3128) to pay certain fees to Maude G. Nicholson, widow of George A. Nicholson, late a United States commissioner, be substituted for the House bill.

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Maude G. Nicholson, widow of George A. Nicholson, late a United States commissioner in the western district of New York, at Canandaigua, N.Y., the sum of $183.45 in full settlement of all claims against the Government of the United States for fees earned by said George A. Nicholson, notwithstanding his failure to file a statutory oath in accordance with the provisions of volume 44, United States Statutes, page 918, approved December 11, 1926, and volume 44, United States Statutes, page 1346, approved March 2, 1927: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the con-

trary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider and a similar House bill were laid on the table.

THOMAS F. OLSEN

The Clerk called the next bill, H.R. 5400, for the relief of Thomas F. Olsen.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Postmaster General is hereby authorized and directed to credit in the accounts of Thomas F. Olsen, postmaster at De Kalb, Ill., in the sum of $18,687.19. Such sum represents postal funds in the amount of $136.30 and postage-stamp stock in the amount of $18,550.89, which were lost in the burglary of the post office at De Kalb, Ill., on February 10, 1931, from no fault or negligence on the part of the postmaster.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GERALD MACKEY

The Clerk called the next bill, H.R. 5566, for the relief of Gerald Mackey.

Mr. BROWN of Kentucky. Mr. Speaker, I object.

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent that Private Calendar No. 555 be passed over without prejudice for the reason that the proponent of the bill is not present.

Mr. BROWN of Kentucky. I object, Mr. Speaker.

MARY BLACK CLINIC

The Clerk called the next bill, H.R. 5817, for the relief of the Mary Black Clinic.

The SPEAKER. Without objection, a similar Senate bill will be substituted for the House bill.

Mr. BLANTON. Mr. Speaker, is the amount in the Senate bill the same as the amount in the House bill? The House bill has been reduced to $2,500.

The SPEAKER. The amount is the same.

There being no objection, the Clerk read the Senate bill (S. 2969), as follows:

S. 2969

An act for the relief of the Mary Black Memorial Hospital

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Mary Black Memorial Hospital, Inc., of Spartanburg, S.C., the sum of $2,500.85, in full satisfaction of all claims of such hospital against the United States for expenses incurred in furnishing hospitalization and medical and surgical treatment to Paul Henry Manning, a fireman, second class, United States Navy, from October 16, 1931, to February 1, 1932, pursuant to a telegraphic authorization dated October 16, 1931, from the Naval Hospital, Norfolk, Va., such claim having been subsequently disallowed by the Comptroller General: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider and a similar House bill were laid on the table.

JOHN R. NOVAK

The Clerk called the next bill, H.R. 6284, for the relief of John R. Novak.

Mr. BLANCHARD. Mr. Speaker, reserving the right to object, I have talked with the author of the bill about the amount involved. The bill carries the sum of $5,000, and I think in view of the age of the claimant this is entirely too much.

Mr. KOCIALKOWSKI. This family is in very desperate circumstances at this time and is being helped today by charity.

Mr. BLANCHARD. I appreciate that, but of course that does not change the rule which we have been following here in the House with reference to awards in cases of this character. If the gentleman is willing to cut the amount to $2,500, I shall have no objection.

Mr. ZIONCHECK. I think about $3,500 or $4,000 would be fair.

Mr. KOCIALKOWSKI. Suppose we make it $4,500.

Mr. BLANCHARD. If the gentleman will make it $3,500 I shall not object.

Mr. KOCIALKOWSKI. Make it $4,000.

Mr. BLANCHARD. I shall not bargain with the gentleman, and I am willing to agree to $4,000.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to John R. Novak the sum of $10,000 as compensation for fatal injuries sustained by his daughter, La Verne Novak, by an automobile truck owned and operated by the Post Office Department, on February 20, 1932, at the northeast corner of Fulton and Green Streets, Chicago, Ill.

With the following committee amendments:

Page 1, line 6, strike out "$10,000 as compensation" and insert in lieu thereof "$5,000 in full settlement of all claims against the Government of the United States."

At the end of the bill insert: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

Mr. BLANCHARD. Mr. Speaker, I offer an amendment to the committee amendment striking out $5,000 and inserting $4,000.

The Clerk read as follows:

Amendment offered by Mr. BLANCHARD: In line 6, page 1, of the committee amendment, strike out "$5,000" and insert in lieu thereof "$4,000."

The amendment to the committee amendment was agreed to.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHARLES FARR

The Clerk called the next bill, H.R. 6625, for the relief of Charles Farr.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to redeem in favor of Charles Farr, of Greeley, Colo., temporary coupon bond no. 156241, of the third Liberty loan of 1918, in the denomination of $1,000, with interest from March 15, 1920, to September 15, 1923, at the rate of 4¼ precent per annum, without presentation of the bond, said bond having been alleged to have been inadvertently destroyed by fire: *Provided*, That the said bond shall not have been previously presented to the Department: *And provided further*, That the said Charles Farr shall first file in the United States Treasury Department a bond in the penal sum of double the amount of the principal of such missing bond and of the interest thereon from March 15, 1920, to September 15, 1928, in such form and with such corporate surety as may be acceptable to the Secretary of the Treasury to indemnify and save harmless the United States from any loss on account of the bond hereinbefore described.

With the following committee amendment:

Page 1, line 6, strike out "1918" and insert in lieu thereof "1928."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NEPHEW K. CLARK

The Clerk called the next bill on the Private Calendar, H.R. 6654, for the relief of Nephew K. Clark.

There being no objection, the bill S. 2798 was substituted, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to allow to Nephew K. Clark, United States commissioner for the southern district of Georgia, Savannah division, the fees earned by him from March 29, 1933, to July 3, 1933, both dates inclusive, in performing the duties incident to the office of commissioner. The commission of the said Nephew K. Clark as United States commissioner expired on March 28, 1933, and, through inadvertence, he was not reappointed until July 4, 1933.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HARRY H. HORTON

Mr. MALONEY of Connecticut. Mr. Speaker, I ask unanimous consent to return to S. 308, to authorize the award of a decoration for distinguished service to Harry H. Horton.

The SPEAKER. Is there objection?

Mr. GOSS. Mr. Speaker, I objected to this bill on the ground that the Military Affairs Committee was considering a bill that would cover this case in general legislation. It was reported this morning. I am withdrawing my objection, although I think the other bill will cover it. But my colleague [Mr. MALONEY] and the author of the bill and other gentlemen think it is wiser to let this bill take care of it.

The SPEAKER. Is there objection?

There being no objection, the bill was read, as follows:

Be it enacted, etc., That the President is hereby authorized to cause the recommendation for the award of a decoration to Harry H. Horton, formerly private, first class, Medical Detachment, One Hundred and Forty-eighth Regiment Field Artillery, American Expeditionary Forces, for distinguished conduct in the vicinity of Malancourt, near Montfaucon, France, on or about October 12, 1918, to be considered by the proper boards or authorities, and such award made to said Horton as his said conduct merits.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SANFORD & BROOKS CO.

Mr. BYRNS. Mr. Speaker, in the course of the evening objection was made to Calendar No. 511, H.R. 2042, for the relief of the Sanford & Brooks Co. I have received a request that the bill be passed over without prejudice. The author of the bill and the gentleman who reported it were not present at the time.

Mr. BLANCHARD. I objected to the bill, but I know of no reason why I should object to the request of the majority leader.

Mr. TRUAX. Reserving the right to object, is this a refund of income taxes?

Mr. BYRNS. I have no knowledge of what is in the bill.

Mr. BLANCHARD. I will say that I do not think it is for the refund of income taxes.

The SPEAKER. Is there objection?

There was no objection.

MASSACHUSETTS BONDING & INSURANCE CO.

Mr. DOUGLASS. Mr. Speaker, I ask unanimous consent that H.R. 4838, for the relief of the Massachusetts Bonding & Insurance Co., be placed among the first bills to be considered on the next calendar.

The SPEAKER. Is there objection?

There was no objection.

MARY AGNES RODEN

Mr. SWEENEY. Mr. Speaker, I make the same request as to Calendar No. 132, S. 375, to reimburse the estate of Mary Agnes Roden.

The SPEAKER. Is there objection?

There was no objection.

BOSTON STORE CO.

Mr. SABATH. Mr. Speaker, I ask unanimous consent that the bill, H.R. 7292, No. 240 on the Private Calendar, be placed on the next Private Calendar.

The SPEAKER. Is there objection?

There was no objection.

BADGE OF AMERICAN LEGION AUXILIARY

Mr. KRAMER. Mr. Speaker, I ask unanimous consent for the present consideration of the bill, H.R. 7624, granting a renewal of patent numbered 55398 relating to the badge of the American Legion Auxiliary.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the bill.

The Clerk read the bill, as follows:

Be it enacted, etc., That a certain design patent issued by the United States Patent Office of date June 1, 1920, being patent numbered 55398, is hereby renewed and extended for a period of 14 years from and after the date of approval of this act, with all the rights and privileges pertaining to the same, being generally known as "the badge of The American Legion Auxiliary."

The SPEAKER. Is there objection?

There was no objection.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider laid on the table.

Mr. KRAMER. Mr. Speaker, I make the same request with respect to the bill, H.R. 7623, granting a renewal of patent numbered 54296 relating to the badge of the American Legion.

The SPEAKER. Is there objection?

Mr. CARTER of California. Mr. Speaker, I reserve the right to object. Are these bills on the Private Calendar?

Mr. KRAMER. The minority leader today and the minority leader of the committee consented to have these bills considered.

Mr. CARTER of California. They knew that they were coming up?

Mr. KRAMER. Yes.

Mr. CARTER of California. I withdraw my reservation of objection.

The SPEAKER. The Clerk will report the bill.

The Clerk read the bill, as follows:

Be it enacted, etc., That a certain design patent issued by the United States Patent Office of date of December 9, 1919, being Patent No. 54296, is hereby renewed and extended for a period of 14 years from and after the date of approval of this act, with all the rights and privileges pertaining to the same, being generally known as "the badge of the American Legion."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ARTHUR A. BURN, SR., AND J. K. RYLAND

Mr. CARTER of California. Mr. Speaker, I ask unanimous consent to return to Calendar No. 478, H.R. 7631, for the relief of Arthur A. Burn, Sr., and J. K. Ryland.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury of the United States not otherwise appropriated, to Arthur A. Burn, Sr., of Daufuskie Island, S.C., the sum of $5,000; and to J. K. Ryland, of Bermuda, Ala., the sum of $4,246.06, the same being in full satisfaction of any claim they may have against the United States Government on account of the death of Arthur A. Burn, Jr., and J. B. Ryland as a result of having been sent to sea in an admittedly unseaworthy boat or skiff while employed in the United States Coast and Geodetic Survey near St. Petersburg, Fla., February 3, 1926:

With the following committee amendment:

At the end of the bill, strike out the period, insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ADJOURNMENT

Mr. BYRNS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 48 minutes p.m.), in accordance with the order heretofore made, the House adjourned until tomorrow, Wednesday, May 30, 1934, at 11 o'clock a.m.

COMMITTEE HEARING

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(Wednesday, May 30, 10 a.m.)

Hearings on H.R. 9676—oil bill.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. LOZIER: Committee on Election of President, Vice President, and Representatives in Congress. S. 2745. An act to provide for changing the time of the meeting of Congress, the beginning of the terms of Members of Congress, and the time when the electoral votes shall be counted, and for other purposes; without amendment (Rept. No. 1813). Referred to the House Calendar.

Mr. UTTERBACK: Committee on Agriculture. S. 2674. An act to amend an act entitled "An act to relieve the existing national economic emergency by increasing agricultural purchasing power, to raise revenue for extraordinary expenses incurred by reason of such emergency, to provide emergency relief with respect to agricultural indebtedness, to provide for the orderly liquidation of joint-stock land banks, and for other purposes", approved May 12, 1933; without amendment (Rept. No. 1815). Referred to the Committee of the Whole House on the state of the Union.

Mr. BANKHEAD: Committee on Rules. House Resolution 400. A resolution for the consideration of H.R. 9459, a bill relating to Philippine currency reserves on deposit in the United States; without amendment (Rept. No. 1816). Referred to the House Calendar.

Mr. BANKHEAD: Committee on Rules. House Resolution 401. A resolution for the consideration of H.R. 9745, a bill to authorize the Secretary of the Treasury to purchase silver, issue silver certificates, and for other purposes; without amendment (Rept. No. 1817). Referred to the House Calendar.

Mr LANHAM: Committee on the Public Lands. H.R. 1731. A bill to make provision for suitable quarters for certain Government services at El Paso, Tex., and for other purposes; with amendment (Rept. No. 1818). Referred to the Committee of the Whole House on the state of the Union.

Mr. FITZPATRICK: Committee on Military Affairs. S. 2041. An act to amend the act of June 15, 1933, amending the National Defense Act of June 3, 1916, as amended; with amendment (Rept. No. 1820). Referred to the Committee of the Whole House on the state of the Union.

Mr. JOHNSON of West Virginia: Committee on the Post Office and Post Roads. H.R. 9120. A bill to amend the act entitled "An act authorizing the Postmaster General to adjust certain claims of postmasters for loss by burglary, fire, or other unavoidable casualty", approved March 17, 1882, as amended; without amendment (Rept. No. 1822). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. CARTWRIGHT: Committee on War Claims. H.R. 2408. A bill for the relief of Stanton and Jones; without amendment (Rept. No. 1810). Referred to the Committee of the Whole House.

Mr. MONTET: Committee on Military Affairs. H.R. 1004. A bill to amend Private Act No. 548, Seventieth Congress, approved March 2, 1929; without amendment (Rept. No. 1811). Referred to the Committee of the Whole House.

Mr. MONTET: Committee on Military Affairs. S. 879. An act for the relief of Howell K. Stephens; without amendment (Rept. No. 1812). Referred to the Committee of the Whole House.

Mr. COFFIN: Committee on Military Affairs. S. 1992. An act for the relief of Arthur R. Lewis; without amendment (Rept. No. 1814). Referred to the Committee of the Whole House.

Mr. THOMPSON of Illinois: Committee on Military Affairs. S. 1505. An act for the relief of Thomas E. Read; without amendment (Rept. No. 1819). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CHASE: A bill (H.R. 9786) to provide for the cooperation by the Federal Government with the several States and Territories and the District of Columbia in meeting the crisis in education; to the Committee on Education.

By Mr. CELLER: A bill (H.R. 9787) to place the Federal Alcohol Control Administration under the Civil Service laws; to the Committee on the Civil Service.

By Mr. DEROUEN: A bill (H.R. 9788) to aid in providing the people of the United States with adequate facilities for park, parkway, and recreational-area purposes, and to provide for the transfer of certain lands chiefly valuable for such purposes to States and political subdivisions thereof; to the Committee on the Public Lands.

By Mrs. JENCKES of Indiana: A bill (H.R. 9789) to prescribe the qualifications for chief engineer and others in the fire department of the District of Columbia; to the Committee on the District of Columbia.

By Mr. McDUFFIE: A bill (H.R. 9790) to amend section 602½ (a) of the Revenue Act of 1934; to the Committee on Ways and Means.

By Mr. COLMER: A bill (H.R. 9796) to amend the act entitled "An act for preventing the manufacture, sale, or transportation of adulterated or misbranded or poisonous or deleterious foods, drugs, medicines, and liquors, and for regulating traffic therein, and for other purposes", approved June 30, 1906, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. SWEENEY: A bill (H.R. 9797) enlarging section 270, title 40, United States Code, and providing and relating to a remedy for the enforcement of the payment of all wages due and to become due to all laborers and mechanics under the terms and provisions of an act approved March 3, 1931, entitled "An act relating to the rate of wages for laborers and mechanics employed on public buildings of the United States and the District of Columbia by contractors and subcontractors, and for other purposes"; to the Committee on the Judiciary.

By Mr. BANKHEAD: Resolution (H.Res. 400) for the consideration of H.R. 9459, a bill relating to Philippine currency reserves on deposit in the United States; to the Committee on Rules.

Also, resolution (H.Res. 401) for the consideration of H.R. 9745, a bill to authorize the Secretary of the Treasury to purchase silver, issue silver certificates, and for other purposes; to the Committee on Rules.

By Mr. McCLINTIC: Joint resolution (H.J.Res. 360) to provide for the issue of United States notes on Government-owned or pledged securities to be used to retire interest-bearing obligations of the United States and levying a tax on profits made in certain transactions; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CALDWELL: A bill (H.R. 9791) for the relief of Emma S. Fletcher; to the Committee on Claims.

By Mr. COLLINS of California: A bill (H.R. 9792) granting a pension to Frances C. Liebman; to the Committee on Pensions.

By Mr. GLOVER: A bill (H.R. 9793) for the relief of J. L. Garner, C. G. Kauffman, W. G. Smiley, R. A. Burks, C. W. Brazzelton, Clyde Cornet, Ray Cash, Jim Hamilton, Otis Hamilton, R. F. Brazzelton, H. M. Coleman, John J. Smith, Dave Cash, and Mrs. A. W. Dykes; to the Committee on Claims.

By Mr. KELLY of Illinois: A bill (H.R. 9794) for the relief of Charles Wallace McGuire; to the Committee on Naval Affairs.

By Mr. REECE: A bill (H.R. 9795) for the relief of Frank E. Hankal; to the Committee on Military Affairs.

By Mr. LAMBERTSON: Joint resolution (H.J.Res. 359) for the relief of W. K. Richardson; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

4828. By Mr. CULLEN: Petition of the National-American Wholesale Lumber Association, Inc., favoring the immediate passage of H.R. 9620, known as the "National Housing Act"; to the Committee on Banking and Currency.

4829. Also, petition of the Supreme Council, Catholic Benevolent Legion, urging the Congress of the United States to pass the proposed amendment to section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

4830. By Mr. GOODWIN: Petition of the Supreme Council, Catholic Benevolent Legion, Brooklyn, N.Y., urging support of the amendment to section 301 of Senate bill 2910, providing for the insurance of equity of opportunity for educational, religious, agricultural, labor, cooperative, and similar non-profit-making associations seeking licenses for radio broadcasting by incorporating into the statute a provision for the allotment to said nonprofit associations of at least 25 percent of all radio facilities not employed in public use; to the Committee on Merchant Marine, Radio, and Fisheries.

4831. Also, petition of Court Nilan, No. 985, Catholic Daughters of America, Highland, N.Y., urging support of the amendment to section 301 of Senate bill 2910, providing for the insurance of equity of opportunity for educational, religious, agricultural, labor, cooperative, and similar nonprofit-making associations seeking licenses for radio broadcasting by incorporating into the statute a provision for the allotment to said nonprofit associations of at least 25 percent of all radio facilities not employed in public use; to the Committee on Merchant Marine, Radio, and Fisheries.

4832. By Mr. LEHR: Petition of Jackson League of Women Voters, Jackson, Mich., urging passage of the Pure Food and Drugs Act amendment, S. 2800; to the Committee on Interstate and Foreign Commerce.

4833. By Mr. LINDSAY: Petition of the Supreme Council, Catholic Benevolent Legion, Brooklyn, N.Y., urging support of the amendment to section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

4834. Also, petition of the Brooklyn Chamber of Commerce, Brooklyn, N.Y., urging the passage of legislation authorizing the Home Owners' Loan Corporation to increase its capitalization by issuing an additional $2,000,000,000 in bonds; to the Committee on Banking and Currency.

4835. Also, petition of the Progress Lodge, No. 2325, of the Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees, New York City, urging support of Senate bill 3266 and House bills 9596 and 7430; to the Committee on Interstate and Foreign Commerce.

4836. Also, petition of the American Short Line Railroad Association, Washington, D.C., opposing the Crosser bill; to the Committee on Interstate and Foreign Commerce.

4837. Also, petition of the Independent Petroleum Jobbers' Association of Pennsylvania, opposing the Federal petroleum act (S. 3495 and H.R. 9676); to the Committee on Interstate and Foreign Commerce.

4838. Also, petition of the National American Wholesale Lumber Association, New York City, favoring the immediate passage of Senate bill 3603 and House bill 9620, the National Housing Act; to the Committee on Banking and Currency.

4839. By Mr. LUNDEEN: Petition of the Minneapolis Central Labor Union, urging the enactment of the Wagner-Connery Disputes Act; to the Committee on Labor.

4840. Also, petition of the Sixtieth District Farmer-Labor Organization, opposing the purchase by the Federal Government of lands in northern Minnesota which have become delinquent; to the Committee on the Public Lands.

4841. Also, petition of the Graceville Council, Knights of Columbus, urging amendment to section 301 of Senate bill 2910, providing for the insurance of equity of operation for educational, religious, agricultural, and similarly non-profit-making associations, seeking licenses for radio broadcasting, by incorporating into the statutes a provision for the allotment to said non-profit-making associations of at least 25 percent of all radio facilities not employed in public use; to the Committee on Merchant Marine, Radio, and Fisheries.

4842. Also, petition of the Minneapolis Central Labor Union, urging the adoption of the Pettengill bill to amend the Interstate Commerce Act (H.R. 8100); to the Committee on Labor.

4843. By Mr. RUDD: Petition of the National American Wholesale Lumber Association, New York City, favoring support of Senate bill 3603 and House bill 9620; to the Committee on Banking and Currency.

4844. Also, petition of the Brooklyn Chamber of Commerce, Brooklyn, N.Y., favoring the passage of increased appropriation of $2,000,000,000 in bonds to Home Owners' Loan Corporation; to the Committee on Banking and Currency.

4845. Also, petition of the Independent Petroleum Jobbers Association of Pennsylvania, opposing the enactment of the Federal Petroleum Act (S. 3495) and the Disney bill (H.R. 9676); to the Committee on Interstate and Foreign Commerce.

4846. Also, petition of the Progress Lodge, No. 2325, Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees, New York City, urging support of House bills 9596, 7430, and Senate bill 3266; to the Committee on Interstate and Foreign Commerce.

4847. By Mr. SMITH of Washington: Petition containing approximately 300 names of residents of Washington and Oregon, supporting the Townsend old-age revolving pension plan; to the Committee on Labor.

SENATE

WEDNESDAY, MAY 30, 1934

(Legislative day of Monday, May 28, 1934)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On motion of Mr. ROBINSON of Arkansas, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, May 29, was dispensed with, and the Journal was approved.

SALARIES OF OFFICERS OF THE CLEVELAND TRACTOR CO.

The VICE PRESIDENT laid before the Senate a letter from the Acting Chairman of the Federal Trade Commission, reporting, in further response to Senate Resolution 75 (agreed to May 29, 1933), relative to salaries paid by the Cleveland Tractor Co. to its executive officers and directors,

which, with the accompanying papers, was referred to the Committee on Banking and Currency.

PETITIONS

Mr. COPELAND presented a letter in the nature of a petition from the Woman's Christian Temperance Union Crusade Regional Conference, assembled at New York City, signed by Ella A. Boole, international president, and also numerous petitions and letters and papers in the nature of petitions from various branches of the Woman's Christian Temperance Union, the Young Women's Christian Association, and women's clubs and other organizations in the State of New York, praying for the prompt ratification of the World Court protocols, which were referred to the Committee on Foreign Relations.

INTERSTATE LEGISLATIVE REFERENCE BUREAU

Mr. BARBOUR. Mr. President, I ask unanimous consent to have printed in full in the CONGRESSIONAL RECORD and appropriately referred a brief telegram which I have received from State Senator Joseph G. Wolber, advocating passage of House Joint Resolution 19.

There being no objection, the telegram was referred to the Committee on the Library and ordered to be printed in the RECORD, as follows:

NEWARK, N.J., *May 26, 1934.*

Hon. W. WARREN BARBOUR,
United States Senate:

As chairman of New Jersey Council of American Legislators Association, am interested in House Joint Resolution 19, concerning Interstate Legislative Reference Bureau, which association maintains. Am informed it is now in Senate Committee on the Library, of which you are a member. Am familiar with work of bureau, make constant use of its services, and find it to be most helpful to me in my legislative work. Believe congressional support of bureau would be distinct advantage to all of us engaged in legislation. Would appreciate your aid to have Senate pass this resolution before your adjournment.

Kindest personal regards.

JOSEPH G. WOLBER.

BRIDGE ACROSS HUDSON RIVER AT FIFTY-SEVENTH STREET, NEW YORK

Mr. BARBOUR. Mr. President, I also ask unanimous consent to have printed in the RECORD a brief telegram which I have received from Brig. Gen. George R. Dyer, of the Port of New York Authority, sent to me in opposition to Senate bill 3553. I ask that the telegram be appropriately referred.

There being no objection, the telegram was ordered to lie on the table and to be printed in the RECORD, as follows:

NEW YORK, N.Y., *May 25, 1934.*

Senator W. WARREN BARBOUR,
Senate Office Building:

Request your strong opposition to Senate bill 3553, designed to overrule Secretary of War by creating commission to determine height of proposed private toll bridge across Hudson River at Fifty-seventh Street, New York. This bill will impair Public Works Administration loan of $37,000,000 for Midtown Hudson Tunnel now under construction by Port Authority in the immediate vicinity of the proposed bridge. Proposed bridge will burden local New Jersey communities and State highway commission with insuperable traffic problems. Proposed bridge is strongly opposed by War Department, Navy Department, leading commercial organizations, Sandy Hook pilots, and Regional Plan Association, as well as by the Port of New York Authority. Proposed bridge is private venture without public support. Urge bill be recommitted and hearings held thereon with adequate advance notice. Letter follows.

GEORGE R. DYER,
Chairman the Port of New York Authority.

REPORTS OF COMMITTEES

Mr. CAREY, from the Committee on Military Affairs, to which was referred the bill (H.R. 3054) for the relief of Christopher Cott, reported it without amendment and submitted a report (No. 1207) thereon.

Mr. DUFFY, from the Committee on Military Affairs, to which was referred the bill (S. 2810) for the relief of Alice F. Martin, widow, and two minor children, reported it without amendment and submitted a report (No. 1210) thereon.

Mr. RUSSELL, from the Committee on Naval Affairs, to which was referred the bill (S. 2134) for the reinstatement of John Carmichael Williams in the United States Navy, reported it without amendment and submitted a report (No. 1208) thereon.

Mr. HAYDEN, from the Committee on Territories and Insular Affairs, to which was referred the bill (S. 3530) relating to Philippine currency reserves on deposit in the United States, reported it without amendment and submitted a report (No. 1209) thereon.

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on the 29th instant that committee presented to the President of the United States the following enrolled bills:

S. 195. An act respecting contracts of industrial life insurance in the District of Columbia;

S. 1757. An act to amend an act entitled "An act to incorporate the Mount Olivet Cemetery Co. in the District of Columbia";

S. 2508. An act authorizing the Secretary of the Interior, with the approval of the National Capital Park and Planning Commission and the Attorney General of the United States, to make equitable adjustments of conflicting claims between the United States and other claimants of lands along the shores of the Potomac River, Anacostia River, and Rock Creek in the District of Columbia;

S. 2580. An act to exempt from taxation certain property of the National Society United States Daughters of 1812 in the District of Columbia;

S. 3257. An act to change the designation of Four-and-a-half Street SW. to Fourth Street; and

S. 3442. An act to dissolve the Ellen Wilson Memorial Homes.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. FLETCHER:

A bill (S. 3700) to amend section 19 of the Federal Reserve Act, as amended, and for other purposes; to the Committee on Banking and Currency.

By Mr. TYDINGS:

A bill (S. 3701) for the relief of George J. Hannigan; to the Committee on Naval Affairs.

By Mr. COPELAND:

A bill (S. 3702) to confer jurisdiction upon the United States District Court for the Southern District of New York to determine the claim of Harriet Ziegler; to the Committee on Claims.

By Mr. REYNOLDS:

A bill (S. 3703) for the relief of the estate of W. W. McPeters; to the Committee on Claims.

By Mr. TYDINGS:

A joint resolution (S.J.Res. 129) to amend the joint resolution entitled "Joint resolution for the relief of Porto Rico", approved December 21, 1928, to permit an adjudication with respect to liens of the United States arising by virtue of loans under such joint resolution; to the Committee on Territories and Insular Affairs.

NATIONAL INDUSTRIAL ADJUSTMENT BOARD—AMENDMENT

Mr. ROBINSON of Arkansas submitted an amendment intended to be proposed by him to the bill (S. 2926) to equalize the bargaining power of employers and employees, to encourage the amicable settlement of disputes between employers and employees, to create a National Labor Board, and for other purposes, which was ordered to lie on the table and to be printed.

DEVELOPMENT OF INDIAN RESOURCES—AMENDMENT

Mr. ASHURST submitted an amendment intended to be proposed by him to the bill (S. 3645) to conserve and develop Indian lands and resources; to establish a credit system for Indians; to provide for higher education for Indians; to extend toward Indians the right to form business and other organizations; and for other purposes, which was ordered to lie on the table and to be printed.

INVESTIGATION OF AMERICAN TELEPHONE & TELEGRAPH CO.

Mr. DILL submitted the following resolution (S.Res. 252), which was referred to the Committee on Interstate Commerce:

[S.Res. 252, 73d Cong., 2d sess.]

Resolution

Resolved, That the Committee on Interstate Commerce, or any duly authorized subcommittee thereof, is hereby authorized and

directed to make a thorough and complete investigation of the operations, relationships, and activities of the American Telephone & Telegraph Co., its subsidiaries, affiliates, associates, and other concerns in which it or they have any direct or indirect, financial interest, or which have any such interest in it, or in which any of its officers or directors hold any office or exert any control and shall report to the Senate the facts as ascertained and make recommendations for such legislation as the committee deems desirable.

In making said investigation the committee shall, among other things, investigate and report particularly on the following subjects:

(1) The financial structure and relationship of the company and its subsidiaries, associates, and affiliates and the extent to which its holding-company structure enables it to evade regulation or taxation, or enables it to conceal or absorb profits; the extent of interservice contracts or transactions between the American Telephone & Telegraph Co. and its subsidiary, affiliated, associated, or holding companies, and particularly contracts with the Western Electric Co. and other manufacturers of electrical communication equipment, if any; also the sale prices of telephone equipment, material, or devices to telephone-operating companies, the profits upon such sales and the effect of such sales upon the rate base of operating companies when used as a basis for telephone charges in the various States; and the probable savings by telephone-operating companies purchasing equipment under a system of competitive bidding.

(2) The activities of and expansion by the company and its subsidiaries, associates, holding companies, and affiliates into fields other than telephone communication, including teletype service, telephoto service, broadcasting, motion-picture distribution, and the manufacture of electrical equipment.

(3) The methods of competition with other companies and industries, with reference to equality of service, reasonableness of rates, both local and long distance, depreciation accounting practices, discriminatory practices, suppression of patents, method of accounting for royalties accruing on patents, sale and refusal to sell equipment to competing companies, maintenance of exorbitantly high prices because of monopolistic control, and particularly the relationship of the company with Electrical Research Products, Inc., and its relation to independent motion-picture organizations, and its practices in the interests of the company.

(4) The extent to which local subscribers have borne the cost of the research developments for long-distance appliances, radio, motion-picture, and other inventions not related to the improvement of local service.

(5) The reasons for voluntary reductions in long-distance charges and the failure to reduce local charges during the past few years of generally falling prices.

(6) Its relations as an employer with its employees and the extent of its reduction in number and wages of employees while maintaining exorbitant salaries for high officials and a continuous high dividend rate.

(7) The methods whereby the company or its subsidiaries or affiliates or its officers or directors have sought through propaganda, or the expenditure of money or the control of channels of publicity, to influence or control public opinion or elections.

The words "associates", "subsidiaries", "affiliates", and "holding companies" shall include all companies directly or indirectly associated or connected with the American Telephone & Telegraph Co., either by stock ownership, interlocking directorates, interlocking offices, whether by direct or indirect stock ownership, office holding, or directorates, or traceable through one or more companies, corporations, partnerships, individuals, or in any other manner.

That the said committee is hereby authorized to sit and perform its duties at such times and places as it deems necessary or proper and to require the attendance of witnesses by subpenas or otherwise; to require the production or inspection of all accounts, books, papers, documents, memoranda, minutes, etc.; and to employ counsel, experts, and other assistants, and stenographers at a cost not exceeding 25 cents per hundred words. The chairman of the committee, or any member thereof, may administer oaths to witnesses and sign subpenas for witnesses; and every person duly summoned before said committee, or any subcommittee thereof, who refuses or fails to obey the process of said committee, or appears and refuses to answer questions pertinent to said investigation, shall be punished as prescribed by law. The expenses of said investigation shall be paid from the contingent fund of the Senate on vouchers of the committee or subcommittee, signed by the chairman and approved by the Committee to Audit and Control the Contingent Expenses of the Senate, not to exceed $25,000.

TREATY WITH CUBA

Mr. PITTMAN. Mr. President, from the Committee on Foreign Relations I report back favorably without amendment the Cuban Treaty. The report is unanimous, although there was no record vote. As in executive session, I ask unanimous consent to have the treaty read, to see if there is objection to its present consideration.

The VICE PRESIDENT. The Senator from Nevada asks unanimous consent for what?

Mr. PITTMAN. As in executive session, that we proceed to the consideration of the treaty, but I ask to have the treaty read first.

Mr. JOHNSON and Mr. McNARY rose.

The VICE PRESIDENT. Is there objection?

Mr. JOHNSON. Mr. President, I was going to suggest that I thought it would be appropriate to call for a quorum. I myself have no objection to the treaty.

Mr. PITTMAN. I have no objection to a quorum being called.

Mr. McNARY. Mr. President, that is what I was going to suggest. I make the point that a quorum is not present.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	Hebert	Pope
Ashurst	Couzens	Johnson	Reynolds
Austin	Cutting	Keyes	Robinson, Ark.
Bachman	Dickinson	King	Russell
Bankhead	Dieterich	La Follette	Schall
Barbour	Dill	Lewis	Sheppard
Barkley	Duffy	Logan	Shipstead
Black	Erickson	Long	Smith
Bone	Fess	McCarran	Steiwer
Borah	Fletcher	McGill	Stephens
Brown	Frazier	McKellar	Thomas, Utah
Bulkley	George	McNary	Thompson
Bulow	Glass	Metcalf	Townsend
Byrd	Goldsborough	Murphy	Tydings
Byrnes	Gore	Neely	Vandenberg
Capper	Hale	Norbeck	Van Nuys
Caraway	Harrison	Norris	Wagner
Carey	Hastings	Nye	Walcott
Clark	Hatch	O'Mahoney	Walsh
Connally	Hatfield	Patterson	White
Copeland	Hayden	Pittman	

Mr. LEWIS. I announce the absence of the Senator from California [Mr. McADOO] because of illness. I announce further the absence of the Senator from Connecticut [Mr. LONERGAN], officially attending memorial services at Gettysburg. I also announce the absence of the Senator from Oklahoma [Mr. THOMAS], the Senator from North Carolina [Mr. BAILEY], the Senator from Massachusetts [Mr. COOLIDGE], the Senator from Louisiana [Mr. OVERTON], the Senator from Florida [Mr. TRAMMELL], and the Senator from Montana [Mr. WHEELER], occasioned by official business.

Mr. HEBERT. I announce that the senior Senator from Pennsylvania [Mr. REED], the junior Senator from Pennsylvania [Mr. DAVIS], the Senator from Vermont [Mr. GIBSON], the Senator from New Jersey [Mr. KEAN], and the Senator from North Dakota [Mr. FRAZIER] are necessarily absent.

The VICE PRESIDENT. Eighty-three Senators have answered to their names. A quorum is present.

Mr. BYRNES. Mr. President——

The VICE PRESIDENT. At the time the quorum was called, the Chair will state to the Senator from South Carolina, the Senator from Nevada [Mr. PITTMAN] had sent to the desk and asked to have read a treaty with Cuba for the purpose, as the Chair understands, of consideration at this time. Is there objection to the request of the Senator from Nevada?

Mr. McNARY. Mr. President, is the request not only to read the treaty but to have action upon it?

The VICE PRESIDENT. The Chair assumes that that is the purpose for which the Senator from Nevada desired to have the treaty read.

Mr. PITTMAN. I should like to have the treaty read first, and then, if there be no objection, to have it considered.

Mr. McNARY. It will be useless to read it, if there is going to be objection. I think we should anticipate that situation in order to expedite consideration. The treaty was sent to the Senate last evening and referred to the Senate Committee on Foreign Relations, and this morning was reported. I desire to ask the Senator from Nevada, was there a division among the members of the committee?

Mr. PITTMAN. There was no division. I wish to say that there were two Senators who said that they had no objection, though they doubted the effect of the treaty; but the action of the committee was unanimous.

Mr. McNARY. Personally I have no objection to the present consideration of the treaty.

The VICE PRESIDENT. The clerk will read the treaty.

The legislative clerk read the treaty, as follows:

The United States of America and the Republic of Cuba, being animated by the desire to fortify the relations of friendship between the two countries and to modify, with

this purpose, the relations established between them by the Treaty of Relations signed at Habana, May 22, 1903, have appointed, with this intention, as their Plenipotentiaries:

The President of the United States of America; Mr. Cordell Hull, Secretary of State of the United States of America, and Mr. Sumner Welles, Assistant Secretary of State of the United States of America; and

The Provisional President of the Republic of Cuba, Señor Dr. Manuel Márquez Sterling, Ambassador Extraordinary and Plenipotentiary of the Republic of Cuba to the United States of America;

Who, after having communicated to each other their full powers which were found to be in good and due form, have agreed upon the following articles:

ARTICLE I

The Treaty of Relations which was concluded between the two contracting parties on May 22, 1903, shall cease to be in force, and is abrogated, from the date on which the present Treaty goes into effect.

ARTICLE II

All the acts effected in Cuba by the United States of America during its military operation of the island, up to May 20, 1902, the date on which the Republic of Cuba was established, have been ratified and held as valid; and all the rights legally acquired by virtue of those acts shall be maintained and protected.

ARTICLE III

Until the two contracting parties agree to the modification or abrogation of the stipulations of the agreement in regard to the lease to the United States of America of lands in Cuba for coaling and naval stations signed by the President of the Republic of Cuba on February 16, 1903, and by the President of the United States of America on the 23d day of the same month and year, the stipulations of that agreement with regard to the naval station of Guantánamo shall continue in effect. The supplementary agreement in regard to naval or coaling stations signed between the two Governments on July 2, 1903, also shall continue in effect in the same form and on the same conditions with respect to the naval station at Guantánamo. So long as the United States of America shall not abandon the said naval station of Guantánamo or the two Governments shall not agree to a modification of its present limits, the station shall continue to have the territorial area that it now has, with the limits that it has on the date of the signature of the present Treaty.

ARTICLE IV

If at any time in the future a situation should arise that appears to point to an outbreak of contagious disease in the territory of either of the contracting parties, either of the two Governments shall, for its own protection, and without its act being considered unfriendly, exercise freely and at its discretion the right to suspend communications between those of its ports that it may designate and all or part of the territory of the other party, and for the period that it may consider to be advisable.

ARTICLE V

The present Treaty shall be ratified by the contracting parties in accordance with their respective constitutional methods; and shall go into effect on the date of the exchange of their ratifications, which shall take place in the city of Washington as soon as possible.

In faith whereof, the respective Plenipotentiaries have signed the present Treaty and have affixed their seals hereto.

Done in duplicate, in the English and Spanish languages, at Washington on the twenty-ninth day of May, one thousand nine hundred and thirty-four.

[SEAL]	CORDELL HULL
[SEAL]	SUMNER WELLS
[SEAL]	M. MÁRQUEZ STERLING

Mr. LONG. Mr. President, I want to be heard a few minutes on the Latin-American situation.

Mr. PITTMAN. Mr. President, in view of the pendency of the tariff bill, if the Senator is going to speak on another subject, I will have to withdraw my request.

Mr. LONG. I have the floor, I understand, Mr. President, and I do not care to yield.

Mr. ASHURST. Mr. President——

Mr. LONG. I do not care to yield, and I decline to yield. I repeat that I want to be heard for a few minutes on the Latin-American situation.

Mr. PITTMAN. Mr. President, I rise to a point of order.

The VICE PRESIDENT. The Senator will state his point of order.

Mr. PITTMAN. I merely asked to have the treaty read as preliminary to a request which I intended to submit for unanimous consent. The treaty has been read, but I do not make the request that the treaty be now considered.

ORDER OF BUSINESS

Mr. ASHURST. Mr. President, will the Senator from Louisiana yield?

Mr. LONG. I will yield for a question only.

The VICE PRESIDENT. Let the Chair state the parliamentary situation. The unfinished business at the present time is the tariff bill. Any Senator may obtain the floor on the tariff bill.

Mr. HARRISON. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. HARRISON. Under the unanimous-consent agreement, if any Senator obtains the floor now the time he consumes will be taken out of his time on the tariff bill?

The VICE PRESIDENT. He would have 20 minutes to discuss the bill and 15 minutes to discuss any amendment that might be pending, except the agricultural amendments upon which he would have 1 hour.

Mr. ASHURST. Mr. President, the last thing I would try to do, as the Senator from Louisiana knows, would be to deprive any Senator of the floor, and I could not do so if I wished. But there are one or two resolutions, rather formal in their nature and very important, which should be considered, one of which relates to procedure in impeachment trials. I inquire of the Senator from Louisiana if he will yield for 10 or 12 minutes so that we may endeavor to dispose of two resolutions which the Senator from South Carolina [Mr. BYRNES] desires to have considered and a resolution on the table for which I shall ask consideration?

Mr. LONG. If there is no objection to my yielding for that purpose and provided I do not lose the floor, I shall be glad to do that.

The VICE PRESIDENT. The Senator from Louisiana will be recognized when the unfinished business shall again be laid before the Senate.

INVESTIGATION OF RECEIVERSHIP AND BANKRUPTCY PROCEEDINGS

Mr. BYRNES. Mr. President, I ask unanimous consent for the immediate consideration of Senate Resolution 203.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceeded to consider the resolution (S.Res. 203) submitted by Mr. ASHURST, Mr. MCADOO, Mr. VAN NUYS, Mr. HEBERT, and Mr. AUSTIN on the calendar day, March 8, 1934, and reported from the Committee to Audit and Control the Contingent Expenses of the Senate, with an amendment, in line 5, to strike out "$20,000" and insert "$10,000", so as to make the resolution read:

Resolved, That the special committee authorized and directed by Senate Resolution 78 on June 13, 1933, to investigate the administration of receivership and bankruptcy proceedings in the courts of the United States is hereby authorized to expend in furtherance of such purposes the sum of $10,000 in addition to the amount heretofore authorized and expended.

The amendment was agreed to.

The resolution, as amended, was agreed to.

INVESTIGATION OF RELATIONSHIP BETWEEN CONTRACTORS AND EMPLOYEES

Mr. BYRNES. Mr. President, I ask unanimous consent for the immediate consideration of Senate Resolution 228, Calendar No. 1286.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceeded to consider the resolution (S.Res. 228) submitted by Mr. DAVIS and Mr. WALSH on the calendar day April 30, 1934, which had been reported from the Committee to Audit and Control the

Contingent Expenses of the Senate with amendments, on page 1, line 6, to strike out "District of Columbia" and insert "United States"; on page 2, line 2, after the word "racket", to strike out the word "and"; in line 5, after the word "abuses", to insert:

(4) If contractors paying the prevailing rate of wages are discriminated against or are unable to obtain contracts for the construction or repair of such buildings or works because of underbidding by contractors paying their employees, by reason of the so-called "kick-back racket" or other similar practice, wages at less than the prevailing rate, and (5) the existence of any other abuses affecting employees or employers engaged in the construction or repair of such buildings or works; and the requirements of employment, a practice known as the "kick-back racket", (3) ing for, and in securing employment.

In line 17, after the word "recommendations", to insert the words "for necessary legislation in connection therewith"; and on page 3, line 5, to strike out "$25,000", and insert "$15,000", so as to make the resolution read:

Resolved, That the Committee on Education and Labor, or any duly authorized subcommittee thereof, is authorized and directed to examine into the relationship existing between contractors and their employees engaged in the construction of any public building, public work, or building or work in the United States financed in whole or in part by loans or grants from the United States, or in the repair thereof, with a view to determining, (1) if such employees receive the prevailing rates of wages of building-trades workers, (2) if such employees are forced to give up any part of the compensation to which they are entitled under their contract of employment, a practice known as the "kick-back racket", (3) if such employees are discharged and refused further employment on such construction projects for protesting against such "kick-back racket" or other abuses, (4) if contractors paying the prevailing rate of wages are discriminated against or unable to obtain contracts for the construction or repair of such buildings or works because of underbidding by contractors paying their employees, by reason of the so-called "kick-back racket" or other similar practice, wages at less than the prevailing rate, and (5) the existence of any other abuses affecting employees or employers engaged in the construction or repair of such buildings or works; and the requirements of employees to organizations of employees or others in qualifying for, and in securing employment. The committee shall report to the Senate, as soon as practicable, the results of its investigation, together with its recommendations for necessary legislation in connection therewith.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions and recesses of the Senate in the Seventy-third Congress, to employ such clerical and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $15,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

The VICE PRESIDENT. The question is on agreeing to the amendments reported by the committee.

The amendments were agreed to.

Mr. McNARY. Mr. President, I inquire as to the status of the resolution.

Mr. BYRNES. Mr. President, the resolution was reported yesterday by the Committee to Audit and Control the Contingent Expenses of the Senate, it being a unanimous report. There are several amendments, one reducing the amount of the appropriation, recommended by the Committee on Education and Labor. The amendment is satisfactory to the authors of the resolution and was approved unanimously by the Committee to Audit and Control the Contingent Expenses of the Senate.

The resolution broadens the scope of the investigation beyond the District of Columbia and makes it apply to the United States as a whole. The resolution was introduced by the Senator from Massachusetts [Mr. WALSH] and the Senator from Pennsylvania [Mr. DAVIS].

Mr. WALSH. Mr. President, I hope the Senator from Oregon will not object.

Mr. McNARY. I am not going to object, but I want to know what we are about to do.

The VICE PRESIDENT. The question is on agreeing to the resolution as amended.

The resolution as amended was agreed to.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

PROCEDURE IN IMPEACHMENT TRIALS

Mr. ASHURST. Mr. President, I desire the attention of the Senator from Oregon [Mr. McNARY] as I ask the Senate to consider Senate Resolution 242, now on the calendar, being Calendar No. 1132, reported from the Committee on the Judiciary with an amendment. I ask that the resolution be read.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

Mr. McNARY. Mr. President, let us have the resolution read first.

The VICE PRESIDENT. The resolution will be read.

The Chief Clerk read the resolution (S.Res. 242) submitted by Mr. ASHURST on the calendar day, May 17, 1934, and reported from the Committee on the Judiciary, with amendments, as follows:

Resolved, That in the trial of any impeachment the Presiding Officer of the Senate, upon the order of the Senate, shall appoint a committee of 12 Senators to receive evidence and take testimony at such times and places as the committee may determine, and for such purpose the committee so appointed and the chairman thereof, to be elected by the committee, shall (unless otherwise ordered by the Senate) exercise all the powers and functions conferred upon the Senate and the Presiding Officer of the Senate, respectively, under the rules of procedure and practice in the Senate when sitting on impeachment trials.

Unless otherwise ordered by the Senate, the rules of procedure and practice in the Senate when sitting on impeachment trials shall govern the procedure and practice of the committee so appointed. The committee so appointed shall report to the Senate in writing a certified copy of the transcript of the proceedings and testimony had and given before such committee, and such report shall be received by the Senate and the evidence so received and the testimony so taken shall be considered to all intents and purposes, subject to the right of the Senate to determine competency, relevancy, and materiality, as having been received and taken before the Senate, but nothing herein shall prevent the Senate from sending for any witness and hearing his testimony in open Senate, or by order of the Senate having the entire trial in open Senate.

Mr. ASHURST. I ask unanimous consent for the immediate consideration of the resolution.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. ASHURST. Certainly.

Mr. COUZENS. Does not the Senator believe there ought to be a provision in the resolution forbidding the committee to make any recommendation to the Senate?

Mr. ASHURST. The Senator is correct. Frankness requires me to say that the resolution originally could have been construed to permit the committee to make recommendations, but the Senate Committee on the Judiciary struck out that language and inserted language which would not allow any recommendation to be made, but simply a report of the testimony, leaving it to the Senate and remitting to the Senate its power and right and sole authority to determine the questions of relevancy, materiality, and the weight of the evidence. The committee would make no recommendations.

Mr. COUZENS. I submit there is no such prohibition, as I understood the resolution when read.

Mr. ASHURST. I am sure no committee under the amended resolution would attempt to make a recommendation.

Mr. HEBERT. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Arizona yield to the Senator from Rhode Island?

Mr. ASHURST. Certainly.

Mr. HEBERT. I was not present at the meeting of the Judiciary Committee when the resolution was considered. I do not want to say now that I am opposed to it, but it is my understanding that it need not change the existing procedure. In other words, unless the Senate sees fit to do so, it need not appoint such committee as is provided in the resolution.

Mr. ASHURST. The Senator is correct.

Mr. HEBERT. There is one point to which I wish to invite the attention of the Senator, and that is in relation to the number of members of the committee which is proposed. Under the present wording of the resolution unless 12 Senators be present at all times it will not be competent for the committee to take any testimony. It has seemed to me that there might be some provision in the resolution for fixing a minimum number of Senators to constitute a quorum. It must be apparent to every Senator that it might be extremely difficult to have all 12 members of the committee present all the time while testimony was being taken. It occurred to me that the Chairman of the Judiciary Committee might well consider the possibility of making a change in that respect.

Mr. NORRIS rose.

Mr. ASHURST. Mr. President, the Senator from Rhode Island said he was not present at the meeting of the committee when the resolution was considered. If that be true, and it is true if the Senator says so, that it is probably the only meeting of the committee the Senator ever missed, because we have no more assiduous, diligent, and able Senator than the Senator from Rhode Island.

Mr. HEBERT. I thank the Senator.

Mr. ASHURST. I yield now to the Senator from Nebraska.

Mr. NORRIS. Mr. President, I have been consulting with the chairman of the committee about this resolution. My idea is that since the Judiciary Committee has amended the resolution so as to make of this committee a simple committee to take evidence, without power to do anything else that the committee named in the resolution is entirely too large. There is not any use of having 12 members on a committee who have no jurisdiction even to make a recommendation to the Senate. They can only take the evidence and certify it to the Senate.

I think the membership ought to be smaller than the number that has been suggested. The chairman has suggested, and other Members have suggested, that the number ought to be reduced at least to eight, and I am about to make a motion to that effect. Before doing so I should like to say in answer to the Senator's suggestion that if they cannot all be there, that in my judgment—I should like to be corrected if I am wrong—general parliamentary law would apply to this committee, whatever might be its number. There would have to be a quorum there all the time; and unless we should provide how many members should constitute a quorum, a quorum would be a majority of the committee.

So I take it that whatever the number may be, they can continue to function and take evidence so long as there is a quorum of the committee present. If the membership were 12, a quorum would be 7. If there were 8 members of the committee, they could do business as long as 5 members were present.

Mr. ASHURST. Mr. President, so far as I possess the authority, I accept the amendment suggested by the Senator from Rhode Island and the Senator from Nebraska, as follows:

A committee of 8 Senators, of whom 5 shall constitute a quorum.

Mr. HEBERT. I think that would be satisfactory.

Mr. NORRIS. That would be satisfactory. There certainly is no objection to fixing the number of a quorum at 5. It would be 5 anyway if there were 8 members of the committee.

Mr. BORAH. Mr. President, before that matter is disposed of I should like to ask a question as to construction. Is it assumed that this committee will hear witnesses as well as take documentary testimony?

Mr. ASHURST. Yes, Mr. President.

Mr. BORAH. Then may I ask another question? Assuming that the party who is on trial calls for a rehearing—that is to say, calls for a hearing of all the witnesses before the Senate instead of before the committee—would he have the right to do that; and would it be necessary to have the witnesses heard again before the Senate?

Mr. ASHURST. Under order of the Senate the Senate could send for the same witness to give his testimony or send for additional witnesses or all witnesses. There is no intention whatever to deprive the Senate or the respondent of the right at any time the Senate chooses to hear all the testimony in open Senate or any witness in open Senate.

Instead of taking the testimony in the open Senate with all Senators presumably present, the resolution remits the duty and task of taking testimony or any part thereof to a committee if the Senate so chooses; and before that may be done the Senate must make and enter the appropriate order in each particular case.

Mr. BORAH. It seems to me that under the rules of impeachment and the law with reference to impeachment, if the respondent should call for a hearing of all witnesses before the Senate, it would have to follow as a matter of right. He would be entitled to it upon a mere request on his part to have it.

Mr. ROBINSON of Arkansas. Mr. President——

Mr. ASHURST. I yield to the Senator from Arkansas.

Mr. ROBINSON of Arkansas. Why does the Senator from Idaho assume that if the respondent should insist upon being confronted with the witnesses he would have that right?

Mr. BORAH. My view is that the Senate is the body which tries the respondent, not a subcommittee or a committee of the Senate; and therefore the respondent would be entitled to a full trial in every respect before the entire Senate if he should ask for it.

Mr. ROBINSON of Arkansas. I should think the Senate would be the judge of whether it wished to hear the witnesses in person, or to take their testimony by deposition, or in some other way. The constitutional provision which gives to the accused in criminal cases the right to be confronted with the witnesses plainly, to my mind, does not apply in impeachment proceedings, because they are not criminal cases within the meaning of the Constitution.

Mr. NORRIS. The respondent would still have that privilege. He would be confronted with the witnesses before the committee.

Mr. BORAH. He would not be compelled to go before the committee at all.

Mr. NORRIS. All right. Then he would not have availed himself of the privilege.

Mr. ROBINSON of Arkansas. He would not be deprived of any right to which he is entitled.

Mr. BORAH. I do not agree with that proposition, because he would be entitled to stand upon his right to be tried by the entire Senate, and to have the full trial before the entire Senate. He might consent to go before the committee, but if he did not do so he would not waive any of his rights to have a full trial before the Senate.

Mr. ROBINSON of Arkansas. Mr. President, in my judgment, the taking of testimony by a committee constitutes a part of the trial by the Senate. Under the Constitution, the Senate, as one branch of the law-making body, is charged with the responsibility of enacting legislation. It proceeds uniformly through committees. If the Senate chooses to take the deposition of a witness rather than to compel the attendance of a witness, even under the old practice, that may be done.

Mr. BORAH. As I see the matter—I am not desirous of opposing the resolution; I am simply expressing my view—when the Senate becomes a body to try an impeachment, it is a court. It is no longer a Senate; and the Constitution provides that the respondent may be tried by this court, and this court only. Nothing less than the Senate is the court.

Mr. ROBINSON of Arkansas. But, if the Senator will permit me, the Constitution does not provide that the respondent shall be entitled to be confronted with the witnesses. That is the point I make. Many courts with which both the Senator from Idaho and I are familiar try cases upon written evidence when the witnesses never appear in person before the court. The tribunal is just as much a court, however, as if the witnesses appeared in person.

Mr. BORAH. My research, limited though it is, finds no precedent whatever for action of this kind. Under the provisions with reference to the trial of parties by the Senate, when it becomes a court, in my opinion, it must maintain

its integrity as a court in its fullness and its completeness. When the Senate sets up a court it must be regarded as a single entity. It might be that he would be entirely satisfied with the hearings before the committee; but, if he were not, I think he would have a right to call for a full hearing before the Senate.

Mr. LEWIS. Mr. President——

Mr. ASHURST. I yield to the Senator from Illinois.

Mr. LEWIS. Mr. President, my interest in this matter, as will appear from my statement, is not wholly casual. The public press reports that there are three judges sitting in the State of Illinois who are, it is assumed, under charges which are to be the basis of investigation by the House and by the Senate.

In view of the fact that I must indulge in their behalf the presumption of innocence which attends all men charged with offense until there is proof of their guilt, I desire to have it now understood, if the able Chairman of the Judiciary Committee can inform me, if proceedings looking to impeachment should be addressed to the judges concerning whom we read in the press that there is such a possibility, would those judges be allowed to be present? And then, keeping in view the statement of the Senator from Idaho, would the persons so charged be equally permitted the right to be ultimately heard before the whole Senate when the proceedings for review came before the body as a Court of Impeachment?

Mr. ASHURST. Mr. President, I answer the able Senator from Illinois as follows:

The respondent certainly would be entitled to be heard before the committee in person, by attorney, and to summon any witnesses he saw fit to have subpenaed, to cross-examine all the witness for the prosecution, to have the testimony taken in shorthand and transcribed into printing or typewriting; and the respondent further would have the right to ask the Senate to hear one witness, or all of them, in open Senate, in accordance with our ancient practice; and the Senate then would determine whether it wished to hear these witnesses, or all of them, in open session.

Mr. LEWIS. I appreciate the reply of the Senator. May I ask the able Senator from Nebraska [Mr. NORRIS], now a member of the Judiciary Committee and previously its chairman, whether the view expressed by my able friend from Arizona meets with the approval of the former chairman of the committee?

Mr. NORRIS. Mr. President, I desire to call attention to the constitutional provisions which I have on my desk before me. If the Senator will yield for that purpose, I will do so now.

Mr. LEWIS. Yes; I shall be pleased to have the Senator do so in reply to my inquiry.

The VICE PRESIDENT. Does the Senator from Arizona yield to the Senator from Nebraska?

Mr. ASHURST. I yield, Mr. President.

Mr. NORRIS. The Constitution says:

> The Senate shall have the sole power to try all impeachments. When sitting for that purpose, they shall be on oath or affirmation. When the President of the United States is tried, the Chief Justice shall preside; and no person shall be convicted without the concurrence of two-thirds of the Members present.

It says further—and I think this has an important bearing on this question:

> Judgment in cases of impeachment shall not extend further than to removal from office, and disqualification to hold and enjoy any office of honor, trust, or profit under the United States; but the party convicted shall nevertheless be liable and subject to indictment, trial, judgment, and punishment according to law.

I think we ought to distinguish an impeachment trial from an ordinary trial before a court.

It is a special proceeding set up by the Constitution, but we are not given power to render any judgment except that which is specified in the Constitution; that is to say, if we find the respondent guilty, to remove him from office, and, if we desire, declare that he shall never afterward be allowed to hold an office under the United States. We cannot convict him of a crime, or anything of that kind. It seems to me, therefore, that we can take the evidence in any way we see fit.

I think that when we provide that a committee shall take the evidence, if the respondent in the case desires to be present before the committee, to cross-examine witnesses, and so forth, that is where he ought to appear. It is said that perhaps he would not appear there, but he would have the privilege of appearing and being represented by an attorney, cross-examining the witnesses, or offering witnesses of his own.

In other words, we delegate to a committee the tedious task of taking the evidence, and that committee, under this resolution, would have no authority whatever even to make a recommendation. They would simply certify the evidence back to the Senate. I think the Senate could appoint an individual to take the evidence if it desired to do so. The trial of the case would take place in the Senate, the evidence would be offered here, and the Senate would pass on it.

If the Senate should decide to take this action, and if, notwithstanding the taking of the evidence by the committee, the accused would have the right to have it heard again in the Senate, we should not adopt the resolution, in my judgment. We would simply have two trials instead of one. After the trial before the committee, it would be tried again, if the accused so desired, in the Senate. I do not see any reason why the Senate cannot delegate to a committee the right to take the evidence and certify it to the Senate. It is in the Senate that the trial would take place.

Mr. ASHURST. Mr. President, will the Senator yield to me?

Mr. NORRIS. I yield.

Mr. ASHURST. Of course, all Senators know that another body of Congress, when they consider an impeachment, refer the matter of taking testimony to a committee.

Mr. NORRIS. Yes.

Mr. ASHURST. The testimony is not taken in the House of Representatives.

Mr. ROBINSON of Arkansas. It is fair to say, however, that that is not a trial.

Mr. ASHURST. That is true.

Mr. ROBINSON of Arkansas. That is the process by which the House reaches its conclusion as to whether or not to impeach.

Mr. NORRIS. I think the object of the resolution is to avoid what always takes place in an impeachment trial before the Senate. There are times when there is not a quorum of the Senate present, when a dozen may not be here, when there are less than the number provided as the membership of the proposed committee to take the evidence. There is no use expecting all the Senate, or a quorum of the Senate, to be present every minute while evidence is being taken. Senators have to read the evidence in the RECORD in order to know what it is.

Mr. FLETCHER. Mr. President, if the Senator will allow me to suggest, I take it that if the accused desired to be heard, either in person or by counsel, before the full Senate, he would have that right.

Mr. NORRIS. The Senate would have the right to give him that privilege under the resolution.

Mr. FLETCHER. I think he would have that right.

Mr. NORRIS. I do not think he would have it as a matter of right if the Senate did not want to give him the privilege; but the resolution expressly provides, in order to avoid the possibility of doing anybody a wrong, that if the Senate wishes, it can give the respondent the privilege, or, upon its own motion, take any additional evidence.

Mr. HEBERT. Mr. President, may we have read the amendment now proposed?

The VICE PRESIDENT. The clerk will state the amendment.

The LEGISLATIVE CLERK. It is proposed, on page 1, line 3, after the word "of", to strike out the word "twelve" and to insert in lieu thereof the word "eight"; and after the word "Senators", to insert the words "of whom five shall constitute a quorum."

Mr. ASHURST. So far as I have any authority to do so, I accept the amendment, and ask for a vote on the resolution.

The VICE PRESIDENT. The resolution is not yet before the Senate. The Senator from Arizona asked unanimous

consent for the consideration of the resolution. The Senator from Oregon asked to have the resolution read. Since that time unanimous consent for the consideration of the resolution has not been given.

Mr. JOHNSON. Mr. President——

The VICE PRESIDENT. Does the Senator from Arizona yield to the Senator from California?

Mr. ASHURST. I yield.

Mr. JOHNSON. May I ask the Senator whether, if unanimous consent is had, he expects to proceed at once with the resolution? I should like to occupy 5 minutes on it if we are to proceed with it, but I do not want to take up any time if we are not to proceed with it.

Mr. ASHURST. I feel that it would be a trespass on the time of the Senate and on the courtesy of other Senators if I should ask for further debate on the subject. If the able Senator from California wishes to discuss it, of course, he has that right.

Mr. JOHNSON. I will not discuss it at length, I assure the Senator, but I would not take any time on it now unless we were going ahead with the matter.

Mr. ASHURST. I should like to secure action.

Mr. JOHNSON. I have no objection to the resolution being taken up.

Mr. ASHURST. I ask that the Senate proceed to the consideration of the resolution.

The VICE PRESIDENT. Is there objection?

Mr. McNARY. Mr. President——

Mr. ROBINSON of Arkansas. Mr. President, I shall reserve the right to object.

Mr. McNARY. There could not be consideration of the resolution at this time unless unanimous consent were given.

Mr. ASHURST. That is correct.

Mr. McNARY. I am not sure that it is appropriate to take it up today. Evidently it is going to lead to considerable debate.

Mr. ASHURST. If the resolution is to lead to debate, I respectfully withdraw the request.

REGULATION OF SECURITIES EXCHANGES—CONFERENCE REPORT (S.DOC. NO. 185)

Mr. FLETCHER. I submit a conference report on the securities exchanges bill and ask that it may lie on the table and be printed. I shall try to call the report up on tomorrow.

The VICE PRESIDENT. The report will be received, lie on the table, and be printed.

The report is as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 9323) to provide for the regulation of securities exchanges and of over-the-counter markets operating in interstate and foreign commerce and through the mails, to prevent inequitable and unfair practices on such exchanges and markets, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"TITLE I—REGULATION OF SECURITIES EXCHANGES

"SHORT TITLE

"SECTION 1. This act may be cited as the 'Securities Exchange Act of 1934.'

"NECESSITY FOR REGULATION AS PROVIDED IN THIS TITLE

"SEC. 2. For the reasons hereinafter enumerated, transactions in securities as commonly conducted upon securities exchanges and over-the-counter markets are affected with a national public interest which makes it necessary to provide for regulation and control of such transactions and of practices and matters related thereto, including transactions by officers, directors, and principal security holders, to require appropriate reports, and to impose requirements necessary to make such regulation and control reasonably complete and effective, in order to protect interstate commerce, the national credit, the Federal taxing power, to protect and make more effective the national banking system and Federal Reserve System, and to insure the maintenance of fair and honest markets in such transactions:

"(1) Such transactions (a) are carried on in large volume by the public generally and in large part originate outside the States in which the exchanges and over-the-counter markets are located and/or are effected by means of the mails and instrumentalities of interstate commerce; (b) constitute an important part of the current of interstate commerce; (c) involve in large part the securities of issuers engaged in interstate commerce; (d) involve the use of credit, directly affect the financing of trade, industry, and transportation in interstate commerce, and directly affect and influence the volume of interstate commerce; and affect the national credit.

"(2) The prices established and offered in such transactions are generally disseminated and quoted throughout the United States and foreign countries and constitute a basis for determining and establishing the prices at which securities are bought and sold, the amount of certain taxes owing to the United States and to the several States by owners, buyers, and sellers of securities, and the value of collateral for bank loans.

"(3) Frequently the prices of securities on such exchanges and markets are susceptible to manipulation and control, and the dissemination of such prices gives rise to excessive speculation, resulting in sudden and unreasonable fluctuations in the prices of securities which (a) cause alternately unreasonable expansion and unreasonable contraction of the volume of credit available for trade, transportation, and industry in interstate commerce, (b) hinder the proper appraisal of the value of securities and thus prevent a fair calculation of taxes owing to the United States and to the several States by owners, buyers, and sellers of securities, and (c) prevent the fair valuation of collateral for bank loans and/or obstruct the effective operation of the national banking system and Federal Reserve System.

"(4) National emergencies, which produce widespread unemployment and the dislocation of trade, transportation, and industry, and which burden interstate commerce and adversely affect the general welfare, are precipitated, intensified, and prolonged by manipulation and sudden and unreasonable fluctuations of security prices and by excessive speculation on such exchanges and markets, and to meet such emergencies the Federal Government is put to such great expense as to burden the national credit.

"DEFINITIONS AND APPLICATION OF TITLE

"SEC. 3. (a) When used in this title, unless the context otherwise requires—

"(1) The term 'exchange' means any organization, association, or group of persons, whether incorporated or unincorporated, which constitutes, maintains, or provides a market place or facilities for bringing together purchasers and sellers of securities or for otherwise performing with respect to securities the functions commonly performed by a stock exchange as that term is generally understood, and includes the market place and the market facilities maintained by such exchange.

"(2) The term 'facility' when used with respect to an exchange includes its premises, tangible or intangible property whether on the premises or not, any right to the use of such premises or property or any service thereof for the purpose of effecting or reporting a transaction on an exchange (including, among other things, any system of communication to or from the exchange, by ticker or otherwise, maintained by or with the consent of the exchange), and any right of the exchange to the use of any property or service.

"(3) The term 'member' when used with respect to an exchange means any person who is permitted either to effect transactions on the exchange without the services of another person acting as broker, or to make use of the facilities of an exchange for transactions thereon without payment of a

commission or fee or with the payment of a commission or fee which is less than that charged the general public, and includes any firm transacting a business as broker or dealer of which a member is a partner, and any partner of any such firm.

"(4) The term 'broker' means any person engaged in the business of effecting transactions in securities for the account of others, but does not include a bank.

"(5) The term 'dealer' means any person engaged in the business of buying and selling securities for his own account, through a broker or otherwise, but does not include a bank, or any person insofar as he buys or sells securities for his own account, either individually or in some fiduciary capacity, but not as a part of a regular business.

"(6) The term 'bank' means (A) a banking institution organized under the laws of the United States, (B) a member bank of the Federal Reserve System, (C) any other banking institution, whether incorporated or not, doing business under the laws of any State or of the United States, a substantial portion of the business of which consists of receiving deposits or exercising fiduciary powers similar to those permitted to national banks under section 11 (k) of the Federal Reserve Act, as amended, and which is supervised and examined by State or Federal authority having supervision over banks, and which is not operated for the purpose of evading the provisions of this title, and (D) a receiver, conservator, or other liquidating agent of any institution or firm included in clauses (A), (B), or (C) of this paragraph.

"(7) The term 'director' means any director of a corporation or any person performing similar functions with respect to any organization, whether incorporated or unincorporated.

"(8) The term 'issuer' means any person who issues or proposes to issue any security; except that with respect to certificates of deposit for securities, voting-trust certificates, or collateral-trust certificates, or with respect to certificates of interest or shares in an unincorporated investment trust not having a board of directors or of the fixed, restricted management, or unit type, the term 'issuer' means the person or persons performing the acts and assuming the duties of depositor or manager pursuant to the provisions of the trust or other agreement or instrument under which such securities are issued; and except that with respect to equipment-trust certificates or like securities, the term 'issuer' means the person by whom the equipment or property is, or is to be, used.

"(9) The term 'person' means an individual, a corporation, a partnership, an association, a joint-stock company, a business trust, or an unincorporated organization.

"(10) The term 'security' means any note, stock, treasury stock, bond, debenture, certificate of interest or participation in any profit-sharing agreement or in any oil, gas, or other mineral royalty or lease, any collateral-trust certificate, preorganization certificate or subscription, transferable share, investment contract, voting-trust certificate, certificate of deposit, for a security, or in general, any instrument commonly known as a 'security'; or any certificate of interest or participation in, temporary or interim certificate for, receipt for, or warrant or right to subscribe to or purchase, any of the foregoing; but shall not include currency or any note, draft, bill of exchange, or banker's acceptance which has a maturity at the time of issuance of not exceeding 9 months, exclusive of days of grace, or any renewal thereof the maturity of which is likewise limited.

"(11) The term 'equity security' means any stock or similar security; or any security convertible, with or without consideration, into such a security, or carrying any warrant or right to subscribe to or purchase such a security; or any such warrant or right; or any other security which the Commission shall deem to be of similar nature and consider necessary or appropriate, by such rules and regulations as it may prescribe in the public interest or for the protection of investors, to treat as an equity security.

"(12) The term 'exempted security' or 'exempted securities' shall include securities which are direct obligations of or obligations guaranteed as to principal or interest by the United States; such securities issued or guaranteed by corporations in which the United States has a direct or indirect interest as shall be designated for exemption by the Secretary of the Treasury as necessary or appropriate in the public interest or for the protection of investors; securities which are direct obligations of or obligations guaranteed as to principal or interest by a State or any political subdivision thereof or any agency or instrumentality of a State or any political subdivision thereof or any municipal corporate instrumentality of one or more States; and such other securities (which may include, among others, unregistered securities, the market in which is predominantly intrastate) as the Commission may, by such rules and regulations as it deems necessary or appropriate in the public interest or for the protection of investors, either unconditionally or upon specified terms and conditions or for stated periods, exempt from the operation of any one or more provisions of this title which by their terms do not apply to an 'exempted security' or to 'exempted securities.'

"(13) The terms 'buy' and 'purchase' each include any contract to buy, purchase, or otherwise acquire.

"(14) The terms 'sale' and 'sell' each include any contract to sell or otherwise dispose of.

"(15) The term 'Commission' means the Securities and Exchange Commission established by section 4 of this title.

"(16) The term 'State' means any State of the United States, the District of Columbia, Alaska, Hawaii, Puerto Rico, the Philippine Islands, the Canal Zone, the Virgin Islands, or any other possession of the United States.

"(17) The term 'interstate commerce' means trade, commerce, transportation, or communication among the several States, or between any foreign country and any State, or between any State and any place or ship outside thereof.

"(b) The Commission and the Federal Reserve Board, as to matters within their respective jurisdictions, shall have power by rules and regulations to define technical, trade, and accounting terms used in this title insofar as such definitions are not inconsistent with the provisions of this title.

"(c) No provision of this title shall apply to, or be deemed to include, any executive department or independent establishment of the United States, or any lending agency which is wholly owned, directly or indirectly, by the United States, or any officer, agent, or employee of any such department, establishment, or agency, acting in the course of his official duty as such, unless such provision makes specific reference to such department, establishment, or agency.

"SECURITIES AND EXCHANGE COMMISSION

"SEC. 4. (a) There is hereby established a Securities and Exchange Commission (hereinafter referred to as the "Commission") to be composed of five commissioners to be appointed by the President by and with the advice and consent of the Senate. Not more than three of such commissioners shall be members of the same political party, and in making appointments members of different political parties shall be appointed alternately as nearly as may be practicable. No commisisoner shall engage in any other business, vocation, or employment than that of serving as commissioner, nor shall any commissioner participate, directly or indirectly, in any stock-market operations or transactions of a character subject to regulation by the Commission pursuant to this title. Each commissioner shall receive a salary at the rate of $10,000 a year and shall hold office for a term of 5 years, except that (1) any commissioner appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed, shall be appointed for the remainder of such term, and (2) the terms of office of the commissioners first taking office after the date of enactment of this title shall expire, as designated by the President at the time of nomination, 1 at the end of 1 year, 1 at the end of 2 years, 1 at the end of 3 years, 1 at the end of 4 years, and 1 at the end of 5 years, after the date of enactment of this title.

"(b) The Commission is authorized to appoint and fix the compensation of such officers, attorneys, examiners, and other experts as may be necessary for carrying out its func-

tions under this act, without regard to the provisions of other laws applicable to the employment and compensation of officers and employees of the United States, and the Commission may, subject to the civil-service laws, appoint such other officers and employees as are necessary in the execution of its functions and fix their salaries in accordance with the Classification Act of 1923, as amended.

"TRANSACTIONS ON UNREGISTERED EXCHANGES

"SEC. 5. It shall be unlawful for any broker, dealer, or exchange, directly or indirectly, to make use of the mails or any means or instrumentality of interstate commerce for the purpose of using any facility of an exchange within or subject to the jurisdiction of the United States to effect any transaction in a security, or to report any such transaction, unless such exchange (1) is registered as a national securities exchange under section 6 of this title, or (2) is exempted from such registration upon application by the exchange because, in the opinion of the Commission, by reason of the limited volume of transactions effected on such exchange, it is not practicable and not necessary or appropriate in the public interest or for the protection of investors to require such registration.

"REGISTRATION OF NATIONAL SECURITIES EXCHANGES

"SEC. 6. (a) Any exchange may be registered with the Commission as a national securities exchange under the terms and conditions hereinafter provided in this section, by filing a registration statement in such form as the Commission may prescribe, containing the agreements, setting forth the information, and accompanied by the documents, below specified:

"(1) An agreement (which shall not be construed as a waiver of any constitutional right or any right to contest the validity of any rule or regulation) to comply, and to enforce so far as is within its powers compliance by its members, with the provisions of this title, and any amendment thereto and any rule or regulation made or to be made thereunder;

"(2) Such data as to its organization, rules of procedure, and membership, and such other information as the Commission may by rules and regulations require as being necessary or appropriate in the public interest or for the protection of investors;

"(3) Copies of its constitution, articles of incorporation with all amendments thereto, and of its existing bylaws or rules or instruments corresponding thereto, whatever the name, which are hereinafter collectively referred to as the 'rules of the exchange'; and

"(4) An agreement to furnish to the Commission copies of any amendments to the rules of the exchange forthwith upon their adoption.

"(b) No registration shall be granted or remain in force unless the rules of the exchange include provision for the expulsion, suspension, or disciplining of a member for conduct or proceeding inconsistent with just and equitable principles of trade, and declare that the willful violation of any provisions of this title or any rule or regulation thereunder shall be considered conduct or proceeding inconsistent with just and equitable principles of trade.

"(c) Nothing in this title shall be construed to prevent any exchange from adopting and enforcing any rule not inconsistent with this title and the rules and regulations thereunder and the applicable laws of the State in which it is located.

"(d) If it appears to the Commission that the exchange applying for registration is so organized as to be able to comply with the provisions of this title and the rules and regulations thereunder and that the rules of the exchange are just and adequate to insure fair dealing and to protect investors, the Commission shall cause such exchange to be registered as a national securities exchange.

"(e) Within 30 days after the filing of the application, the Commission shall enter an order either granting or, after appropriate notice and opportunity for hearing, denying registration as a national securities exchange, unless the exchange applying for registration shall withdraw its application or consent to the Commission's deferring action on its application for a stated longer period after the date of filing. The filing with the Commission of an application for registration by an exchange shall be deemed to have taken place upon the receipt thereof. Amendments to an application may be made upon such terms as the Commission may prescribe.

"(f) An exchange may, upon appropriate application in accordance with the rules and regulations of the Commission, and upon such terms as the Commission may deem necessary for the protection of investors, withdraw its registration.

"MARGIN REQUIREMENTS

"SEC. 7. (a) For the purpose of preventing the excessive use of credit for the purchase or carrying of securities, the Federal Reserve Board shall, prior to the effective date of this section and from time to time thereafter, prescribe rules and regulations with respect to the amount of credit that may be initially extended and subsequently maintained on any security (other than an exempted security) registered on a national securities exchange. For the initial extension of credit, such rules and regulations shall be based upon the following standard: An amount not greater than whichever is the higher of—

"(1) 55 percent of the current market price of the security, or

"(2) 100 percent of the lowest market price of the security during the preceding 36 calendar months, but not more than 75 percent of the current market price.

Such rules and regulations may make appropriate provision with respect to the carrying of undermargined accounts for limited periods and under specified conditions; the withdrawal of funds or securities; the substitution or additional purchases of securities; the transfer of accounts from one lender to another; special or different margin requirements for delayed deliveries, short sales, arbitrage transactions, and securities to which paragraph (2) of this subsection does not apply; the bases and the methods to be used in calculating loans, and margins and market prices; and similar administrative adjustments and details. For the purposes of paragraph (2) of this subsection, until July 1, 1936, the lowest price at which a security has sold on or after July 1, 1933, shall be considered as the lowest price at which such security has sold during the preceding 36 calendar months.

"(b) Notwithstanding the provisions of subsection (a) of this section, the Federal Reserve Board, may, from time to time, with respect to all or specified securities or transactions, or classes of securities, or classes of transactions, by such rules and regulations (1) prescribe such lower margin requirement for the initial extension or maintenance of credit as it deems necessary or appropriate for the accommodation of commerce and industry, having due regard to the general credit situation of the country, and (2) prescribe such higher margin requirements for the initial extension or maintenance of credit as it may deem necessary or appropriate to prevent the excessive use of credit to finance transactions in securities.

"(c) It shall be unlawful for any member of a national securities exchange or any broker or dealer who transacts a business in securities through the medium of any such member, directly or indirectly to extend or maintain credit or arrange for the extension or maintenance of credit to or for any customer—

"(1) On any security (other than an exempted security) registered on a national securities exchange, in contravention of the rules and regulations which the Federal Reserve Board shall prescribe under subsections (a) and (b) of this section.

"(2) Without collateral or on any collateral other than exempted securities and/or securities registered upon a national securities exchange except in accordance with such rules and regulations as the Federal Reserve Board may prescribe (A) to permit under specified conditions and for a limited period any such member, broker, or dealer to maintain a credit initially extended in conformity with the rules and regulations of the Federal Reserve Board, and (B) to

permit the extension or maintenance of credit in cases where the extension or maintenance of credit is not for the purpose of purchasing or carrying securities or of evading or circumventing the provisions of paragraph (1) of this subsection.

"(d) It shall be unlawful for any person not subject to subsection (c) to extend or maintain credit or to arrange for the extension or maintenance of credit for the purpose of purchasing or carrying any security registered on a national securities exchange, in contravention of such rules and regulations as the Federal Reserve Board shall prescribe to prevent the excessive use of credit for the purchasing or carrying of or trading in securities in circumvention of the other provisions of this section. Such rules and regulations may impose upon all loans made for the purpose of purchasing or carrying securities registered on national securities exchanges limitations similar to those imposed upon members, brokers, or dealers by subsection (c) of this section and the rules and regulations thereunder. This subsection and the rules and regulations thereunder shall not apply (A) to a loan made by a person not in the ordinary course of his business, (B) to a loan on an exempted security, (C) to a loan to a dealer to aid in the financing of the distribution of securities to customers not through the medium of a national securities exchange, (D) to a loan by a bank on a security other than an equity security, or (E) to such other loans as the Federal Reserve Board shall, by such rules and regulations as it may deem necessary or appropriate in the public interest or for the protection of investors, exempt, either unconditionally or upon specified terms and conditions or for stated periods, from the operation of this subsection and the rules and regulations thereunder.

"(e) The provisions of this section or the rules and regulations thereunder shall not apply on or before July 1, 1937, to any loan or extension of credit made prior to the enactment of this title or to the maintenance, renewal, or extension of any such loan or credit, except to the extent that the Federal Reserve Board may by rules and regulations prescribe as necessary to prevent the circumvention of the provisions of this section or the rules and regulations thereunder by means of withdrawals of funds or securities, substitutions of securities, or additional purchases or by any other device.

"RESTRICTIONS ON BORROWING BY MEMBERS, BROKERS, AND DEALERS

"SEC. 8. It shall be unlawful for any member of a national securities exchange, or any broker or dealer who transacts a business in securities through the medium of any such member, directly or indirectly—

"(a) To borrow in the ordinary course of business as a broker or dealer on any security (other than an exempted security) registered on a national securities exchange except (1) from or through a member bank of the Federal Reserve System, (2) from any nonmember bank which shall have filed with the Federal Reserve Board an agreement, which is still in force and which is in the form prescribed by the Board, undertaking to comply with all provisions of this act, the Federal Reserve Act, as amended, and the Banking Act of 1933, which are applicable to member banks and which relate to the use of credit to finance transactions in securities, and with such rules and regulations as may be prescribed pursuant to such provisions of law or for the purpose of preventing evasions thereof, or (3) in accordance with such rules and regulations as the Federal Reserve Board may prescribe to permit loans between such members and/or brokers and/or dealers, or to permit loans to meet emergency needs. Any such agreement filed with the Federal Reserve Board shall be subject to termination at any time by order of the Board, after appropriate notice and opportunity for hearing, because of any failure by such bank to comply with the provisions thereof or with such provisions of law or rules or regulations; and, for any willful violation of such agreement, such bank shall be subject to the penalties provided for violations of rules and regulations prescribed under this title. The provisions of sections 21 and 25 of this title shall apply in the case of any such proceeding or order of the Federal Reserve Board in the same manner as such provisions apply in the case of proceedings and orders of the Commission.

"(b) To permit in the ordinary course of business as a broker his aggregate indebtedness to all other persons, including customers' credit balances (but excluding indebtedness secured by exempted securities), to exceed such percentage of the net capital (exclusive of fixed assets and value of exchange membership) employed in the business, but not exceeding in any case 2,000 percent, as the Commission may by rules and regulations prescribe as necessary or appropriate in the public interest or for the protection of investors.

"(c) In contravention of such rules and regulations as the Commission shall prescribe for the protection of investors to hypothecate or arrange for the hypothecation of any securities carried for the account of any customer under circumstances (1) that will permit the commingling of his securities without his written consent with the securities of any other customer, (2) that will permit such securities to be commingled with the securities of any person other than a bona fide customer, or (3) that will permit such securities to be hypothecated, or subjected to any lien or claim of the pledgee, for a sum in excess of the aggregate indebtedness of such customers in respect of such securities.

"(d) To lend or arrange for the lending of any securities carried for the account of any customer without the written consent of such customer.

"PROHIBITION AGAINST MANIPULATION OF SECURITY PRICES

"SEC. 9. (a) It shall be unlawful for any person, directly or indirectly, by the use of the mails or any means or instrumentality of interstate commerce, or of any facility of any national securities exchange, or for any member of a national securities exchange—

"(1) For the purpose of creating a false or misleading appearance of active trading in any security registered on a national securities exchange, or a false or misleading appearance with respect to the market for any such security, (A) to effect any transaction in such security which involves no change in the beneficial ownership thereof, or (B) to enter an order or orders for the purchase of such security with the knowledge that an order or orders of substantially the same size, at substantially the same time, and at substantially the same price, for the sale of any such security, has been or will be entered by or for the same or different parties, or (C) to enter any order or orders for the sale of any such security with the knowledge that an order or orders of substantially the same size, at substantially the same time, and at substantially the same price, for the purchase of such security, has been or will be entered by or for the same or different parties.

"(2) To effect, alone or with one or more other persons, a series of transactions in any security registered on a national securities exchange creating actual or apparent active trading in such security, or raising or depressing the price of such security, for the purpose of inducing the purchase or sale of such security by others.

"(3) If a dealer or broker, or other person selling or offering for sale or purchasing or offering to purchase the security, to induce the purchase or sale of any security registered on a national securities exchange by the circulation or dissemination in the ordinary course of business of information to the effect that the price of any such security will or is likely to rise or fall because of market operations of any one or more persons conducted for the purpose of raising or depressing the price of such security.

"(4) If a dealer or broker, or other person selling or offering for sale or purchasing or offering to purchase the security, to make, regarding any security registered on a national securities exchange, for the purpose of inducing the purchase or sale of such security, any statement which was at the time and in the light of the circumstances under which it was made, false or misleading with respect to any material fact, and which he knew or had reasonable ground to believe was so false or misleading.

"(5) For a consideration, received directly or indirectly from a dealer or broker, or other person selling or offering for sale or purchasing or offering to purchase the security, to induce the purchase or sale of any security registered on a national securities exchange by the circulation or dissemination of information to the effect that the price of any such security will or is likely to rise or fall because of the market operations of any one or more persons conducted for the purpose of raising or depressing the price of such security.

"(6) To effect either alone or with one or more other persons any series of transactions for the purchase and/or sale of any security registered on a national securities exchange for the purpose of pegging, fixing, or stabilizing the price of such security in contravention of such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors.

"(b) It shall be unlawful for any person to effect, by use of any facility of a national securities exchange, in contravention of such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors—

"(1) Any transaction in connection with any security whereby any party to such transaction acquires any put, call, straddle, or other option or privilege of buying the security from or selling the security to another without being bound to do so; or

"(2) Any transaction in connection with any security with relation to which he has, directly or indirectly, any interest in any such put, call, straddle, option, or privilege; or

"(3) Any transaction in any security for the account of any person who he has reason to believe has, and who actually has, directly or indirectly, any interest in any such put, call, straddle, option, or privilege with relation to such security.

"(c) It shall be unlawful for any member of a national securities exchange directly or indirectly to endorse or guarantee the performance of any put, call, straddle, option, or privilege in relation to any security registered on a national securities exchange, in contravention of such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors.

"(d) The terms 'put', 'call', 'straddle', 'option', or 'privilege' as used in this section shall not include any registered warrant, right, or convertible security.

"(e) Any person who willfully participates in any act or transaction in violation of subsection (a), (b), or (c) of this section, shall be liable to any person who shall purchase or sell any security at a price which was affected by such act or transaction, and the person so injured may sue in law or in equity in any court of competent jurisdiction to recover the damages sustained as a result of any such act or transaction. In any such suit the court may, in its discretion, require an undertaking for the payment of the costs of such suit, and assess reasonable costs, including reasonable attorneys' fees, against either party litigant. Every person who becomes liable to make any payment under this subsection may recover contribution as in cases of contract from any person who, if joined in the original suit, would have been liable to make the same payment. No action shall be maintained to enforce any liability created under this section, unless brought within 1 year after the discovery of the facts constituting the violation and within 3 years after such violation.

"(f) The provisions of this section shall not apply to an exempted security.

"REGULATION OF THE USE OF MANIPULATIVE AND DECEPTIVE DEVICES

"SEC. 10. It shall be unlawful for any person, directly or indirectly, by the use of any means or instrumentality of interstate commerce or of the mails, or of any facility of any national securities exchange—

"(a) To effect a short sale, or to use or employ any stop-loss order in connection with the purchase or sale, of any security registered on a national securities exchange, in contravention of such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors.

"(b) To use or employ, in connection with the purchase or sale of any security registered on a national securities exchange or any security not so registered, any manipulative or deceptive device or contrivance in contravention of such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors.

"SEGREGATION AND LIMITATION OF FUNCTIONS OF MEMBERS, BROKERS, AND DEALERS

"SEC. 11. (a) The Commission shall prescribe such rules and regulations as it deems necessary or appropriate in the public interest or for the protection of investors, (1) to regulate or prevent floor trading by members of national securities exchanges, directly or indirectly for their own account or for discretionary accounts, and (2) to prevent such excessive trading on the exchange but off the floor by members, directly or indirectly for their own account, as the Commission may deem detrimental to the maintenance of a fair and orderly market. It shall be unlawful for a member to effect any transaction in a security in contravention of such rules and regulations, but such rules and regulations may make such exemptions for arbitrage transactions, for transactions in exempted securities, and, within the limitations of subsection (b) of this section, for transactions by odd-lot dealers and specialists, as the Commission may deem necessary or appropriate in the public interest or for the protection of investors.

"(b) When not in contravention of such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors, the rules of a national securities exchange may permit (1) a member to be registered as an odd-lot dealer and as such to buy and sell for his own account so far as may be reasonably necessary to carry on such odd-lot transactions, and/or (2) a member to be registered as a specialist. If under the rules and regulations of the Commission a specialist is permitted to act as a dealer, or is limited to acting as a dealer, such rules and regulations shall restrict his dealings so far as practicable to those reasonably necessary to permit him to maintain a fair and orderly market, and/or to those necessary to permit him to act as an odd-lot dealer if the rules of the exchange permit him to act as an odd-lot dealer. It shall be unlawful for a specialist or an official of the exchange to disclose information in regard to orders placed with such specialist which is not available to all members of the exchange, to any person other than an official of the exchange, a representative of the Commission, or a specialist who may be acting for such specialist; but the Commission shall have power to require disclosure to all members of the exchange of all orders placed with specialists, under such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors. It shall also be unlawful for a specialist acting as a broker to effect on the exchange any transaction except upon a market or limited price order.

"(c) If because of the limited volume of transactions effected on an exchange, it is in the opinion of the Commission impracticable and not necessary or appropriate in the public interest or for the protection of investors to apply any of the foregoing provisions of this section or the rules and regulations thereunder, the Commission shall have power, upon application of the exchange and on a showing that the rules of such exchange are otherwise adequate for the protection of investors, to exempt such exchange and its members from any such provision or rules and regulations.

"(d) It shall be unlawful for a member of a national securities exchange who is both a dealer and a broker, or for any person who both as a broker and a dealer transacts a business in securities through the medium of a member or otherwise, to effect through the use of any facility of a national securities exchange or of the mails or of any means or instrumentality of interstate commerce, or otherwise in

the case of a member, (1) any transaction in connection with which, directly or indirectly, he extends or maintains or arranges for the extension or maintenance of credit to or for a customer on any security (other than an exempted security) which was a part of a new issue in the distribution of which he participated as a member of a selling syndicate or group within 6 months prior to such transaction: *Provided*, That credit shall not be deemed extended by reason of a bona fide delayed delivery of any such security against full payment of the entire purchase price thereof upon such delivery within 35 days after such purchase, or (2) any transaction with respect to any security (other than an exempted security) unless, if the transaction is with a customer, he discloses to such customer in writing at or before the completion of the transaction whether he is acting as a dealer for his own account, as a broker for such customer, or as a broker for some other person.

"(c) The Commission is directed to make a study of the feasibility and advisability of the complete segregation of the functions of dealer and broker, and to report the results of its study and its recommendations to the Congress on or before January 3, 1936.

"REGISTRATION REQUIREMENTS FOR SECURITIES

"SEC. 12. (a) It shall be unlawful for any member, broker, or dealer to effect any transaction in any security (other than an exempted security) on a national securities exchange unless a registration is effective as to such security for such exchange in accordance with the provisions of this title and the rules and regulations thereunder.

"(b) A security may be registered on a national securities exchange by the issuer filing an application with the exchange (and filing with the Commission, such duplicate originals thereof as the Commission may require), which application shall contain—

"(1) Such information, in such detail, as to the issuer and any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the issuer, and any guarantor of the security as to principal or interest or both, as the Commission may by rules and regulations require, as necessary or appropriate in the public interest or for the protection of investors, in respect of the following:

"(A) the organization, financial structure and nature of the business;

"(B) the terms, position, rights, and privileges of the different classes of securities outstanding;

"(C) the terms on which their securities are to be, and during the preceding 3 years have been, offered to the public or otherwise;

"(D) the directors, officers, and underwriters, and each security holder of record holding more than 10 percent of any class of any equity security of the issuer (other than an exempted security), their remuneration and their interests in the securities of, and their material contracts with, the issuer and any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the issuer;

"(E) remuneration to others than directors and officers exceeding $20,000 per annum;

"(F) bonus and profit-sharing arrangements;

"(G) management and service contracts;

"(H) options existing or to be created in respect of their securities;

"(I) balance sheets for not more than the 3 preceding fiscal years, certified if required by the rules and regulations of the Commission by independent public accountants;

"(J) profit and loss statements for not more than the 3 preceding fiscal years, certified if required by the rules and regulations of the Commission by independent public accountants; and

"(K) any further financial statements which the Commission may deem necessary or appropriate for the protection of investors.

"(2) Such copies of articles of incorporation, bylaws, trust indentures, or corresponding documents by whatever name known, underwriting arrangements, and other similar documents of, and voting trust agreements with respect to, the issuer and any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the issuer as the Commission may require as necessary or appropriate for the proper protection of investors and to insure fair dealing in the security.

"(c) If in the judgment of the Commission any information required under subsection (b) is inapplicable to any specified class or classes of issuers, the Commission shall require in lieu thereof the submission of such other information of comparable character as it may deem applicable to such class of issuers.

"(d) If the exchange authorities certify to the Commission that the security has been approved by the exchange for listing and registration, the registration shall become effective 30 days after the receipt of such certification by the Commission or within such shorter period of time as the Commission may determine. A security registered with a national securities exchange may be withdrawn or stricken from listing and registration in accordance with the rules of the exchange and, upon such terms as the Commission may deem necessary to impose for the protection of investors, upon application by the issuer or the exchange to the Commission; whereupon the issuer shall be relieved from further compliance with the provisions of this section and section 13 of this title and any rules or regulations under such sections as to the securities so withdrawn or stricken.

"An unissued security may be registered only in accordance with such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors. Such rules and regulations shall limit the registration of an unissued security to cases where such security is a right or the subject of a right to subscribe or otherwise acquire such security granted to holders of a previously registered security and where the primary purpose of such registration is to distribute such unissued security to such holders.

"(e) Notwithstanding the foregoing provisions of this section, the Commission may by such rules and regulations as it deems necessary or appropriate in the public interest or for the protection of investors permit securities listed on any exchange at the time the registration of such exchange as a national securities exchange becomes effective, to be registered for a period ending not later than July 1, 1935, without complying with the provisions of this section.

"(f) The Commission is directed to make a study of trading in unlisted securities upon exchanges and to report the results of its study and its recommendations to Congress on or before January 3, 1936. Notwithstanding the foregoing provisions of this section, the Commission may, by such rules and regulations as it deems necessary or appropriate for the protection of investors, prescribe terms and conditions under which, upon the application of any national securities exchange, such exchange (1) may continue until June 1, 1936, unlisted trading privileges to which a security had been admitted on such exchange prior to March 1, 1934, and for such purpose exempt such security and the issuer thereof from the provisions of this section and sections 13 and 16, or (2) may extend until July 1, 1935, unlisted trading privilege to any security registered on any other national securities exchange which security was listed on such other exchange on March 1, 1934.

"A security for which unlisted trading privileges are so continued shall be considered a 'security registered on a national securities exchange' within the meaning of this title. The rules and regulations of the Commission relating to such unlisted trading privileges for securities shall require that quotations of transactions upon any national securities exchange shall clearly indicate the difference between fully listed securities and securities admitted to unlisted trading privileges only.

"PERIODICAL AND OTHER REPORTS

"SEC. 13. (a) Every issuer of a security registered on a national securities exchange shall file the information, documents, and reports below specified with the exchange (and shall file with the Commission such duplicate originals

thereof as the Commission may require), in accordance with such rules and regulations as the Commission may prescribe as necessary or appropriate for the proper protection of investors and to insure fair dealing in the security—

"(1) Such information and documents as the Commission may require to keep reasonably current the information and documents filed pursuant to section 12.

"(2) Such annual reports, certified if required by the rules and regulations of the Commission by independent public accountants, and such quarterly reports, as the Commission may prescribe.

"(b) The Commission may prescribe, in regard to reports made pursuant to this title, the form or forms in which the required information shall be set forth, the items or details to be shown in the balance sheet and the earning statement, and the methods to be followed in the preparation of reports, in the appraisal or valuation of assets and liabilities, in the determination of depreciation and depletion, in the differentiation of recurring and nonrecurring income, in the differentiation of investment and operating income, and in the preparation, where the Commission deems it necessary or desirable, of separate and/or consolidated balance sheets or income accounts of any person directly or indirectly controlling or controlled by the issuer, or any person under direct or indirect common control with the issuer; but in the case of the reports of any person whose methods of accounting are prescribed under the provisions of any law of the United States, or any rule or regulation thereunder, the rules and regulations of the Commission with respect to reports shall not be inconsistent with the requirements imposed by such law or rule or regulation in respect of the same subject matter, and, in the case of carriers subject to the provisions of section 20 of the Interstate Commerce Act, as amended, or carriers required pursuant to any other act of Congress to make reports of the same general character as those required under such section 20, shall permit such carriers to file with the Commission and the exchange duplicate copies of the reports and other documents filed with the Interstate Commerce Commission, or with the governmental authority administering such other act of Congress, in lieu of the reports, information, and documents required under this section and section 12 in respect of the same subject matter.

"(c) If in the judgment of the Commission any report required under subsection (a) is inapplicable to any specified class or classes of issuers, the Commission shall require in lieu thereof the submission of such reports of comparable character as it may deem applicable to such class or classes of issuers.

"PROXIES

"SEC. 14. (a) It shall be unlawful for any person, by the use of the mails or by any means or instrumentality of interstate commerce or of any facility of any national securities exchange or otherwise to solicit or to permit the use of his name to solicit any proxy or consent or authorization in respect of any security (other than an exempted security) registered on any national securities exchange in contravention of such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors.

"(b) It shall be unlawful for any member of a national securities exchange or any broker or dealer who transacts a business in securities through the medium of any such member to give a proxy, consent, or authorization in respect of any security registered on a national securities exchange and carried for the account of a customer in contravention of such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors.

"OVER-THE-COUNTER MARKETS

"SEC. 15. It shall be unlawful, in contravention of such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest and to insure to investors protection comparable to that provided by and under authority of this title in the case of national securities exchanges, (1) for any broker or dealer, singly or with any other person or persons, to make use of the mails or any means or instrumentality of interstate commerce for the purpose of making or creating, or enabling another to make or create, a market, otherwise than on a national securities exchange, for both the purchase and sale of any security (other than an exempted security or commercial paper, bankers' acceptances, or commercial bills, or unregistered securities the market in which is predominantly intrastate and which have not previously been registered or listed), or (2) for any broker or dealer to use any facility of any such market. Such rules and regulations may provide for the regulation of all transactions by brokers and dealers on any such market, for the registration with the Commission of dealers and/or brokers making or creating such a market, and for the registration of the securities for which they make or create a market and may make special provision with respect to securities or specified classes thereof listed, or entitled to unlisted trading privileges, upon any exchange on the date of the enactment of this title, which securities are not registered under the provisions of section 12 of this title.

"DIRECTORS, OFFICERS, AND PRINCIPAL STOCKHOLDERS

"SEC. 16. (a) Every person who is directly or indirectly the beneficial owner of more than 10 percent of any class of any equity security (other than an exempted security) which is registered on a national securities exchange, or who is a director or an officer of the issuer of such security, shall file, at the time of the registration of such security or within 10 days after he becomes such beneficial owner, director, or officer, a statement with the exchange (and a duplicate original thereof with the Commission) of the amount of all equity securities of such issuer of which he is the beneficial owner, and within 10 days after the close of each calendar month thereafter, if there has been any change in such ownership during such month, shall file with the exchange a statement (and a duplicate original thereof with the Commission) indicating his ownership at the close of the calendar month and such changes in his ownership as have occurred during such calendar month.

"(b) For the purpose of preventing the unfair use of information which may have been obtained by such beneficial owner, director, or officer by reason of his relationship to the issuer, any profit realized by him from any purchase and sale, or any sale and purchase, of any equity security of such issuer (other than an exempted security) within any period of less than 6 months, unless such security was acquired in good faith in connection with a debt previously contracted, shall inure to and be recoverable by the issuer, irrespective of any intention on the part of such beneficial owner, director, or officer in entering into such transaction of holding the security purchased or of not repurchasing the security sold for a period exceeding 6 months. Suit to recover such profit may be instituted at law or in equity in any court of competent jurisdiction by the issuer, or by the owner of any security of the issuer in the name and in behalf of the issuer if the issuer shall fail or refuse to bring such suit within 60 days after request or shall fail diligently to prosecute the same thereafter; but no such suit shall be brought more than 2 years after the date such profit was realized. This subsection shall not be construed to cover any transaction where such beneficial owner was not such both at the time of the purchase and sale, or the sale and purchase, of the security involved, or any transaction or transactions which the Commission by rules and regulations may exempt as not comprehended within the purpose of this subsection.

"(c) It shall be unlawful for any such beneficial owner, director, or officer, directly or indirectly, to sell any equity security of such issuer (other than an exempted security), if the person selling the security or his principal (1) does not own the security sold, or (2) if owning the security, does not deliver it against such sale within 20 days thereafter, or does not within 5 days after such sale deposit it in the mails or other usual channels of transportation; but no person shall be deemed to have violated this subsection if he proves

that notwithstanding the exercise of good faith he was unable to make such delivery or deposit within such time, or that to do so would cause undue inconvenience or expense.

"(d) The provisions of this section shall not apply to foreign or domestic arbitrage transactions unless made in contravention of such rules and regulations as the Commission may adopt in order to carry out the purposes of this section.

"ACCOUNTS AND RECORDS, REPORTS, EXAMINATIONS OF EXCHANGES, MEMBERS, AND OTHERS

"SEC. 17. (a) Every national securities exchange, every member thereof, every broker or dealer who transacts a business in securities through the medium of any such member, and every broker or dealer making or creating a market for both the purchase and sale of securities through the use of the mails or of any means or instrumentality of interstate commerce, shall make, keep, and preserve for such periods, such accounts, correspondence, memoranda, papers, books, and other records, and make such reports, as the Commission by its rules and regulations may prescribe as necessary or appropriate in the public interest or for the protection of investors. Such accounts, correspondence, memoranda, papers, books, and other records shall be subject at any time or from time to time to such reasonable periodic, special, or other examinations by examiners or other representatives of the Commission as the Commission may deem necessary or appropriate in the public interest or for the protection of investors.

"(b) Any broker, dealer, or other person extending credit who is subject to the rules and regulations prescribed by the Federal Reserve Board pursuant to this title shall make such reports to the Board as it may require as necessary or appropriate to enable it to perform the functions conferred upon it by this title. If any such broker, dealer, or other person shall fail to make any such report or fail to furnish full information therein, or, if in the judgment of the Board it is otherwise necessary, such broker, dealer, or other person shall permit such inspections to be made by the Board with respect to the business operations of such broker, dealer, or other person as the Board may deem necessary to enable it to obtain the required information.

"LIABILITY FOR MISLEADING STATEMENTS

"SEC. 18. (a) Any person who shall make or cause to be made any statement in any application, report, or document filed pursuant to this title or any rule or regulation thereunder, which statement was at the time and in the light of the circumstances under which it was made false or misleading with respect to any material fact, shall be liable to any person (not knowing that such statement was false or misleading) who, in reliance upon such statement, shall have purchased or sold a security at a price which was affected by such statement, for damages caused by such reliance, unless the person sued shall prove that he acted in good faith and had no knowledge that such statement was false or misleading. A person seeking to enforce such liability may sue at law or in equity in any court of competent jurisdiction. In any such suit the court may, in its discretion, require an undertaking for the payment of the costs of such suit, and assess reasonable costs, including reasonable attorneys' fees, against either party litigant.

"(b) Every person who becomes liable to make payment under this section may recover contribution as in cases of contract from any person who, if joined in the original suit, would have been liable to make the same payment.

"(c) No action shall be maintained to enforce any liability created under this section unless brought within 1 year after the discovery of the facts constituting the cause of action and within 3 years after such cause of action accrued.

"POWERS WITH RESPECT TO EXCHANGES AND SECURITIES

"SEC. 19. (a) The Commission is authorized, if in its opinion such action is necessary or appropriate for the protection of investors—

"(1) After appropriate notice and opportunity for hearing, by order to suspend for a period not exceeding 12 months or to withdraw the registration of a national securities exchange if the Commission finds that such exchange has violated any provision of this title or of the rules and regulations thereunder or has failed to enforce, so far as is within its power, compliance therewith by a member or by an issuer of a security registered thereon.

"(2) After appropriate notice and opportunity for hearing, by order to deny, to suspend the effective date of, to suspend for a period not exceeding 12 months, or to withdraw, the registration of a security if the Commission finds that the issuer of such security has failed to comply with any provision of this title or the rules and regulations thereunder.

"(3) After appropriate notice and opportunity for hearing, by order to suspend for a period not exceeding 12 months or to expel from a national securities exchange any member or officer thereof whom the Commission finds has violated any provision of this title or the rules and regulations thereunder, or has effected any transaction for any other person who, he has reason to believe, is violating in respect of such transaction any provision of this title or the rules and regulations thereunder.

"(4) And if in its opinion the public interest so requires, summarily to suspend trading in any registered security on any national securities exchange for a period not exceeding 10 days, or with the approval of the President, summarily to suspend all trading on any national securities exchange for a period not exceeding 90 days.

"(b) The Commission is further authorized, if after making appropriate request in writing to a national securities exchange that such exchange effect on its own behalf specified changes in its rules and practices, and after appropriate notice and opportunity for hearing, the Commission determines that such exchange has not made the changes so requested, and that such changes are necessary or appropriate for the protection of investors or to insure fair dealing in securities traded in upon such exchange or to insure fair administration of such exchange, by rules or regulations or by order to alter or supplement the rules of such exchange (insofar as necessary or appropriate to effect such changes) in respect of such matters as (1) safeguards in respect of the financial responsibility of members and adequate provision against the evasion of financial responsibility through the use of corporate forms or special partnerships; (2) the limitation or prohibition of the registration or trading in any security within a specified period after the issuance or primary distribution thereof; (3) the listing or striking from listing of any security; (4) hours of trading; (5) the manner, method, and place of soliciting business; (6) fictitious or numbered accounts; (7) the time and method of making settlements, payments, and deliveries and of closing accounts; (8) the reporting of transactions on the exchange and upon tickers maintained by or with the consent of the exchange, including the method of reporting short sales, stopped sales, sales of securities of issuers in default, bankruptcy or receivership, and sales involving other special circumstances; (9) the fixing of reasonable rates of commission, interest, listing, and other charges; (10) minimum units of trading; (11) odd-lot purchases and sales; (12) minimum deposits on margin accounts; and (13) similar matters.

"(c) The Commission is authorized and directed to make a study and investigation of the rules of national securities exchanges with respect to the classification of members, the methods of election of officers and committees to insure a fair representation of the membership, and the suspension, expulsion, and disciplining of members of such exchanges. The Commission shall report to the Congress on or before January 3, 1935, the results of its investigation, together with its recommendations.

"LIABILITIES OF CONTROLLING PERSONS

"SEC. 20. (a) Every person who, directly or indirectly, controls any person liable under any provision of this title or of any rule or regulation thereunder shall also be liable jointly and severally with and to the same extent as such controlled person to any person to whom such controlled

person is liable, unless the controlling person acted in good faith and did not directly or indirectly induce the act or acts constituting the violation or cause of action.

"(b) It shall be unlawful for any person, directly or indirectly, to do any act or thing which it would be unlawful for such person to do under the provisions of this title or any rule or regulation thereunder through or by means of any other person.

"(c) It shall be unlawful for any director or officer of, or any owner of any of the securities issued by, any issuer of any security registered on a national securities exchange, without just cause to hinder, delay, or obstruct the making or filing of any document, report, or information, required to be filed under this title or any rule or regulation thereunder.

"INVESTIGATIONS; INJUNCTIONS AND PROSECUTION OF OFFENSES

"SEC. 21. (a) The Commission may, in its discretion, make such investigations as it deems necessary to determine whether any person has violated or is about to violate any provision of this title or any rule or regulation thereunder, and may require or permit any person to file with it a statement in writing, under oath or otherwise as the Commission shall determine, as to all the facts and circumstances concerning the matter to be investigated. The Commission is authorized, in its discretion, to publish information concerning any such violations, and to investigate any facts, conditions, practices, or matters which it may deem necessary or proper to aid in the enforcement of the provisions of this title, in the prescribing of rules and regulations thereunder, or in securing information to serve as a basis for recommending further legislation concerning the matters to which this title relates.

"(b) For the purpose of any such investigation, or any other proceeding under this title, any member of the Commission or any officer designated by it is empowered to administer oaths and affirmations, subpena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, or other records which the Commission deems relevant or material to the inquiry. Such attendance of witnesses and the production of any such records may be required from any place in the United States or any State at any designated place of hearing.

"(c) In case of contumacy by, or refusal to obey a subpena issued to, any person, the Commission may invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on, or where such person resides or carries on business, in requiring the attendance and testimony of witnesses and the production of books, papers, correspondence, memoranda, and other records. And such court may issue an order requiring such person to appear before the Commission or member or officer designated by the Commission, there to produce records, if so ordered, or to give testimony touching the matter under investigation or in question; and any failure to obey such order of the court may be punished by such court as a contempt thereof. All process in any such case may be served in the judicial district whereof such person is an inhabitant or wherever he may be found. Any person who shall, without just cause, fail or refuse to attend and testify or to answer any lawful inquiry or to produce books, papers, correspondence, memoranda, and other records, if in his power so to do, in obedience to the subpena of the Commission, shall be guilty of a misdemeanor and, upon conviction, shall be subject to a fine of not more than $1,000 or to imprisonment for a term of not more than 1 year, or both.

"(d) No person shall be excused from attending and testifying or from producing books, papers, contracts, agreements, and other records and documents before the Commission, or in obedience to the subpena of the Commission or any member thereof or any officer designated by it, or in any cause or proceeding instituted by the Commission, on the ground that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject him to a penalty or forfeiture; but no individual shall be prosecuted or subject to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, documentary or otherwise, except that such individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying.

"(e) Whenever it shall appear to the Commission that any person is engaged or about to engage in any acts or practices which constitute or will constitute a violation of the provisions of this title, or of any rule or regulation thereunder, it may in its discretion bring an action in the proper district court of the United States, the Supreme Court of the District of Columbia, or the United States courts of any Territory or other place subject to the jurisdiction of the United States, to enjoin such acts or practices, and upon a proper showing a permanent or temporary injunction or restraining order shall be granted without bond. The Commission may transmit such evidence as may be available concerning such acts or practices to the Attorney General, who may, in his discretion, institute the necessary criminal proceedings under this title.

"(f) Upon application of the Commission the district courts of the United States, the Supreme Court of the District of Columbia, and the United States courts of any Territory or other place subject to the jurisdiction of the United States, shall also have jurisdiction to issue writs of mandamus commanding any person to comply with the provisions of this title or any order of the Commission made in pursuance thereof.

"HEARINGS BY COMMISSION

"SEC. 22. Hearings may be public and may be held before the Commission, any member or members thereof, or any officer or officers of the Commission designated by it, and appropriate records thereof shall be kept.

"RULES AND REGULATIONS; ANNUAL REPORTS

"SEC. 23. (a) The Commission and the Federal Reserve Board shall each have power to make such rules and regulations as may be necessary for the execution of the functions vested in them by this title, and may for such purpose classify issuers, securities, exchanges, and other persons or matters within their respective jurisdiction.

"(b) The Commission and the Federal Reserve Board, respectively, shall include in their annual reports to Congress such information, data, and recommendation for further legislation as they may deem advisable with regard to matters within their respective jurisdictions under this title.

"INFORMATION FILED WITH THE COMMISSION

"SEC. 24. (a) Nothing in this title shall be construed to require, or to authorize the Commission to require, the revealing of trade secrets or processes in any application, report, or document filed with the Commission under this title.

"(b) Any person filing any such application, report, or document may make written objection to the public disclosure of information contained therein, stating the grounds for such objection, and the Commission is authorized to hear objections in any such case where it deems it advisable. The Commission may, in such cases, make available to the public the information contained in any such application, report, or document only when in its judgment a disclosure of such information is in the public interest; and copies of information so made available may be furnished to any person at such reasonable charge and under such reasonable limitations as the Commission may prescribe.

"(c) It shall be unlawful for any member, officer, or employee of the Commission to disclose to any person other than a member, officer, or employee of the Commission, or to use for personal benefit, any information contained in any application, report, or document filed with the Commission which is not made available to the public pursuant to subsection (b) of this section: *Provided*, That the Commission may make available to the Federal Reserve Board any information requested by the Board for the purpose of enabling it to perform its duties under this title.

"COURT REVIEW OF ORDERS

"SEC. 25. (a) Any person aggrieved by an order issued by the Commission in a proceeding under this title to which

such person is a party may obtain a review of such order in the Circuit Court of Appeals of the United States, within any circuit wherein such person resides or has his principal place of business, or in the Court of Appeals of the District of Columbia, by filing in such court, within 60 days after the entry of such order, a written petition praying that the order of the Commission be modified or set aside in whole or in part. A copy of such petition shall be forthwith served upon any member of the Commission, and thereupon the Commission shall certify and file in the court a transcript of the record upon which the order complained of was entered. Upon the filing of such transcript such court shall have exclusive jurisdiction to affirm, modify, and enforce or set aside such order, in whole or in part. No objection to the order of the Commission shall be considered by the court unless such objection shall have been urged before the Commission. The finding of the Commission as to the facts, if supported by substantial evidence, shall be conclusive. If either party shall apply to the court for leave to adduce additional evidence, and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for failure to adduce such evidence in the hearing before the Commission, the court may order such additional evidence to be taken before the Commission and to be adduced upon the hearing in such manner and upon such terms and conditions as to the court may seem proper. The Commission may modify its findings as to the facts, by reason of the additional evidence so taken, and it shall file such modified or new findings, which, if supported by substantial evidence, shall be conclusive, and its recommendation, if any, for the modification or setting aside of the original order. The judgment and decree of the court, affirming, modifying, and enforcing or setting aside, in whole or in part, any such order of the Commission, shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in sections 239 and 240 of the Judicial Code, as amended (U.S.C., title 28, secs. 346 and 347).

"(b) The commencement of proceedings under subsection (a) shall not, unless specifically ordered by the court, operate as a stay of the Commission's order.

"UNLAWFUL REPRESENTATIONS

"SEC. 26. No action or failure to act by the Commission or the Federal Reserve Board, in the administration of this title shall be construed to mean that the particular authority has in any way passed upon the merits of, or given approval to, any security or any transaction or transactions therein, nor shall such action or failure to act with regard to any statement or report filed with or examined by such authority pursuant to this title or rules and regulations thereunder, be deemed a finding by such authority that such statement or report is true and accurate on its face or that it is not false or misleading. It shall be unlawful to make, or cause to be made, to any prospective purchaser or seller of a security any representation that any such action or failure to act by any such authority is to be so construed or has such effect.

"JURISDICTION OF OFFENSES AND SUITS

"SEC. 27. The district courts of the United States, the Supreme Court of the District of Columbia, and the United States courts of any Territory or other place subject to the jurisdiction of the United States shall have exclusive jurisdiction of violations of this title or the rules and regulations thereunder, and of all suits in equity and actions at law brought to enforce any liability or duty created by this title or the rules and regulations thereunder. Any criminal proceeding may be brought in the district wherein any act or transaction constituting the violation occurred. Any suit or action to enforce any liability or duty created by this title or rules and regulations thereunder, or to enjoin any violation of such title or rules and regulations, may be brought in any such district or in the district wherein the defendant is found or is an inhabitant or transacts business, and process in such cases may be served in any other district of which the defendant is an inhabitant or wherever the defendant may be found. Judgments and decrees so rendered shall be subject to review as provided in sections 128 and 240 of the Judicial Code, as amended (U.S.C., title 28, secs. 225 and 347). No costs shall be assessed for or against the Commission in any proceeding under this title brought by or against it in the Supreme Court or such other courts.

"EFFECT ON EXISTING LAW

"SEC. 28. (a) The rights and remedies provided by this title shall be in addition to any and all other rights and remedies that may exist at law or in equity; but no person permitted to maintain a suit for damages under the provisions of this title shall recover, through satisfaction of judgment in one or more actions, a total amount in excess of his actual damages on account of the act complained of. Nothing in this title shall affect the jurisdiction of the securities commission (or any agency or officer performing like functions) of any State over any security or any person insofar as it does not conflict with the provisions of this title or the rules and regulations thereunder.

"(b) Nothing in this title shall be construed to modify existing law (1) with regard to the binding effect on any member of any exchange of any action taken by the authorities of such exchange to settle disputes between its members, or (2) with regard to the binding effect of such action on any person who has agreed to be bound thereby, or (3) with regard to the binding effect on any such member of any disciplinary action taken by the authorities of the exchange as a result of violation of any rule of the exchange, insofar as the action taken is not inconsistent with the provisions of this title or the rules and regulations thereunder.

"VALIDITY OF CONTRACTS

"SEC. 29. (a) Any condition, stipulation, or provision binding any person to waive compliance with any provision of this title or of any rule or regulation thereunder, or of any rule of an exchange required thereby shall be void.

"(b) Every contract made in violation of any provision of this title or of any rule or regulation thereunder, and every contract (including any contract for listing a security on an exchange) heretofore or hereafter made the performance of which involves the violation of, or the continuance of any relationship or practice in violation of, any provision of this title or any rule or regulation thereunder, shall be void (1) as regards the rights of any person who, in violation of any such provision, rule, or regulation, shall have made or engaged in the performance of any such contract, and (2) as regards the rights of any person who, not being a party to such contract, shall have acquired any right thereunder with actual knowledge of the facts by reason of which the making or performance of such contract was in violation of any such provision, rule or regulation.

"(c) Nothing in this title shall be construed (1) to affect the validity of any loan or extension of credit (or any extension or renewal thereof) made or of any lien created prior or subsequent to the enactment of this title, unless at the time of the making of such loan or extension of credit (or extension or renewal thereof) or the creating of such lien, the person making such loan or extension of credit (or extension or renewal thereof) or acquiring such lien shall have actual knowledge of facts by reason of which the making of such loan or extension of credit (or extension or renewal thereof) or the acquisition of such lien is a violation of the provisions of this title or any rule or regulation thereunder, or (2) to afford a defense to the collection of any debt or obligation or the enforcement of any lien by any person who shall have acquired such debt, obligation, or lien in good faith for value and without actual knowledge of the violation of any provision of this title or any rule or regulation thereunder affecting the legality of such debt, obligation, or lien.

"FOREIGN SECURITIES EXCHANGES

"SEC. 30. (a) It shall be unlawful for any broker or dealer, directly or indirectly, to make use of the mails or of any means or instrumentality of interstate commerce for the purpose of effecting on an exchange not within or subject to the jurisdiction of the United States, any transaction in any security the issuer of which is a resident of, or is organ-

ized under the laws of, or has its principal place of business in, a place within or subject to the jurisdiction of the United States, in contravention of such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors or to prevent the evasion of this title.

"(b) The provisions of this title or of any rule or regulation thereunder shall not apply to any person insofar as he transacts a business in securities without the jurisdiction of the United States, unless he transacts such business in contravention of such rules and regulations as the Commission may prescribe as necessary or appropriate to prevent the evasion of this title.

"REGISTRATION FEES

"SEC. 31. Every national securities exchange shall pay to the Commission on or before March 15 of each calendar year a registration fee for the privilege of doing business as a national securities exchange during the preceding calendar year or any part thereof. Such fee shall be in an amount equal to one five-hundredths of 1 percent of the aggregate dollar amount of the sales of securities transacted on such national securities exchange during the preceding calendar year and subsequent to its registration as a national securities exchange.

"PENALTIES

"SEC. 32. Any person who willfully violates any provision of this title, or any rule or regulation thereunder the violation of which is made unlawful or the observance of which is required under the terms of this title, or any person who willfully and knowingly makes, or causes to be made, any statement in any application, report, or document required to be filed under this title or any rule or regulation thereunder, which statement was false or misleading with respect to any material fact, shall upon conviction be fined not more than $10,000, or imprisoned not more than 2 years, or both, except that when such person is an exchange, a fine not exceeding $500,000 may be imposed; but no person shall be subject to imprisonment under this section for the violation of any rule or regulation if he proves that he had no knowledge of such rule or regulation.

"SEPARABILITY OF PROVISIONS

"SEC. 33. If any provision of this act, or the application of such provision to any person or circumstances, shall be held invalid, the remainder of the act, and the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

"EFFECTIVE DATE

"SEC. 34. This act shall become effective on July 1, 1934, except that sections 6 and 12 (b), (c), (d), and (e) shall become effective on September 1, 1934; and sections 5, 7, 8, 9 (a) (6), 10, 11, 12 (a), 13, 14, 15, 16, 17, 18, 19, and 30 shall become effective on October 1, 1934.

"TITLE II—AMENDMENTS TO SECURITIES ACT OF 1933

"SEC. 201. (a) Paragraph (1) of section 2 of the Securities Act of 1933 is amended to read as follows:

"'(1) The term "security" means any note, stock, treasury stock, bond, debenture, evidence of indebtedness, certificate of interest or participation in any profit-sharing agreement, collateral-trust certificate, preorganization certificate or subscription, transferable share, investment contract, voting-trust certificate, certificate of deposit for a security, fractional undivided interest in oil, gas, or other mineral rights, or, in general, any interest or instrument commonly known as a "security", or any certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing.'

"(b) Paragraph (4) of such section 2 is amended to read as follows:

"'(4) The term "issuer" means every person who issues or proposes to issue any security; except that with respect to certificates of deposit, voting-trust certificates, or collateral-trust certificates, or with respect to certificates of interest or shares in an unincorporated investment trust not having a board of directors (or persons performing similar functions) or of the fixed, restricted management, or unit type, the term "issuer" means the person or persons performing the acts and assuming the duties of depositor or manager pursuant to the provisions of the trust or other agreement or instrument under which such securities are issued; except that in the case of an unincorporated association which provides by its articles for limited liability of any or all of its members, or in the case of a trust, committee, or other legal entity, the trustees or members thereof shall not be individually liable as issuers of any security issued by the association, trust, committee, or other legal entity; except that with respect to equipment-trust certificates or like securities, the term "issuer" means the person by whom the equipment or property is or is to be used; and except that with respect to fractional undivided interests in oil, gas, or other mineral rights, the term "issuer" means the owner of any such right or of any interest in such right (whether whole or fractional) who creates fractional interests therein for the purpose of public offering.'

"(c) Paragraph (10) of such section 2 is amended to read as follows:

"'(10) The term "prospectus" means any prospectus, notice, circular, advertisement, letter, or communication, written or by radio, which offers any security for sale; except that (a) a communication shall not be deemed a prospectus if it is proved that prior to or at the same time with such communication a written prospectus meeting the requirements of section 10 was sent or given to the person to whom the communication was made, by the person making such communication or his principal, and (b) a notice, circular, advertisement, letter, or communication in respect of a security shall not be deemed to be a prospectus if it states from whom a written prospectus meeting the requirements of section 10 may be obtained and, in addition, does no more than identify the security, state the price thereof, and state by whom orders will be executed.'

"SEC. 202. (a) Paragraph (2) of section 3 (a) of such act is amended to read as follows:

"'(2) Any security issued or guaranteed by the United States or any Territory thereof, or by the District of Columbia, or by any State of the United States, or by any political subdivision of a State or Territory, or by any public instrumentality of one or more States or Territories, or by any person controlled or supervised by and acting as an instrumentality of the Government of the United States pursuant to authority granted by the Congress of the United States, or any certificate of deposit for any of the foregoing, or any security issued or guaranteed by any national bank, or by any banking institution organized under the laws of any State or Territory or the District of Columbia, the business of which is substantially confined to banking and is supervised by the State or Territorial banking commission or similar official; or any security issued by or representing an interest in or a direct obligation of a Federal Reserve bank';

"(b) Paragraph (4) of such section 3 (a) is amended by striking out 'corporation' and inserting in lieu thereof 'person.'

"(c) Such section 3 (a) is further amended by striking out the period at the end of paragraph (8) and inserting in lieu thereof a semicolon, and by inserting immediately after such paragraph (8) the following new paragraphs:

"'(9) Any security exchanged by the issuer with its existing security holders exclusively where no commission or other remuneration is paid or given directly or indirectly for soliciting such exchange;

"'(10) Any security which is issued in exchange for one or more bona fide outstanding securities, claims or property interests, or partly in such exchange and partly for cash, where the terms and conditions of such issuance and exchange are approved, after a hearing upon the fairness of such terms and conditions at which all persons to whom it is proposed to issue securities in such exchange shall have the right to appear, by any court, or by any official or agency of the United States, or by any State or Territorial banking or insurance commission or other governmental authority expressly authorized by law to grant such approval;

"'(11) Any security which is a part of an issue sold only to persons resident within a single State or Territory, where

the issuer of such security is a person resident and doing business within, or, if a corporation, incorporated by and doing business within, such State or Territory.'

"SEC. 203. (a) Paragraph (1) of section 4 of such act is amended (1) by striking out 'not with or through an underwriter and'; and (2) by striking out 'last' and inserting in lieu thereof 'first.'

"(b) Paragraph (3) of such section 4 is hereby repealed.

"SEC. 204. Subsection (c) of section 5 of such act is hereby repealed.

"SEC. 205. Paragraph (1) of section 10 (b) of such act is amended to read as follows:

"'(1) When a prospectus is used more than 13 months after the effective date of the registration statement, the information in the statements contained therein shall be as of a date not more than 12 months prior to such use, so far as such information is known to the user of such prospectus or can be furnished by such user without unreasonable effort or expense.'

"SEC. 206. (a) Section 11 (a) of such act is amended by adding after the last line thereof the following new sentence: 'If such person acquired the security after the issuer has made generally available to its security holders an earning statement covering a period of at least 12 months beginning after the effective date of the registration statement, then the right of recovery under this subsection shall be conditioned on proof that such person acquired the security relying upon such untrue statement in the registration statement or relying upon the registration statement and not knowing of such omission, but such reliance may be established without proof of the reading of the registration statement by such person.'

"(b) Clauses (C) and (D) of paragraph (3) of section 11 (b) of such act are amended to read as follows: '(C) as regards any part of the registration statement purporting to be made on the authority of an expert (other than himself) or purporting to be a copy of or extract from a report or valuation of an expert (other than himself), he had no reasonable ground to believe and did not believe, at the time such part of the registration statement became effective, that the statements therein were untrue or that there was an omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or that such part of the registration statement did not fairly represent the statement of the expert or was not a fair copy of or extract from the report or valuation of the expert; and (D) as regards any part of the registration statement purporting to be a statement made by an official person or purporting to be a copy of or extract from a public official document, he had no reasonable ground to believe and did not believe, at the time such part of the registration statement became effective, that the statements therein were untrue, or that there was an omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or that such part of the registration statement did not fairly represent the statement made by the official person or was not a fair copy of or extract from the public official document.'

"(c) Subsection (c) of such section 11 is amended to read as follows:

"'(c) In determining, for the purpose of paragraph (3) of subsection (b) of this section, what constitutes reasonable investigation and reasonable ground for belief, the standard of reasonableness shall be that required of a prudent man in the management of his own property.'

"(d) Subsection (e) of such section 11 is amended to read as follows:

"'(e) The suit authorized under subsection (a) may be to recover such damages as shall represent the difference between the amount paid for the security (not exceeding the price at which the security was offered to the public) and (1) the value thereof as of the time such suit was brought, or (2) the price at which such security shall have been disposed of in the market before suit, or (3) the price at which such security shall have been disposed of after suit but before judgment if such damages shall be less than the damages representing the difference between the amount paid for the security (not exceeding the price at which the security was offered to the public) and the value thereof as of the time such suit was brought: *Provided*, That if the defendant proves that any portion or all of such damages represents other than the depreciation in value of such security resulting from such part of the registration statement, with respect to which his liability is asserted, not being true or omitting to state a material fact required to be stated therein or necessary to make the statements therein not misleading, such portion of or all such damages shall not be recoverable. In no event shall any underwriter (unless such underwriter shall have knowingly received from the issuer for acting as an underwriter some benefit, directly or indirectly, in which all other underwriters similarly situated did not share in proportion to their respective interests in the underwriting) be liable in any suit or as a consequence of suits authorized under subsection (a) for damages in excess of the total price at which the securities underwritten by him and distributed to the public were offered to the public. In any suit under this or any other section of this title the court may, in its discretion, require an undertaking for the payment of the costs of such suit, including reasonable attorney's fees, and if judgment shall be rendered against a party litigant, upon the motion of the other party litigant, such costs may be assessed in favor of such party litigant (whether or not such undertaking has been required) if the court believes the suit or the defense to have been without merit, in an amount sufficient to reimburse him for the reasonable expenses incurred by him, in connection with such suit, such costs to be taxed in the manner usually provided for taxing of costs in the court in which the suit was heard.'

"SEC. 207. Section 13 of such act is amended (a) by striking out '2 years' wherever it appears therein and inserting in lieu thereof '1 year'; (b) by striking out '10 years' and inserting in lieu thereof '3 years'; and (c) by inserting immediately before the period at the end thereof a comma and the following: 'or under section 12 (2) more than 3 years after the sale.'

"SEC. 208. Section 15 of such act is amended by inserting immediately before the period at the end thereof a comma and the following: 'unless the controlling person had no knowledge of or reasonable ground to believe in the existence of the facts by reason of which the liability of the controlled person is alleged to exist.'

"SEC. 209. (a) The first sentence of subsection (a) of section 19 of such act is amended by inserting after the word 'accounting' a comma and the word 'technical.'

"(b) Subsection (a) of such section 19 is further amended by adding at the end thereof the following new sentence: 'No provision of this title imposing any liability shall apply to any act done or omitted in good faith in conformity with any rule or regulation of the Commission, notwithstanding that such rule or regulation may, after such act or omission, be amended or rescinded or be determined by judicial or other authority to be invalid for any reason.'

"SEC. 210. Upon the expiration of 60 days after the date upon which a majority of the members of the Securities and Exchange Commission appointed under section 4 of title I of this act have qualified and taken office, all powers, duties, and functions of the Federal Trade Commission under the Securities Act of 1933 shall be transferred to such Commission, together with all property, books, records, and unexpended balances of appropriations used by or available to the Federal Trade Commission for carrying out its functions under the Securities Act of 1933. All proceedings, hearings, or investigations commenced or pending before the Federal Trade Commission arising under the Securities Act of 1933 shall be continued by the Securities and Exchange Commission. All orders, rules, and regulations which have been issued by the Federal Trade Commission under the Securities Act of 1933 and which are in effect shall continue in effect until modified, superseded, revoked, or repealed. All rights and interests accruing or to accrue under the Securities Act of 1933, or any provision of any

regulation relating to, or out of action taken by, the Federal Trade Commission under such act, shall be followed in all respects and may be exercised and enforced.

"SEC. 211. The Commission is authorized and directed to make a study and investigation of the work, activities, personnel, and functions of protective and reorganization committees in connection with the reorganization, readjustment, rehabilitation, liquidation, or consolidation of persons and properties and to report the result of its studies and investigations and its recommendations to the Congress on or before January 3, 1936."

And the Senate agree to the same.

DUNCAN U. FLETCHER,
ALBEN W. BARKLEY,
JAMES F. BYRNES,
PHILLIPS LEE GOLDSBOROUGH,
JAMES COUZENS,
Managers on the part of the Senate.

SAM RAYBURN,
GEORGE HUDDLESTON,
CLARENCE F. LEA,
CARL E. MAPES,
Managers on the part of the House.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 85. An act for the relief of Paul J. Sisk;

S. 177. An act for the relief of Woodhouse Chain Works;

S. 256. An act for the relief of Milburn Knapp;

S. 308. An act to authorize the award of a decoration for distinguished service to Harry H. Horton;

S. 512. An act for the relief of Peter Pierre;

S. 1073. An act for the relief of E. Walter Edwards;

S. 1081. An act for the relief of McKimmon & McKee, Inc.;

S. 1429. An act for the relief of Anthony J. Lynn;

S. 1460. An act for the relief of Edgar Stivers;

S. 1772. An act for relief of the Western Montana Clinic, Missoula, Mont.;

S. 2745. An act to provide for changing the time of the meeting of Congress, the beginning of the terms of Members of Congress, and the time when the electoral votes shall be counted, and for other purposes;

S. 2748. An act to authorize an appropriation for the reimbursement of Stelio Vassiliadis;

S. 2798. An act for the relief of Nephew K. Clark;

S. 2889. An act for the relief of certain Indians of the Fort Peck Reservation, Mont.;

S. 2969. An act for the relief of the Mary Black Memorial Hospital;

S. 3128. An act to pay certain fees to Maude G. Nicholson, widow of George A. Nicholson, late a United States commissioner; and

S. 3307. An act for the relief of W. H. Le Duc.

The message also announced that the House had passed the bill (S. 785) for the relief of Elizabeth Bolger, with amendments, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the following bills of the Senate, severally with an amendment, in which it requested the concurrence of the Senate:

S. 1126. An act for the relief of M. M. Twichel;

S. 2002. An act for the relief of R. S. Howard Co., Inc.; and

S. 2342. An act for the relief of I. T. McRee.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 387. An act donating bronze trophy guns to the Cohoes Historical Society, Cohoes, N.Y.;

H.R. 471. An act for the relief of Physicians and Surgeons Hospital, Ltd.;

H.R. 1306. An act for the relief of Clarence A. Wimley;

H.R. 1308. An act for the relief of John Parker Clark, Sr.;

H.R. 1345. An act for the relief of John Parker Clark, Jr.;

H.R. 1354. An act for the relief of C. V. Mason;

H.R. 3176. An act for the relief of Ernest Elmore Hall;

H.R. 3595. An act for the relief of St. Ludgers Catholic Church, of Germantown, Henry County, Mo.;

H.R. 3912. An act for the relief of Roland Zolesky;

H.R. 4175. An act for the relief of Oscar C. Olson;

H.R. 4387. An act for the relief of Mary A. Rockwell;

H.R. 5400. An act for the relief of Thomas F. Olsen;

H.R. 5809. An act to provide compensation for Robert Rayford Wilcoxson for injuries received in citizens' military training camp;

H.R. 6284. An act for the relief of John R. Novak;

H.R. 6497. An act for the relief of James Henry Green;

H.R. 6625. An act for the relief of Charles Farr;

H.R. 6696. An act for the relief of William T. Roche;

H.R. 7107. An act for the relief of Frank Baglione;

H.R. 7161. An act to provide for the refund or abatement of the customs duty on altar candlesticks and cross imported for the Church of the Good Shepherd, Memphis, Tenn.;

H.R. 7264. An act for the relief of M. N. Lipinski;

H.R. 7272. An act for the relief of John W. Adair;

H.R. 7372. An act for the relief of Donald K. Warner;

H.R. 7560. An act for the relief of Charles E. Dagenett;

H.R. 7623. An act granting a renewal of Patent No. 54296, relating to the badge of the American Legion;

H.R. 7624. An act granting a renewal of Patent No. 5398, relating to the badge of the American Legion Auxiliary;

H.R. 7631. An act for the relief of Arthur A. Burn, Sr., and J. K. Ryland;

H.R. 7697. An act for the relief of William Chinsky;

H.R. 7781. An act for the relief of Rosemund Pauline Lowry;

H.R. 7816. An act for the relief of Oswald H. Halford, Hunter M. Henry, William C. Horne, Rupert R. Johnson, David L. Lacey, William Z. Lee, Fenton F. Rodgers, Henry Freeman Seale, Felix M. Smith, Edwin C. Smith, Robert S. Sutherland, and Charles G. Ventress;

H.R. 7893. An act for the relief of Ralph LaVern Walker; and

H.R. 8035. An act for the relief of James M. Pace.

RICIPROCAL-TARIFF AGREEMENTS

The Senate resumed the consideration of the bill (H.R. 8687) to amend the Tariff Act of 1930.

AMERICAN IMPERIALISTIC FINANCE

Mr. LONG. Mr. President, I desire to discuss this tariff question in connection with our Latin American problems and the Cuban involvements.

A few days ago we were presented with a resolution seeking to prevent the shipment of munitions and war supplies to Paraguay and Bolivia. That resolution, I am convinced, had behind it a good purpose and was offered with a good intent. We agreed to the resolution with very little debate.

Some few months before that resolution was offered, we were concerned with a Cuban revolution, and considerable action has been taken by the Congress and by our executive department on account of the Cuban embroilment.

I wish to be heard with regard to what is involved in the Paraguay-Bolivia war. As is usually the case, it is the forces of imperialistic finance which are today responsible for the war between Bolivia and Paraguay, and it is the financial interests of this country which are responsible, in large measure, for the conditions prevailing in Cuba.

I have before me a brief memorandum showing what the present war between Paraguay and Bolivia involves. Only recently considerable oil development has occurred in what is known as the "Chaco area" of Paraguay. Paraguay is served by a navigable river, known as the "River Paraguay", which flows along the border line of Argentina and Brazil and Paraguay and empties into the Atlantic Ocean.

The Standard Oil Co. of New Jersey, an American corporation, the promoter of revolutions in Central America, South America, and Mexico ever since they have wanted oil concessions, has found it necessary to have the Chaco terri-

tory. The Chaco territory has been adjudicated to belong to Paraguay, and has been held to be Paraguayan property so long that there is practically no reasonable person who entertains any doubt as to who is the owner of the Chaco.

As far back as 1874 a controversy arose between Argentina and Paraguay as to who owned the Chaco territory, and the United States was called in to mediate the dispute. The President of the United States at that time, President Rutherford B. Hayes, rendered a report, in which he held that Paraguay—to use his own words—"has a just and legal title to the Chaco territory." That was not only recognized by Argentina, it was not only recognized by Paraguay, it was recognized by Bolivia, and was held to be the basis of ownership on which the United States predicated everything it did relating to South American controversies over the Chaco territory. There is an agreement in effect today, we are told, recognizing the Chaco territory as a part of the Paraguayan Government's domain.

But, Mr. President, they have discovered oil in the Chaco and Bolivia. It seems that it will cost considerable money for them to reach the deep water with the oil of the Standard Oil Co. which has been discovered in Bolivia, and, therefore, Bolivia finds itself in need of a pipe line route to navigable Paraguayan rivers, which it does not want to acquire on such terms and conditions as will be required by the Paraguayan Government.

Not only that but the territory of the Chaco itself is rich in natural resources and probably in mineral deposits. So a war has broken out, financed by whom? The war is between Bolivia, a country with around 3,000,000 population, fighting against Paraguay, a country with a population of probably less than 1,000,000 people, although their population is largely transitory; many of its people are employed seasonally in some of the countries around Paraguay for the planting and gathering of crops. But the Standard Oil Co. of the United States and other affiliated interests have been guilty of promoting this war and financing Bolivia, for no purpose under God's sun than to take that territory away from that little Latin American country which America already has held owns the Chaco. Time after time America has adjudicated the differences and held that it was Paraguayan territory, and Bolivia has recognized it, Argentina has recognized it, and the United States has recognized it, Mr. President, now for a period of almost 60 years. Notwithstanding that fact, we came in here the other day with a resolution by which we professed to declare our neutrality.

What develops? It develops, so I am reliably informed, from persons who have reason to know, that Bolivia had, with the aid of the Standard Oil Co., largely equipped itself with the munitions of war and other combustibles necessary to carry on its offensive war against Paraguay. Paraguay has not gone one foot into the Bolivian territory. Mr. President, every foot of advance has been by the Bolivian Army.

I have in my hand an official document published by the Bolivian Government. Here is a contract entered into by the Standard Oil Co. of New Jersey, an American corporation, in which it has agreed to furnish the petroleum and gasoline necessary to Bolivia in order for that country to carry on its offensive warfare against Paraguay. The document is in Spanish, but I will read the translation of part of it.

Four hundred thousand liters of gasoline (approximately 100,000 gallons) for aviation and 800,000 for trucks monthly. (Approximately 200,000 gallons.)

We reproduce a continuation of the decree in respect to the Bolivian Government that we take from El Diario, of La Paz, edition of the 14th of March past.

The executive has given the following supreme decree:

Seen and considered:

The necessity of consuming preferably national gasoline for the needs of the campaign (war), and greater reason due to the considerable increase of consumption that will be caused by the securing of new motor units and of aviation:

That an agreement has been arrived at with the Standard Oil Co. of Bolivia.

It is known, Mr. President, that they always pretend to be a company and a product of the particular country or part of the country they are ravishing, just as when they were freezing out the territory of Louisiana, the Standard Oil Co. of Louisiana claimed itself to be the product of our native territory down there, against whose citizens they were conducting a pipe-line embargo at the time.

That an agreement had been arrived at with the Standard Oil Co. of Bolivia that is agreeable. In fixing the price for gasoline, for trucks and for aviation and for kerosene and in virtue of this (due to fixing the price) the company will increase its distillation of these products—

They will increase it, Mr. President, in price because they need it down there for war at this time—

until arriving at almost the total fiscal consumption, being repaid with these prices for the expenses incurred because of these new installations.

I am not going to read further. I have read enough so the Senate may know that my remarks in this respect are verified, but I am sending to the desk the Spanish text and the translation, Mr. President, and ask that at the conclusion of my remarks they may be printed in the RECORD in parallel columns.

The PRESIDING OFFICER (Mr. CLARK in the chair). Without objection, it is so ordered.

(See exhibit A.)

Mr. LONG. Mr. President, the United States is practically a party to this war that is being carried on at this time against Paraguay in Latin America. This Government, which has asserted itself as a protector; this Government, which has held itself out as a big brother; this country, which has ever refereed the dispute and awarded the title and the ownership of that Chaco territory, which is in area about the size of the State of Louisiana, to Paraguay, has allowed a capitalistic interest because of the fact that it has an oil field in Bolivia and because of the fact that part of the Paraguay territory is rich in mineral deposits and other natural resources—because of those facts it has allowed this Standard Oil outfit to go down into that country, corrupting the Bolivian Government when it could not corrupt the Paraguayan Government, to carry on an aggressive warfare, and that outfit has furnished munitions and supplies with which to conduct the war down there today.

The United States Government, after Bolivia has been supplied with the necessary munitions of war and combustibles necessary to carry on an aggressive warfare into the territory of Paraguay, into the territory which the United States as a referee has adjudicated was territory of Paraguay, which has been recognized by Argentina, which has been recognized by Brazil, which has been recognized by Bolivia under the decrees of the United States, has now folded its hands and declared its neutrality, with its capitalistic interests of the Standard Oil Co. down there trying to steal this territory from poor little Paraguay with a population of only 850,000.

These murderers have gone down there and hired their assassins. This same element, which knows no such thing as human propriety, which is exploiting this people in revolution after revolution, if it has the big capitalistic interests of Wall Street on its side, care nothing about the referee decision of the President of the United States. To that element the decision does not amount to a tinker's dam; does not amount to as much as the paper on which it is written. And the best that we have done is that we have folded our arms in a majestic, blissful neutrality, after Bolivia has been financed by the Standard Oil Co. and entered into an open contract to furnish them with the combustibles necessary for the war, and America is now going to shut off little Paraguay, which has not got the money, anyway, which country is today being invaded by Bolivia, financed by the Standard Oil Co. of the United States.

Mr. President, that is the blissful kind of Government policy that we adopted the other day, and our newspapers and the people generally were taken in by the proposition declaring ourselves to be a neutral, thinking ourselves a marvelous, peace-loving country, and the Standard Oil Co. down in that country financing a foreign army, importing soldiers into that country, giving them the munitions, trying to take away country from Paraguay because the Paraguayan Government cannot be corrupted by the Standard Oil Co.,

and Standard Oil has the Bolivian Government under its heels.

If we allow a thing of this kind to go on, Mr. President, if this country allows its imperialistic masters of finance to go on, the embroilments in which this country is going to be concerned will be insurmountable.

They have undertaken to claim that there is some foreign interest interfering in the matter; that the Dutch Shell Oil Co. is a British interest and is concerned down there. How long do they think they can fool people with that statement?

Mr. President, the Dutch Shell Oil Co., which they call a British company, is affiliated in companies down there with the Standard Oil Co. of the United States too often to have anybody question it. There are too many common ownerships down there, too many joint ownerships of stock in companies down there exploiting the Latin American countries for anybody to be fooled by such a statement which they are trying to foist upon the American people. There is nothing to that statement whatever.

Mr. President, here is the decree of America. Here is the referee's decision which the United States made back here 40 years ago. Here is the territory which was allotted to Paraguay. It is Paraguay's territory. It always has been Paraguay's territory.

The PRESIDING OFFICER. The time of the Senator on the amendment has expired.

Mr. LONG. I will take my 20 minutes on the bill.

I read from a report on this matter:

Bolivia has invaded the zone—

Mr. President, according to this report—

that President Hayes adjudicated to Paraguay—

That is not disputed—

and has taken possession of it manu militari.

That is, by force of arms.

Bolivia has violated not only the Hayes decision but also the pact of the statu quo which she signed with Paraguay in Buenos Aires in 1907. Bolivia has done this notwithstanding the fact that she has renewed in five successive protocols the statu quo pact of 1907. And what is more, the pact of 1907 is in full legal force even up to this very day.

All of which was founded on the decision made by President Rutherford B. Hayes in 1874, when there was a controversy between Argentina and Paraguay at that time when this great country of the Argentine made as though it would take this territory away from that little power, Paraguay. But they have gone to Bolivia, a country with 3,000,000 people, where they have acquired all the oil concessions, and it is easy, Mr. President, as I understand the topography of that country, for them to get their pipe line out to the sea nearly as easy as it is to take the pipe line down through Paraguay to the River Paraguay, which is navigable, and leading into the Atlantic Ocean, and probably the Chaco territory as a part of Paraguay is also so valuable that it becomes important to the Standard Oil Co.'s business.

While I am speaking of Paraguay, Mr. President, I will say that this has also been our policy with Mexico to some extent, but more recently it has been our policy with Nicaragua, and it has been our policy with some other countries down there. It has been openly flaunted here in this American Congress time after time that when they get ready to take certain fruit lands away from certain countries down in Central America, to do that, to make secure the titles and vesting them sufficiently satisfactory to them, they employ revolutionists to do it.

Now we come to Cuba. What is the trouble with Cuba today? Mr. President, the trouble with Cuba today is simply this:

The Chase National Bank and other financial interests have financed the Cuban Government. They loaned to Machado many millions of dollars, much of which had already been held to be unconstitutionally loaned under the Cuban constitution. The land in Cuba had been parceled out among foreign interests. The Cuban Governments was bonded heels over head. The Chase National Bank, upon seeing that part, if not all, of its money had been illegally loaned, advised its clientele that it had an excellent security in the form of Cuban bonds that they were willing to parcel out among the people of the United States. So, after it had been advised by its own agents that that money was illegally being taken by Machado, they took the bonds they held in their own vaults and sold them to the investing public of the United States at large.

Then came the revolution. After these loans had been parceled out in the United States, a revolution occurred in Cuba; Machado was run out. What did we do? There was a radio address delivered by President Grau in which he said:

I am not going to be recognized as the President of Cuba, due to the fact that the government of which I am the head declines to recognize the validity of certain bonds that were sold to the Chase National Bank and floated by that bank to other parties.

Said Mr. Grau, according to my best recollection of the report of that radio address—

I cannot get recognition for this country, unless I am willing that the Cuban Government, of which I am the head, shall recognize these obligations that have been incurred to the Chase National Bank and to other parties.

President Grau was not recognized. The only man who would be recognized had to be someone who would recognize the Cuban Government as responsible for the loans that were made to Mr. Machado and the government that was headed by him. Therein, Mr. President, lies a further proposition. They are unable to exploit Cuba; Cuba cannot be exploited to the entire sum necessary to retire the obligations of these private interests. What is to be done? They have now come to the proposition that they have got to "take it out of the hide" of the American farmer.

We have a statement from Mr. Machado, who is temporarily residing in this country, as I understand—and I do not have any purpose in keeping him from residing here so long as he wants to, so far as I am concerned—but we have a statement from Mr. Machado that the trouble in Cuba today is the tariff on sugar exported by Cuba to the United States of America.

Here is the United States of America, with sugar being sold within its borders today cheaper than sugar is sold in any other country, undertaking to develop a domestic sugar business; here are interests from Wall Street that have gone into Cuba and have placed hundreds of millions of dollars at the disposal of the Cuban Government and private interests in Cuba. They have acquired, lock, stock, and barrel, nearly everything that Cuba has got inside it; and now, with that white elephant on their hands, in order that they may make whole the Chase National Bank and its affiliates, and make whole the National City Bank and its affiliates, they propose to come now and say to the American farmer, "You have got to stand for the aggression that must be made by our domestic capital invested in a foreign land; we have got to scuttle the market; we have got to scuttle the trade, not only of the Cubans, not only of the Paraguayans, but we have got to scuttle the business of the Americans in order that something may be obtained out of it which probably will make us whole on the realization of the investments we have made."

How long will we stand for this Paraguayan aggression? Is the American Government going to stand idly by and allow the Standard Oil Co. to promote a war, through Bolivia, against Paraguay, for a territory which the United States has already recognized as being a part, and very properly so, of Paraguay? Are we going to sit here and allow that under the pretense of our neutrality? If so, why did we ever enter into any understanding with them, as a big brother, to arbitrate over its territorial integrity of the smaller countries and to prevent such outbreaks as they have there? Why is America so silent? America has never been so blissfully neutral in any other war prevailing in that territory; America has taken some kind of a stand; America has said something; but America is now silent, as silent as the tomb. We are saying nothing because the "big papa" of the American capitalistic system is down there today stealing Paraguay away from the 850,000 natives who own the country. America is perfectly silent, blissfully silent.

I notice that my good friend, whom I have never met, Mr. Vincent Astor, has had a great deal to do with some of these concerns. It is funny, Mr. President, how you connect them up. All you have got to do is to look under the barrel, and you will find the motive every time you look. Mr. Vincent Astor is a director of the Chase National Bank, and there you find all the interest that it is necessary to find. The Chase National Bank, Mr. President, is known as the "Rockefeller bank"; the Rockefeller bank is the Standard Oil bank; the Chase National Bank is the Standard Oil Co.; the Chase National Bank is Rockefeller; Rockefeller is the Standard Oil Co.; the Standard Oil Co. is Rockefeller, and vice versa; all in the same clique. Here is Rockefeller, with one army, stealing Paraguay, taking the Chaco, going in as the aggressor and taking territory adjudicated to be a part of Paraguay 40 years ago; and here is the same Chase National Bank, another Rockefeller institution, reaching over and making them validate illegal bonds sold to the Government of Cuba; and here is America, blissfully silent, retiring constantly, while the private munitions of war are supplied down into those Latin American countries. That is the imperialistic aggression of the Rockefellers and the Chase National Bank and the Standard Oil Co.

Mr. President, if the United States stands by with that kind of thing going on, if the United States permits that kind of alliance to use the processes of this country against its own treaties outside its boundaries, if the United States Government will stand for the Standard Oil Co.'s carrying on this kind of an illegal, unconscionable, murderous, imperialistic design—well should we begin here today, on Memorial Day, the hour of mourning, to understand it, in order that for the first time Memorial Day will have its true spirit and intent as a day of mourning of the American people, not so much for what has been lost in the past—not entirely for that—but for the fact that imperialistic principles, the domination of the Standard Oil Co., and the combination of Vincent Astor, the Rockefellers, and the Chase National Bank have become more mighty than the solemn treaties and pronouncements of the United States Government itself.

EXHIBIT A

[From El Diario, Sunday, Apr. 15, 1934]

CUATROCIENTOS MIL LITROS DE GASOLINA PARA AVIACIÓN Y OCHOCIENTOS MIL PARA CAMIONES, MENSUALMENTE

Reproducimos a continuación el Decreto respectivo del Gobierno Boliviano, que tomamos de "El Diario", de La Paz, edición del 14 de Marzo, p. pdo.:

"El Ejecutivo ha dado el siguiente decreto supremo:

"Vistos y considerando:

"La necesidad de consumir preferentemente gasolina nacional para las necesidades de la campaña, con mayor razón dentro del considerable aumento de consumo que ocasionará la adquisición de nuevas unidades motrices y de aviación;

"Que se ha llegado a convenir un punto de equidad con la Standard Oil Co. of Bolivia, al fijar un precio para la gasolina de camiones y de aviación y para el kerosene, debiendo en tal virtud la compañía aumentar la destilación de estos productos hasta llenar la casi totalidad del consumo fiscal, reembolsándose con dichos precios de los gastos en que incurra con motivo de las nuevas instalaciones;

"Que todas las autoridades tecnicas del Supremo Gobierno han aconsejado aceptar tales precios por ser convenientes en comparación al costo de gasolina importada que se paga en oro;

"Con los informes de la Dirección de Obras Públicas; de la Dirección de Transportes y de la Dirección General de Aprovisionamiento de gasolina y lubricantes.

"Se resuelve:

"Articulo 1°: Quedan suspendidos los efectos de la resolución suprema de 31 de octubre de 1932 mediante la cual el estado tomó a su cargo la explotación de los pozos petroliferos de Camiri.

"Articulo 2°: La Standard Oil Co. of Bolivia, en cambio, conforme a su oferta de 7 de diciembre de 1933, presentada al Ministerio de Industria, ampliará sus instalaciones de destileria de petróleo en Bolivia, hasta producir mensualmente cuatrocientos mil litros de gasolina de aviación de superior calidad, tipo 'otano 80', conforme a las especificaciones de la inspección fiscal de petróleos y ochocientos mil litros de gasolina para automóviles, cuyos precios de venta al Supremo Gobierno serán de 45 centavos (moneda nacional), el litro de gasolina de aviación y al mismo precio actual de 18 centavos la gasolina para automóviles. Para el kerosene se fija el precio de 17 centavos el litro. Las ampliaciones de sus destilerías quedarán concluídas y la producción nueva estara disponible en el termino de 90 dias después de notificada esta resolución suprema a la compañía. Todo el residuo proveniente después de la destilación de gasolina y kerosene será de propiedad y entregado libre de todo gasto al Supremo Gobierno.

"Articulo 3°: El Supremo Gobierno consumirá por lo menos 350,000 litros de gasolina de aviación y 700,000 de gasolina para camiones de la producción de la Compañía."

Los pozos de Camirí, pues, han vuelto a poder de la Standard Oil. De allí sale la casi totalidad del combustible que utiliza el enemigo. Demás está decir que el Gobierno Boliviano no abona un solo centavo por la nafta que consume y que el tal contrato no es sino uno de los tantos procedimientos para disimular la protección que presta la empresa a Bolivia, protección que permite a ese país sostener hasta hoy la guerra.

[Translation]

FOUR HUNDRED THOUSAND LITERS OF GASOLINE PER MONTH FOR AVIATION AND EIGHT HUNDRED THOUSAND FOR TRUCKS

[1 liter = one-fifth gallon]

We reproduce in continuation the Decree of the Bolivian Government, which we take from El Diario of La Paz, Bolivia, of March 14, 1934:

"The Executive has given the following supreme decree:

Whereas and considering:

"The necessity of consuming preferentially national gasoline for the necessities of the campaign, along with the greater reason arising from the considerable increase of consumption which the acquisition of new motorized units and aviation will occasion;

"That an equitable agreement has just been arrived at with the Standard Oil Co. of Bolivia to fix a price for gasoline for trucks and aviation and for kerosene, and subsequently in virtue of this the company will increase the distillation of these products enough to fill almost completely the fiscal consumption, reimbursing itself with these prices for the expenses which it will incur because of the new installations;

"That all the technical authorities of the Supreme Government have consented to accept these prices as equitable in comparison with the cost of imported gasoline, for which gold must be paid;

"With the advice of the Department of Public Works, of the Department of Transportation, and of the General Department of Provisions of gasoline and lubricants;

"Be it resolved:

"Article the first: That the effect of the supreme resolution of October 31, 1932, by means of which the state took charge of the exploitation of the oil wells of Camiri, be suspended.

"Article the second: The Standard Oil Co. of Bolivia, in exchange and in conformity with its offer of December 7, 1933, made to the Ministry of Industry, will increase its installations for distilling petroleum in Bolivia until capable of producing monthly 400,000 liters of aviation gasoline of superior quality, of the '80 octane' type, and conforming to the specifications of the fiscal inspection of petroleum; and in addition 800,000 liters of automobile gasoline; the sale prices of these to the Supreme Government will not be more than 45 centavos (Federal currency) per liter for aviation gasoline, and at the same time the actual price of 18 centavos for automobile gasoline. For kerosene the price of 17 centavos per liter is fixed. The enlargement of the distilleries shall be concluded and the new production shall be available at the expiration of 90 days after the notification of the company of this supreme resolution. All the residue remaining after the distillation of the gasoline and kerosene shall be the property of and be delivered free of all cost to the Supreme Government.

"Article the third: The Supreme Government shall consume at least 350,000 liters of aviation gasoline and 700,000 liters of truck gasoline of the production of the company."

The wells of Camiri, then, have returned to the power of Standard Oil. From there goes out almost all the fuel which the enemy uses. Beyond this it is said that the Bolivian Government does not pay a single centavo for the fuel it consumes, and that this contract is nothing but one of the many proceedings to hide the protection the enterprise lends to Bolivia, a protection which permits that country to extend until today the war.

FOREIGN-TRADE ZONES

Mr. COPELAND. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of House bill 9322, which was sent to the Senate from the House of Representatives yesterday.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New York?

There being no objection, the Senate proceeded to consider the bill (H.R. 9322) to provide for the establishment, operation, and maintenance of foreign-trade zones in ports of entry of the United States, to expedite and encourage foreign commerce, and for other purposes, which was read twice by its title.

Mr. COPELAND. Mr. President, I move to amend by striking out all after the enacting clause and inserting in lieu thereof Senate bill 2001, which we passed a few weeks ago.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. It is proposed to strike out all after the enacting clause and in lieu thereof to insert the following:

That when used in this act—

The term "Secretary" means the Secretary of Commerce;

The term "public corporation" means a State, a legal subdivision thereof, or a municipality, or a lawfully authorized public agency of a State or municipality, or a corporate municipal instrumentality of one or more States;

The term "person" includes corporations, partnerships, and associations existing under or authorized by the laws of the United States, or any State, Territory, District, or possession thereof;

The term "grantee" means a public corporation or person applying for the right to establish, operate, and maintain a foreign-trade zone;

The term "grantee" means a public corporation or person to which the privilege of establishing, operating, and maintaining a foreign-trade zone has been granted;

The term "zone" means a "foreign-trade zone" as provided in this act.

SEC. 2. (a) The Secretary is hereby authorized, subject to the conditions and restrictions of this act and of the rules and regulations made thereunder, upon application as hereinafter provided, to grant to public corporations or persons the privilege of establishing, operating, and maintaining foreign-trade zones in or adjacent to ports of entry under the jurisdiction of the United States. Not more than one zone shall be authorized in or adjacent to any port of entry, except that when a port of entry is located within the confines of more than one State a zone may be authorized in each State in the territory comprised in such port of entry.

(b) In case of any State in which harbor facilities of any port of entry are owned and controlled by the State and in which State harbor facilities of any other port of entry are owned and controlled by a municipality. The Secretary shall not grant an application by any public corporation or person for the establishment of any zone in such State, unless such application has been authorized by an act of the legislature of such State (enacted after the date of enactment of this act).

SEC. 3. Foreign and domestic merchandise of every description, except such as is prohibited by law, may, without being subject to the customs laws of the United States, except as otherwise provided in this act, be brought into a zone and there stored, exhibited, broken up, repacked, assembled, distributed, sorted, refined, graded, cleaned, mixed with foreign or domestic merchandise or otherwise manipulated, and be exported, and foreign merchandise may be sent into customs territory of the United States therefrom, in the original package or otherwise; but when foreign merchandise is so sent from a zone into customs territory of the United States it shall be subject to the laws and regulations of the United States affecting imported merchandise: *Provided*, That when the privilege shall be requested the collector of customs shall supervise the unlading of foreign merchandise in the zone, cause such merchandise or any portion thereof to be appraised and the duties liquidated thereon. Thereafter it may be stored or manipulated under the supervision and regulations prescribed by the Secretary of the Treasury, and within 2 years after such unlading such merchandise, whether mixed with domestic merchandise or not, may be sent into customs territory upon the payment of such liquidated duties thereon; and if not so sent into customs territory within such period of 2 years such merchandise shall be disposed of under rules and regulations prescribed by the Secretary of the Treasury and out of the proceeds the duties shall be paid and the remainder, if any, to be delivered to the owners of the property: *Provided further*, That subject to such regulations respecting identity and safeguarding of the revenue as the Secretary of the Treasury may deem necessary, articles the growth, product, or manufacture of the United States, and articles previously imported on which duty has been paid, or which have been admitted free of duty, may be taken into a zone from the customs territory of the United States, and may be brought back thereto free of duty, whether or not they have been combined with or made part, while in such zone, of other articles: *Provided*, That if in the opinion of the Secretary of the Treasury their identity has not been lost, such articles not entitled to free entry by reason of noncompliance with the requirements made hereunder by the Secretary of the Treasury, shall be treated, when they reenter the customs territory of the United States, as foreign merchandise under the provisions of the tariff laws in force at that time.

SEC. 4. The Secretary of the Treasury shall assign to the zone the necessary customs officers and guards to protect the revenue and to provide for the admission of foreign merchandise into customs territory.

SEC. 5. Vessels entering or leaving a zone shall be subject to the operation of all the laws of the United States, except as otherwise provided in this act, and vessels leaving a zone and arriving in customs territory of the United States shall be subject to such regulations to protect the revenue as may be prescribed by the Secretary of the Treasury: *Provided, however*, That nothing in this act shall be construed in any manner so as to permit vessels under foreign flags to carry goods or merchandise from one foreign trade zone to another zone or port in the protected coastwise trade of the United States.

SEC. 6. Each application shall state in detail—

(1) The location and qualifications of the area in which it is proposed to establish a zone, showing (a) the land and water or land or water area or land area alone if the application is for its establishment in or adjacent to an interior port; (b) the means of segregation from customs territory; (c) the fitness of the area for a zone; and (d) the possibilities of expansion of the zone area.

(2) The facilities and appurtenances which it is proposed to provide and the preliminary plans and estimate of the cost thereof, and the existing facilities and appurtenances which it is proposed to utilize.

(3) The time within which the applicant proposes to commence and complete the construction of the zone and facilities and appurtenances.

(4) The methods proposed to finance the undertaking.

(5) Such other information as the Secretary may require.

The Secretary may upon his own initiative or upon request permit the amendment of the application. Any expansion of the area of an established zone shall be made and approved in the same manner as an original application.

SEC. 7. If the Secretary finds that the proposed plans and location are suitable for the accomplishment of the purpose of a foreign trade zone under this act and that the facilities and appurtenances which it is proposed to provide are sufficient, he shall make the grant. If the Secretary refuses the grant, the applicant may appeal to a board consisting of the Secretary of Commerce, the Secretary of the Treasury, and the Secretary of War, whose decision shall be rendered within 3 months from the filing of such appeal and be final as to the grant of the application.

SEC. 8. The Secretary shall prescribe such rules and regulations not inconsistent with the provisions of this act or the rules and regulations of the Secretary of the Treasury made hereunder and as may be necessary to carry out this act.

SEC. 9. The Secretary shall cooperate with the State subdivision, and municipality in which the zone is located in the exercise of their police, sanitary, and other powers in and in connection with the free zone. He shall also cooperate with the United States Customs Service, the Post Office Department, the Public Health Service, the Bureau of Immigration, and such other Federal agencies as have jurisdiction in ports of entry described in section 2.

SEC. 10. For the purpose of facilitating the investigations of the Secretary and his work in the granting of the privilege, in the establishment, operation, and maintenance of a zone, the President may direct the executive departments and other establishments of the Government to cooperate with the Secretary, and for such purpose each of the several departments and establishments is authorized, upon direction of the President, to furnish to the Secretary such records, papers, and information in their possession as may be required by him, and temporarily to detail to the service of the Secretary such officers, experts, or engineers as may be necessary.

SEC. 11. If the title to or right of user of any of the property to be included in a zone is in the United States, an agreement to use such property for zone purposes may be entered into between the grantee and the department or officer of the United States having control of the same, under such conditions approved by the Secretary and such department or officer, as may be agreed upon.

SEC. 12. Each grantee shall provide and maintain in connection with the zone—

(a) Adequate slips, docks, wharves, warehouses, loading and unloading and mooring facilities where the zone is adjacent to water; or in the case of an inland zone, adequate loading, unloading, and warehouse facilities;

(b) Adequate transportation connections with the surrounding territory and with all parts of the United States, so arranged as to permit of proper guarding and inspection for the protection of the revenue;

(c) Adequate facilities for coal or other fuel and for light and power;

(d) Adequate water and sewer mains;

(e) Adequate quarters and facilities for the officers and employees of the United States, State, and municipality whose duties may require their presence within the zone;

(f) Adequate enclosures to segregate the zone from customs territory for protection of the revenue, together with suitable provisions for ingress and egress of persons, conveyances, vessels, and merchandise;

(g) Such other facilities as may be required by the Secretary of Commerce, the Secretary of War, and the Secretary of the Treasury, acting jointly.

SEC. 13. The grantee may, with the approval of the Secretary of Commerce and the Secretary of the Treasury, and under reasonable and uniform regulations for like conditions and circumstances to be prescribed by them, permit private persons, firms, corporations, or associations to erect such buildings and other structures within the zone as will meet their particular requirements: *Provided*, That such permission shall not constitute a vested right as against the United States, nor interfere with the regulation of the grantee or the permittee by the United States, nor interfere with or complicate the revocation of the grant by the United States: *And provided further*, That in the event of the United States or the grantee desiring to acquire the property of the permittee no good-

will shall be considered as accruing from the privilege granted to the zone: *And provided further*, That such permits shall not be granted on terms that conflict with the public use of the zone as set forth in this act.

SEC. 14. Each zone shall be operated as a public utility, and all rates and charges for all services or privileges within the zone shall be fair and reasonable, and the grantee shall afford to all who may apply for the use of the zone and its facilities and appurtenances uniform treatment under like conditions, subject to such treaties or commercial conventions as are now in force or may hereafter be made from time to time by the United States with foreign governments and the cost of maintaining the additional customs service required under this act shall be paid by the operator of the zone.

SEC. 15. No individual shall be allowed to reside within the zone except Federal, State, or municipal officers or agents whose resident presence is deemed necessary by the Secretary.

The Secretary shall prescribe rules and regulations regarding employees and other persons entering and leaving the zone. All rules and regulations concerning the protection of the revenue shall be approved by the Secretary of the Treasury.

The Secretary may at any time order the exclusion from the zone of any goods or process of treatment that in his judgment is detrimental to the public interest, health, or safety.

No retail trade shall be conducted within the zone except under permits issued by the grantee and approved by the Secretary. Such permittees shall sell no goods except such as are brought into the zone from customs territory.

SEC. 16. The form and manner of keeping the accounts of each zone shall be prescribed by the Secretary.

Each grantee shall make to the Secretary annually, and at such other times as he may prescribe, reports containing a full statement of all the operations, receipts, and expenditures, and such other information as the Secretary may require.

The Secretary shall make a report to Congress on the first day of each regular session containing a summary of the operation and fiscal condition of each zone and transmit therewith copies of the annual report of each grantee.

SEC. 17. The grant shall not be sold, conveyed, transferred, set over, or assigned.

SEC. 18. In the event of repeated willful violations of any of the provisions of this act by the grantee, the Secretary of Commerce, the Secretary of War, and the Secretary of the Treasury, or a majority of them, may revoke the grant after 4 months' notice to the grantee and affording it an opportunity to be heard. The testimony taken before the Secretaries shall be reduced to writing and filed in the records of the Department of Commerce together with the decision reached thereon.

In the conduct of any proceeding under this section for the revocation of a grant the Secretaries may compel the attendance of witnesses and the giving of testimony and the production of documentary evidence, and for such purpose may invoke the aid of the district courts of the United States.

An order under the provisions of this section revoking the grant issued by the Secretaries shall be final and conclusive, unless within 90 days after its service the grantee appeals to the circuit court of appeals for the circuit in which the zone is located by filing with the clerk of said court a written petition praying that the order of the Secretaries be set aside. The clerk of the court in which such a petition is filed shall immediately cause a copy thereof to be delivered to each of the Secretaries and they shall forthwith prepare, certify, and file in the court a full and accurate transcript of the record in the proceedings held before them under this section, the charges, the evidence, and the order revoking the grant. The testimony and evidence taken or submitted before the Secretaries, duly certified and filed as a part of the record, shall be considered by the court as the evidence in the case.

On such appeal the court shall review the record of proceedings before the Secretaries and, if a decision of said Secretaries shall be supported by evidence, shall only make decision on errors of law.

SEC. 19. In case of a violation of this act, or any regulation of the Secretary under this act, by the grantee, any officer, agent, or employee thereof responsible for or permitting any such violation shall be subject to a fine of not more than $1,000. Each day during which a violation continues shall constitute a separate offense.

SEC. 20. If any provision of this act or the application of such provision to certain circumstances be held invalid, the remainder of the act and the application of such provisions to circumstances other than those as to which it is held invalid shall not be affected thereby.

SEC. 21. The right to alter, amend, or repeal this act is hereby reserved.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. COPELAND. Mr. President, I move that the Senate insist on its amendment, ask for a conference with the House of Representatives on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. STEPHENS, Mr. COPELAND, and Mr. MCNARY conferees on the part of the Senate.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated below:

H.R. 387. An act donating bronze trophy guns to the Cohoes Historical Society, Cohoes, N.Y.;

H.R. 5809. An act to provide compensation for Robert Rayford Wilcoxson for injuries received in citizen's military training camp; and

H.R. 6497. An act for the relief of James Henry Green; to the Committee on Military Affairs.

H.R. 471. An act for the relief of Physicians and Surgeons Hospital, Ltd.;

H.R. 1306. An act for the relief of Clarence A. Wimley;

H.R. 1308. An act for the relief of John Parker Clark; Sr.;

H.R. 1345. An act for the relief of John Parker Clark, Jr.;

H.R. 1354. An act for the relief of C. V. Mason;

H.R. 3176. An act for the relief of Ernest Elmore Hall;

H.R. 3595. An act for the relief of St. Ludgers Catholic Church, of Germantown, Henry County, Mo.;

H.R. 3912. An act for the relief of Roland Zolesky;

H.R. 4175. An act for the relief of Oscar C. Olson;

H.R. 4387. An act for the relief of Mary A. Rockwell;

H.R. 5400. An act for the relief of Thomas F. Olsen;

H.R. 6284. An act for the relief of John R. Novak;

H.R. 6625. An act for the relief of Charles Farr;

H.R. 6696. An act for the relief of William T. Roche;

H.R. 7107. An act for the relief of Frank Baglione;

H.R. 7161. An act to provide for the refund or abatement of the customs duty on altar candlesticks and cross imported for the Church of the Good Shepherd, Memphis, Tenn.;

H.R. 7264. An act for the relief of M. N. Lipinski;

H.R. 7272. An act for the relief of John W. Adair;

H.R. 7372. An act for the relief of Donald K. Warner;

H.R. 7631. An act for the relief of Arthur A. Burn, Sr., and J. K. Ryland;

H.R. 7697. An act for the relief of William Chinsky;

H.R. 7816. An act for the relief of Oswald H. Halford, Hunter M. Henry, William C. Horne, Rupert R. Johnson, David L. Lacey, William Z. Lee, Fenton F. Rodgers, Henry Freeman Seale, Felix M. Smith, Edwin C. Smith, Robert S. Sutherland, and Charles G. Ventress;

H.R. 7893. An act for the relief of Ralph LaVern Walker; and

H.R. 8035. An act for the relief of James M. Pace; to the Committee on Claims.

H.R. 7560. An act for the relief of Charles E. Dagenett; to the Committee on Indian Affairs.

H.R. 7623. An act granting a renewal of Patent No. 54296 relating to the badge of the American Legion; and

H.R. 7624. An act granting a renewal of Patent No. 5398, relating to the badge of the American Legion Auxiliary; to the Committee on Patents.

H.R. 7781. An act for the relief of Rosemund Pauline Lowry; to the Committee on Foreign Relations.

RECIPROCAL-TARIFF AGREEMENTS

The Senate resumed the consideration of the bill (H.R. 8687) to amend the Tariff Act of 1930.

The PRESIDING OFFICER. The question is on the first amendment reported by the committee.

Mr. MCNARY. Mr. President, I presume that refers to the amendment on page 1, line 8?

Mr. HARRISON. Let me say to the Senator from Oregon, with his permission, that the first amendments, as we all know, are merely clarifying amendments.

Mr. MCNARY. I observe the same language was used in line 11, but has been transposed to line 8. I assume that is to clarify the provision and make it more effective. Is that correct?

Mr. HARRISON. The Senator is alluding to the pending amendment?

Mr. McNARY. Yes; the amendment on page 1, line 8, inserting the words "in the present emergency." That is a transposition of the same language found on line 11?

Mr. HARRISON. Yes.

Mr. McNARY. And I assume it is to make it more certain and make the expression more emphatic?

Mr. HARRISON. That is very true, so that if the question shall be tested in the courts the law itself will show it is enacted "in the present emergency." I may say that the committee was unanimous in adopting these amendments.

Mr. McNARY. I do not suppose the Senator means that all the amendments were unanimously agreed to in the committee?

Mr. HARRISON. I mean the clarifying amendments.

Mr. McNARY. Of course, we might disagree as to what is a "clarifying amendment", but I can see the force of the language and the transposition that has taken place. I have no objection to that.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The CHIEF CLERK. On page 1, line 11, after the word "public", it is proposed to strike out "in the present emergency."

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The next amendment was, on page 2, line 10, after the word "finds", to insert "as a fact."

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The next amendment was, on page 2, line 11, after the word "restrictions", to insert "of the United States or any foreign country."

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The next amendment was, on page 2, at the beginning of line 14, to strike out the word "or" and insert the word "and."

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The next amendment was, on page 2, line 15, after the word "the", to strike out "use of the power herein conferred" and insert "means hereinafter specified."

Mr. McNARY. Mr. President, will the Senator from Mississippi explain that change?

Mr. HARRISON. The Senator will note that in the clause reading "will be promoted by the use of the powers herein conferred" the words "use of the powers herein conferred" are stricken out and the words "means hereinafter specified" inserted. The State Department and the draftsmen thought that the language would be improved by striking out the words "use of the powers herein conferred" and substituting the language "promoted by the means hereinafter specified." It does not alter the meaning at all, but they thought it was better language.

Mr. McNARY. Who recommended that change, may I ask the Senator?

Mr. HARRISON. That was recommended by Dr. Sayre and the draftsmen, Dr. Sayre representing the State Department.

Mr. McNARY. Was there any division of opinion in the committee when that matter was considered?

Mr. HARRISON. There was none at all over that amendment.

Mr. LEWIS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LEWIS. Would it be a violation of any agreement should I address the Senate on a matter before the Senate? I might occupy 5 minutes, and then later we could take up the tariff bill. I would speak with the understanding that the length of time I should occupy would be taken from my time in any final argument I might wish to make later in the day.

The PRESIDING OFFICER. The Senator is entitled to 15 minutes on any amendment and to 20 minutes on the bill.

Mr. LEWIS. Assuming that I shall occupy only 5 minutes?

The PRESIDING OFFICER. Under the unanimous-consent agreement heretofore entered into each Senator may speak only once on any amendment and only once on the bill. Whether it is 1 minute or 15 minutes, it must be considered a speech on the amendment or on the bill.

Mr. HARRISON. The Senator may speak on the amendment which is now pending.

Mr. LEWIS. I did not know I was interrupting the consideration of an amendment pending. I beg the pardon of the Senate. I shall not intrude at this time.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The next amendment of the Committee on Finance was, on page 3, line 6, after the word "indirectly", to strike out "except that nothing in this section shall be construed to prevent the granting of exclusive preferential treatment to articles the growth, produce, or manufacture of the Republic of Cuba."

Mr. HARRISON. Mr. President, the Senator from Oregon [Mr. McNARY] will appreciate that the language stricken out is covered by paragraph (b) at the bottom of page 3, in the form of a new amendment. The change was made at the instance of the State Department only to make it more explicit and to clarify the situation. There is no real difference in the meaning of the two.

Mr. McNARY. Mr. President, I was about to propound the inquiry if paragraph (b), at the bottom of page 3, is inserted in lieu of the language in lines 6, 7, 8, and 9, on the same page, to be stricken out, as just read by the clerk.

Mr. HARRISON. That is true, and it was approved unanimously by the committee.

Mr. FESS. Mr. President, may I inquire of the Senator from Mississippi if there is any conflict between subsection (b) and the preceding amendment reported by the committee?

Mr. HARRISON. There is no conflict. It was to make explicit and specific that there could be no greater reduction than 50 percent under a commercial agreement with Cuba.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. FLETCHER. Mr. President, I have an amendment to offer to the language proposed to be stricken out, but I do not know whether it applies as an amendment to the committee amendment.

Mr. HARRISON. It would. The Senator has an amendment which he is going to offer to a part of the language proposed to be stricken out. It would come in this provision. I ask unanimous consent that the Senator from Florida shall lose no right by virtue of the adoption of the amendment and that he may offer his amendment at a later time.

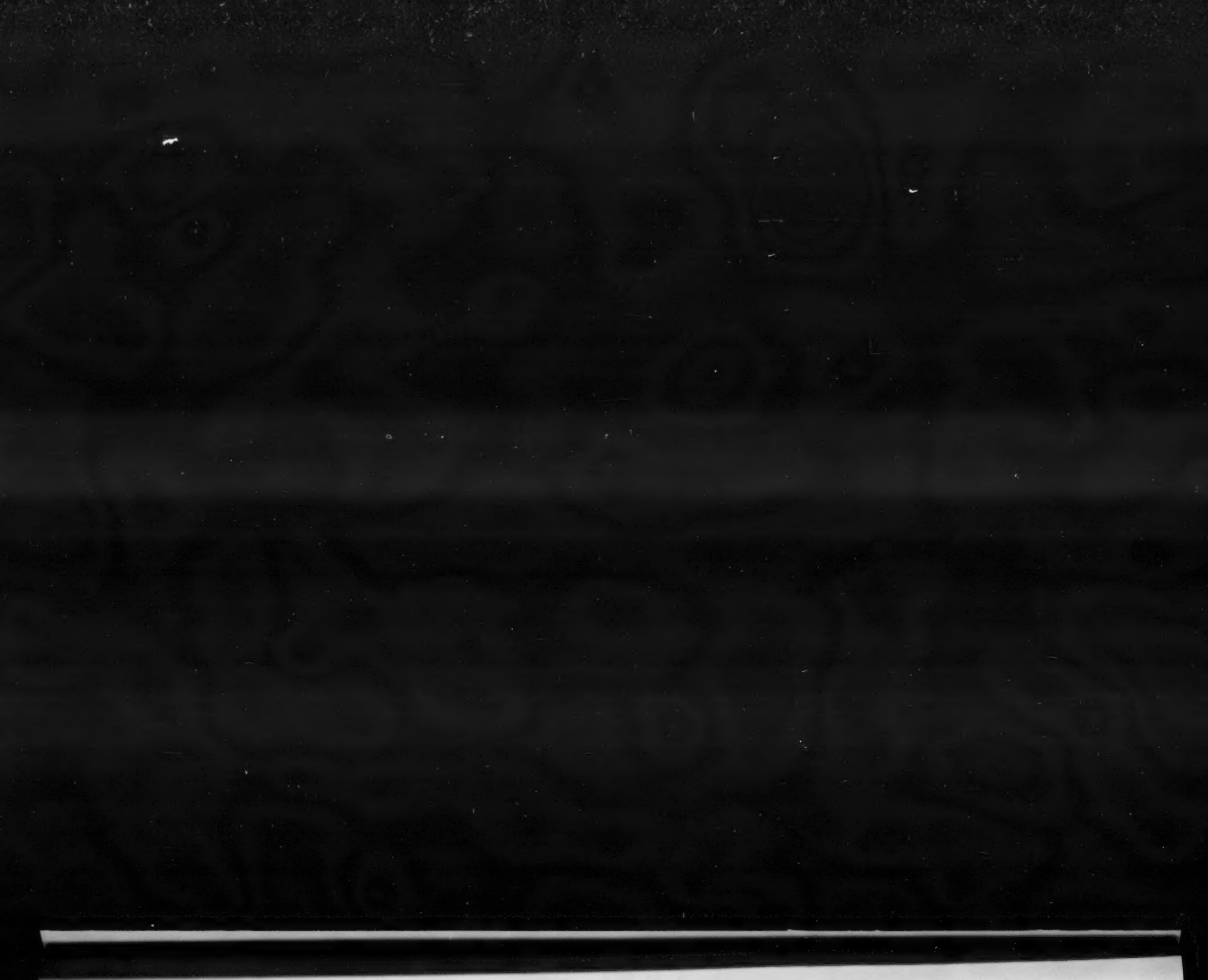
Mr. FLETCHER. The purpose of my amendment is to enable arrangements to be made not only with reference to the duties as provided in the tariff act and fixed by the Congress but with reference to the free list as well.

Mr. HARRISON. I may say to the Senator that we were very doubtful of the constitutionality of the proposal and we did not go into that matter because we did not want to disrupt the bill or destroy the legislation by some interpretation of law involving taking an item from the free list and putting it upon the dutiable list.

Mr. FLETCHER. Then I shall make no objection to agreeing to the committee amendment at this time, provided I am not prohibited from offering my amendment later.

Mr. HARRISON. There will be no objection, I am sure, when that time comes.

The PRESIDING OFFICER. Without objection, the request of the Senator from Mississippi that the Senator from Florida be permitted to offer his amendment later is granted.



Mr. McNARY. Mr. President, what is the nature of the agreement?

The PRESIDING OFFICER. The Senator from Mississippi asks unanimous consent that the Senator from Florida may be permitted later to offer an amendment to certain language which is now being stricken out. Is there objection? The Chair hears none. The question is on agreeing to the committee amendment.

The amendment of the committee was agreed to.

The next amendment was, on page 3, after line 18, to insert the following new subsection:

(b) Nothing in this section shall be construed to prevent the application, with respect to rates of duty established under this section pursuant to agreements with countries other than Cuba, of the provisions of the treaty of commercial reciprocity concluded between the United States and the Republic of Cuba on December 11, 1902, or to preclude giving effect to an exclusive agreement with Cuba concluded under this section, modifying the existing preferential customs treatment of any article the growth, produce, or manufacture of Cuba: *Provided*, That the duties payable on such an article shall in no case be increased or decreased by more than 50 percent of the duties now payable thereon.

Mr. LONG. Mr. President, not being very familiar with the parliamentary status, I understand I would have a right to reserve the offering of amendments to committee amendments until a later time. If we adopt the committee amendment at this time, does that preclude our later proposing to amend it?

The PRESIDING OFFICER. The Chair will state to the Senator from Louisiana that an amendment to a committee amendment should be offered when the committee amendment is pending, unless unanimous consent be granted that it may be offered later.

Mr. HARRISON. I shall offer no objection to individual amendments being offered later.

Mr. LONG. May we have that understood by unanimous consent?

Mr. HARRISON. If the Senator has an amendment he desires to offer, he may do so later.

Mr. LONG. Some of the amendments of other Senators may somewhat transgress that rule; for instance, if the ruling be very strictly applied on amendments relating to agricultural products.

Mr. HARRISON. There will be no objection to agricultural amendments being offered at the proper time. I do not think the Senator will have any cause for complaint on that score.

Mr. JOHNSON. Mr. President, will the Senator from Mississippi yield?

Mr. HARRISON. Certainly.

Mr. JOHNSON. My understanding of the parliamentary situation is that it would not be appropriate to offer agricultural amendments at the present time, but only when action shall have been taken on the committee amendments.

Mr. HARRISON. I have asked unanimous consent, and it was agreed to, that committee amendments should be disposed of first. Of course, if there is an amendment to be offered to a committee amendment, it ought to be offered, under the regular practice, at the time the committee amendment is being considered. However, I am going to raise no question about that and I do not think the question will be raised by anyone else, so that each Senator may have a chance to offer his amendment.

Mr. JOHNSON. I do not want any misunderstanding in respect to it, because I think possibly the Senator from Louisiana had some misapprehension about it. For instance, the agricultural amendment, which would comprise another section of the bill, is an amendment appropriate to be offered at the conclusion of the consideration of the committee amendments.

Mr. HARRISON. The Senator is correct.

Mr. JOHNSON. The amendment that is presented or that will be presented soon by the Senator from Michigan [Mr. VANDENBERG] to the amendment of the committee is quite in order and will be heard with the committee amendment.

Mr. HARRISON. That is true.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment was, on page 4, line 20, to strike out:

The third paragraph of section 311 of the Tariff Act of 1930 shall not apply to any agreement concluded pursuant to this act within any country which does not grant exclusive preferential duty to the United States with respect to flour.

And to insert in lieu thereof the following:

The third paragraph of section 311 of the Tariff Act of 1930 shall apply to any agreement concluded pursuant to this act to the extent only that such agreement assures to the United States a rate of duty on wheat flour produced in the United States which is preferential in respect to the lowest rate of duty imposed by the country with which such agreement has been concluded on like flour produced in any other country; and upon the withdrawal of wheat flour from bonded manufacturing warehouses for exportation to the country with which such agreement has been concluded, there shall be levied, collected, and paid on the imported wheat used, a duty equal to the amount of such assured preference.

Mr. McNARY. Mr. President, there are in the Senate many representatives of the wheat-growing States. Flour being a byproduct of wheat is likewise of interest to them. Because of their absence I am going to suggest the absence of a quorum.

Mr. HARRISON. Mr. President, may I say, before the Senator does that, that the language is proposed to be striken out of the bill at the suggestion of the State Department. The language which is proposed to be inserted is language suggested by the southwestern wheat growers and milling interests. It is peculiarly strange, but the interests at Buffalo and in the Southwest got together upon this language, and that is why we propose to insert it. We have not had a single protest against it. Everyone with whom I have talked and who has investigated was very well satisfied. It is intended to protect the people in the Southwest in the matter of preferential treatment.

Mr. McNARY. There are other sections of the country devoted to the production of wheat, and I want Senators from those sections of the country to be present while the amendment is being considered.

Mr. HARRISON. I have no objection to that, of course. If the Senator would permit the amendment to be agreed to and then there should arise any question about it, I should be perfectly willing to have the vote by which the amendment was agreed to reconsidered.

Mr. McNARY. I adhere to my suggestion of the absence of a quorum.

The PRESIDING OFFICER. The Senator from Oregon suggests the absence of a quorum. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	Hebert	Pope
Ashurst	Couzens	Johnson	Reynolds
Austin	Cutting	Keyes	Robinson, Ark.
Bachman	Dickinson	King	Russell
Bankhead	Dieterich	La Follette	Schall
Barbour	Dill	Lewis	Sheppard
Barkley	Duffy	Logan	Shipstead
Black	Erickson	Long	Smith
Bone	Fess	McCarran	Steiwer
Borah	Fletcher	McGill	Stephens
Brown	Frazier	McKellar	Thomas, Utah
Bulkley	George	McNary	Thompson
Bulow	Glass	Metcalf	Townsend
Byrd	Goldsborough	Murphy	Tydings
Byrnes	Gore	Neely	Vandenberg
Capper	Hale	Norbeck	Van Nuys
Caraway	Harrison	Norris	Wagner
Carey	Hastings	Nye	Walcott
Clark	Hatch	O'Mahoney	Walsh
Connally	Hatfield	Patterson	White
Copeland	Hayden	Pittman	

Mr. LEWIS. I beg to reannounce the absence of Senators announced on previous roll calls, again relating the reasons for those absences, and ask that they stand for the day.

The PRESIDING OFFICER. Eighty-three Senators having answered to their names, a quorum is present. The question is on the amendment of the committee.

Mr. McNARY. Mr. President, I suggested the absence of a quorum on account of the somewhat confusing language

employed in the attempt to amend that part of paragraph 3 of section 311 of the Tariff Act of 1930 relating to bonded manufacturing warehouses. That act reads:

No flour, manufactured in a bonded manufacturing warehouse from wheat imported after 90 days after the date of the enactment of this act, shall be withdrawn from such warehouse for exportation without payment of a duty on such imported wheat equal to any reduction in duty which by treaty will apply in respect of such flour in the country to which it is to be exported.

I think I know what that means. When I read this amendment I note that it provides—

The third paragraph of section 311 of the Tariff Act of 1930—

Which I read just a moment ago—

shall apply to any agreement concluded pursuant to this act to the extent only—

And then follows certain language. It is a partial modification of the existing third paragraph of section 311. I should like to have the impressions of some of those who represent wheat-growing States as to whether that is satisfactory. I am not clear about the amendment and what effect it has in its modification of existing statutes.

Mr. HARRISON. I may say to the Senator that the statute referred to, section 311 of the act of 1930, was the one, he will recall, in connection with which there was quite a fight between the southwestern millers and the Buffalo millers with respect to wheat brought into the United States in bond and afterward shipped into Cuba, getting the preferential treatment because of the commercial treaty with Cuba. This amendment does not disturb that status quo, because in the case of wheat brought from Canada, say, into Buffalo, and flour made from it and shipped into Cuba, because of the 20-percent differential, the difference between whatever is collected by virtue of that differential and the ordinary tax is paid into the Treasury of the United States, in order to put them all upon a parity. That is what the southwestern millers wanted. They did not want the proximity to Canada of the Buffalo millers to give them an advantage in getting wheat and milling it into flour and shipping it to Cuba.

Consequently, section 311 was written, in order to put the two upon a parity.

In negotiating trade agreements we did not want that status quo affected, because we did not think it was fair to affect it; and that is why this language is used. After conference between the millers representing the Southwest and the Buffalo millers they have agreed on this language.

Mr. McNARY. I understand that; but, as the Senator presents the subject matter to me, it appears that this is a sectional agreement. The converters in Buffalo, the northeastern part of the country, and the wheat growers in the southwestern part of the country have agreed; but between those two points are the wheat fields of America. I desire to know if this agreement is acceptable to those who grow wheat and convert wheat in the great Mississippi Valley, the great northwestern section, and the territory tributary to the Ohio River.

Mr. HARRISON. So far as the Finance Committee is concerned, not a single protest has been received by us, and I am informed that that is true with reference to the State Department, as to the language incorporated in the bill as a result of the agreement. Section 311 of the Tariff Act of 1930 has worked very well.

Mr. HASTINGS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Delaware?

Mr. McNARY. I do.

Mr. HASTINGS. Is it or not true that if we should leave this amendment out of the bill the President, in making the agreements which he will have authority to make under the bill, could do exactly what the amendment prescribes? In other words, without this amendment may not the President do what the amendment says must be done?

Mr. HARRISON. Unless we repeal the present law. In the House bill it is not repealed. We made an exception in certain language to section 311 of the Tariff Act of 1930, which is an exception to the general law, because while it does not specifically name Cuba, it does apply only by virtue of any preferential agreement that we have. The difference in duty that there may be by virtue of that preferential agreement is to be paid into the Treasury. Cuba is the only country to which that would apply.

Mr. HASTINGS. I heard the chairman make the same explanation of this matter in the committee. I did not understand it then, and I do not understand it now—not even after the Senator's explanation—because to me it is a very difficult subject; but what I am interested in is whether or not, upon the request of somebody or some group of persons, we have undertaken, by this amendment, to protect them. That is the reason why I inquired whether the President, in making trade agreements, may not do, if he wants to, exactly what he may do if this amendment shall be agreed to.

Mr. HARRISON. No; if we did not insert one of these amendments, the foreign country would get the advantage. For instance, Canada could ship its flour into Cuba, and, getting no preferential treatment, it would be very much to the disadvantage of our millers who use American wheat and ship their flour into Cuba.

I should like to read to the Senate an explanation of this matter from the report of the committee. The Senator will find this on page 20 of the report:

The third paragraph of section 311 of the Tariff Act of 1930 is made inapplicable to any agreement concluded under the present bill with any country which does not grant exclusive preferential duties to the United States with respect to flour.

This paragraph provides that no flour manufactured in a bonded warehouse from imported wheat shall be withdrawn for exportation without the payment of a duty on the imported wheat equal to any reduction in duty which by treaty will apply in respect of such flour in the country to which it is to be exported.

Of course, we, having only one treaty which gives preferential treatment, it would apply only to Cuba.

The purpose was to prevent any benefit accruing, under the exclusive reciprocity treaty between the United States and Cuba, to flour manufactured from imported wheat. That treaty was the only reciprocity arrangement with another country in force at the time when the act of 1930 was passed. The present bill contemplates reciprocity agreements with many countries, but the language is designed so that, so far as Cuba is concerned, the present situation will remain unchanged.

The new reciprocity agreements with foreign countries will not be exclusive. In other words, the other parties to those agreements will normally generalize the reductions to the United States in accordance with their most-favored-nation obligations with still other countries. The result would be that, if American millers were required to pay into the United States Treasury the amounts of the reductions of duties in the countries to which they export their flour, the generalization of such duties by the other countries would result in their competitors receiving reductions which would be denied to American manufacturers. It is desired that American manufacturers shall not be thus put at a disadvantage; and, accordingly, when the flour shipments, under the new agreements, are made to countries which do not, like Cuba, grant exclusive preferences to the United States, the provisions of the third paragraph of section 311 will not apply.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment.

The CHIEF CLERK. On page 5, after line 18, it is proposed to strike out:

(c) The provisions of this act shall terminate 3 years from the date of its enactment.

And to insert in lieu thereof the following:

(c) The authority of the President to enter into foreign-trade agreements under section 1 of this act shall terminate on the expiration of 3 years from the date of the enactment of this act.

Mr. McNARY. Mr. President, I am advised that there are in course of preparation some amendments touching this provision, and I ask the Senator from Mississippi to allow it to go over for the present.

Mr. HARRISON. Very well.

The PRESIDING OFFICER. The Senator from Oregon asks that the committee amendment be passed over. Is there objection? The Chair hears none, and the amendment will be passed over. The clerk will state the next amendment.

The CHIEF CLERK. On page 6, after line 3, it is proposed to insert the following:

SEC. 4. Before any foreign-trade agreement is concluded with any foreign government or instrumentality thereof under the provisions of this act, reasonable public notice of the intention to negotiate an agreement with such government or instrumentality shall be given in order that any interested person may have an opportunity to present his views to the President, or to such agency as the President may designate, under such rules and regulations as the President may prescribe; and before concluding such agreement the President shall seek information and advice with respect thereto from the United States Tariff Commission, the Departments of State, Agriculture, and Commerce, and from such other sources as he may deem appropriate.

Mr. VANDENBERG. Mr. President, I offer the following amendments to the committee amendment.

The PRESIDING OFFICER. The clerk will state the amendments to the amendment.

The CHIEF CLERK. On page 6, line 8, after the word "instrumentality", it is proposed to add the following words: "and the commodities contemplated to be affected by such agreement"; and on page 6, line 10, after the word "designate", to insert the words "at a public hearing and."

Mr. VANDENBERG. Mr. President, inasmuch as these two amendments are interrelated, I ask unanimous consent that they be considered en bloc.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. VANDENBERG. Mr. President, I wish to submit to the Senate the importance of adopting these proposals in the interest of fair play to American industry and agriculture and in the interest of making the proposed notice and hearing actually and in fact a free opportunity for an expression from the interested American parties involved.

Let me read the committee amendment as it would read if the amendments I have offered were agreed to. The provision for notice and hearing would then read as follows:

Before any foreign-trade agreement is concluded with any foreign government or instrumentality thereof under the provisions of this act reasonable public notice of the intention to negotiate an agreement with such government or instrumentality and the commodities contemplated to be affected by such agreement shall be given, in order that any interested person may have an opportunity to present his views to the President, or to such agency as the President may designate, at a public hearing and under such rules and regulations as the President may prescribe.

And so forth.

Mr. President, great importance has been ascribed to the Senate committee amendment intending to provide for notice and hearing. It seems to be admitted that the President and his executive policy committee, which evidently is to be the body which is to pass upon these proposals, should not act in the nature of a drumhead court martial. As a matter of fact, even at a drumhead court martial the defendant has an opportunity to be heard and to be present at his own hearing.

Under the bill as originally drawn there was provided no opportunity whatsoever for the interested American industries or the interested American agricultural commodity to have the remotest chance to know what was in contemplation in respect of its destiny, or to know what might happen to it in respect to one of the proposed tariff bargains. The only thing any of them could know would be to read in the morning paper that a death warrant had been pronounced upon them. The Senate committee evidently acknowledged that this was un-American, unwise, and improper, so the committee reported the amendment which is now pending before the Senate.

I submit with great earnestness that the amendment as pending is little more than a gesture, and is not even remotely calculated to accomplish the purposes which evidently were acknowledged in its original authorship, except as it be extended in some such fashion as I have proposed.

Let me make this matter plain. As drawn, and as pending, the only notice the President has to give respecting a pending trade agreement is "his intention to negotiate an agreement with such government." In other words, the notice might say that he intends to negotiate an agreement with Spain. That simple, indefinite announcement would completely comply with the amendment as drawn and submitted by the committee.

Mr. President, I submit that that is pure camouflage and shadow boxing. What notice does it carry to any affected interest in the United States to know simply that the President contemplates an agreement with Spain? Let us take an even more specific and identified example. We know that already an agreement has been consummated with the Republic of Colombia in respect to one of these trade agreements. What was the notice given by the Department of State on December 15, 1933, respecting this trade agreement? And I take it that, since the State Department made this announcement on December 15, it may be assumed that it is typical of the kind of announcement the State Department would consider fully to comply with the text of the Senate amendment as pending. What was it that the State Department announced with respect to this trade agreement? It announced solely and simply that it had signed a reciprocal trade agreement with the Republic of Colombia.

Does it involve fruit? Does it involve oil? Does it involve coffee? Does it involve minerals? Does it involve any one of innumerable commodities which are interexchanged between Colombia and the United States?

Of what earthly practical use is a notice to the people of the United States simply that an agreement with Colombia is contemplated? If there is any good faith whatsoever in the purpose to give notice to the affected people and interests, if there is any remote idea of making the notice effective, it is perfectly obvious that the affected commodities or the commodities which are contemplated to be affected by the agreement must be noticed along with the attempt to make the agreement itself. It seems to me that that is axiomatic.

It seems to me, save as the notice is extended—I now read the language of the pending amendment which I have offered—to include notice respecting "the commodities contemplated to be affected by such agreement", that the notice amounts literally to nothing, and this proposal to give notice becomes nothing more or less than an imposition upon the good faith of the American people.

That, Mr. President, is not the only thing. It seems to be perfectly obvious that, if the notice and the subsequent hearing are to proceed in the normal American fashion, the hearing should be public. If it is not public, we have reverted to secret diplomacy, we have reverted to secret covenants secretly arrived at. We have reverted to a system of negotiations and relationship which is not only outmoded but which is repudiated by all modern thinking. Under the terms of the Senate committee amendment as pending, the hearing can be behind closed doors. It can be a secret negotiation and nothing else. There will be no adequate information given to the American people respecting vital concerns involving their lives and their livelihood. Again, it seems to me utterly elementary that the hearings should be public.

Mr. President, we are put upon notice by a decision of the Supreme Court that it is very important in respect to these hearings to be somewhat specific in our language if we intend the hearings to be anything other than an idle gesture.

I shall quote from the case of the Norwegian Products Co., petitioners, against United States of America, decided on February 6, 1933, in the Supreme Court (288 U.S. 294). I may say that this case turns on the question of what kind of hearings are required under the language of the flexible-tariff section of the law requiring reasonable hearing. The court specifically says:

There are times when the obscurity of one section as contrasted to the clearness of another may be ascribed to inattention. The need is not perceived of filling up the outlines because what is within them is assumed or carelessly overlooked.

Now, then comes this important statement:

Not so in this case, where Congress had its attention sharply directed to the fact that plain speech was needed if a hearing was to mean so much.

I submit that plain speaking is necessary if the Senate intends to do what the Senate amendment pretends to do. I submit that if we mean what we say when we propose in the Senate amendment to permit American industry and agriculture to have their day in court before they shall be sacrificed to one of these tariff bargains, then we must be willing to speak in plain language upon the subject, and we certainly should not balk, first, at requiring reasonable notice, that being the first section of my amendment; secondly, we should not balk at requiring the notice to include an indication of the commodities to be affected by the agreement, that being the second section of my pending amendment; and, third, that the hearing of interested parties shall be in public and not behind closed doors, that being the third section of my pending amendment.

Mr. President, I can scarcely conceive that the committee would object to these amendments. I shall be surprised if the Senator from Mississippi does not indicate his willingness, so far as he can, to accept these amendments, because it seems to me that any refusal to extend these definitions through the addition of these simple words must confess that the committee amendment has been proposed to the bill purely for the purpose of temporarily assuaging criticism and temporarily lulling the American people into a false sense of security.

I submit the amendments and I earnestly hope they may be approved.

Mr. HARRISON. Mr. President, as to the first amendment embodied in the Senator's amendments, which is to insert the word "reasonable" before "public notice", I see no objection to it, and shall not oppose the adoption of such an amendment, disconnected from the remainder of the amendments of the Senator from Michigan, because I imagine that any public notice would be reasonable. I have no objection in the world to "reasonable" being written in the language of the bill.

The question as to having public hearings, however, was one which was discussed in the committee, and if we are to undertake to negotiate reciprocal trade agreements with other countries, and if we must have public hearings and give notice to the opposition country of everything that may be said about a proposition in a public hearing, it would, in my opinion, almost destroy the effect of this proposed legislation. I hope very much that the amendment, so far as public hearings is concerned, shall be voted down.

We went just as far as we thought it was possible to go in writing this language. The bill, when it came from the House, had nothing in it about hearings of any kind. As the Senator will recall, there was a good deal of criticism leveled at the bill as it came from the House, because of the failure to mention anything about hearings. So we consulted with the administration concerning the Senate committee amendment. There was no objection raised to it, and in the committee it was unanimously agreed to.

Everyone who is interested in a proposed agreement will be heard; and reasonable public notice can and will be given. It seems to me that we have gone just as far as we ought to go.

The Senator knows that if public notice were given that we were about to begin to negotiate a trade agreement with Cuba, say, those who were interested and wanted to be heard one way or the other and to present their views, would know what products there are in Cuba about which to negotiate. The same thing is true of almost every other country. If we are obliged to give public notice and cite the commodities concerning which negotiations are to be had, and one is left out, then when conversations are had with the representatives of the foreign country we must begin all over again and give another notice, and include another commodity, and so on.

What we are trying to do is to cope with foreign countries that are making reciprocal trade agreements overnight and building up their export trade. If we shackle and put so many restrictions around the representatives we are delegating to try to negotiate reciprocal trade agreements for the advantage of the American farmer and American industry, then we cannot get anywhere. And certainly if public hearings must be had and then if, as the question arises in conversation, every commodity must be published, the negotiations will be greatly delayed, as well as the final agreements.

I am perfectly willing, if the Senate desires, to accept the word "reasonable", but I hope the amendments, so far as public hearings are concerned, and as to the naming of the commodities, will be voted down. Even section 336, the flexible provision of the present tariff law, which gives the President broad powers, does not provide for public hearings but merely for "hearings."

The Senator must display some confidence in the gentlemen who are directing the affairs of the Government. I appreciate the fact that it is a great and grave and important function which they are to perform, but if the measure is to be a success, we must not restrict them too greatly by enabling other countries to know exactly what we are to bargain about, and thereby give them all the advantages. We will be trying to enter into trades to the advantage of the United States.

Mr. VANDENBERG. Mr. President——

The PRESIDING OFFICER (Mr. McGILL in the chair). Does the Senator from Mississippi yield to the Senator from Michigan?

Mr. HARRISON. Yes; I yield to the Senator.

Mr. VANDENBERG. I have had sent to me a copy of a letter which the distinguished Senator from Wyoming [Mr. O'MAHONEY] sent out respecting wool, in which he said:

> I want to call your attention particularly to the letter which Secretary of State Hull wrote giving me positive assurance that no action would be taken with respect to any commodity until, first, negotiations had been held with foreign countries, and, second, until public hearings had been held to permit all persons affected to make their views known.

That would indicate that the Secretary of State is not opposed to public hearings.

Mr. HARRISON. Well, the Senator ought to have some faith in the Secretary of State; he ought to have some faith in the President. We say here that the rules and regulations shall be prescribed by the President of the United States, and I cannot assume that the President is going to act disadvantageously to the United States and against the interests of the United States. It seems to me, Mr. President, it is the wise course and the safe course in a matter such as this to leave the rules and regulations to be prescribed with reference to the hearings, with reference to the notice, and so forth, in the hands of the President of the United States, since we are delegating to him this power.

Mr. DICKINSON. Mr. President, it is pleasing to note that the Senator from Mississippi [Mr. HARRISON] has conceded that the word "reasonable" should be written in in line 6. The reason that word should be written in is because what is reasonable with reference to one commodity might not be reasonable with reference to another commodity. I do not see how any concern is going to be permitted to know how its interests will be affected unless it knows what commodity is involved in the negotiations.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. DICKINSON. I yield.

Mr. VANDENBERG. Can the Senator imagine what a notice that we were about to negotiate with the British Empire might convey to the American people in respect to identified commodities? If such a negotiation would not cover the entire tariff list, I do not know what would.

Mr. DICKINSON. I would have no conception of the commodity concerning which negotiations were to be undertaken. In addition to that, let us take, for example, a negotiation with Mexico. It might probably include livestock on the hoof or onions or vegetables produced across the Rio Grande River. How in the world could the beef producers in the Northwest know whether or not their interests were involved unless there was some notice given that negotiations were to be undertaken with reference to tariff rates affecting the importation of cattle on the hoof? The same

thing would be true with reference to Brazil. An agreement with Brazil might provide for additional importations of coffee, but, on the other hand, it might provide for the importation of canned meat from the packing concerns of South America which might be allowed to come in here at a lower tariff rate than is now scheduled. How would the beet producers of the Northwest know whether or not their interests were going to be affected?

Mr. DIETERICH. Mr. President, will the Senator yield?

Mr. DICKINSON. I yield.

Mr. DIETRICH. Would not the President, in sending notice that a certain treaty was about to be consummated, take into consideration what provisions such treaty contained and would he not give those persons who were interested in a given commodity notice that it might be dealt with in the treaty? Could he give anybody else any notice?

Mr. DICKINSON. That is just what we want him to say, namely, as to what commodities negotiations are going to be entered into.

Mr. HARRISON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Mississippi?

Mr. DICKINSON. I yield.

Mr. HARRISON. There is nothing in the world in the provision that has been recommended by the Finance Committee now before the Senate that prohibits the President or restrains the President, if he so desires, from giving notice of the particular commodities. We merely say, "Give him a free rein under such rules and regulations as he may prescribe."

Mr. DICKINSON. But the reply to the Senator from Mississippi is that we want to know whether or not negotiations are being carried on concerning our commodities.

Mr. HARRISON. And the reply of the Senator from Mississippi to the Senator from Iowa is that, no matter what we may put in the bill, the Senator from Iowa will not vote for this proposal.

Mr. DICKINSON. If the Senator is going to take that attitude, let us consider his position on the tariff.

Mr. HARRISON. May I ask the Senator, if this amendment were adopted, would he vote for the proposal?

Mr. DICKINSON. No; I do not want to vote for it at all.

Mr. HARRISON. Of course the Senator would not vote for it.

Mr. DICKINSON. I do not believe in this sort of thing.

Mr. HARRISON. Of course not.

Mr. DICKINSON. But if we are going to have it—and the Democrats have the votes to adopt it—I should like to see the bill written in such form so that it will protect, so far as we can afford protection, the interests that are going to be crucified.

Mr. HARRISON. If the Senator will yield further, of course, I accept that as his version, but there are some who would like to destroy the effectiveness of the measure so that it will be a failure. Of course, I do not put the Senator from Iowa in that category. He wants to see it made a success, even though he is going to vote against it.

Mr. DICKINSON. No; I am not for the delegation of power contained in this bill at all, and I will give a few reasons for my opposition before I conclude. In view of the suggestion of the Senator from Mississippi, I want to read from the New York Times of April 26, 1930:

> Senator PAT HARRISON, Democrat, of Mississippi, in an address last night at the seventeenth annual dinner of the Association of Stock Exchange Firms at the Hotel Astor, declared that acceptance by Congress of the Senate coalition's flexible-tariff provision was necessary for final approval of the tariff bill. He warned that defeat of the Senate amendment was likely to result in defeat of tariff legislation at the present session of Congress.

Then I quote from the Senator:

> There is no item on which the two Houses disagree that will consume more time and call for a higher degree of statesmanship than the flexible provision. The Executive contends for the present law; the Senate battle for a change. It is a contest so important in character and so grounded in principle that defeat of the Senate amendment is likely to spell defeat for tariff legislation at the present session of Congress.

The Senate amendment provided that whatever was negotiated had to come back for approval by the Senate. I quote further:

> I never want to see another tariff bill written in the manner and under the influences that operated in the formulation of the pending one. The serpent of selfishness hisses through every item and its slimy stains smear every paragraph. Tariff rates should be written through expert counsel after an impartial investigation.

I should like to know how we can have an impartial investigation unless the people who are interested are given the right to present their side of the case. That is all we are pleading for in the amendments offered by the Senator from Michigan [Mr. VANDENBERG].

In reference to secrecy and the suggestion that it is necessary that all these matters be kept under cover, let me say that we have too much secrecy all along the line in everything. I am going to show something about secrecy in one of the departments, not in a matter which affects the tariff bill but one which does affect some of the things that are being done in various executive departments of this Government. I read from a letter signed by Harold L. Ickes, under date of April 30, 1934, in which he says:

> It was anticipated that there would be resistance to any plan designed to increase the protective features of the Indian policy and at the same time to decrease Federal overlordship; but it was not expected that employees of the Indian Service would deliberately attempt to obstruct the program that has been developed by those carrying the administrative responsibility. I fully appreciate the faithful service of the great majority of the employees, across many years, and their loyalty to the new program. Unfortunately, however, I have increasing evidence that there is a subtle, misleading propaganda against the new Indian program emanating from a minority of employees within the Indian Service. Their action can only be characterized as disloyal and pernicious.
>
> My purpose in addressing you is to notify all of those engaged in this scheme to defeat our program that a continuance will be under penalty of dismissal from the Service. It is not intended to deny to any employee the freedom of expression or the right to petition Congress, but these privileges do not carry with them the right to interfere with administration by undercover methods. There is a point at which such interference can be defined as insubordination to the detriment of the Service.
>
> If any employee wishes to oppose the new policy he should do so honestly and openly from outside of the Service. This would mean his resignation. Any other course is unscrupulous and is detrimental to the Indians, because it acts on the Service like a canker.

That shows what secrecy does. Employees shall not be permitted to express themselves on a matter of public concern.

Now, I want to go a little further. We have an executive policy committee that is going to be an advisory committee to the President in connection with all matters under the pending bill, if it shall become a law. I referred to that committee the other day. The Assistant Secretary of State, Mr. Sayre, who is now honoring us with his presence, is on that committee. Two other members on that committee represent the A.A.A., and I presume are to advise with reference to agricultural matters. What I have in mind is, if we do not provide for public hearings, how are we going to know that anyone who is familiar with agriculture and the problems of agriculture is going to participate in the negotiations? That is a phase of this matter in which I am intensely interested.

The first man representing the A.A.A. is Dr. H. R. Tolley. He was born in Indiana, and, so far as can be found out, never engaged in farming. He attended Indiana University and specialized in agricultural statistics. He has been in the Government service 15 or 20 years, coming to Washington as statistician in agricultural engineering in the Department of Agriculture. Later he was made head of the Division of Farm Management in the Bureau of Agricultural Economics. Subsequently he was made Assistant Chief of the Bureau of Agricultural Economics in charge of research. About 1930 he was taken to California as director of the Gianinni Foundation to conduct all kinds of agricultural research, particularly for the benefit of California farmers. In 1933 he was brought back to Washington by the A.A.A. to head up the special crops section. Now, he is assistant to

Administrator Davis and in charge of the long-time planning policy. I suggest there is nothing there to show that this principal adviser, so far as the farmer is concerned, has had any intimate contact with farm problems from actual experience.

The next man is L. R. Edminster, who was born in Illinois about 1893. So far as can be found, he has had no actual farming experience; if any, it was while he was very young. He received his A.B. at Harvard in 1916. In 1917 he taught at Lake Forest Academy in Illinois. In 1918 he taught in Kansas State Normal College.

Mr. LONG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Louisiana?

Mr. DICKINSON. I yield.

Mr. LONG. Surely the Senator is not contending for such a ridiculous proposition, is he, as that a man appointed to regulate agriculture should know anything about farming?

Mr. DICKINSON. I understand that the best Secretary of the Treasury that could be found would be a man who was a good farmer. I do not know whether a man, because he has been a good economist or statistician, would make a good adviser so far as agriculture is concerned.

Mr. LONG. The Senator, I hope, is not trying to have it understood that in order to be an adviser to the Agricultural Department a man should know anything about farming and farm products?

Mr. DICKINSON. Not under the present administration.

Mr. LONG. We would be depopulating the Department of Agriculture, if the Senator should succeed in the enforcement of that policy.

Mr. DICKINSON. I might suggest that if we are going to have tariff adjustments which are going to affect the farming interests of the country, there ought to be a public hearing; there ought to be reasonable notice; the commodities involved ought to be named, and there ought to be permitted an opportunity to present the side of the case which will protect the producers of the raw products in this country.

Mr. FESS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Ohio?

Mr. DICKINSON. I yield.

Mr. FESS. I think the Senator is innocently making a very good excuse for the lack of public hearings. The whole truth about the matter is that if public hearings should be held there would be opposition and there would be no trade agreement. That is what it is desired to get away from. The Department does not want any voice raised in opposition, because that would defeat the principal purpose of the bill. It is desired that the negotiations shall be conducted in secrecy.

Mr. DICKINSON. That shows why the whole scheme is impractical and impossible and should never be attempted. It is just as impractical and impossible as the N.R.A.

Mr. FESS. That is the whole truth about the matter, and that is the frank confession which the Senator from Mississippi [Mr. HARRISON] made when he stated a while ago that we could not do this except in secret.

Mr. DICKINSON. If we have to do it in secret, I would prefer not to do it at all.

I continue about Mr. Edminster. He is the man who is going to be on the policy committee to determine what is going to be done, and he is going to be there representing agriculture. From 1919 to 1926 he was economist with the Tariff Commission. From 1926 to 1928 he taught at the University of Virginia. From 1928 to 1930 he was with the Brookings Institute at Washington in connection with tariff studies, principally with regard to cattle and wheat. About 1930 Secretary Hyde brought him over to the Bureau of Agricultural Economics as head of the foreign section to work on foreign trade and tariff problems. His principal report is entitled "Tariff Barriers." Recently he has been tansferred or promoted to be head of the export-import section of the A.A.A., and more recently was made a member of the President's new executive policy committee.

The PRESIDING OFFICER. The time of the Senator from Iowa on the amendment has expired.

Mr. DICKINSON. I will take some time on the bill.

The PRESIDING OFFICER. The Senator is recognized on the bill.

Mr. DICKINSON. I have another interesting comment here, which does not strictly apply to this particular item, but I wish to submit it because I think it contains much information. It is a new-deal note being circulated in Iowa. The note is in the following terms, and bankers and others familiar with the forms of notes will be greatly interested in this new form:

NEW-DEAL NOTE CIRCULATED

For value received, 2 years after date (unless (1) the time of payment be extended by law, or (2) the obligation to pay be terminated by act of legislature or by Executive order, or unless (3) at the time of maturity hereof the country or locality be suffering from economic depression, low prices for produce, drought, cyclone, fire, pestilence, or unless (4) there shall exist some kind of emergency, declared by act of the legislature, or Executive order, to be an emergency), I, we or either of us promise to pay to the order of ------ ------ dollars (unless some other form of money be made lawful either by legislative act or by Executive order, and unless (2) a different amount in dollars, or in such other medium of exchange or currency which shall or may be established by law, or Executive order, be made the equivalent of the sum herein above specified), with interest at the rate of ---- percent per annum (unless some other rate be established by law, or by Executive order, or unless interest be so abolished), payable semiannually (unless the time of payment be extended or postponed by law or by Executive order).

The maker, endorsers, and guarantors of this note, jointly and severally agree to and with the payee and his assigns, that (1) they will perform as little labor as possible, working not to exceed 30 hours per week; (2) that they will save nothing, but will, for the purpose of giving circulation to money (or whatever may be declared by law or by Executive order to be money), expend promptly all moneys coming into their hands; (3) that they and each of them for the purpose of bringing back prosperity and promoting recovery will borrow all money which shall or may become available for borrowing to them and each of them and that they and each of them will promptly destroy all produce, livestock, hay, cotton, or other crops (growing or harvested) which might contribute toward an overproduction of such article or articles as Government statistics may from time to time indicate, or as we may be requested to do by the new deal, the P.W.A., C.W.A., N.R.A., A.A.A., or any other agency which may from time to time be established by law or by Executive order. And we and each of us do jointly and severally hereby agree that if this note be placed in the hands of an attorney for collection, or if suit be brought for the collection hereof, that we and each of us, our sons, relatives, and neighbors will promptly hang or otherwise disable such attorney. It is hereby agreed that an emergency exists, and that we will not pay this note if we don't want to do so; and that we don't want to.

(This form to be used to promote recovery, provide for the circulation of money, and to do away with the old out-of-date methods of industry, honesty, and thrift, and to guard against overproduction of pigs, etc., to abolish self-reliance, and to insure the personal popularity of the new deal—especially among dead beats.)

Mr. President, I hope the amendment of the Senator from Michigan will be adopted.

Mr. NORRIS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. NORRIS. Are there three proposals contained in the pending question?

The PRESIDING OFFICER. That is correct. By unanimous consent it was ordered by the Senate that the three amendments be considered en bloc.

Mr. NORRIS. Then I would be precluded under the unanimous-consent agreement from asking for a division of the question, would I not?

The PRESIDING OFFICER. The Senator might ask to rescind the order that the three amendments be considered en bloc.

Mr. NORRIS. So far as I am concerned, I want to vote for the insertion of the word "reasonable" before the word "public" in line 6, page 6, but I do not want to vote for the two other proposals contained in the amendment.

Mr. HARRISON. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Mississippi?

Mr. NORRIS. I yield.

Mr. HARRISON. May I ask the Senator from Michigan [Mr. VANDENBERG] if he will not agree to let us adopt the first amendment, to which we have no objection?

Mr. VANDENBERG. I shall be very glad to do so. Then we can have the issue on the two supplemental items.

The PRESIDING OFFICER. Without objection, the first amendment of the Senator from Michigan to the amendment of the committee is agreed to, being the insertion of the word "reasonable" before the word "public" on page 6, line 6.

Mr. NORRIS. I desire to be heard briefly on the amendment as it is now pending.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. NORRIS. Mr. President, I have no criticism to make against any Senator if he is opposed to the whole bill. I think there are a great many legitimate arguments which may be made against it. If we were not in the midst of a depression and if we were not confronted with the activities of foreign governments, involving the tariff walls which have been built up by those governments, overnight very often, I would be opposed to the whole measure. I justify myself in being in favor of it because of what I believe to be the necessity.

Moreover, while I am in favor of the bill itself, I care nothing about section 4, the committee amendment which we are now seeking to amend by other amendments. As I look at the matter, it is very doubtful whether section 4 adds anything to the bill or whether it is otherwise; but if we are to have section 4, I do not think we ought to have the amendment suggested by the Senator from Michigan, because I think it circumscribes too much the power that we otherwise are placing in the hands of the President.

I can see, I think, how the President might give the notice want to narrow the matter down to a definite proposition, how the insertion, after the word "instrumentality", in line 8, of the words provided for in the Senator's amendment might seriously affect entering into a trade agreement. I realize that many people, with the best of intentions in the world, are opposed to giving the President authority to enter into trade agreements. I am not finding fault with that position; but, assuming that we are going to give the authority, we ought not to handicap the President by unnecessary amendments which will circumscribe his freedom of action when he is negotiating those agreements. I think this amendment tends to do that.

I can see, I think, how the President might give the notice and name the commodity; or, if the amendment should be agreed to, he would have to name in the notice the commodities about which he was going to negotiate. When he got into the negotiation, and was trying to trade with a representative of a foreign nation, he might find it desirable, he might find it necessary, that commodities other than those included in the notice should be taken into consideration in order to reach an agreement.

If this amendment were adopted, and such a predicament were presented, and anything should be put into the agreement that was not included in the notice, its legality would at once be questioned, and the first thing would be an action in court.

Moreover, referring to the other part of the amendment as to the desirability of public hearings, while it sounds well to talk about, ever since Congress has been framing tariff bills we have been having public hearings. If that amendment were adopted a demand could be made for public hearings that would last a year, and the object of making the agreement would be entirely nullified. If they were shut off arbitrarily there would be great consternation, and a great argument would be made that the interested parties were not given their opportunity to be heard, their day in court.

I presume we have more statistics on tariff rates and more hearings on the tariff than on any other one subject of legislation. If we are to grant this authority at all, we ought to let the President go into the deal with his hands untied. Otherwise, he will meet in the conferences representatives of nations who come there without any strings tied to their authority. He ought to go into the conferences free and untrammeled; and if we are to send our representatives into such conferences I believe it would be better to send them there with just as little red tape as possible.

If this plan shall succeed, as I hope it will, it will succeed, I believe, because we put our representatives on an equal footing with the representatives of other nations whom they must meet in these conferences.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Michigan [Mr. VANDENBERG].

Mr. VANDENBERG. I call for the yeas and nays.

Mr. HARRISON. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum being suggested, the clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Hayden	Pope
Ashurst	Costigan	Hebert	Reynolds
Austin	Couzens	Johnson	Robinson, Ark.
Bachman	Cutting	Keyes	Russell
Bankhead	Dickinson	La Follette	Schall
Barbour	Dieterich	Lewis	Sheppard
Barkley	Dill	Logan	Shipstead
Black	Duffy	Long	Smith
Bone	Erickson	McGill	Steiwer
Borah	Fess	McKellar	Stephens
Brown	Fletcher	McNary	Thomas, Utah
Bulkley	George	Metcalf	Thompson
Bulow	Glass	Murphy	Townsend
Byrd	Goldsborough	Neely	Tydings
Byrnes	Gore	Norbeck	Vandenberg
Capper	Hale	Norris	Walsh
Caraway	Harrison	Nye	White
Carey	Hastings	O'Mahoney	
Clark	Hatch	Patterson	
Connally	Hatfield	Pittman	

Mr. LEWIS. I beg to reannounce the absence of certain Senators announced by me on previous roll calls, to restate the reasons for those absences, and ask to have them all apply upon the present roll call, and the approaching vote following the roll call.

The PRESIDING OFFICER (Mr. BACHMAN in the chair). Seventy-seven Senators having answered to their names, a quorum is present. The question is on the amendment of the Senator from Michigan [Mr. VANDENBERG].

Mr. VANDENBERG. I ask for the yeas and nays.

Mr. LONG. Mr. President, as I understand, we are voting now only on the proposition as to whether or not people are entitled to public notice of these proposed agreements. That is all that is before us, as I understand. The other point was accepted?

Mr. HARRISON. The word "reasonable" was inserted before the word "notice."

The PRESIDING OFFICER (Mr. CLARK in the chair). The Chair will state to the Senator from Louisiana that the first amendment proposed by the Senator from Michigan was agreed to by unanimous consent. Under the previous unanimous-consent agreement, the other two amendments proposed by the Senator from Michigan are to be voted on en bloc.

Mr. LONG. As I take it, the only thing we are concerned with now is whether or not those who produce a commodity that is to be affected are to have a right to know that it is to be affected by a treaty. In other words, we are now voting, for instance, that if sugar or oil or cottonseed is to be affected, the persons engaged in the particular industry shall have the right to be publicly notified that it is to be affected by a treaty.

My understanding is that that is all we have before us now. In other words, as I understand, the question at the present time is whether there shall be a public hearing on a commodity that is to be affected, or whether or not there shall be public notice, or at least some notice, of a commodity that is affected.

Of course, I am not going to vote for this bill even though this amendment shall be inserted. I do not understand how, in view of Secretary Hull's letter, we can stand in the way of letting the people know publicly.

There is a practice in my State under which everyone may consult the public pay roll, and know the public duties of every man who is employed, and we take it that the provision under which the public is allowed to get that knowledge does not hurt anyone. Certainly, if you are to have a tariff against us, we ought to know about it. This thing of saying that we may judge that it is bound to be on our products does not mean anything, because a country may produce hundreds of products on which there might be tariffs. I hope we will be given the benefit of public notice.

Mr. HASTINGS. Mr. President, I called attention to this amendment in a rather lengthy speech I made some days ago with respect to the bill generally. I called attention at that time to the testimony of Secretary Hull before the committee.

Secretary Hull stated when he was before the committee that other countries had the opportunity to deal directly with a country with which they were negotiating, and that the United States would be at a great disadvantage if it did not have the same kind of an opportunity and the same power.

He called attention to the fact that when a certain tariff bill was before the House of Representatives its consideration occupied several months, and he stated generally that that showed that it was not possible to give an opportunity to everybody to be heard.

The Senator from Kentucky [Mr. BARKLEY] suggested that if those persons who were interested in changing the rates were to be heard, other persons would be heard also, and that it would result in a joint debate which would take a long time. The Secretary replied to that generally that it would be necessary to have two more Commerce Buildings here to take care of the situation and that there would not be lawyers enough in Washington to look after the various interests which would want to be heard at such hearings.

I asked the Secretary at that time whether or not, from his point of view, it was not impractical to give notice to the interested parties. After a long explanation, part of which I have described, the Secretary said several times that it was impractical to give such notice.

Subsequent to that, this particular provision was submitted to the committee, and I am not certain that it was not submitted by the chairman of the committee himself. I was very much interested in observing the newspaper comments about the proposed notice. The newspaper headlines were to the effect that the administration had now agreed to the suggested amendment that notice should be given with respect to any agreements that were to be made.

A few days ago, when I was addressing the Senate, I called attention to the fact that this amendment was wholly innocuous. I should like to ask Senators who are now about to vote upon the amendment to read carefully the amendment which was approved by the committee.

I am very much inclined to agree with the Secretary of State, as I said the other day: If it be important to this country that we enter into these agreements, and that we enter into them promptly when the opportunity arrives, I doubt very much whether it would be possible or practicable to give to the interested parties any notice. The pending amendment carefully avoids provision for any notice, that is, any notice which would in any way be effective.

Bear with me a moment while I read the language:

> Before any foreign-trade agreement is concluded with any foreign governments or instrumentality thereof under the provisions of this act—

As now amended, assuming the conference agrees to the amendments—

> reasonable public notice of the intention to negotiate an agreement with such government or instrumentality shall be given in order that any interested person may have an opportunity to present his views.

It is before it is concluded that the notice must be given. But it certainly must be true that when we make up our minds that we are going to try to negotiate an agreement with France, that, as the language, "public notice of the intention to negotiate an agreement with such government * * * shall be given."

Does that mean or does it not mean that we shall, before we begin to talk to France at all, give notice? If it does mean that, to whom shall we give the notice? It is a perfectly silly proposition, because, in the first place, we do not know, before we talk with France, what particular commodities will be involved, so that it is absurd to provide that we shall give notice before we begin to talk. We must, therefore, negotiate, have conversations, with France, before it is necessary to give any notice. The officials would not violate this amendment by doing it just that way. It is only before we conclude it that we must give the notice.

Who determines the kind of notice and the persons interested? The President of the United States. Who decides what opportunity is to be given to the interested parties? The President of the United States.

Then, when that opportunity is presented, it is presented to the President, "or to such agency as the President may designate." But under what rules and regulations is it to be presented? "Under such rules and regulations as the President may prescribe."

So that the President may very well prescribe that, in order to comply with section 4 of the proposed act, the Secretary of State shall, before concluding an agreement with any foreign government, post a notice on his door to all persons interested that on a certain day he proposes to conclude an agreement with France under this provision, and that will be a compliance with the notice provision of the proposed law.

Oh, but it is said that he will not do that. I say he will not do it unless in the emergency—and that is the basis of this legislation—he finds it necessary to do it. If he finds it necessary, the emergency will be sufficient excuse for doing it in exactly that way.

Mr. HARRISON. Mr. President, will the Senator yield to me?

Mr. HASTINGS. I yield.

Mr. HARRISON. Can the Senator tell the Senate of one instance in any Republican tariff law where a public hearing was prescribed—just one?

Mr. HASTINGS. Where a public hearing was prescribed?

Mr. HARRISON. Yes; or where any provision was written into the law as liberal as the provision now under discussion.

Mr. HASTINGS. I say to the Senator in reply——

Mr. HARRISON. Give me just one instance.

Mr. HASTINGS. I say in reply that when a tariff bill is pending in the United States Senate or House of Representatives every person interested knows it, and every person interested has an opportunity to be heard. He has an opportunity to present his view to the free trader from Mississippi, if he desires, or he has an opportunity to present it to me as one who does not believe in free trade.

Mr. HARRISON. As one who is an inordinately high protectionist from Delaware.

Mr. HASTINGS. Or he may present it to the high protectionists on this side of the Chamber. He has an opportunity to present it to the Senate committee; he has all kinds of opportunities to be heard; and therefore it is not necessary to provide for any public hearing, because a public hearing is the thing which Americans have believed from time immemorial they had through their Representatives and their Senators in the United States Congress, and that is to be denied them under the proposed law, and that is what I am complaining about.

Mr. HARRISON. Under the flexible provision, which delegates power to the Tariff Commission, and which was conceived by the Senator or his Republican friends——

Mr. HASTINGS. And which is not repudiated under the pending bill, by the way.

Mr. HARRISON. The Senator has repudiated it time after time when the rates were not increased but were lowered. Aside from that, however, was any public hearing then provided for?

Mr. HASTINGS. The language of the flexible provision of the tariff itself distinctly provides for such hearing; and if the Senator will provide for that kind of public hearing

in the pending bill, I am certain the Senator from Michigan will so amend his amendment as to conform to it.

Mr. HARRISON. Will the Senator let me read the provision into the RECORD?

Mr. HASTINGS. I will permit the Senator to interrupt me long enough to do so.

Mr. HARRISON. It reads:

> In the course of the investigation, the Commission shall hold hearings and give reasonable public notice thereof, and shall afford reasonable opportunity for parties interested to be present to produce evidence to be heard at such hearings.

There is nothing in the world about public hearings in that provision. I may say further to the Senator that in the Dingley law, enacted under the Senator's guidance and that of his party, which gave authority to the President——

Mr. HASTINGS. Oh, no, Mr. President; that was before I was born.

Mr. HARRISON. No; that was not before the Senator was born, because that was only 37 years ago, in 1897. There was no provision in that law for notice of any kind, nor was any kind of hearing provided for. In the McKinley law—which was a Republican measure, and therefore, of course, good authority—in giving similar authority to the President, no hearing of any kind was provided for. The Senator can scan these delegated powers, and in no instance will he find provision for public hearings.

Mr. HASTINGS. I hope the Senator will not insist upon going back of the Smoot-Hawley tariff bill for the Republican position with respect to the tariff.

Mr. HARRISON. I do not want to go back to it for anything.

Mr. HASTINGS. Very well. We still stand on it. May I inquire of the Senator from Mississippi, however, before he takes his seat, whether or not he is willing to accept an amendment to the amendment proposed by the distinguished Senator from Michigan, which would provide for notice and hearing similar to the notice and hearing permitted under the flexible provision of the present tariff law? If he will, I will stop talking about it.

I suggest that amendment, to which I am sure the Senator from Michigan will agree.

Mr. HARRISON. If the amendment suggested by the Senator from Delaware should be adopted, would he vote for the bill?

Mr. HASTINGS. I do not propose to vote for the bill under any circumstances.

Mr. HARRISON. No; of course, not. I expected as much.

Mr. HASTINGS. But knowing that the Senator from Mississippi expects to pass the bill, I should like to have it as harmless as it is possible to make it.

The PRESIDING OFFICER. The time of the Senator from Delaware on the amendment has expired.

The question is on the amendments of the Senator from Michigan [Mr. VANDENBERG]. The yeas and nays have been demanded. Is the demand seconded?

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. ROBINSON of Arkansas (when his name was called). I transfer my general pair with the Senator from Pennsylvania [Mr. REED] to the junior Senator from Florida [Mr. TRAMMELL], who is necessarily absent, and vote "nay."

Mr. STEPHENS (when his name was called). I have a general pair with the senior Senator from Indiana [Mr. ROBINSON]. I transfer that pair to the senior Senator from Montana [Mr. WHEELER], who is necessarily absent, and vote "nay."

The roll call was concluded.

Mr. ROBINSON of Arkansas. I desire to announce that the Senator from Connecticut [Mr. LONERGAN] is absent attending Memorial Day services at Gettysburg.

Mr. PATTERSON (after having voted in the affirmative). I have a general pair with the junior Senator from New York [Mr. WAGNER]. I transfer that pair to the senior Senator from New Jersey [Mr. KEAN] and will allow my vote to stand.

Mr. LOGAN. I have a general pair with the junior Senator from Pennsylvania [Mr. DAVIS]. In his absence I transfer that pair to the junior Senator from Connecticut [Mr. LONERGAN] and will vote. I vote "nay."

Mr. HEBERT. I desire to announce the following pairs:

The junior Senator from Vermont [Mr. GIBSON] with the senior Senator from North Carolina [Mr. BAILEY];

The Senator from Connecticut [Mr. WALCOTT] with the Senator from California [Mr. MCADOO]; and

The Senator from North Dakota [Mr. FRAZIER] with the Senator from Oklahoma [Mr. THOMAS].

I am informed that the Senator from Vermont [Mr. GIBSON], the Senator from Connecticut [Mr. WALCOTT], and the Senator from North Dakota [Mr. FRAZIER] if present would vote "yea" on this question; and that the Senator from North Carolina [Mr. BAILEY], the Senator from California [Mr. MCADOO], and the Senator from Oklahoma [Mr. THOMAS] would vote "nay."

I also desire to announce that the Senator from Pennsylvania [Mr. REED], the Senator from Indiana [Mr. ROBINSON], the Senator from New Jersey [Mr. KEAN], and the Senator from Pennsylvania [Mr. DAVIS] are necessarily absent. If present the last-named Senators would vote "yea" on this question.

Mr. LEWIS. Mr. President, I desire to announce a special pair between the Senator from Louisiana [Mr. OVERTON] and the Senator from Utah [Mr. KING]. If present, the Senator from Louisiana would vote "yea", and the Senator from Utah would vote "nay" on this question.

I further wish to announce that the Senator from Wisconsin [Mr. DUFFY], the Senator from Massachusetts [Mr. COOLIDGE], the Senator from Utah [Mr. KING], the Senator from Louisiana [Mr. OVERTON], the Senator from North Carolina [Mr. BAILEY], the Senator from Indiana [Mr. VAN NUYS], and the Senator from New York [Mr. WAGNER] are necessarily detained from the Senate on important public business.

I also announce the absence of the Senator from California [Mr. MCADOO], due to continued illness.

I wish also to announce that the Senator from Oklahoma [Mr. THOMAS], the Senator from Washington [Mr. DILL], and the Senator from Nevada [Mr. MCCARRAN] are detained from the Senate making Memorial Day speeches.

The result was announced—yeas 29, nays 46, as follows:

YEAS—29

Adams	Dickinson	Keyes	Schall
Austin	Fess	La Follette	Steiwer
Barbour	Goldsborough	Long	Townsend
Borah	Hale	McNary	Vandenberg
Capper	Hastings	Metcalf	White
Carey	Hatfield	Norbeck	
Couzens	Hebert	Nye	
Cutting	Johnson	Patterson	

NAYS—46

Ashurst	Clark	Hayden	Robinson, Ark.
Bachman	Connally	Lewis	Russell
Bankhead	Copeland	Logan	Sheppard
Barkley	Costigan	McGill	Shipstead
Black	Dieterich	McKellar	Smith
Bone	Erickson	Murphy	Stephens
Brown	Fletcher	Neely	Thomas, Utah
Bulkley	George	Norris	Thompson
Bulow	Glass	O'Mahoney	Tydings
Byrd	Gore	Pittman	Walsh
Byrnes	Harrison	Pope	
Caraway	Hatch	Reynolds	

NOT VOTING—21

Bailey	Gibson	Overton	Wagner
Coolidge	Kean	Reed	Walcott
Davis	King	Robinson, Ind.	Wheeler
Dill	Lonergan	Thomas, Okla.	
Duffy	McAdoo	Trammell	
Frazier	McCarran	Van Nuys	

So Mr. VANDENBERG'S amendments to the committee amendment were rejected.

The PRESIDING OFFICER. The question is on the committee amendment as modified by the first amendment of the Senator from Michigan [Mr. VANDENBERG].

Mr. CUTTING. Mr. President, is this the last of the committee amendments to be voted on?

Mr. HARRISON. There is one other committee amendment which was passed over.

The PRESIDING OFFICER. One committee amendment was passed over by unanimous consent.

Mr. CUTTING. Will that be voted on next?

Mr. HARRISON. The Senator from Oregon asked that that be carried over. I shall not oppose that being done, and, as suggested by the Senator from Oregon, take up the agricultural amendment next.

Mr. McNARY. I continue in my hope and request that action be deferred on the amendment that was passed over. If that arrangement be satisfactory, the senior Senator from California [Mr. JOHNSON] will offer an amendment.

Mr. CUTTING. Mr. President, in that event, I think this would be an appropriate moment to congratulate the Finance Committee on the splendid job which they did in amending the bill as it came from the other House.

If we take these amendments and study them seriatim we shall see that a thoroughly unconstitutional bill has been turned into one which cannot possibly be attacked on any constitutional grounds. Take the first amendment in which the Senate committee transposed the words "in the present emergency" from line 11 to line 8. As the bill came from the other House the words "the present emergency" applied merely to increasing the purchasing power of the American public, but, as we have the bill now, its whole purport, from start to finish, deals with an emergency. That, of course, Mr. President, is a matter of supreme gratification to many of us.

I am sure that all Senators realize that we are living in a world in which words count vastly more than realities; and the Senate Finance Committee has taken cognizance of that fact.

If we turn to the second committee amendment, we notice a still more extraordinary and magical transformation of the bill. As the measure came from the other House it was provided that the President can act—

> Whenever he finds that any existing duties or other import restrictions are unduly burdening and restricting the foreign trade of the United States.

We all know, Mr. President, that it is an old legislative principle that a legislative body has the right to delegate to any agent the power of acting when a certain state of facts exists. Everyone also knows, of course, that the question whether an existing duty or import restriction is unduly burdening and restricting foreign trade is a question of opinion. Any import restriction restricts foreign trade by the very nature of the fact. Now, the question is whether a particular import restriction is "unduly" restricting the foreign trade of the United States. The question of exactly when a restriction becomes an undue restriction would be determined differently by each member of a body of 96 men. Just how much restriction does there have to be in order to make it unduly burdensome? It would seem clear that that is a question of opinion and not a question which can be measured by a yardstick. So what did the Finance Committee of the Senate do? They inserted the words "as a fact"; and the clause now reads:

> The President, whenever he finds as a fact that any existing duties or other import restrictions * * * are unduly burdening and restricting the foreign trade of the United States.

Naturally, Mr. President, we are interested in the verbal aspect of the matter. The insertion of those words "as a fact" makes it perfectly clear that it is henceforth a fact whether at any particular time a restriction is or is not unduly restrictive.

I suppose that we might legislate that the President could act when at some particular time he found that a toothache was unduly burdensome or that a brick was unduly red. If he found "as a fact" that the world was flat, we should no doubt have a right to delegate to him the authority to take over duties which had hitherto been considered legislative duties.

I think it is an important point, Mr. President, because all through the Bill of Rights in the American Constitution we can find over and over again descriptive phrases such as "unreasonable searches and seizures", "just compensation", "excessive fines", and "cruel and unusual punishments." From the action of the Finance Committee it would follow, I suppose, that we could delegate to the President power to take particular action when he found "as a fact" that a compensation of 5 cents was a "just" compensation for a valuable piece of property, or that he might be granted the authority to burn someone at the stake if he found "as a fact" that that was not a "cruel and unusual punishment." We have been under the impression hitherto that questions of that sort were determined by the courts, but here, Mr. President, with scarcely a word of comment, we insert in a fundamental piece of legislation that the President may find "as a fact" that an existing duty or import restriction is unduly burdensome and restrictive.

I think that is a very magnificent amendment. I think it was a piece of wise statesmanship on the part of the Senate Committee on Finance, and I want to congratulate them accordingly.

Mr. President, since we are acting under a limitation of debate, and I may not have another opportunity today of taking the floor, I desire to allude briefly to another matter.

I see before me the junior Senator from Oregon [Mr. STEIWER], and I want to remind that Senator that this is Memorial Day and that a year ago he stood upon the floor of the Senate and exposed the manner in which the Executive by regulation had manipulated the provisions of a law by which we parted with legislative power.

When the Economy Act was passed, pledges were made by some of the most honored and respected Members of this body as to what Executive action would be taken and what Executive action would not be taken as a result of that legislation; and 1 year ago today the Senator from Oregon exposed the manner in which those pledges had been disregarded.

Last March, by a two-thirds majority of both Houses, it became possible for Congress to recover some part, at least, of the powers with which they parted in March of the preceding year, but it took a long, a hard, and a serious fight. Many of the veterans of the United States are lying under the soil as a result of the delay in obtaining again a power which we had voluntarily surrendered.

This is Memorial Day, on which we pay lip service, at any rate, to the Unknown Soldier, although we may persecute and torture his less fortunate survivors. I mention it merely because we are undertaking today something which in magnitude, it seems to me, exceeds the surrender which we made in March 1933. We are delegating away the taxing power, the power to regulate commerce, and the power to ratify treaties or agreements, whatever term may be applied most properly to the arrangements into which it is proposed to enter. If anyone thinks that because some Senator rises in his place and says, "If this power is granted it will not be used for some particular end", he has only to look back to recent history to see what was done within the past year under the terms of the so-called "Economy Act."

We have been told that wool is going to be excluded. We have been assured it would be absurd to apply the terms of the bill to agricultural products, when everyone of us knows that these assurances are worthless unless they are written into the legislation. I trust in spite of the vote which we have just taken that it may be possible, before the bill is finally disposed of, to embody in it some of the things which the Senate wishes to have guaranteed. I hope this bill will not be passed, but if that is inevitable, let us at least remember in the meantime that powers surrendered can be regained only by a two-thirds vote.

Mr. JOHNSON. Mr. President, I send to the desk an amendment which I offer and ask to have read.

Mr. ROBINSON of Arkansas. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ROBINSON of Arkansas. Was the previous amendment agreed to?

The PRESIDING OFFICER. The committee amendment, as amended, is now pending.

Mr. JOHNSON. I thought we had voted on it and it was adopted.

Mr. ROBINSON of Arkansas. I think the Chair did not actually declare the result of the vote. The Senator from

New Mexico [Mr. CUTTING], as I understood it, did not intend to interrupt the declaration of the vote by the Chair.

Mr. CUTTING. Mr. President, I have no interest in the matter at all. I thought the vote had not been taken.

Mr. ROBINSON of Arkansas. I suggest that the result of the vote already taken be declared by the Chair.

Mr. CUTTING. I do not wish to have the RECORD show I was speaking on the amendment of the Senator from California, of course. I intended to speak on the last committee amendment.

Mr. ROBINSON of Arkansas. I so understood and I think the RECORD will show, when the result of the vote is declared, that the speech of the Senator from New Mexico was made on the then pending amendment.

The PRESIDING OFFICER. Without objection, the committee amendment, as amended, is agreed to.

Mr. JOHNSON. I now offer my amendment.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed, at the end of the bill, to insert the following new section:

SEC. —. No foreign trade agreement shall be entered into under the provisions of this act with respect to any agricultural or horticultural product, including the commercial articles or materials made therefrom by usual first processings.

Mr. LONG. Mr. President, may I have the attention of the Senator from Florida [Mr. FLETCHER]?

Mr. JOHNSON. Mr. President, I believe I have the floor. If the Senator from Louisiana wants me to yield for a moment, very well.

Mr. LONG. I beg the Senator's pardon. Will he yield for a moment?

Mr. JOHNSON. I yield.

Mr. LONG. May I have the attention of the Senator from Florida [Mr. FLETCHER]? The amendment which has been offered by the Senator from California is almost identical with an amendment which is to be offered by the Senator from Florida. In order that we may permit the matter to come to a vote, if we have an hour on the amendments, I would ask the Senator from California if he would have any objection to me offering the amendment of the Senator from Florida as a substitute for his amendment?

Mr. JOHNSON. Does the Senator from Florida wish his amendment offered as a substitute for mine?

Mr. FLETCHER. Mr. President, I should like to have it voted on at some time. I do not know whether this is the time to do it.

Mr. JOHNSON. Very well. There will be ample opportunity. Let me suggest to the Senator from Louisiana that he let the matter pass and that he take up with the Senator from Florida the question of offering his amendment, and let them agree upon the procedure which it may be desired to pursue.

Mr. LONG. Very well.

Mr. JOHNSON. I am perfectly willing to agree to any procedure which will bring before this body any amendment it may be desired to present.

Mr. McNARY. Mr. President, will the Senator from California yield?

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from Oregon?

Mr. JOHNSON. Certainly.

Mr. McNARY. May I have the attention of the Senator from Mississippi [Mr. HARRISON]? The agreement is that the amendment on page 5 goes over for the present, I understand.

Mr. HARRISON. That is the termination amendment. That can be brought up later.

Mr. McNARY. Very well. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum is suggested. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Bankhead	Bone	Bulow
Ashurst	Barbour	Borah	Byrd
Austin	Barkley	Brown	Byrnes
Bachman	Black	Bulkley	Capper
Caraway	Glass	Long	Robinson, Ark.
Carey	Goldsborough	McCarran	Russell
Clark	Gore	McGill	Schall
Connally	Hale	McKellar	Sheppard
Copeland	Harrison	McNary	Shipstead
Costigan	Hastings	Metcalf	Smith
Couzens	Hatch	Murphy	Stelwer
Cutting	Hatfield	Neely	Stephens
Dickinson	Hayden	Norbeck	Thomas, Utah
Dieterich	Hebert	Norris	Thompson
Dill	Johnson	Nye	Townsend
Duffy	Keyes	O'Mahoney	Tydings
Erickson	King	Patterson	Vandenberg
Fess	La Follette	Pittman	Walsh
Fletcher	Lewis	Pope	White
George	Logan	Reynolds	

The PRESIDING OFFICER. Seventy-nine Senators having answered to their names, a quorum is present.

Mr. JOHNSON. Mr. President, pursuing a course that I have ever pursued in this body, I do not intend to argue the constitutionality of this particular provision, but merely refer to it, and then, if I am able, to discuss somewhat the policy of the measure and from that something of the policy which is involved in the amendment I have presented.

In referring to the policy and the record that have been made in the Congress of the United States, I do not do it invidiously, nor is there any design upon my part to arouse intense feelings upon the part of those with whom I have stood in years gone by against this kind of legislation; nor is it my purpose to refer even to the consistency of the attitude of any Member of this body. I recognize, as a great statesman once said, that "consistency is the vice of fools"; and I recognize, too, that there are other apostrophes that we might deliver to consistency that would have little or no influence in this body, and little or no application to any argument upon this bill.

By way of diversion, I can recall in my early days when a new party sprang up in the State of California called the Workingmen's Party, and its election of its first representative in the senate of that State—how that representative—singularly enough called Senator Bones—used repeatedly to deliver eloquent appeals and eloquent apostrophes to any subject which arose; and on one occasion when he was twitting his fellows about their lack of consistency he rose to great heights, sir, and with his hand upraised, he said:

Oh, consistency! Thou art a jewel of the deepest dye.

[Laughter.]

So, Mr. President, I would not refer to the consistency of my brethren upon this floor. It might be, emanating from this side of the Chamber, like the pot calling the kettle black. I refer to the RECORD, sir, only because such glorious, magnificent, convincing arguments were made by Senators on the other side of this Chamber, and the excellence of those arguments commends them to us today.

Twice, sir, those who have served, as I have, for a long period of time, have had here for discussion the peculiar provisions of the tariff law; and twice, sir, we have had debates that distinguished the Senators who participated in them, and that embellished the RECORD where they are now entombed.

Twice, sir, in this body I have heard Senators upon the other side speak of the flexible provisions of the tariff. Never did I hear such eloquent, such magnificent, such glorious oratorical outbursts as I heard on those two occasions when we discussed those flexible provisions. They differ from the bill before us only in degree. They were of small consequence; this much greater and more important.

I remember when an honored Member of this body was the leader of the Democratic Party in 1922, the late Oscar Underwood. I recall how he called down upon us the anathemas that might be pronounced upon those false to their trust in supporting the nefarious scheme, that relating to a flexible tariff.

I recall how in 1929 we fought the good fight all over again, and I remember—there are many of them upon this floor today—how Senators upon the other side not only aroused my interest but shook my emotions, sir, as I heard them denounce the flexible provisions of the tariff and the tyranny of that kind of thing.

I stood, sir, with you on the other side of this Chamber in 1929 fighting the good fight. I stand today, sir, just where I stood in 1929. I declined in 1922 and in 1929 to yield to the executive branch of the Government the power that was ours in the legislative branch of the Government. I decline, sir, today, notwithstanding my admiration, my respect, and even my affection for the gentleman who occupies the White House, to do otherwise than I did in those days gone by upon the fundamental principle involved.

And, sir, that we may understand something of what was said in those days, I refer again to the RECORD. Some of it already has been referred to in this debate; but I refer to it in order that I may recall to those who fought the fight in the days gone by just why I am fighting today the fight that you and I fought in the days gone by, but which I am fighting today in some loneliness over here. I shall not read the eloquent words in 1922 or 1929 of the then Senator from Montana, Mr. Walsh; but I read something of what was said by the then Democratic leader, away back in 1922, and again the perfervid eloquence of 1929, today forgotten, and forgotten in the main by the men who made the tremendous appeal in the days gone by.

I do not object to that. I do not object to a man changing his mind upon any particular matter that may come before us for legislation—not in the slightest—but, sir, there is something more than a legal aspect to this that we are doing here today, something far more important. There is a great policy that is at stake in what we are asked to do, a great policy that we ought to be able to solve for ourselves as legislators, and solve it as we were sent here to solve it by those we represent.

Legally, I repeat, I do not discuss the question. If there were presented to us as a matter of first impression the law of this case, there are not any two men here who claim to be lawyers who would disagree in the slightest minute particular. If there had been no decisions rendered by the Supreme Court in relation to the flexible provisions of the tariff, there would be a unanimity of sentiment among all who had even a rudimentary knowledge of the law upon the invalidity of the power that is sought this day to be given unto the President of the United States.

Now that the decisions that we have before us have been rendered in the Clark case and the Hampton case, the question may be doubtful. I do not pretend to say that it is of one sort or another; but no longer is our case one of first impression, and we may dismiss the constitutionality or the legality of the matter, and leave it for an ultimate and another decision of the Supreme Court probably. The big thing that yet remains, sir, is the policy involved in what we are doing.

Shall we delegate the legislative power that is ours and transfer it to the Executive department? Shall we grant the taxing power that is ours unto the Executive department? Shall we eliminate, as so many internationalists in this land desire us to eliminate, our participation in the treaty-making power?

These are three of the great questions of policy that confront us today; and these questions of policy ought to be determined by every one of us upon his oath, and as best he can, no matter what may transpire.

As was said 12 years ago and 5 years ago, it is not a matter of partisanship; and this was often reiterated in 1929 by a party that was in the minority upon this question, save for the few votes that it obtained from this side of the Chamber. It is not a partisan matter today, except so far as it may be made partisan by those who will not think otherwise in this particular Senate. It is not a partisan question, and it ought not to be a political question at all. We ought to be able to determine ourselves, for ourselves, for our people, whether we desire to delegate the powers that were committed to our care, and which, under our oaths, were the most sacred of all the powers that have been given by the people unto us.

This question of policy was determined in days gone by, determined so that there was no question about how our Democratic brethren stood, and, I may add in fairness, no question about how our Republican brethren stood, apparently, upon the other side. So I speak not from a partisan standpoint at all; but I speak as one who, with a sacred principle at stake, has at least pursued his own weary way, in his own particular fashion, on every occasion when that principle has come before our people, or come before this body.

In 1922 the then leader of the Democratic Party, Mr. Underwood, in speaking to those who were likely to vote in favor of the flexible provisions of the tariff, said:

> It is a plea of guilty to the charge of incompetency whenever the Congress of the United States passes a measure delegating its constitutional powers to the executive branch of the Government, as it proposes to do in the pending amendment.
>
> More than that, Mr. President, outside of the constitutional question, outside of the shameful confession that is being made by the Congress of the United States in advocating the surrender of its powers, I oppose this proposition because it is very dangerous to the people of the United States to put into the hands of the Executive—and I am not criticizing the present Chief Executive; there is no personal political allusion in what I intend to say; I will apply the remarks to all the Executives we have had in the past and to all we may have in the future—I say it is very dangerous to place this great power of taxation in the hands of any one man.

There was Democratic doctrine, enunciated by the leader of the Democratic Party. I believed in it. I believed in it 7 years subsequently, in 1929, when the question again arose. I believe in it today, and I am voting today just as I voted in the years gone by when this matter came before us, and the question of the delegation of our power was before the Senate for determination.

Mr. Underwood added:

> Of course, I know the President of the United States will not exercise this power personally.

That is what I know; that is what others know. It is useless to deny it. He will appoint some agent or agents to do it. Necessarily, he must. In the multiplicity of his duties, in the administration of powers such as are proposed to be accorded him, he must delegate the power to agents, just as Senator Underwood said in 1922:

> As I have said, of course, I know, as every other Senator knows, that the President, in his great office, with the vast amount of work which confronts him, will be unable to exercise this power himself, and that he must delegate it to somebody.

How much more do we know that fact today. Today we have a President burdened as no other man in the Presidential office ever was burdened in the history of this Nation; a man undertaking more marvelous adventures economically than were ever undertaken in the history of this land; a man devoting hour after hour, day and night, to the solution of the terrible problems which confront us. Of course, sir, he cannot tell whether he should make a trade agreement—a horse-trade agreement, as some of these gentlemen say—with some foreign country over eggs or potatoes or something of that sort. Some individual, some particular agency, some organization, must be intrusted with it first, and the President of the United States, with all the burdens he has on him, with all the crushing efforts by which he is endeavoring to bring us—and succeeding—out of a depression such as we have never experienced before, the President himself cannot do the job, and it is no reflection on him to say that, as was said in 1922 by Mr. Underwood concerning the then occupant of the White House. Mr. Underwood, the leader of the Democratic Party in the Senate, then said:

> This power in many instances cannot only be used to make but it can be used to destroy, and when you put this power in the hands of one man, what is going to be the effect not only on the burdens that the American people must bear in the future but on future elections in the United States? Are you going to organize in this way a machine that will wrest the control of elections from the American people unless it gets so great that we have a political revolution to tear it down? No, Mr. President; whenever you adopt this measure the Republican Party will plead guilty to its own incompetency to legislate, and it will put in the hands of its own Executive a power that no executive in this world should possess.

Mr. President, that was a patriotic utterance by a patriotic man, one who had the regard and the respect of all of us.

In that same session, may I call to the attention of the Senators from North Carolina, remarks were made by that grand old Roman from the State of North Carolina, Senator Overman, in regard to this power. He said:

It is indefensible and most iniquitous; and not only so, but by the adoption of this amendment it will be made absolutely revolutionary. Great Senators, representing a great people, absolutely abdicate the sacred trust reposed in them by a free people to preserve and maintain the Constitution. The power reserved by the people in section 8, article I, of the Constitution, which says that Congress shall levy all taxes and imposts, this bill proposes to delegate to one man, centralizing in the Executive the power to kill or to make alive.

* * * * * * *

I simply wanted to protest not only against this bill but against this violation of the Constitution of the United States, and in behalf of a great State, representing a great people, always jealous of their rights, desiring to preserve the Constitution and liberties of the people guaranteed to them, protest against the passage of the bill and most emphatically the adoption of this amendment, and I ask for the yeas and nays upon its passage.

These were early statements, statements made in 1922. I will not repeat the statements made in 1929. In the RECORD have been placed all of the speeches that were made during 1929, and those who have followed the RECORD at all have found that practically every man who was a Member of the Senate in that period expressed himself in one way or another on that occasion.

More than that, so important was the subject, of such transcendent consequence was it to the people of this country, that the minority members of the Committee on Finance, with "a decent regard for the opinion of mankind", went to the people themselves and published their round robin throughout this land in order that there should be no mistake about their attitude and about what we were endeavoring to do in the Senate at that time.

I read but a little, in order that I may hurry. The joint statement by the minority members of the Senate Finance Committee said these things in 1929. And, remember, it was but a little encroachment then that was proposed with the peculiar provisions of the flexible tariff. Today the gap has been widened until, in the language of the Senator from Maryland [Mr. TYDINGS], not only is there the little break in the dam, but the onrush is permitted to come through the destroying of the legislative power and the delegation to the Executive of that legislative power.

In 1929 the minority, with its "decent regard for the opinion of mankind", and pursuing the course which had been pursued in the days when we sought our independence in this Nation, to the world gave their views upon the unrighteous and the tyrannical effort that was being made in the Congress of the United States to give unto the Executive a power he never before had possessed and which they said he never should possess at all. Then the minority of the Finance Committee said, in this address published throughout the land:

A question of far-reaching consequences transcending considerations of party prompts us to issue a public statement in relation to the so-called "flexible provisions" of the tariff bill now pending before the Senate.

The question involved is one that, in our opinion, strikes at the very roots of constitutional government. It concerns the preservation unimpaired or the abandonment of the power of levying taxes by that branch of the Government which the forefathers agreed should alone be charged with that duty and responsibility.

Again:

Authority in the Executive to make the laws that govern the course of commerce through taxation is especially objectionable. It is an entering wedge toward the destruction of a basic principle of representative government, for which the independence of the country was attained and which was secured permanently in the Constitution.

What glorious language was this! What a patriotic fervor unquestionably lent itself to those gentlemen of high repute, who thus went to the Nation itself in denouncing the proposed usurpation of power. Again they said:

The arbitrary exercise of the taxing power, all the more dangerous if disguised and not obvious, in its basic character is tyranny.

Tyranny, said these minority members of the Finance Committee in 1929, was a flexible tariff hedged around with all sorts of restrictions so that it could do little or no harm. Tyrannical it was then, and now, when there are no restrictions, when the delegation of power is complete, when the flood dam of delegation is open so that all power which Congress has may, with this as a precedent, go forward into the Executive hands, now it is a glorious thing, out of which we are to have horse trades and Yankee bargaining, Yankee bargaining and horse trades. We are going to take the eyeteeth of those abroad by our Yankee bargaining, and we are going to have horse trades which will enable us to do all sorts of things to the countries beyond the seas.

What a naive, what a childish, what a blandlike faith that is, to imagine that we are going to do all these things to those with whom we deal and with whom we trade. But I am using the language of those who are militant in behalf of this measure outside of the Chamber in speaking of horse trading and Yankee bargaining.

Yankee bargaining! We are going to teach these people over across the sea that we will make money out of that bargaining, and that they will make none. We are going to teach them that we can out trade them, and we are going to out trade them so magnificently that our export trade is going to boom and boom and boom, and we are no longer going to have any depression of any kind or any character.

Yankee bargaining and horse trading! We are going to trade some spavined thing for some great thoroughbred, and we are going to teach these people across the sea how easy it is for us to trade that which we have for that which they have, and we get all the better of the bargain!

The arbitrary exercise—

In 1929 said the minority members of the Finance Committee—

of the taxing power, all the more dangerous if disguised and not obvious, in its basic character is tyranny. Resistance to the impairment of this popular right has largely occasioned many of the wars and revolutions of the past.

I quote further:

In an age where there has been a steady tendency to rob the individual citizen of his power and influence in his Government through bureaucracy we deem it our duty to vigorously protest any further encroachments in this direction, and especially with respect to taxation.

The concluding sentence of this great Magna Carta issued by the minority members of the Finance Committee is as follows:

In the hope of arousing the people, regardless of party, to take a broad and public view of this important public question, we make this appeal.

It is signed by Furnifold N. Simmons, of North Carolina; Pat Harrison, of Mississippi; William H. King, of Utah; Walter F. George, of Georgia; David I. Walsh, of Massachusetts; Alben W. Barkley, of Kentucky; Elmer Thomas, of Oklahoma; Tom Connally, of Texas.

I congratulate the gentlemen who signed that round robin and that address to the people of this land, upon the high plane upon which it was issued, and upon their courageous patriotism in taking the stand they did.

None of them is here today, I recognize. While names be similar upon this document, none of them is in this Chamber, and none of them, of course, has been heard in this Chamber upon the particular measure that is before us today. Similarity of names simply adds to the luster of those who were here then and who presented this magnificent address to our people.

I ask that I may be permitted to put the whole of this in my remarks, and that I may be pardoned from reading it all, so that I may not be unduly occupied.

The PRESIDING OFFICER. Without objection, it is so ordered.

The joint statement in full is as follows:

JOINT STATEMENT BY THE MINORITY MEMBERS OF THE SENATE FINANCE COMMITTEE

A question of far-reaching consequences transcending considerations of party prompts us to issue a public statement in relation to the so-called "flexible provisions" of the tariff bill now pending before the Senate.

The question involved is one that in our opinion strikes at the very roots of constitutional government. It concerns the preservation unimpaired or the abandonment of the power of levying

taxes by that branch of the Government which the forefathers agreed should alone be charged with that duty and responsibility.

Whatever argument could be advanced during the war and immediately following for delegation to a degree of the taxing power to the Executive unquestionably no longer exists. To incorporate now in the law any recognition of a right of the Executive to impose taxes without the concurrence of the legislative branch is without justification.

Authority in the Executive to make the laws that govern the course of commerce through taxation is especially objectionable. It is an entering wedge toward the destruction of a basic principle of representative government for which the independence of the country was attained and which was secured permanently in the Constitution.

There is no issue here as to the integrity of any Executive who has had or may have extended to him the exercise of this power. The issue is one of taxation by one official, be he President or monarch, in contrast to taxation by the representatives of the people elected, intrusted exclusively with the power to seize the property of the citizens through taxation. If proof be needed that the danger which the forefathers foresaw is inherent in this issue, a mere casual inquiry into the methods employed, selfish influences used, sinister schemes and contrivances brought to bear, one need but examine the record.

PROCESS HELD VIRTUALLY SECRET

The principle is: Are taxation laws and their application to be made virtually in secret, whatever may be said about a limiting rule, or are they to be enacted by the responsible representatives of the people in the Congress, where public debate is held and a public record made of each official's conduct?

The arbitrary exercise of the taxing power, all the more dangerous if disguised and not obvious, in its basic character is tyranny. Resistance to the impairment of this popular right has largely occasioned many of the wars and revolutions of the past.

An issue of this importance should not be associated with the opinions or necessities of those interests, States, or sections that directly profit by some rate schedule in the body of the tariff act. With respect to the principle here at stake any trading or logrolling is especially unjustifiable and indefensible. Neither should we be unduly influenced by the attempt to divert attention from this momentous issue by condemnation of and emphasis upon the dilatory and unsatisfactory results of congressional procedure.

POINT TO AMENDMENTS

No one seeks to prevent or in any way to interfere with the investigations and reports of the Tariff Commission in connection with emergency tariff legislation. The point is, we emphatically insist that final action and responsibility based on Tariff Commission reports shall be taken by the Congress.

For the purpose of preventing apprehended congressional delay an amendment has been made providing for the submission of the reports to the Congress by the President, and, furthermore, an amendment will be presented strictly limiting action by the Congress to matters germane to the particular subject matter or rates recommended by the President after investigation by the Tariff Commission.

We do not hesitate to say that if this extraordinary and what we believe to be unconstitutional authority passes now from the Congress, it is questionable if there will ever again be a tariff bill originated and enacted by the Congress.

It is our solemn judgment that hereafter all taxation through the tariff and regulation of commerce thereby will be made by the Executive. It is the inherent tendency of this tariff-changing device and the apparently conscious purpose of its proponents to use it to keep the tariff out of Congress, where it is such an embarrassing business, as everybody knows, to the party that profits politically by it. So also it will be of distinct advantage to the interests that are the direct beneficiaries of the tariff.

In an age where there has been a steady tendency to rob the individual citizen of his power and influence in his Government through bureaucracy, we deem it our duty to vigorously protest any further encroachments in this direction, and especially with respect to taxation.

In the hope of arousing the people, regardless of party, to take a broad and public view of this important public question, we make this appeal.

FURNIFOLD M. SIMMONS, of North Carolina.
PAT HARRISON, of Mississippi.
WILLIAM H. KING, of Utah.
WALTER F. GEORGE, of Georgia.
DAVID I. WALSH, of Massachusetts.
ALBEN W. BARKLEY, of Kentucky.
ELMER THOMAS, of Oklahoma.
TOM CONNALLY, of Texas.

[CONGRESSIONAL RECORD, vol. 71, pt. 4, pp. 4150, 4151, 71st Cong., 1st sess., Oct. 2, 1929.]

Mr. JOHNSON. And in order that there might be no mistake concerning the emergency, the senior Senator from the State of Massachusetts then said:

You say the need is to provide a means of meeting an emergency. What would you think of a proposal giving the President the authority to increase the Army or the Navy upon investigation and advice by boards of Army or Navy officers whenever he deemed an emergency existed? If increase of power and responsibility in the field of taxation when emergencies exist can safely and advantageously be lodged in the President, why not let him be the judge of the extent of preparations that are necessary to provide for public defense without the concurrence of the Congress? Why stop at the mere protection of safeguarding of property? Is not the protection of life and the defense of the country of greater moment?

And then in a burst of eloquence in the closing sentence, he stated:

Senators, pause, I plead with you, before you vote for such a destructive interference with the liberties and rights of our people.

I wish that I had his eloquence, and I wish that I had his facility of expression. I wish the appeal could be made by me such as he made in those days; and I would say to the Senate: "Senators, pause, I plead with you, before you vote for such a destructive interference with the liberties and rights of our people."

And, sir, we were not dependent upon the mere statements, the ebullition of eloquence that came upon the floor of the Senate during that period, for the entire Democratic press of this country was a unit, and its articles were blistering upon the power that was sought in a flexible tariff. I believed them all, and I voted that way during that period. All during that time the Democratic press of this country never faltered for a moment in its view. They were eternally right in that fight they then made, and they were eternally right in what they said upon that subject.

I read from a paper which is now deceased; I read from it in order that there may be no invidious comparisons now. I read an article from the New York World that at that time was published upon this subject. It will bear, sir, repetition.

The Democratic members of the Senate Finance Committee have taken hold of the right end of an exceedingly important public issue when they appeal for support against tariff flexibility by Presidential decision. There can be no doubt whatever that a tariff rate is a tax, and it will be difficult to dispute their argument that taxation is the business of the Legislature and not of the Executive. The proposal to have the President use the flexible provision is in fact a proposal to let the President legislate by decree. This is certainly contrary to the spirit of the Constitution even though on narrow technical grounds the validity of the present law has been sustained. In any case it is clearly an unwarranted confusion of powers.

President Hoover's desire to have this power conferred upon him arises apparently out of his belief that he could revise the tariff more efficiently than Congress can revise it. The methods of Congress are cumbersome. They have gross and obvious defects. But their defects are bound up with the working of popular government, and impatience with these defects is the usual beginning of a desire for a dictatorship. We do not for a moment suppose that Mr. Hoover has any such desire.

I pause there to say that I resent the suggestion that is made by some people here and elsewhere that there is any desire on the part of President Roosevelt to become a dictator or assume dictatorial powers. I recognize in him something else entirely, and it is apart from his personality that I argue this case today and argue it not upon the fact that we have in the White House a President in whom I have the utmost confidence and upon whom I place utmost dependence; I argue it upon the broad ground of the powers that are ours, that should remain ours, and that should not be delegated under any circumstances.

I continue to quote:

We do not for a moment suppose that Mr. Hoover has any such desire. But his state of mind is not a healthy one; the normal processes of popular government ought not lightly to be supplanted merely for the sake of efficiency. For if the President can revise the tariff more efficiently than Congress, it may be, if he is as able a President as Mr. Hoover, that he could make better laws on almost any other subject.

And that will be the argument ever for any power that is sought to be delegated to the executive branch of government, that it can act with greater alacrity, with more celerity, and that it can make better laws than can be made by the Congress itself. But after all, this is a democracy, this is a people's government, and the fact that our ways are cumbersome, and that they are even tainted with long delay, does not in the slightest degree affect the situation or the argument upon the question.

For if the President—

Said this article—

can revise the tariff more efficiently than Congress, it may be, if he is as able a President as Mr. Hoover, that he could make better laws on almost any other subject. It would nevertheless be undesirable to give him the power to make laws on any subject.

There is no more reason why the President should supplant Congress in order to revise the tariff than that he should supplant it in order to revise any other law. Self-government is self-government, and in this country, however irksome it may be at times, it has been worth the price.

And self-government is worth the price, the price that any man may pay, politically or otherwise, for standing for it; self-government is worth the price, and self-government must not be frittered away upon one specious plea or another, upon one design or another. It should be retained where originally it was deposited, and it should be by those who are its trustees maintained in all its pristine purity.

I do not and can not, sir, recite all the references that I have here concerning statements which have been made, and time will not permit that I should go forward with them all.

Mr. President, I have spoken now from the standpoint of the policy involved. I have demonstrated out of the mouths of those who are greater men than I can ever expect to be, that the policy is one which never ought to be surrendered by a Congress, and which a Congress never should permit itself to be persuaded to delegate to any other branch of the Government.

But, Mr. President, there are certain other questions involved in this proposal. I have spoken, as I think, from the standpoint of highest ideals and ideas that should actuate one in connection with the policy that should be pursued by those who represent the people. There is another side as well to this issue.

This bill, if it shall become a law and be intrusted to the President, for enforcement must be administered by those who are his agents. We know from the hearings that have been had who will administer this law. We know that it will be the Agricultural Department and the Department of State. There is no question concerning that, I take it; and so we can picture exactly, from the mental attitude of the Secretary of Agriculture and the Secretary of State, the peculiar views which they will bring to bear upon reciprocal trade agreements and tariff rates throughout this land.

For both these gentlemen, I hasten to say, I have a profound respect and regard; for their assistants I have more than that; and having that, I would not say aught in the slightest degree that could be considered criticism of either, but reading the words of both, listening to both, I think I can understand just exactly what the situation will be when the bargaining begins.

I am a Californian, sir. I was born in that State, of practically the second generation of children born in it. I have seen that State in its swaddling clothes in years gone by, and I have seen it advance, as the years have passed, to become the fifth State of the Union, possessing the fourth city in population in the United States. I walked through that fourth city in the United States at one time when its inhabitants numbered fewer than 12,000, and beyond it there was nothing but a desert. I have seen that city grow and develop until now it has attained its present eminence; and I have seen the region surrounding it abound in those luscious fruits with which we are all familiar and which have made that section of California famous. I come, sir, from the northern part of the State, where in my office on the twentieth floor of a great building I can watch the great steamers of the world go forth through the Golden Gate and, in imagination, at least, though denied me otherwise, I can go with them to mad adventure in the South Seas and upon the sands of the various islands of those storied waters. I have seen that State grow from a mere border State to its present position. I know what it requires. I have sat in this Congress during two tariff fights when I gave every ounce of energy I possessed to get for that State certain tariffs which were required in order that it might be prosperous and in order that it might meet competition from abroad.

When I made the last fight here for California products, it was south Mediterranean states that were here with serried ranks against us, through chambers of commerce in New York City, and with representatives here every day during all that long fight. I know what is required in the State of California, and I know that no man whose views are wholly internationalist in character, who believes in free trade, or in a modified free trade, can understand this State in which I was born and which I love as I love no other place on the face of the earth. I will not willingly intrust that State and its future to two gentlemen, however much I admire them and however much I trust them, whose philosophy is so different from mine and who would deny us the tariffs we need for our prosperity, aye, which we require for our very life. I decline to do that, Mr. President, with my vote, at least; and whether we are defeated or whether we are not, I shall maintain my position; and whether it is resented that I take the stand I do today or whether it is not is a matter of absolute indifference to me. I am a Californian, loving the soil and loving the State, and I will not intrust that State, with all it has become and with the future that is its, with its glorious future destiny, to those with their internationalist views who do not believe that any protection should be accorded any place on the face of the earth.

So, Mr. President, I have my reasons for my attitude aside from the great reason of policy and the constitutional question involved. Call them selfish and provincial, if you will; I do not care a "rap." I have only a little time more when I will go back to the soil of the State of California; and that State I will not intrust to gentlemen whose views are such that they will, if those views are carried into effect, injure or impede it, not wittingly but because their philosophy is a different one from that which is essential to that State's sustenance and that State's progress. So, Mr. President, say what you will about the selfish aspect of this sort of attitude, I take it in good part and I grant you that it is deserved.

I know, too, Mr. President, that today it is a terrible thing for a man to love his home, to love his city, to love his State, to love his country. It is a frightful thing today, the sin of patriotism in this land, and there are societies throughout this country now that believe that none of us should ever dare teach our children and our grandchildren to love their country, and who preach we should set some fine example and leave ourselves naked and defenseless to all the world. But, sir, I am too old to change my views in that respect, and so I am speaking not alone as a United States Senator, as I have spoken for the larger part of what I have said today, but I speak today as a Californian, and I am not ashamed to speak in behalf of the State I represent in part and which during the long, long years has been so very good and so very kind and so very loyal to me. So much for that.

Now, Mr. President, what are the views of the Secretary of State who unquestionably is going to administer this bill? We have listened to him as he sat over there again and again and again, always berating any protection, any tariff, any measure that even squinted at a tariff. We know that to be so; no man can deny it; no man can gainsay it. He is opposed to all tariff rates.

What of the Secretary of Agriculture? We can read his mind in reading what he writes. He writes magnificently. I love to read him; I adore the devoutness with which he impresses everything he writes, and I get from the charm of that which he writes a real thrill. Read him and no man need doubt what his views are—nebulous, perhaps, and now and then in the circumambient atmosphere escaping us as he flits by, but, nevertheless, he is always readable, always interesting, and he always arouses our respect and our regard. But he reminds me sometimes, as I read his views, and as I try to understand them, of the topical song which we hear and have heard so much of late—

> He floats through the air with the greatest of ease,
> This daring young man on the flying trapeze.

[Laughter.]

He mentally goes through such peculiar and rapid gyrations that I cannot follow him at times, I grant that; but he is doing a great work, a monumental work, and he is entitled, I think—even though I indulge in some playfulness here—to the respect of every one of us upon this floor.

My objection to him is solely that his philosophy in relation to the protective tariff and in relation to various industries is a philosophy to which I cannot subscribe, and which, if put in operation by virtue of trade agreements, would spell ruin for a large part of our people.

I can recall once long, long ago when I was endeavoring to try a law suit, certain doctors talked of an exploratory incision into the human body. I was young and inexperienced, and there was not anything in those days of which I had a thorough understanding, of course—I have not now a very thorough understanding of many things; but when the doctors talked of an "exploratory incision" into the human body, it shocked me dreadfully; and I never could quite get over the idea that there should be such an "exploratory incision." In this instance, may I say to my friend the Senator from West Virginia [Mr. HATFIELD], the "exploratory incision" was wholly ineffectual, for the patient died; but the "exploratory incision" into the human body is quite beyond me; and I never was able to understand it.

Mr. HATFIELD. Mr. President, may I say to the Senator that such incisions are made for the purpose of peeking in.

Mr. JOHNSON. "Peeking in"; that is an "exploratory incision." I am glad to have the information.

But, Mr. President, there have come to us the new doctrine and economy of "inefficient industries." I am not quite able to comprehend exactly how far this new doctrine goes.

It does not mean much, says our friend, the Secretary of Agriculture. I do not want to misquote him—and if I do, I trust some Senator will correct me at once—but he says there are only 5,000,000 people in this country who are gainfully employed in "inefficient industries", and that there are 40,000,000 people who are consumers and who will benefit if inefficient industry shall be eliminated, and the 5,000,000 people, presumably—I say that as my conclusion—presumably shall be eliminated too.

There is something in that doctrine which is not appealing to me. There is something in the doctrine of a man who has worked all his life in a certain way and who knows but one thing—there is something in a doctrine that would send him out into the street. That I cannot fathom and I do not like. It is all well enough to say that he is engaged in an inefficient industry; and that if those inefficient industries were all destroyed, then 40,000,000 of our consumers would benefit and the benefit would be very great from the whole national standpoint.

In those inefficient and noncompetitive industries, which are recited in the testimony of Mr. O'Brien before the House committee, I find many things in which I am interested and in which the West is interested—olive oil, cheese, eggs, dates, grapes, olives, peaches, almonds, beans, peas, tomatoes, long-staple cotton, flax, sponges, and the like. I say "straw hats" for the benefit of one of my colleagues of whom I am very fond, but he is absent at the moment, so I shall not dilate upon it.

But these are noncompetitive industries which are described, in conjunction with very many others. They are industries which are inefficient, and I do not know what we are going to do with the theory of inefficient industries unless it is meant that we are going to put them out of business. If we put them out of business, then we are going to bring, it seems to me, more ruin, more depression, more unemployment, even though there may be a little advantage to the consumer in the purchase of these things.

Mr. Tugwell has said that no one industry is entitled to support by a tariff. No industry! He does not qualify his statement in the slightest degree. Mr. Wallace makes perfectly plain that he does not believe in tariffs, and certainly not where the industries are noncompetitive or inefficient.

So we have administering this law such men. Senators of the South, who fought here for the little tariffs in their particular territories, should remember just exactly what their industries are and, if they are inefficient, look out for them in the days to come.

There is another thing in this argument that ought to be and has been called to the attention of this body. I think today it was called to its attention by the Senator from Michigan [Mr. VANDENBERG] concerning wool. Wool is one of the things which, in the language of Mr. Wallace, would probably be given a "pain" by what was being done or might be done to it. But one of our brethren here, the very excellent and very able Senator from Wyoming [Mr. O'MAHONEY], I observe in the press, has made perfectly plain that he has an understanding or an agreement by which wool is not to be affected by any reciprocal trade agreement. The instant we say that wool shall not be affected by a reciprocal-trade agreement and the instant it is said, "I have an understanding or agreement in advance that wool shall not be affected", that instant the bill is condemned, and that instant I have the right to ask, as to 40 things which come from the soil, that you deal in exactly like fashion with me and with the State from which I come in relation to those articles.

What justification is there in advance to relieve wool of the possibility of a reciprocal agreement and to leave hanging over all the rest of us the threat of an agreement that may mean ruin to us in the future? What earthly excuse is there, and what justification for an agreement or understanding, either direct or expressed, implied or otherwise, by which woolmen are to be placated, and others are to be treated in quite a different fashion?

I have an Associated Press dispatch quoting the Senator from Texas [Mr. CONNALLY], who, I hope, will grace this body for many years in the future, in which he speaks of "all farm products", and indicates, although he does not say, that there is an agreement to the effect that they need not fear because they will not be injured by any reciprocal-trade agreement. If that is so, adopt my amendment. If that is so, what reason is there for not saying so in the bill? If wool is to be exempted, if agricultural products are to have a place of precedence under the bill, let us write it into the law, and no man will be mistaken then in the days to come. If it be so that there is any understanding of any character in relation either to wool or to agricultural products, there is no reason on earth why we ought not to say it in this bill and make it plain beyond the peradventure of a doubt.

Mr. President, I am through for the time being. I repeat what I said before. Upon constitutional grounds this power should not be accorded. Upon grounds of public policy it ought not to be granted. It makes no difference who the man is in the White House. That is not the point at all. It is a power that will return to plague us in the days to come. However, we trust the present occupant of the White House, however great may be our regard and affection for him, we ought not at this period in our career surrender the prerogatives which were accorded to us and upon which popular government rests. We must not, as my friend the Senator from Maryland [Mr. TYDINGS] said in 1929, make a little opening in the dam because of the great onrush of power that will be accorded subsequently to future Presidents.

I stand here a Roosevelt man. I do not hesitate to avow it upon this side of the Chamber. I am going to avow it in the fight I intend to carry on, if God permits, in the State of California this year. He does not enter into this discussion at all. I recognize in him what I have recognized in few men. I recognize in him a degree of patriotism and a desire to serve that few men have been given of God to do. Recognizing that, though, recognizing him in the fashion that I do, paying to him the full meed of praise that is his for his work in the last year and a half, paying to him the full meed of praise that he has earned by his undeviating course and his bold and gallant courage, I say I can not and I will not, as a United States Senator, standing here upon my own feet in the body which I love, which I respect, for which I would fight if necessary—I cannot under my oath yield the power that is asked in this bill, and under the providence of God I will yield it to no man in an Executive position.

Mr. LEWIS. Mr. President, if I could concede that there is in the bill proposed a situation such as stated by the able Senator from California [Mr. JOHNSON], I could easily fall

into the fear of consequences as baleful as his exalted oratory has pictured to the Senate. I fear, however, that one of the blunders to which we are liable is the indulgence of that which from our own nature—either born of our prejudice or of our preferences—we incline to adopt because it serves the end to which at the time we are addressing ourselves.

It is asserted by the eminent Senator from California, as was charged by Senators preceding him throughout their discussion, that the measure now before the body carries two elements of invalidity:

First, that it is unconstitutional because it assumes to create a revenue, and this to be given the voice of origin and authority by the sole act of the Executive. It is asserted that this course violates what is assumed to be the spirit of the laws establishing the organization of our Government in that it forsakes and opposes the right of the House of Representatives to originate bills raising revenue.

Second, it is asserted that the measure is unconstitutional upon that other theory advanced by the able Senator from California, and eminent Senators preceding him, as declared in their voluminous addresses, that we are vesting within the President the power to create a solemn treaty between foreign nations and the United States and to execute it in his personal capacity despite the constitutional provision which exacts ratification by this body, known as the "United States Senate." It is urged that the confirmation by the Senate as an essential adjunct preliminary to the approval of the act going into effect before it can take the form of a legal compact of authority called a treaty.

Mr. President, the able Senator from California, and, I may recall, the eminent Senators preceding him, particularly the distinguished Senator from Iowa [Mr. DICKINSON], the Senator from Michigan [Mr. VANDENBERG], the Senator from Delaware [Mr. HASTINGS], and the eminent Senator from Ohio [Mr. FESS] have in separate presentation repeated from time to time the speeches or declarations made by Senators upon this side of the Chamber in some preceding discussion where it is assumed there was an affinity or relation similar to that which now possesses the attention of the Senate; and because of the impressions created at that time, and because of the feeling that there is a parallel, it must be assumed, say they, that what transpired then, and the judgment which followed it, is essentially that which should prevail now. It is the demand for consistency as cried out by Senate orators proclaiming the premises and its conclusion.

For myself, I am not much concerned with the cry. I rather recall, with Emerson, that—

> Consistency is the hobgoblin of little minds.

But, Mr. President, these eminent Senators are influenced by what they feel was something past and the line of reasoning there adopted which they feel should obtain here. They are unconscious that they themselves are committing a vice to their own welfare and to their object by hesitating to take the original situation as required by the present hour, rather than that which affected them in a past which may be wholly unrelated to the day and cause in which we now serve.

Mr. President, the great statesman of Britain, William E. Gladstone, had occasion to confront a situation very similar to this. He refers to the debates that have transpired in the British Parliament. He is writing an article in the Nineteenth Century. Says Mr. Gladstone:

> In very many cases, where we have reached certain results by our own inquiries, the process and the evidence have been forgotten, and are no longer present to the mind at times when we are called upon to act; they are laid aside as no longer necessary; we are satisfied with the knowledge that we acquired at a former time. We now hold to the conclusion, not remembering accurately its warrant, but remembering only that we once decided that it had a warrant. In its essence this is acting upon authority. From this sort of action upon authority I believe no man of active life, however tenacious be his memory, can escape; and no man who is content to act on this kind of authority is entitled to object in principle to acting on other kinds. * * * We are bound to act on the best presumption, whether that presumption happens to rest on something done by others or on something we have done ourselves.

Most appropriate is the suggestion, sir, from this eminent, distinguished, philosophic, and statesmanlike legislation.

Mr. President, at the very outset we wish to inquire, Is there foundation of premises in what our honorable friends contend is the basis for their opposing conclusion?

Let it be recalled that the principal contest here is combating the privilege granted by the bill to the President of the United States to conclude, in behalf of the United States of America, a mere compact and an agreement, as the representative of the United States of America, with any foreign country respecting the condition and quantity of charge that may be made the basis of exchange of trade, that which is the basis of a mere exchange of commerce between our Nation of America and any foreign nation of the world.

Since that is the premise, let us pause to ask ourselves, Where does that violate the Constitution, as is contended?

The Constitution provides that where revenue is to be raised, this is to be had through measures originating in the House of Representatives as the representative of the people who are taxed; but where the object, sir, is not primarily the raising of revenue, the position taken by the honorable Senators who contend that there is violation of the Constitution does not apply, because the object of the action is not the raising of revenue, nor for the purpose of raising revenue. It is for the purpose of creating an exchange of barter in the commerce between nations—the privilege of the Chief Executive—the President—to enter upon, negotiate, and conclude as provided in the second division of the Constitution.

Eminent Senators who have made the contention of unconstitutionality here forget that the Supreme Court of the United States has removed them from any uncertainty of mind as to the exact limitation and definition of power. I ask attention to the reasoning of the Supreme Court of the United States in United States against Norton in 91 United States Reports. I read, sir, rather the quick condensation of the ruling, that I may not take too much time in these mere expressions of legal opinion. The Court says, on page 569:

> The Constitution of the United States article I, section 7, provides that "all bills for raising revenue shall originate in the House of Representatives."
>
> The construction of this limitation is practically well settled by the uniform action of Congress. According to that construction, it "has been confined to bills to levy taxes in the strict sense of the words and has not been understood to extend to bills for other purposes which incidentally create revenue."

Story, on the Constitution, making his observations as well as this, the Supreme Court of the United States, gives us amply, sir, the reasoning on which this measure in its distinction rests.

The Supreme Court of the United States later had occasion to refer to this former opinion; and in a case supporting the lower court that went up from the city of Washington, the Supreme Court of the United States in One Hundred and Sixty-seventh United States Reports, the case being known as "Bank against Nebecker", has occasion to say:

> While the primary object of all taxation is the raising of revenue for the support of the Government, and all bills for that general purpose are "bills for raising revenue" in the sense of the Constitution and, therefore, must originate in the House of Representatives, it does not necessarily follow that every bill for some other legitimate and well-defined general purpose becomes a revenue bill, in the same sense, because, as an incident to the main object, it may contain a provision for the payment of certain dues, license fees, or special taxes.

Upon this theory, sir, the circuit court of appeals, in Thirteenth Blatchford, 207, calls attention to the specific action of our Government, and holds that a provision in an act of Congress increasing the rate of postage from 1 cent to 2 cents is not unconstitutional because it grew out of an amendment offered in the United States Senate; and following that, sir, we have the opinion of the Attorney General of the United States, in Nineteenth Opinions of the Attorney General, 520, saying:

> From the foundation of the Government to the present day, the Constitution has been interpreted to mean that the power vested in the President to make treaties, with the concurrence of two-thirds of the Senate, does not exclude the right of Congress

to vest in the Postmaster General power to conclude conventions with foreign governments for the cheaper, safer, and more convenient carriage of foreign mails. The existence of such a power in Congress may, perhaps, be worked out from the authority given to that body in the seventh clause of section 8, article I, of the Constitution. * * * This has always been construed to mean the power to organize and carry on the Post Office Department.

Mr. President, it is clearly seen, therefore, that there is no bill at this time presented before this body that has for its object the raising of revenue. Therefore, the contentions of able Senators that we are violating the fundamental doctrine of the Constitution in assuming to create taxes by the act of the President has no foundation as a premise, and no justification for the conclusion in any fact that is laid before this body in proposed legislation as ordained in this bill.

It is now further contended, however, that because there is a suggestion attached to the power to be vested which calls by name the compact "treaty", that we are allowing the President of the United States to execute a treaty and absolving him of the responsibility of having that treaty ratified by the Senate and for and by that assumed privilege we are violating the Constitution.

If the facts were as the able Senator from California would assume, and as other Senators preceding him have declared, well we might say that such seems an abrogation and apparently a violation of the Constitution. But what is overlooked is the truth, and what is ignored are the facts.

Mr. President, we ask what we are seeking to do here, and what is it we propose to do? Sir, it is to authorize the President of the United States, as an envoy in behalf of the people of the United States, to enter upon a trade relation between our country and other countries respecting the exchange of commerce. The fulfillment of the very mandate of the Constitution, upon the establishment of foreign commerce.

Mr. President, we have been doing this very thing continuously for 33 years. We have had the power to do it for 55 years. The eminent Senators on the other side of the Chamber have been charging loudly the great violation of the fundamental law were the President of the United States to attempt, or, under this proposed law, should execute a compact of trade in behalf of the people of the United States, authorized by their deputies called the Congress of the United States. It is declared that in such result the President is committing some great violation of the fundamental Constitution. To this I reply as I propound to the Senators on the other side this single query:

"Senators, there has been a law which gave authority to the representatives of your Government who are called 'commercial attaché' to negotiate trade reciprocal agreements. They were sent out by your State Department; lately they have been annexed to the Department of Commerce; and they have executed 75 different arrangements from time to time within the last 11 years of different forms of trade."

I ask of my eminent friends on the other side who have been opposing this measure on the ground that this measure contemplates the negotiation of a treaty which must be ratified by the Senate, where is one single instance of the demand of anyone of you during the time when these treaties were made under President Harding, under President Coolidge, under President Hoover, that they should be ratified by this honorable body? Where is one that was ever brought here for your ratification, when it was a mere trade arrangement made by the representatives of your Government in positions and offices less than the Presidency?

Since you have never exacted it before, and since you do not now point to one you have ever enforced here, what other motive can be charged to you now than that you are looking for something to enable you to cry out to the country that, because the power is sought to be vested in this present President, there is a partisan opportunity which you snatch, where you can cry the charge against your President of the United States that he is a lawless agent on the eve of violating the Constitution, inspired with the spirit of tyranny, and hoping in its devastation the complete destruction, under the guise of democracy, of the Republic of the United States.

O shameless audacity! unpardonable perfidy! I demand of you to say if this be not your purpose, what purpose have you? If you have never exacted the privilege, which you assume now, under any of the four different Presidents whom you have controlled in your name, where is your authority for demanding now for the first time that it would be a violation of the Constitution for this, your present President, to do by himself that which your four Presidents did by their appointees?

Mr. President, it will not be overlooked that our eminent friends on the opposite side who have been making these contentions seem to maintain a significant silence in the face of the record of my accusation.

Now, Mr. President, I moved to call attention to the fact that merely calling this compact a treaty does not give it any higher place than that which it takes by virtue of its natural relation. The Supreme Court of the United States removed from my honorable friends any doubt upon this question, when that Court, in the case of *Geofroy* v. *Riggs* (133 U.S. 258), had occasion to discuss the very question, and spoke of the power, and referred to the fact that the treaty is within the right of the President and within the right of the Government, saying:

> The treaty power, as expressed in the Constitution, is in terms unlimited, except by those restraints which are found in that instrument against the action of the Government or of its departments, and those arising from the nature of the Government itself and of that of the States. But with these exceptions it is not perceptible that there is any limit to the questions which can be adjusted touching any matter which is properly the subject of negotiation with a foreign country.

Where, my eminent friends, do you get the theory upon which you base these very eloquent speeches, these concomitant phrases of English in consolidated array of impeachments? In all these you denounce your own President before the world as unworthy of trust, and as a tyrant about to usurp the power of Government, and without the authority of law to ride bestride the Constitution to its fall and to the demolishment of liberty.

I note here, in the presence of the honorable Senators who cry out execration against the members of the Tariff Commission, that when they find nothing they can lay their hand on particularly to sustain any charge they intimate against the President of the United States violating any law they suddenly seize upon a declaration or expression on the part of a gentleman who is not the appointee of the present administration, but who is Chairman of the Tariff Commission, as voiced by him in his testimony before the Finance Committee, some such expression as that wherein he said that where the President would execute or command some action respecting a tariff schedule and the figure at which it should be adjusted that such would be tantamount to an action of the Commission, because the President is himself the Executive of the theory on which the Commission must act.

Mr. President, what is the grievance? It is that the gentleman has made the remark in some hearing that he would have to yield, or would yield, when it was found that the President of the United States desired to express himself and had concluded himself on a policy to submit to the foreign nation.

I should like to call to the attention of the Senators making the charge of misfeasance and upon such denouncing this particular officer, who was the appointee of their administration, for having uttered an expression which, according to his theory—and, to use the words of the eminent Senator from Delaware—"has destroyed his usefulness", for that he claims that therefore he would yield to the President for that the President would assume to exercise the power, therefore, exercising it, he as a member of the Commission would surrender any contention of his own differing with it.

Sirs, it is this frank avowal that is aspersed as treason to duty and a violation of every morality of public probity. Yes, and you eminent Senators making this accusation seem

as ignorant of the law applying to this phase as you have shown to the constitutional basis upon which you have paraded day by day before the world at large, holding up before the civilized nations of the earth your own President as unworthy of the trust of his own colleagues, and charging him, in the presence of the tyrants of earth, as being on the eve of delivering this Republic to the hands of destruction through anarchy and socialism. All this when not one of you assume the courage to justify such accusation by any act offered or by any proof tendered. Yet, unhesitatingly you would invite the masses of the people, on the streets and at the corners of your own land, to turn on their own Government to rend it to fragments on the ground that their commanding officer, their President of the United States, is upon the eve of firing the land with the burning brand of anarchy, and consuming it with incendiarism of madness, crushing it with and doing it to its death in the process of treachery.

All this based on the assumption that the President adopts the theory of service and degree of concession of the Chairman of the Tariff Commission. What has this gentleman, Mr. O'Brien, said? I am not so much disturbed as to what he has said but I am interested in calling attention to the fact that the Tariff Commission was created by a law defining its duties and powers. This definition went before the Court for test, and in the celebrated case of Norwegian Nitrogen Products Co. against The United States, the highest Court, construing the conduct of the Commission, defining the action of that body, said:

> It is he [the President], after all, who ascertains. He does not have to rely upon the evidence produced before or the recommendations made by the Commission. There is nothing in the section which prevents him from making such inquiries as he deems proper, or from ignoring everything that is done by the Commission (20 C.C.P.A. 27).

Later that eminent Court, in the case of Foster against the United States, said:

> • • • It is true, the investigation of the Tariff Commission and its conclusions and report thereon, if any, are not, under this statute, binding upon the President. He may follow them or disregard them.

In *Feltex Corporation (United States impleaded)* v. *Dutchess Hat Works*, an American manufacturer, and *United States (Feltex Corporation impleaded)* v. *Dutchess Hat Works*, an American manufacturer (T.D. 46957), the Court of Customs and Patent Appeals, on February 5, 1934, rules that the report of the Tariff Commission in an investigation for the purposes of section 336 of the Tariff Act of 1930 is not binding upon the President as limiting him to the facts therein reported, but that the President has the right to base his proclamation on any facts disclosed in the Tariff Commission's investigation, whether or not specified in its report.

Senators of the opposition, what is it you gentlemen seek? From what source do you seek the law? Upon what basis do you condemn this officer who announced the law as it is given by the highest Court of the land? Yet these eminent Senators, trying to find some reason whereby they may condemn something, which may give the color of condemnation and an adverse judgment against their own country, turn to this particular officer, and would leave the impression that it is shown in the committee proceedings that he would pander to be appointed to office by announcing he was ready to surrender his views at the instance of the President, if the President's views are contrary to those of the Commission and of the constitutional mandates.

Has any one of our eminent opponents cited the law that applies? None—not one. Is it that they did not know it—or is it they did know it and rested silent that disclosure would not defeat scandal? Has anyone referred to the decisions of the highest tribunal? None. Has any of them tested the act by any decisions of the courts of the land? None.

Without making any reflection on these honorable gentlemen, I will say that they can find it easy to say it is unconstitutional. How long has this plea of "unconstitutional" been heard? How often have you taken your resort to hurling this anathema and arousing in the mind of your own countrymen a want of credit in their own institutions? How long have you continued to invest the great public mind with the feeling that there is nothing secure in the action of the Government, no relief to be hoped, but that they are to be deceived by the enactment of every law? For that they are discouraged by the assertion from the lawmakers that their very act is to be declared by the courts as an impeachment of honor and a violation of the Constitution, all to the discredit of the Nation and dishonor of its people.

Now, gentlemen of the opposition, ever croaking "unconstitutional", where have you been able to point to one decision of a court that has held any one act of legislation of this administration invalid? Where has that opinion of yours that all is unconstitutional ever been sustained by any court to which you have ever gone in any part of the land? Where is the opinion from any other court presented by anyone else that has sustained your contention of unconstitutionality?

And, sir, may I ask who are these gentlemen going up and down the country delivering their addresses wherever there is opportunity to exhibit themselves and their vanity, or to expose their conceit and display their pompous impudence, crying out "unconstitutional" concerning every act which goes to cleanse that which has so polluted this Republic, and which is put forth to relieve the people of the burdens put upon them by the authors of the cry "unconstitutional"?

Where has one of these gentlemen—and I allude to eminent gentlemen who are reputed by the papers to come from the House of Representatives—ever presented a cause before a court contending that a law was unconstitutional and have it sustained according to his opinion? Where is any judgment that discloses that any opinion of theirs or view of theirs has ever been accepted by any court of the land? And that other band of squeaking, shrieking "captains" of dismal desolation whom no discriminating public has ever trusted with an honor or honored with a trust, who go up and down the Nation crying "dishonor" on every act of the President and his aids—these sickening every sense of justice—who in truth are they?

Yet, it is such as these who are allowed to go before the country, up and down in the highways and little paths, screaming to the full extent of their screeches of the invalidity of every act that is attempted to be passed in behalf of the people, and crying "unconstitutionality" of every measure which is tendered here for the salvation of the Nation and the restoration of the Republic which by their infamy in public place they brought to revolution and disaster.

There is my eminent friend from Delaware, the distinguished Senator [Mr. HASTINGS] who spent his time in a very elaborate address of several hours from day to day to demonstrate how "unconstitutional" is the pending measure. Yet the only decision presented anywhere, any time, by these opponents to sustain the argument is the one of the Supreme Court of the United States, which held the proceeding they were assailing wholly constitutional—the renowned case of *Field* v. *Clark* (143 U.S. Repts.) I have never been able to follow the contention of my eminent friend from Delaware; though I listen to him with delight and sometimes with information, as to the position he is assuming as the spokesman of his great party and now if he will but pause in his colloquy with his colleagues while I am speaking, and inspire himself with a little wisdom from this side, issued while I am speaking, he will find it to his present benefit and future welfare. [Laughter.]

The PRESIDING OFFICER. Will the Senator from Delaware give heed to the Senator from Illinois?

Mr. HASTINGS. Mr. President, I give heed all the time to the Senator from Illinois, but I am sorry to admit that I missed what the Senator just said.

Mr. LEWIS. There is no need for the Senator to apologize, but there is need for information on the part of the Senator, and therefore the Senator from Illinois sought to do that which charity would impose upon him to do, to lighten darkness with illumination. [Laughter.]

I said, and I repeat, it has ever been my pleasure to listen to the eminent Senator from Delaware as he has appeared before this body and inveighed against the validity of every act of the present administration. I heard him read the platform of the Democracy of 1932, and he pointed out where the charge was made that under what was known as the law called the "Smoot-Hawley law" large collections have been made from the beneficiaries for campaign purposes. The eminent Senator said he could not but see that the declaration was a falsity. It was written, said he, by those who could not have believed it, and therefore he denounces the charge as a prepared slander.

But the pending bill he denounces as he denounces the Chairman of the Tariff Commission. I regret that the Senator was not here when I called the attention to and read the opinions of the highest court in the exact words that the Chairman of the Commission gave to the committee—the words which the Senator denounces.

Mr. President, I realize that the position of the Senator from Delaware as chairman of the Senate committee for the election of Senators on the Republican side places him in direct opposition to one as chairman of the Democratic Senators which I occupy on behalf of the Democratic side. It is a matter concerning which I feel more or less flattered, and sometimes I have felt like suggesting to him that we both issue some sort of challenge and let the eminent leaders on both sides go to the country and join debate that the country may see the representatives and hear what they say, even including the Senator from Delaware.

I feel that the very exhibition of himself would be a source of considerable refreshment to the public to behold and to hear, because as I have heard the Senator, and as I have listened to him inveigh one way or the other in every form of declaration against everything that the administration has done, and holding it unworthy of any form of praise, and withholding any approval thereof on his part, I cannot but realize that the distinguished Senator has reached the point where he dreams to be saluted by the individuals in his locality, and everyone admiring him, as the Doughty Dare-devil of Delaware. [Laughter.]

Mr. HASTINGS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Delaware?

Mr. LEWIS. I yield.

Mr. HASTINGS. I have been waiting for about 5 minutes until the Senator could finish his sentence so I might not interrupt him, but I should like to say here and now that I am not willing to go out in a contest before the people with the Senator from Illinois to compare our looks, because I realize that the Senator from Illinois will entirely beat me on that score. But if it comes to the discussion of some question I shall then be glad to meet him any time, anywhere.

Mr. LEWIS. I will say to the Senator from Delaware that he does not need fear the comparison even of looks, because the community will behold by appearance how much smoother a man he is than is the Senator from Illinois. [Laughter.]

Mr. HASTINGS. Mr. President, will the Senator yield?

Mr. LEWIS. I yield.

Mr. HASTINGS. I do not know whether the Senator has reference to the fact that I shave every day and he does not.

Mr. LEWIS. Mr. President, I have long since known that the eminent Senator had weapons of a rather smooth and cutting character dealing with all things, and if he finds them agreeable to apply to himself, that is a matter of his choice, yet I trust he does not cut farther from his face than his neck, because there might be serious consequences to follow in that it might cause a great loss to this body. [Laughter.]

Mr. President, I desire to move toward the conclusion. Where is the eminent Senator from Iowa [Mr. DICKINSON]? If he can be found, I should like to have his attention for a moment. I recall the speeches of these eminent Senators, and particularly I refer to the Senator from Iowa [Mr. DICKINSON], the Senator from Delaware [Mr. HASTINGS], to whom I have paid my tribute.

Mr. HASTINGS. Mr. President, will the Senator from Illinois yield for the purpose of permitting me to suggest the absence of a quorum and asking for the call of the roll in order that I might get the Senator from Iowa into the Senate Chamber?

Mr. LEWIS. Mr. President, I would not ask that the whole of the Senate be called together in order that we bring about the presence of the Senator from Iowa, whose presence I intimated I desired. While I should be glad to have him present in the Chamber, let it be understood that I am content with the company I have—and its flattering audience.

Mr. HASTINGS. Will the Senator excuse me long enough so that I may step out and summon the Senator from Iowa?

Mr. LEWIS. I should regret to lose the presence of the able Senator from Delaware, as I always delight in his presence, and I trust there may be a mutual contribution to both of us in being present while either is speaking.

I seek the Senator from Iowa, Mr. President, because I now behold his challenging colleague the Senator from Michigan, who has delivered very eminent addresses upon the subject in which this law and its proposed purposes are held by him in fulminating declaration as unconstitutional, and wholly invalid. Says the eminent Senator from Michigan [Mr. VANDENBERG] that if it is wholly useless, therefore it is unnecessary. It does nothing, he claims, except to frighten the public from all private business.

That if, on the other hand, it is useful, it is useful only (as I gather) to the destruction of the enterprises of which the eminent Senator from Michigan speaks. I am fascinated by the Senator from Michigan; I am interested in his splendid addresses. I was particularly intrigued by the excess of zeal that he discloses, on the indignation he suffers in the prospect of having something done that would interfere with the tariff privileges that are vested by the present act called "Smoot-Hawley law."

I particularly recall that the Senator from Michigan has from time to time in his very able addresses seen the prospects either of beet sugar being lessened in its value drawn from political favor or of possibility of automobiles no longer racing up Heaven's sun-lit path to the garage of the angels marked "Made in Detroit". He shudders in fear of some calamity arising from our enforcing the reform tariff laws. And finally I can see his tremor at prospective dangers to the great lumber interests of Michigan, which for generations have enjoyed monopolies but now may not be longer indulged in their rapacities upon the builders of homes needed to shelter the unhoused of America.

No one admires the distinguished Senator from Michigan more than I, and I salute him in the presence of his people. I address him as the master mentor of Michigan. In his arguments and in his debates I tender him as one who would not be exceeded in virtue or talent by anyone who could be sent here as a successor, as none have measured to him who have preceded him in his honorable place.

Mr. President, I am compelled to note that there is an engaging rivalry in this projected list of Presidential preferentials. There is the silver-crested corsair, the Senator from Iowa [Mr. DICKINSON], the eminent Senator from Delaware [Mr. HASTINGS], to whose capacious qualifications I have just alluded, the masterful abilities disclosed in the Senator from Michigan [Mr. VANDENBERG]. This much I am pleased to say, that if the time shall come when that party called Republican shall adopt some cleansing to give respectability to its past record, which only of late has so debased the Republic that its captains apologize each time they rise to speak of their party or its record—I say if it shall come to pass that there shall be an opportunity to present someone as its Presidential offering—as some lamb to slaughter as penance to inglorious sinfulness, the Chamber would delight to say there could be no finer trinity from which one could rewardingly be selected than from this guardsmen three—DICKINSON, of Iowa, HASTINGS, of Delaware, VANDENBERG, of Michigan! Gentlemen, take your choice! [Laughter.]

But I am moved, sir, to some serious consideration, and this is, Why denounce this measure in the terms you have and send out to your country the charge you are making

from your very high place before the whole world, that the President of the United States is upon the eve of violating the Constitution of your country in every act that he assumes, and that now he is on the verge of not only violating the law but presenting himself before the countries of the world to negotiate some theory of authority in which this honorable body, the Senate, indicts him as a criminal under the Constitution and unworthy of the trust of his colleagues of administration?

What manner of statesmen are you, Senators, in an hour like this, when every country in the world is on the eve of breaking up in chaos and many flaming in the fires of revolution, that you are willing to incite your own people to turn against your own President and hold him before the world as one on the eve of setting his country into conflagration consuming it in the fires of anarchy, the destruction of communism, and the desolation of universal demolition.

You demonstrate, honorable Senators, how you are encouraging your disorderly to enter upon lawlessness, as you deprive your countrymen of confidence of its people or in themselves. Where do you think this summons to dismay and desolation will lead. Are you compensated for the flames you are blowing up in the thought of some partisan object being won for you and new office procured? Does this compensate you for picturing your President of America before the earth as one you are not willing to trust to negotiate a matter of trade agreements, where you have trusted 57 men of lesser stamp, named by you as commerce advisers, to the very same purpose, the very same object, and the very defined duty which has been written in this bill? What is it you dream upon as reparation for destroying the trust of your countrymen in their Nation and slaying the rising faith of the oppressed, as you bury the hope of your Government in the grave of despair and death?

I summon you again to answer, When have you ever exacted any one of these trade arrangements you made to be brought to this body for confirmation by the Senate? Where is one now, will you rise and call by name, that you have endorsed in the form of a treaty when it has engaged itself in all the solemn obligations with the greatest countries of the earth involving this, your land under the obligation of executing a contract?

It must be evident to all to what an extreme extent you find it agreeable to go to place your country in such a light that you might for a while excite the fears of your own people that they might return in compensation for those fears a contribution to the ballot box to elect someone to office from whom you have aspiration to benefit.

Senators, much time has been taken in the debate. I ask, What policy is there suggested in behalf of the President of the United States which is new? Where is there anything to speak of as revolutionary in the undertaking? The hour moves fast. The lands all around are seeking the most expeditious method of obtaining some relief from their condition. In February 1934 Italy adopted a system of parliamentary control by naming a committee known as "the grand council", for the purpose of negotiating tariff arrangements between Italy and this our land by commissioners.

At the same time, I invite your attention that France, on February 27, proceeded to announce the adoption of a system so that the tariff should now be changed from being consummated by a vote into a system of what they called their "new climax", to be submitted by a committee, and that committee have performed the duty under the arrangement, tendering them as an adoption on the part of the Government.

I call to your attention a statement with reference to the last debate in the Chamber of Deputies:

> After an all-night session, during which the clocks were stopped at midnight, the budget was finally adopted on February 28. On the same day the Chamber, by a vote of 430 to 157, passed a bill granting the Government power to change the existing tariffs by decree. This measure was passed in the senate by a show of hands.

Senators, are you merely asking your Government to do that which other governments have permitted to be done?

Mr. McCARRAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Nevada?

Mr. McCARRAN. At the appropriate point will the Senator yield for an inquiry which appertains to the very matter the Senator is now discussing, and I propound it for the purpose of developing the thought he is trying to develop and not to embarrass the Senator in any way?

Mr. LEWIS. I assure the able Senator that he will not embarrass me, but I am anxious for the Senator to realize that we are proceeding under limitation of debate. If the Senator will propound an inquiry, I shall be glad to respond to it at once.

Mr. McCARRAN. Would the Senator, for the purpose of emphasizing the thought he is trying to expound, kindly distinguish between the governments, the tripartite government we have with its constitutional limitations as to powers, and the form of government of those to which he has referred as delegating certain powers to certain organizations?

Mr. LEWIS. Mr. President, I regret the Senator was not here earlier. He would have had that discussion brought to his attention. I called attention that under our law, as decided by the Supreme Court of the United States, an act which did not have the raising of revenue as its principal object is not within the meaning of the clause of the Constitution. Secondly, I called attention to a decision of the Supreme Court of the United States that an arrangement between the President that looks for a mere exchange of compacts is not a treaty within the meaning of the treaty law.

Therefore, since the Highest Court of our land has so defined it, I answer the able Senator by saying the governments to which I have alluded are much more liberal than the Government wherein we rest, for there the right of their tariff system is based on parliamentary privilege and not in pursuance of the Constitution. France does not occupy that attitude, but the will is directed by the people. It is the will of their people that orders the change.

I instance each, as detail reply. As to the Government of Italy, the Government of Italy had no constitutional basis such as ours. Hers is a military arrangement; but the only theory with her was the vote that will come directly from her elections. From her elections came some force which I do not approve in all respects, but which, nevertheless, is followed by the delivered decree to deal with us directly through a commission.

I say to my able friend: If one branch of the measure before us were for raising revenue, it would have to originate in the House of Representatives. If the other were for the making of a treaty, it would have to be ratified by this body. But where one is not for raising revenue, but for the mere exchange of goods upon an incidental basis, from which there may spring some form of expense that is not specifically a bill for raising revenue, it is not within the meaning of the Constitution, as I pointed out in the declaration of the Supreme Court of the United States.

Second, where it is an arrangement planted on the power of the Government to make a compact, a contract in the form of exchange of commodities, that is not a treaty. It does not pass between government and government. It is a mere passage between the instrumentalities of government of this commerce, as provided in the Constitution of the United States, with the privilege of the President of the United States.

That is my reply to my very able friend from Nevada.

I now come to England, and I call attention to what has lately transpired.

Mr. McCARRAN. Mr. President, before the Senator goes further, I am very glad to have the views of the learned Senator from Illinois; and I regret to know that in making his observations he seems to have forgotten the limitations of the organic law.

Mr. LEWIS. Of course, on those questions there will necessarily be dispute between eminent Senators such as occupy this body, because that turns, on the one hand, upon the construction of whether one thing or another is within the

organic law, and, upon the other, what is the meaning of the organic law according to the viewpoint of each of the Senators from his studies of the past or as he views the matters in the present.

I return, sir. I now bring to your attention what occurred in March 1924. I call to your attention, sir, the so-called "protective tariff" which has lately been adopted in England.

On May 29, 1933, there arose what was known as the "agricultural marketing bill." The Labor Party began to contest the measure, and, therefore, I wish to bring to your attention the observation of Sir Stafford Cripps. When it was provided that a commission should be designated to arrange these interchanges of tariffs and interchanges of trade, said the representative of the labor forces, Sir Stafford Cripps:

> This is an excellent precedent, which will be followed widely in the future and seems to us in every way to be desired. We shall be delighted when, on future occasions (as ministers) we have to draw the attention of honorable Members opposite to the excellency of the precedent.

On July 5, 1933, sir, the order was first made, known as the "Import Duties Act", which authorized the commissioners to negotiate, in behalf of the council of England, directly with whoever might be commissioned from other countries, the full understanding and compact for the exchange of trade.

Mr. President, why shall we hesitate to avail ourselves of the advantages tendered by these governments, and adopt this system which could facilitate the purpose, instead of dragging it through long periods of debate such as we have seen before, thus destroying the very object of our undertaking?

Senators have said that these undertakings are invalid because, they claim, we are dealing hastily, merely because we contend an emergency justifies it and stand on the emergency as justification.

I wish to allude now to an observation of the Senator from Idaho [Mr. BORAH].

The Senator from Idaho announced in bold, enthusiastic eloquence the other day to what great depths of deprivation we were driving the Constitution, what elements of danger we were inviting now by assuming to do that which was not within the Constitution but sustained by us under the cry of an emergency.

There sits the distinguished and industrious Senator from Wisconsin [Mr. LA FOLLETTE]. Here sits to my left the distinguished Senator from Colorado [Mr. COSTIGAN]. Has it been forgotten that when the La Follette-Costigan bill was before this body under the Hoover administration looking to some relief to be voted directly by the Treasury in behalf of the masses of misery and the misery of the masses, the honorable Senator from Idaho [Mr. BORAH] rose to support the right of taking this money out of the Treasury on the ground of the emergency?

And when the Senator from Ohio [Mr. PESS] contested with his honorable friend on the ground that the bill was invalid and unconstitutional, that it was in violation of the very principles of our Government, the distinguished Senator from Idaho turned upon the eminent Senator from Ohio, and, in flaming spontaneity, referred to the institutions of the country and the obstructions opposing the relief of the necessities of the poor. Then the Senator, contemplating the flag, said it was "but a dirty rag that contaminated the air against which it waved if it stood in the way of these reliefs." How, now, is it suddenly unconstitutional, when the relief is tendered from us on this side of the Chamber—to execute which the Senator rose to such high apostrophe, as he pinned it upon the flag of his country; and bade it rest upon the wavings and glorifications of the flag of the Union.

Mr. President, I desire to conclude these observations by saying that since the Supreme Court of the United States, both in the case from Minnesota and in the case from New York, lately held these extreme measures enforced upon us by necessity to be constitutional, I now ask you, Senators, and I ask you upon the honor of the souls within you, this question:

You have denounced these measures here and there as invalid. You have called them unconstitutional. You have time and time again warned your land that the Supreme Court would declare them unconstitutional. You struck every hope from the bosom of men; you smote every confidence from the prayers of a mother; you smothered every desire and dream of a future from all American mankind, as they looked forward to some relief. At what time since then has one of you had the courage of the manhood that is within you, to tell the country you were mistaken in the charge you made; that the courts have declared these very laws which you prophesied would be held invalid, to be wholly valid, completely constitutional, and that the courts are enforcing them by the provisions of the Constitution of the United States?

Not one of you has done so. You are willing to mislead the land. You either knew the laws were valid when you charged them with being invalid or you did not. And now that you find you were mistaken, was there not honor or statesmanship in you sufficient again to revive some confidence in the hearts of your countrymen and again to invite them to vest confidence in the courts of which heretofore you have boasted your very great worship? Now, when the hour is with you when you could have invited your countrymen to observe how the courts have sustained the contentions of the President of the United States or the administration, silence is all that comes from you—the exhibition of want of honor on the one hand or deliberate cowardice on the other. Gentlemen, you may take your choice. Senators, it is a deplorable situation, but it is one you must confront as the result of the history of your own action and the effect you have inflicted upon the Republic.

Mr. President, in presenting these legal attitudes and legal positions as I have proceeded to do, it was with no purpose of occupying the time of the Senate in a mere deliberative discussion of the legalistic phases of the subject. I wish to quote, sir, from the Supreme Court of the United States, where, in 285 U.S. 262, the Court says:

> This Court has the power to prevent an experiment. We may strike down the statute which embodies it on the ground that in our opinion the measure is arbitrary, capricious, or unreasonable. We have power to do this, because the due-process clause has been held by the Court applicable to matters of substantive laws as well as to matters of procedure. But in the exercise of this high power, we must be ever on our guard, lest we erect our prejudices into legal principles. If we would guide by the light of reason, we must let our minds be bold.

Mr. President, I have concluded the precedents of the law. I have a conclusion which I dare impress upon my honorable opponents.

At a time like this, when your countrymen are crying to you for rescue, when your Nation is beseeching from you support of its institutions; when patriotism demands that you present your country as worthy of the world, is there nothing in you that will obey some instinct of the true American? Is there nothing in all the administration of this Government that you can praise? Is there no measure to which you can give your approval? Is there no action of President or Congress you can endorse? Is there not one kind word to be said in behalf of the man at the White House who, bearing burdens the like of which we cannot describe by words, carries on, that he may keep faith with his countrymen and be true to his Nation?

Can you not before the world give one small testimonial in behalf of your own America?

If you cannot do that from a political conviction, if you still adhere to the enjoyment of criticism because of opportunity to condemn where you may profit, then I summon you to the solemn proclamation of the master director of governmental justice, when, concluding his great oration, St. Paul proclaims, as the Spirit of Heaven now appeals to you—as your debt to men and duty to nation—

> Finally, brethren, whatsoever things are true, whatsoever are honest, whatsoever things are just, whatsoever things are pure, whatsoever things are lovely, whatsoever things are of good report; if there be any virtue, and if there be any praise, think on these things—

I demand as your duty to God and country.

ELIZABETH BOLGER

The PRESIDING OFFICER (Mr. DUFFY in the chair) laid before the Senate the amendments of the House of Representatives to the bill (S. 785) for the relief of Elizabeth Bolger, which were, on page 1, line 4, to strike out "$1,000" and insert "$700"; and on page 1, line 8, after "New York" to insert:

Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. COPELAND. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

R. S. HOWARD CO., INC.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 2002) for the relief of R. S. Howard Co., Inc., which was to strike out all after the enacting clause and insert:

That jurisdiction is hereby conferred upon the Court of Claims to hear and adjudicate, without regard to existing statutes of limitations, the claim of R. S. Howard Co., for just compensation, arising out of the service upon said company of United States Navy Commandeer Order No. N-3255, dated June 18, 1918, with the same right as in other cases to either party to apply to the Supreme Court of the United States for writ of certiorari to review any judgment that may be rendered.

Mr. COPELAND. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

I. T. M'REE

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 2342) for the relief of I. T. McRee, which was, on page 1, line 6, to strike out "$2,500" and insert "$2,000."

Mr. McKELLAR. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

EXECUTIVE ORDER REVOKING IN PART SECTION 4 OF EXECUTIVE ORDER NO. 6166

The PRESIDING OFFICER laid before the Senate a message from the President of the United States, which was read, and, with the accompanying paper, ordered to lie on the table, as follows:

To the Congress:

Pursuant to the provisions of section 16 of the act of March 3, 1933 (ch. 212, 47 Stat. 1489, 1517), as amended by title III of the act of March 20, 1933 (ch. 3, 48 Stat. 8, 16), I am transmitting herewith an Executive order revoking section 4 of Executive Order No. 6166 of June 10, 1933, insofar as and to the extent that it is applicable to the disbursing functions under the jurisdiction of the War Department, the Navy Department (including the Marine Corps), and the Panama Canal, except those pertaining to departmental salaries and expenses in the District of Columbia.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *May 29, 1934.*

BANK INDEMNITY BONDS

Mr. NEELY. Mr. President, I ask unanimous consent to have printed in the RECORD a statement of facts regarding Senate bill 2915, requiring national banks to obtain indemnity bonds from State-qualified bonding companies.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

FACTS IN CONNECTION WITH NEELY BILL, S. 2915

A very large number of banks in this country carry the insurance referred to in the above bill in companies chartered or licensed to do business in the States in which such banks are respectively located. Some banks, however, carry such insurance in London Lloyds, an organization composed of groups of underwriters operating from London, England.

The laws of the several States and regulations of the Treasury Department make certain requirements as a condition to be licensed to do business. Briefly these requirements are:

1. A minimum capital and surplus must be subscribed and paid in.
2. Such capital and surplus must be in cash or in specified classes of securities.
3. Adequate reserves must be carried for losses, unearned premiums, and other special purposes.
4. Each company, as a condition to doing business in a State or with the Government, must be licensed or admitted to do business.
5. Many States, as a condition to the issuance of a license, require a substantial deposit consisting of securities or the giving of qualifying bonds in large penalties, or both.
6. Some States require that an admitted company must reinsure only in other admitted companies.
7. Admitted companies must appoint attorneys upon whom process may be served.
8. Annual statements must be made as the law requires and must be filed with the insurance department for audit.
9. Each licensed company is subject to visitation and examination, at its own expense, by the insurance department of the State where organized and of each State in which licensed.
10. An admitted company must appoint agents, who are required to be licensed, and in many of the States a company cannot execute a policy unless executed through a resident licensed agent, who shall receive full commissions.
11. Each company must pay, in accordance with the laws of each State where it does business, taxes on premiums, taxes on capital assets, franchise taxes, State and municipal license fees and taxes, agents' fees, and all other forms of taxes.
12. Each company of a State doing business in another State must comply with the reciprocal laws thereof.
13. According to the laws of a number of the States and the regulations of the United States Treasury Department, a licensed or admitted company may not expose itself on any single risk in excess of 10 percent of its capital and surplus.
14. In several States a licensed company must file its rates with the insurance department for approval, and then the rates must be justified before the insurance department by experience, and cannot be increased without its approval.
15. No licensed company shall discriminate as to rate against any insured in the same class.

The situation as to Lloyds is as follows:

1. London Lloyds does not have any capital or surplus.
2. London Lloyds, not being admitted in any State except Illinois, in which it is said to have deposited $250,000 for the protection of policyholders in Illinois, is not subject to any of the laws and regulations which apply to licensed companies as above set forth.
3. London Lloyds does not, except possibly in Illinois, pay any taxes which admitted companies are required to pay.
4. The 3-percent stamp tax which is imposed by the revenue law of 1924 applies only to alien companies and associations which do not issue their policies through a licensed agent or officer resident in any State or district of the United States in which it is authorized to do business. Therefore if Lloyds issues a policy covering a risk in Illinois the 3-percent stamp tax is not required to be paid. If Lloyds signs in Illinois a bond or policy covering a risk in any other State, the 3-percent stamp tax is not required to be paid.

Thirty-seven companies out of 48 companies doing a surety business or a surety and casualty business combined have more than $300,000,000 invested in Government, State, and municipal bonds and in bonds of industrial corporations of the United States.

Thirty-five of these companies had in their employ on December 31, 1933, 29,292 employees and paid in salaries during the year 1933, $48,307,831.

Forty-one of these companies paid during 1933 in taxes and license fees to the United States and the various States and subdivisions thereof $9,285,101.

According to the New York insurance report, stock companies doing in New York a surety business or a surety and casualty business combined had on deposit in the banks throughout the United States on December 31, 1932, about $50,000,000. In addition, the officers, employees, and agents of surety companies carry deposits in banks.

The purpose of the bill is not to exclude any insurer from any of the States but to force every insurer which writes a policy covering a risk in a State, to be licensed in such State and to be subject to all of the laws that are applicable to admitted insurers.

The Neely bill has been endorsed by the executive committee of the National Convention of Insurance Commissioners of the United States.

Canada, in 1932, passed an act entitled "An act respecting Canadian and British insurance companies." Under this act, Lloyds is required to be licensed and to comply with the very comprehensive requirements of the act before it can issue policies in Canada.

AMENDMENTS TO THE AGRICULTURAL ADJUSTMENT ACT—ADDRESS BY SENATOR BYRD

Mr. McGILL. Mr. President, on last Monday, May 28, 1934, the junior Senator from Virginia [Mr. BYRD] delivered a very illuminating and informative address over the National Broadcasting Co. network on the proposed amend-

ments to the Agricultural Adjustment Act. I ask unanimous consent to have the address printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I am a Democrat who has supported with my vote in the United States Senate most of the recommendations of the administration. I was one of 27 Senators who supported President Roosevelt in his greatest legislative crisis when the Congress overrode his veto and largely increased the appropriations. He has no admirer who rejoices more at his deserved popularity and the inspired leadership he has furnished to the American people during the dark days of the economic depression.

I say this because I want those who hear me tonight to know that what I say in opposition to certain policies is spoken as a friend, and because of my conviction that such policies are inconsistent with the ideals of the Democratic Party, contrary to the Democratic platform, and will sooner or later, if continued, consolidate so many different elements of opposition as to menace, if not destroy, the broad program of economic recovery sponsored by the President.

Tonight I speak in opposition to amendments to the Agricultural Adjustment Act which, if adopted, will make the Secretary of Agriculture the supreme dictator over every producer of agricultural commodities and those who handle such products.

I like and admire Secretary Wallace. I have been impressed with the frankness with which he has stated his position on the problems confronting the farmers, but such powers as he now requests should never be conferred upon a bureau official in a democratic country. A farmer myself, I have supported the Secretary in every reasonable recommendation he has made to Congress.

It is the principle of the continuing extension of regulatory powers over every business activity to which I desire to register my protest. The platform adopted by the Democratic Party assured the American people that unnecessary and unwise regulatory laws would be repealed and our Government restored to the people with the least possible interference with our private affairs consistent with orderly government. By this I do not mean that evils that have heretofore existed should not be eradicated; but the average American should be permitted to conduct his legitimate business operations without the fear of criminal prosecution by his Government, or harsh and threatening treatment from autocratic bureau heads.

In the face of this assurance in the Democratic platform we see today a bureaucracy being rapidly built up here at Washington to control the daily activities of our people such as no one has before even remotely suggested or anticipated. Step by step the bureau chiefs are establishing new power to regiment the American people in all their daily activities.

As a people we are temperamentally opposed to such dictation, and every such effort in the past has failed. Are we likely to succeed when our Government attempts to tell all who are engaged in business operations what they shall do or shall not do, even down to the most minute details? Essentially, the regulatory provisions affecting the daily lives of our people are not only absurd but impossible to accomplish. The detailed activities of a country as vast as ours cannot be administered from Washington. Such efforts impose great costs upon the people, for it means an army of bureaucrats, most of whom are without practical experience.

I voted for the Agricultural Adjustment Act in its original form. I did so because of my belief that an orderly reduction in the production of certain crops in this country is wise and that such reduction should be brought about in a systematic way and compensation provided for those farmers who agree to reduce their crops. With respect to the agricultural commodities known as "basic commodities", this plan is now in operation by voluntary agreements, and the farmers are being compensated with the processing taxes for leaving their land out of cultivation.

The spokesmen for the administration call the new amendments merely "clarifying" and contend that they already have the power they now request. The simple answer to this is, why ask for additional legislation if the power already exists? The plain truth is that the proposed amendments confer vast additional power on the Secretary of Agriculture. The only thing clarifying in the proposed legislation is to make the Secretary the czar of agriculture and the farmers of America will have little more liberty than the peasants in Soviet Russia.

Without going into details which may be tiresome, it is sufficient to say that one of the proposed amendments to the Agricultural Adjustment Act will give to the Secretary of Agriculture the arbitrary power to control every farmer who obtains a benefit payment for a reduction in a specific crop as to what such farmer can plant and produce on his entire farm, even down to chickens and turkeys. At present the Secretary only has the power to say what shall be produced on the land that he leases and removes from cultivation. This present power he should have, but merely because a farmer receives perhaps $50 or $100 or less for removing from cultivation certain land planted to one of the basic agricultural commodities, the Secretary should not have the authority to take control of his entire farm.

But section 3 invades even more offensively the liberties of the farmers, because this section establishes a licensing system for food producers, distributors, and handlers, and denies the right of shipment in interstate commerce, if the Secretary declines to license. Under this broad provision licenses can be required, first, of the producer or farmer and then of every handler of that particular product down to the corner grocer who finally sells to the ultimate consumer. The licenses are issued upon such terms and conditions as the Secretary of Agriculture may deem necessary to effectuate the declared policy of this act and the restoration of normal economic conditions in the marketing and/or financing of such commodities or products, and this broad language gives him supreme authority.

Remember the existing law largely limits the authority of the Secretary to the basic commodities, and any licensing power now given specifically provides that such licenses shall be subject to such terms and conditions not in conflict with existing acts of Congress or regulations pursuant thereto, as may be necessary to eliminate unfair practices, etc. In other words, the proposed legislation omits the safeguard now existing that licenses shall be issued subject to such terms and conditions not in conflict with existing law and regulations. The new legislation specifically gives the Secretary the right to license a producer who processes or distributes his own product. Processing may mean preparing a product for the market. Therefore, a farmer who packs and ships in interstate commerce a bushel of potatoes or a basket of strawberries would be subject to being required to apply to Washington to obtain a license, if the Secretary of Agriculture so commanded.

This new legislation provides for a quota system or production so that the Secretary can establish quota restrictions upon the recommendation of two-thirds of the producers of a given commodity. A new provision is then inserted giving the Secretary the right to have access to all books and records and papers under the control of the licensee, notwithstanding the protection that the fourth amendment of the Constitution gives to all such papers and private records. Another new section provides that the district courts of the United States are vested with the power in injunction to restrain any person from handling any agricultural commodity without a license when such handling has been prohibited by the Secretary of Agriculture.

It would be possible for the Secretary of Agriculture even without the recommendation of two-thirds of the growers to establish shipping quotas, directing to what markets and to what extent certain products can be shipped, as well as to give to distributors a definite quota as to the quantity of each commodity such distributor can sell. The Secretary also, in my judgment, can under these amendments fix the price for agricultural products.

When it comes to the penalties for violations of the act, the courts are set aside and the Secretary takes the place of both court and jury. If a license is issued in accordance with law, namely, to carry out the policies of the act and to bring about normal economic conditions of marketing, etc. (and this gives the greatest possible latitude to the Secretary and makes him virtually the sole judge), then his decision is not reviewable by the courts and he has the power to fine those who ship without a license the sum of $1,000 a day, or, in his mercy, a lesser amount, and the penalty shall be payable to the Treasury of the United States and recoverable in a civil suit brought in the name of the United States.

Theoretically, only Congress has the power to tax, but under this proposed legislation the Secretary is given the right to prescribe operating funds for any of his activities and to police the farmers and to require any licensee to pay any such amount in such manner and to such person as the Secretary may direct. Failure to pay what the Secretary decides is necessary will be ground for revocation of the license, which means that the person holding such license cannot thereafter ship in interstate commerce. This arbitrary tax is in addition to other appropriations and processing taxes provided in the original Agricultural Adjustment Act, and contains no safeguard whatsoever as to the use for which the money is to be expended, or the number of agents to be employed or the salaries to be paid. The Secretary could hire as large a staff of policemen, inspectors, auditors, and clerks, as he desired, and impose this cost upon those who obtain the licenses, which will fall upon the farmer.

Never in the history of America has such an authorization of power covering so many people been requested by a departmental head. Even in the N.R.A. committees and others had a voice before General Johnson acted.

Mr. Wallace says he will not exercise all the power requested, but my experience has been that sooner or later, whenever the authority is vested in a bureau of the Government, this power is exercised. If he does not intend to use this additional power, he should not ask Congress to grant it to him. Congress should only grant power on the assumption that it will be used to the fullest extent. Even if it is not technically used, distributors of food could be forced to do things of which they do not approve or desire by the threat of the use of this autocratic power.

While I am in the Senate of the United States I shall never vote to confiscate the property of worthy citizens of this country without due process of law, and adequate compensation, at the whim and fancy of some bureau chief by giving him the power to deny shipment of commodities in interstate commerce.

We are suffering today as much from underconsumption and loss of our world markets as overproduction. We need more purchasing power at home and a greater outlet to foreign markets. Harsh and unreasonable restrictions arbitrarily imposed will mean disaster to millions of farmers in this country, and those farmers must then seek other means of employment in the face of the millions we have already unemployed in industry.

As Congress adjourns, the defeat of these amendments to the Agricultural Adjustment Act is imperative, so that the people will realize that the constant extension of regulatory powers over business and agriculture has been halted. People would at once get relief from a sense of oppression and feel that they could

breathe again as free men and women. The wisest thing for Congress to do is to adjourn and give the people of America an opportunity to digest the laws that have been enacted and let nature take its course. Prosperity will never return by the waiving of magic wands or by legislative panaceas, but only by the industry and the ability of the people themselves.

Under the reign of the Czars of Russia no person could build an addition to his house, even in a remote part of the empire, without first obtaining permission from some underling in St. Petersburg. Is America coming to this? Woodrow Wilson once remarked that "The history of liberty is a history of the limitation of governmental power, not the increase of it. When we resist, therefore, the concentration of power, we are resisting the processes of death, because concentration of power is what always precedes the destruction of human liberties."

I am one who still believes in the greatest individual freedom of the citizen in his business as in his personal affairs. Under the stress of economic depression or during times of war the Government may be compelled to temporarily take extraordinary steps which restrict the liberties we naturally possess. But the operation and direction of business by the Government destroys the fiber and initiative of the people, and is a danger we should zealously guard against. We do not want a Hitler of American agriculture, even though we have confidence in the present Secretary of Agriculture. Nor do we want an army of governmental parasites traveling around the country at public expense to tell the 40,000,000 farmers of America what to do each day. For myself I believe the Democratic Party has always been and should continue to be a guardian and champion of the individual rights and personal freedom bequeathed to us as a sacred heritage by those great Americans who fought and died that we may enjoy the blessing of a free democracy in this land. When the Democratic Party ceases to be an instrument to defend these principles and in fact actively espouses contrary policies of government, then it fails of its purpose and will not command the confidence and support of the people.

EXECUTIVE SESSION

Mr. ROBINSON of Arkansas. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. DUFFY in the chair) laid before the Senate messages from the President of the United States, submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER. The reports will be placed on the calendar.

If there be no further reports of committees, the calendar is in order.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

OCIE C. HAWKINS

Mr. McKELLAR. Mr. President, on May 24 the nomination of Ocie C. Hawkins to be postmaster at Stanton, Tenn., was confirmed. I desire at this time to enter a motion to reconsider the vote whereby the nomination was confirmed.

The PRESIDING OFFICER. The motion will be entered.

Mr. McKELLAR. I now move that the President be requested to return to the Senate the notice of the confirmation of the nomination of Ocie C. Hawkins.

The PRESIDING OFFICER. The question is on the motion of the Senator from Tennessee.

The motion was agreed to.

RECESS

Mr. ROBINSON of Arkansas. I move that the Senate take a recess until 11 o'clock tomorrow morning.

The motion was agreed to; and (at 5 o'clock and 26 minutes p.m.) the Senate took a recess until tomorrow, Thursday, May 31, 1934, at 11 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate May 30 (legislative day of May 28), 1934

CHIEF JUSTICE OF THE SUPREME COURT, TERRITORY OF HAWAII

James L. Coke, of Hawaii, to be chief justice of the Supreme Court, Territory of Hawaii, to succeed Antonio M. Perry, term expired.

ASSOCIATE JUSTICE OF THE SUPREME COURT, TERRITORY OF HAWAII

James J. Banks, of Hawaii, to be an associate justice of the Supreme Court, Territory of Hawaii. (A reappointment, his term having expired.)

CIRCUIT JUDGES, TERRITORY OF HAWAII

Harold E. Stafford, of Hawaii, to be circuit judge, first circuit, Territory of Hawaii, to succeed Charles S. Davis, term expired.

James Wesley Thompson, of Hawaii, to be circuit judge, third circuit, Territory of Hawaii. (A reappointment, his term having expired.)

Delbert E. Metzger, of Hawaii, to be circuit judge, fourth circuit, Territory of Hawaii, to succeed Homer L. Ross, term expired.

Miss Carrick H. Buck, of Hawaii, to be circuit judge, fifth circuit, Territory of Hawaii, to succeed William C. Achi, Jr., term expired.

UNITED STATES DISTRICT JUDGE, DISTRICT OF HAWAII

Seba C. Huber, of Hawaii, to be United States district judge, district of Hawaii, to succeed William B. Lymer, term expired.

UNITED STATES MARSHAL, DISTRICT OF HAWAII

Otto F. Heine, of Hawaii, to be United States marshal, district of Hawaii, to succeed Oscar Pinhanui Cox, term expired.

COLLECTOR OF INTERNAL REVENUE

Thomas C. Kasper, of Aberdeen, S.Dak., to be collector of internal revenue for the district of South Dakota, in place of Leslie Jensen.

SUPERVISING INSPECTORS, BUREAU OF NAVIGATION AND STEAMBOAT INSPECTION

Alvin A. Morrison, of Ohio, to be supervising inspector, Bureau of Navigation and Steamboat Inspection.

Edward Maurer, of Kentucky, to be supervising inspector, Bureau of Navigation and Steamboat Inspection.

PROMOTIONS IN THE REGULAR ARMY

TO BE COLONEL

Lt. Col. Frederick Frasier Black, Infantry, from May 26, 1934.

TO BE LIEUTENANT COLONEL

Maj. Delos Carleton Emmons, Air Corps, from May 26, 1934.

TO BE MAJOR

Capt. Ittai Albert Luke, Ordnance Department, from May 26, 1934.

TO BE CAPTAINS

First Lt. Elmer Karl Pettibone, Quartermaster Corps, from May 26, 1934.

First Lt. Thomas Hugh Young, Infantry, from May 27, 1934.

TO BE FIRST LIEUTENANTS

Second Lt. Thayer Stevens Olds, Air Corps, from May 26, 1934.

Second Lt. Samuel Leslie Myers, Cavalry, from May 27, 1934.

PROMOTIONS IN THE NAVY

The following-named midshipmen to be ensigns in the Navy, revocable for 2 years, from the 31st day of May 1934:

Earl W. Logsdon	Joe M. Alexander
Ernest L. E. Ritson	James D. Babb
Colin J. Mackenzie	William I. Martin
George B. Nicol	Herman J. Kossler

William T. Kinsella
Clyde G. Caldwell
William T. Dutton
Samuel R. Brown, Jr.
Albert Raborn
Lawrence H. Birthisel, Jr.
Robert W. Leeman
Robert A. Chandler
Wendell H. Froling
Heliodore A. Marcoux
George F. Davis
Wilbur H. Cheney, Jr.
Robert F. Sellars
George E. Artz
Hugh Q. Murray
James H. Ashley, Jr.
Charles H. Becker
Malcolm M. Champlin
James E. Owers
Nancy C. Corbin
Joseph S. Lewis
Leslie K. Taylor
William W. Stark, Jr.
George A. Hill, Jr.
James E. Johnson
Eugene W. Davis
Stuart Stephens
Allen W. Moore
Robert E. Bourke
Carl W. Schoenweiss
John H. Parker
George D. Hoffman
William A. Dean, Jr.
Charles D. Lewis
Frederick A. Gunn
Edward J. Mulquin
Thomas W. South, 2d
Donald E. Pugh
Gordon A. Griffin
Robert C. Bengston
Mark A. Grant
Malcolm C. Reeves
Craig R. Garth
James C. Bentley
Harold E. Cole
William N. Deragon
Carlyle Ingram
Thomas R. Hine
Raymond Payne
Richard S. Klunk
Clarence T. Doss, Jr.
Clayton S. Clark
Robert B. Crowell
Frank G. Marshall, Jr.
Willie M. Dickey
Frank C. Bolles, Jr.
Fletcher L. Sheffield, Jr.
George H. Wigfall
Harold W. Campbell, Jr.
Francis E. Fleck, Jr.
John W. Geist
Richard S. Stuart
William A. Stevenson
Edwin K. Jones
Charles M. Bertholf
Claude F. Bailey
Gorman C. Merrick
Herbert F. Carroll, Jr.
Joseph W. Stivers
John C. Martin
Douglas L. L. Cordiner
Alan L. Ingling
George F. Stanish
Lester J. Stone
Isaiah M. Hampton
Albert P. Coffin
Archibald Stone, Jr.
Charles C. Coley
Robert M. Milner
Gordon P. Chung-Hoon
Charles R. Ware
James E. Vose, Jr.
Russell B. Allen
Edward H. Worthington
Charles B. Farwell
Dewey G. Johnston
Denis H. Biwerse
Hobart Key, Jr.
Sidney D. B. Merrill
Robert M. Lee
Charles E. Thurston, Jr.
John L. Foster
Ward J. Peterson
Thomas H. DuBois

MARINE CORPS

The following-named midshipmen to be second lieutenants in the Marine Corps, revocable for 2 years, from the 31st day of May 1934:

Victor H. Krulak
Arthur J. J. Hagel
John E. Weber
Floyd B. Parks
Lehman H. Kleppinger

CONFIRMATIONS

Executive nominations confirmed by the Senate May 30 (legislative day of May 28), 1934

POSTMASTERS

ALABAMA

Craig Smith Robbins, Selma.

ALASKA

Emil O. Bergman, Fort Yukon.

CALIFORNIA

Carl W. Brenner, Buena Park.
Frances L. Williams, Fall Brook.
Percy H. Millberry, Lakeport.
Phillip J. Dougherty, Monterey.
Harold B. Lull, South Gate.
Charles E. Conner, Torrance.
Roy Bucknell, Upper Lake.

INDIANA

Grover C. Rainbolt, Corydon.
Oscar J. Sauerman, Crown Point.
William W. McCleary, Elberfeld.
Henry M. Mayer, Evansville.
William L. Eastin, Ewing.
Chester Wagoner, Flora.
Joseph E. Mellon, Hobart.
Walter E. Wehmeyer, Kendallville.
Edwin W. Hanley, Michigan City.
William S. Darneal, New Albany.
Gordon B. Olvey, Noblesville.
William N. Burns, Otterbein.
Charles O. Hall, Sullivan.
Henry Backes, Washington.
Bessie D. Perkins, Whiteland.
Oscar M. Shively, Yorktown.

MASSACHUSETTS

John E. Mansfield, Bedford.
William F. Leonard, Nantasket Beach.
James B. Logan, North Wilbraham.
Harvey E. Lenon, Swansea.
Benjamin R. Gifford, Woods Hole.

MISSOURI

Lelia F. Hughes, Adrian.
Owen W. Anglum, Ash Grove.
Richard W. Marsden, De Soto.
Anvil A. Lewis, Eminence.
William H. Titus, Excelsior Springs.
Robert R. Kier, Grant City.
Fred E. Ream, Green Ridge.
Harrison S. Welch, Higbee.
Fred J. Yeomans, Hopkins.
Eugene J. Echterling Parnell.
Ernest C. Buehler, South St. Joseph.
John H. Dickbrader, Washington.

NEW JERSEY

Leslie B. Vail, Hamburg.
Augustus J. Hans, Netcong.
Edward J. Lennon, Stone Harbor.
Clarence Smith, Woodstown.

WISCONSIN

Theodore E. Wozniak, Athens.
Alex G. Mohr, Cambria.
Marie Gunn Dunham, Cumberland.
Harry R. Olson, Grantsburg.
May K. Powers, Lake Geneva.
Martin J. Bachhuber, Mayville.
Gaylord T. Thompson, Mercer.
Emil L. Silverness, Mondovi.
Axel L. Olson, Mountain.
Albert T. Zieman, Randolph.
Adelbert O. Randall, Rosendale.
John P. Stier, Sussex.
Alfred H. Hadler, Thiensville.
Elmer A. Peterson, Walworth.
John T. O'Sullivan, Washburn.
Winfield J. Kyes, White Lake.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MAY 30, 1934

The House met at 11 o'clock a.m.

The Chaplain, Rev. James Shera Montgomery, D.D., offered the following prayer:

Almighty God, we pause in Thy presence with grateful testimony for Thy loving providence, which is a river of blessing flowing from under Thy throne. We beseech Thee to let this stream of cleansing purify, enlighten, and idealize our national life. Do Thou appeal to that instinct of recovery, to that temper of hope which Thou hast established in every human breast. This day of memory, blessed Lord, may it be one of consecration to the United States of the Republic. Draw every section of our land toward a more complete knowledge of righteousness, fraternity, and brotherhood. Graciously be with our President and with every citizen of every station. Blessed Lord, may our insti-

tions not fail through our misuse of them, and because of our sins against God and man. O God, let this truth be emphasized: There is no wrong that may not be righted and no industrial strife that cannot be solved by free obedience to our Christian institutions. O do Thou lift our people higher and higher into that sweeter and purer air where peace and tranquillity dwell, and where fret and fever pass away. A heavy hand has been laid upon us in the removal of another distinguished Member of our congressional family. Comfort the family in that love which encircles us all. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries.

RELIEF FOR DISBURSING OFFICERS OF THE ARMY

Mr. HILL of Alabama. Mr. Speaker, by direction of the Committee on Military Affairs, I ask unanimous consent to file a supplementary report on the bill (S. 2046) to provide relief for disbursing officers of the Army in certain cases.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

SILVER PURCHASE

Mr. BANKHEAD. Mr. Speaker, I call up House Resolution 401 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H.R. 9745, a bill to authorize the Secretary of the Treasury to purchase silver, issue silver certificates, and for other purposes, and all points of order against said bill are hereby waived. That, after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. LAMNECK. Mr. Speaker, a point of order. I make the point of order that there is no quorum present.

The SPEAKER. The Chair will count.

Mr. BYRNS. I hope the gentleman from Ohio will withdraw that. We will lose all the advantage we gained by meeting at 11 o'clock. We will just have to remain here that much longer tonight.

Mr. LAMNECK. I do not care if we stay here 2 weeks. I want all the Members to be present and see us continue the depression for another 10 years.

Mr. BYRNS. I have asked the telephone clerk to call the Members, and they are coming in as rapidly as they can.

Mr. LAMNECK. I insist upon the point of order, Mr. Speaker.

The SPEAKER. Evidently there is not a quorum present.

CALL OF THE HOUSE

Mr. BYRNS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 151]

Abernethy	Boylan	Carter, Calif.	Cole
Allgood	Brennan	Carter, Wyo.	Colmer
Andrew, Mass.	Britten	Cary	Connery
Andrews, N.Y.	Browning	Celler	Crowther
Auf der Heide	Bulwinkle	Chapman	Crump
Bailey	Burch	Chase	Darden
Beck	Burke, Calif.	Church	Dear
Berlin	Burnham	Claiborne	Delaney
Biermann	Busby	Clark, N.C.	De Priest
Black	Carley, N.Y.	Cochran, Pa.	Dingell
Boland	Carmichael	Coffin	Doutrich
Drewry	Hughes	Marland	Smith, W.Va.
Eagle	James	Martin, Mass.	Snyder
Eaton	Jeffers	Mead	Stalker
Edmiston	Jenkins, Ohio	Millard	Steagall
Edmonds	Kelly, Ill.	Moynihan, Ill.	Stokes
Eicher	Kelly, Pa.	Muldowney	Strong, Pa.
Englebright	Kennedy, Md.	Musselwhite	Sullivan
Evans	Kenney	Norton	Sumners, Tex.
Fitzgibbons	Kinzer	O'Brien	Sutphin
Focht	Kniffin	O'Connell	Taylor, Colo.
Foulkes	Kocialkowski	Palmisano	Thomas
Frear	Kurtz	Peterson	Thompson, Tex.
Frey	Kvale	Pettengill	Thurston
Fulmer	Lambeth	Polk	Turpin
Gambrill	Lanzetta	Randolph	Vinson, Ga.
Gasque	Lea, Calif.	Rayburn	Wadsworth
Gillette	Lehlbach	Reece	Waldron
Goldsborough	Lemke	Rich	Weaver
Green	Lesinski	Rogers, Mass.	Weideman
Greenway	Lewis, Md.	Rogers, Okla.	Wilcox
Haines	Lloyd	Sadowski	Williford
Hamilton	McCarthy	Sears	Withrow
Hancock, N.Y.	McCormack	Secrest	Wolfenden
Hancock, N.C.	McDuffie	Seger	Wood, Ga.
Harter	McGrath	Shannon	Woodrum
Hartley	McLeod	Shoemaker	Zioncheck
Higgins	Maloney, Conn.	Simpson	
Hoeppel	Maloney, La.	Sisson	

The SPEAKER. Two hundred and seventy-five Members are present, a quorum.

Mr. BYRNS. Mr. Speaker, I move that further proceedings under the call be dispensed with.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

MEETING OF COMMITTEE ON INDIAN AFFAIRS

Mr. HOWARD. Mr. Speaker, by direction of the Committee on Indian Affairs, I ask unanimous consent that the committee may be privileged to sit during the sessions of the House for the next week.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

MEETING OF COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. BYRNS. Mr. Speaker, the members of the Committee on Interstate and Foreign Commerce are now in session in their committee room in the House Office Building, considering the oil bill. I therefore ask unanimous consent that they be excused from this roll call.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

DISTRICT OF COLUMBIA APPROPRIATION BILL—1935

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent that the conferees on the District of Columbia appropriation bill may have until 12 o'clock tonight to file a conference report on the District of Columbia appropriation bill.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

SILVER PURCHASE ACT

Mr. BANKHEAD. Mr. Speaker, I desire to state that the rule as presented provides for only 2 hours of general debate on this bill; but we had an understanding that in the event the House were permitted to meet at 11 o'clock the general debate would be for 3 hours. At the appropriate time, before the adoption of the resolution, I will offer an amendment making the period of general debate 3 hours instead of 2 hours.

I am not going to discuss this rule or undertake to discuss the bill. The main purpose, of course, of a resolution of this sort is to put the bill on its way for consideration. There will be a wide controversy, I imagine, with reference to the terms of this bill, which will be taken care of by the gentlemen on the committee and others who may not be on the committee.

With that preliminary statement, I yield 30 minutes to the gentleman from Pennsylvania [Mr. RANSLEY] on the rule.

I now yield 5 minutes to the gentleman from Ohio [Mr. FIESINGER].

Mr. FIESINGER. Mr. Speaker, some time ago the President of the United States made a proclamation with reference to silver. I remember the distinguished Speaker of this

House said it was only a bite at the cherry. I think this bill is a bite at a lemon. I am against this bill, and I am against this rule. It is a gag rule, and if this House adopts this rule it will confirm what I have had a suspicion of ever since I have been in Congress, and that is that representative Government in America is dead.

Mr. BANKHEAD. Will the gentleman yield? I yielded to the gentleman at his request, and I knew his opinion about this matter; but will the gentleman kindly point out how this is in any sense a gag rule?

Mr. FIESINGER. We are attempting under this rule to discuss a question that is little known, that is hazy in the minds of practically all the Members of this House, including myself. We are given 3 hours to debate a question that seriously affects and vitally contacts every man, woman, and child, present and future, not only in the United States but everywhere in the world.

The rule gives but 3 hours to discuss such a proposition, and in this limited time the Members of the House who have given the most study to the subject will hardly be able to speak on it at all. A matter of such importance and such far-reaching effect, if we are not operating under a gag rule, will give some time to the discussion of each and every important section of this bill. And if a debate so limited is not gag rule, then I do not know what a gag rule is.

I will also say that I have had but a limited time in which to study this bill, as have the rest of you; entirely too limited a time. I have, however, made a study of the questions involved in this important and far-reaching problem for over two years and a half, a most intensive study; but I do not know what the full implications of this bill are. I can see secret pitfalls in it. And I can see a surrender of principles in the power it conveys that our forefathers struggled to bequeath to us. And I see in it also the first step in a long road of grief and error. They say it is the best that we can do. That is the excuse that I have heard from Members of the other body and from Members of this body. If we are going to rest legislation upon that principle, if we cannot in this body take a few days or a week, if necessary, to enact legislation of such importance, then I say that we are gagged and that representative government in America is dead.

The bill we are about to consider absolutely disregards all the historical lessons with reference to money that we have learned in our past experience, and it ignores what we have learned with reference to monetary legislation in this country since the beginning of our history.

There is no philosophy back of it, no monetary principle enters into this bill which defends us from the methods of exploitation, which our studies of this subject in the Coinage Committee have clearly shown to call for defense. And I know we can have the defense we need if we will recognize the need for it. This bill was drawn in the Treasury Department—by whom we do not know; I do not know and you do not know—and I dare say the authorship of the bill will not be revealed upon this floor today. It was written in the Treasury Department; it was introduced in the House, and referred to the Committee on Ways and Means. From that on all that I know is what I have read about it in the newspapers. I was not notified of the meeting of that committee; I was not invited to appear before it. They had one witness before that committee outside of possibly those men in the Treasury, and I do not know who those men are, or if they have ever studied this subject from this angle of approach, I speak of, namely to defend our people from these depressions.

Mr. DOUGHTON. Mr. Speaker, will the gentleman yield?

Mr. FIESINGER. I yield.

Mr. DOUGHTON. I should like to know the source of the gentleman's information that there was only one witness.

Mr. FIESINGER. I did not say only one witness. I said so far as I read from the newspapers there was only one witness from the Congress of the United States, but that there were witnesses who came from the Treasury Department.

Mr. DOUGHTON. That is a new statement.

Mr. FIESINGER. Not at all; and the RECORD will bear me out.

I cannot have time to discuss this bill, but I am telling you this is the most far-reaching legislation that this Congress will ever vote upon. [Applause.]

[Here the gavel fell.]

Mr. BANKHEAD. Mr. Speaker, I yield 15 minutes to the gentleman from Washington [Mr. SAMUEL B. HILL].

Mr. SAMUEL B. HILL. Mr. Speaker, since the duty has been assigned to me to explain this bill I am not going to take up any time in a preliminary statement but shall get to the point as directly as possible and discuss the matter as briefly as I can in order to complete in 15 minutes a statement covering the bill.

Of course, this is not a gag rule. The rule under which this bill is to be considered gives just as much privilege to the Members of the House to offer amendments germane to the subject matter of the bill, and to discuss the bill under the 5-minute rule as if no rule had been reported. Nor is this bill one which grants additional powers insofar as the Government is concerned in the matter of the purchase of silver and the issuance of currency on silver so purchased as a monetary base. It does prescribe an additional method by which powers already existing in the executive department may be exercised in the matter of the purchase of silver, the issuance of silver coins and the issuance of silver certificates based upon silver reserves and redeemable in standard silver dollars.

Section 1 of the bill simply names the act and gives it a title.

Section 2 declares the policy of the Congress relative to the proportion of silver and gold as the metallic bases in our monetary stocks, and is mandatory, requiring the Treasury Department to maintain as a policy a proportion of 25 percent of silver in relationship to the entire monetary metallic stock. That will be 25 percent silver and 75 percent gold. That is the declared policy under the bill, which is mandatory and makes it the duty of the Secretary of the Treasury to purchase or to sell as the necessities may require, silver in order to maintain that proportion of 25 to 75 as between silver and gold as the metallic bases.

Mr. PARSONS. Mr. Speaker, will the gentleman yield?

Mr. SAMUEL B. HILL. I yield for a brief question.

Mr. PARSONS. Why was it necessary to establish three prices for silver in the bill? In one instance the price is fixed at 50 cents an ounce at the present time; the price on newly mined silver is fixed at 64½ cents an ounce; and there is a third price-fixing section which would allow the Secretary of the Treasury to pay still a different price. Will the gentleman not explain this feature of the bill?

Mr. SAMUEL B. HILL. I will reach those points as I proceed.

Section 3 authorizes the Secretary of the Treasury to purchase silver at home or abroad for present or future delivery with silver certificates or any other kind of currency or coin of the United States, or with direct obligations of the Government, in order to bring this proportion of 25 to 75 in proper adjustment under the mandatory provision of section 2.

In section 3 it is also provided that no purchase of silver situated in the continental United States on May 1, 1934, shall be made hereunder at a price in excess of 50 cents a fine ounce. This is a temporary provision. It is temporary in the sense that when all silver stocks which were available May 1, 1934, have been purchased or brought into the vaults of the Treasury, the 50-cent limitation will no longer apply. Anticipating silver legislation there has been a certain amount of speculation in silver purchases. Speculators have bought silver at a low price and are holding it for an increased price awaiting the time when legislation such as this may be passed, thereby enhancing the market price of silver and yielding a handsome profit, a speculative profit, to the dealers in silver.

Mr. KELLER. Mr. Speaker, will the gentleman yield?

Mr. SAMUEL B. HILL. I yield.

Mr. KELLER. How much silver was there in the continental United States on May 1 of this year?

Mr. SAMUEL B. HILL. The figure is indefinite. The estimate is that there were between 150,000,000 and 250,000,000 ounces.

Mr. PARSONS. Mr. Speaker, will the gentleman yield further at this point?

Mr. SAMUEL B. HILL. I yield.

Mr. PARSONS. Does the gentleman mean to convey the thought that in nationalizing or commandeering this silver they are going to pay only 50 cents an ounce under section 3, on page 2, when section 7 of the bill, which proposes the nationalization of silver, mentions a fair price which is to be paid by the Secretary of the Treasury?

Mr. SAMUEL B. HILL. I told the gentleman previously that I would discuss this point when I got to it in my explanation of the bill.

Mr. PARSONS. I want to know why the gentleman believes that if we nationalize silver we will pay but 50 cents an ounce?

Mr. SAMUEL B. HILL. The reason for this proviso limiting the purchase price to 50 cents a fine ounce for silver available as of May 1 is for the simple reason that we do not care to make this legislation a vehicle for speculative profits to those who have purchased silver anticipating the legislation.

When these stocks are exhausted, by voluntary purchase or otherwise, the 50-cent limitation will have no further application. You must bear in mind in connection with this section and this provision that the proclamation of the President under which the Treasury is buying at this time the newly mined silver in the United States and paying 64½ cents an ounce for it is still in force. We are not disturbing that at all, and it does not come under this particular provision, but stands out as a continuing authority under the proclamation issued by the President under the legislation passed in the early part of this session.

Mr. SABATH. This only applies to silver which is now held by speculators?

Mr. SAMUEL B. HILL. That is all. It reaches the speculators. I might as well at this time go to section 7 and the particular point which the gentleman from Illinois raised.

The Government will buy this silver through voluntary contracts if possible; but if an individual in the United States has a stock of silver and does not want to sell it and will not voluntarily agree to sell it, then the Government has the power under section 7 to commandeer that silver. That is, to order it into the mint, exercising the power of eminent domain, and acquiring the silver against the will of the owner. Under this exercise of the power of eminent domain we must pay the fair market price for it. It is simply a question of constitutional requirement. You may contract voluntarily at any price you may agree upon; but if the Government in the exercise of its sovereign power says, "You must bring your silver into the mint", then the Government under the constitutional requirement must pay for this property, under the due-process and just-compensation clauses, the fair market value of the commodity so commandeered.

Mr. VINSON of Kentucky. And may I say that if the fair market value as ascertained by the Secretary of the Treasury does not meet the mind of the parties who own the silver, the owners of said silver will have their day in United States Court of Claims to ascertain what the fair market value of the silver is.

Mr. SAMUEL B. HILL. The gentleman from Kentucky is correct.

Mr. SNELL. Will the gentleman yield?

Mr. SAMUEL B. HILL. I yield to the gentleman from New York.

Mr. SNELL. When the Government marked up the value of gold, it took the position that all of that appreciation belonged to the people of the country—the Government, in fact. Why should they not do the same thing with silver? If they mark up the price of silver, why should not the Government itself get the benefit of this increase in price?

Mr. SAMUEL B. HILL. I am sure the gentleman from New York will recognize the difference between the value of gold and silver; that is, the monetary value of each with relation to the market value of each. The monetary value of gold is the same as the market value of gold. The monetary value of silver is not the same as the market value of silver.

Mr. SNELL. Right there, what is the difference?

Mr. VINSON of Kentucky. May I say you have mandatory provisions here; then you have the permissive powers. The mandatory provision is to issue silver certificates equal to the market value the Government paid for the silver. The permissive power granted here will permit the issuance of currency as against the difference between the market value of the silver and its statutory value, or $1.29 an ounce. In other words, such difference is kept as a reserve against which other currency may issue.

Mr. SNELL. Who gets the benefit?

Mr. VINSON of Kentucky. As a reserve you may have additional currency issued against it. Of course, the Treasury and the people of the United States get the benefit. The difference between the market value and the statutory value is a benefit to our country regardless of the bookkeeping arrangement in the Treasury.

Mr. SAMUEL B. HILL. Mr. Speaker, I cannot yield further.

These matters will be discussed by other Members. I must hurry through if I am to refer to all the provisions of the bill.

Section 4 authorizes the Secretary of the Treasury to sell silver when it is necessary to maintain the proportion between the silver and the gold stocks. That is, if the silver stocks become greater than 25 percent of the entire monetary stock and also if the market value of silver exceeds $1.29 per fine ounce.

Section 5 provides that you cannot, through this authority to sell, reduce the silver stocks in the vaults of the Treasury below the point where the monetary value of these silver stocks is less than the face value of the silver certificates outstanding.

Mr. KELLER. What is meant by "monetary value"?

Mr. SAMUEL B. HILL. That is $1.29 an ounce.

Section 6 confers the powers that are necessary in order to enable the Government in the exercise of its sovereign right under the Constitution to coin and regulate the value of money. It puts such powers within the control of the Executive that he may, if conditions require, prohibit or regulate the importation or the exportation of silver. He may regulate or prohibit the acquisition of silver. He may regulate or prohibit the transportation of silver. In other words, he can absolutely freeze the commerce in silver if the necessities of the case require, but the necessities of the case must be such as will be necessary to effectuate the policies of this act.

Mr. CULKIN. Will the gentleman yield?

Mr. SAMUEL B. HILL. I yield for a short question.

Mr. CULKIN. May I inquire from the gentleman or someone in charge of the bill what the effect of this measure, particularly section 6, will be upon stocks of silver held for industrial purposes?

Mr. SAMUEL B. HILL. It has no effect at all.

Mr. CULKIN. Is there any such provision in the bill?

Mr. SAMUEL B. HILL. It is excluded because under the provisions of the bill it is not included.

[Here the gavel fell.]

Mr. BANKHEAD. Mr. Speaker, I yield the gentleman 5 additional minutes.

Mr. SAMUEL B. HILL. Mr. Speaker, I shall have to refuse to yield further. I have discussed section 7 as fully as I can in the limited time I have.

Section 8 is the taxing provision of the bill and applies to the profits on silver stocks held speculatively. It does not apply to the provisions of section 7, where the Government takes the silver under the power of eminent domain. Nor does it apply to newly mined silver now being purchased under the proclamation of the President. It applies where

the Government, by voluntary contract with the owner, buys silver at a price in advance of the cost to the owner of the silver and takes 50 percent of the profit. This is a stamp tax and has the same provisions for administration as are now in the revenue laws for the collection of other stamp taxes. It provides against increasing the base price of the owner of the silver through manipulations known as "wash sales", by fixing a date 30 days or more before the effective date of the act, namely, April 30, behind which speculators in silver may not, in anticipation of this character of legislation, through these so-called "wash sales", raise the cost base and thereby lower the margin of profit for tax purposes.

Mr. COOPER of Tennessee. The date is April 15 instead of April 30.

Mr. SAMUEL B. HILL. Yes; April 15 instead of April 30.

Now, Mr. Speaker, the remainder of the bill deals largely with definitions, which I shall not take the time to discuss, but I want to say just one word in the nature of a general statement.

This bill does not add to the powers already in the President as to the purchase of silver and the issuance of silver certificates. It simply declares as a mandatory policy that the proportion between silver and gold in the monetary stocks shall be as 25 to 75.

Under the Thomas amendment to the Farm Credit Act, the President has unlimited power to buy silver and issue silver coin and silver certificates therefor. He has the power, under the Thomas amendment, to go to an absolutely free and unlimited coinage of silver. This bill does not go that far, yet it does raise the proportion existing at the present time as between the silver money stocks and the total money stocks from about 10.5 percent to 25 percent.

Mr. KELLER. Mr. Speaker, will the gentleman answer a question?

Mr. SAMUEL B. HILL. I yield.

Mr. KELLER. Did I get the idea that the President at the present time can put silver and gold on a 50-50 basis if he wants to?

Mr. SAMUEL B. HILL. Absolutely.

Mr. KELLER. Why should we change that power?

Mr. SAMUEL B. HILL. We make it mandatory that he must bring it up to 25 and 75.

Mr. KELLER. Under this bill he cannot go beyond that?

Mr. SAMUEL B. HILL. He cannot go beyond that; no.

Mr. RANSLEY. Mr. Speaker, I yield 10 minutes to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Speaker, I think the Membership of the House should realize the predicament in which the individual members of the Ways and Means Committee find themselves.

In the first place, it has not been customary for the Ways and Means Committee to consider legislation of this character. The only reason this bill comes to the Ways and Means Committee for consideration is because of the tax feature of the bill. I think I am well within my rights and that I am not reflecting on any individual member of the Ways and Means Committee when I say that the members have not had occasion to specialize in legislation dealing with money. We have usually confined our activities to the matter of taxation. So it is with some hesitation that I come before the House to discuss this question; but I have been impressed by the fact, as most of you have been, that our Government has been purchasing silver at the rate of about 24,421,410 ounces a year. President Roosevelt has this authority and has exercised it.

It is rather significant that during the time this Government has been purchasing silver we have been selling our gold abroad. If you will look at this bill—and I call your attention to section 3—you will see that the Secretary of the Treasury is authorized and directed to purchase silver at home or abroad.

The gold has been taken away from the people of this country and the profit is supposed to have accrued to the people of this country, and a distinguished Member from New York [Mr. SNELL] has raised the question of why the silver should not be taken over and all the profits eliminated.

Another very significant fact which I wish to call to the attention of the House is the long list of speculators who have been acquiring silver.

You will find about 50 closely printed pages of the hearings giving the names of the individuals and firms who have been buying silver. There is no question but that the persons and firms shown in this list realized that this legislation would eventually come before the Congress and would be passed, and they felt they were taking no chances whatever in accumulating a large amount of silver for speculative purposes.

If you will examine this bill a little further you will begin to see the handwriting on the wall. You will find that in order to throw up a smoke screen, on page 7, line 20, it is provided:

(1) With respect to all transfers of any interest in silver bullion after the enactment of the Silver Purchase Act of 1934, and (2) with respect to all transfers of any interest in silver bullion on or after May 15, 1934, and prior to the enactment of the Silver Purchase Act of 1934, except that in such cases it shall be paid by the transferor in such manner and at such time as the Commissioner, with the approval of the Secretary of the Treasury, may by regulations prescribe, and the requirement of a memorandum of such transfer shall not apply.

That is, the tax is supposed to have been made retroactive, leading people to believe that the speculators would have to pay the tax, but you will notice in section 12 it says:

If any provision of this act or the application thereof to any person or circumstances is held invalid, the remainder of the act and the application of such provision to other persons or circumstances shall not be affected thereby.

This retroactive provision holds no terrors for speculators in silver. They have the best lawyers money can hire. They know very well from the decisions of the courts that a retroactive tax is unconstitutional. The distinction between a retroactive tax as upheld in the income tax law and the retroactive tax in this bill has been made clear by Supreme Court decisions. They are going to escape the tax; they are going to realize their profit.

This bill, like all silver bills coming before Congress, is simply a speculators' bill, and the people will have to pay the price of embarking on this insane piece of silver legislation.

Mr. TREADWAY. Will the gentleman yield?

Mr. REED of New York. I yield.

Mr. TREADWAY. Does the gentleman intend to call attention to the individuals in the list that he speaks of?

Mr. REED of New York. No; I am going to leave that to some other person.

Mr. TREADWAY. It is evident that they are in it for profit.

Mr. REED of New York. There is no question about that. Now, I want to call the attention of the House to a message sent to a special session of Congress called by President Cleveland, dealing with the silver question. This was August 8, 1893. Here is one paragraph:

Our unfortunate financial plight is not the result of untoward events nor of conditions related to our natural resources, nor is it traceable to any of the afflictions which frequently check national growth and prosperity. With plenteous crops, with abundant promise of remunerative production and manufacture, with unusual invitations to safe investment, and with satisfactory assurance to business enterprise, suddenly financial distrust and fear have sprung up on every side. Numerous moneyed institutions have suspended because abundant assets were not immediately available to meet the demands of frightened depositors. Surviving corporations and individuals are content to keep in hand the money they are usually anxious to loan, and those engaged in legitimate business are surprised to find that the securities they offer for loans, though heretofore satisfactory, are no longer accepted. Values supposed to be fixed are fast becoming conjectural, and loss and failure have invaded every branch of business.

Then further on he says:

Undoubtedly the monthly purchases by the Government of 4,500,000 ounces of silver, enforced under that statute, were regarded by those interested in silver production as a certain guaranty of its increase in price. The result, however, has been entirely different, for immediately following a spasmodic and slight rise, the price of silver began to fall after the passage of the act, and has since reached the lowest point ever known. This disappointing result has led to renewed and persistent efforts in the direction of free-silver coinage.

Then he calls attention further:

If, as many of its friends claim, silver ought to occupy a larger place in our currency and the currency of the world through general international cooperation and agreement, it is obvious that the United States will not be in a position to gain a hearing in favor of such an arrangement so long as we are willing to continue our attempt to accomplish the result single-handed.

I asked in the hearings if we were taking an initial step in an international agreement, and the answer was in the affirmative. We are taking this step and yet we have no assurance that other nations will enter into the agreement at all.

Then President Cleveland further says:

The knowledge in business circles among our own people that our Government cannot make its fiat equivalent to intrinsic value nor keep inferior money on a parity with superior money by its own independent efforts has resulted in such a lack of confidence at home in the stability of currency values that capital refuses its aid to new enterprises, while millions are actually withdrawn from the channels of trade and commerce to become idle and unproductive in the hands of timid owners. Foreign investors, equally alert, not only decline to purchase American securities, but make haste to sacrifice those which they already have.

Then further he says:

The people of the United States are entitled to a sound and stable currency and to money recognized as such on every exchange and in every market of the world. The Government has no right to injure them by financial experiments opposed to the policy and practice of other civilized states, nor is it justified in permitting an exaggerated and unreasonable reliance on our national strength and ability to jeopardize the soundness of the people's money.

This matter rises above the plane of party politics. It vitally concerns every business and calling and enters into every household in the land. There is one important aspect of the subject which especially should never be overlooked. At times like the present, when the evils of unsound finance threatens us, the speculator may anticipate a harvest gathered from the misfortune of others, the capitalist may protect himself by hoarding or may even find profit in the fluctuation of values; but the wage earner—the first to be injured by a depreciated currency and the last to receive the benefit of its correction—is practically defenseless. He relies for work upon the ventures of confident and contented capital. This failing him, his condition is without alleviation, for he can neither prey on the misfortunes of others nor hoard his labor. One of the greatest statesmen our country has known, speaking more than 50 years ago, when the derangement of the currency had caused commercial distress, said:

"The very man of all others who has the deepest interest in a sound currency and who suffers most by mischievous legislation in money matters is the man who earns his daily bread by his daily toil."

These words are as pertinent now as on the day they were uttered, and ought to impressively remind us that a failure in the discharge of our duty at this time must especially injure those of our countrymen who labor and who because of their number and condition are entitled to the most watchful care of their government.

Mr. KELLER. What is the date of that?

Mr. REED of New York. August 8, 1893. Quoting further:

Our country's indebtedness, whether owing by the Government or existing between individuals, has been contracted with reference to our present standard. To decree by act of Congress that these debts shall be payable in less valuable dollars than those within the contemplation and intention of the parties when contracted would operate to transfer by the fiat of law and without compensation an amount of property and a volume of rights and interests almost incalculable.

Every dollar of fixed and stable value has through the agency of confident credit an astonishing capacity of multiplying itself in financial work. Every unstable and fluctuating dollar fails as a basis of credit, and in its use begets gambling speculation and undermines the foundations of honest enterprise.

Mr. Speaker, I just want to impress upon Members here and now that we have been experimenting with the currency, and we know that unemployment today is largely caused by the fact that the industries engaged in the manufacture of durable goods cannot get any credit at all. Credit in this country is practically dried up. No matter how much credit is available, people do not dare use it. All the time that this unsound legislation is held up here before the people of the United States we are retarding recovery. Other nations are going forward. They have fortified their currencies by balancing their budgets. They are manufacturing and selling in the world's markets, but our people are living under a cloud of fear at the present time because of legislation of this character.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. FITZPATRICK. What countries have stabilized their currency recently?

Mr. RANSLEY. Mr. Speaker, I yield 15 minutes to the gentleman from Connecticut [Mr. BAKEWELL].

Mr. BAKEWELL. Mr. Speaker, I rise in opposition to this bill. Not long ago we put through the House a bill 60 pages long whose ostensible object was to regulate the stock exchanges, but whose concealed object was to regiment all industry. This was put through after a debate of 7 hours. The committee had been laboring for 7 weeks, and at the end of 7 weeks they could not understand the bill; they could not agree as to what the bill meant. The present bill is not quite so bad. It is 12 pages long instead of 60, but it also is involved with clauses within clauses, and sentences so intertwined that they are like the yews of Borrowdale, "upcoiling and inveterately convolved."

What does this bill mean? Does it compel the President to proceed with dispatch toward this goal that you have set? Not at all. It only sets as the ultimate objective the establishment of the ratio of 25 to 75 as between silver and gold. The original proposal called for the purchase of 50,000,000 ounces per month. This the President opposed, and it was taken from the bill. The ultimate objective cannot be obtained until we have, according to the figures given, 1,700,000,000 ounces, so that even if we purchased 50,000,000 ounces a month, it would require about 3 years to reach the objective at which this measure aims.

Mr. VINSON of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. BAKEWELL. I have not the time.

Mr. VINSON of Kentucky. But I do not think the gentleman wants to make a misstatement of fact. He says to this House that in the bill considered by the Ways and Means Committee there was provided the purchase of 50,000,000 ounces of silver per month.

Mr. BAKEWELL. I am speaking of the bill as reported to the Senate, and I am referring to the statement of the gentleman in the Senate who was its proponent, that that was the original proposal, and that the President disapproved of it, and that consequently it was made permissive instead of mandatory. Senator PITTMAN said:

The President yielded with regard to the mandatory provision about purchasing silver until he got 25 percent of the reserves, and we yielded on the point that he should not be required to purchase 50,000,000 ounces a month, or any other particular amount.

Mr. VINSON of Kentucky. But it was not in this bill.

Mr. BAKEWELL. I am talking about the original proposal, and I refuse to yield further.

Mr. VINSON of Kentucky. The gentleman is not correct in his statement.

Mr. BAKEWELL. I am correct in my statement that that was in the original bill.

So that this bill is again ambiguous in its purpose and in what it actually calls for. The President can take as much time as he pleases, and no one knows when, if ever, this objective may be reached. But suppose it were reached, who are to be the beneficiaries? It is put forward as an obvious purpose that this bill is intended to help the farmer. We are all interested in the farmer. The farmer's conflict with Wall Street goes way back in history, even unto the days of Cain and Abel. Now, Cain was a farmer; he earned his living by tilling the soil, working from dawn until dark, and by the sweat of his brow trying to wrest a living from a reluctant earth. As he looked up and saw brother Abel reclining under the cool shade of a cypress tree, idly watching his sheep, occasionally going out to fleece them, and once in a while leading a little lamb to the slaughter, he was angered against this precursor of Wall Street, and he rose up in his might and smote him, even unto death. Now, Cain had no intention of killing Abel. He just wanted to make him realize what the hard knocks of life meant, but

he overdid it. You gentlemen who represent the farming interests of the West do not mean to kill Wall Street; but that may, unfortunately, be the result.

Many changes have come to the farming industry since the pioneer days of Cain. Increase in agricultural knowledge and the perfecting of the instruments of farming brought such improvement that by the time we reach the seventeenth and eighteenth centuries, especially in England and America, the farmer was as happy and contented as any man. It was on the farm, more than anywhere else, that were developed the homely virtues of honesty, thrift, industry, and self-reliance; it was on the farm that was established the principle that a man's home is his castle. The farm was, in fact, for the modern world the cradle of liberty. The sturdy men and women who made America were farm bred. The farmer's life was indeed hard, and he had to endure lean years, but such was his independence of spirit that he bore his burdens bravely and did not run as a beggar to the seat of government to ask for help. A new conception of the farm came with the development of the West, with its huge ranches devoted to the raising of a single crop. This was big business, although the product might be wheat instead of automobiles. Overproduction resulted, and here the trouble began which the various measures introduced in this Congress have attempted to alleviate. Our Eastern farmer, with his subsistence homestead, has not been helped in the least by any of these measures. I know, of course, that there are many farms in the West run on a subsistence basis, where the old values of independence and self-reliance are still cherished. But the owners of these farms are not the ones who are begging help of the Federal Government. They desire rather to be let alone and to work out their own salvation.

But, in truth, this bill will not help any of the farmers, big or little. It will prove as futile as the effort to raise the price of pork by slaughtering millions of pigs, or to raise the price of beef by slaughtering hundreds of thousands of cattle, or the effort to improve the condition of the farmers of the West and the planters of the South by bribing them to reduce their acreage.

As a matter of fact, what this bill really proposes, and the real motive behind it, is simply the desire to subsidize silver, to raise the value of silver, partly to help the silver-producing States, but also to help all these speculators and hoarders who have been accumulating silver. It will not help anyone else.

Mr. FIESINGER. Will the gentleman yield?

Mr. BAKEWELL. I yield.

Mr. FIESINGER. I should like to ask the gentleman's opinion if this bill really makes silver primary money or whether it still leaves it as token money?

Mr. BAKEWELL. I think it still leaves it as token money.

Mr. Speaker, we have on various occasions in our history tried, by legislation, to raise the value of silver. I want to read two or three words from a very wise Democrat, Grover Cleveland, who throughout the land is still held in honor as one of the great men of our country, although the gentlemen on the left side of the House today are inclined to criticize and condemn him as an instrument of Wall Street. It is a popular fashion nowadays, when in trouble, to seek some personal devil whom we can blame for our difficulties. So you gentlemen, many of you, have made a personal devil of Wall Street and have managed to conjure up a number of names of prominent men, most of which happen to begin with the letter "M", to swell the number of the devil's minions. Some of you are inclined to include this great Democrat among them. This is what President Cleveland wrote:

> At times like the present, when the evils of unsound finance threaten us, the speculator may anticipate a harvest gathered from the misfortune of others, the capitalist may protect himself by hoarding or may even find profit in the fluctuations of values; but the wage earner—the first to be injured by a depreciated currency and the last to receive the benefit of its correction—is practically defenseless. He relies for work upon the ventures of confident and contented capital. This failing him, his condition is without alleviation, for he can neither prey on the misfortunes of others nor hoard his labor.

Mr. FORD. Will the gentleman yield?

Mr. BAKEWELL. I yield.

Mr. FORD. We had that quotation about 5 minutes ago. Is the gentleman going to fill the RECORD with it?

Mr. BAKEWELL. I am repeating it deliberately. Apparently repetition is necessary, for his words of wisdom are so quickly forgotten by the men on the gentleman's side of the aisle.

Mr. FIESINGER. Will the gentleman yield for a question?

Mr. BAKEWELL. I yield.

Mr. FIESINGER. I have great respect for the gentleman's opinion. I understand the gentleman has been professor at Yale University. I want to ask this question: Does the gentleman not think this bill will get us into the same situation, if we go back to gold redemption, as happened during the time of President Cleveland?

Mr. BAKEWELL. Possibly; but I am not sure that I get the gentleman's meaning.

The purchase of silver at artificial prices will not help recovery, but will definitely retard it by further undermining the confidence of our people in the currency of our country. There will be no recovery, no sound recovery, until normal business functions, until normal business activities are allowed to thrive and prosper. One thing that is most essential to bring about this result is the restoration of confidence. Without that we cannot go forward. This bill will neither help the farmer nor the manufacturer nor the laboring man, nor will it further international commerce. The sole beneficiaries will be the speculators in silver, and the silver-producing States.

Mr. KELLER. Will the gentleman yield for a question?

Mr. BAKEWELL. I yield.

Mr. KELLER. The gentleman called attention again to the fact of the repeal of the silver law under Grover Cleveland. I should like to have the gentleman tell us whether that took us out of that great depression or not.

Mr. BAKEWELL. The repeal of the silver act did not immediately get us out but it started us on our way. If it had not been repealed, we should have remained in the depression much longer. We moved forward slowly but surely, much aided by the courageous and uncompromising attitude of President Cleveland. I could wish that our present President had been equally firm and unyielding in his opposition to silver legislation.

I yield back the balance of my time.

The SPEAKER. The gentleman yields back 3 minutes.

Mr. RANSLEY. Mr. Speaker, I yield to the gentleman from Illinois [Mr. DIRKSEN] the remainder of the time, 5 minutes.

Mr. DIRKSEN. Mr. Speaker, I suppose that most Members of the House will approach this question of silver in much the same attitude as I shall, namely, what it will do or not do for the country generally and particularly for the people in my district; and when I say people, I mean the farmers, the business men, and labor.

I do not pretend to know a great deal about silver. When experts, who have spent a lifetime of study on this matter, are in hopeless disagreement, it is quite natural that Members of Congress, who can make but a casual study of the problem, should also disagree on this or any other silver measure.

Certain it is that people are not so gullible about the fancied benefits of silver legislation as they were in 1896. The press and the radio have helped to dispel some of the delusions together with the enlarged understanding of the people. Back in 1896—the days of Populism—when Bryan's star was in the ascendancy, the father of 17 sons took his family for a visit with the Governor of a silver Western State. The Governor appraised the family and said, "Well, John, I suppose your fine family of sons are all good Populists and all for free silver."

"All except one", replied the father.

"Which one?" asked the Governor.

The father said, "That little runty feller there in the corner."

"And what's the matter with him?" asked the Governor.

"Waal", drawled the father, "That little critter has learned to read."

Now, without any reflection on the proponents of this or any other silver legislation, I may say that more people are opposed to silver as they learn to read more about its vagaries and its fancied remedial qualities.

I approach it, therefore, in a common-sense way, and I trust that my vote on this measure may be dictated by sincere convictions, founded on substantial reasons.

I voted for the original Dies bill, which sought outlet for our farm products by authorizing the acceptance of silver in payment therefor, even though we had to accept the silver at a premium over the world price of silver. We at least got the benefit of the sale before we could have an inflation. In the present bill, which Mr. DIES has introduced, we get inflation first, and the illusory hope that we might get some world business afterward.

The bill seeks to fix a ratio of one to three for silver, and to effect that ratio authorizes the Treasury to buy silver at reasonable prices, but not to exceed 50 cents an ounce for domestic silver and not to exceed the monetary price for any other. The monetary price is $1.29 per ounce. Silver certificates shall be issued against the cost of the silver so acquired. If we require about one and one-third billion ounces to establish the 25-75 ratio, and it could all be purchased for 50 cents an ounce, it would require at least $650,000,000 of expenditure out of any available money for that purpose. By adding this amount or more to our present circulating medium, it constitutes inflation. If this silver were purchased at the price for newly mined silver under the Pittman proposal of last winter, namely 64½ cents, it would add even more; at the monetary price of $1.29, it would add still more.

This is not the first time that silver-purchase proposals have been advanced in this country. In 1878, under the Bland-Allison Act, from two to four million dollars worth of silver per month was purchased, and actually the total so purchased under that act amounted to more than $378,000,000. In 1890, under the Sherman Act, they authorized purchases up to four and one-half million ounces per month, and issued certificates redeemable in gold, as a result of which the first flurry in 1893 caused people to redeem silver certificates in gold, thereby depleting the Treasury of its gold reserve, and bringing on the depression of 1893.

What contentions are advanced in behalf of a measure such as this? It is argued that it will broaden the metallic base for our currency, raise prices, benefit the silver States, and promote world trade.

To be sure, it will broaden our currency base, but no conclusive argument has been advanced to show that that will help matters. Banks are filled with money, deposits in every State in the Union are mounting, billions of excess reserves are available as a base for expanding credit, but thus far that credit has not been jarred loose. It is the velocity and turnover of money, not the quantity that counts. You will, by the terms of this bill, add to the quantity of money, but you do not aid credit expansion, and the result will be that additional money will only find its way into deposits precisely as the rest of our circulating medium is now doing. The loans to small industry, the housing bill, and other measures are designed to stimulate credit. This bill gives no evidence that it can aid such credit expansion in the slightest way. What we need is not more money—we have more now than we ever had—but money that travels faster.

You say this bill will raise prices. That it will advance us toward the magic 1926 price level. Look at the committee report which accompanied the gold reserve bill which passed this House in January. There they made the same argument. The cry was devaluation, for a broader base, for higher prices. Did we get them? The fact is that on May 15 the general price index was lower than it was in February, and were it not for the drought, the farm-index level would be lower than it was before the Gold Reserve Act was passed. Meanwhile, because of codes, the spread between the price of farm products and manufactured products is widening rather than narrowing. The International News Service reported the President as stating early in May, after a conference with silver advocates that, "Experimentation with gold has been a flop. I have no hesitation now in experimenting with silver." I do not vouch for the truth of that statement, but it appeared on the front page of the Washington Herald, and if it is true, then we dare assume that this, too, will be experimentation, and experimentation breeds uncertainty.

The mining benefits of the bill will at best be limited and it is doubtful in the extreme whether we should pass legislation of this character, the benefits of which will be limited and the uncertainties of which may be wide-spread. Seven States, with an aggregate population less than that of the State of New Jersey, produce more than 90 percent of all the silver in the country. Since we are already obligated under the Pittman proposal for most of the newly mined silver at 64½ cents per ounce, I cannot discern the heralded benefits that are to accrue to the mining States.

The foreign-trade benefits recited under the provisions of this measure are illusory and quite doubtful. We watched and waited with bated breath when the Gold Reserve Act was passed in January for other nations to forsake gold and to devalue. They failed to do so. We waited for an increase in the movement of goods in foreign commerce. The increase was sadly disappointing. We started with an academic assumption and expected other nations to stand idly by in the battle of money and exchange while we increased our foreign trade. That was sheer stupidity.

Take Germany as an example. With only 7 percent of gold reserve behind the mark, and with the mark having a purchasing power of 40 cents in this country in May 1934 as compared with 25 cents in May of 1933, we felt certain that either Germany must buy from us or must devalue. She did neither. She established a system of conversion marks whereby every importer must first secure a half dozen approvals from a half dozen bureaus and then secure a supply of these special conversion marks before he could import from other countries. They established quotas and subsidies and so set at naught our most carefully calculated schemes. Argentina did precisely the same thing, and from all appearances our best-laid schemes of using money and exchange weapons with which to augment foreign trade failed to take into account the element of human nature.

What assurance is there that when through purchases the price of silver does go up that it will stimulate trade with India and China? As an academic proposal it should work out that way, but it does not. The people in India and China are already hoarding 7,000,000,000 of the 12,000,000,000 available ounces of silver in the world. What could be more natural than to hoard even more if the price goes up? What shall prevent them, with the connivance of the trained experts of other nations overseas, from setting up quotas, subsidies, and other obstructions and leave us with nothing more than a great domestic uncertainty that is inimical to recovery?

In the solitude for a fancied foreign trade we are ready to crucify labor, the farmer, and the business man. I am ready to support any measure conducive to recovery, but I shall oppose any measure which is so thoroughly speculative and so filled with uncertainties.

Mr. BANKHEAD. Mr. Speaker, I do not know that I shall consume the remainder of the time to my credit, but I want to say very briefly in reply to the statement made by the gentleman from Ohio, whom I respect very highly, that I feel his statement that this is a gag rule, under all the circumstances, was not justified. If it had not been for a certain parliamentary situation which developed in the committee in reference to some amendment that had been proposed to the original bill, it would not have been necessary at all to secure a special rule for the consideration of the bill in the form in which it is now offered. It was clearly a technical problem that required the intervention of the Committee on Rules to bring in a rule in the form in which it is presented. It has none of the aspects of a gag rule. As I

understand it, the strictures of the gentleman from Ohio along this line were based upon the fact that but 3 hours were allowed for general debate. I do not know that the Members would be able to reach a more intelligent conclusion upon this bill one way or the other if we had 6 months of general debate upon it. I am one of those who undertook for 2 or 3 years to make a very intensive study of the currency question and related economics. I spent many long hours after leaving my office, reading what I regarded as textbooks upon this question, books written by eminent authorities. After 2 or 3 years of study on this problem in an effort to reach some intelligent opinion, I finally concluded that nobody in this world knew much about the whole subject. [Applause.] It is too complicated, it has too many ramifications, there are too many opinions with respect to it, and the economists do not agree on it. I was somewhat surprised to see a former college economist speak on this question. We have heard a good many strictures from the other side upon members of the "brain trust", but I assume some of the Members on the other side respect the views of this solitary member of the "brain trust" on their side because formerly he was a college professor.

Mr. Speaker, we have had hearings with reference to the silver controversy for the last 2 or 3 years. The matter has been studied in a very intensive form. The Committee on Coinage, Weights, and Measures prepared a bill which passed the House, the Dies bill, and was sent to the other body. There was grave difference of opinion as to the efficacy of that bill.

It was the conclusion of the House committee charged with the responsibility to recommend legislation upon that question that this was the wisest bill that could be offered under the circumstances at this time. It went to the Senate and numerous conferences have been held by Senators and Representatives touching this question, and the matter now presented comes to us in the form of a compromise, as I understand it, with the approval of the administration.

I do not know, and no man knows, whether or not the passage of this bill, if it passes, will effectuate the desirable results that the sponsors hope it will accomplish. Here is a proposition presented to consider this measure upon its merits and the resolution simply provides for its consideration in order that we may register the will of the House of Representatives upon the question. It is an ordinary rule. I regret that more time could not be devoted to its discussion, but everyone here knows the legislative situation in which we are placed. There are many of us who want to conclude the program and adjourn this Congress, but we have certain things to do before we can expect to get away. If we had unlimited debate on this and other involved problems to come up, it would consume a vast amount of time.

Mr. BYRNS. Will the gentleman yield?

Mr. BANKHEAD. I yield to the gentleman from Tennessee.

Mr. BYRNS. May I call the gentleman's attention to the fact also that the tariff bill will be completed at an early date. Then they will probably take up the silver legislation in the Senate, and it is important that they have the House bill before them at that time. I think, therefore, that is an additional reason why this House ought to pass this bill within a reasonable time.

Mr. BANKHEAD. May I say, too, in connection with this matter, my function here as Chairman of the Committee on Rules is to present this rule and ask my associates on this side of the House to adopt the rule giving the legislative committee in charge of the responsibility of presenting the matter an opportunity to present the question on its merits. There are some Members on this side opposed to the provisions of the bill, but I trust that those Members will certainly support this rule, so that consideration may be given to the bill.

[Here the gavel fell.]

Mr. BANKHEAD. Mr. Speaker, I offer an amendment to the resolution by striking out the words "2 hours" and inserting in lieu thereof the words "3 hours."

The Clerk read as follows:

Amendment offered by Mr. BANKHEAD: On page 1, line 9, strike out the word "two" and insert in lieu thereof the word "three."

Mr. BANKHEAD. Mr. Speaker, I move the previous question on the amendment.

The question was taken; and on a division (demanded by Mr. FIESINGER) there were—ayes 106, noes 4.

So the previous question was ordered on the amendment.

The SPEAKER. The question is on agreeing to the amendment offered by the gentleman from Alabama [Mr. BANKHEAD].

The amendment was agreed to.

Mr. BANKHEAD. Mr. Speaker, I move the previous question on the adoption of the resolution.

The question was taken; and on a division (demanded by Mr. FIESINGER) there were—ayes 98, noes 1.

So the previous question was ordered on the resolution.

The SPEAKER. The question is on the adoption of the resolution.

The question was taken; and on a division (demanded by Mr. FIESINGER) there were—ayes 95, noes 18.

Mr. FIESINGER. Mr. Speaker, I object to the vote on the ground there is not a quorum present.

The SPEAKER. Evidently there is no quorum present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 214, nays 71, not voting 145, as follows:

[Roll No. 152]

YEAS—214

Adair	Disney	Kocialkowski	Rogers, N.H.
Adams	Dobbins	Kopplemann	Romjue
Arens	Dockweiler	Kramer	Rudd
Arnold	Doughton	Lambertson	Ruffin
Ayers, Mont.	Douglass	Lanham	Sabath
Ayres, Kans.	Dowell	Larrabee	Sadowski
Bankhead	Driver	Lea, Calif.	Sanders, La.
Beam	Duffey	Lee, Mo.	Sanders, Tex.
Beiter	Duncan, Mo.	Lehr	Sandlin
Bland	Dunn	Lewis, Colo.	Schaefer
Blanton	Durgan, Ind.	Lindsay	Schuetz
Bloom	Eagle	Lozier	Scrugham
Boehne	Ellenbogen	Ludlow	Shallenberger
Boileau	Elizey, Miss.	McClintic	Sinclair
Brooks	Farley	McCormack	Smith, Va.
Brown, Ga.	Fitzpatrick	McDuffie	Smith, Wash.
Brown, Ky	Flannagan	McFarlane	Somers, N.Y.
Brown, Mich.	Fletcher	McKeown	Spence
Brunner	Ford	McReynolds	Steagall
Buchanan	Fuller	McSwain	Strong, Tex.
Buck	Gilchrist	Maloney, Conn.	Stubbs
Burke, Nebr.	Gillespie	Maloney, La.	Studley
Byrns	Glover	Mansfield	Sumners, Tex.
Cady	Granfield	Martin, Colo.	Swank
Caldwell	Gray	May	Tarver
Cannon, Mo.	Greenwood	Meeks	Taylor, S.C.
Cannon, Wis.	Gregory	Miller	Terrell, Tex.
Carden, Ky.	Griswold	Milligan	Terry, Ark.
Carpenter, Kans.	Harlan	Mitchell	Thom
Carpenter, Nebr.	Hart	Monaghan, Mont.	Thomason
Cartwright	Hastings	Montague	Thompson, Ill.
Castellow	Henney	Montet	Thompson, Tex.
Celler	Hildebrandt	Moran	Truax
Chapman	Hill, Ala.	Morehead	Turner
Chavez	Hill, Knute	Murdock	Umstead
Cochran, Mo.	Hill, Samuel B.	O'Connor	Underwood
Colden	Hoidale	O'Malley	Utterback
Collins, Miss.	Hope	Oliver, Ala.	Vinson, Ky.
Condon	Howard	Oliver, N.Y.	Wallgren
Cooper, Tenn.	Huddleston	Owen	Walter
Corning	Imhoff	Parker	Warren
Cox	Jacobsen	Parks	Wearin
Cravens	Jenckes, Ind.	Parsons	Weideman
Crosby	Johnson, Minn.	Patman	Werner
Cross, Tex.	Johnson, Okla.	Peavey	West, Ohio
Crosser, Ohio	Johnson, Tex.	Peyser	West, Tex.
Crowe	Johnson, W.Va.	Pierce	Whittington
Cullen	Jones	Ramsay	Williams
Cummings	Kee	Ramspeck	Wilson
Deen	Keller	Rankin	Wood, Mo.
DeRouen	Kennedy, N.Y.	Rayburn	Woodrum
Dickinson	Kerr	Richards	Young
Dickstein	Kleberg	Robertson	
Dies	Kloeb	Robinson	

NAYS—71

Allen	Culkin	Griffin	McGugin
Bacharach	Darrow	Guyer	McLean
Bacon	Dirksen	Hancock, N.Y.	McLeod
Bakewell	Ditter	Hess	Mapes
Beedy	Dondero	Hollister	Marshall
Blanchard	Eltse, Calif.	Holmes	Merritt
Bolton	Englebright	Kahn	Mott
Buckbee	Evans	Kelly, Ill.	Perkins
Carter, Calif.	Fiesinger	Kinzer	Plumley
Cavicchia	Foss	Knutson	Ransley
Christianson	Gavagan	Lamneck	Reece
Clarke, N.Y.	Gifford	Lanzetta	Reed, N.Y.
Collins, Calif.	Goodwin	Luce	Richardson
Connolly	Goss	McFadden	Simpson

Sirovich	Taylor, Tenn.	Treadway	Wolcott
Snell	Tinkham	White	Wolverton
Swick	Tobey	Whitley	Woodruff
Taber	Traeger	Wigglesworth	

NOT VOTING—145

Abernethy	Dear	Jenkins, Ohio	Reilly
Allgood	Delaney	Kelly, Pa.	Rich
Andrew, Mass.	De Priest	Kennedy, Md.	Rogers, Mass.
Andrews, N.Y.	Dingell	Kenney	Rogers, Okla.
Auf der Heide	Doutrich	Kniffin	Schulte
Bailey	Doxey	Kurtz	Sears
Beck	Drewry	Kvale	Secrest
Berlin	Eaton	Lambeth	Seger
Biermann	Edmiston	Lehlbach	Shannon
Black	Edmonds	Lemke	Shoemaker
Boland	Eicher	Lesinski	Sisson
Boylan	Faddis	Lewis, Md.	Smith, W.Va.
Brennan	Fernandez	Lloyd	Snyder
Britten	Fish	Lundeen	Stalker
Browning	Fitzgibbons	McCarthy	Stokes
Bulwinkle	Focht	McGrath	Strong, Pa.
Burch	Foulkes	McMillan	Sullivan
Burke, Calif.	Frear	Marland	Sutphin
Burnham	Frey	Martin, Mass.	Sweeney
Busby	Fulmer	Martin, Oreg.	Taylor, Colo.
Carley, N.Y.	Gambrill	Mead	Thomas
Carmichael	Gasque	Millard	Thurston
Carter, Wyo.	Gillette	Moynihan, Ill.	Turpin
Cary	Goldsborough	Muldowney	Vinson, Ga.
Chase	Green	Musselwhite	Wadsworth
Church	Greenway	Nesbit	Waldron
Claiborne	Haines	Norton	Weaver
Clark, N.C.	Hamilton	O'Brien	Welch
Cochran, Pa.	Hancock, N.C.	O'Connell	Wilcox
Coffin	Harter	Palmisano	Williford
Cole	Hartley	Peterson	Withrow
Colmer	Healey	Pettengill	Wolfenden
Connery	Higgins	Polk	Wood, Ga.
Cooper, Ohio	Hoeppel	Powers	Zioncheck
Crowther	Hughes	Prall	
Crump	James	Randolph	
Darden	Jeffers	Reid, Ill.	

So the resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Kniffin (for) with Mr. Higgins (against).
Mr. Hoeppel (for) with Mr. Doutrich (against).
Mr. Kenney (for) with Mr. Jenkins of Ohio (against).
Mr. McGrath (for) with Mr. Andrew of Massachusetts (against).
Mr. Randolph (for) with Mr. Beck (against).
Mr. Peterson (for) with Mr. Cooper of Ohio (against).
Mr. Hamilton (for) with Mr. Kurtz (against).
Mr. Musselwhite (for) with Mr. Chase (against).
Mr. Coffin (for) with Mr. Eaton (against).
Mr. Hancock of North Carolina (for) with Mr. Fish (against).
Mr. Black (for) with Mr. Hartley (against).
Mr. Sullivan (for) with Mr. Crowther (against).
Mrs. Greenway (for) with Mr. Millard (against).
Mr. Delaney (for) with Mr. Stokes (against).
Mr. Boylan (for) with Mr. Lehlbach (against).
Mr. Secrest (for) with Mr. Wolfenden (against).
Mr. Mead (for) with Mrs. Rogers of Massachusetts (against).
Mr. Dingell (for) with Mr. Seger (against).
Mr. Darden (for) with Mr. Rich (against).
Mr. Palmisano (for) with Mr. Cochran of Pennsylvania (against).
Mr. Prall (for) with Mr. Powers (against).

Until further notice:

Mr. Vinson of Georgia with Mr. Britten.
Mr. Lewis of Maryland with Mr. Martin of Massachusetts.
Mr. Sears with Mr. Frear.
Mr. Gasque with Mr. Edmunds.
Mr. Allgood with Mr. James.
Mr. Drewry with Mr. Muldowney.
Mr. Bulwinkle with Mr. Wadsworth.
Mr. Connery with Mr. Stalker.
Mr. Abernethy with Mr. Kelly of Pennsylvania.
Mr. Goldsborough with Mr. Burnham.
Mr. Gambrill with Mr. Focht.
Mr. Lambeth with Mr. Andrews of New York.
Mr. Smith of West Virginia with Mr. Thurston.
Mr. Taylor of Colorado with Mr. Welch.
Mr. Pettengill with Mr. Moynihan of Illinois.
Mr. O'Connell with Mr. Carter of Wyoming.
Mrs. Norton with Mr. Lemke.
Mr. Doxey with Mr. Strong of Pennsylvania.
Mr. Fulmer with Mr. Turpin.
Mr. Clark of North Carolina with Mr. Withrow.
Mr. Busby with Mr. Thomas.
Mr. Burch with Mr. Reid of Illinois.
Mr. Shoemaker with Mr. De Priest.
Mr. Boland with Mr. Kvale.
Mr. Fernandez with Mr. Lundeen.
Mr. Cole with Mr. Hughes.
Mr. Williford with Mr. Lloyd.
Mr. Auf der Heide with Mr. Brennan.
Mr. Reilly with Mr. Eicher.
Mr. Kennedy of Maryland with Mr. Bailey.
Mr. Wood of Georgia with Mrs. McCarthy.
Mr. Polk with Mr. Berlin.
Mr. O'Brien with Mr. Edmiston.
Mr. Sutphin with Mr. Foulkes.
Mr. Shannon with Mr. Gillette.
Mr. Browning with Mr. Haines.
Mr. Cary with Mr Wilcox.
Mr. Sweeney with Mr. Marland.
Mr. Sisson with Mr. Frey.
Mr. Snyder with Mr. Dear.
Mr. Healey with Mr. Martin of Oregon.
Mr. Lesinski with Mr. Faddis.
Mr. Green with Mr. Carmichael.
Mr. Fitzgibbons with Mr. Biermann.
Mr. Church with Mr. Harter.
Mr. Burke of California with Mr. Claiborne.
Mr. Colmer with Mr. Crump.
Mr. Carley of New York with Mr. Jeffers.

The result of the vote was announced as above recorded.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—DISBURSEMENTS BY THE WAR AND NAVY DEPARTMENTS AND THE PANAMA CANAL (H.DOC. NO. 391)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Expenditures in the Executive Departments and ordered printed:

To the Congress:

Pursuant to the provisions of section 16 of the act of March 3, 1933 (ch. 212, 47 Stat. 1489, 1517), as amended by title III of the act of March 20, 1933 (ch. 3, 48 Stat. 8, 16), I am transmitting herewith an Executive order revoking section 4 of Executive Order No. 6166 of June 10, 1933, insofar as and to the extent that it is applicable to the disbursing functions under the jurisdiction of the War Department, the Navy Department (including the Marine Corps), and the Panama Canal, except those pertaining to departmental salaries and expenses in the District of Columbia.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *May 29, 1934.*

SILVER

Mr. DOUGHTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H.R. 9745) to authorize the Secretary of the Treasury to purchase silver, issue silver certificates, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. MARTIN of Colorado in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mr. DOUGHTON. Mr. Chairman, I yield 10 minutes to the gentleman from Nebraska [Mr. SHALLENBERGER].

Mr. SHALLENBERGER. Mr. Chairman, just 1 year ago the Congress declared the gold contract clause against public policy, thereby relieving a hundred billions of dollars of debt from the burden of the impossibility of gold payment.

Today, by the passage of the Dies bill, we make possible the addition of more than a thousand millions of dollars of silver to our national monetary supply.

I read from yesterday's New York Times:

Silver receipts at the mints rose to 885,056 fine ounces in the week ended May 25, exceeding by about 200,000 ounces the total of any previous week.

This is a very important statement at this time, as I view it. This sounds like a lot of silver, but if purchases should rise to a million ounces a week it would take 1,300 weeks, or more than 24 years, to buy the amount of silver the Treasurer is directed and authorized to purchase under this bill.

Ever since silver was demonetized in 1873, there have been many efforts to rehabilitate and remonetize it—the Bland-Allison Act of 1878 and the Sherman Act of 1890 are examples. Since the repeal of the Sherman Act in 1893, there has been no prospect of success for the remonetization of silver until this hour.

The Dies bill, as reported by the Ways and Means Committee, authorizes the addition of more than a billion dollars of silver to our basic money supply. The silver certificates to be issued under the bill are full legal tender for all debts both public and private, and in the language of the market place are "just as good as gold." The actual results

will be the same as though a billion of gold certificates were added to our circulating medium. Our silver currency is just as good as gold. Yes; better than gold, for you can still get silver dollars for your silver certificates, but no gold for any kind of currency.

The bill directs the Secretary of the Treasury to increase his supply of monetary silver to one-fourth that of the total monetary stock in the Treasury. At the last report there was seven billions seven hundred and fifty-five millions of monetary gold in the United States Treasury. The stock of monetary silver was $392,000,000. Therefore our present total monetary stock of gold and silver is eight billions four hundred and forty-seven millions of money. Twenty-five percent of this huge sum is two billions two hundred millions. Since the amount of silver on hand is only $892,000,000, to raise the silver holdings to two billions two hundred millions will require the purchase of at least 1,300,000,000 additional ounces of silver.

The estimated free silver in the world that might possibly be acquired is 750,000,000 ounces. It will at once be seen that the policy which the Secretary of the Treasury is directed to carry out will lift silver up to its former place beside gold and increase tremendously our base of metallic money. It will expand our volume of actual money by the very soundest possible monetary policy. Every dollar of currency issue will be backed up by an actual dollar of noble metal, either in coin or bullion, that can be coined when coin is demanded.

The Dies bill meets completely the pledge of the Democratic platform to maintain a sound currency at all hazards. There is no fiat or doubtful promise to pay in the money authorized to be issued under the terms of this bill. It loads no additional debt upon the Federal Government and creates no doubt as to its soundness under any conditions. We are at present struggling with a desperate economic problem. Debt, both public and private, is at the bottom of all of our economic troubles. If we want to avoid a recurrence of the collapse of 1929, we should avoid money based upon governmental fiat as we would a pestilence. I read the other day where a Member of this House said "a man might just as well be in hell as in debt." If he is in debt and cannot pay it, he is in hades already.

By the repeal of the gold-payment clause and the declaration that all our money is legal tender in discharge of debt, either public or private, approved in May 1933 we made the first step making it possible to restore silver to its former place beside gold as primary money. By the enactment of the bill now under consideration we are saying to the world, "Silver is money", and the Secretary of the Treasury of the United States is directed to maintain it as an integral part of the monetary system of the Nation. With the equality of silver established and restored, our monetary system will rest upon the very broadest possible base. There will be a sufficient volume of money to supply the lifeblood of trade, which is sound credit, and to build our future prosperity upon the best financial system in the world.

The new freedom of the new-deal monetary policy was first stated in the gold-payment repeal bill, as follows:

> That every provision contained in or made with respect to any obligation which purports to give the obligee a right to require payment in gold or a particular kind of coin or currency or in amount in money of the United States measured thereby is declared to be against public policy.

That is the new Declaration of Independence under the new deal that lifted an intolerable burden of debt from the backs of the American people.

For 40 years I have advocated a bimetallic monetary system providing for unlimited coinage of gold and silver at a ratio fixed by law. The silver and gold so coined to be legal tender for all debts, both public and private, and the United States Treasury authorized to pay in either standard gold or silver dollars at its option.

On January 3, 1934, at the beginning of this session, I introduced a bill which provided:

> SEC. 2. The dollar shall consist of 12.9 grains of gold nine-tenths fine, or of 412½ grains of silver nine-tenths fine, and shall be the standard unit of value, and all forms of money issued or coined by the United States shall be maintained at a parity of value with this standard, and it shall be the duty of the Secretary of the Treasury to maintain such parity.
>
> SEC. 3. Gold and silver dollars of the standard weight and fineness provided in this act shall be legal tender for the payment of all debts, both public and private, and the United States Treasury may pay the obligations of the Federal Government in either standard gold or silver dollars at its option.

The parity under the Dies bill is 27 to 1, while the parity under my bill would be 32 to 1, or practically the same thing. It will be readily seen that the provisions of this bill are practically the same as those contained in the bill which we are now about to enact into law.

If these provisions could be submitted to a popular vote of the American people at the next general election, they would be approved by an overwhelming majority of the voters of this Nation.

The Dies bill comes nearest to meeting these provisions of any measure that will be considered by this Congress. This act will put silver on a practical parity with gold and the money issued under its provisions will be full legal tender for all debts, both public and private.

This bill is a fundamental part of the President's monetary program. It is an integral part of the new deal for national recovery. It is the beginning of a new dawn for American agriculture and American industry. It will be a powerful factor in the restoration of our foreign trade. The silver-using nations will be quick to use their money or silver in purchase of our surplus products. Commodity prices will rise as the volume of money in circulation increases. The debtor will liquidate his debts with these new-deal dollars rather than liquidate through bankruptcy or repudiation, as under the old deal.

The people expect this legislation, the times demand it, and the Congress should give it immediate and overwhelming approval.

Mr. PARSONS. Mr. Chairman, will the gentleman yield?

Mr. SHALLENBERGER. I yield if I have any further time.

Mr. PARSONS. The gentleman from Nebraska does not contend for a moment that the Dies bill now being considered remonetizes silver in any respect?

Mr. SHALLENBERGER. It certainly does. It remonetizes silver to the extent the silver we buy is to be made an actual part of the monetary system of this country. [Applause.]

Mr. PARSONS. But it does not in any wise mention any ratio or provide for the maintenance of any ratio.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman and members of the Committee. This bill is not what it is labeled by its sponsors, a bill to establish bimetallism. It is a racket, and do not fool yourselves for one minute, and do not get the idea that the people of the United States are not going to be wise to that racket.

When we took the gold into the Federal Treasury, we prevented anybody getting any profit on it who had gold in the United States. By the terms of this bill we hand to these racketeers, these speculators who have been in the market buying silver, a 50-percent profit.

I am going to find out whether you mean this to be a half-way honest bill when you get to the point, because I am going to offer an amendment which taxes the profits of the speculators 100 percent.

Mr. WHITE. Nobody profited by the devaluation of gold.

Mr. TABER. Those who shipped gold out of the country did.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. TABER. I yield.

Mr. VINSON of Kentucky. Knowing the gentleman as I do, I cannot think for a moment that he means that anyone who votes against his amendment to tax the profit 100 percent would be dishonest.

Mr. TABER. Either they do not understand the situation or they are participators in the racket.

Mr. VINSON of Kentucky. I know the gentleman would not profess to be the only honest man in the House.

Mr. TABER. No; I have stated the situation that exists, and that cannot be disputed.

Mr. HARLAN. Will the gentleman yield?

Mr. TABER. Yes; I yield.

Mr. HARLAN. The thought that disturbs me is that if you take all the profit away we have no way to compel the people to sell their silver to the Government except under the clause where they will get 65 cents.

Mr. TABER. The Government is paying 64, and the price of silver is 45, so that the Government pays 20 cents more. I cannot understand how that can be unless there is a racket, and I cannot approve of that kind of doings.

Now, let me give you a few of those who will be benefited by this proposition.

Now, among the big holders—and, frankly, it has been the policy of this administration to favor the big interests right along. Here are some of them. See how you like it.

Chase National Bank, 18,000,000 ounces; the National City Bank, 7,500,000 ounces; E. L. Cord, 1,750,000 ounces; Goldman Sachs, 3,000,000 ounces; Interstate Equity, 1,500,000 ounces; Texas Corporation, 1,180,000 ounces; Marine Midland Bank & Trust Co., 1,250,000 ounces.

The Eastman Kodak Co., 12,000,000 ounces; Public National Bank, New York, 350,000,000 ounces.

That is a part of the group of speculators. You know that you have restricted the speculation in stocks. Therefore, folks have taken to speculating in metal, and the object of this bill, and a lot of those people back of it, is to boost the price of silver for the benefit of those speculators, and they are the ones who are going to reap.

Mr. PARSONS. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. PARSONS. What does the gentleman think about this bill establishing three prices for silver? We are paying 64½ cents an ounce for newly mined silver, and it is proposed under the bill to pay 50 cents an ounce as of record May 1, and then we propose when we nationalize silver to pay another price, which may be set by the Secretary of the Treasury. I want someone during the course of this debate to explain why we should have three prices of silver.

Mr. TABER. No one can explain it satisfactorily.

Of course there is no such thing as currency expansion under this bill. The other feature of this bill is this: We buy silver from foreign countries, and we pile something up in the Treasury of the United States that nobody else wants and that everybody is glad to shove onto us, and we get ourselves in just the same position that we got into between 1920 and 1929, when we sold our goods to foreign countries and took back South American and European bonds. It is just the same process. Are we going to do it again, or are we going to learn a little something by experience?

Mr. PARSONS. Under the terms of this bill, what will we buy foreign silver with?

Mr. TABER. American currency, probably, and American currency will be represented by American goods that go over to foreign countries.

Mr. PARSONS. We are not going to send any currency over to a foreign land to buy silver.

Mr. TABER. The currency will be paid by the Treasury for the silver when it comes back here. The silver at first will go to the producers of the merchandise that we send across the water, and then the operation will result not in an increase in the paper which is in circulation but an increase in silver paper in circulation and a decrease in Federal Reserve bank notes, and when you get all through the operation you will not have increased your currency circulation at all.

Mr. PARSONS. How many million ounces of silver does the gentleman think we might get from abroad under this act?

Mr. TABER. No one can tell. You will see all sorts of statistics. Some people say 450,000,000 and some people go a good deal higher than that. Of course, silver in foreign countries cannot be estimated anywhere as near accurately as silver in the United States.

Mr. PARSONS. How many ounces will we get in the United States under this act?

Mr. TABER. I do not know, and no one knows, but the program would evidently be to get it. I understand that a lot of those countries have a great deal more than they need, and that they would be glad to get it over here, get it out of their market. It is something they do not want.

Mr. PARSONS. That is, they do not want it if it is going to remain cheap, but if it is going to get to the coinage price of $1.29 or higher, would not these foreign countries hold their silver, expecting the higher price, or a world-wide remonetization. Would they send silver to this country if there was anything that would boost the price of silver to the coinage price?

Mr. TABER. Oh, the natural operation, of course, would be that they would not. We may be sure that if there is any international deal, if experience of the past is anything to go by, that Uncle Sam will get the worst of it. And we are surely going to get it if we pass this bill as it now stands.

Mr. PARSONS. Is there anything in this bill to provide for the enhancement of the price of silver to the coinage price of $1.29—any incentive?

Mr. TABER. No.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. TREADWAY. Mr. Chairman, I yield 8 minutes to the gentleman from Wisconsin [Mr. BLANCHARD].

Mr. BLANCHARD. Mr. Chairman, in looking over the CONGRESSIONAL RECORD, proceedings of the House, of May 2, 1933, when we had under consideration title III of Public Act No. 10, I can readily forecast what probably will happen with this measure now under consideration. Gentlemen will recall the discussion on that day last year. They will remember that the inflationists and those who are against inflation and were looking for a sop, so that inflation might not come, embraced title III of the Agricultural Adjustment Act, and embraced it enthusiastically. Today history repeats itself with another measure of like character, perhaps not so far-reaching in its effect and importance as that passed last year but nevertheless in exactly the same category. Lest I be labeled as a "brain truster" or a professor, I hasten to admit that there is plenty that I do not know about silver and money; but there are some things that anyone with any degree of intelligence can understand, and you can understand this bill, if you read it. If you understand the history of silver in this country, you have every reason to expect that you will find exactly the same occurrences under the operations of this act as happened under the operations of the Silver Acts of 1890 and 1878. I have read a great deal on the question of silver in the past few weeks and I shall make reference now to two editorials, one appearing in a newspaper in my district, in the State of Wisconsin, and one appearing in the New York Times.

I will read just a portion of each of those editorials. First, from the Janesville Gazette of Janesville, Wis., entitled "The Silver Senators Win Their Battle":

President Roosevelt, after many statements opposing the silver program, has finally succumbed to the bloc backed by the Members of Congress from the silver-mining States. It is quite possible that the President was moved to this action by the belief that nothing could very seriously disturb the monetary situation of the United States. It is known that Mr. Roosevelt has been deeply disappointed over the refusal of commodities to respond to the gold policy and that devaluation did not carry out the Professor Warren guarantee that farm prices would jump equivalent to 41 percent when that percentage was cut from the circulation value of the gold dollar.

All the holders of silver who have been buying for speculation in anticipation of a legal national value of $1.29 an ounce as has been done, will profit heavily by this action. They will have a market for a dead product. As it is, there is an element of control in this understanding by which the Government becomes a dealer in silver—silver cannot be higher than $1.29 an ounce. It will mean the adding of about $1,500,000,000 to the frozen, cold storage, metal money of the country. The silver will not be circulated. It will be in the same position it has been before—issuance of silver certificates against the bullion in the Treasury.

There is no reason for alarm over the action. Our present difficulty is in frozen money. Gold is in the ice chest. Silver will be there along with the gold. The great need we have is not more volume of money but more money under full speed—money in the form of checks and other circulation media rather than more actual cash. Silver will make no difference in the supply of gold since we will not be buying silver with gold.

Under the Bryan plan of 1896 we should have been in the market for silver, paying for the white metal in gold or its equivalent at 16 to 1. Now if we buy silver at 50 cents an ounce and put it into circulation at $1.29 an ounce as soon as this machinery is set up we can use the silver certificates to pay for silver at the market. If it were not for this fact the silver movement might be considered a dangerous monetary experiment. Under this plan as accepted by the President, there will be just another special privilege law which will give the mine owners and the silver speculators a sale for unmarketable metal.

Let me refer to the editorial appearing in the New York Times, referring directly to this bill:

THE SILVER BILL AND OTHERS

Whatever is to be the result of the President's silver message and of the formulated silver bill, it is already evident that the proposals actually please very few. Some members of the silver bloc recognize grudgingly that a concession has been made to them but intimate that they have not got what they wanted. In business circles no enthusiasm has been shown for the President's plan, even as an inflation hypodermic. Cotton and wheat, the price of which has often risen temporarily at the idea of silver legislation, have made no response; silver itself has lost ground on the market.

Probably the community at large is merely bewildered. It certainly received little enlightenment from the Presidential message, which contained a good deal of unsupported assertion. Not the slightest evidence has appeared on any hand that the silver agitation, which in 1896 and 1878 stirred whole communities into intense political excitement, has reappeared. If one may judge by the cabled comments, the President's statement "that at no time since 1878 have conditions been more favorable for international agreement on a mixed-money standard" causes only skepticism abroad.

In some respects the present episode has repeated similar past experience at Washington. It is a manifest attempt at political compromise, and in this strongly resembles the ill-fated Silver Purchase Act of the Harrison administration in 1890. That, too, was an era of political dissatisfaction and of rash political experiment; the White House then favored "doing something for silver", because it found that only thus could it insure passage of a higher tariff. It resembles the equally celebrated Silver Coinage Act of 1878 in that large-scale compulsory purchase of silver was on that occasion conceded with the purpose of heading off a congressional demand for outright free coinage of silver with a resultant unlimited increase in the currency.

Both of these older compromise silver acts worked badly. Both resulted eventually in business reaction. Both were abandoned afterward; none of the benefits promised to the American business situation were realized. The Monetary Commission calculated in 1898 from the Treasury's statistics that the silver bought by the Government under the act of 1878 cost $308,279,000 and that purchases under the act of 1890 cost $155,931,000, which, with cost of transportation, footed up $465,274,000, whereas the market value of the silver thus acquired was $266,769,000 at the end of 1897, indicating loss on the unsuccessful operations of more than 42 percent.

It is doubtless true that loss or waste of public money, in amounts vastly beyond the modest calculations of the nineties, has no such effect nowadays on the public mind as it used to have.

Mr. CROSS. Will the gentleman yield?

Mr. BLANCHARD. I yield.

Mr. CROSS. Does the gentleman recognize the difference between the Sherman Act and the Allison Act and this bill where, under those acts, silver was held purely as a commodity, like so much wheat or corn, whereas under this bill it is made monetary metal and becomes a part of the monetary reserve of the country?

Mr. BLANCHARD. I recognize the distinction.

Mr. CROSS. Does the gentleman realize the fact that as long as silver was held as money in this country, the silver dollar was at a premium over the gold dollar?

Mr. BLANCHARD. Oh, I recognize the distinction. Perhaps this language from the same editorial sums it up:

Or is it perhaps that our public officials, if not the general public, have come to believe, as they did in 1929, that we are living now in a new era, in which old-time economic rule and precedent no longer apply?

Mr. WHITE. Will the gentleman yield?

Mr. BLANCHARD. I cannot yield further.

May I say to you that I regard this act as just another sop, just some more tinkering with the monetary situation of the United States, with no particular historical reference or any other relationship to the international monetary system, and that the longer we continue in this country to tinker with our monetary policies, to tinker with gold and silver, the longer we will remain in the throes of this depression, because this act, along with many others which you are proposing at this session of Congress, only adds to the uncertainty of the situation.

In a previous speech I made on the results of this kind of legislation I said there is nothing that strikes terror to the mind of the average citizen more than uncertainty and doubt and fear of the future. Security is the finest insurance there is for a contented people. Business is no different from individuals. There can be no recovery until conditions are restored to some degree of normalcy, but you will never attain that goal until you quit tinkering and let people understand that we are on the road to stability. This measure just adds to the uncertainty; it will well serve speculators and no one else. It will just be labeled as another experiment designed to stop the demand for more comprehensive silver legislation, and will cost the American people millions upon millions of dollars.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield 20 minutes to the gentleman from Texas [Mr. DIES].

Mr. PATMAN. Mr. Chairman, I make a point of order that there is not a quorum present.

The CHAIRMAN (Mr. MARTIN of Colorado). The Chair will count. [After counting.] One hundred and sixteen Members are present, a quorum.

Mr. DIES. Mr. Chairman, ladies and gentlemen of the Committee, owing to the limited time allotted to me, I must necessarily confine discussion of my bill, H.R. 9745, to the general purposes and principal provisions of the bill. It has been my privilege to address the House upon the money subject on a number of occasions; and last Saturday, when my bill was being considered by the Ways and Means Committee, it was my happy privilege to discuss this bill and the money question in general for about 5 hours. I wish to express my deep appreciation for the kind hearing which the committee accorded me, the keen interest which they manifested in the subject, and the generous compliments which they so kindly paid me.

I wish to discuss briefly the history of silver legislation during this session of Congress.

THE DIES FARM-SILVER BILL

As is well known, my bill (H.R. 7581) passed the House on March 19, by a vote of 258 to 112. This bill provides for the exchange of American agricultural products for silver. Under its terms the Export-Import Bank of Washington, all agricultural marketing associations, and every private exporter are empowered to sell our surplus products abroad and to accept silver in payment therefor at a premium which shall be not less than 10 percent nor more than 25 percent above the world market price of silver. By utilizing the services of all established and recognized export agencies, whether governmental, cooperative, or purely private, we felt assured that the maximum of surplus products would be disposed of under the operation of the bill. The general purposes of that bill were to dispose of our surplus products abroad in a normal and constructive way, retain our dominant position in the export markets of the world, put a safe quantity of new and honest money into circulation, and thereby increase the purchasing power of the millions of producers of America who form the backbone of our economic life.

Against the silver received in payment for our surplus products, the bill provided that legal-tender certificates would be issued based upon the value at which the silver was accepted, and with these silver certificates the producers would be paid for their products. When this bill went to the Senate, it was referred to the Committee on Agriculture and Forestry. This committee, after extended hearings, submitted some very important and far-reaching amendments to my original bill and then reported favorably the amended bill to the Senate. My bill, as amended, was not acceptable to the administration, and there began a series of confer-

ences between Members of the Senate and Members of the House and the President and Secretary of the Treasury designed to effect some compromise on the silver question that would be acceptable to all sides. I conferred with the Secretary of the Treasury and his assistants with a view of reaching some satisfactory settlement on this question, because I realized that without the approval of the administration it would be very difficult to enact silver legislation this session of Congress. As a result of these conferences with the President and the Secretary of the Treasury, my bill, which is being considered by the House today, was agreed upon. It can be truthfully said that the passage of my original bill by the House on March 19 by a majority of 258 to 112 was responsible for silver legislation during this session of Congress. On May 22 Senator PITTMAN in a speech said:

I may say that the foundation for this message and for this proposed legislation might be called the "Dies bill", which came over from the House, was referred to the Committee on Agriculture and Forestry, reported out of this body, and is now on the calendar.

It is well to remember in connection with this matter that my original silver bill was the first one to pass either branch of Congress since 1893, and to the action of the House in passing this bill so overwhelmingly must be ascribed the success of the silver movement during this session of Congress.

DIES SILVER PURCHASE ACT OF 1934

As previously stated, this bill, which I introduced on May 23, represents the limit to which the President is willing to go in the remonetization of silver. The bill is partly mandatory and partly discretionary. Section 2, which declares it to be the policy of the United States that the proportion of silver to gold in the monetary stocks of the United States will be increased, with the ultimate objective of having and maintaining one fourth of the monetary value of such stocks in silver, is clearly mandatory. So is section 3, which requires the Secretary of the Treasury to purchase silver, at home or abroad, for present or future delivery, so long as the proportion of silver in the stocks of gold and silver of the United States is less than one-fourth of the monetary value of such stock, unquestionably mandatory. Section 5 of the bill, which requires the Secretary of the Treasury to issue silver certificates in such denominations as he may from time to time prescribe in a face amount not less than the cost of all silver purchased under the authority of section 3, is also mandatory. While the command to increase the stock of silver to the required proportion and to purchase silver, at home or abroad, until this ratio is reached are mandatory, the Secretary of the Treasury is given discretion to purchase such silver, at such rates, at such times, and upon such terms and conditions as he may deem reasonable and most advantageous to the public interest. This bill is more than an authorization: it is a command from Congress to the Secretary of the Treasury to achieve the ultimate objective of the bill as soon as possible consistent with the public welfare.

Assuming that the administration will use every effort to carry out the purposes of the bill and to achieve the principal objective contained therein, as we have every reason to believe, it is wiser to leave to the discretion of the Secretary of the Treasury the times and quantity of purchase rather than to compel the Secretary of the Treasury by mandatory requirement to purchase a given quantity of silver each month regardless of conditions and circumstances which may arise. It was urged, and not without reason, that to require the Secretary of the Treasury to purchase a given quantity of silver each month would put the Government at the mercy of the speculators.

GENERAL PURPOSES OF THE BILL

The bill is designed to increase the world price of silver. This increase should not be sudden or precipitate. It should be brought about gradually and in a way that will not disrupt the price level of silver-using countries. China is on a silver standard. As the price of silver fell during the past few years, commodity prices rose in China. The depreciation of silver currency in China produced inflation. While commodity prices and property values fell in gold-standard countries on account of the increased purchasing power of gold, the reverse was true in China. Gold-standard countries suffered from the disadvantages of deflation while silver-using countries enjoyed the advantages of inflation. If we were to announce to the world tomorrow that the Government of the United States intended to purchase 1,500,000,000 ounces of silver at the world market price, and that we would stay in the market and continue to purchase silver until that limit was reached, the price of silver would suddenly increase to $1.29 an ounce. As the price of silver suddenly rose in China, commodity prices and property values there would crash, and China would have to go through the painful and disastrous experiences of deflation. We must remember that China is an importer of silver, and that she sells her exportable surplus to purchase silver. If the world price of silver were to rise suddenly, and if this rise was not accompanied by an increase in the gold prices of other commodities, China would naturally purchase less silver and more of other commodities.

LOW PRICE OF SILVER INJURIOUS TO OUR TRADE

On the other hand, Mr. Chairman, the low price of silver is equally undesirable. On account of the depreciation of silver currency in China, and the silver-using countries in general, they are able to sell their exportable surpluses on the markets of the world at such a low price that we cannot compete with them. On account of her depreciated currency, Japan is flooding the markets of the world with her cheap products. British financial interests are able to buy huge quantities of silver at a low price, transfer the silver to China, and build and operate factories and industries at a very low cost. The Chinese dollar, although having only 25 cents of silver in it, will buy just as much in China with the world market price of silver at 25 cents an ounce as it will when silver reaches $1.29 an ounce. The same is true of other silver-using countries. This is not true, however, when the Chinamen want to purchase the products of gold-standard countries, such as the United States, since we, as well as all other gold-standard countries, do not recognize silver in payment for our surplus products. The Chinaman must first convert his silver into gold dollars. This makes it necessary for him to trade four or five silver dollars for one of our gold dollars. Therefore an automobile which costs $600 in the United States will cost the Chinaman $3,000, and in the process of exchange silver-using countries find that our products cost so much that they are unable to purchase them. Although India is not a strictly silver-standard country or a gold-standard country, a great part of her capital and purchasing power consist of silver. In China and India there are probably 7,000,000,000 ounces of silver, which represents the storehouse of value and the capital of millions of people. With silver at the low price which now prevails the owners of this vast stock of silver are unable to purchase the surplus products of other countries and especially our own.

When the price of silver rises, however, the purchasing power of these teeming millions will be restored. This will make it possible for them to purchase our surplus products, and a rise in the world price of silver is necessary to stimulate our foreign trade. In view of the tariff barriers erected by all gold standard countries and in view of the tremendous indebtedness that Europe owes America, it is improbable that in our time and generation we shall be able to regain or recapture our former trade with Europe. We must, therefore, look to Mexico, Canada, South America, and the hundreds of millions of people in the silver-using countries of the East for our future trade.

INCREASE IN SILVER PRICE WILL IMPROVE TRADE

Not only will the restoration of the normal purchasing power of silver open to us the tremendous possibilities of trade with silver-using countries, but also a purchase of silver in countries normally on a gold standard will stimulate the purchase of our surplus products. When we purchase foreign silver with our currency, those who get the currency can use it only for purchasing our surplus products, paying debts, or making capital investments in the United States. The bill will, therefore, operate indirectly in

much the same as the Dies farm silver bill proposed to operate directly. Under that bill we proposed to exchange directly farm products for silver, deposit silver in the Treasury, and issue legal tender certificates against the silver with which to pay the American producers. If this bill is carried out according to its purposes and intent, the same result will be accomplished indirectly. In other words, if we purchased a billion dollars' worth of foreign silver and pay the holders of that silver with our paper currency, those to whom this paper currency is delivered can only use it by spending the money in the United States. In the original silver bill, H.R. 14374, which I introduced on January 23, 1933, and on which hearings were had, it was proposed to purchase silver very much in the same manner as this bill provides. Therefore, the practical effect of the purchase of foreign silver with paper currency is in many respects similar to my original plan which passed the House and which provided for direct barter. The difference is that under the Dies farm silver bill the holders of foreign silver would have to take agricultural surplus for their silver, whereas under this bill the holders of the paper currency can buy anything that they want to in the United States.

RESTORE NORMAL PURCHASING POWER OF THE DOLLAR

Not only will this bill, if it is put in operation, stimulate our sales to foreign countries and open to us the markets of the East but it will tend to restore the normal purchasing power of the dollar and stabilize it. As is well known, the purchasing power of the dollar between 1920 and 1929 was about 60 cents. From 1929 the purchasing power of our dollar, as measured in terms of 800 commodities, increased to $1.66. The reason why the purchasing power of our dollar was so comparatively low between 1920 and 1929 was because during this period there was no active demand for gold, and we inflated our credit dollars to the highest peak ever reached in our financial history. Practicall all the nations of the world went off the gold standard and suspended specie redemption. Much of this gold came to the United States in payment for surplus products which we sold to the belligerent nations. This decreased the demand for gold in the other nations of the world and increased the supply of gold in the United States. In obedience to the law of supply and demand gold fell in purchasing power, and our currency based upon that gold fell to a corresponding degree. But when the nations of the world began to resume specie redemption and to come back on the gold standard, there was a scramble for gold. This increased the demand for gold, and its purchasing power rose. During the period when gold had a low purchasing power, and when the dollar was worth about 60 cents in terms of commodities, we contracted in the United States about $250,000,000,000 of public and private indebtedness. Much of this indebtedness was payable in gold, and this, of course, increased the demand for the $4,500,000,000 of gold that we owned. The creditors loaned a 60-cent dollar.

However, after the 1929 crash the purchasing power of our dollar rose until it reached $1.66 in terms of commodities. This was due to the increase in the purchasing power of gold, brought about by the tremendous demand for gold and the colossal contraction of credit money in the United States. In this connection it is well to remember that money is any acceptable medium of exchange, and under this classification checks constitute money the same as currency, so long as the checks are good. Of course, checks are not as good as currency, because behind a check is the solvency of some banking institution, whereas behind our currency is the credit of the United States Government and also the gold and silver in the Treasury. In 1929 our bank deposits of about $60,000,000,000 turned over 22 times, and the volume of business as represented by check turn-overs was twelve hundred billions of dollars. After the crash of 1929 our bank deposits shrank nearly 50 percent, and the annual turnover decreased 50 percent. The volume of business as represented by check turn-overs shrank to $440,000,000,000. There was, therefore, a shrinkage in our medium of exchange of $960,000,000,000. This contraction of credit money, together with the appreciation in the purchasing power of gold, caused the purchasing power of our dollar to rise to unprecedented heights and commodity prices to fall to unparalleled depths. In addition to the stagnation of business produced by this and the unemployment and distress everywhere prevalent, the debtors, who had become very numerous, were required to pay back a dollar worth $1.66 for the 60-cent dollar which they received from their creditors in the beginning. This multiplied the staggering burden of public and private indebtedness threefold, until we were in a state of bankruptcy. Two courses were open to us. We could either proceed to liquidate through the courts, which meant bankruptcies, foreclosures, and untold suffering and hardships; or we could restore the normal purchasing power of the dollar as it existed between 1921 and 1929, when most of our debts were contracted. The majority of our people chose the latter course, and elected President Roosevelt upon this platform.

HOW WILL IT HELP RESTORE NORMAL PURCHASING POWER?

This bill will, therefore, contribute to the restoration of the 1926 price level, which is the average price level that existed between 1921 and 1929. How will it help to do this? First, by broadening our metallic base by the addition of nearly 1,500,000,000 ounces of silver to our present monetary stocks and the issuance of legal-tender currency against this silver. The addition of this silver to our present gold stocks will relieve the strain upon gold by decreasing the demand for gold as the basis for our currency and credit structure. To the extent that we decrease or diminish the demand upon gold and increase the supply of metallic money we will diminish the purchasing power of gold and our currency based upon it. Our money will be based on the average value of 2 commodities, gold and silver, rather than on the value of 1 commodity. When the two happen to be going in opposite directions, as they were in the eighties and nineties, the price level would be more stable than with a single commodity. The purchasing power of our currency would be more stable because it would not be dependent on accidental discoveries of a single commodity. The addition of a billion five hundred million ounces of silver to our monetary stocks would increase the metallic basis of currency so as to give the United States a monetary standard far less liable, than gold by itself, to severe and violent fluctuation in purchasing power. Under section 5 of the bill the Secretary of the Treasury is directed to issue silver certificates in such denominations as he may from time to time prescribe in a face amount not less than the cost of all silver purchased under the authority of section 3. In other words, if the Secretary of the Treasury purchases $500,000,000 of silver, he must issue $500,000,000 of new currency. He is also authorized to issue certificates based upon the monetary value of $1.29 an ounce.

If the Secretary acquires 2,000,000,000 ounces of silver, he could issue nearly $3,000,000,000 of new currency. This would certainly increase the volume of our currency to partly take the place of the shrinkage of credit money and the cash currency in hoarding or lost or abroad or in the banks. The fact that the holders of this currency so issued would have to spend it could increase the velocity of this $3,000,000,000 at least 10 times a year, which would mean a total business of $30,000,000,000 furnished by the new currency. This is much needed in view of the fact that of the $5,340,000,000 of outstanding currency nearly $3,000,000,000 of it is in hoarding or lost or abroad or in the tills of the banks.

BILL PROVIDES FOR SOUND MONEY

As I said, the issuance of this currency, which will be backed up by a metallic base as well as by the credit of the Government, will take the place of $3,000,000,000 of credit money, and this is very much needed. The banks of the country today have in excess of $3,000,000,000 of reserves with the Federal Reserve banks. These reserves do not constitute gold or silver or any metal having an intrinsic value; they merely constitute credit or book transactions. Against this reserve the banks could inflate credit tomorrow to the unprecedented heights of 106,000,000,000 credit dollars. If this were done, it would produce another crash compared

with which the 1929 collapse would be insignificant. It is therefore wise to substitute a reasonable quantity of hard cash, backed up not only by the credit of the Government but also by metallic base for some of the phantom credit money which is like the "borealis race, which flits ere you can point its place, or, like the snowflake in the river, a moment white, then melts forever." Certainly a citizen would rather have a legal-tender silver certificate backed up by the credit of the Government and a sufficient quantity of silver in the Treasury in his pocket, in the bank, or as a reserve for his deposit than to have the phantom credit money which may disappear overnight. Now, I am not advocating that we relegate our elaborate credit machinery and substitute a cash economy in its place. I realize that a large part of our business will have to be conducted with credit money, but I am advocating a larger percentage of cash money, not only as a medium of exchange but also as a larger reserve for credit dollars.

Those who term the certificates under this act as unsound money forget that it was the Constitution that made silver just as much money as gold. They forget that the Federal Reserve bank notes issued under existing laws do not have either gold or silver behind them, and that prior to revaluation gold was only back of Federal Reserve notes to the extent of 40 percent of the face value of such notes. With silver at 64½ cents an ounce, these silver certificates will have more intrinsic metallic value behind them than the Federal Reserve notes had before revaluation and than any currency, with the exception of silver certificates, now has.

While I do not subscribe to the extreme view that the volume of money and the velocity of its turn-over absolutely control the price level, and while I believe that there are other important factors that enter into the determination of the price level, I certainly believe that cash and credit money and the velocity of turn-over of both are very important factors in the establishment and maintenance of the commodity price level and property values.

STABILIZATION FUND MUST BUY SILVER

There is another strong reason for the enactment of this bill. Not long ago we passed the gold revaluation bill. We embarked upon the policy of purchasing gold on the markets of the world at a premium in excess of 40 percent above the world-market price of gold. By bidding $15 an ounce more for gold than the statutory price of $20 plus per ounce, which had prevailed in this country as well as in the world at large for many decades, we depreciated the purchasing power of our currency in the foreign markets to the extent of 40 percent. In other words, we said that an ounce of gold was worth $35 in our paper money; therefore, those who wanted to purchase our surplus products could take an ounce of gold and for this ounce acquire $35 in our paper money. Since the price of our surplus products remained approximately the same, those who got $35 for our paper money for an ounce of gold, for which they could formerly get only $20 plus, were enabled to purchase 40 percent more of our surplus products with an ounce of gold than they previously could. By putting it different, they could buy our surplus products 40 percent cheaper.

This did not mean that the American exporter of the surplus received 40 percent less. He got the same thing for his products as he did before revaluation and he sold more products. Although our currency, in terms of gold, had 40 percent less purchasing power in the markets of the world, it had approximately the same purchasing power in the United States. Now, I am not criticizing the gold-revaluation policy. As a matter of fact, it stimulated our export trade in excess of 33⅓ percent. I introduced one of the first gold-revaluation bills in Congress and had a hearing on this bill nearly a year before the administration's gold-revaluation bill was passed by Congress. This important and far-reaching gold-revaluation bill was referred to the Coinage, Weights, and Measures Committee, upon which I have the honor to serve, and I supported the bill in the committee and on the floor of the House. In fact, I opened the debate in favor of the bill. But the failure of the Treasury to issue new currency based upon this increased value of our gold monetary stock deprived us of the full benefits of this act insofar as our internal price level is concerned. The inability to secure gold at any price on account of its scarcity and maldistribution limited the extent to which our export trade was stimulated. Under that bill we created a stabilization fund of $2,000,000,000 for the purpose of stabilizing the purchasing power of our dollars on the markets of the world and restoring the normal purchasing power of our dollar as compared with other currencies. England had been operating the equalization fund for several years very successfully. By purchasing our dollars with this fund England was able to decrease the supply of our money and increase the demand for it, with the inevitable result that the purchasing power of our dollar rose very high in relation to other currency, and especially the English sterling. In this way England made our money dear and her money cheap and our money scarce and her money plentiful, with the result that the foreign buyers purchased the products of the British dominions and our export trade fell off tremendously.

In fact, our agricultural export trade fell from $1,800,000,000 in 1928 to four hundred millions last year, and we were being driven out of the markets of the world, and other nations with cheaper money were taking our place. Now, in order to keep our money from becoming too dear or too cheap we must either buy gold at a premium to force our dollar down or sell gold on the markets of the world to bring our dollar up, and if we do not buy gold we either have to buy silver or paper currencies of other nations. We cannot afford to buy paper currencies of other nations, because if we were to invest a billion dollars in the currencies of France, Italy, or England, they would probably depreciate those currencies, with the result that we would lose millions of dollars. We cannot buy gold, as I stated before, because of its scarcity and maldistribution. The gold supply of the world is locked up in the vaults of three nations, and no matter how much we bid for it, these nations are not going to let us have it. Besides, the more we buy the more we increase the maldistribution or dislocation of gold and aggravate world conditions. There is, therefore, only one other metal to purchase, and that is silver. While the total supply of gold in the world is limited to a billion ounces, and this supply is cornered by three nations, this is not true of silver. There are approximately 12,000,000,000 ounces of silver in the world, and it is fairly well distributed among the nations of the earth. Of course, the bulk of it is in China and India, but there are some four or five billion ounces in the rest of the world. Not only can we purchase silver with our paper currency and thereby make a success of our gold-revaluation policy, but we can purchase silver at the lowest price ever known in the history of the world, with the exception of a few months ago, when silver was only worth 25 cents an ounce. Not only can we purchase silver cheaply, due to the abnormally low price that prevails, but when we remove from the markets of the world a billion ounces of silver, the world price of silver will rise and we will make a tremendous profit.

The reactionary contends that there is too much silver in the world to raise its price by removing a billion ounces. Since Columbus discovered America there have been only 15,500,000,000 ounces of silver produced in the world, according to the report of the Federal Reserve Board and the Director of the Mint. Of this amount we can only locate about 9,400,000,000 ounces, and the most liberal estimate puts the amount of silver available for monetary uses at 12,000,000,000 ounces. While we cannot definitely say how much silver there is in the world, we can say that the statistics in regard to the production and consumption of silver are more accurate than with regard to gold. Gold was produced more easily in the early ages because it could be removed from gravel in the form of nuggets and dust, and by placer mining in various forms, even with a frying pan, whereas most of the silver is found in hard rock, and until gunpowder was discovered some 400 years ago the process of breaking rock was a very slow and expensive one. But we are told that if we purchase 1,300,000,000 ounces of silver we will increase the demand for silver and cause overproduction. Seventy-

three percent of the silver production of the world is a by-product in the production of other metals, such as copper, lead, and zinc. The increased price of silver without a corresponding increase in the price of other metals with which it is associated would not justify any great increase in production. Even in 1920, when the price of silver was higher than at any time since 1873, the world produced considerably less silver than in 1930 or 1931, when the price of silver was the lowest ever known in the history of the world. The unprecedented low price of silver in the past few years was not due to overproduction but rather to oversupply coming from such unnatural sources as the action of the British Government in forcing India off the silver standard and in melting up her silver coin into bullion and dumping this bullion upon the markets of the world, and the actions of other governments in debasing the silver, using substitutes for silver in circulation, reducing the silver content of the divisionary coinage in countries like Great Britain, and so forth. It is admitted by every careful student that the silver question is not one of current production or new silver.

The supply of silver on the market has in post-war years been greatly stimulated by large amounts of redundant silver sold by governments. The highest production for any one year was 260,000,000 ounces. Although the revenue derived from silver alone from most of the mines in the United States is not very large in comparison with the revenues derived from the other metals with which silver is associated, yet it is an important item in the cost of production of the other metals. Experts tell us that in most metallurgical processes that treat ores low in silver, the silver content is finally concentrated in the impure metal bullion without additional costs. The refining of this impure bullion frequently is necessary owing to impurities other than silver so that the final recovery and purification of silver is accomplished with comparatively little cost. The revenue thus derived from silver in ores low in silver is, therefore, an important factor in the profits of metal ores and will enable the producers of the other metals with which silver is associated to sell their products more cheaply. These other metals are very important to the industrial progress of the United States. The cost of these other metals is an important factor in the modernization of railroads by electrification and in the improvement generally of industry. But although as an incidental consequence of this bill the silver mines will be helped some, and will be able to put more men to work and sell their products cheaper to industry, the purpose of this bill is not to help the silver mines and the silver-producing States. I do not have any silver mines in my district or in my State, and I do not own one dollar of silver or silver stock in the world; and if this bill had no other purpose except to help the silver States, I would not vote for it. An increase in the world price of silver would cause the rise in the real purchasing power of silver income, lighten the burdens of debt in silver-standard countries, and in countries in which silver is held in the form of bars or ornaments, such as India, as an investment, a rise in the gold value of silver is equivalent, so far as its buying power over goods is generally concerned, to an increase of capital. Due to the present low price, vast silver hordes in India and China in terms of gold are worthless and they are also worthless in terms of world commodities.

Therefore, when we increase the world price of silver we increase the real purchasing power of the millions of people of India who hold in the form of bars or ornaments their investment and capital; and when we restore their purchasing power they will buy the products of this country to a larger extent than now prevails. But if the fall in the gold price of silver continues, these people will eventually lose confidence in the white metal, and they will get rid of it, and this will contribute still further to the decline in the gold price of silver. Not only does the fall in the world price of silver hurt the silver-using countries, but it also injures the silver-producing countries. The United States, Canada, and Mexico produce 75 percent of the silver of the world, while Great Britain produces about the same percentage of gold. When the price of silver falls very low, the cost of the production of the other metals with which it is associated necessarily increases, which means less production, higher prices, and unemployment in the mines. In Mexico silver mining is an important element in the total industrial activities of the country. It constituted, on the average of 1925 to 1929, 17 percent of her exports. The tremendous fall in the gold value of silver reduced the importing capacity of Mexico, and therefore Mexico purchased less of our surplus products. Therefore, an increase in the world price of silver will mean that Mexico, with millions of people, will be able to purchase more of our surplus products.

Mr. Chairman, this bill comes to the House in the nature of a compromise as representing the limit to which the President of the United States is willing to go in the program of remonetization. We all know what the history has been during the present session of Congress. The Committee on Coinage, Weights, and Measures conducted exhaustive hearings on this question. So did the Committee on Banking and Currency. There has existed in the House, as well as in the other body, a division of opinion as regards the most advisable way of remonetizing silver. There are many schools of thought on this subject, as there are on practically every other subject, but the great difficulty has always been to compose those differences.

Those Members who view this bill as revolutionary, or unsound, do not stop to consider that the proportion of silver to gold in the Treasury of the United States today is only 12 percent, whereas in 1900 it was 27 percent, and prior to 1900 the proportion of metallic silver to metallic gold in the Treasury of the United States was 50 percent. So this bill is a restoration of the normal proportion that existed up until a comparatively recent time between silver and gold.

The gentleman who preceded me seems to think that this bill is an effort to give the country an unsound currency. Let me say to the gentleman that in 1929 the bank-deposit turn-over was twelve hundred billions of dollars—that was the checks, or the total volume of business as represented by check turn-over. The peak of 1929 was decreased until last year the check turn-over amounted to about four hundred and forty billions of dollars. That caused perhaps the greatest deflation ever witnessed by this or any other country.

So there was a tremendous deflation in our circulating media in the United States. As the result of that values on the stock market fell from $84,000,000,000 to $15,000,000,000, and according to estimates of certain economists the total property values of the United States shrunk $200,000,000,000.

The certificates issued on this silver will not be unsound because there will be behind these certificates more metallic reserve than there is behind the Federal Reserve bank notes today, for under laws passed by Congress we have back of the Federal Reserve bank notes today securities and collateral, but no gold. Prior to the revaluation of gold there was behind our Federal Reserve notes 40-percent gold. We will have behind these certificates, if silver reaches the price of 64½ cents an ounce, more intrinsic value than we have behind the Federal Reserve notes.

Mr. Chairman, this bill is a mandatory expression to the President of the United States by the Congress that it is the wish and determination of Congress that the reserve of silver in the Treasury of the United States be built up until it reaches 25 percent; and I say to the Members of the House, as I said to the Committee on Ways and Means, that it would be a most serious mistake, in my judgment, for the President of the United States to accept a bill of this character, to procure a compromise of this character, to give assurances that he will make a bona fide effort to carry it out, if he does not intend to do it. I for one prefer to have confidence in the Chief Executive of this Nation; and I, therefore, feel confident in making the prediction that the President of the United States will exert every reasonable effort to carry out the purposes and intent of this bill. [Applause.]

If the President does carry out the intent of this bill, there will be as much silver added to the stocks in the Treasury

of the United States as there would have been under the Piesinger bill or any other silver purchase bill that has been proposed in the House of Representatives, with the possible exception of the bill introduced by my colleague, the gentleman from Texas [Mr. CROSS].

Mr. FIESINGER. Mr. Chairman, will the gentleman yield?

Mr. DIES. Before I get through I will yield to the gentleman.

In the United States there could not be a safer money than money redeemable in a metal, for certainly as long as our currrency issue is tied to a metal and that metal is limited by nature and the metal cannot be unduly increased by the whims or caprices of those in charge of the Government or in obedience to political pressure, we have money that not only has the credit of the Government behind it but we have money that has an intrinsic value behind it as well.

There are gentlemen who talk of inflation, gentlemen who throw their hands up in horror and view this bill as the beginning of a great inflationary period in the United States. They should remember that today we are suffering from the most disastrous credit inflation the world ever witnessed. Of all kinds of inflations that have occurred, the most disastrous kind is credit inflation, because back of the credit money that we have in the United States is nothing but thin air.

The First National Bank wants to create a reserve of a million dollars in a Federal Reserve bank. It does not ship gold to the Federal Reserve bank. It gives its check on some other bank, and through a bookkeeping account there is built up in the Federal Reserve System a credit of $1,000,000 upon which is erected the credit structure, and for every $10 of reserve the bank that holds the reserve is able to lend you and I $100. Through this fictitious process we are able to erect a gigantic colossus of credit that is on a narrow foundation; and when confidence is destroyed—for after all confidence is nothing but suspicion asleep—the whole colossal structure falls upon a moment's notice. Therefore, we are giving to the country, under this bill, a sound currency, a currency that not only has the credit of the Government behind it but has a metallic basis. The time has come when we must erect as a foundation for our credit and currency structure a sound metallic base.

Had we during the abnormal period that culminated in the crash of 1929 insisted that as a foundation for our credit and currency structure there should be a broad metallic base, and had we by our laws and by the operation of the Federal Reserve bank made it impossible for speculators to use the Federal Reserve bank until the loans to brokers alone increased 500 percent, there would not have been an unhealthy situation created. The loans to the brokers increased 500 percent, and the whole Federal Reserve System was used by the speculators in order to do what? To create an unhealthy condition of credit which ultimately resulted in the greatest deflation we have ever seen.

I say one of the principal purposes of this bill is to give to the people of the United States a new supply of sound money, money redeemable in metal, and may I also say that your silver certificates are the only kind of certificates today that are redeemable in metal. The silver certificates under the law today are the soundest currency that you possess, for your Federal Reserve notes now held by the banks are not redeemable in gold except at the option of the Secretary of the Treasury. Behind your bank notes and greenbacks, how much gold do you have? You have $1,700,000,000 of currency in the United States which prior to revaluation was not backed up and not supported by an equal value of gold. Therefore those gentlemen who seek to compare this bill with the Sherman Purchase Act and with the Bland-Allison Act are wrong. I concede that the Sherman Purchase Act was a bad law. It was a bad law because in the first instance it announced to the world that the Government of the United States was prepared to purchase 4,500,000 ounces of silver every month; and, then, it was a bad law because under the construction that the Secretary of the Treasury gave it—and he was not friendly to silver—he had to redeem the Treasury notes issued in payment for the silver in gold. What happened? Those who sold the Government of the United States silver and accepted Treasury notes went to the Treasury and redeemed the notes with gold notes and as a consequence we were being drained of our gold. When the Sherman Purchase Act was repealed it did not have a friend in the United States Senate or in the House of Representatives.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. DIES. Even those who voted against its repeal admitted that the reason they voted that way was because they were unwilling to repeal the Sherman Purchase Act unless some adequate substitute was offered.

May I say to the House that this bill does not, of course, represent everything that all of us would like to have.

Legislation is essentially a matter of compromise. Some gentlemen have pronounced views on this subject. They believe in a ratio of 16 to 1. Others believe in an unlimited purchase act, but when the other body and when the President of the United States indicate so strongly that they are unwilling to accept such legislation, you and I, necessarily, must reach some compromise with them.

Mr. PARSONS. I was in favor of that bill providing we could export agricultural commodities.

Will the gentleman yield for one further brief question?

Mr. DIES. I do not want to yield, but I will say that the gentleman has done some very excellent work on the silver question and I think the gentleman is one of the best-informed men in the House on this subject. [Applause.]

Some gentlemen are assuming that the President of the United States is not going to carry out the purpose of this bill. They assume that when the President accepts a bill which is mandatory in its nature and when he gives assurances that he will use every reasonable effort to carry it out, the President is not going to do so. I am assuming that the President will do so, and when you and I voted on the gold revaluation act that came to our committee, we realize that it was discretionary with the President of the United States; that we did not devalue the gold content.

What we did, in effect, was to authorize and direct the President to do so, and the President promptly did so; and I believe that, under this bill, expressing as it does a mandatory intention and determination of Congress, the President of the United States will carry it out; and I further say to the gentlemen of this House that, under the operation of this bill, if the President issues currency to the fullest extent possible, we will give the people of this country a sound currency; not like the phantom money that we have had in the past 10 years, not money that can be withdrawn overnight, not money that disappears suddenly, but money that will stay in circulation and a money that will be sound in every respect. I believe in giving the Nation money of this sort which is backed up with an adequate metallic base and a money that cannot be unduly increased or decreased.

The gentleman from Texas [Mr. CROSS] is the first man, to my knowledge, in the House of Representatives, to introduce a bill for the purchase of silver and the issuance of silver certificates in payment for it [applause] and the redemption of those silver certificates with silver. After the introduction of this bill similar bills were introduced in both Houses and Mr. CROSS of Texas has contributed a great deal to the success of the silver movement. I also wish to take advantage of this opportunity to congratulate my able and distinguished colleague, Mr. SWANK, of Oklahoma, who has been a most valuable member of the Committee on Coinage, Weights, and Measures. As a member of this committee, Mr. SWANK supported my bill actively in season and out of season and moved the favorable consideration of the bill. No man has contributed more to the success of silver remonetization than Mr. SWANK. The Committee on Coinage, Weights, and Measures has rendered invaluable service to the remonetization of silver. This committee conducted ex-

tensive hearings over a long period of time, and the activity of this committee is largely responsible for the progressive monetary policies that are being put into effect.

The gentleman from Ohio [Mr. FIESINGER], the gentleman from Utah [Mr. MURDOCK], the gentleman from Idaho [Mr. WHITE], the gentleman from Illinois [Mr. ADAIR], the gentleman from Nebraska [Mr. CARPENTER], and the distinguished chairman of the committee, Mr. SOMERS of New York, have all worked very hard and contributed a great deal of thought and time to this subject. The distinguished gentleman from Ohio [Mr. LARRABEE] has been one of the hard working and valuable members on the committee; and, without seeking to advance any bill of his own, he has cooperated to the fullest extent in an effort to remonetize silver in the most practical way. I cannot overlook the splendid help and the active advocacy contributed by the distinguished gentleman from Colorado [Mr. MARTIN], and the distinguished gentleman from Nevada, Governor SCRUGHAM, and my friend and colleague the able gentleman from Texas, Mr. SANDERS, who have been outstanding leaders in the silver movement in Congress. There are many others that I should like to mention by name, but time will not permit. However, it must be remembered that had it not been for the invaluable help given us by the Speaker of the House, the silver question would never have reached Congress for consideration. The distinguished Speaker of this House has for a long time been an advocate of silver remonetization and, on March 19 of this year, he recognized me to call up my silver bill. Had it not been for the attitude of the present Speaker it is reasonable to say that we would not have had any silver legislation during this session, and perhaps not for many sessions to come. [Applause.]

Mr. TREADWAY. Mr. Chairman, I yield 15 minutes to the gentleman from Massachusetts [Mr. LUCE].

Mr. LUCE. Mr. Chairman, the excellent presentation of his views by the gentleman from Texas [Mr. DIES] failed to take into account certain aspects of the problem, which may perhaps usefully be brought to our attention.

The House of late has been indulging in the practice of deluding the people of the United States. For example, the other day it passed a bill pretending to make relief possible for unpaid teachers in school districts, which, as a matter of fact, will bring no benefit to any school district outside of Chicago.

It also has sent over to the Senate a substitute for the McLeod bill—another gold brick—which will hold out possibility of relief to depositors in distress, but will fail to accomplish in any substantial degree what has been represented to be the purpose.

Here is another brick—not a gold brick but a silver brick—meant to delude a good part of the people of the United States into the belief that their hope of increasing the volume of currency will have been substantially met.

Mr. Chairman, I, too, believe in an adequate and sound currency, to be preserved at all hazards. The President of the United States on numerous occasions has expressed his belief in the same thing, and the Democratic Party, in its national platform, helped to secure a majority of the votes of the people of the United States by promising an adequate and sound currency.

So here once again I find myself clinging to Democratic principles while 9 out of 10 of the men on my right have abandoned them entirely.

Mr. CROSS. Will the gentleman yield?

Mr. LUCE. With great pleasure.

Mr. CROSS. Does the gentleman think that a currency that expands abnormally one day and contracts the next, as has happened in the past, is a sound currency?

Mr. LUCE. The gentleman would confuse the issue by failing to recognize that there are different kinds of currency. When the President spoke he was talking about cash currency, and to that I am now addressing myself. To have an adequate and sound cash currency is a great desideratum.

Let us consider the sources of demand for real action. First is the evident desire of a large number of inhabitants of the United States for printing-press or any other kind of fiat money. I will admit that this bill does contemplate increase of fiat money. It proposes to increase the number of coins that pretend to be worth a dollar. The intrinsic value of the metal content of a silver dollar is today about one-third of a dollar. Fiat money is money the intrinsic value of which does not correspond to the allegation on the disk or the printed slip.

I am not worrying much over that. I do not care whether you have fiat money of tin, aluminum, leather, or paper as long as you admit that it is fiat money and will keep it redeemable in sound money.

Mr. CROSS. Mr. Chairman, will the gentleman yield?

Mr. LUCE. With pleasure.

Mr. CROSS. If you take from gold the statutory provision that so many grains shall be legal tender for all debts payable, public and private, then its intrinsic value will drop down to possibly one-fourth of what its fiat statutory value now is, would it not?

Mr. LUCE. Oh, I could not accept that statement.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. LUCE. Yes.

Mr. VINSON of Kentucky. I am very much impressed with the frank statement of my distinguished colleague in regard to fiat money. I do not think I could have misunderstood him. Assuming that we had a Federal Reserve note before we went off the gold standard, do I understand the gentleman to say that so much of that Federal Reserve note as is backed by collateral other than gold itself would be fiat money?

Mr. LUCE. No; that would not be fiat money, because it is credit currency backed by what is presumed to be equivalent value.

Mr. VINSON of Kentucky. Does the gentleman mean to say that that part of the Federal Reserve note that has for its backing commercial paper—that would put it outside of the category of fiat money?

Mr. LUCE. I do.

Mr. VINSON of Kentucky. In other words, then, the gentleman makes a distinction between a Federal Reserve note with 40-percent gold reserve, with 60-percent commercial paper, and such currency that is issued against a Federal Government obligation alone?

Mr. LUVE. To my mind a sound but adequate currency means a currency that has behind it and will be exchanged for it value in exchange corresponding to the purport of the face of the metal or paper in question.

Mr. VINSON of Kentucky. Then the gentleman does not define fiat money as that money or currency that does not have a metal reserve for redemption.

Mr. LUCE. I define fiat money as anything which is an untruth.

Mr. SIROVICH. Mr. Chairman, will the gentleman yield?

Mr. LUCE. Yes.

Mr. SIROVICH. On the basis of my colleague's contention on the Federal Reserve note, where you have 40 cents of gold and 60 cents credit of the Nation and credit of the banks behind it, if everybody called for their money at the same time, you could only get 40 cents gold and the rest would be fiat money. Is that right?

Mr. LUCE. I shall repeat the story that I told before about the undertaker who was asked why he kept so few coffins. He replied that the people did not all die at once. [Laughter.]

Mr. SIROVICH. That is what happened a short while ago when the collapse took place.

Mr. PATMAN rose.

Mr. LUCE. Now, if I may continue my remarks——

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. LUCE. Oh, I wish to carry on the liquid, pellucid flow of my remarks. [Laughter.] I had started out, I believe, to name the sources of the demand for this legislation, and began with the masses of the people who in all ages have believed that they would be better off if they had more money, forgetting that they would have to work in order to earn it. They want the dole system upon which

we have so broadly embarked extended to doles of paper and silver money.

The second source of demand for this is from the mine owners of the country, and here I am not resisting with any hope of success, because we have entered upon a period when the prime purpose of the party in power is to gratify the demand of groups and classes, and that group and class which can shout the loudest is the one that carries home the bacon. With bill after bill granting special privileges to various classes, I can understand how my friends out in Nevada and Arizona and Idaho do not want to be left out in the cold. They have been coming here year after year for a generation, demanding special privileges, and surely it would be cruel to thwart them, now that they have their opportunity to get their hands into the barrel.

The third source of demand for this legislation comes from far-sighted enterprisers—men who, for the most part, ninety-nine times out of a hundred, are damned, are objurgated—that is a pretty good word, is it not?—are roundly abused because their offices are in the neighborhood of a street in New York known as "Wall Street." I think these particular people have their headquarters nearer Broad Street, and so you can substitute Broad Street for Wall Street if you should take a hint from what I am pointing out and, when you get your eyes open, you will recognize as having been a big factor in what you are doing today. These men are among the chief backers of an organization known as "the Committee for the Nation", and they have been sending their propaganda here for months, urging among other things that something be done for silver. These of the chief backers are mostly brokers—brokers in exports and imports, and brokers in metals. It is in passing to be observed that the most active element in that group has been a brokerage firm patronized by the Radio League of the Little Flower, which undertook to lift $20,000 up to near $200,000 by resorting to what, in effect, is buying on margin.

I understand the money raiser of that organization, the Radio League of the Little Flower, roundly objects to speculation and gambling. I wish he might have made himself better acquainted with what his secretary was doing. Possibly he remembered the scriptural injunction, "Let not your left hand know what your right hand doeth."

Turning from the men who hope to make money out of this thing, observe the generosity of those who have shaped the bill.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. TREADWAY. Mr. Chairman, I yield the gentleman 5 minutes more.

Mr. LUCE. There is an old saying, "It is a sin to steal a pin, it is a greater to steal a 'tater." Here is a 50-percent—shall I call it steal—on the part of the Government, taking away 50 percent of the profits that are going to be made out of the passage of this bill. Perhaps that may be justified on the ground that 100 percent, taking it all, would be inhuman.

How cruel it would be, after this great amount of money that the silver speculators have expended on propaganda, after all the printer's ink they have put out, if you should deprive them of all possible profits they had in mind. So I will not criticize that, out of consideration for, out of charity for those who have been building up this movement. I expect that you will only take half of what they make out of it. Imagine my own perplexity as to the ethics of the matter.

I do not think this bill is of grave importance. I recognize that it is nothing but a delusion, that it was perpetrated in order to try to stave off something worse; so, as good pragmatists, the gentlemen on my right have accepted a thing they know is nothing but a shadow. However, there is one man in the United States who does not take that position, for on the 2d of May, this month, the New York Times published this:

> The bill for the mandatory remonetization of silver is probably the most destructive and dangerous proposal ever made at Washington.

Which one of the conservatives and reactionaries do you think made that statement? Whom will you pillory? I will tell you whom you may pillory. That was the opinion of Raymond Moley [laughter], editor of Today and the original member of President Roosevelt's "brain trust." What are you going to do when you find a house divided against itself; when you find a member of the "brain trust" saying this is probably the most destructive and dangerous proposal ever made at Washington, and the other part of the "brain trust" saying that only through this door may we start toward salvation?

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. LUCE. Oh, certainly.

Mr. VINSON of Kentucky. What is the date of the statement which the gentleman just read?

Mr. LUCE. May 2, 1934.

Mr. VINSON of Kentucky. Does the gentleman think Mr. Moley could have been referring to a bill that had not been introduced until May 23, 1934?

Mr. LUCE. I am not disposed to deny the power of foresight to the "brain trust." [Laughter.]

Mr. Chairman, I think I had better stop there. I ask unanimous consent to revise and extend my remarks. [Laughter and applause.]

The CHAIRMAN. Without objection, it is so ordered. There was no objection.

Mr. LUCE. Mr. Chairman, I yield back the balance of my time.

Mr. TREADWAY. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. McFADDEN].

Mr. McFADDEN. Mr. Chairman, this bill, as I view it, is the fulfillment of the political promise of the President to the silver interests of the United States, wherein he promised he would do something for silver. There is a question in my mind, however, as to whether or not there is the relief which the silver interests of the United States expect and demand in this particular bill. It is in line with a policy which has been carried on for a long time past, to involve the United States in international affairs. Silver is an international product. It is quite in keeping with the plans of the Bank for International Settlements, of Basel, Switzerland, which I have been calling attention to from the time it was organized. Their purpose now has not changed in any particular. They still have in mind that at the opportune time, which time they are waiting for, that there will be an international circulating medium, and that medium will be issued and controlled by the Bank of International Settlements. If this bill is carried out, it will take away from the monetary reserves, which have always been held sacred in this country, 25 percent of the gold and will substitute silver, which is a highly fluctuating metal in the world's markets and in the world's exchanges, and if this silver is purchased abroad the Treasury will have to pay for it in gold. This, then, will be an exchange of our gold for silver. It continues the uncertainty which we are in the midst of, due to these experimental policies which are being carried out by this administration. To the extent of 25 percent, it decreases the confidence of the public in our monetary system.

We are now beginning to realize the fact that the gold bill and other measures which were passed at the last session of Congress and at this session dealing with our monetary policy, are all creations of uncertainty, and none of them is scoring the record which the administration promised the country. The lowering of the gold content of the dollar by 40 percent has not increased agricultural prices 40 percent and the advocates of this plan are now crying for an additional 10-percent cut in the gold content of the dollar.

In connection with the lowering of the gold content of the dollar by 40 percent which was authorized in the bill passed last January, and now the actually taking away of 25 percent of the gold reserves as provided in this bill, and the still further possibility of the lowering of the gold content of the dollar by 10 percent more, the remarks of a friend to me the other day are quite pertinent when he asked: "What punishment will be meted out to President

Roosevelt when his empire collapses?" referring of course to the juggling of the monetary policy and the political-economic planning schemes which this administration are carrying into effect. His further queries were: "If President Roosevelt was in charge of a warehouse for wheat would he issue certificates of wheat on deposit in the warehouse in excess of the wheat stored therein? Should he be permitted to print and use those fraudulent certificates so issued in the purchase of other wheat? Would reducing the content of the wheat in a bushel enhance its value? Would a half bushel of wheat still be a half bushel? If President Roosevelt could increase the supply of wheat in the warehouse 2,000,000,000 bushels by reducing the amount of wheat in the bushel 40 percent, then why not do it a second time and increase the amount of wheat in the warehouse 4,000,000,000 bushels or 80 percent? If a little is good, more is better? Are our farmers not a lot of fools for all this labor planting and sowing when they could give their wheat to President Roosevelt and have him juggle it in the warehouse and thus increase the amount which would be equal to raising a crop of wheat? These are pertinent questions that my friend has raised and are pertinent to this very bill under consideration.

One thing I regret in connection with this particular legislation is the fact that the Members of this House and Senate who are asked to pass upon this are taking a leap in the dark. I venture to say there is hardly a man in this House who understands the meaning of the proposal in this bill. We have evidence of the fact that those who are in charge, officially, of the administration of this monetary policy even themselves have not the knowledge to administer it. The arguments which have been presented by the President of the United States in connection with these matters, do not indicate a knowledge of where these monetary policies are leading us. The Secretary of the Treasury has demonstrated before the committee of this House, dealing with these monetary policies, a lack of knowledge to administer these complicated systems which are being foisted upon the people of the United States. Men apparently behind the scenes, who are not even now known to the people of the United States and who are in the capacity of employment there and who even Members of Congress do not know, are the definite source or origin of this bill.

One of the main things that will reestablish business in the United States is confidence. The consideration and passage of ill-advised bills by the Congress, without the knowledge necessary to intelligently pass upon them, and the blind acceptance of these bills as coming from the so-called "brain trusters", is anything but tending to restore confidence in the mind of the American people now that they know these things are taking place. Under the gold bill we established in the hands of the Secretary of the Treasury $2,000,000,000 in gold for the purpose of speculating in international exchanges, for the purpose of buying and selling Government securities, for the well-known purpose of maintaining a market, but at the present time we must all recognize the fact that the great power and influence not only of this fund but of all the resources of the United States through the Treasury of the United States are being used to maintain the market on Government securities at this time. The market on Government securities is pegged by the United States Treasury. Lavish expenditures by this administration of the taxpayers' money, the increase of public debt, is all tending to commotion in the minds of the average American, and has a tendency to weaken confidence. This tendency to violate contracts, and the definite trend toward repudiation of debts, which is a definite policy of this administration, is becoming more apparent each day. This bill is a plan of further repudiation—it permits the settlement of debts in an inferior money and reduces the gold content or reserves of our present dollar and substitutes silver to the extent of 25 percent. All of these changes in the value of our dollar gives our merchandise and the production from our farms to the foreigners at a still further reduced price and likewise reduces the amount this Government will get on war debts and other debts that are owed to our people.

Once the American mind wakes up fully to the fact that these monetary measures are unsound, impractical, and experimental, the American people will lose confidence in their Government. My friends, this is a false proposition that you are considering here today. It will undermine the confidence of the American people, and of the foreigner, in the stability of our money and in our credit system and in our Government.

The origin of this bill has been interesting to me. It seems to come from nowhere, is presented and is accepted by the Congress as an official document. No one yet has advised us, except privately, as to the authorship of this bill. Men who have studied this question, Members of this House, have expressed themselves to me that the origin of this bill was not in the United States, but in Great Britain. Is it possible that again today, after the experience of 1873, we are accepting, as we do accept, in the form of this legislation a dictation from Great Britain? Great Britain is not placing silver in her monetary system. She knows better.

Mr. DOUGHTON. Mr. Chairman will the gentleman yield?

Mr. McFADDEN. I am very sorry, but I am pressed for time.

Mr. DOUGHTON. The gentleman has made a very serious charge. If the gentleman has no authority for his statement that the origin of this bill was not in the United States, he should retract his statement; and if he has authority for his statement, he should tell us what his authority is. I think I am prepared to tell the gentleman where the bill originated.

Mr. McFADDEN. The gentleman from Pennsylvania is confining himself to what he knows. About 3 years ago, when I was Chairman of the Committee on Banking and Currency of this House, there came to my office a man who represented the international silver interests. He came fresh from London and suggested that the way to deal with the silver situation and to restore prosperity to the world was to restore the purchasing price of silver; and he suggested to me that in the gold reserves in the Treasury or the Federal Reserve where the gold bars were stored, that we should cut off 25 percent of the gold and paste on 25 percent of silver. That is the plan apparently adopted here today.

That gentleman was so clever as a propagandist that he secured employment as the expert on the Committee on Coinage, Weights, and Measures of this House. His name is Rene Leon. He represents and is the real lobbyist of those who are interested in raising the price of silver, and I have no doubt but those men who have speculated in silver had advance information. England was very much interested in unloading the silver which had been poured into India when she put India on a gold basis. She is interested to dispose of that silver now. Just as we have become the world's market for gold, we are now going to become the world's market, at the increased price, for silver. India is selling us her abandoned silver now, not at the old price of around 20 cents, but at the new price created by the speculators who had inside information, like James P. Warburg and Bernard M. Baruch, whose concerns have made big profits in the speculation in silver. This action today, and the actions of the speculators, have increased the price of silver to over 46 cents per ounce, and the end is not yet.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield 10 minutes to the gentleman from Tennessee [Mr. COOPER].

Mr. COOPER of Tennessee. Mr. Chairman, I am duly mindful of the fact that time for debate on this measure is rather limited. I realize fully that there are many Members who desire an opportunity to express their views on the measure, and I shall ask your indulgence for a short time only.

It has been rather interesting to observe some of the remarks made by distinguished gentlemen who raised their voices in opposition to the measure. The gentleman from Pennsylvania, who has just spoken in opposition to the bill, seems to have considerable doubt in his mind and to be

worried to a great extent as to where the bill originated. For anybody who has taken the time to inform himself as to this legislation, anybody who has even glanced at the hearings on the bill, there could be no reason for any doubt as to where the bill originated or who drew it. The hearings speak very clearly and definitely. I asked Mr. Oliphant, counsel of the Treasury Department, who appeared before the committee, if he participated in the drafting of the bill, and he said "Yes." The bill was drafted down here in the Treasury Department.

The gentleman from Pennsylvania expresses considerable concern about what some former employee connected with the Committee on Coinage, Weights, and Measures might have done—a man who had some conversation with the gentleman several years ago. This bill was introduced and immediately referred to the Committee on Ways and Means. So far as we are informed, no former employee of the Committee on Coinage, Weights, and Measures has had any connection either directly or indirectly with this measure. This simply brings us to the conclusion that when gentlemen are without any sound reason or excuse for raising their voices in opposition to legislation they resort to the scheme of trying to raise straw men in order that they may knock them down. Now, there is not any doubt as to the origin of this bill or the purposes to be accomplished by the measure.

I listened with considerable interest to gentlemen on the other side of the aisle who spoke in opposition to the measure and who quoted with much interest and emphasis the remarks of a great Democratic President, Grover Cleveland. I yield to no man in admiration and respect for that great Democrat who was President of the United States when I was born; but, my friends, I am far more interested as one charged with some degree of responsibility in this body today, far more interested in the policies, and views, and program of Franklin D. Roosevelt than I am in those of Grover Cleveland 40 years ago. [Applause.] Several Members have made reference to the utterances of President Cleveland, but I respectfully submit that the important question that should challenge the attention and the thoughtful consideration of the Members of this House are the conditions in which we find ourselves today and what we are going to do to meet and remedy them.

The pending bill comes to the House in response to the message of President Roosevelt of May 22. In that very able document the President sets forth in clear and definite terms the reasons and necessities for this measure. It is in the interest of agriculture and the whole country and should be enacted promptly.

The bill contains certain mandatory provisions affecting the metallic base of our monetary system. In substance it provides that there shall be a purchase of silver up to the point that silver shall equal 25 percent of the total metallic base of the currency; in other words, it establishes a ratio of 25 percent silver and 75 percent gold. The bill provides that certificates shall be issued by the Secretary of the Treasury backed up and supported by this silver. The bill also contains certain safeguards which will make the plan and program effective, make it safe, and make it conform absolutely to the Democratic platform pledge of a sound currency for this country.

Mr. CULKIN. Will the gentleman yield?

Mr. COOPER of Tennessee. I yield to the gentleman very briefly.

Mr. CULKIN. Of course, the time is brief, but the gentleman is on the committee, and I desire to propound an inquiry, and I think the House has a right to have an answer which it has not had as yet.

Mr. COOPER of Tennessee. State it, please.

Mr. CULKIN. There are 100,000 people employed in the metal industries where silver is used. It is stated that this bill will put them out of employment. May I ask the gentleman if that is a fact or not?

Mr. COOPER of Tennessee. I am confident it is not a fact. I assume the gentleman refers to commercial silver.

Mr. CULKIN. Yes! commercial silver.

Mr. COOPER of Tennessee. Oh, no; it will not have any such effect.

Mr. CULKIN. Would the gentleman be in favor of an amendment expressly stating the fact that it shall not apply to commercial silver?

Mr. COOPER of Tennessee. I do not think there will be any trouble about that matter. In fact, consideration is being given to some amendment of that kind. I conferred this morning with a representative of the Treasury Department, and if it is thought that there is any room for doubt or necessity for a clarification along that line I feel confident it will be offered.

Mr. CULKIN. The gentleman understands we are passing this legislation in a hurry and these 100,000 people should not be jeopardized.

Mr. COOPER of Tennessee. I understand the point the gentleman has in mind and it is being given attention.

Mr. MALONEY of Connecticut. Will the gentleman yield?

Mr. COOPER of Tennessee. I yield to the gentleman from Connecticut.

Mr. MALONEY of Connecticut. I come from the largest silver-manufacturing city in the world. It has been my understanding that the situation just referred to has been taken care of in this bill, but I should like to have the gentleman's reassurance along that line.

Mr. COOPER of Tennessee. I do not think there will be any trouble about that at all.

Mr. SAMUEL B. HILL. We are going to look carefully into any amendment that may disturb the uniformity of this tax and render the whole thing illegal. The manufacturers are not being taxed in this bill.

Mr. COOPER of Tennessee. I do not think there is any reason to be fearful of trouble on that score. I am sorry I do not have time to go into detail; but if the gentleman will examine the hearings he will find that numerous questions were asked, especially by our distinguished colleague from Massachusetts, Mr. McCORMACK, on that very point. I do not have any doubt or fear along that line.

Mr. TERRELL of Texas. Will the gentleman yield just for a question?

Mr. COOPER of Tennessee. I yield to the gentleman.

Mr. TERRELL of Texas. I think this question is important, because it has not been made clear. It was stated that we would cut off part of the gold base and add to it the silver base. Does this bill propose to cut down the gold and add enough silver to it in order to keep up the amount of gold that we have on hand?

Mr. COOPER of Tennessee. I do not understand this bill affects the Gold Revaluation Act at all. At the time the President sent his message here in January calling for the Gold Revaluation Act, he indicated at that time that further consideration should be given to the silver question. It is very definitely shown in the hearings on this bill that this is part of the plan that was adopted and inaugurated at that time.

Mr. VINSON of Kentucky. If the gentleman will yield, referring to the inquiry propounded in regard to commercial silver, may I say it was stated to our committee that the users of silver commercially bought their silver from the mine. When they buy it from the mine the market price of the newly mined silver is the cost of production. There is no tax paid upon this newly mined silver because of that fact, and consequently commercially used silver will escape payment of the tax because it is purchased from the mine.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. COOPER of Tennessee. I was going to follow up the remark I made to the gentleman over there by calling his attention to the point raised by the gentleman from Kentucky. It is very definitely shown by the hearings on this bill that this does not in any way affect newly mined silver. In fact, the bill clearly shows that the newly mined silver now being delivered to the Treasury under the proclamation issued by the President will not be disturbed or affected by the passage of this bill.

Mr. PARSONS. Will the gentleman yield for a question?

Mr. COOPER of Tennessee. I yield to the gentleman for a brief question.

Mr. PARSONS. Will the gentleman point out the language in the bill that specifically exempts the newly mined silver?

Mr. COOPER of Tennessee. It is in the bill, and the gentleman may find it there.

Mr. PARSONS. I have searched in vain for it. It is in the hearings, but not in the bill.

Mr. COOPER of Tennessee. If the gentleman will read the hearings, he will see that the man who drafted the bill states it is amply covered in the bill, because we asked him those identical questions.

Mr. GIFFORD. Will the gentleman yield?

Mr. COOPER of Tennessee. I yield to the gentleman from Massachusetts.

Mr. GIFFORD. The gentleman spoke of the gentleman from Massachusetts [Mr. McCORMACK] having in mind an amendment to the bill. I have read these hearings rather carefully, and I have read what it may cost the manufacturer who uses the silver. The question by the gentleman from Massachusetts [Mr. McCORMACK] in the committee brought nothing particularly satisfactory in reply. The gentleman from Tennessee says that these people need not worry, and that they buy direct from the mines. With this provision in the bill exempting them from paying the tax, would it be more difficult in the future for the manufacturer to get the silver from the mines? Would they not have to get it from the dealers?

Mr. COOPER of Tennessee. I think I have explained that point as fully as I can to the gentleman, with the limited time I have.

Mr. GIFFORD. The hearings are not enlightening on that point.

Mr. COOPER of Tennessee. The bill does not affect this newly mined silver that is now covered by the proclamation of the President of the United States. The commercial users of silver now get their supply from that source.

I shall not take much more time of the House, but I wish to discuss very briefly the tax provision of this bill as set out in section 8.

It is a matter of common knowledge that there has been agitation on this question for some time. It has been a live issue throughout the length and breadth of this Nation of ours. It is frequently stated that there has been some degree of speculation in silver. Some of the gentlemen who have spoken in opposition to the measure raised the question as to whether it is right for the Government to levy an excise tax of 50 percent of the profit that is made on this silver.

I maintain it is absolutely right and fair for the Government to do this, simply for the reason that this profit is being created by governmental action, and therefore it is nothing but fair and right that the Government should take part of the profit.

There is one other phase in connection with the tax and this is in response to the question raised by the gentleman from New York [Mr. TABER], that the tax should be 100 percent. I simply call the gentleman's attention to the fact that this suggestion of a 100-percent tax would, at once, close the silver market in this country and such steps should not be taken now. If later it became necessary, this could be done under section 6. In the meantime we may need the New York market in carrying out the purpose of this program and we should not be dependent solely upon the London market.

We must realize there are two outstanding silver markets in the world today. One is London and the other is New York. If we should levy a 100 percent tax so as to close the market in this country, naturally, we would be at the mercy of the London market in trying to carry out this program and I do not think any of us would seriously contend that this would be at all desirable.

This is a very important administration measure, and a part of the recovery program of our great President, and in the interest of the whole country. [Applause.]

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. KNUTSON].

Mr. KNUTSON. Mr. Chairman, my first inclination was to vote for this legislation, because I believe if we were to go onto a bimetallic basis it would materially improve world commerce; and I am not unmindful of the fact that three-fifths of the people of the world live in countries that are on a silver basis, but when I got to looking over the list of speculators who have gone into the market and purchased millions and millions of ounces of silver on the strength of the passage of this legislation, it looked to me as though the whole thing had degenerated into a racket; and in voting for this legislation I would simply be voting to put millions and millions of dollars into the pockets of the big eastern banks and, in fact, the rich all over the country, who now hold all the free silver.

Mr. BROWN of Kentucky. Will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. BROWN of Kentucky. The gentleman knows that Mr. Sanders, the chairman of the Republican National Committee, is one of the purchasers?

Mr. KNUTSON. Yes; and I do not hold any brief for Mr. Sanders. I have noticed when it comes to gouging the Government, party lines are obliterated.

Mr. TREADWAY. Will the gentleman from Minnesota yield there?

Mr. KNUTSON. I yield.

Mr. TREADWAY. In view of the remark just made by the gentleman from Kentucky, is it not a fact that the office address of one of the chief silver Senators appears in this list?

Mr. KNUTSON. Yes; I believe so.

These people who are trying to profit at the expense of the Government——

Mr. McFARLANE. Will the gentleman yield?

Mr. KNUTSON. I cannot yield now.

Mr. McFARLANE. I think the gentleman ought to name the Senator since he has mentioned that fact.

Mr. KNUTSON. I did not mention him.

Mr. TREADWAY. It is easy enough to name him.

Mr. KNUTSON. I would put his name in the RECORD if the rules permitted my doing so.

Mr. McFARLANE. Well, name him.

Mr. KNUTSON. We cannot do that under the rules of the House.

Mr. McFARLANE. For the protection of the other 95 Senators, I think the gentleman should name the Senator he has in mind.

Mr. TREADWAY. If the statement I have made is challenged in any way, I may say that the office number of the Senator from Montana [Mr. WHEELER] appears in this list, published at the request of the Senate.

Mr. KNUTSON. I think every Member before voting on this legislation should secure this list and look over the names of the hoarders who appear in part 2 of the hearings. There are 50 pages of them and most of the big banks of the country are represented.

I am sorry a situation has arisen that will make it impossible for me to vote for this legislation, because I really feel we should go on a bimetallic basis in order to improve the commerce of the country, but I cannot vote to put millions and millions of dollars into the pockets of the silver speculators of this country, who are the big New York bankers. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I yield 5 minutes to the gentleman from Oklahoma [Mr. McCLINTIC].

Mr. McCLINTIC. Mr. Chairman, I venture to assert that there has been delivered more opinions on the silver question than on any one other subject that ever affected the American people, and it is only natural that the debate on this bill will bring out different viewpoints.

I do not profess to know very much about silver and when it is taken into consideration that there are four prices quoted for the same in its various uses, one can understand why the subject is difficult, yet I am sure that if the Members of the House could have attended the hearings and heard the able presentation made by the distinguished gentleman from Texas [Mr. DIES] that they would have been convinced that he had given the subject a lot of study and knew what he was talking about. I have come to the conclusion that the increase of the ratio of silver on the basis of one-fourth of the amount of gold now in our possession as a base for the issuing of currency would be extremely beneficial and for this reason I intend to support the bill.

I am particularly interested in one phase of the money question and that is covered in the bill I introduced yesterday, which was printed in the RECORD. It would authorize the Secretary of the Treasury to use our unpledged gold and silver and certain other securities as a base for the issuing of greenbacks, to be used in the retirement of outstanding tax-free Government bonds and securities. We owe some $25,000,000,000, and most of this is represented by bonds and certificates of indebtedness which are merely a form of paper used to evidence the debt. Custom and habit has caused a large number of our citizens to feel that this is the proper way for the Government to obtain money when in truth greenbacks when properly secured can be issued without causing the Government to pay interest and thus perform the same service as long as it is backed up by a proper amount of securities.

I do not think that it is right to allow a fortunate class to invest their money in such a way as to enable them to escape paying their part of the cost of running this Government. If the notes and mortgages on our public land and the forms of security issued by industry are of sufficient value for the Government to make loans on, who is it can say that it would be unwise to use a fraction of their value in paper money? If the Federal Reserve Banking System extends credit on the basis of 10 to 1, who is it that can say that our unpledged gold and silver will not support an issue of currency on the basis of 2½ to 1?

A lot of people made fun of the first bill introduced to guarantee deposits in Government-supervised banks. They predicted all kinds of catastrophes, yet when I presented this measure I felt sure the time would come when such a law would be necessary to stabilize banking conditions and recent events prove this to be a fact. It may be several years before we are able to mold public sentiment in favor of the bill I introduced yesterday, yet I am convinced that if Congress does not take some such action as this, that there will be rough sledding ahead for our Government, as the people will and can stand only so much.

Mr. TREADWAY. Mr. Chairman, I yield 8 minutes to the gentleman from Ohio [Mr. FIESINGER].

Mr. FIESINGER. Mr. Chairman, I thank the gentlemen on the other side for this allotment of time. Of course, one cannot hope to present even briefly all his views on the more important points in such a measure in that length of time. The gentleman from Massachusetts [Mr. LUCE] said that this was a silver brick. I say to the House that this is a gold brick; it is not a silver measure according to my views. It coins more of our old silver dollars, deficient and fluctuating in value, and good only because supported by gold.

Something has been said here about fiat money. As I understand, fiat money represents money that does not have full value back of it. You have silver in the silver dollar worth about 35 cents, and you call it a dollar, so it is fiat money to the extent of the difference between 35 cents and the dollar.

I do not mean to say that this is fiat money. It is not fiat money, but it would be fiat money if it were not for the fact that we have a law passed in 1890 which compels the Secretary of the Treasury to use our reserves to keep all the money of the United States at a parity with gold.

These obligations have been heaped on gold until gold has broken down. Gold has so many demands, such increasing and ever-increasing demands, that gold as a yardstick of measure has failed, and with it has come all our property values, and, therefore, of course, our credit structure built up on these failing property values. What we want is something to relieve gold, something to take the place of gold, something we can give legal-tender privileges to just as we have given to gold.

We need to give silver legal-tender qualities. But this bill does not do that. This bill makes the silver dollar legal tender, but not silver values. The silver dollar has a value backed by gold to sustain its value. We need to give silver legal-tender privileges where all the necessary value is supplied by silver and by silver alone and unsupported by gold. This bill fails to provide that use of silver. So this is really gold money. You have put 35 cents' worth of silver back of it, or some other or fluctuating value back of it, but it is, after all, to be kept at a parity with gold by the addition to that value from gold.

But that is not the objection I have to the bill. I have this objection: That while you may be making sound money out of this silver, you are increasing all the time the strain upon gold and increasing its value; and when you increase the value of gold, which is the supreme measurement of all of our property and commodities, when you put an additional strain upon gold, you are lowering the value of your wheat and your cotton and your copper and your real estate and all the property in the United States. That is the objection that I have to this proposition; not that it is not sound money, but you are increasing the strain upon gold that is already worth 75 cents more to the dollar than it was on January 1, 1926. I introduced a bill, which was voted out by the Committee on Coinage, Weights, and Measures, which was voted out by a very large majority, and after more than a year's study by the committee in consultation with some of the world's greatest experts and, what is more to the point, these were experts who were not allied with the banking organizations, who seem interested in not having our Congress control these depressions. This bill went to the Rules Committee, where it has slumbered and has been chloroformed ever since. There have been 101 Members of the House who have asked the Rules Committee to give us a rule on the bill. That bill would use silver for its world-accepted value. In other words, it would make silver itself legal tender and therefore primary money. We would redeem those certificates, not in gold but in the gold value of silver. We would keep the gold standard as a means for the measure of our values. We would not have two standards of measurement. But we would have silver and gold as money. We would give legal tender to silver. We would take a control over our supply of legal-tender wealth; gold as our superme standard of measurement and both gold and silver serving us as debt-paying property, using silver to help take the strain off gold as a circulating medium, thus reducing its value, and thereby raising commodity value. That is the point of it.

The gentleman from Texas [Mr. DIES] said that this bill that I propose contemplates the purchase of 1,500,000,000 ounces of silver. That is the maximum limit of the bill. The purchase of silver in that bill is to restore prosperity. It would put into the Treasury of the United States silver as reserve money, with full value as legal tender until prosperity is restored, and we would issue certificates against it for its world-accepted value, no more and no less, and you would have money that is sound money and at the same time silver money. There would be no fiat money about that, and you would not tie it to gold. My bill would continue adding silver to our reserves as needed to break the corner and relieve the strain upon gold until gold would fall and property rise in value, until the banks regained confidence in loans on this property, and until our products could find buyers in the markets of the world. Take out that abnormal purchasing price of gold and you thereby raise up the value of commodities and property all over the world. You would relieve the banks in foreign countries where gold is the standard of value, and this would restore the demand for the commodities that we sell in international markets.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. FIESINGER. Yes.

Mr. KNUTSON. Ultimately this bill is going to cost the Government about a billion dollars in the form of the increased cost of silver?

Mr. FIESINGER. I am not prepared to answer that question. I had not looked at it from that phase. The cost will mainly lie in the failure of the bill and the cost of continuing the depression. It is not going to accomplish what we want and what we need. It will not give us control of the value of property, of credits, and business activity. It will not result in the raising of the prices of our prime commodities that we sell in international markets for gold; and you are not going to cure, as a result of this measure, your wheat or cotton problem or the problem of those commodities that we sell in international markets.

Mr. Chairman, I am in a difficult situation today and it pains me more than I can tell to take the position that I am taking in the House today. I would love to go along, but I disagree with this bill. I have very deep convictions on this proposition. However, I believe that rather than not following the President of the United States I am following the President of the United States. He has declared for an adequate supply of sound money. To have that supply we must have some control of it, and that is the difference between these two bills.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. TREADWAY. Mr. Chairman, I yield 2 minutes more to the gentleman.

Mr. FIESINGER. Mr. Chairman, the President said in his message to Congress that he wanted to make primary money out of silver, the same as gold. This bill is not doing that. It is making token money, and it would be fiat money, if it were not for the law of 1890.

On the other point that the gentleman from Massachusetts [Mr. LUCE] spoke of, when he said that this is a sop to the silver interests in this country. It is a sop, but it has a trick in it; and when the silver people in this House and the other body get back to their constituents and they find out what the bill means there is just going to be murder, in my judgment. This bill has stated a policy of having 25 percent silver reserve. It has a little clause in it that will stop the purchase of silver long before it reaches 25 percent. There is another joker for the silver miner. The bill provides for $1.29 an ounce for silver, but it is a new 14-gram dollar that will get down to a lesser value in time; and the bill also provides the Secretary of the Treasury can take away from the miner in seignorage 50 percent or more if he likes. He can leave the miner with 64 cents an ounce in a 60-cent dollar, or about 38 cents an ounce in the original gold value. This bill does another thing that destroys the value of silver as real money; it makes it a felony to own silver or transport any silver except that it finds lodgment in the Treasury of the United States. That means that the only purchaser of silver in the United States under the terms of the bill will be the Government of the United States, and it may frequently defer purchases. There is no time fixed when it shall purchase, and it may defer purchases until the value of silver has fallen down to the lowest possible gold price level that it can find. If that is so, the Secretary of the Treasury of the United States has it in his hand to control every mining State in the United States through political control; and this is establishing a principle abhorrent to our institutions as well as fixing an artificial market for silver.

So much for that. The argument is made here today that we are going to furnish the American people more money. We already have plenty of money in our gold. We need to use this silver in an entirely different way. We need to invoke an entirely different monetary principle. We have plenty of gold as a base to erect credit upon, and this little silver that they are going to put in is not going to make any difference so far as increasing the supply of money is concerned. We need to use this silver in such a way that you can get money out. What we need is to have the price level raised, and that is not altogether to be done in the United States but it has to be done in all gold-standard countries. It must be done throughout the world. When the gold price level starts to rise, after you take the strain off gold, your banks know that they can make loans with safety. Their clients can make profits instead of losses, and then they safely can, and they will, furnish plenty of money. That is the only way that you will be able to get out of this depression and get money out among the people. The little money involved in this silver issue is not even pocket change in comparison with twenty or more billions of loosened bank credits. You will find gold values will not be put under your control through this bill. As a consequence, your banks will be in the same position they are now—frozen, as they are, and will not make any loans—and, as a consequence, the people will be starving for credit, as they are today.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. DOUGHTON. Mr. Chairman, I yield 1 minute to the gentleman from Oregon [Mr. PIERCE].

Mr. PIERCE. Mr. Chairman, the enactment of this bill into a law means little or nothing in the way of encouragement to those who believe in bimetalism. If I can convince myself that it is even a tiny step toward expansion of our metallic base for currency, I shall vote for it on final passage, but I shall so vote with the bitterest regret that it is impossible, at this session, to vote for a real silver bill.

We, who believe in the quantitative theory of money, which is correct when all factors are considered, such as velocity and bank checks, can get very little comfort out of legislation which treats silver as a commodity. What we need, above everything else, is work for the unemployed and money to pay them. The President can, under powers already granted, issue millions of dollars in currency. Other countries have issued such currency, forcing commodity prices to higher levels. Often, such inflation has ended in disaster. What we silver men want is a larger, broader metallic base upon which currency may be issued. Never again in this country will gold circulate as money, and silver will so circulate only in small denominations, under $1. To prevent overexpansion of paper currency we must, at present, have a metallic base. If gold could come forth in carload lots, as it has come at different times in the world's history, then we might not now need the silver in quantity; but gold is not coming. The demands for currency are heavier than ever. The loss of confidence has materially reduced bank accounts, checks, and velocity of exchange. Governments must provide more yardsticks for measuring property exchanges, or repudiation of debts will follow, and backward will move the wheels of civilization.

The greatest need of the hour is higher, much higher, prices for commodities in the world's markets. I cannot believe that every nation will be economically self-contained and that world's trade will practically cease. By "unanimous consent" the gold ounce is the universally acknowledged measuring stick for the world's trading. No legislation by this Congress can change that situation. Neither England nor France care or heed in the least how many grains of gold we declare to be a legal dollar. Balances are settled by the weight of gold.

Why has silver depreciated in terms of gold? For the simple reason that silver has been demonetized by many nations and the demand has been materially reduced. Silver has not fallen in value when measured in commodities, but gold has appreciated, owing to the greater demand for that metal for storage as a base for issuance of currency. Create an unlimited demand for silver at a fixed price, as measured in gold, and that price will be the world price. The remonetization of silver by the United States will force other trading nations to do the same. Real silver men do not want to see the gold now in our Treasury used to buy silver in either foreign or domestic markets.

Let the owners of that silver take it to our mints, have it weighed and graded, and left there in bars; then issue silver currency against such deposits.

Why the fear of really useful silver legislation? Are the owners of our bonds and obligations afraid that those bonds and obligations are not going to be so valuable when measured in commodities? That is precisely what must happen, or general repudiation will follow. The load of interest and fixed dividends can never be paid at the present prices of commodities. This bill will not materially affect commodity prices; therefore it is of little or no value in the present economic crisis. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I yield 5 minutes to the gentleman from Idaho [Mr. WHITE].

Mr. WHITE. Mr. Chairman, there has been a great deal said about silver today and a great deal said since this Congress convened, after the inauguration of the new administration. I am firmly convinced that the money question is the most important question before the American people today. The statement has been repeatedly made, and it was made on the floor today, that there is ample cash, ample money; that the banks are loaded with money; that the only trouble is a restoration of confidence; that if we could have confidence restored business would go on and we would have prosperity and recovery from the depression. What is needed to restore confidence? There is just one little element missing in our whole financial set-up, and that is the element called "cash." Now, this bill is directed to supplying the missing element. If there is sufficient cash or money in circulation in the country, prices will rise and confidence will return; but you cannot restore confidence when prices are falling. If you go to your banker for a loan, he is not interested in your collateral; he is not interested in your assets if prices are falling. You have got to show that in the operation of your business you can make a profit. Profits accrue from business where there is a return in excess of the expenses. We must supply that little element called "cash."

I want to read from section 5 of this bill. It does not seem to have been very well understood what the bill contains. Section 5 reads:

> The Secretary of the Treasury is authorized and directed to issue silver certificates in such denominations as he may from time to time prescribe in a face amount not less than the cost of all silver purchased under the authority of section 3.

Further on it reads:

> All silver certificates heretofore or hereafter issued shall be legal tender for all debts, public and private, public charges, duties, and dues, and shall be redeemable on demand of the Treasury of the United States in standard silver dollars.

That is the answer to the question that has been raised as to the cost of operation of this bill. If we can only get a sympathetic Secretary of the Treasury of the United States to carry out the provisions of this act and buy silver and issue silver certificates, we will have that much more money in circulation. I mean we will have that much more money in circulation without somebody having to borrow it, without the interest feature attached. That is what is stopping the loaning of money today, because when you go to a bank, you must borrow. This money will go into circulation without the interest feature attached to it and as new wealth.

Mr. WOODRUFF. Will the gentleman yield?

Mr. WHITE. I yield.

Mr. WOODRUFF. I wish the gentleman would explain to the House the mechanics provided by this bill, whereby it will put money into the pockets of the average man, where it will put money into general circulation. I tried to secure that information in the committee during the hearing. I have tried in other ways to get it, and as yet I have found no one who can give a reasonable explanation of how this particular bill, if enacted, will put additional money into the pockets of the workingman and into the pockets of the farmer. After all, they have to work for what they get. I wish the gentleman would enlighten the House on that particular point.

Mr. WHITE. Under the mechanics of this bill it is proposed to add one and one-third billion dollars of silver to the reserve of the United States. Under section 5 the Secretary of the Treasury is authorized to issue and put into circulation $1 for every dollar expended to acquire that silver.

Mr. WOODRUFF. How?

Mr. WHITE. Well, how? It will go into the natural channels of trade as money goes in by paying the expenses of running this Government, rather than borrowing it to pay the Government's appropriation.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. SIROVICH. Will the gentleman yield to me to answer the gentleman how it will help labor?

Mr. WHITE. I yield.

Mr. SIROVICH. China and India today have 700,000,000 people whose money does not permit them to buy anything from our country on account of the depreciation of silver. If we pass this bill, it will enable 700,000,000 Chinese and Indians to buy from us and will be instrumental in helping increase commodity prices.

The CHAIRMAN. The time of the gentleman from Idaho [Mr. WHITE] has again expired.

Mr. TREADWAY. Mr. Chairman, I yield 8 minutes to the gentleman from Minnesota [Mr. CHRISTIANSON].

Mr. CHRISTIANSON. Mr. Chairman, although I hold views upon money that some on this side of the aisle would consider heretical, I shall not vote for this bill. When the President sought power to devalue the dollar by reducing its and content, I supported him, for I felt that there could be no doubt that the commodity price of gold had gotten out of line with the general price level, and that this misalinement, by sharply curtailing the buying power of the debtor segment of the population, blocked economic recovery. Devaluation did not bring all the benefits some expected, but it did lift the domestic prices of wheat, cotton, wool, copper, and those other commodities which find much of their outlet in foreign markets. Devaluation did not materially affect the prices of butter, eggs, pork, beef, mutton, and those other products whose market is almost wholly domestic. In my opinion, we shall have to take another step before devaluation can be reflected in higher prices for the latter class of commodities; we shall have to resume gold redemption, for so long as the currency with which goods are bought and sold in the domestic market is unredeemable, there is no relation between that currency and the theoretical, nonexistent, devalued gold dollar impounded in the Treasury. Devaluation influenced the domestic prices of export commodities because we are on a gold standard internationally—the devalued dollars are available for making international settlements. Devaluation has not, and by the nature of things cannot, influence the domestic prices of domestic products, because intranationally we are not on a gold basis.

Those who expect to raise the price level by passing this legislation are doomed to disappointment. The silver certificates to be issued against the silver deposited in the Treasury will have the same buying power as the paper dollars we use today. If they had more buying power, they would be hoarded; if they had less, they would drive our present currency into hoarding. In either event there would be a curtailment of the currency, when what the supporters of the bill want is expansion. The paper dollars to be issued under this bill will be worth neither more nor less than the existing dollars of commerce and hence will not raise the price level or make debts any easier to pay.

It has been argued that adding 1,312,000,000 ounces of silver to the metallic reserves of the country will increase the stability of its currency. I must challenge that statement. The fact is that for every dollar's worth of silver purchased there must be a dollar of currency issued; in other words, a dollar of Government obligation created. No man improves his net worth by increasing his assets and liabilities in the same amount, and I do not believe that nations are exempt from the kind of bookkeeping individuals must use. Arithmetic cannot be repealed.

Mr. Chairman, this bill does not provide for bimetallism, symmetallism, or free coinage of silver at the ratio of 16 to

1, or any other ratio. This bill is not in the public interest. It is conceived in sectionalism and selfishness. It will benefit no one except silver miners and silver speculators. The former are entitled to the same consideration we accord to every other American industry; the latter have no claim upon the generosity they expect us to extend to them under this measure.

The claim that it is necessary to add to the metallic reserves of this country does not bear analysis. Our reserves are adequate. Against $10,097,413,078 in currency, we have $8,298,164,457 in gold and silver. Accepting the generally recognized principle that a nation can safely issue currency against a 40-percent reserve, the United States can issue more than $20,000,000,000 in currency—twice what we have issued. Surely that should satisfy the most enthusiastic inflationist. If more currency is needed—and I am not arguing that it is or is not—why not have it without increasing our reserves? Why spend 35 cents for silver for a fiat dollar, when a fiat dollar printed on a piece of paper worth a fraction of a cent will do as well? Why spend $800,000,000 for silver for additional reserves when our reserves are already twice what they need to be under sound monetary practice?

We cannot afford to spend $800,000,000 for 1,312,000,000 ounces of silver to be impounded in the vaults of the Treasury Building at the other end of Pennsylvania Avenue. That metal will be hidden underground; nobody will see it, nobody will care to see it. Nobody will want to carry it around—cartwheels do not fit modern purses. That metal will be sterile, locked up, useless. It will not add to the circulation of the country a single dollar we cannot issue without it. To tie up $800,000,000 of the Government's credit for unneeded silver is even worse than to spend it for unnecessary post offices and courthouses, for the latter have at least some utility. To exhaust the Government's buying power in piling up silver we do not need, at a time when schools are closed for lack of funds, is worse than folly. To strain the Nation's credit in the futile undertaking of filling the Treasury vaults with metal we shall not use, at a time when 20,000,000 people need food and when the greatest calamity in the history of the country, the drought in the Middle West, is bringing to our doors an unprecedented relief problem, should leave a sense of guilt.

Has anyone thought of the loss the Government might sustain in the event that there should be a decline in the value of the silver after we have acquired it? We know that from 1871 to 1931 the price of the white metal dropped from $1.25 to 30 cents an ounce. How do we know that it will not drop more? Eighty percent of the silver mined in the United States is a byproduct of copper, zinc, and lead, and the production of silver accordingly cannot be controlled. A resumption of industrial activity would yield a tremendously increased output of silver. There is no corresponding increase in demand for silver in the offing. Other nations have discontinued the monetary use of the metal, and any increased use in this country would hardly affect the world demand. Practically every European government demonetized silver in 1873, and India discontinued free coinage in 1893. Not only have all the commercial nations demonetized silver, but they have debased their subsidiary silver coin, thus removing one other source of demand for the white metal. Furthermore, less subsidiary coin is used, for people everywhere, except in China, have learned to trust and to prefer paper currency. Silver is no longer held as bank reserves to any extent outside of the United States, Great Britain, and India; and in those countries its use for that purpose has been greatly curtailed. Finally, the gap between production and consumption has been widened by the use of old or remelted silver in the arts and industries. All these tendencies and trends have operated to decrease the demand for silver, and I believe we should consider very carefully the possibility that after we have bought our hoard of it, it may become so reduced in value that we shall ultimately suffer a great loss.

The gentleman from New York [Mr. SIROVICH] said something a few minutes ago about the necessity of stimulating trade with the 700,000,000 people who live in the Orient. I am as deeply interested as anyone in increasing our markets in Asia, but a careful study of the problem has convinced me that there is nothing in the present bill that will help. The argument to be inferred from the gentleman's statement is based upon the fallacious supposition that the countries of the Orient use silver to buy goods and commodities abroad. The contrary is the fact. The people of the Orient use the trade balance they create in exchanging their raw materials for our manufactured goods to acquire silver for hoarding. The purchasing power of Asia has not suffered from the low price of silver and would not be enhanced if an increase in the value of silver should result from this legislation. In that connection I wish to quote from a book the careful reading of which I would commend to the Members of the House—Silver: An Analysis of the Factors Affecting Its Price, written by Y. S. Leong and published by the Brookings Institution:

> Imports relative to exports tend to increase in physical volume when the price of silver is relatively low and to decrease when it is relatively high.

Accordingly, if this legislation should have the effect of increasing the price of silver, if this economist is right, it would have a depressing influence upon our trade with China, the advocates of this bill to the contrary notwithstanding.

Concerning the effect of the value of silver upon our trade with India, Dr. Leong says:

> Since the Indian currency act of 1927 the rupee has been tied to the pound sterling at the statutory value of 1s. 6d. A decline in the price of silver would, therefore, have no unfavorable effect on the purchasing power of India.

Would a higher price for silver help our trade with Mexico and Peru? These are admittedly important exporters of silver. Silver constitutes 31 percent of our imports from Mexico; but inasmuch as all our imports from Mexico constitute only 3 percent of our foreign trade, we could charge off all the trade resulting from the importation of silver from the Republic to the south and the net loss of business to the United States would be less than one-twentieth of 1 percent. Twelve percent of Peru's exports are silver, but Peru's foreign trade is too insignificant to mention, and we should not get much if by bidding up silver we got it all.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield 1 additional minute to the gentleman from Minnesota, and in this time I desire to ask the gentleman a question. Reference was made to the exchange of business with India by purchasing Indian silver. Does not that mean that our good American money will take the place of their useless silver?

Mr. CHRISTIANSON. Why, certainly.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. CHRISTIANSON. I yield.

Mr. KNUTSON. The gentleman from Michigan propounded an inquiry to the gentleman from Idaho as to how he proposed to get this money into the pockets of the people. May I suggest that one way would be to reelect a Democratic Congress?

Mr. CHRISTIANSON. The stimulation of domestic business that might result if this bill should accomplish its purpose of raising the price of silver would be negligible. I call attention to the fact that the income from the entire mineral industry of the United States is only 3 percent of the total national income, and that the income from the silver-mining industry is only 0.6 of 1 percent of the income of the mineral industry. So the utmost that we could expect would be such stimulation as would come from a slight increase in that part of the Nation's income which now constitutes 0.6 of 1 percent of 3 percent, or less than one-fiftieth of 1 percent. For the sake of the doubtful possibility of increasing infinitesimally one-fiftieth of 1 percent of the national income, you would throw $800,000,000 of the hard-earned money of the American people into a stupendous gamble. [Applause.]

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. ELTSE].

Mr. ELTSE of California. Mr. Chairman, I confess I do not know much about this bill, but at the same time I believe I know almost as much about it as any other Member on the floor of the House. I asked two or three members of the Committee on Ways and Means if they were going to make an address or give a talk on this bill, and they said no; that they did not know enough about it to talk about the bill.

In this connection I am reminded of what happened at the special session of Congress last spring, when some of the bills that were passed were not even read by the Members of the House and were not even printed. This Congress, this House of Representatives of the United States of America, is becoming the laughing-stock of the people of the Nation, and it is for just exactly that reason that we are being held in disrespect; and the more of this that takes place, the greater we will be held in disrespect. We have a government by dictum today. These bills are prepared at the other end of the Avenue, sent to the House, and we are told to pass them; and in many instances we do not know the contents of the bills.

Not long ago I overheard two Members of the House on the right-hand side of the aisle talking. I was not eavesdropping but I was riding up in the elevator with them. I heard one say to the other, "If we do not pass a silver bill in this Congress, I just as well not run at the primary election this fall." That gentleman came from a silver-producing State; and his colleague said, "Well, I am in the same boat."

I point this out for the reason that the origin of this bill and for the companion bill in the Senate is to be found in the silver-producing States and comes from the Representatives and Senators of the silver-producing States and the silver speculators of the United States. There may be something in what the gentleman from Pennsylvania [Mr. McFADDEN] said about the origin of this bill. If I am a correct reader of the press reports, the President himself opposes any silver legislation in this Congress. I hold in my hand a sheaf of newspaper clippings taken as far back as the beginning of this regular session, and they all indicate that the President opposes the passage of silver legislation by this Congress. He does not want it, but he has been forced into the position of authorizing the passage of this bill or requesting the passage of this bill, and I do not believe that it is his desire that the bill be passed at the present time.

I happen to be an attorney at law, and I know the practice before courts of law. If any court in the United States, under a democratic form of government, would conduct a case as the hearings before the Ways and Means Committee were conducted, it would be a travesty on justice. There was no testimony before that committee by experts or anyone versed in monetary or silver legislation except representatives or witnesses called by those on the committee who favored the bill, and they cannot qualify as experts. The minority members of the committee asked and desired to have witnesses called in order that this question might be thoroughly discussed and thoroughly threshed out. What did they meet with? They met with resistance. The majority members did not want to learn the facts or to learn the extent to which this legislation might affect the standing of the country as a whole.

Mr. COOPER of Tennessee. Will the gentleman yield?

Mr. ELTSE of California. I yield to the gentleman from Tennessee.

Mr. COOPER of Tennessee. The gentleman is not a member of the Ways and Means Committee?

Mr. ELTSE of California. No; but I am a member of the Committee on Coinage, Weights, and Measures.

Mr. COOPER of Tennessee. The gentleman was not present at any hearings before the Ways and Means Committee and is mistaken in what he is talking about in the statements he has made.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. ELTSE of California. In answer to the gentleman from Tennessee [Mr. COOPER] I may say that I had the intelligence to read the report and I found out there what happened. I also read the minority report, which expressly states just exactly what I have said, that the opportunity was not afforded to call witnesses who stood in opposition to the passage of the bill.

Mr. COOPER of Tennessee. I may say to the gentleman that he is entirely mistaken. The hearings were open to anybody who wanted to be there and they did not appear.

Mr. ELTSE of California. And an executive session was ordered in the beginning.

Mr. COOPER of Tennessee. The gentleman is just mistaken.

Mr. ELTSE of California. I will let the record speak for itself; and have long since learned that those who respond in anger and heat usually are themselves mistaken and later have cause to regret their words.

Mr. TREADWAY. Mr. Chairman, I do not think the gentleman from Tennessee [Mr. COOPER] ought to castigate the gentleman from California to the extent that he has. I will take that question up when I speak a little later.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield 5 minutes to the gentleman from Kentucky [Mr. BROWN].

Mr. BROWN of Kentucky. Mr. Chairman, the gentleman from California who has just preceded me has indulged in what to my mind is clearly a series of contradictions. In the beginning he tells us this is a Government by a dictator, that bills are written down yonder at the other end of the Avenue and sent up here and we have to accept them. Then in the conclusion of his speech he displayed to us newspaper clippings which purported to say that the President was against this bill, and then the gentleman wound up by saying we forced it on the President.

Mr. ELTSE of California. Will the gentleman yield?

Mr. BROWN of Kentucky. I yield for a question, but not for a statement.

Mr. ELTSE of California. Where did the bill come from?

Mr. BROWN of Kentucky. I may say to the gentleman that in my opinion it grew out of the crime perpetrated in 1873 by the Republican Party which demonetized silver. May I also say to the gentleman from Minnesota [Mr. KNUTSON] who professes to be against this bill because he has discovered that the Secretary of the Republican National Committee is speculating in silver, and some other gentlemen for that matter, that the gentleman from Minnesota has purported to be a strong advocate of the Fiesinger bill. I think the gentleman from Ohio will bear me out in that statement, and yet under the Fiesinger bill the men who have speculated in silver would make four or five times as much as they can make under this bill, so I take it his arguments are not exactly sound.

Mr. KNUTSON. May I say to the gentleman that I have not even read the Fiesinger bill; consequently I do not know what it is about, and therefore I cannot be for something I do not know anything about.

Mr. BROWN of Kentucky. I will say to the gentleman that the gentleman from Texas [Mr. CROSS] tells me the gentleman from Minnesota was favorable to silver legislation.

Mr. KNUTSON. I have not authorized the gentleman from Texas to speak for me, and the gentleman is in error when he quotes me to that effect.

Mr. VINSON of Kentucky. I wonder if the gentleman from Minnesota has read this bill?

Mr. KNUTSON. Yes; I have read the bill.

Mr. BROWN of Kentucky. I will quote a good authority. I quote the gentleman from Minnesota. He said that he was for a bimetallic base for the currency and there is not any way that you can write a bill authorizing bimetallism that will not offer more of an opportunity for speculation than this bill here offers.

I was surprised that you could write a law that would limit the possibility of speculation to such a narrow base as is set out in this bill.

There has been a lot of argument about sound money. The best definition I ever heard of sound money is that the currency to be sound must be reasonably stable in its pur-

chasing power and of sufficient volume to meet the needs of the people. The currency we have had in this country meets none of these tests. In 1926 it was worth a dollar, in 1929 it was worth 50 cents. In 1932 it was over $2, and now they say we have devalued it until its purchasing power is a little over one dollar and a half.

This measure represents a distinct victory, as the gentleman from Oregon has said, in some small measure at least, for those who belong to the quantitative school of thought.

Mr. SIROVICH. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Kentucky. I yield.

Mr. SIROVICH. Our platform, in 1932, states, among other things, that we advocate an international monetary conference called on the invitation of our Government to consider the rehabilitation of silver and related questions.

Mr. BROWN of Kentucky. That is all correct, but what I am interested in is a currency for the people of this country, and there is not any question in my mind but what one of the chief contributing forces back of this depression has been the incapacity of our money base to take care of the business needs of this country, and the President of the United States recognized this the other day when he sent his message to us, because one of the things he says in that message is:

> As a part of the larger objective, some things have been clear. One is that we should move forward as rapidly as conditions permit in broadening the metallic base of our monetary system and in stabilizing the purchasing and debt-paying power of our money on a more equitable level.

At another place in his message he says:

> We seek to remedy a maladjustment of our currency.

And this bill, taking it at its worst, is at least one step in the general direction of broadening the monetary base until it will support our business structure.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield myself the balance of the time.

Mr. Chairman, let me clear up one or two little matters here before I take up any discussion of the merits of the bill, if I can discuss the merits. It actually only contains demerits. I do not pretend to know anything about it, so perhaps I cannot discuss either its merits or demerits. Something was said during the remarks of the gentleman from California about the procedure in the Ways and Means Committee.

I uphold the statement that the gentleman from California made as being a correct one. The exact situation is this: Much to my astonishment, when we went into the hearing, which was last Friday morning, the doors of the committee room were locked. We had been informed the Secretary of the Treasury was to be there and he was present. There was no official reporter there or any press representatives, and I turned to the chairman and asked him if we were not to have an open hearing on account of the presence of the distinguished Secretary of the Treasury. The clerk of the committee turned to us and said, "I understood this was to be more or less of an executive session." I inquired what "more or less of an executive session" meant. You either have an executive session or you have an open one. I do not know what a "more or less" one is, but these are exactly the words that passed in the committee.

As a result of the objection the members of the minority and myself raised, the session was opened to the public and a stenographer was sent for. One was not present during the time of this colloquy, but he was there when we were in open session. Therefore the gentleman from California is correct in the statement he made in reference to the manner in which this bill was taken up.

Mr. Chairman, once more the minority are placed in the position of having to object to the haste with which administration measures are rushed through committees and through the House, without adequate consideration, and without attempting to get information upon the issues involved. This is supposed to be a legislative body, but when the White House sends down a ready-prepared bill with its stamp of approval upon it, ratification by the House becomes a mere formality. In times of great emergency, such procedure may be excusable, but certainly no one will claim that the pending bill comes within the category of emergency legislation.

All that is necessary to start the legislative machinery in high gear is for the fact to become known that a particular bill is an administration measure. With that assurance, the subservient Democratic majority are saved the trouble of determining how they shall vote. Like the Light Brigade at Balaklava—

> Theirs not to reason why,
> Theirs but to do and die.

This bill is one of the most important measures to come before the Congress this session. It contemplates a complete and drastic change of national policy by reviving the principles underlying the Sherman Silver Purchase Act, of unhappy and ill-fated memory. Its effect upon the economic welfare of our people may be profound and far-reaching. Yet the majority of the committee did not feel it necessary to secure information upon both sides of this important question. They were not even willing to go as far as the justice of the peace who, while admitting that his mind was already made up in favor of the plaintiff, was willing to hear the defendant's side of the case.

When I inquired at the hearing whether there would be any opposition witnesses I was told by the Chair that it was not the purpose to have a debate upon the silver question, but merely to secure an explanation of the bill. In other words, the minds of the Democratic members were foreclosed upon the policy of the bill, and they neither wanted any information themselves upon the issues presented by this legislation, nor did they want the minority to have any.

I want now to draw a comparison between the manner in which this hearing was conducted and some other hearings before our committee in years gone by.

I happened to be a member of the committee in 1922. The Secretary of State at that time was the present Chief Justice of the United States, Mr. Hughes. The Ways and Means Committee called for some information from the State Department relative to a loan to Liberia. We had had the subordinates before us. So we asked the Secretary to appear, and the very next morning the Secretary of State came before the Ways and Means Committee. While it was contrary to his own judgment and contrary to his party's policy, he advocated a loan to Liberia in 1922, because Mr. Wilson, in his time as President and during the war, had promised it to them. The Secretary of State made such an elaborate appeal that he convinced every member of the Committee of the justness and fairness of the loan, although the night before every one of us had been against it. I just offer this as a comparison of the way in which hearings can be conducted.

Last Friday morning, when the open hearing started, the Secretary of the Treasury said he had no statement to make; that he understood we were to have an executive session and he was there to answer questions. A few questions were asked him, and immediately he informed us that he would ask us to hear his subordinate, the General Counsel of the Treasury Department, Mr. Oliphant. I asked the Secretary before he left the stand one or two questions which have not yet been answered, which appear on page 11 of the hearings; and, by the way, we only got the hearings this morning, you know:

> Mr. TREADWAY. * * * What does the administration expect to accomplish by the bill? Why is the administration asking Congress to pass this legislation at this time?
>
> Secretary MORGENTHAU. Mr. Chairman, if it is agreeable to you, may I suggest that Mr. Oliphant make a statement giving an interpretation of the bill as a whole, which would cover the point the gentleman has in mind.

At this point Mr. Oliphant, the General Counsel of the Treasury Department, took the stand, and the Secretary was excused. He was directed to answer my question, which he did by reciting section 2 of the bill, which is the declaration of policy. What I wanted to know was, "Why change the policy? What do you expect to accomplish by it?"

That inquiry has to this day not been answered. There has been no explanation of the reason of the policy laid down in section 2 of the bill before you. That is the difference between the manner in which hearings were conducted in the past and in the present day under the present administration.

Later on in the hearings the gentleman from Pennsylvania [Mr. COCHRAN] tried to get some information from the witness along the line of my inquiry. Mr. Oliphant's answer to him was:

I know I am not being very helpful, and I am sure I will be less helpful on general questions of policy. I know something about the drafting of the bill and how it was worked out, and I will be glad to answer any questions about that and give any facts I have.

Just before, the gentleman from Pennsylvania had asked:

Mr. COCHRAN. * * * What is the necessity for changing the policy?

To this Mr. Oliphant replied:

Mr. OLIPHANT. It seems to me that that is a type of policy under our form of government that it is the business of Congress to decide.

Still later during his testimony I returned to the same question, and again the witness evaded it, saying that it was for Congress to decide. Yet, when the question came before the Ways and Means Committee, the majority members did not bother themselves about deciding this great question. They took the change for granted.

Mr. SAMUEL B. HILL. Will the gentleman yield?

Mr. TREADWAY. Of course, I yield to the gentleman.

Mr. SAMUEL B. HILL. Has the gentleman read the President's message?

Mr. TREADWAY. Certainly I have.

Mr. SAMUEL B. HILL. And did not the gentleman get from the President's message the purpose of the bill?

Mr. TREADWAY. I cannot see where the President states why he set up this policy, and I do not think the gentleman from Washington can. He does not show the necessity for this subsidy to silver. He states that we should move forward as rapidly as possible in broadening the metallic base of our monetary system, but he does not say why. That is the very issue here. He makes the assumption that the base should be broadened, as if there were no question but what this is the proper course to pursue. He states that we must not neglect the value of an increased use of silver in improving our monetary system, but he does not say how the use of silver will improve it.

Now, where did we get with Mr. Oliphant? By the way, I want to say this about Mr. Oliphant: He is the only expert we had appear before the committee in the day and a half hearing, but can he qualify as an expert on silver? He did admit that he wrote the bill. It is a little confusing. Mr. DIES takes credit for writing the bill and introducing it. But, nevertheless, throughout the day Mr. Oliphant admitted that he wrote the bill.

Mr. SAMUEL B. HILL. I do not think that Mr. DIES made any such claim.

Mr. TREADWAY. All right. Let it go at that. I think Mr. DIES knows more about the subject than Mr. Oliphant does. [Applause.]

Now, Mr. Oliphant—and he is within the sound of my voice—qualified as an expert. He has been a professor of law, he has taught the young students how to sprout. He came here under the Farm Credit Administration, and then he went to the Treasury as counsel. There is your qualification as an expert on silver legislation. If I was going to look up an expert in medicine or in engineering or in law or in business, I would take a man who had had some experience in that line.

Mr. BROWN of Kentucky. Will the gentleman yield?

Mr. TREADWAY. No. I have such a short time—I admit that I do not know anything about the bill, and nobody has told us anything about the bill in the whole course of this debate.

Mr. Oliphant was clever; he said he was the author of the mechanics of the bill that was set up, but when it comes to the policy we would have to ask those higher up.

In the meantime Mr. Morgenthau had left the room—he left as soon as Mr. Oliphant took the stand. There was no one there to tell us where the policy came from that brought forth this doubtful but wonderful piece of legislation.

Now, Mr. Chairman, is it fair to the people of the country that a brandnew policy should be adopted in so rapid a movement as this?

The President's message was received Tuesday, May 22. On Wednesday, May 23, the bill was introduced in the House by Mr. DIES. On Friday, May 25, hearings were begun, and on Saturday, May 26, hearings were closed at about 4 p.m. Immediately after the close of the hearing an executive session of the committee was promptly called, at which there were present but 7 of the 25 members of the Committee on Ways and Means. Few members, apparently, had any intimation that there was to be a meeting of that nature. I was not present at the meeting, but I am informed that there was not even any discussion of whether the change in national policy contemplated by the bill was proper or expedient. The minds of the majority members must have been foreclosed upon the bill at the outset, because they proceeded at once to the consideration of a few technical amendments to the bill suggested by the administration, and after a session lasting only a few minutes the bill was favorably reported.

Today is the 30th, just 8 days since this tremendous change in the monetary policy was first introduced into Congress, with the President's message, and we are asked to railroad this bill through tonight. The bill comes before the House after this brief consideration by the Ways and Means Committee, and I am unable to see how the majority Members can possibly feel qualified to explain or defend the bill. I, for one, do not feel competent to discuss the relative merits of the measure without hearing testimony upon both sides of the question.

Mr. Chairman, representative government has gone by, and all we have now is a rubber-stamp type of government for anything that bears the word "administration." I am sorry for you Democrats that have to go along with anything that is earmarked "administration."

But let us get to these money changers. We heard a whole lot about the money changers a year ago, and if there was ever an opportunity for money changing, it is in the silver exchange in New York City today. We do not hear so much of the expression today, but there are some money changers operating in the speculative markets of the country today under the program of the Democratic administration.

Mr. KELLER. And we are not done yet.

Mr. TREADWAY. You will have more of it just as soon as the "brain trust" can think up something more.

Mr. SIROVICH. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. Does the gentleman want me to refer to India again? I answered him about India.

Mr. SIROVICH. I want to ask the gentleman whether all the members of the Committee on Ways and Means were notified to be present at that meeting.

Mr. TREADWAY. We had no notice of an executive session; only of the hearing. I asked not to have an executive session on Saturday afternoon, but the hurry of the administration was so great that that request was not granted.

Mr. SIROVICH. The gentleman says that seven members were present.

Mr. TREADWAY. I thank you, Doctor. I want now to refer to another matter.

Mr. ELTSE of California. It is very much like the Gold Reserve Act that was put through.

Mr. TREADWAY. But that did not bear the same amount of profit to the money changers. They figure in this bill because the President has had to compromise with them. He has not been able to keep them out, and they insist upon sticking their noses under the tent.

Even Mr. DIES admits there will be a profit to the people in this. Why, these 4 hours of debate are wasted. If you are in such a hurry, why have 4 hours' debate on this subject? There are not four men in this House—with all due respect to my associates—who understand this measure, its

complications, or its implications. I will say, however, that Mr. DIES is one of those four. Mr. LUCE and Mr. DIES understand the subject of silver, and the rest of us go along. Most of you go along because the President has had to compromise with the silver people of the Congress.

While the President ostensibly is sponsoring this legislation, he has done so only to throw a sop to the silverites and inflationists. The press has carried stories for months about how the silver group has been plaguing the White House for silver legislation. Under the Thomas amendment to the Agricultural Adjustment Act, the President already has discretionary authority to remonetize silver at such ratio as he may fix, and in pursuance of that authority he is now buying the entire output of the domestic mines at a price 20 cents above the world price. The silver group and the inflationists are not satisfied with the President's limited exercise of his discretionary powers. They want mandatory silver legislation.

Already this session the House has passed a bill for the sale of American agricultural products in exchange for foreign silver at a valuation 25 percent above the actual value of the metal. Other bills are pending which provide for the restoration of bimetallism at the ratio of 16 to 1, for the purchase of one and one-half billion ounces of silver, and so on. The present bill provides for a subsidy for silver producers and at the same time will bring about a handsome profit for silver speculators by requiring the ultimate purchase of 1,300,000,000 ounces of domestic and foreign silver. When purchased, such silver will be used as a basis for the issuance of silver certificates, which will dilute our currency and thus bring satisfaction to the inflationists.

The present holdings of free silver are largely in the hands of speculators, as is evidenced by the publication as a Senate document of a list of persons, firms, and corporations owning as of January 1, 1934, either spot silver or futures contracts. This list was reprinted in the hearings on the pending bill. Among the large holders is the Chase National Bank, which owns more than 17,000,000 ounces of spot silver and has a large number of futures contracts, both long and short. The National City Bank also has large holdings and numerous contracts. Among the largest individual holders is E. L. Cord, the motor magnate, who is shown to own a million and three-quarters ounces of spot silver in addition to having several contracts.

It may or may not be significant that one of the holders of a futures contract is William Jennings Bryan, Jr., the son of the late exponent of 16 to 1. One holder gives his address as 422 Senate Office Building, a room assigned to Senator WHEELER, of Montana, one of the silver advocates.

It is the purpose of this bill, among other things, to enhance the price of silver by Government purchase. The speculators in silver have had this or similar legislation in mind for some time. They expect to make a profit out of the artificial stimulus which this bill will give to silver prices. It is true that the bill levies a tax of 50 percent upon the profit thus derived, but half a loaf to the speculators is better than none.

It is quite possible that with respect to transfers of silver taking place before the effective date of the act the Government will be powerless to collect a tax. Those drafting the bill were keen enough to realize this when they made the tax applicable, in the conjunctive, first to transfers made on or after the effective date of the act and, secondly, to transfers made between May 15, 1934, and prior to the effective date of the act. Thus, if the second provision is held unconstitutional, the tax would still apply to transfers made after the enactment of the act. It will be recalled that in a case involving the gift tax under the 1924 Revenue Act the Supreme Court held the tax unconstitutional with respect to all gifts made before the enactment of that act. The pending bill is, of course, retroactive to May 15.

When the Government took over all the gold in the country and revalued the dollar, the President declared that the profit thus resulting should belong to the people. Why should not the same principle be applied to silver? Why give the speculators any of the profit which is to come entirely from the artificial increase in the price of silver as a result of this bill?

Now, as to the inflationary features of the measure before us. The Democratic Party, in its platform, stood for a "sound currency to be preserved at all hazards." The President reiterated this policy in his campaign speeches. He insisted that President Hoover's reference to the narrow escape which this country had from going off the gold standard in 1932 was a "libel on the credit of the United States." He said that the Republican charge that if he were elected we would have "rubber dollars" was a "misrepresentation." And yet soon after he took office, we went off the gold standard, and later our dollar was depreciated to 59 cents. Now he seeks to further undermine the Nation's money by flooding the country with silver certificates.

While, as I have previously said, I do not feel competent to argue the merits or demerits of the proposed legislation from the standpoint of its effect upon the welfare of our people, I do recall that President Cleveland once had a great deal to say about the silver question, and other speakers will doubtless refer to his position.

During the hearings I made a motion that the committee invite Dr. Edwin W. Kemmerer, an outstanding authority upon the money question, to be present Saturday morning to give his views upon the bill. This motion was lost on a strict party vote; but late Friday afternoon, when it became apparent that a Saturday session would be necessary to hear the sponsor of the bill, Mr. DIES, the minority were told that if Dr. Kemmerer were present the following morning he would be heard. This was at 4:30 o'clock Friday afternoon. Of course, at that late hour, it could hardly be expected that an out-of-town witness could arrange to be present the next day. However, I immediately sent a telegram to Dr. Kemmerer, at Princeton University. He could not be reached at the University, being out of the city on a western trip. At this point, I will include the telegram which I received from him in response to my invitation.

PRINCETON, N.J., *May 26, 1934.*

The Honorable ALLEN T. TREADWAY,
Member of Congress:

Just arrived home from western trip. Delayed receipt of telegram prevents acceptance invitation. Sailing Europe next week. My opinion concerning broadening monetary base by using silver given briefly in recent book, Kemmerer on Money, especially last half chapter 7; also interview New York Sun, May 24, and resolution opposing silver measures before Congress recently issued by executive committee of Economists National Committee on Monetary Policy. A more detailed statement is given in my testimony of March 25, 1932, before House Committee on Coinage, Weights, and Measures.

E. W. KEMMERER.

At this point I should like to quote briefly from the resolution referred to by Dr. Kemmerer in his telegram, which was inserted in the Senate proceedings of May 22, and also in the hearings upon this bill. The executive committee of the Economists National Committee on Monetary Policy is composed of a group of brilliant economists, including Dr. Kemmerer, Dr. Oliver M. W. Sprague, Dr. Harold L. Reed, and others, who have given much study to the money question. I quote the following from their statement:

This committee believes that the lessons of monetary history and the principles of money should have an important place in the consideration of monetary legislation in this country and, therefore, desires to express the following convictions:

1. That no additional silver should be purchased at any price.
2. That the purchase of silver bullion at artificial prices will not promote sound currency, but on the contrary will add to the liabilities of the Government and reduce confidence in the Nation's currency.
3. That restoration of bimetallism at the market ratio would cause national injury and retard recovery.
4. That the restoration of bimetallism at the ratio of 16 to 1 would be a national calamity.
5. That a rise in the price of silver benefits materially neither domestic industry nor the foreign trade of the United States.

I also wish to quote from the article in the New York Sun, referred to by Dr. Kemmerer, the following synopsis of the interview with him:

"The administration's latest program of doing something more for silver is one more step down the inflation path, weakening

confidence in the dollar and wasting millions of dollars in the purchase of useless, dead silver at a time when other nations are selling, not buying, and in a depression when there is a large Government deficit", declared Prof. Edwin Walter Kemmerer, Walker professor of international finance at Princeton and noted monetary authority, in an interview with a Sun reporter here today. Professor Kemmerer was on his way to speak on sound money in Indianapolis.

At this point I will quote a brief extract from chapter VII of Dr. Kemmerer's recent book, Kemmerer on Money, to which he also referred in his telegram. Referring to what he termed the "precipitous and drastic" silver legislation of 1933, Dr. Kemmerer said:

In May the silver provisions of the Thomas amendment to the Agricultural Adjustment Act became law. They authorized the President himself to fix a coinage ratio between gold and silver and "to provide for the unlimited coinage of such gold and silver at the ratio so fixed." This was bimetallism pure and simple, despite the fact that the amendment said that a gold dollar should be the "standard unit of value." It was left entirely to the decision of the President whether a bimetallic standard should be adopted, and, if adopted, whether it should be national or international bimetallism.

Thus, with very little debate in Congress and with almost no public discussion outside, full authority was suddenly given to one man to commit a nation of 123,000,000 people to a bimetallic standard at a time when no such standard had existed in the world for approximately 60 years. And this was done despite the facts: (1) That two generations ago nation after nation had deliberately discarded bimetallism after having given it a fair trial; and (2) that after a quarter of a century of subsequent agitation throughout the world for a return to bimetallism—an agitation accompanied by a number of international conferences and by two heated political campaigns in the United States centering upon it—bimetallism was everywhere defeated and had almost been forgotten, both in the United States and Europe, for a third of a century.

Mr. Chairman, in conclusion, I want to again point out that this monstrosity of legislation began with a message from the President on May 22, involving a drastic change of policy on the part of this Government, and is being passed in the House by a rubber-stamp majority within 9 days from its introduction. It is the culmination of the vicious method of legislating which we have witnessed here since the beginning of the present administration. It is being enacted through the most flagrant abuse of legislative power that has ever been heard of.

Government by the people has practically ceased to exist. Government by a group of theorists and impractical and uninformed individuals is running rampant. The only way a halt will be called is by an uprising of the people. I do not favor revolutions, but I do favor what is going to be a revolution at the polls next November.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. DOUGHTON. Mr. Chairman, I yield myself the remainder of the time. I also ask unanimous consent to revise and extend my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. DOUGHTON. I respectfully request that I be not interrupted during the course of my remarks. The present bill conforms to and carries out the recommendation of the President of the United States made in his message to the Congress on the 22d day of this month. I shall not have time to make a complete, full, or connected argument or statement with respect to the bill in the short time remaining, and I confess I do not claim to be an expert in financial or economic matters. First, however, I desire to make a few observations and comments relative to the committee's consideration of this bill, since the discussion now seems to revolve around the treatment accorded the minority, and the manner in which the hearings were conducted. We all know that the President, on the 22d of this month, sent Congress a special message; that the silver question has been discussed in both branches of Congress and in the press of the country ever since Congress convened. In fact, the money question is one of the age-old questions with which we have had to deal. There was ample notice, therefore, given to all Members of Congress, and especially the members of the Ways and Means Committee, that this matter would be considered. When the bill was introduced in the Senate carrying a tax provision, we all knew that, under the Constitution, that body did not have jurisdiction over revenue legislation. Therefore the bill was introduced in the House on Thursday the 24th, and on the 25th the committee began consideration of the bill. Ample notice certainly was given.

There was the 22d, the 23d, the 24th, and 25th—5 days from the time the President's message was received by the Congress to the time the hearings were concluded. When the Dies bill, which is now before this body, was referred to our committee, no one, to my knowledge, suggested that we hold public hearings. No request was made to me as chairman of the committee that any witness be called or any public or open hearings be held until the morning of the 25th of May. I challenge anyone to dispute that statement. There had been a suggestion, however, by some member of the committee, a majority member, as I recall, that we should have someone from the Treasury Department before the committee to explain the bill. The minority members knew such hearing was to be conducted. If they were so anxious to have public hearings and have additional witnesses, why did not some of them communicate that desire to me as chairman of the community? I endeavored to be fair, and I do not believe any minority member of the committee will say that I have not been just as fair to the minority as chairman of this committee as I have to the majority.

The Secretary of the Treasury was there, and the ranking minority member, the gentleman from Massachusetts [Mr. TREADWAY], a most estimable gentleman as well as a useful and valuable member of the Ways and Means Committee, came in and raised the question about whether we were to have open hearings or meet in executive session. Nobody had said anything about public hearings or calling any witnesses. The gentleman from Massachusetts [Mr. TREADWAY] never had suggested that he had any witness in mind that he wanted called; never intimated such a thing, although he had had 4 days in which to do so, but he saw an opportunity to play penurious politics. That is what took place. There was no executive session demanded by any member of the committee. I said:

If open hearings are desired, bring the witness you want to be heard, and it is perferctly agreeable to the majority members of the committee to hear him.

We opened the door at the suggestion, not the demand, and the members of the press and the stenographer were called in, and hearings were conducted in open session for 2 days. Then the gentleman from Massachusetts [Mr. TREADWAY] began to talk about calling a witness and asked if the minority could call some witnesses in opposition to the bill. The chairman said:

Certainly, if you will have your witness here before we conclude the hearing, so that we will not have to delay reporting out this bill.

We all knew then, as we know now, that it was late in the session; and if this legislation was to be enacted, we could not delay it day after day. He suggested some gentleman by the name of Kemmerer, I believe, who possibly was an expert on financial matters, and asked if we would call him. The chairman said, "We will not call anybody to come and testify; but if the minority members desire to call him, they may do so." It was understood he would be invited to appear and would be heard.

Now, is the gentleman from Massachusetts [Mr. TREADWAY] willing to say that with all the Members of this House, members of the Committee on Coinage, Weights, and Measures, and members of the Committee on Banking and Currency, men who have specialized in matters of finance, that none of them were qualified to come and testify? The gentleman did not call one of them. Here in Washington are representatives of the United States Chamber of Commerce, the National Association of Manufacturers, and the American Bankers Association, who usually testify on matters of this character. Not one of them appeared. No request was made to appear. None of them appeared, not a single witness; not a single witness from either branch of Congress, not a single living soul in the United States had enough interest in opposing this legislation to request to be heard.

The gentleman from Massachusetts only had one expert, who it turned out had recently testified before the Committee on Coinage, Weights, and Measures, and that testimony was available and could have been embodied as a part of the hearings had it been so desired. Moreover, this expert is now represented as being the apostle of the gold standard, while only a few years ago he was known as an extreme silverite. He is the only witness ever suggested, and we gave them ample time to secure his appearance.

We called the committee to report the bill out; and now they say they requested it be postponed. The gentleman asked me if it was my purpose to call the committee in executive session and report the bill out. I told him that unless there were witnesses present desiring to be heard I intended to do so, as we wanted to report this bill as soon as we could. I called an executive meeting of the committee on Saturday afternoon, which the gentleman from Massachusetts did not attend. Prior to the executive meeting the committee further listened to the able presentation of the gentleman from Texas [Mr. DIES], and the doctrine was so sound and his statements were so convincing that the gentleman from Massachusetts, perhaps fearful he would be converted, absented himself from the committee room.

When the time came to report the bill, he was not present. It was his duty to be there. I had told everyone who had mentioned it that we would go into executive session at the conclusion of the hearings. Every member of the minority was gone except one. Two of the minority members said to me, "I will leave my vote with you. Vote to report the bill out." They knew the vote was going to be taken. They changed their minds subsequently, however, as they had a right to do, and signed the minority report.

Now, my friends, what about this report? You can search the archives of this Government, both ancient and modern, and I challenge anyone to find a counterpart to this minority report. I have never read anything like it. After setting out their grievances they boldly confess that they do not know anything about the bill. Let me read the last paragraph of the minority report:

> In view of the lack of information upon the bill, the minority are not prepared to enter into a discussion of the merits of the proposed legislation.

The gentleman who just preceded me, the gentleman from Massachusetts [Mr. TREADWAY], has said it was an involved bill, and his mind could not comprehend it. I think the gentleman from Massachusetts [Mr. TREADWAY], able Representative as he is, can understand when he wants to understand. There are none so blind as those who will not see; none so deaf as those who will not hear; none so stupid as those who close their minds against understanding. [Applause.]

The statement is made in the minority report that the Democratic majority is nothing but a rubber-stamp in the hands of the administration. My friends, I would rather be a rubber-stamp and have something to register, something to record, than to be a rubber-stamp and follow this minority report which contains nothing but ciphers and decimal points. That is all it contains, not a word of information.

Mrs. KAHN. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield.

Mrs. KAHN. We on the minority side are very anxious to have the gentleman explain the bill. Will the gentleman kindly explain the bill? [Laughter.]

Mr. DOUGHTON. Has the gentlewoman from California read the President's message?

Mrs. KAHN. I have read the President's message.

Mr. DOUGHTON. Has the gentlewoman read the hearings?

Mrs. KAHN. I have read the hearings.

Mr. DOUGHTON. If the gentlewoman has read the President's message, if she has read the hearings, and if she has read the very able and illuminating statement of the gentleman from Texas [Mr. DIES], and has read the report she should know something about what is in the bill.

Mrs. KAHN. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I do not yield further; I only have a few minutes remaining.

Mrs. KAHN. I should like to have some information as to the effect of the bill. I have read the hearings; I have read the entire list of the speculators in silver and have noted among them the name of William Jennings Bryan, Jr.

Mr. DOUGHTON. Mr. Chairman, I cannot yield further. If the gentlewoman, having read the bill, the hearings, and the report, cannot understand it, I could never enlighten her on the subject.

So much for the manner in which the bill was considered. Now, I ask the gentlewoman from California to listen to one paragraph of the President's message, for it will enlighten her to some extent on the purposes of this legislation. The President said:

> As a part of the larger objective, some things have been clear. One is that we should move forward as rapidly as conditions permit in broadening the metallic base of our monetary system and in stabilizing the purchasing and debt-paying power of our money on a more equitable level. Another is that we should not neglect the value of an increased use of silver in improving our monetary system. Since 1929 that has been obvious.

Does that declaration of policy and statement of purpose enlighten the gentlewoman from California?

Mrs. KAHN. I did not ask about policy; I asked about effect.

Mr. DOUGHTON. Well, we shall have to wait to see what the effect is. [Laughter.] I do not claim to be a prophet, but we all know the beneficent effects of the enactment of the Gold Reserve Act and the other acts enacted to carry out the President's recovery program.

Mr. COOPER of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. COOPER of Tennessee. I am sure the chairman of the committee will recall that the President's message definitely stated that this silver legislation is a part of the monetary program of the administration, which was contemplated at the time the Gold Reserve Act was passed; and I am sure the chairman will also recall that the spokesman of the Chamber of Commerce of the United States, to whom the minority members of the committee referred with such great pride, said that the mistake made was that the country did not go off the gold standard 2 years before it did.

Mr. DOUGHTON. That is true; and that appeals to every open-minded person. I may say to my good friend from Tennessee that every Member on the majority side knows and realizes that it is useless to cast pearls of information before the blind. It is absolutely futile, and I for one shall not waste time in such futile efforts.

Mr. Chairman, this legislation is in accord with and carries out the recommendations contained in President Roosevelt's message to Congress on the 22d of this month. The enactment of this measure will constitute another step in the recovery program by providing an improved monetary system for this country. Its enactment will likewise open world markets for the products of American agriculture, industry, and labor. It will raise commodity prices and accelerate business. It will enable the debtor class to meet their obligations.

It has been the consistent policy of this administration to further recovery through an expansion of our foreign markets, and the enactment of this measure is but another step to that end.

The enactment of this measure will also pave the way for international cooperation in aid of general world recovery, and the promotion of better means of exchange among the nations of the world, and will redound to the benefit of this country, both in increased foreign trade and in the stabilization of the dollar in our country.

At the London Conference all the leading nations agreed that the policy of debasing their silver money was disastrous to world trade because that policy tended to reduce commodity prices in two ways, (1) by reducing the price of silver, which is in itself an important commodity in

international trade, and (2) by diminishing the quantity of silver capable of being used in international exchange, and as a circulating medium in the countries using silver.

World stabilization of silver, which was sought to be obtained at the London Conference, and which this measure will further, by providing not only for taking the surplus silver off the world markets, but also by its use as a monetary reserve, will increase the price of silver, thereby stabilizing the price of the dollar here and abroad and make it possible for countries producing silver and silver-using countries like Mexico and the Orient to purchase more of our products. At the present time, those countries producing silver, the silver-using countries, owing to the low value of their silver, are unable to purchase the commodities they would otherwise purchase if the value of their silver was enhanced.

The terms of this measure declares it to be the policy of the United States to increase the proportion of silver to gold in its monetary stocks so as to have one-fourth silver and three-fourths gold, thereby making a greater use of silver in the public interest, and in further aid of the policy initiated by President Roosevelt in his proclamation of December 21, 1933, bringing our newly mined silver into the Treasury, as well as placing our country among the first to carry out the agreement on silver which we sought and secured at the London Conference.

The percentage of silver to gold in our monetary stocks has varied considerably during the past half century. In 1884 silver constituted 32.3 percent of our total monetary stocks of gold and silver; 40.3 percent in 1890; 55.8 percent in 1895; 41.9 percent in 1900; 30.9 percent in 1910; 27.8 percent in 1915. From 1920 to 1933 it remained practically stationary around 16 percent, and on April 30 of this year, following the enactment of the Gold Reserve Act of 1934 and the devaluation of the gold dollar, silver constituted only 10.5 percent of our monetary stocks of gold and silver.

This measure, as I have previously stated, simply declares that it shall be the policy of this country to increase the proportion of silver to gold in its monetary stocks so that it will constitute 25 percent, which is much lower than in former years, as I have heretofore shown.

We are told by those opposing this measure that we are providing an unsound money, fiat or printing-press money. If this be true, what kind of money did we have in 1900 under President McKinley when silver constituted 41.9 percent of our monetary stocks of gold and silver; and in 1905 under President Theodore Roosevelt when silver represented 33.6 percent; and in 1910 under President Taft when it was 30.9 percent? If our money was sound then, when the percentage of silver to gold was much greater than this measure proposes, how can it be termed unsound money now?

While the enactment of the Gold Reserve Act of 1934 constituted a step in improving our financial and monetary system and laid the foundation upon which we are building a currency system that will be both sound and adequate, we should not neglect the value of silver and its increased use in improving our monetary system. Silver is a valuable component of any monetary system; and with a proper proportion of silver in our monetary stocks, we may look to a coordinated use of that silver to check the fluctuation in the purchasing power of the dollar.

This bill authorizes the purchase of silver and the issuance of silver certificates to an amount paid for such silver. A limitation is placed on the price to be paid for silver situated in the United States on May 1, 1934, at not to exceed 50 cents an ounce.

The administration and your committee were unwilling to permit a limited few to take advantage of legislative governmental action to enrich themselves at the expense of the Nation and the public welfare; and in addition to placing a limit on the price that the Government could pay for such silver now in the hands of speculators, an additional provision is incorporated in the bill levying a 50-percent tax on the profits derived by such speculators. These two safeguards are contained in the bill to thwart the avarice and the greed of those who, foreseeing the logical and necessary steps required to bring about further recovery and a more sound and substantial monetary system, sought to take advantage of the Nation. Without such provisions, the policy of equitably reimbursing the Government for the increase which its action will ultimately bring to the price of silver could easily be obstructed. Hoarders of silver are thus allowed only a profit that might reasonably be expected from investments made for industrial uses.

Prior to the enactment of the Emergency Banking Act, banks were closing daily, impounding the life savings of our people. Banks were failing at such an alarming rate that drastic measures were necessary to prevent utter economic ruin.

Bank failures

Year	National	State	Total
1928	57	442	499
1929	64	595	659
1930	161	1,191	1,352
1931	409	1,885	2,294
1932	276	1,180	1,456
1933	66	396	462

The figures for 1933 are only up to and including March 4, at which time President Roosevelt declared the national banking holiday, which more than any other act brought about a restoration of confidence to our people and dissipated their fears as to the future. The action of President Roosevelt in declaring a national banking holiday inaugurated the new-deal program of recovery and demonstrated to the country the character of leadership so sorely needed to bring order out of chaos. During 1934 there have been no national bank failures, and since the enactment of the Bank Deposit Guaranty Act, under the able leadership of the distinguished Chairman of the Banking and Currency Committee, Mr. STEAGALL, of Alabama, no bank, National or State, operating under the terms of that measure have suspended. From January 1, 1934, up to March 5, 1934, deposits in national banks alone have increased $1,200,000,000.

Such is the picture and condition our financial institutions have achieved under the Emergency Banking Act, the Gold Reserve Act of 1934, and the Bank Deposit Guaranty Act. Not only have our domestic affairs improved but our foreign trade has likewise shown improvement since the enactment of the Gold Reserve Act, and the devaluation of the gold dollar.

These laws were designed to give the Government control over its money in the interests of all the people. We have seen the beneficent results of these policies and the increased value of commodity prices and the restoration of a measure of prosperity in our country and their stimulus to foreign trade.

This bill can be termed a companion measure to that relating to gold, having the same objective and working through the same machinery for the common good of our people as a whole, and should receive the unanimous approval of the Membership of this House.

The courageous and outstanding achievements of the President of the United States since his inauguration in dealing with all major problems so essential to the restoration of this country from the blight and devastated condition in which he found it give ample assurance to the people that this legislation rests upon a sound financial basis; that it will be enforced and administered in such manner as to neither shock nor disturb any legitimate business industry, but, on the other hand, will further stimulate and accentuate the essential forces of recovery, and I predict that as a result of this legislation agriculture, industry, labor, and every legitimate business, occupation, calling, or profession will be the beneficiaries of its wholesome effects. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That the short title of this act shall be the "Silver Purchase Act of 1934."

Mr. McFADDEN. Mr. Chairman, I move to strike out in line 3 the word "silver."

Mr. Chairman, I do that for the purpose of thanking the Chairman of the Ways and Means Committee for his splendid explanation of this technical bill and to also make some further observations in regard to what appears in the hearings in connection with the list of hoarders of silver, beginning on page 169 and going through the hearings to the end of those disclosures.

The particular thing that attracts my attention in this connection is that in the list of hoarders of silver, storers of silver, and purchasers of silver appears the Bank of Manhattan Co., of New York, N.Y., H. Hentz & Co., of New York and London, and the Chase Bank of New York and its affiliates.

The Bank of Manhattan has for its president James P. Warburg, a close associate and adviser of the President and the Treasury during this period of the advancement in price of silver. They are the largest holders and purchasers of silver for speculation and, from a hurried examination that I have made, their customers were advised and did purchase a great amount of silver as a speculation, apparently on inside information.

The firm of H. Hentz & Co., of New York and London, is controlled by Bernard M. Baruch, who has been cited as the unofficial President of the United States, a close adviser of the administration, and one of the large political contributors to the President's last campaign.

The Chase National Bank seems likewise to be one of the names that is more frequently seen than any other on these different pages. They, too, are very closely allied and in the confidence of the President and the Treasury and this administration. They seem to be among the largest ones that have purchased and advised their clients to purchase, and are apparently the largest holders of silver at this time in this list.

Mr. Chairman, I submit that these are pertinent facts in connection with this silver matter. These houses have not only represented their own interests and the interest of their customers in America, but the list discloses that they were agents for large purchases for foreigners in the speculation which has taken place in silver. I submit this administration is vitally interested, as are its friends, in seeing that the price of silver is stabilized and it is interested in seeing that the price goes up.

Mr. DOUGHTON. Will the gentleman yield?

Mr. McFADDEN. I yield to the gentleman from North Carolina.

Mr. DOUGHTON. I thank the gentleman for his fine sarcasm in respect to my explanation of the bill. If he will explain one or two things to me, I will thank him again. May I ask him why he wanted to impeach the last President and still nothing that this President does suits him? If he will answer that question, I will thank him again.

[Here the gavel fell.]

Mr. GLOVER. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I am proud of the opportunity that I will have this evening to cast my vote for the passage of this measure. We have heard some discussion from the Republican side of the House today claiming that this is such a new issue that with only 8 days' study they are not prepared to vote on the question. There is not an intelligent reader in the United States who has not been reading the discussion that has been carried on by the Congress and the press ever since silver money was demonetized in 1873. This is not a new issue. We are now coming back to a sane, sensible proposition of handling our money, and may I say to you that it is my contention now, and has been for a long time, that the real trouble with this Nation is the fact that we have been living on a single gold standard of money, where it has been concentrated in the hands of a few individuals, where they could manipulate the markets and bring on a depression whenever they wanted to, and which they did the last time for the purpose of further carrying on the making of money for themselves.

About 500 people in the United States have owned and own now around 90 percent of the money wealth of this Nation. They are the ones that brought on the depression. They are the ones that wrecked the Republican Party. I introduced a bill in this Congress 3 years ago to do practically the same thing which is sought to be accomplished by this bill, namely, to return to the double standard of money, both gold and silver, through the issuance of $2,000,000,000 worth of silver money. That was in your administration and under your President who was fighting for a high tariff and a gold standard. That is what he ran on and he received fewer electoral votes than any man that ever ran for the Presidency of the United States.

I think we need a double standard of money, both gold and silver. Our Constitution provides for this. We are not returning to a new policy today. We are just simply returning to the Constitution, which some of you claim to love so much, but when you get back to it you begin to squirm.

I was surprised at the gentleman from Massachusetts [Mr. TREADWAY] and his speech. Nobody could have told from his speech which side of the question he was on. I doubt whether he knows himself. This will silence the newspapers that have been working for a gold standard from talking about fiat money.

When you get gold and silver back of money as a base you have something then that will stop this cry; and not only this, you have a base for a currency in the United States whereby you can always expand our currency in accordance with the needs of the people.

You can no more carry on business and have it prosperous without money than a human being can live without blood coursing throughout the body. We must have more currency. You have only about $11,000,000,000 of gold in the world. You have not enough gold in the world upon which to predicate sufficient money even for the United States, let alone the entire world. It is silly to think about carrying on the business of the world on a gold standard with the limited amount of gold available. I am pleased we are off it, and I hope we will forever stay off it as a single standard.

[Here the gavel fell.]

Mr. GLOVER. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. GLOVER. Mr. Chairman, I want to say to the gentlemen of this House that when you return to this standard of money you are restoring help to agriculture in this country as you cannot in any other way. Agriculture has been crucified on a cross of gold at an altar of shame in this country, and you know it. Agricultural products went down and down and down to nothing on a single gold standard. If you had had a double standard of money, you never would have had a panic such as was never known before; a panic which wrecked the party over on the other side.

I was glad to see a revaluation of gold. This was a step in the right direction. Gold became entirely too high. It got so high that it took about $2 worth of labor to purchase $1 of it, and this is what wrecked labor in this country and is what wrecked the entire fabric of our Government. Money has to be regulated, and the revaluation of it resulted in the raising of commodity prices which had been swinging in an unequal balance of justice.

The only objection I have to this bill is that it does not go quite far enough. I should like to see the two moneys of our country tied together and have it on a 50–50 basis. I am a firm believer in the fact that the thing this country needs now most of all is an enlargement of the currency that goes into circulation. You have fewer dollars of money in actual circulation today than you have ever had before in this country, and this is what is the matter with the country. You cannot carry on business without money.

This bill authorizes an increase in currency and we will have more money under this measure.

If I were President of the United States today, with the authority given to him, I would issue enough of it to meet the

needs of the people. We have now in the Treasury and Federal Reserve banks nearly $8,000,000,000 of gold, on which he could issue $15,000,000,000 of money and have a 40 percent gold reserve, the very thing you have been contending is all that is necessary under the gold standard. This is what we need and this is what we would have if we called in some of these interest-bearing bonds and paid them off and put the money into circulation. This country would then go on to prosperity.

During the last administration I heard the speeches over the radio of your President on many occasions and the boast of it all was that he had kept you on a high tariff and on the gold standard—the two things that absolutely wrecked his administration. If he had been off of that and on a progressive platform, he would have been much better off when the electoral votes were counted.

Oh, you talk over there about a brainstorm. There has been so much intelligence put into legislation in this House in the last 2 years that you think it is a brainstorm, when the truth of the matter is that not enough brains were used during the 4 years before and brains are being used now and you see the contrast and for this reason you think it is a brainstorm. [Applause.]

Mr. LAMNECK. Mr. Chairman, I move to strike out the last word. I ask unanimous consent to revise and extend my remarks in the RECORD and to include therein certain correspondence and statements in connection with this matter.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. LAMNECK. Mr. Chairman, ladies and gentlemen of the Committee, I have been giving consideration to the money question for a great many years, especially since I have been a Member of this House. Before I discuss the provisions of the bill, I want to call your attention to the methods we are using in the House of Representatives in passing legislation. I want to refer to the gold bill, the most important piece of legislation, in my judgment, that this Congress or any other Congress ever had to deal with. It will mean more to the future of our country than any other legislation which has been before Congress since I have been a Member.

When that bill was prepared and presented to the House a report was written by someone—I do not know whom, and I do not know who wrote the bill. The question was asked, "Who wrote the bill?", but this question has never been answered.

That committee's report was prepared by the Chairman of the Coinage, Weights, and Measures Committee or by someone else before the committee had ever seen the bill or before any hearings were held, and this report was voted out before 11 o'clock on the first day of hearings and before a single witness was consulted.

If that is the right way to pass legislation, I cannot agree to it.

I claim that proper consideration was not given to that very important bill, nor is proper consideration being given to the bill now before the House, notwithstanding the statement of the chairman of the committee. This bill will mean depression or prosperity. It is reported out by a committee that has no jurisdiction of the monetary question, and the only way jurisdiction was given the committee was because it put in a tax provision which was what gave it jurisdiction. This bill should have gone to the Committee on Coinage, Weights, and Measures, the members of which have made a study of this question and who have become informed especially about it.

I am opposed to methods of legislation that takes the right to legislate away from authorized representatives of the people, especially when we do not know and cannot find out who the authors of these bills are, and if we continue these methods we are going to destroy this form of government just as sure as you are sitting in the chairs you are occupying. [Applause.]

You know and I know that the prosperity of the people depends on the stability of gold and commodity values.

I am opposed to this bill because it does not take advantage of our great opportunity. It does not set up the principle of monetary control. It does not break the corner on gold. I want someone to explain how this breaks the corner on gold—I want an explanation from some advocate of the bill.

We are told that this makes silver a basic money. I cannot see it. It is a repetition of a form of silver money that has failed. It is another piece of legislation that ought to be defeated. [Applause.]

The bill does not restore the value of basic money in the world that was so destroyed by the action of Great Britain in 1929. It does not take from the international bankers the power to control our money and say whether we shall have prosperity or depression. I will tell you what it does do. It sets up a silver monetary bill without a monetary principle and without monetary control. Why do we leave out of this bill the principle of our control of money values? Why?

[Here the gavel fell.]

Mr. LAMNECK. Mr. Chairman, I ask unanimous consent for 2 minutes more.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. LAMNECK. Mr. Chairman, in this bill there is a provision which, we are told, is mandatory, which says that we shall have 75-percent gold and 25-percent silver. Let us see if this provision is mandatory. On page 2 it provides that no purchase shall be made hereunder "at a price in excess of the monetary value thereof"; and if next Monday, after the passage of this bill, the silver dollar reached the value of our gold dollar, we could not buy any additional silver at all, because it is forbidden under this part of the bill. I call the attention of this one of the jokers in this deck to those who are interested in silver from the silver-producing States. I do not care a continental about silver as such; but when I can use silver to bring back prosperity and control the purchasing power of gold, I am interested in that, because my constituents are crying out to me for relief from intolerable conditions which call for a remedy, and that is what I want to do. This bill will not do that.

Further, it provides that the Secretary of the Treasury can give you any price for your silver that he wants to. He can deduct any amount for seigniorage or other charges that he wants to, and under the bill he could pay you 10 cents an ounce if he wanted to.

(The correspondence and statement referred to above follow.)

FEBRUARY 13, 1933.

Col. LEONARD P. AYRES,
Vice President the Cleveland Trust Co.,
Cleveland, Ohio.

MY DEAR SIR: I received a copy of your comments on money conditions and other subjects.

Money legislation, in my opinion, will be passed in the next Congress, and there is a question whether we are going to accept a sound piece of monetary legislation or whether we are going to permit Congress to pass unsound legislation.

The financial interests in this country should make up their minds that they are going to be compelled to accept some change in the present set-up, and instead of opposing every proposal, good or bad, it seems to me that they should endorse a proposal, if it is good, and oppose others that are not sound. I am enclosing to you, as an expert on finances and money matters, copy of a bill which seems to represent the thought of the conservative element of the House. I would like to have you point out to me the defects in this proposed legislation, if any. In hearings covering 3 or 4 weeks, we have yet to find a single man who has successfully pointed out any unsoundness in this legislation.

I would like very much to have your comments.

Verly truly yours,

A. P. LAMNECK.

THE CLEVELAND TRUST CO.,
Cleveland, February 16, 1933.

Hon. A. P. LAMNECK,
House of Representatives, Washington, D.C.

MY DEAR SIR: I have read with interest and care H.R. 13000, which you courteously sent me with your letter of February 13. The bill has many features fundamentally similar to some of those of the old silver proposals of the nineties and, accordingly, has in my opinion the corresponding defects. There is little to be gained by opening up that old controversy, for the bad

features of bimetallism are recorded in many places and substantially demonstrated by much history.

The new feature of the plan (sec. 9b) seems to be that silver certificates will be redeemed with varying quantities of silver, in accordance with the gold value of silver. The new theory is apparently that the world price of silver in terms of gold can be raised and pegged by the United States Treasury, and that world commodity price levels will move up as the price of silver advances. I think the chief objection to the bill is that neither of these two assumptions appears to be tenable.

The recent and bitter failure of price-fixing schemes has been such as to afford little support for new attempts. Within our recent memories unsuccessful attempts have been made artificially to lift and maintain the prices of rubber, coffee, cotton, wheat, copper, sugar, and other basic commodities. All have failed.

It seems to me that this bill is fundamentally a similar project to lift and sustain the price of a commodity widely entering into world trade, and to do it by artificial means. The price of any commodity can be temporarily lifted by purchasing enough of it. At the present time silver is worth in the international market about 25 cents an ounce and gold about $20 an ounce, so that the ratio is not far from 80 to 1. By freely paying gold to acquire silver the price of the silver can be lifted above the level that the ordinary laws of supply and demand have established for it. This lifting can be accomplished and continued as long as those who hold gold are willing and able to pay it out to those who have silver, and bid prices sufficiently generous to cause the holders of silver to part with it. If this were continued indefinitely, the silver holders would have secured all the gold, and the previous gold holders would have secured a large amount of silver. After that, prices would work back to the levels that might then be established by supply and demand.

Despite all the additional provisions of the bill, the fundamental nature of the project is simple and of the sort just discussed. Every history of money records a variety of attempts of this nature, and we have experienced several of them in our national history. The outcomes have always been of the simple and straightforward sort that one would expect them to be, and have been along the lines described.

There is an additional question to be considered. The similar movements of silver prices and general commodity prices depend, it seems to me, upon the presence of free markets, including that for silver. That this similarity in movement would persist under conditions in which silver prices were artificially influenced could, I believe, be seriously questioned.

Sincerely yours,

LEONARD P. AYRES.

FEBRUARY 22, 1933.

Col. LEONARD P. AYRES,
Vice President the Cleveland Trust Co., Cleveland, Ohio.

MY DEAR SIR: I have read with interest your letter of February 16.

This matter refers to the most vital issue that could possibly confront our Nation, because it affects the solvency of our financial institutions.

Our obligations exceed our ability to pay by a very wide margin. The confidence element is crumbling, and many of the conservative Members of Congress are much concerned that a sound proposal shall be put before Congress to restore confidence.

I regret that your letter of February 16 has given a hasty rather than a studious consideration of the bill that I enclosed. This bill does not open up the old controversy of bimetallism; on the contrary, it maintains the single gold standard.

The bitter failures of price-fixing schemes have resulted quite naturally from a failure to recognize that man cannot alter economic law. I regret that you did not so scrutinize this bill as to see that, so far from being an effort to alter economic law, the plan proposed operates in conformity with economic law.

Instead of attempting to artificially fix the price, the bill sets up a new use and permits an increased demand for silver, and, operating under the law of supply and demand, gives a control which can be then used by the Government of the United States to control by natural processes a market that has been knocked down by artificial manipulation. You will note that a free market for both silver and gold is preserved under this bill.

It is greatly to be hoped that the Congress of the United States can have the earnest support and assistance of such men as yourself in this critical situation, and I therefore invite your attention back to this bill (H.R. 13000) so that you may see its aim is to accomplish exactly the opposite of what you have inferred in your previous reading, and as set forth in your letter of February 16. Please observe that this bill aims to maintain the gold standard as a standard, and remedies the defects of the gold standard, due to the expansion of the value of gold, as a result of the scramble for gold reserves by the leading nations.

If we can relieve gold from this extraordinary demand that under the law of supply and demand has expanded its value to a point that has destroyed the profits from productive industry in the United States, which is killing the goose that lays the golden egg for this country, and at the same time breaking down our credit structure, we are salvaging the gold standard, preserving the capitalistic system, reinstating gold as an honest measure of value, and putting our Nation in a position to go forward on a gold-standard basis.

Neglect this break-down in gold, which relates entirely to gold as a reserve, and not to gold as a standard, and you are without a remedy in this situation. What Congress wishes to do, and what the purpose of this bill is, is to maintain gold as a standard of measure to preserve its dependability, and protect its integrity, so that we will not have a complete break-down of the capitalistic system.

Are you opposed to the accomplishment of these objectives? If not, you will be interested in working with us to evolve some measure that will result in placing some commodity in competition with gold in our reserves and yet maintain gold as a standard of measure.

The break-down in gold has come since the war, as a result of an extraordinary demand for gold for the purpose of reserves. We must have values in our reserves to support our credit structure. These values should be measured by a fixed standard of measure, which with us must be the gold standard; but you entirely relieve the strain upon your reserves if you will put silver in reserve to the extent that meets this requirement.

You do not monetize silver by this process. You merely monetize your reserves, and you furthermore maintain the gold standard for measuring the value of your reserves. Can you see any objection to this method of salvaging the gold standard?

Very truly yours,

A. P. LAMNECK.

P.S.—Please read the article in the National Sphere for the month of March, by Mr. John Janney, chairman of the executive board of American Society of Practical Economists.

FEBRUARY 25, 1933.

Hon. FRANKLIN D. ROOSEVELT,
Hyde Park, New York:

Ohio Democrats in House of Representatives at formal meeting, all present except one, have unanimously requested that you give an interview to committee of three for discussion of matter of major importance. Time is critically urgent. This relates to matter vital to success of your administration. We would not annoy you at this critical time in your affairs but we deem it absolutely necessary and as affecting the most vital policy of your administration as to matters that are now at focus and cannot be postponed, and touches a matter as to which, we believe, you have been inadequately advised. Patronage is not involved and will not be discussed. A direct interview is necessary. When may we have the privilege of meeting you?

ARTHUR P. LAMNECK, M.C.

HOUSE OF REPRESENTATIVES,
Washington, D.C., May 24, 1933.

Hon. FRANKLIN D. ROOSEVELT,
President of the United States,
The White House, Washington, D.C.

DEAR MR. PRESIDENT: Enclosed is a memorandum submitted in accordance with the request that you made at the interview yesterday, May 23, 1933, between Representative FIESINGER, of the Thirteenth Ohio District, Mr. John Janney, our economic adviser, and myself.

If it meets your pleasure, we should be very glad to have a further interview, as you suggested might be desirable, for the purpose of full explanation and clarification of this extremely important matter.

Sincerely yours,

ARTHUR P. LAMNECK, M.C.

MEMORANDUM—AMERICAN PLAN FOR THE CONTROL OF GOLD VALUES

The question is whether the United States acting alone can exercise a controlling influence on the purchasing power of gold in world markets.

We know that England acting alone had an effect upon gold values by demonetizing silver in 1819–21. We know that the individual action of Germany, France, and the Latin Union and America in demonetizing silver had a definite effect upon increasing the value of gold. The question is, Can one nation reverse this movement and lessen the value of gold by a process tending to break the monopoly of gold in its monetary use by expanding the use of silver in its competition with gold?

The answer to this question is: *No;* one nation acting alone cannot do this if you contemplate a use which requires a definite fixed value of silver in terms of gold. No nation acting alone can prevent those fine variations of value between gold and silver, which are sufficient in the case of coin money, to upset their parity and have the effect of driving out the greater-value coins and keeping the lesser-value coins.

This discussion, therefore, abandons any thought of coin silver or giving any value to silver by legislation. It presents an entirely new picture of silver as money in the United States, though it uses an old and well-accepted formula in the money systems of the world.

Let us see, first, if the United States acting alone can purchase and place in its monetary reserves 100,000,000 ounces of silver and devise such a monetary use for this deposit as will not result in driving out gold; which is to say, demonetizing gold.

Let us propose that this 100,000,000 ounces of silver is placed in the Treasury of the United States against a certificate exactly the equivalent of the gold certificate. That is to say, there is issued against this deposit a legal-tender certificate agreeing to pay to bearer on demand its face value in silver bullion. This value being expressed in American dollars is a gold-equivalent value.

No one can say that the United States has not the power to buy this much silver and place it to this use.

What we have done here is to start a process that represents a force in the money systems of the world, just as when the use of silver in the monetary world was diminished by the demonetization of silver in certain countries, only the force is, of course, not in the same, but in the opposite direction.

Now, then, can we deny that the United States has the power to purchase 200,000,000 ounces or 500,000,000 ounces of silver to be placed to this use? The question is, What will be the effect of the purchase of, say, 500,000,000 ounces of silver? It must be noted here that there are two things that have been accomplished. The purchase of this much silver is one thing, but putting it to a definite monetary use is a second and very much more important thing. To buy this much silver and adapt it to some use that might imply a future sale of the silver would be like the purchase of wheat by the Farm Board. A definite monetary use is a necessary part of any plan to expand the area of influence of silver in the monetary system.

If the United States of America does not undertake to purchase a given quantity of silver, and especially if the United States is careful not to attempt to place silver to a higher price than is easily within its power to maintain by this process of purchase, it is impossible to deny either that the Nation can do this thing alone or that the accomplishment of this will have an important bearing upon gold values in the markets of the world.

It may be urged that a flood of silver will be forced upon the United States by increased mine production or that the hoards of silver in Asia will be loosed upon the markets of the world. These two pictures must both be taken into consideration. If the United States is offering to buy this silver at a price that is high enough to bring out all this silver, it merely means that the price offered is too high.

The plan contemplated, therefore, must protect this phase of the question by reserving to the United States control in the matter of price which it offers for this silver. If the silver flood begins to pour, we must lower the price we offer. If the flood does not pour, we are privileged to continue to increase the price until we arrive at the desired level between gold and commodities.

As we continue to buy silver and place it in our reserves for the use stated, and as we thereby gradually raise the price of silver in the world, we are increasing the total value of the monetary wealth of the world to exactly that extent that we increase the value of silver in the world.

If under this plan the United States can add $3,000,000,000 to the value of silver in the world, which, let us say, is a value that has been destroyed by the recent action of England, it is reasonable that we will neutralize the effects of that action. But it is entirely within the power of the United States to continue to purchase silver should it develop to be necessary, until the value of the silver in the world can be increased $6,000,000,000, and to this extent reduce the value of gold. By continuing the process we can place gold at a value to reinstate the 1926 price level and hold it there.

Let us examine this question from the standpoint of a flood of silver. Let us assume that we will have a flood of silver. In this case, by keeping the price low the United States can add, by absorbing this flood of silver, to its monetary reserves a large volume of silver at a low value, and as we do this we will develop a desire on the part of other nations to gain for them the advantage of a monetary reserve by like process, provided these nations are situated as we are in reference to the price level. In other words, Brazil, Argentina, and other producing nations whose banks of issue are depleted of reserve, can see the advantage of buying low-priced silver, which inevitably must be facing a continual rising market as it is being purchased for this new use. In the event of a flood of silver the monetary system of the United States will be benefited by a large additional increment of silver in reserve to bolster up its debt structure and its monetary system.

If, on the other hand, the flood of silver does not come, by the purchase of a small amount of silver the United States adds value to the silver hoards distributed throughout the world, so that this monetary wealth will continue to spread in area until gold is restored to normal values.

We therefore must devise a plan which is equally adapted to the flood of silver which may come or to the contingency that a limited amount of silver only can be purchased within the price limits.

Having a plan that is adapted to these two extremes, we can now consider the probabilities of increased production of silver from the mines and the releasing of hoards of silver from Asia.

The charts will show that in all periods of stable silver values and increasing silver values, the balance of exports over imports of silver from Asia has been in favor of increasing imports. That is to say, Asia imports more silver under high prices and stable values, because silver gives a more desirable storage for wealth, and this demand for silver diminishes under low values of silver for the reverse reason. Charts have been compiled and are available to illustrate this. So, as to the hoards of silver in Asia, we cannot expect them to be available to us for the increase of our monetary reserves upon an increased price; but if for any reason they are rendered available and are let loose as a flood upon us, we will be benefited by this flood under this plan, as we are able to buy at lower prices and we can digest this silver by placing it to beneficial use as a care for the inflated debt structure, just as if that much additional value in gold had been produced from our mines or acquired in commerce.

Now, as to the increased production of the mines, we submit figures to show the production of silver in the world since 1873. During these years there have been various periods of rise and fall of the price of silver. It is significant that during periods of high prices of silver, such as existed during the World War, it became necessary for England to call upon the United States to give them the use of its silver reserves to meet the demand of silver from Asia.

Why did not these nations yield up their silver hoards at these high prices? Also, we note that during the period of 1920–21, when the United States was purchasing silver at $1 per ounce, the total world production was, roughly, 175 million ounces, whereas in 1927–29, when the price of silver was 65 cents an ounce, the annual production was around 250 million ounces.

The higher production of silver at lower prices is due, of course, to the fact that a ton of copper or a ton of lead would have to be produced from most of the silver mines of the world in order to produce a few pounds of silver. Since most of the silver is a byproduct from other metals, the law of supply and demand determining the production of these other metals will limit the production of silver by a rigid prohibition as to its excess production. Over 80 percent of the world's silver comes as a byproduct from such mines.

But there must be in any program a freedom to admit of possibilities. We must admit that the production of silver will increase and provide for taking care of that increase. The average production of silver over a period of 57 years has been 13.6 ounces of silver to 1 ounce of gold. Suppose the amount of silver produced in the world is doubled for the next 10 years over its present production. This is an extravagant assumption, but even that will be adding only 1,500,000,000 ounces of silver in 10 years, over the present rate of production, and would add only about 500,000,000 ounces in 10 years over the average rate of production in recent years.

But let us assume that over a period of 10 years twice this amount, or 1,000,000 ounces, of silver will be added to the normal production. What would be the effect of this additional increment to the 9,000,000,000 ounces already produced during the last 57 years? It would be one-ninth of the total production for these years, and would vary the ratio from 13.6 to 1 to approximately 15 to 1.

Under the plan proposed, not only could such an increased production of silver be absorbed, even if the United States were acting alone, but a much greater increase of production than this could be absorbed. No one familiar with the statistical position of silver or with the possibilities of increased production would claim that such an increased production would be probable or even possible.

Returning to the possibility of the United States acting alone: By purchasing 500,000,000 ounces of silver for this use we would offset the extraordinary amounts thrown on the market during recent years, sold through the Bank of India, through the melting out of European coins and from other sources. Having reinstated the supply and demand balance of silver by this purchase, if the United States were to purchase 50,000,000, or, at most, 100,000,000 ounces per year to add to its silver reserve, we could easily absorb any possible increased production. The only question would be: Do we so increase the monetary wealth as to create a disproportion between monetary wealth and circulating debts?

In view of the problem in the world of handling the continually increasing debt structure, this objection becomes a blessing and offers a means of escape rather than a burden for the United States, and opens a hope to the rest of the world for some relief from its burden of debts by providing for a more normal ratio between circulating wealth and circulating debts.

And it must not be lost sight of that all the time the United States Government is in control of the amount of silver placed in reserve, so long as it is in control of the price at which the silver is purchased; and the silver should not be purchased except to such an extent as restores the normal gold value—except that after restoring normal gold values the additional increment can be added to the monetary wealth of the world to enable a reduction of debts to the point that makes these debts a bearable burden to society. Only in this way do we effectually remove the risk of a break-down of society as a result of the continual pyramiding and mounting of its debts.

If the United States of America, acting alone, can buy 1 ounce of silver, it can buy 1,000,000,000 ounces of silver for such use as above stated. The question is, Where would 1,000,000,000 ounces of silver come from, and what would the purchase of this much silver do to gold values? It is much more easy to see that the purchase of 1,000,000,000 ounces of silver would be impossible without placing gold values below the scale of 100 on the commodity price level, than to visualize additional offerings of silver after this much had been acquired. But under the plan proposed, if additional offerings of silver do come, it is beneficial rather than a burden, because no fixed ratio is contemplated and no fixed value of silver is required, and a limit of value of the silver it will buy is within the control of the Government of the United States.

In other words, the picture is entirely different from any monetary picture that uses silver which has heretofore been presented by the American Government, and it employs the same formula, by restoring the area of silver monetary uses, which England has employed by reducing the area of silver in its monetary uses. It keeps under control the power factor so completely and so effectively that it is impossible to see anything that any other nation can do to upset or that would interfere with this control.

It is a very different thing from dealings in exchange where the nations with whom we deal have the power to dominate the

supply and demand of these exchanges. It is a matter of dominating the demand for a commodity of very limited production. With the limited world stocks that are in existence and the even more limited world stocks that are available for purchase, this plan presents a completely new picture of America in its relation to world money. It cannot be visualized by the mind that has not first thrown out of consideration all of the rules and all of the usually accepted formulae that have to do with a money system with two metals coined with a given content, so that a parity must be maintained between the metals in order to assure a sound monetary system.

The above is a memorandum requested by the President in interview May 23, 1933.

ARTHUR P. LAMNECK,
Representative from Twelfth District of Ohio.
WILLIAM L. FIESINGER,
Representative from Thirteenth District of Ohio.
JOHN JANNEY,
Their Economic Adviser.

World production of gold and silver since 1873 in fine ounces, showing also ratio in production of gold and silver

Calendar year	Gold	Silver	Ratio
1873	4,653,000	63,276,000	13.6
1874	4,390,000	55,300,000	12.6
1875	4,716,000	62,261,000	13.2
1876	5,016,000	67,753,000	13.5
1877	5,512,000	62,679,000	11.4
1878	5,761,000	73,385,000	12.7
1879	5,262,000	74,383,000	14.1
1880	5,148,000	74,795,000	14.5
1881	4,983,000	79,020,000	15.9
1882	4,934,000	86,472,000	17.5
1883	4,614,000	89,175,000	19.3
1884	4,921,000	81,567,000	16.6
1885	5,245,000	81,609,000	17.5
1886	5,135,000	93,297,000	18.2
1887	5,116,000	96,123,000	18.8
1888	5,330,000	108,827,000	20.4
1889	5,973,000	120,213,000	20.1
1890	5,749,000	126,095,000	21.9
1891	6,320,000	137,170,000	21.7
1892	7,094,000	153,151,000	21.6
1893	7,618,000	165,472,000	21.7
1894	8,764,000	164,610,000	18.8
1895	9,615,000	167,500,000	17.4
1896	9,783,000	157,061,000	16.1
1897	11,420,000	160,421,000	14.0
1898	13,877,000	169,055,000	12.2
1899	14,837,000	168,337,000	11.3
1900	12,315,000	173,591,000	14.1
1901	12,625,000	173,011,000	13.7
1902	14,354,000	162,763,000	11.3
1903	15,852,000	167,689,000	10.6
1904	16,804,000	164,195,000	9.8
1905	18,398,000	172,317,000	9.4
1906	19,471,000	165,054,000	8.5
1907	19,977,000	184,336,000	9.2
1908	21,422,000	205,131,000	9.5
1909	21,965,000	212,149,000	9.7
1910	22,022,000	221,715,000	10.1
1911	22,397,000	226,102,000	10.1
1912	22,605,000	230,904,000	10.2
1913	22,254,000	210,013,000	9.4
1914	21,301,000	172,293,000	8.1
1915	22,737,000	173,000,000	7.6
1916	22,031,000	180,801,000	8.2
1917	20,345,000	186,126,000	9.1
1918	18,614,000	203,159,000	10.9
1919	17,098,000	179,849,000	10.2
1920	16,130,000	173,296,000	10.7
1921	15,974,000	171,385,000	10.7
1922	15,451,000	209,815,000	10.9
1923	17,790,000	246,009,000	13.9
1924	19,031,000	239,484,000	12.6
1925	19,625,000	240,213,000	12.9
1926	19,349,000	253,795,000	13.1
1927	19,431,000	253,961,000	13.1
1928	19,755,000	257,925,000	13.1
1929	19,496,000	261,715,000	13.4
Total	748,427,000	9,023,669,000	773.6

57 years (average), 13.6.

MAY 26, 1934.

Hon. FRANKLIN D. ROOSEVELT,
President of the United States,
the White House.

MY DEAR MR. PRESIDENT: I have just read the remarks of Senator KEY PITTMAN in the CONGRESSIONAL RECORD of May 22, 1934, on page 9216, in which he says:

"I am authorized, on behalf of the President, to whom I talked over the telephone, to make these changes, and also to state that, at the time the question was raised by the Senator from Oklahoma [Mr. THOMAS], that the bill did not make silver primary money; the President expressed his ignorance of what the words 'primary money' meant."

I agree with Senator THOMAS that your bill does not make silver a primary money. How can you, in view of your reported statement, take the responsibility of substituting for the bill, which has been proposed by the authorized committee of the House of Representatives, a different bill proposed by your advisers who have no responsibility under the Constitution for enacting legislation of this kind—especially when silver must be made basic money to defend America in its present critical situation.

The Members of the House, as you will recall, have been since February 1933 trying to inform you and other members of your Cabinet, including the Secretary of the Treasury, on the kind of monetary legislation which would make silver primary money under American control and without international complications.

I repeat now what the Ohio delegation, in a telegram to you on February 23, 1933, said, before you took the oath of office. In that telegram they asked the privilege of an interview with you to discuss legislation we were proposing of vital importance to the success of your administration. Had that legislation been investigated impartially and passed by the Congress of the United States we would now be out of the depression.

The silver program proposed in Senate 3658 is a piece of legislation without definite policy as to prosperity or depression in our price levels. It will not produce the results America wants and will be certain to continue the depression for some time to come, and, in my humble opinion, will absolutely wreck the Democratic Party.

Through the proper monetary legislation lies your only way out. The only proposals that could be at all considered as an American program, favorable to the American people, that has been introduced in the Congress are the Wheeler amendment to the gold bill in the Senate and the Fiesinger bill in the House of Representatives, and neither of these measures were advanced or approved by your advisers, though they both make silver legal tender for its accepted value, which is what makes it basic money. Their suggested legislation has been against American interests.

Silver must be used as a defensive weapon to control the value of the commodity—gold, which measures in world markets property and commodity values. Silver must be used to break and control the corner on gold. Therefore it must be made a primary money, and it must be under control of America, freed from international restraint. All of this could be made clear if the Rules Committee would permit the debate in the House on this important subject.

Certificates issued against the silver bullion in the Treasury and made legal tender would make silver the metal of ultimate redemption, and if measured out in gold equivalent values would keep these certificates at all time on a parity with other gold moneys.

Silver should be taken into the Treasury at the world market price. The limit on quantity and price could be set when we reach the 1926 price level. However, according to the proposed bill, you fix limitations which will prevent both the control and the reservation of prosperity and price levels that will bring prosperity. You fix limitations which tie your hands so that you will have a price level that will never restore prosperity to this country and will continue to permit the international bankers and foreign countries to regulate our money values and to say whether America should have prosperity or depression.

The House measure, embodied in the Fiesinger bill, is the legislation we should have. No expert in the service of the Government or outside of the Government has produced any arguments that I have seen or heard to prove that it would not restore the price level and break the corner on gold, which are the two objectives that we must attain.

I am a member of your party, would make any sacrifice within my power to restore normal conditions, but when we face adjournment with such a money proposal as introduced by Senator PITTMAN I can see nothing but darkness and disaster to our party and country.

I am writing this letter in all sincerity for your interest and simply to try to influence you some way to make a very detailed examination of the legislation that you are advocating in comparison with the legislation which we wish to have fair discussion in Congress and which you and your advisers seem to be opposing.

Assuring you of my loyal support and best wishes, I am,

Respectfully yours,

A. P. LAMNECK, M.C.

WILLARD HOTEL,
Washington, D.C., December 23, 1933.

Hon. FRANKLIN D. ROOSEVELT,
President of the United States,
White House, Washington, D.C.

MY DEAR MR. PRESIDENT: The interview between Dr. Sprague and the writer, which occurred on October 5, and which was referred to by the Speaker of the House in his speech in New York and as noted in the newspapers of day before yesterday, emphasizes the importance of my immediately writing to you as to what I believe to be a conspiracy against the United States. I will refer also to recent interview with Dr. Warren and Professor Rogers, which followed from my visit to the White House, in response to letter I received from your secretary, Mr. McIntyre, requesting that I interview these gentlemen. I feel it my duty to report to you that in all of these interviews I found a startling absence of fundamental thinking, so far as the interest of the United States is concerned. I found a subtle completeness of thought processes, so far as protecting the interest of Europe is concerned. I further found an absence of comprehension as to the difference in the interests of Europe and the United States.

I attribute this advocacy of Europe and betrayal of American interest to orthodoxy or teaching and not to a deliberate effort to betray our country.

I do not know why your secretary wrote me to interview these men, nor why Secretary Woodin arranged the interview with Dr.

Sprague, which interview was taken down by a competent reporter and is available in detail for your consideration. I did not request these interviews. On the contrary, in my letter of November 1 to Mr. McIntyre, I gave reasons against the interview proposed by him. I do not understand just what my responsibility is in this important matter. But if these proceedings have any taint of placing responsibility upon me as an economic advisor of certain Members of the House of Representatives or of the committee of the House, who has reported on this question, I feel sure you will pardon me if I wish to fully divest myself of any such responsibility.

A frank statement of my personal views and impressions gained in these conferences would seem to be in order. My view is that you are surrounded by advisers who have honestly absorbed English tutorage on monetary policy.

This is a point of danger, but the greatest danger is something entirely different. I sense a kind of conspiracy among European sources of influence or propaganda to the end that this Nation is being led into a trap. We are all of us being surrounded by this influence.

You, yourself, broke away from it as formulated in one trap, by eleventh-hour action as to the London Conference. How nearly we fell into that trap, you are fully advised. Now, in a little different form, the same trap is set again and you must be equally diligent. I feel it in line with my duty in the above situation to make to you a formal report and record as follows:

These interviews, so far as they were permitted to progress, show that these three men, Dr. Sprague, Dr. Warren, and Professor Rogers, are all in favor of an economic theory that should be considered favorable to England, France, and other nations in their class, and against the interest of the United States and nations economically situated in its class.

Dr. Sprague was frank in expressing favor of English control of money values and opposed to American control. Professor Warren and Professor Rogers, while not so frank in expressing this view, are in favor of policies that will result by subtleties in English control of world moneys. There is a trap set here where the real truth is not disclosed because it is not superficial and these men seemed to be unwilling to dig into the subsurface and consider the fundamental facts. They are not frank as Dr. Sprague was in avowing favor for English control. They would, in fact, deny it in words, while they advocate it in action—not intentionally, of course.

I do not need, Mr. President, to tell you that I have complete confidence in you in every respect; your loyal advocacy of the interests of the United States; your intelligent grasp of this question; your earnest effort to serve the people. These need no eulogy from me, but as President Washington was misled in his advocacy of the Jay Treaty, which relinquished our right to the freedom of the seas, as President Grant was misled in his approval of the monetary law of 1873, so it is possible for you to be misled, unless you consider the two sides of this monetary question and share with Congress this responsibility by permitting full and free debate upon this question.

I will state briefly and somewhat roughly these two opposing principles:

AMERICAN INTEREST

If you will study a proposal to increase the gold content of the dollar 25 percent, or to about 28 grains of gold, and then lower the purchasing power (as expressed in world commodities) of gold to the 1926 price level for this new dollar you are thereby increasing the purchasing power of the products of American resources in terms of world trade to an extent that will insure American prosperity. This would be decreasing the purchasing power of the ounce of gold to approximately 50 percent of its present purchasing power. It would give the 1926 price level to the dollar and a still higher price level to our commodities in terms of world trade.

EUROPEAN INTEREST

If you decrease the gold content of the dollar 50 percent you lower the purchasing power of the dollar but leave the purchasing power of commodity gold uncorrected. Then you advance European interest and defeat permanently American interest. (By purchasing power I mean in terms of world trade and not in terms of dollars or other currencies.) It can be undeniably shown that this plan does not give to America control of the value of her commodities in world trade. It does not give to America control of the purchasing power of gold, but you do sacrifice permanently the great opportunity now available to you. If you do not change the gold content of the dollar you can control the value of gold and also the value of the dollar. If you increase the gold content you strengthen the American position. But if you decrease the gold content you will thereby decrease the purchasing power of American resources to a degree that will insure great prosperity for the nonproducing nations of Europe and saddle this country with a lengthy period of depression. And that is not all, you will permanently place this country in a position where it cannot exercise the power now available to control gold values as a commodity, which means the purchasing power of our products in world markets.

THE TWO PLANS CONTRASTED

The difference in the two plans is essentially this: In the first, America assumes control of the purchasing power of all gold values in world commerce among gold-standard countries. In the second, we leave this control with Europe and thereby we leave to them the power to manipulate our changed gold dollar hereafter and to manipulate the currencies of the world. Our power to correct our position which we have suffered ever since 1836 is gone. Our position will then become intolerable.

Whoever controls gold values in terms of dollars or francs or other detached currencies, accomplishes nothing other than an adjustment between debtor and creditor. Whoever controls the value of the commodity gold, controls the prosperity of this Nation and the commerce of the world.

The value of world commodities in undefined currencies represents a vital deception that has worked into this discussion. This deception must be cleared before we make a false step based upon it. The stakes are momentous, are ruinous. They represent a disadvantage to this country that will run into billions of dollars per year. This loss we cannot continually endure.

If this disadvantage is fastened upon this country by binding international agreement, such as the Jay Treaty or the Hay-Ponceforte Treaty, it will eventually mean war between the United States and Europe or else the complete servitude of the United States to Europe in monetary policy. America will then be somewhat in the position India now occupies.

Without the freest kind of public discussion and free parliamentary debate, such an arrangement would take the risk of a revolution in this country and the responsibility of determining an issue of such far-reaching consequence is a responsibility that cannot be taken in any other way unless the spirit and intent of our Constitution are ignored.

This whole proceeding in regard to our monetary policy must be taken away from secret discussions of experts and given a full and free airing upon both floors of Congress if there is to be any chance of counteracting European education and European influences which all who understand this subject see clearly to be a potent force in guiding such clouded public opinion as prevails on this subject in America.

Permit me to say that the gold-content clause was not allowed freedom of debate in the House of Representatives at the time it was enacted. It was urged as an expedient to give power to the Government for the purposes of the London Conference. It was in some quarters considered as a delegation of power not to be used unless necessary, without further debate in Congress. The record will show that there was no adequate debate on this question.

Permit me further to say that the entangling agreements with other countries as embodied in the proceedings at the world conferences, secured by Senator PITTMAN, relating to limitations of the action of governments, as to silver, will have the effect of limiting our control in this matter. Otherwise, it can be shown that we have free control. If we engage in entangling alliances with other nations as to the matters of monetary policy proposed in this morning's papers, you will further tie the hands of this Nation without any compensating advantage.

And in conclusion permit me to say that you cannot safely blindly follow these men who are your advisers. At least, you cannot follow them so long as they cannot face a discussion across the table in the presence of responsible Government officials, in the presence of a reporter to make a record of this discussion, and in the presence of Representatives of the Congress who are members of this committee charged with constitutional responsibility in this matter.

Our country is being betrayed by false teaching. This is not my personal view alone. It is the view of almost all of those who with me have studied this question. What I have stated in this letter represent the views of many of our patriotic citizens who find themselves unable to speak to you on this subject. Among them are citizens of this country who perhaps hold a higher constitutional authority and responsibility than even the executives hold on this subject. I refer to a member of the committee of Congress, which under the Constitution has jurisdiction on this subject, which committee, under authority of expressed resolution of Congress (Feb. 3, 1932) has devoted months of study to this subject, and has stated to Congress, in formal report, that we are suffering from "the legislative acts of European countries" (Rept. No. 1320, May 14, 1932). I refer also to a member who in conference with other members of this committee has introduced a bill in Congress (H.R. 1577 of the first session of this Seventy-third Congress) which gives a defensive plan to America and in a way that avoids entangling agreements with other countries.

In my interview with your various advisors I have been shocked to find that these men not only have not studied this proceeding of Congress but apparently they did not know of it. In my conference with Dr. Sprague, I found that the paper which you requested should be submitted on this subject to you on May 24 had never been read by him. On that date you requested Congressman FITZINGER, Congressman LAMNECK, and myself to submit a certain written discussion bearing on this question. This was handed by Congressman LAMNECK to your secretary, Mr. McIntyre. It was submitted by him to Dr. Sprague, and in the conference with Dr. Sprague, in answer to question, it was disclosed that he had never considered the matters contained in this document.

It is with great regret that I feel it necessary to occupy your valuable time with this communication. You will recall I have never before since your election to the Presidency volunteered any communication to you on this subject. There have been many requests that I know of from others or suggestions that I communicate with you on this subject. Until now I have not seen it as my duty to do so.

I now see the possible betrayal of the vital interests of this country, innocently of course, but none the less effectively, unless

these vital matters are given full consideration. Those who pose as advocates of these two respective sides of this question must be heard. You cannot leave the advocacy of the American side of this question to your advisors for the reasons I have above suggested, and the intimation in today's press of a hasty action on the very eve of the assembly of Congress, in a matter where constitutional authority is vested in Congress, causes me the greatest concern and I may venture to say, strongest sense of personal responsibility.

Someone should communicate with you thus freely and frankly on this important matter. Everyone is leaving it for someone else to do. In this circumstance, I feel I must view my responsibility as advisor to Members of Congress in this matter, a sufficient ground to trespass upon your valuable time to the extent of sounding this note of warning as to the hidden dangers that lurk below the surface in this intricate and important matter.

With great respect, I am

Very sincerely yours,

JOHN JANNEY.

HARVARD UNIVERSITY,
GRADUATE SCHOOL OF BUSINESS ADMINISTRATION,
Soldiers Field, Boston, Mass., February 28, 1934.

Mr. JOHN JANNEY,
Chairman of the Executive Board,
American Society of Practical Economists,
Willard Hotel, Washington, D.C.

DEAR MR. JANNEY: I notice that your letter to the President, dated December 23, 1933, has been reprinted in the hearings of the House Coinage Committee on the Gold Reserve Act of 1934. In this letter you state, on the basis of our interview of last November, that I am in favor "of English control of money values and opposed to American control."

Although I have not the benefit of the stenographic notes which were taken at the time, a copy of which I think it would have been courteous to send me, my recollection of the conversation is very clear. You asked me whether I believed it possible for any single nation to control money values, and I replied very definitely that, in my opinion, it was not possible. I then added that in view of recent disclosures regarding certain bankers in New York City, if it were possible, in my judgment, there was more professional spirit, as well as wider world experience, among British bankers than was possessed by American bankers. In saying this I was not contradicting my earlier statement that it was impossible for any nation to control the value of money.

In view of the wide publicity which is being given to your letter at the present time, I must insist that you make this correction in your statement of my views.

Yours truly,

O. M. W. SPRAGUE.

WASHINGTON, D.C., *March 5, 1934.*

Dr. O. M. W. SPRAGUE,
Harvard University, Boston, Mass.

DEAR DR. SPRAGUE: Your letter of February 28 was duly received. I am glad to receive this letter because it seems to offer the hope that you might favor a plan for American control of money values. The most important single problem before the world today is to restore normal and stable buying power to gold at a price level that will restore prosperity and under American control.

As soon as you can advise me that you definitely favor such an accomplishment I can show you how it can be done and I believe I can provide a way for you to help.

You refer to my open letter of December 23 to President Roosevelt, in which I said: "Dr. Sprague was frank in expressing favor of English control of money values and opposed to American control."

In the interview at the Treasury Department in October you were asked as to this choice of control and in your reply you said: "I think it had better be in London at the moment." This is an expression in favor of English control.

Also you said: "I do not think we have developed in our disorganized or multiplicity of banks a personnel to exercise that control wisely if it were possible, as wisely as England, * * *." I think you will agree with me that these expressions afford a basis for my statements to the President.

You were not asked the question whether you "believed it possible for any single nation to control money values." I will quote in full Mr. Blagden's question and your reply.

"MR. BLAGDEN. That, of course, I think we all know, but we have not gotten any nearer answering the very first question, and the very first question is, Do you think it would be better if the United States took possession of the control of gold values, or if we left this control with England?

"Dr. SPRAGUE. Given our existing banking organization and banking personnel and limited experience in world affairs, if anybody had to control, as I say, I do not think it can happen, I think it had better be at London at the moment. I do not think we have developed in our disorganized or multiplicity of banks a personnel to exercise that control wisely if it were possible, as wisely as England, and I would not want to see it in London, but as a practical matter, where I would prefer it lodged at the moment, it would be in London for those reasons which are not fully developed. I am simply accepting it as a business proposition that there is more experience, more sense of responsibility, if you please, on the whole, though not enough."

You ask as to a copy of the record of this conference. Shortly after this conference Secretary Woodin telephoned me that he had arranged an interview between President Roosevelt, himself, and myself. The absence of Secretary Woodin has indefinitely postponed this interview. Mr. Blagden has an extra copy of this conference available, and this would probably have been forwarded to you before this but for the illness of Mr. Woodin, who would, of course, be the proper person in the circumstances to furnish you a copy, as this interview was arranged by him while he was Secretary of the Treasury and while you were in the employ of the Treasury Department.

I am very well aware that this Nation acting alone can control the buying power of gold and I am informed as to how this can be done, but for some reason which I cannot explain there is a resistance to the free circulation of basic truth about it. There is a kind of suppression of simplicity as though it were a doctrinal subject which needs to be injected with mystifications and complexities and which is distracted by divisions of opinion, whereas there is no difference of opinion when you get down to the fundamentals; neither is there room for mystification. It is all simple mathematics with the one and only formula, the demand-supply ratio, which is the simplest of mathematical equations.

Civilization is going into a tail-spin unless a complete reversal toward a sound monetary control of gold values in terms of buying power of gold is soon adopted. A major disaster is bound to follow from either continued monetary artifices or a prolonged stagnation of world commerce. What we have from China, Austria, France, Germany, and elsewhere are but the rumblings of an impending cataclysm.

Very truly yours,

JOHN JANNEY.

MARCH 28, 1933.

Hon. MARVIN H. MCINTYRE,
Secretary to the President,
The White House, Washington, D.C.

MY DEAR MR. SECRETARY: Following a conversation that was had with your secretary, Mr. Kenney, this morning, I am again renewing the request made to President Roosevelt on or about February 26 last, and again a few days ago to you personally.

The enclosed copy of telegram contains the information the delegates from Ohio wish you to have as to facts, and we are somewhat perplexed to know why this interview has not been granted, since it involves, in our opinion, matters of very great importance.

We desire to talk with President Roosevelt relative to certain matters outlined in conference with a considerable number of the Members of the House of Representatives, and which, we believe, will reflect the majority views of the House if brought before it for a vote at this time.

No legislation that has been or is now being considered by the President is, in our view, as important for the success of his administration and for the success of the Democratic Party as this proposal.

We shall greatly appreciate an opportunity to lay this matter before President Roosevelt at the earliest possible time.

Sincerely yours,

A. P. LAMNECK, M.C.

NEW YORK CITY, *November 1, 1933.*

Hon. M. H. MCINTYRE,
Secretary to the President,
The White House, Washington, D.C.

MY DEAR MR. MCINTYRE: Your letter under date of October 26 arrived yesterday.

It will give me pleasure, at any time, to do anything I can that will be helpful to the administration in its study of economic conditions, and I will gladly meet with the gentlemen you have named for a free and unrestricted exchange of views such as may be helpful in digging out the truths that govern these matters.

However, in your proposal to discuss Judge FIESINGER's views with Professor Warren, I wonder if the President realizes that the conflict between Professor Warren's proposals and Judge FIESINGER's are so fundamental that neither should be an arbiter of the other's proposals. To all, so far as I know, who understand the fundamental idea of the Fiesinger bill, Professor Warren's proposals are pro-British in their economic effect, and I think it can be shown that they are a contributing factor in the rapidly reviving British prosperity as well as an important factor in the continuance of American depression.

If I might be permitted to make a suggestion it would be that Professor Warren's views should be studied by the administration, in contrast with the recommendations I have made to Congress (as set out in the committee's reports and in the Fiesinger bill) and in such circumstances that each has full opportunity to point out, to the administration, all the defects of the one as well as the benefits of the other. And to show the costs to follow from the mistakes that each may see in the plans of the other. Nothing but benefit could come to the Government from such a discussion for it would tend to clarify this fundamentally simply subject which has been unintentionally confused.

I hope, Mr. McIntyre, you will not misunderstand my venturing to offer any suggestion at this time. I do it not because I consider my views important, but I feel very strongly that the success of this administration and perhaps even the success of our form of government turns upon whether it can quickly get a clear conception, and an operating conception, of the simple fundamental truths that govern this overwhelmingly important subject.

I believe I can speak for Judge FIESINGER, I certainly do for myself when I say that if the findings of facts and the principles set out in the reports of the committee of Congress are not studied by the administration and applied to the entanglements this country is drifting into, this economic depression will continue for generations; just as occurred after 1872. In that year a committee of Congress, after conferring with Ernest Seyd, of London, drafted a bill—which according to the record of Congress was based on his advice—which bill afterward became the basis of a monetary policy which was followed by 20 years of depression in this country and by the prosperity of the Victorian era in England.

I believe Judge FIESINGER's committee is the only committee of Congress that has studied this monetary problem from this point of view. His bill, I understand, has the endorsement of a majority of his committee and was drawn as a result of a conference with various members of his committee. I believe it is the only committee of Congress that has ever reached a definite diagnosis of causes and presented a plan defensive to American interests—a strictly American plan that does not require the approval of international conferences nor the cooperation of nations which are interested in lower price levels, while we are already definitely committed to price level higher than they are willing to concede.

You say in your letter, "If you will advise me when you will next be in Washington, I will be glad to arrange conference, etc.", which would indicate there is no particular need to hurry this matter. I am ready to make a special trip to Washington at any time, upon receipt of a telegram from you, because I strongly feel that time is running against us and therefore that early action is a matter of vital importance.

Very sincerely yours,

JOHN JANNEY.

WILLARD HOTEL,
Washington, D.C., January 1, 1934.

Hon. M. H. MCINTYRE,
Secretary to the President,
The White House, Washington, D.C.

MY DEAR MR. MCINTYRE: In our telephone conversation of Saturday you asked me to let you have a written statement on the point under discussion and, as I understood, you referred to the subject of money control in the sense of the control of the purchasing power of the metallic base.

The function of governments as to currencies, bank notes, and credits is oftentimes delegated to banks. In some governments the value of the monetary base is controlled at the discretion and in the power of banks. The Bank of England, which is a private bank, enjoys large powers in both of these respects.

In the United States the case is different. The power to regulate credits may be delegated to bank managements but not the power to regulate the value of the metals from which coins are made. Under our Constitution this power rests with Congress. "Congress shall coin money and regulate the value thereof."

By the value of a metal we mean its buying power. The depression of property values in the world is synonymous with enhancement in gold values in countries where gold is the standard of measure.

This tragic world event which we call "depression" always occurs when there is a depressed value of the total metallic or money base of the world. Prosperity has always accompanied an increase in the value of the world money base at the rate of 3.2 percent or more per year. In history there has been no exception to this natural and fundamental fact situation when averaged over a period of years sufficiently long to register. In a few words, this fact may be crudely stated as "The more there is of a thing the less it will buy."

The nation which controls the gold value of the world money base will control the price level in all gold-standard countries and will at least share equitably in world trade and commerce and export profitably its surpluses of production.

The depression of the money base paralleled the destruction of Rome and the Dark Ages. The depression of the money base accompanied the depression of 1873–96. The depression now in progress has accompanied a serious depression in the gold value of the money base.

By the value of the money base I mean the gold value of the metal used in the world as a monetary reserve for governments, banks, corporations, and individuals, as a basis for business activities. This includes the monetary gold and monetary silver of the world. Together they constitute the base of the credit structure and capital structure of the nations and the vital force back of world commercial activities. These two metals under normal conditions are freely exchangeable each for the other at their market value and the depression of one, for this reason, reacts upon the other. They both therefore must be reckoned as a part of the world monetary base.

This interaction between gold and silver was testified to by Mr. Montague Norman, of the Bank of England, in 1926. I can furnish you with charts to show this relationship with almost uncanny accuracy. And this relation can be controlled by the United States in the interest of stability with greater ease than other nations have affected it by their activities and the power to control this is placed in the hands of the Government of the United States by the Fiesinger bill now before Congress.

The United States is just now vitally concerned in this matter and for the moment is in the hands of a government which has announced a policy of restoring the 1926 price level which is a prosperity price level. At the same time the administration has declared for a dollar whose value will not materially change in a generation, and for a sound dollar which means a dollar recognized in world markets as carrying its face value and which is accepted as such value by world markets.

The achievement of this policy would restore prosperity to the United States, would open a market for its products on a profitable basis, and should be the aim of all departments of the Government. However, all of the advisers of the administration with whom I have discussed this matter would sacrifice some of these qualities in order to secure others and thus defeat the high aspirations of the President in affording this country the economic protection it must have and has a right to expect.

To restore gold values in the metallic base to where they were in the year 1926 would cost this Nation, operating under the Fiesinger bill less than $5,000,000 net. It could be accomplished within 90 days. Those who do not wish to admit the law which operates here to produce these results can offer no real opposition as there could be no material loss of either time or money. On the other hand a favorable demonstration would save billions of dollars of values material, and other losses, moral and physical, beyond our power to compute or even imagine.

This is perhaps the first time in our history that our Government has been in the hands of the real interest of the people, facing a break-down of a former system with the opportunity before it of an open doorway to the control of money values. The authority for this control has been placed by our Constitution in the hands of Congress. The door of opportunity stands wide open and this Government has not yet moved in that direction. Our experts are not urging that we take control of the world money base away from corporations and banks and foreign governments to place this control of this powerful factor for human welfare or human woe in the hands of Congress.

If the group in the committee of Congress which has recommended this control is to be heard in the councils of the administration, they would recommend in some form the principles for American control of the world money base as set out in the Fiesinger bill (H.R. 1677).

This bill gives a clean-cut, definite, simple program for taking control of the money base and exercising that control so as to completely carry out the policies of the President as publicly announced and as above outlined.

The Fiesinger bill involves no complications; it involves no experiment. It uses accepted or proven methods and accomplishes a complete and uncompromising control of the gold value of the money base until the 1926 price level in terms of gold is captured and permanently held. It takes the control of price levels away from individuals and establishes a price level fair to all and in the power of Congress alone to change.

This leaves the matter of bank credits, currencies, and exchange to receive consideration as soon as the bases upon which they rest, and the values with which they have to deal, are rendered stable and definite. The power of private manipulators and exploiters is curbed to such an extent as will guarantee protection to the people. And the basis for the people of one nation to exploit the people of another nation becomes modified to such an extent as to pave the way for disarmament by removing the real reason for maintaining armaments.

Today we have a whole nation back of a government which has defined a policy that implies that this thing will be done. The thing that gives me concern as expressed in my letter to the President of December 23 is the apparent unwillingness of the administration's present advisers to face this issue. None of them have been willing to discuss the matter.

On the contrary, we have all the various red herrings that it would seem possible to devise to lead us away from an American plan to control the money base and leave this control in the hands of those who have been exercising it to our destruction during the past century and a half.

These diversions leading us away from American control receive almost daily comment from high political advisers, from the press, and other sources of discussion. On the other hand, it seems impossible to gain adequate consideration for any plan that will give American control.

They are:

1. The 16 to 1 remonetization of silver, which would so limit the scope of the action of our Government as to curb and hamper its power of monetary control. In addition there would be the handicap of two standards of value to be maintained of equal purchasing power. This would lessen our control and increase foreign power of control of the money base.

2. The silver proposals of Senator PITTMAN which would leave Europe in the control of the money base and of world money values and require that our silver money be supported by gold in order to maintain its parity.

3. The change of the gold content in the dollar which operates on our national currency and not on the world money base. It changes the value of dollars, as a currency unit, not the value of gold. It changes the value of debts but does not increase the ability to pay, because it does not correct the lowered buying power of our products in the markets of the world which is the basis of profits.

4. International agreements as to silver which destroy our freedom of control and limit the freedom of world silver markets upon which the operation of an American plan for control of world money must be based.

These various proposals all leave Europe in control of the value of our property and our commodities in world markets. They all

constitute a surrender of the constitutional power of Congress to control money values. They do not permit Congress to any longer regulate the value of the metals which we coin.

In point of fact this Fiesinger bill is the only method yet proposed under which Congress is permitted to discharge this duty of our Government delegated to it under our Constitution.

Do you know of any valid objections to the Fiesinger bill? None of the advisers of the Government whom I have had the privilege of conferring with have urged any objection to it at all. After months of investigation and after serious conferences with leaders in banking and finance I can find absolutely none with the exception that the power to regulate values is taken away from banks and placed automatically at the price level fixed by Congress. This would be an objection to the President's policy and not to the bill, for in this respect the bill adopts the policy of the President.

The most far-reaching benefit from this bill is that the American dollar reinstates a world-recognized value as a basis for world trade. This dollar is in a position of advantage in competition with bank credits and fiat exchange of foreign countries. Sterling exchange becomes a secondary world money and not a primary world money.

No other form of dollar currency can meet this requirement. The plans proposed for the consideration of our Government will sooner or latter be attached to sterling by some form of agreement and those who manipulate sterling will also manipulate dollars.

The constitutional control of Congress will pass by this arrangement to foreign countries. Our people and possibly our courts will seek to repudiate such a violation of our Constitution as soon as the burden of it presses down as hard as it inevitably will upon us and becomes discernible to the senses of a confused people. The armies and the navies of the other parties of these agreements will be there to guard the other interest who have entered into the agreement against us.

You have uncertainty, confusion, and danger on the one hand and clear-cut right, justice, and simplicity on the other. Why cannot this matter receive consideration from our Government at least equal to that being given to these various proposals, all of which in common leave to European bankers and European governments the control of the value of and the markets for our property and our products.

Here is an American plan for American control of the purchasing power of gold through the means of the control of the world monetary base. We take possession of the same means that other nations have used but which we have neglected to use. We control by this process the gold value of the metallic base of gold plus silver in the world which the history of two centuries demonstrates, without any doubt, to be the basis for the control of the prosperity of the producing nations of the world.

It will cost us nothing to do this. It involves simply the purchase of silver and its use in our national money reserves, for its world-accepted value and to such extent as will raise the value of the silver half of the world's monetary base and lower the value of the gold half of the world's monetary base until gold reaches its normal purchasing power as of the year 1926.

Nothing could be more simple. Nothing could be easier. Why cannot the approaching session of Congress address itself to this simple solution of the world's monetary ills. If Congress will do this our monetary troubles will soon be a thing of the past.

The basis of Government and banking finances will then be firmly established. Credits can be extended with confidence. Commerce will begin to move among the nations because central banks can provide themselves with adequate reserves to support currency and commercial requirements. Surpluses will vanish by moving into the voids of want and privation in remote sections of the world. Prices will rise under this natural demand and a profit basis will be restored.

Individuals and corporations will find operating capital to back up the activities thus created. The buying power of home markets will revive through the disbursement of these profits. And the buying power of Asia with the increasing standard of living and a stable system of finance assured from its stable world buying power, will develop in each one of its thousand million people, an ever increasing buying power for our products so that we may transform an overequipped world into a world of ever-increasing wants to be satisfied only by ever-increasing circulation of world products. Such a state of affairs, as far as Asia is concerned, has never existed in the history of modern finance as will be established by this bill.

There is much available data which I have collected to back up these statements and it will give me pleasure to do what I can to meet any objections which you may find being raised to this proposal. And if none can be raised, can I not rely upon you as a patriotic American citizen to help clear away misunderstandings and confusion as to this important matter.

Cordially and sincerely yours,

JOHN JANNEY.

THE WILLARD HOTEL,
Washington, D.C., June 3, 1933.

MY DEAR SENATOR PITTMAN: I am very much concerned to feel that you might be opposed to the United States of America reserving an independent position as to its use of silver, or that you might favor, at an international conference, the giving up of powers which America should hold for her self-preservation in the vital matter of price levels.

Such an impression was given out in a conversation with Governor Cox on May 24, initiated at the suggestion of President Roosevelt in a conference with him on the previous day, and both Representative FIESINGER, of Ohio, and his colleague, Representative LAMNECK, who were present at both conferences, share the feeling I have.

Will you pardon me, in this serious situation of our national affairs, if I so presume as to say to you that, in my view, for America to yield up in an international conference the freedom of opportunity she now enjoys, at any time she sees fit to use it, to use silver to control gold value, would be a tragedy greater than any of those that might result from ill-considered action at the international conference.

To permit Europe to restore their silver holdings by the 5-percent reserve provision would be placing European nations back into a position to again dump silver at some future time and to again bring about higher gold and lower commodity values just as was done in 1928–29–30.

And to limit silver prices to anything like 60 cents per ounce, which would only restore something like $2,000,000,000 of additional value to world monetary stocks, would surely prohibit a revival of price levels necessary to American prosperity. What is more important, such an arrangement might be so drafted as to shackle America in future operations in the control of money value and limit our activities that might be directed toward control of these values.

I should like to feel that you have given very serious consideration to the matter of whether or not any agreement arrived at at the world conference which would limit the freedom of action of the United States, either to acquire silver in any amount desired or to raise the market value of silver in the world, as might be needed, to control gold in terms of commodities, could be viewed by those who understand the Fiesinger bill (House bill 1577) as anything short of a surrender of the interests of the people of the United States. Also, it is my personal view that now would be the best time to consider whether any arrangement that would give up to European nations the power to fix or to control the vital matter of prosperity and price levels would not produce, if and when understood by the people of the United States, most violent reactions both political and social. Especially might this be the natural result throughout the entire producing sections of the United States and in fact everywhere where the maintenance of price levels that bring prosperity are vital to the interest of the people.

I am enclosing a copy of a letter to Secretary George H. Dern for your information, which has some bearing on this subject, and I should like very much, at your leisure, to have confirmation from you as to the matter therein contained.

Knowing how very busy you must be, I would hesitate to burden you with this matter, but I feel sure you will agree that it is vital to the interests of this Nation to leave no stone unturned to protect us in this Conference from what might prove to be serious blunders. The time is short during which we can give consideration to such questions, and I know you realize my deep interest and concern as to them.

I sincerely trust that everything will work out at the Conference so as to protect the peace and prosperity of the world at large, as well as the interests of the United States, by agreements that will secure to the people of the world prosperity price levels without involving the United States in any relinquishment of her constitutional rights in this matter; but, if it is necessary for the United States to choose between putting her neck in the European noose in this matter or taking individual action, I hope you will realize that individual action is open to us and that under no circumstances should we yield up the power to European countries to control monetary values and world price levels so vital to the interest of the United States and other producing nations.

With personal regards and best wishes, I beg to remain,

Very sincerely yours,

JOHN JANNEY.

MAY 26, 1934.

Hon. KEY PITTMAN,
United States Senate, Washington, D.C.

MY DEAR SENATOR PITTMAN: I have your letter of the 23d instant and note what you say with reference to the present situation and the immateriality of what Mr. Janney thinks.

As you no doubt know, I am not interested in the slightest degree in silver as such. I would not walk across the street to put silver to $1.50 an ounce if it were not for the economic considerations that I believe to be involved in silver's use for America's welfare.

I am not interested at all in the legislation upon the ground that "it is all we can get." I must respectfully dissent from your view, if that is your actuating motive. How do you know what we can get unless we try? To my mind, great principles are here involved, and I for one, and if I am the only one, will never sacrifice those principles on the altar of "the best we can get", and I am especially unwilling to sacrifice those principles when the prosperity, if not the safety, of this Nation is concerned.

With the utmost respect for you and for Senators WHEELER, BORAH, ADAMS, KING, and THOMAS, whom I know not to be all in agreement, I want to say that the proposal made by the administration, if it is adopted, will turn out to be the "hottest potato" that the so-called "silver Senators" ever carried back to their constituents. The foregoing must not be interpreted in any sense as a threat from me, as I shall do nothing except to air my views here in Washington, and not in any personal way, but the proposal

itself, if enacted into law, will carry within itself its own political devastation.

Yesterday morning I read in the Washington Herald, under the signature of my good friend Senator WHEELER, his expressions of doubt about this bill, and he has not told the half of it. If I were permitted to add some views of my own, I should say it is built entirely upon political expediency and with the purpose of destroying whatever confidence the people may have in the use of silver as an instrument of economic defense against exploiting and despoiling nations.

I know full well that if the Congress of the United States had the backbone to do its constitutional duty and would be willing to make a fight to preserve its constitutional status, the faulty proposal sent to us by the administration would not be all that we could get.

With the great respect that I have for the President of the United States, I can only say that he has "muffed the ball", in the language of the street, and in my judgment is going to wreck the Democratic Party and perhaps the country—not purposely, of course; and this will come about, I think, because he has listened to advisers who are steering him in his course to ruin and has been unwilling to listen to the other side.

I stand for the principle, and I am willing to fight for it, that the Congress of the United States take away from the hands of the international bankers the power to control the purchasing power of gold in the interests of the American producer and consumer, debtor, and creditor, and in order to do that it is necessary that we use silver, making it full legal tender, at its world-accepted value, keeping gold as the standard of value.

Assuring you of my appreciation of your letter, I am

Sincerely yours,

WM. L. FIESINGER, M.C.

THE WILLARD HOTEL,
Washington, D.C., June 3, 1933.

Hon. GEORGE H. DERN,
Secretary of War, Washington, D.C.

DEAR MR. DERN: Yesterday we were discussing a way for America to find protection from European plans to dominate our economic affairs. In the course of this conversation you quoted Senator KEY PITTMAN, of Nevada, as saying that he had discussed with me at length my proposal relating to this matter.

I wish to confirm my statement that at no time has Senator PITTMAN ever discussed with me this proposal, even in the briefest conversation. In fact, since my proposal of an American plan, which was first made to the Committee on Coinage, Weights, and Measures, on April 12 and 13, 1932, I have been unable to arrange an interview with Senator PITTMAN.

I have written him several letters proposing a conference with him and other Senators whom he might feel were interested in the subject, always with some excuse from him telling why he did not then wish to have such a conference. Also I have visited Senator PITTMAN'S office a number of times, hoping to confer with him personally, and on at least three occasions have left with his secretary my card and address.

But never since my testimony of April 1932 has Senator PITTMAN accorded the privilege of a conference with him, and under no circumstances did I ever, prior to that time, divulge my suggested American plan to him or to anyone else, not even to my most intimate personal associates. I wanted my proposal to be made known first to the American Congress before it could possibly be known to European governments.

My reason for this was that I considered my suggestion completely defensive to America in its economic position and that without any doubt or question it afforded America an opportunity, by prompt action and acting alone among the nations, to defend her monetary system and price level so necessary to American prosperity, from manipulation by European governments. No one so far has seriously questioned that this plan would put America in position to completely dominate world price levels in terms of gold values.

On the other hand, European nations, who at that time (April 1932) were rejecting and refusing all our proposals for an international conference, might quickly change their position. They might favor an economic conference of their own calling, and so gain the initiative and at the same time make more difficult such independent American action.

This in point of fact is just what they did. After my proposing this plan to the committee, England within 60 days announced a call for a conference at a future date within her control. I wished the American Congress, through their investigating committee, to have at least equal priority of notice with foreign governments, and for this reason kept this proposal absolutely to myself until it was made to the committee.

It is therefore impossible that I could have had any conversation with Senator PITTMAN on this very important subject, and any statement that he might make or opinion that he might form based on the impression that he has discussed this matter with me is a delusion.

This is most unfortunate. Senator PITTMAN is one citizen of the Nation who should have first-hand knowledge and first-hand explanation of any plan that would defend America, in her peculiar economic position, from European aggressions in the matter of their use of silver to control values, in the way so ably pointed out by Mr. Montagu Norman in his testimony before the Hilton-Young Commission.

There is so great misunderstanding and so much confusion that is constantly being circulated on this important subject that a personal explanation is generally necessary for an understanding of this American plan. But, on the other hand, when fully explained, either to individuals or groups, or, indeed, to public gatherings, this plan meets with general acceptance and approval.

It is the only plan yet proposed that offers to the United States the power to control and dominance in the important matters of world values of gold which are reflected by the commodity price level. It defends America from European manipulations of our price levels. It holds dominance in the matter of prosperity or depression as far as gold values in terms of property values are concerned. And what is more important still, no economists or statesmen have yet come forward to debate or dispute the claim that full power resides in the United States Government, under this plan, to fully defend prosperity price levels.

Congressman FIESINGER, of Ohio, who is the author of 3 House bills embodying this plan, 1 in the present Congress and 2 in the previous Congress, has written to 140 leading economists who reside in nearly every State in the Union, and he informs me that in no single instance have serious objections been urged to the principles set out in this plan, and it is quite generally believed by those who have studied and who understand the plan that no serious objection can be urged to it if open to rebuttal or debate.

It is most significant that a plan in the interest of America and opposed to the organized financial interests of Europe should find difficulty in gaining audience anywhere in America, especially from its political leaders and its statesmen who are charged with any special responsibility in these matters, and yet such statements as you have quoted from Senator PITTMAN would naturally make it difficult, if not impossible, for such a proposal to gain a sympathetic audience from yourself or others in authority.

In the December 1931 issue of the official magazine of the American Institute of Mining Engineers was published an article in which I drew a distinction between class B nations, nations who are interested in lower price levels, and class A nations who produce for export commodities and raw materials. In that article I recommended international action among class A nations for the protection of price levels vital to their position, in order to draw out, if I could, the position of leading Americans on the point of a conflict of interest between America and Europe and the dangers that would lie in any conference dominated by Europeans.

I had the pleasure of an interview with Senator PITTMAN shortly after that, in February 1932, with the view of presenting the plan which was put forward in this article and explaining the type of international action proposed which maintained gold as a standard of value and which set up a use for silver as an international money through an international bank dominated by the class A nations.

But I held in reserve any plan or proposal indicating that America acting alone could take any such action and at no time was any such possibility discussed, or even mentioned.

Very sincerely yours,

JOHN JANNEY.

Senator PITTMAN, of Nevada,
Congressman FIESINGER, of Ohio,
Congressman LAMNECK, of Ohio.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., June 19, 1933.

Hon. JAMES M. COX,
Member United States Delegation,
World Economic and Monetary Conference,
London, England.

MY DEAR GOVERNOR COX: Congratulations on your election as Chairman of the Monetary Committee! I am sure this is the most important committee that will be appointed by the Conference.

I am taking the liberty of enclosing a letter written to Mr. George H. Dern as a result of a conference we had with him on the monetary question. I am also enclosing a copy of a letter that was written to Senator PITTMAN on the same subject. This letter was also prompted by our interview with Mr. Dern. They are both self-explanatory. You will also find enclosed a copy of the brief submitted to the President at his request, as a result of our interview with him some time ago.

I was delighted yesterday when I learned that President Roosevelt had refused to accept the plans for stabilization of the pound and dollar and franc as suggested by Great Britain and France. To stabilize the pound and dollar on any other basis than 4.86 for the pound and 1.00 for the dollar would, in my judgment, be absolute suicide for the United States. Most of us who have given the subject thought from our standpoint are hoping and praying that no stabilization agreement will be entered into. If this happens, America will be free to control the value of gold on her own initiative, and this, in turn, will permit her to have any price level that she might desire, independent of any action taken by any foreign country.

In the most important position that you occupy, I hope you will give the plan that we have suggested your earnest consideration, because it is the only plan that will accomplish the results that America wants. This plan was submitted to 150 economists, and not one of them was able to point out a single defect in the proposal.

I hope, too, that no agreement will be made with the foreign countries as to the pegging of the price of silver, because silver is

the weapon we expect to use to control the value of gold, and we must be free to buy such quantities as are necessary to accomplish this result and, in turn, to sell in such quantities as are necessary to keep the value of gold at its normal level. If we are permitted this freedom of action, the United States can go back on gold at any time it wants to; and then if silver were put in our reserves according to the plan that we are proposing, we could control the value of gold and thereby have a price level which would mean prosperity to the United States.

Before Dr. Sprague went to London, Congressman FIESINGER and the writer had a very pleasant interview with him on this subject, although we were not in position to go into much detail, and we asked him what he thought of the Senator's plan of fixing the price of silver at 60 cents an ounce. He said, in his judgment, it would not do any good at all.

America is looking to our delegation in London with greater interest than she has looked to any group of men in the history of the United States, because in your hands rests the future welfare and prosperity of this country, and if no mistakes are made in any agreement with foreign countries, the United States will soon emerge from this depression a greater and more prosperous Nation than ever before.

You have my very best wishes in your endeavors, and I am happy that you occupy the key position that you do.

I am sending you, also, a copy of a speech delivered by me in the House of Representatives on this subject, which includes the proposed legislation on the matter; also a speech of Congressman FIESINGER and the testimony of John Janney, our economic adviser. You may not agree with me, but in the opinion of experts, and in my opinion, Mr. Janney is the best-qualified man on this subject in the United States, and I urge you to give what he says your earnest consideration, because in his proposal you will find a way out.

With kindest personal wishes to you, I am,

Very truly yours,

A. P. LAMNECK, M.C.

JANUARY 22, 1934.

Hon. ROBERT J. BULKLEY,
United States Senate, Washington, D.C.

DEAR SENATOR BULKLEY: I have thought for 2 days about writing you a letter on the subject of the money bill now before the Senate and when I came to the office this morning the urge was so strong that I have followed its dictates.

The money bill passed by the House, and for which I voted, was the most revolutionary piece of legislation ever presented to an American Congress. My vote on this bill was the only vote that I have made during my term of Congress in which I have a real regret. The methods used in passing the bill were a disgrace to the American Congress. The bill was presented to the House one evening and quite a discussion occurred as to who should have jurisdiction, the Coinage, Weights, and Measures, or the Banking and Currency Committee. A decision was finally made, and rightfully so, that it was a Coinage, Weights and Measures Committee bill.

The next morning the Chairman of the Coinage, Weights and Measures Committee had a report all written reporting the bill out of the committee before even members of the committee had an opportunity to read the bill or before the chairman of the committee even read it. The report was submitted to the Congress and our Democratic floor leader attempted to give the bill a preferred status, but because of so much opposition, it was delayed a day or two. The Coinage, Weights, and Measures Committee then decided to have a few hearings to make it look as if the bill was considered.

Have you ever heard in your legislative experience, or has any other Congressman or Senator, ever heard of a bill being reported out of a committee without the slightest consideration and then having hearings afterward which were not taken into consideration in the slightest degree in considering the bill? It is a disgrace to the American Congress to have such procedure.

President Roosevelt said in many of his speeches that he wanted to restore the 1926 price level, he wanted sound money, he wanted a dollar that would have a stabilized purchasing power from one generation to the next, and he also wanted a money system that would take the money question out of the hands of the money changers. In my humble opinion, not a single objective stated above will be accomplished under this bill. It will leave the money question in the hands of the international bankers, it will not restore the price level, it will not control the value of gold, which, after all, must be done if we are going to have anything like stability. All experts agree on this point.

I urge you to give serious consideration to this legislation and invite your particular attention to two amendments to this bill, one offered by me which was rejected, and one printed in the RECORD that was prepared by Congressman FIESINGER, of Ohio, but which he did not present because of the fact that the steam roller was working to perfection and he knew that it was a hopeless case. With these two amendments adopted, the bill will accomplish the objectives of the President.

If you want some real information on the money problem, I should like to suggest an interview with a man who knows more about it than any other man in this country. His services are available to you any time you suggest, and I am sure that he can enlighten you as he has many Members in the House and also in the Senate, and I am sure that in the debates that will occur this week many of his proposals will be presented by Senators from whom we would least expect them to come.

I hope you will excuse me for writing you at this length on this most important subject.

Sincerely yours,

ARTHUR P. LAMNECK, M.C.

APRIL 12, 1934.

Hon. ELMER THOMAS,
United States Senator.

MY DEAR SENATOR THOMAS: Will it be an imposition for me to write you in regard to the Thomas amendment to the Dies bill?

The entire Ohio Democratic delegation, 18 Members, have backed up silver legislation in the House. I have myself made several speeches on the subject and am forwarding you under another cover copies of same. From them you can see how intensely interested I am in the question.

I believe I reflect the views of the members of my entire delegation when I say that the reason we have been in favor of silver is because of the way it has been presented to the House.

The Coinage Committee has voted down every bill that gives us a fixed ratio. Both the Fiesinger bill and the Dies bill have a principle of silver certificate with the full gold value which gives America control of silver and gold.

It is with regret that I note you have passed out a bill that involves the principle of a fixed ratio and especially a ratio of 371½ grains of silver to 14 grains of gold, which is about a 25-to-1 ratio.

In view of the fact that the Coinage Committee has voted against a fixed ratio of principle—especially as a fixed ratio of principle has always failed at the polls—it is with real regret that your amendment does not take advantage of the principle in the Dies bill of a silver certificate of full value which would give America control of money.

If we had a fixed ratio of 14½ to 1, which would give us a high price level and not leave room for the manipulation of Europe, I might favor this; but a fixed ratio of 25 to 1 in principle would leave Europe in control, destroying the present opportunity of unseating the international bankers, and I doubt if we will ever get another.

With great respect, I am,

Sincerely yours,

A. P. LAMNECK, M.C.

UNITED STATES SENATE,
COMMITTEE ON APPROPRIATIONS,
April 16, 1934.

Hon. A. P. LAMNECK,
House of Representatives, Washington, D.C.

DEAR CONGRESSMAN LAMNECK: I thank you for your favor of the 12th and appreciate the frank statement of your position. In the Senate we had to get some compromise agreed to or the bill could not have reached the Senate proper.

I am trying to help silver and will gladly accept any plan that can be agreed upon. The Janney-Fiesinger plan would be acceptable to me, yet we have proponents in the Senate who are demanding an outright 16 to 1 ratio, which would force the price of silver up so that an ounce, as measured by gold, would be worth approximately $2.18. I could not go that strong and, for that reason, suggested the lower ratio of silver at the ultimate value of $1.29 an ounce. I feel that we are making progress and hope for favorable results.

Yours most cordially,

ELMER THOMAS.

APRIL 24, 1934.

Hon. ELMER THOMAS,
United States Senator, Washington, D.C.

MY DEAR SENATOR: Replying to your letter of April 16, received in my absence, I have studied the silver question and I think I understand it.

Silver is a great force in the money world. It can be used to bring about depression. It can be used to bring about prosperity. Who shall control such a force for happiness and contentment among the people of the world, or who will control this force for misery, depravity, revolution, and world conflict?

The international banker now controls, and for over 100 years has controlled. The Constitution assigns the power for this control to Congress, and the issue in this conflict of power should be one as between Congress and the international banker if the issue can be put in the form of a bill.

The Fiesinger bill raises this issue. It gives a clean-cut issue and gives to the Government of this Nation this power. The House has been overwhelmingly in favor of it. The Wheeler amendment to the gold bill incorporated this same principle and gave this same issue to the Congress. I believe you will agree that the Senate was in favor of it when it voted 43 to 45 in spite of the direct request of President Roosevelt not to place such an amendment onto his bill.

You say some Senators wanted 16 to 1. Of course, this is true, but the House does not want such a bill, and such a bill has not been passed out of the committee. Do these Senators understand that any fixed ratio gives limited power of control to this Government?

Are you for America or are you for the international banker? That is the issue that should be raised. Those who are for American control of money values should be allowed to vote for it, leaving those to vote against it who wish to do so.

Such a bill is before you in the Fiesinger bill. Why cannot your committee endorse the principles of this bill and send it onto the

floor of Congress when you now have every evidence that the majority of Congress is in favor of American control and against European control?

I will study carefully your answer to this question and in conclusion I will say that I am very sorry I did not have the opportunity to appear before your committee and was not allowed the privilege of explaining my reasons for what I have stated in this letter, and if your committee still wishes to study this question from the standpoint of the international banker versus the American people, I will be very glad to appear before your committee and give you the benefit of my study of this question, and I am sure there are other Members of this Congress that would also like to have the privilege of giving to the Senate the study that certain Members of the House have made of this question.

Cordially and sincerely yours,

A. P. LAMNECK, M.C.

Hon. ARTHUR P. LAMNECK,

House of Representatives, Washington, D.C.

MY DEAR CONGRESSMAN: I have your good letter of the 24th, and thank you most sincerely for the suggestions therein given me.

With every good wish, I am,

Sincerely your friend,

ELMER THOMAS.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. McGUGIN. Mr. Chairman, when the Dies bill was before the House I supported it. There was something concrete in that bill. We had the assurance that it would tend to increase the exporting of surplus farm products. In this bill we have no such assurance, we have nothing concrete. Whatever may be said of this bill, it is not a monetary bill. My honest judgment is that this bill is a new form of a relief measure. I am not sure whether it is a relief measure for the President, to save him from embarrassment from the politicians from the silver States, or a relief measure for Representatives and Senators from the silver States who are candidates for reelection. They can take this bill and fool their people into believing that it is a silver bill. It will doubtless take a length of time beyond November for the people in the silver States to find out that they have been humbugged by this bill.

When you read the bill it is perfectly apparent that there is nothing mandatory in it. It only provides for the use of silver as its ultimate object. How long is it going to take to carry out the ultimate object? In the next place, this bill is not necessary at all. The Thomas amendment gives the President full power to do this. It gives him the power to go as far as 16 to 1, to buy silver in virtually unlimited amounts. Yet the President has not used the Thomas amendment, although he has had a year to do so. Therefore, all you can say there is to the bill is that there must be something passed here for silver on the eve of election. The votes from the silver States must be caught.

Furthermore, it is indeed a money-tinkering bill. If we are going to pass monetary legislation, then let Congress pass legislation which is mandatory, which is outright monetary legislation, and be done with it when it is passed. Talk about uncertainty! If the President ever turns his hand to put this bill into effect, it will be the worst kind of uncertainty with no end to it. The administration started this money tinkering last fall, buying a little gold every now and then. Then the President came to Congress with a gold devaluation bill and said that we had to have it in order to stop the money tinkering. Of course that was not necessary. He had full power under the Thomas amendment to devalue the gold dollar without further legislation.

I have been much interested this afternoon in the discussion, particularly the remarks of my friend from Kentucky [Mr. BROWN] about the Republican crime of 1873. If you have to talk politics on a silver bill, then I ask this question: If the Republican Party committed a crime in 1873 by demonetizing silver, why have not some of the Democratic Congresses since that time corrected that crime? Why did the Democratic Party under Woodrow Wilson, with full control of both Houses for 6 years, go along without correcting that crime of 1873? Why through the two administrations of Grover Cleveland did the Democratic Party refuse to correct the crime of 1873? The truth is that this Congress is not passing a bill to remonetize silver.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. McGUGIN. I cannot yield now. If you want to remonetize silver, why not do it now? You have both Houses of Congress. This is not a remonetizing bill. The reason you will not remonetize silver is because your President will not stand for it. There has not been a Democratic President since 1873 who was not opposed to remonetizing silver. Franklin D. Roosevelt is opposed to remonetizing silver. Otherwise he would do so by Executive order. Under the Thomas amendment he has for 12 long months had full power to remonetize silver. He could correct the so-called "crime of 1873." It is very evident that he does not regard the demonetizing of silver in 1873 as a crime. It is very evident from his record that he favors the former demonetizing of silver and is now opposed to remonetizing silver.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. DOUGHTON. Mr. Chairman, I move that all debate upon this section and all amendments thereto do now close.

The motion was agreed to.

Mr. SOMERS of New York. Mr. Chairman, I rise to a question of personal privilege.

The CHAIRMAN. The gentleman will state it.

Mr. SOMERS of New York. Mr. Chairman, a few moments ago I believe the gentleman from Ohio made the statement that the Dies bill which was reported——

Mr. BANKHEAD. Mr. Chairman, the gentleman cannot do that in Committee of the Whole. I make the point of order that the question of personal privilege cannot be raised in Committee of the Whole.

Mr. RANKIN. Mr. Chairman, I think we can dispose of this matter in a minute.

Mr. BANKHEAD. Mr. Chairman, I insist upon my point of order.

Mr. RANKIN. Ordinarily that is true; but whenever the question of personal privilege grows out of an offense which occurred in the Committee of the Whole, the Member offended has a right to rise to a question of personal privilege in the Committee of the Whole.

Mr. BANKHEAD. I cannot accept that interpretation of the rule.

Mr. RANKIN. The gentleman will find precedents to that effect.

Mr. SOMERS of New York. Mr. Chairman, in order to save time, I will withdraw the point for the moment.

The CHAIRMAN. The question of personal privilege is withdrawn.

The Clerk read as follows:

SEC. 2. It is hereby declared to be the policy of the United States that the proportion of silver to gold in the monetary stocks of the United States should be increased, with the ultimate objective of having and maintaining, one-fourth of the monetary value of such stocks in silver.

Mr. KELLER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KELLER: In lien 9, page 1, strike out the word "fourth" and substitute the word "half" therefor.

Mr. KELLER. Mr. Chairman, I want to talk a minute about what silver means as a practical, everyday matter. We are trying, or ought to be trying to put men to work in this country. It is the money in our pay rolls that makes prosperity—money that will pay debts and buy the things we want. When we put all our men to work, our difficulties will be over. Unless and until we do that, they will not be. I happen to be one of the few men, perhaps, in this House who hammered a drill in a silver mine when I was a young chap. That does not necessarily make me very wise on the subject, but it has been my opportunity and pleasure to spend a good many years of my life in the mining business, and having direct connection with and being interested in the question of silver, I have been compelled to study it somewhat. I only want to call attention to the fact that following the repeal clause of the Sherman Act in 1893, while the great panic of that year was already on, and the de-

pression that follows every panic was at its worst, as the result of that repeal I stood by and saw 250,000 men thrown out of work in the silver mines in the Western States. Coxey's army which came east was drawn from these men. It was an unplanned shifting of a large population which of necessity drifted east to enter into compulsory competition with the very men whose jobs had been dependent on these silver miners.

Let us get this thing clear: Every time you put a man to work underground, mining precious metals, you thereby put to work nine men on top of the ground to supply that man with the things he needs. This is a well-recognized economic fact. When you threw a quarter of a million men out of work directly as a result of stopping the silver mining in the West, you threw out of work 2,000,000 other men engaged in industry all over the country dependent on that quarter of a million actual miners who were dispossessed. It naturally follows that if we put a quarter of a million miners back to work, we can be sure that another 2,000,000 idle men will be put back to work again.

Until we awake to plain common sense, there is little use standing here and making speeches and arguments about the theory of it. I want to put men to work. I am for the things that will put men to work, and I am going to keep on being for them, because it is the only way out of this depression.

There is no use fooling ourselves about it. What do I hear? Two splendid gentlemen got up here and read a part of Grover Cleveland's message on the repeal of the Sherman purchasing law in 1893. What is the point to it? I point out that the conditions were entirely and absolutely different from what they are today. The argument therefore does not apply. At that time the unfortunate fact was that we were on the gold standard. Today we are not. At that time you could go to the Treasury and demand gold and get it under the law. Today you cannot. Therefore, the difficulty of the whole thing lay just there—that as long as they kept purchasing silver you go to the Treasury and pull the gold out.

Mr. RANKIN. Will the gentleman yield?

Mr. KELLER. I yield.

Mr. RANKIN. The greatest explanation is that Cleveland was wrong on that proposition.

Mr. KELLER. Certainly. But, for argument's sake, let us suppose him to have been right. At the present time we are not on the gold standard, thank God. At the present time we are wisely off the gold standard as we ought to have been a long time ago. If you put a billion ounces or five billion ounces of silver into the Treasury at the present time you could not draw out a penny of gold. But, we are having the same thing, constantly, giving citations from speeches that have absolutely no application to the matter in hand at this time. It is nonsense. One of these days when I am at leisure, I am going to go back and dig out from that great Democrat whom I love so dearly, Thomas Jefferson, a lot of things he said to great advantage then, that would sound like idiocy if an attempt to apply them to present conditions were made today. I am trying to illustrate the unfortunate practice in this House of trying to quote to us from old, dead things that have no possible connection with the thing we have in hand. The thing we ought to consider here today is, What is going to be the effect of this bill? What is it going to do for us? Will it put anybody to work? If it will, let us pass it. If not, let us not do it.

To recapitulate, if the gold standard were now in operation, some of the objections of my friends over here on the Republican side would, of course, be entirely valid. But it is not, and all the arguments against the Dies bill based on that presumption are so inapplicable as to be quite ridiculous.

In fact, the present use of gold is entirely limited to international trade settlements, and that use is in no wise vital to our financial recovery or maintenance of prosperity in this country, once we bring it back. Because the international trade balance is always in our favor; that is, we always sell more to foreign countries than we buy from them, so that at the end of the year we have always received more than we paid out. Each year this balance is added to our gold supply, and none is ever taken out.

There is no reason in fact why we should not do exactly for silver what we are doing for gold—set the price wherever we find it best and pile it up alongside the gold in the Treasury and add to it each year what we produce, and what we receive each year from our trade balances from the three-quarters of the people of the world who use silver largely to the exclusion of any other money. No possible financial harm could come from it. It would add tremendously to our circulating cash money through the full legal-tender silver certificates which would be issued for every ounce of it. We ought to understand by this time that business enterprise is starving for lack of money with which to carry on, upon which to found the credit necessary to business revival.

We have gone far in establishing the right principles of money. Whether conscious of it or not, our money is purely fiat and will always remain so if we retain our economic sanity. The nations of the world may make an agreement on ratios between the metals, but that will be for international use alone. That prices within our country can be affected by any valuation we may place upon gold or silver is thoroughly disproven.

The success or failure of this bill when it becomes the law will depend entirely upon its administration. If it is administered up to the letter and spirit of the law, it will be of tremendous benefit. It will ultimately give permanent employment to more than 2,000,000 men—not in the West alone, as some of my colleagues seem to think.

It will give work to the men in the machine shops, to the growers of cotton and wool, to the spinners and weavers, to the makers of clothing, to the steel workers, to the auto and truck builders, to the coal miners, the oil drillers, and the railroad men in every State in the Union. It will produce pay rolls, create new wealth, bring prosperity, give jobs, establish and maintain security for a million families in the reestablishment of this old and honorable industry.

[Here the gavel fell.]

Mr. SAMUEL B. HILL. Mr. Chairman, I shall not take 5 minutes, but I want to call attention to this fact, that I am not sure whether the gentleman from Illinois [Mr. KELLER] is serious in this amendment or not; but if the gentleman wants legislation that will go further than we have gone up to this time for silver and in the interest of the workingman, then we must adopt this bill with its provision of one-fourth to three-fourths, as between silver and gold, or else we will not make any progress at all. I therefore ask that the amendment be voted down.

Mr. COOPER of Tennessee. Will the gentleman yield?

Mr. SAMUEL B. HILL. I yield.

Mr. COOPER of Tennessee. I simply want to call to the attention of the gentleman from Washingon and others the statement appearing on page 2 of the report which I think sheds a great deal of light on this question; that is, that the provision of this bill of 25 percent is about the mean or average amount that has prevailed over the last 50 years. Certainly, that is the basis upon which we should hold this present provision in the bill.

Mr. SAMUEL B. HILL. Mr. Chairman, I ask for a vote on the bill.

Mr. TREADWAY. Mr. Chairman, I ask to be heard on the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts, a member of the committee.

Mr. TREADWAY. Mr. Chairman, I rise in opposition to the amendment, not to speak to the amendment, but in connection with some of the remarks made by the gentleman from North Carolina. The gentleman from North Carolina asked to be not interrupted, and I respected his request and did not interrupt him; but I should like to call attention to one or two of his statements. The gentleman stated that the minority views were "peanut" politics. That is not the fact. No information was available to either the majority or to the minority side. If, therefore, the majority side endeavored to elucidate any facts in their report, I say their

report is "jumbo peanut" politics, because they had nothing upon which to base it. I realize that we on this side of the aisle constitute a minority group. We therefore take the small end of the peanut and give the majority the jumbo part.

The gentleman from North Carolina said further that no one asked for an open hearing. Who ever before heard of such an important piece of legislation as this upon which there were not open hearings, particularly when the right bower of the administration, the Secretary of the Treasury, was known to be the witness expected to appear? It was assumed, of course, by the members of the committee, that we were to have an open hearing, but when we got there we found it was an executive session.

The gentleman from North Carolina said that nobody asked to be heard. The bill was introduced one afternoon and reported almost the next afternoon. I explained the length of time in my previous remarks. There was no chance for anybody to ask to be heard. The gentleman states that ample time was given. What is ample time? On Friday morning I asked if we could have witnesses appear, and I was told that the hearing was not to be a debating society. They did not want to know the opposition to the bill. It was enough for them to be told that it was an administration matter; and they put the O.K. of the Committee on Ways and Means upon it. There was no opportunity whatever to invite anybody to appear. Friday afternoon at 4:30, as a great concession, the chairman of the committee said that if I had a witness he would be heard at 10 o'clock the next morning. At 4:30 I wired an authority on monetary matters in Princeton, N.J., Professor Kemmerer, but inasmuch as he does not belong to the "brain trust", his testimony probably in the estimation of the administration is no good. So far as the public is concerned, however, his views are extremely valuable. The telegram did not reach Professor Kemmerer until Saturday afternoon, as he had been away on a western trip; and Saturday afternoon, forsooth, the committee was in executive session and reporting out the bill. Of course there was ample time from 4:30 one afternoon until noon the next day in which to secure witnesses from all over the United States, but even the fastest airplane would not have sufficient speed to get them here by the time the chairman of the committee said they must be here.

Mr. Chairman, this is all I care to say in connection with the matter.

Mr. SOMERS of New York. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I rise for the purpose of answering the gentleman from Ohio, who, if I understood him correctly, stated that the Chairman of the Committee on Coinage, Weights, and Measures wrote a report on the Dies bill before that bill was heard in the committee.

Mr. LAMNECK. Mr. Chairman, will the gentleman yield?

Mr. SOMERS of New York. I yield.

Mr. LAMNECK. I did not make such a statement.

Mr. SOMERS of New York. I thought the gentleman did.

Mr. FIESINGER. Was it not the gold bill?

Mr. SOMERS of New York. It is not true as to the gold bill, either. I emphatically deny both implications.

Mr. BUSBY. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, any legislation that deals with monetary matters is always of interest to me, because I am as certain as I am standing here that our money situation is the cause of practically all of the troubles we are facing now in a financial way.

MEDIUM OF EXCHANGE IMPERATIVE FOR RECOVERY

Without a medium of exchange which is representative of value, I do not care how many public-works programs are sponsored by the Government, they will not get the country back on its feet in a financial way without inflation of the currency and a restoration of our medium of exchange.

This bill is not favored by the silver people; and I fail to see at this time how it can be effective in remedying our scarcity of media of exchange.

THE SALE OF LARGE AMOUNTS OF UNITED STATES BONDS WILL RUIN ANY MONETARY PROGRAM

Let us suppose that this week we coin $1,000,000,000 in silver and scatter it wherever we have national obligations to meet. It goes into the banks over the country. Suppose, further, that next week we sell $1,000,000,000 of bonds. We will take up that silver; the amounts will exactly offset each other, and we will be no better off, so far as circulating media are concerned, than we were before the $1,000,000,000 of silver was coined.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. BUSBY. I yield.

Mr. WHITE. Would not that silver have to be purchased by the Treasury before it could be coined, and would not the silver producers benefit to the extent of $1,000,000,000?

Mr. BUSBY. That is another question. The gentleman comes from Idaho and wants the silver producers put into business. That is another question.

Mr. Chairman, about 0.1 of the medium of exchange used by business in this country is currency; about 0.9 is bank credit. This bank credit is bank-check money that is used in transacting business. The 0.1 cannot possibly stay in circulation as long as the machinery that issues the 0.9, the banks, can take it up and swap it for Government bonds. There is no use arguing about this, for the Government bonds are paid for in currency or its equivalent. I do not think anybody will contend that it is possible to have silver, greenbacks, Federal Reserve notes, or any other kind of currency as long as the Government issues more bonds than there is currency outstanding, because the bonds absorb the currency, absorb the bank-check money, absorb the bank deposits, and the sale of bonds keeps up a continual process of deflation. Wherever I have gone when Government work has been discontinued business activity dies and all prosperity it over as soon as the Government funds are spent. We will never recover by creating bond debts and other debts to hang around the necks of the people.

This bill, like the gold bill, contains heavy penalties which to my mind are entirely out of line with our principles of government.

ONLY MONEY IN THE HANDS OF THE PEOPLE WILL HELP RECOVERY

What difference does it make if we have a block of gold in the Treasury and today we label the gold $4,000,000,000 and next week we go down and tear the label off and label it as being worth $8,000,000,000? It is not in circulation. It is not playing any part in our currency scarcity. Of course, it is down there and it is well to have the gold, because the foreign countries that trade with us and accept gold in payment know we have the gold. It is a block of confidence, but so far as it being worth anything as a basis for currency, that is preposterous.

I hear the economists talking about sound money.

[Here the gavel fell.]

Mr. BUSBY. Mr. Chairman, I ask unanimous consent that I may proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. BUSBY. I was talking with some economists the other day, and they said they were for some kind of sound money. I said, "There is not one of you that knows what you mean when you say 'sound money.' You do not know what you mean, and you do not know what you want." They said, "What do you think it is?" I said, "I am not the one that is making the proposal." The only money in existence today that is not purely fiat money is the silver certificate which does have some degree of commodity value back of it. The silver certificate is the only money in this country that is not purely fiat money. They talk about issuing greenbacks. You may look on any piece of paper money you have in your pocket and it is nothing but a promise to pay in either silver or else it is printing-press money.

ALL GOVERNMENT BOND SALES ARE DEFLATION

It is perfectly preposterous to think that we can ever recover from our downward trend by selling bonds and

creating additional Government debts that must be met by the taxpayers in the future. This bill and the gold bill or any other bill that does not supply additional media of exchange, that does not shake the banks loose and put them back into their proper field of operations, will accomplish nothing; and we ought to recognize this fact at the earliest possible time.

Mr. MAY. In view of the gentleman's statement that the silver certificate is about the only money that has any value, may I ask the gentleman if he thinks when the bill expands the base and authorizes the purchase of more silver it will aid the situation in that respect?

Mr. BUSBY. I think the bill is wholly impracticable as a base for the expansion of currency. There is no coherency or logic in one step following the other.

At this point I desire to set forth a short bill introduced by me which to my mind is a true worth-while silver bill.

A REAL SILVER BILL THAT WOULD ACCOMPLISH SOMETHING

H.R. 9242

A bill to provide for the purchase of silver, issue legal-tender certificates thereon, and to buy and sell silver so as to keep the purchasing power of 371¼ grains of pure silver equal to the purchasing power of 23.22 grains of pure gold, and to increase the metallic monetary base

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to purchase silver bullion at the rate of not less than 50,000,000 ounces per month, until there shall be added to the monetary resources of the United States 1,000,000,000 ounces of silver, except that whenever 371¼ grains of pure silver equals in purchasing power 23.22 grains of pure gold the purchase of silver under this act shall be suspended. At any time the purchasing power of 371¼ grains of pure silver goes below the purchasing power of 23.22 grains of pure gold the purchase of silver shall be resumed and continued until the purchasing power of said amount of silver is restored to equal the purchasing power of said amount of gold; and this shall be done from time to time to keep the purchasing power of silver to gold in the relation provided above.

If the purchasing power of 371¼ grains of pure silver rises above the purchasing power of 23.22 grains of pure gold, then the Secretary of the Treasury shall sell silver until the purchasing power of said amount of silver equals the purchasing power of said amount of gold; and this shall be done from time to time to keep the purchasing power of silver to gold in the relation provided above.

Such silver shall be purchased, at home or abroad, wherever silver shall be procurable at or under the value specified above, with any direct obligations, coin, or currency of the United States authorized by law, or with any funds held by the Secretary of the Treasury not otherwise appropriated, at such rates and upon such terms and conditions as the Secretary of the Treasury may deem most advantageous to the public interest; and the silver so purchased shall be held in reserve by the Secretary of the Treasury against the issue of certificates of deposit payable to bearer, as hereinafter provided. Such silver certificates shall be issued by the Secretary of the Treasury in an amount which in the aggregate shall equal the cost of such silver to the Secretary of the Treasury. Upon presentation of any such silver certificates the Secretary of the Treasury shall redeem the same in silver bullion at the prevailing market price or in the circulating currency of the United States. The silver certificates issued under the provisions of this act shall be legal tender for all debts, public and private, public charges, taxes, duties, and dues.

SEC. 2. This act shall take effect on the 1st day of the succeeding month after its enactment, or sooner by proclamation of the President.

[Here the gavel fell.]

Mr. BUSBY. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD and to include therein a short bill that I introduced on the silver question.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. SAMUEL B. HILL. Mr. Chairman, I move that all debate on this section and all amendments thereto do now close.

The question was taken; and on a division (demanded by Mr. LAMNECK) there were—ayes 59, noes 42.

So the motion was agreed to.

Mr. MOTT. Mr. Chairman, I make the point of no quorum.

The CHAIRMAN. The vote just taken in the committee discloses that a quorum is present.

Mr. MOTT. Mr. Chairman, I demand tellers.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

Mr. MOTT. Mr. Chairman, I demand tellers on the previous vote.

Mr. COOPER of Tennessee. Mr. Chairman, the vote disclosed that a quorum is present, and the Chair has so ruled. The gentleman's demand for tellers therefore comes too late.

Mr. MOTT. I do not think the vote is correct, and I demand tellers.

Mr. COOPER of Tennessee. The request of the gentleman from Oregon comes too late.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

Mr. BYRNS. Mr. Chairman, I make the point of order that it is too late to call for tellers, because a point of no quorum was made and the Chair overruled the point of no quorum; therefore it is too late to ask for tellers.

The CHAIRMAN. The Chair announced the presence of a quorum and stated the question was on the amendment offered by the gentleman from Illinois before he heard any request for tellers.

Mr. WOODRUFF. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WOODRUFF. The gentleman from Michigan understood the Chair to announce that there were 50 ayes and 42 noes.

The CHAIRMAN. The vote was 59 to 42.

The question is on the amendment offered by the gentleman from Illinois.

The question was taken; and on a division (demanded by Mr. MCGUGIN) there were—ayes 7, noes 63.

Mr. MOTT. Mr. Chairman, I make the point of no quorum.

Mr. BYRNS. Mr. Chairman, I make the point of order that that is dilatory, because it has not been 2 minutes since the Chair ruled that there was a quorum present.

Mr. MOTT. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. DOUGHTON and Mr. KELLER to act as tellers.

The Committee again divided; and the tellers reported that there were—ayes 10, noes 80.

Mr. MOTT. Mr. Chairman, I make the point of no quorum.

The CHAIRMAN. The Chair will count. The Chair observed a number of Members in the Chamber not voting. [After counting.] One hundred and thirty-five Members present, a quorum.

So the amendment was rejected.

Mr. FIESINGER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FIESINGER: In line 9, page 1, strike out the word "fourth" and insert in lieu thereof the word "third."

The amendment was rejected.

Mr. LAMNECK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LAMNECK: Page 1, line 9, after the word "silver", strike out the period, insert a comma and the following: "which one-fourth of said monetary stock is hereby declared primary money and is hereby given legal-tender privileges to the extent of its world-accepted market value, under rules and regulations which shall be promulgated by the Secretary of the Treasury, and shall be free from artificial limitations or restraints."

The amendment was rejected.

The Clerk read as follows:

SEC. 3. The Secretary of the Treasury is authorized and directed to purchase silver, at home or abroad, for present or future delivery with any direct obligations, coin, or currency of the United States, authorized by law, or with any funds in the Treasury not otherwise appropriated, at such rates, at such times, and upon such terms and conditions as he may deem reasonable and most advantageous to the public interest: *Provided*, That no purchase of silver shall be made hereunder (a) at a price in excess of the monetary value thereof or (b) whenever and so long as the monetary value of the stocks of silver is equal to or greater than 25 percent of the monetary value of the stocks of gold and silver: *And provided further*, That no purchases of silver situated in the continental United States on May 1, 1934, shall be made hereunder at a price in excess of 50 cents a fine ounce.

With the following committee amendments:

Page 1, line 10, strike out the word "The" and insert "Whenever and so long as the proportion of silver in the stocks of gold and silver of the United States is less than one-fourth of the monetary value of such stocks, the."

Page 2, line 9, strike out "(a)"; and beginning at the end of line 10, strike out "or (b) whenever and so long as the monetary value of the stocks of silver is equal to or greater than 25 percent of the monetary value of the stocks of gold and silver."

Mr. TABER. Mr. Chairman, I rise in opposition to the first committee amendment.

Mr. Chairman, this is an amendment that requires the Secretary of the Treasury to buy enough silver at such times and in such manner as he may determine to be in the public interest as will be necessary to make the stock of silver one-fourth of the monetary reserves in the Treasury.

The gentleman from Mississippi [Mr. BUSBY] very clearly explained this situation and showed why this bill will not do any good, but will simply tie up a lot of Government credit and Government money.

We should not adopt this amendment and require one-fourth of the monetary stock of metal in the Treasury to be silver. We should vote this down; and if the bill has got to pass, we should let it go on the basis that the Secretary of the Treasury shall buy it when in the public interest he thinks this should be done.

When the gold bill was up in March, the Secretary of the Treasury said:

As you gentlemen know, we have a $2,000,000,000 fund to stabilize American currency, but it is just impossible to tell what the future will be as to how best to handle this. I believe we need more experience and more time to tell us what is the best way to handle the monetary problem of this country before we get into as definite and as fixed a permanent policy as is outlined in this bill.

Yet we are told by the Chairman of the Ways and Means Committee that this is a part of a definite monetary program that was in mind at the time the gold bill was passed.

A little later on the Secretary was asked, and this appears at page 389:

Mr. GOLDSBOROUGH. Do you object to stating your specific reasons for that, if you have any?

Secretary MORGENTHAU. It is simply because we do not know enough about it. We want the benefit of at least a year's experience with the present program we are on.

Now, it is perfectly apparent that the only possible beneficiaries of this proposition are those who are now mining silver and the foreigners who have a lot of silver on hand. This they can sell to this country for our merchandise, which we will send across the water for their silver, which they do not want, and we will get something that we do not want and no one else wants and put it in the Treasury, and then we will issue certificates against it. This will not even increase the volume of currency in circulation, because such volume is regulated by supply and demand, and the coming in of this silver currency will simply crowd out a little bit of the Federal Reserve notes that are outstanding.

This is the most futile bill that was ever invented. It is absolutely vicious in that it ties up Federal money in a lot of silver that we do not want and no one in any other country wants, and it will absolutely do no good, and I therefore hope the amendment will be voted down and the bill defeated.

Mr. COOPER of Tennessee. Mr. Chairman, I shall take only a few minutes of the time. This is a simple clarifying amendment offered for the purpose of making certain that the amount of silver shall be held up to the point of 25 percent. There was some doubt as to the language as it appeared in the bill whether that purpose would be accomplished. This amendment is to make certain that that will be done. In other words, if the amount of gold should increase so as to be greater than it is now, silver could be brought up to 25 percent.

Mr. McFADDEN. Mr. Chairman, I move to strike out the last word, and I do that for the purpose of inquiring in regard to the legal requirements as to the volume of gold. How are you going to regulate the 25 percent if you do not know what the legal requirements now are?

Mr. SAMUEL B. HILL. We know how much gold is in the Treasury.

Mr. McFADDEN. But the amount of gold in the Treasury is a changing proposition. There are no legal requirements now as to how much gold shall at all times remain in the United States Treasury. You have done away with all legal gold requirements.

Mr. COOPER of Tennessee. The question of the gold reserve has nothing to do with this.

Mr. McFADDEN. Does it refer to the gold in the Treasury or the Federal Reserve banks, or are you always to treat the $2,000,000,000 gold-exchange fund as a part of the gold in the Treasury?

Mr. COOPER of Tennessee. The Federal Reserve banks have no gold.

Mr. McFADDEN. They only have gold certificates, which are not payable in gold unless the Secretary of the Treasury sees fit to pay in gold. I was trying to get it clarified. I have heretofore pointed out what will happen to our gold in the future. I want to refer now to the statement that the gentleman from Tennessee made after I spoke a short time ago. I want to refresh the memory of Members who were here when the Pittman Act was passed in war time.

We had then a great surplus of silver dollars in the United States Treasury. The British had a great interest in getting that silver from us at that time. The silver producers in this country agitated it for a long time. Silver was then selling at $1.36 to $1.39 per ounce. The Pittman Act was passed, and, I say, the British wanted to get the silver to ship to India.

I call attention to the fact that 200,000,000 ounces of silver were sold and sent to Great Britain. Great Britain gave us her I O U. Great Britain took that silver to London, coined it into rupees, and sent it to India, and made $200,000,000 on the transaction, and by this action Great Britain tightened her hold on India.

That shows the British interest in silver. They are as much interested now in silver as they were then. When the Pittman Act was passed, we had in the Treasury over 450,000,000 silver dollars, and the Pittman Act authorized the breaking up of those dollars and authorized the sale of that silver. Great Britain has always controlled the silver market. The Montagues, the Sassoons, and other Jewish bankers have juggled silver markets in India, China, and elsewhere to their own great profit, and always to the benefit of the British Empire.

So it was during the closing days of the World War that England sent Lord Reading (Sir Rufus Isaacs) to Washington to get the two hundred millions of silver in our Treasury, and his boat waited anchored in the Potomac until President Wilson told him that Congress had passed the authority for the sale.

The silver men, or the producers in the country, insisted that inasmuch as this silver was to be sold to the British and other buyers at $1 an ounce, when the price was $1.36 or more, that the amount that was sold abroad should be repurchased from the American silver producers; so that clause was put in the act; and as two-hundred-and-fourteen-and-odd million ounces were sold, 200,000,000 ounces were repurchased from the American silver producers. That explains the great surplus at that time in the Treasury, how it was taken out of the country, how anxious the silver producers were to get rid of it, and how anxious the British were to increase their power and control over India. Then it came to the point where India was demanding her independence from Great Britain, and Great Britain put India back on the gold basis and demonetized silver. Since that time the Indians and the British are interested in getting rid of their surplus stocks of silver. England has again strengthened her hold on India, and through this process is slowly drawing gold out of India and thus weakening India. England's interest in silver is great today.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. RANKIN. Mr. Chairman, this silver bill is going in the right direction. It will help to broaden our monetary base for the proper expansion of our currency. Ever since 1929 I have said on this floor that we would never get out of this panic and restore prosperity to the American people until we expand the currency and put that currency into circulation.

The gentleman from Kansas [Mr. McGUGIN] asked why we did not do something when the Democrats were in power before. I call attention to the fact that we did do something. It was under the democratic administration that the Federal Reserve Act was passed, which gave us an elastic currency and enabled us to expand the currency through the Federal Reserve System. In 1914 we had $34.93 per capita in circulation; wheat was around 50 cents to 60 cents a bushel cotton 10 cents a pound. We began to expand that currency until 1920, when we had $53.21 per capita in circulation, cotton was 30 cents a pound and wheat $2.50 a bushel, and other commodity prices were higher in proportion. While we were on that level we contracted our debts, floated our bonds, and incurred our obligations. When Mr. Ogden Mills became Secretary of the Treasury, they began, under the pressure of Wall Street, to contract that currency until when the panic broke in 1929 they had it back to approximately $35 per capita. That is what brought on our panic, and the way to correct it is to reissue that money and put it into circulation.

Mr. DIES. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. Yes.

Mr. DIES. The gentleman also remembers that in 1878 we passed the Bland Act which was for the free and unlimited coinage of silver, and it went to the Senate and that body limited it to $2,000,000 a month.

Mr. RANKIN. I want to discuss this other phase. Money is the lifeblood of a nation. We do not circulate gold and we do not circulate much silver. We circulate paper currency issued against our gold reserve. This bill adds 25 percent of silver to that reserve, and as I said, broadens the base for the issuance of more currency against it. But if we are going to raise commodity prices, we will have to use the power already written into the law to issue currency against the monetary base we have and put it into circulation. If that is done, if they would do that tomorrow, if they would issue $2,500,000,000 and put it into circulation, you would see the price of wheat and corn and cotton and hogs and land and lumber begin to rise and you would not need the N.R.A., you would not need artificial stimulation.

You would soon have normal conditions. Prices of wheat, cotton, corn, cattle, and so forth, would rise. It would soon bring back prosperity to all the American people. It would bring back the prices of farm commodities to what they were when our debts were contracted; and until that is done, we cannot hope to get out of debt.

The gentleman from Kansas [Mr. McGUGIN] criticized the reduction of the gold content of the dollar. Last year he was for it. I supported the proposition to cut the gold content of the dollar. I shall support this proposition because, as I said, it gives us a broader monetary base. I believe the administration will carry out the policies laid down in these laws, exercise the powers we have given them to issue this currency and put it into circulation and when they do, you will see this panic break, the prices of raw materials rise, and prosperity return. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I move that all debate upon this amendment and all amendments thereto do now close.

The motion was agreed to.

The CHAIRMAN. The question is on agreeing to the committee amendments.

The committee amendments were agreed to.

Mr. PARSONS. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. PARSONS: Page 2, line 6, strike out the words "at such times."

Mr. PARSONS. Mr. Chairman, the purpose in offering this amendment is to be sure that the Secretary of the Treasury will purchase what silver is available, at least in the United States. The bill as written reads as follows:

That the Secretary of the Treasury is authorized and directed to purchase silver, at home or abroad, * * * at such rates, at such times, and upon such terms and conditions as he may deem reasonable and most advantageous to the public interest.

So long as the three words "at such times" remain in the bill it is discretionary with the Secretary of the Treasury to purchase it tomorrow; if not, next month; if not, next year; if not, 5 years or 10 years from now; or whenever he may decide.

Mr. COOPER of Tennessee. Will the gentleman yield?

Mr. PARSONS. I yield.

Mr. COOPER of Tennessee. For the very reasons assigned by the gentleman, we could not take those three words out.

With those three words stricken out, he might have to buy it all in the morning. He could not do that. He has to buy it as he can. With those three words stricken out, he might be required to buy it all at one time. Of course, he could not do that.

Mr. PARSONS. The three words preceding and the line following those three words give the Secretary of the Treasury discretionary powers to buy at such rates and upon such terms and conditions as he may deem reasonable; but if we leave in "at such times", that time can be continued until tomorrow or next month or next year or no time whatsoever. But if we eliminate those three words, then he is compelled to go into the market and at least purchase silver, discretionary upon the terms most advantageous to the public interest.

Mr. COOPER of Tennessee. I am sure the gentleman will admit that the very thing he says might happen cannot happen under the policy laid down in this bill unless there is an absolute breach of faith, and I know he does not think for a moment such a thing could happen.

Mr. PARSONS. Of course, the hearings contain many statements as to what this bill proposes to do. The gentlemen of the committee know what a task we have had on this silver question beginning with last year, and especially during the last 3 or 4 months, and it was only a few days ago that any concession was made whatsoever on the silver question by the President, by the administration, with reference to taking silver into the monetary scheme. Therefore I submit to the committee that if those three words are stricken out, the Secretary of the Treasury will be bound to go into the markets, at least into the domestic markets, to buy the silver that is available; and under the terms of this act, he cannot put it off until next year or the next year after that; and I also submit that if the three words "at such times" remain in the bill, the Secretary of the Treasury does not have to purchase one single dime's worth of silver, either domestic or foreign, this year or next year, if he decided in his own discretionary mind that it is not in the public interest.

[Here the gavel fell.]

Mr. VINSON of Kentucky. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, we all recognize that the gentleman from Illinois [Mr. PARSONS] who has just addressed us has done valiant service in the cause of silver in this and preceding Congress, but I submit to you that the striking out of the words "at such times" will not remove the objection which the gentleman from Illinois sees in the section. The three words immediately preceding the language he seeks to strike out, empowering the Secretary of the Treasury to purchase silver at such rates as he may see fit, would give him the same discretion of dilatory tactics were to be pursued as the power included in the words "at such times."

I submit to the Committee that in my judgment the reason why the words "at such times" should be included here is to prevent the Treasury's having to pay more for the silver than the real market price. There has been some criticism heard in the consideration of this bill with regard to specu-

lators. This language is protective against any corner in silver. It protects against the opportunity for increased profits. Now, if you say in this bill that you must buy all this silver at one time, I submit to you there would be an artificial price. It would be a much-increased price. It would not be a lasting stimulus to the commodity prices in this country or throughout the world, because, after this quantity of silver is purchased at one time, I fear that the price would immediately drop and the benefits hereunder materially decreased.

Mr. PARSONS. Will the gentleman yield?

Mr. VINSON of Kentucky. I yield.

Mr. PARSONS. The gentleman knows the Secretary of the Treasury will not have to buy all this silver in bulk, because "at such rates, at such times, and upon such terms and conditions as he may deem" reasonable and most advantageous to the public interest gives him discretionary power still; but if you keep "at such times" in the bill, then he does not have to purchase a single dime's worth this year or next year or the year after that, and the gentleman knows that.

Mr. VINSON of Kentucky. I beg to differ with the gentleman. This discretionary power is a protective weapon in the hand of the Secretary of the Treasury. It protects the Treasury of the United States and thereby the people of the United States. The section of the bill which provides for the purchase of the 1,300,000,000 ounces of silver necessary to make the one-quarter ratio of silver to the monetary stocks is a mandatory provision. The members of the committee must recognize that it is a mandatory provision, and we cannot for a split second think that the Secretary of the Treasury is going to disregard such mandatory order—the direct mandate of the Congress of the United States. I submit, Mr. Chairman, that this language as drafted, with those words in it, is for the protection of the Treasury and the people of the United States. I ask that the amendment be voted down.

Mr. DOUGHTON. Mr. Chairman, I move that all debate on this section and all amendments thereto do now close.

Mr. FIESINGER. Well, Mr. Chairman, I have an amendment.

Mr. MOTT. I have an amendment. The gentleman from Illinois talked out of his turn. I ought to have a right to discuss my amendment.

The CHAIRMAN. The question is on the motion of the gentleman from North Carolina [Mr. DOUGHTON].

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. PARSONS].

The amendment was rejected.

Mr. FIESINGER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FIESINGER: Page 2, line 9, after the word "hereunder", strike out "at a price in excess of the monetary value thereof" and insert in lieu thereof the following: "After the purchasing power of a grain of gold shall be above that purchasing power which it had as of January 1, 1926, under the wholesale commodity-price index as computed by the Bureau of Labor Statistics."

Mr. VINSON of Kentucky. Mr. Chairman, I make the point of order against the amendment.

The CHAIRMAN. The gentleman will state it.

Mr. VINSON of Kentucky. Mr. Chairman, I make the point of order that the amendment is not germane to the bill.

The CHAIRMAN. The Chair will hear the gentleman on the point of order.

Mr. VINSON of Kentucky. There is nothing in the bill with regard to a 1926 commodity index price.

Mr. FIESINGER. Mr. Chairman, I disagree with the gentleman.

Mr. COOPER of Tennessee. Mr. Chairman, further supporting the point of order, the bill relates entirely to price. The amendment offered by the gentleman from Ohio relates entirely to time. Thus the subject matters are entirely different.

The CHAIRMAN. The Chair sustains the point of order.

Mr. MOTT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MOTT: Page 2, line 8, after the word "silver", strike out the remainder of section 3 and insert in lieu thereof the following: "newly mined in the United States at such rates and at such times as he may deem reasonable and the most advantageous to the public interest: *Provided*, That no purchase of silver shall be made at a price in excess of the market value thereof, and in no event at a price in excess of 50 cents per fine ounce. Said silver shall be paid for by silver certificates to be issued by the Secretary of the Treasury for that purpose and not otherwise."

Mr. MOTT. Mr. Chairman, I offer another amendment, and I ask unanimous consent that it may be read before the vote is taken on the first amendment.

Mr. VINSON of Kentucky. Mr. Chairman, reserving the right to object, is the gentleman willing to have the second amendment considered in conjunction with the first one? It may save time to do it this way.

Mr. MOTT. Mr. Chairman, I had offered an amendment and had been recognized by the Chair, but the gentleman from Illinois was recognized on an amendment he offered, and then the chairman of the committee moved that debate on the section be closed. That is the reason I offered the second amendment. I wish to be heard on my amendment.

The CHAIRMAN. Without objection, the Clerk will read the amendment.

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. MOTT: I move that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. MOTT. Mr. Chairman, I do not intend to talk on the motion last read, but I wish to be heard on the amendment I have offered.

Mr. BYRNS. Mr. Chairman, I make the point of order that the gentleman is out of order unless he confines his remarks to the motion to strike out the enacting clause.

The CHAIRMAN. The gentleman from Oregon must confine himself to the motion to strike out the enacting clause.

Mr. BYRNS. The gentleman has taken up a lot of time in making points of no quorum in an endeavor to delay consideration of the bill. I think the gentleman ought to confine himself to the motion to strike out the enacting clause.

Mr. MOTT. I was perfectly frank in stating the reason why I offered the motion to strike out the enacting clause. I felt that I should have been given an opportunity to talk on my amendment, because the gentleman from Illinois was recognized after I had been recognized and after my amendment had already been sent to the Clerk's desk.

The CHAIRMAN. The gentleman from Oregon is recognized.

Mr. MOTT. Mr. Chairman, this bill is not going to give to the silver-producing States the relief they suppose it will afford. The measure, in my opinion, is offered as a mere sop to the silver-producing States, and I think they are going to experience the greatest disillusionment and the rudest awakening imaginaable when this bill is actually put into operation.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. MOTT. I yield.

Mr. MAY. May not the fact that this bill provides in the latter part of section 3 that the price of silver shall not exceed 50 cents per fine ounce when situated in the United States result in the purchase of foreign silver at a price far in excess of 50 cents a fine ounce and in this way militate against the interests of the domestic silver producer?

Mr. MOTT. I think so; and my amendment prohibits the purchase of silver outside of the United States. Not only that, but it limits the silver which may be purchased to newly mined silver. That is the only kind of silver purchasing that can do the silver States any possible good.

Mr. SAMUEL B. HILL. Mr. Chairman, I make the point of order that the gentleman from Oregon is not speaking to his motion.

The CHAIRMAN. The gentleman from Oregon will confine himself to the motion to strike out the enacting clause.

Mr. MOTT. That, Mr. Chairman, is precisely what I am doing. The reasons I am advancing are reasons why the enacting clause should be stricken out. Most certainly I am addressing myself to my motion. If the purchase of silver is not to be confined to the United States, this bill ought not to be passed, and that is sufficient reason why the enacting clause should be stricken out. And because the bill does not, in its present form, restrict silver purchases to newly mined silver in the United States, I am now contending that the enacting clause should be stricken out.

Mr. SAMUEL B. HILL. Mr. Chairman, I make the point of order the gentleman is not speaking to the motion to strike out the enacting clause.

Mr. MOTT. The reasons I assign for striking out the enacting clause are applicable both to the motion and to the amendment, that is true; but in view of what I have just said, I hardly see how the gentleman can contend that I am not speaking to the motion.

Mr. SAMUEL B. HILL. The gentleman is addressing himself to a nondebatable amendment.

The CHAIRMAN. The gentleman will discuss his motion.

Mr. MOTT. That certainly is what I am doing. If gentlemen would kindly refrain from interrupting me until I get fairly into the discussion, they would see at once that the discussion is on the motion. Now, Mr. Chairman, if it is assumed that newly mined silver——

Mr. SAMUEL B. HILL. Mr. Chairman, I make the point of order that the gentleman from Oregon is not speaking to his motion to strike out the enacting clause, but is addressing himself to his amendment, when all debate on the section has been closed.

The CHAIRMAN. The gentleman from Oregon may not discuss his amendment because debate on the section has been closed. The gentleman may discuss his motion to strike the enacting clause from the bill.

Mr. TABER. Anything pertaining to striking out the enacting clause is pertinent.

The CHAIRMAN. Yes.

Mr. MOTT. Then everything I have said is pertinent. The enacting clause should be stricken in order that we may have a bill reported providing for such legislation as I am advocating. What kind of legislation is that? It is the legislation proposed in the amendment I have offered. Strike out the enacting clause and then bring in a bill providing for the purchase of silver—silver newly mined in the United States—and you will have the relief which the silver States want but which this bill does not give them.

This bill provides that the Secretary of the Treasury may buy silver wherever he pleases, whenever he pleases, and that he shall pay for it any price that he pleases, until he has purchased enough to equal in monetary value one-fourth of the value of the gold stocks in the Treasury. He is not obliged to buy any of it in the United States. He can buy it all from India or China, if he wants to.

Let me ask gentlemen from the silver-producing States how such a measure is going to help them? How is it going to help our mining industry? Literally thousands of speculators in silver who have been purchasing that metal at cheap prices in contemplation of this legislation are going to be taken care of. They are the people behind this bill. They are the ones who are going to benefit by it. When the Treasury gets through buying the billion or more ounces which these speculators have cornered, and when it gets through buying another billion which will be dumped here by foreign countries who want our gold for it, where, I ask you, are our silver mines going to receive any benefit?

What does this Government owe to foreign nations that it should buy their silver for gold at the market price while our own silver mines are shut down for want of either a domestic or a foreign market for their product? What do we owe to the speculators who have bought up the domestic supply of silver, when there was no market for it, at prices below which it can be produced, and who now under this bill may exchange it for gold and Government bonds at prices from 25 to 50 percent in excess of what they paid for it?

I am not sure whether any amendment can make this bill a good one. But if you must buy silver until the stocks of that metal equal 25 percent of the gold in the Treasury, then why not confine your purchases to silver newly mined in the United States instead of buying it from foreigners and gamblers? That will at least help our mining industry. It will put thousands of unemployed men to work. This bill in its present form will help nobody to whom the United States owes any obligation whatever.

This bill started with good intentions. I think the intentions upon the part of the original sponsors of the bill were good, but it has been turned into one of the worst pieces of financial racketeering that I have ever heard of. The provision in this bill to buy at the monetary price all of the silver that has been hoarded through the years by financial speculators throughout the country, in my opinion, is a most vicious thing. The honest sponsors of this legislation never intended that this racket should be injected into the bill, and they should assert themselves now, before it is too late, and demand that this racketeering be stricken out of the bill.

I should like the gentlemen from the silver States to consider this. I want to help the silver States, but if this bill passes in its present form, obviously the only people in the United States who will benefit to any appreciable extent will be the speculators and hoarders—and the foreign countries who have for years been endeavoring to exchange their silver for our gold.

There is another change that should be made in the bill. As it is drawn it provides that the silver purchased shall be paid for in gold, currency, bonds, and other securities which are backed by the gold reserve in our Treasury. What is the reason for this? Purchase by such means will cost the Government nearly a billion dollars.

If additional silver is to be purchased, it should be paid for with silver certificates issued for that purpose in the amount of the silver purchased. That would cost the Government nothing, because it would then be simply a matter of taking the silver from the owner, depositing it in the Treasury, and issuing therefor silver certificates backed by the very silver purchased.

At the conclusion of this debate I intend to offer a motion to recommit and to instruct the committee to report out the bill with the amendment I have offered, providing that purchases of silver under this bill shall be confined to silver newly mined in the United States and that it shall be purchased with silver certificates. If the silver States are sincere in their desire to help their mining industry, to take the racketeering out of this measure, and to enable the Government to increase its silver reserve without bankrupting itself, I hope they will support the motion. [Applause.]

Mr. SAMUEL B. HILL. Mr. Chairman, I move that all debate on the motion of the gentleman from Oregon to strike out the enacting clause do now close.

The motion was agreed to.

Mr. MOTT. Mr. Chairman, I ask unanimous consent to withdraw my motion to strike out the enacting clause.

Mr. VINSON of Kentucky and Mr. COCHRAN of Missouri objected.

The motion was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oregon.

The question was taken; and on a division (demanded by Mr. McGUGIN) there were—ayes 21, noes 88.

Mr. McGUGIN. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chair appointed Mr. DOUGHTON and Mr. MOTT to act as tellers.

The Committee again divided; and the tellers reported that there were—ayes 22, noes 89.

So the amendment was rejected.

The Clerk read as follows:

SEC. 4. Whenever and so long as the market price of silver exceeds its monetary value or the monetary value of the stocks of

silver is greater than 25 percent of the monetary value of the stocks of gold and silver, the Secretary of the Treasury may, with the approval of the President and subject to the provisions of section 5, sell any silver acquired under the authority of this act, at home or abroad, for present or future delivery, at such rates, at such times, and upon such terms and conditions as he may deem reasonable and most advantageous to the public interest.

Mr. MURDOCK. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. MURDOCK: Page 2, line 18, after the word "value", strike out the word "or" and insert the word "and."

Mr. MURDOCK. Mr. Chairman, if there is anything in this bill that makes it worthy of being called a silver bill it is the fact that it has the mandatory clause providing that one-fourth of our metal monetary stocks shall be acquired and maintained in silver, and every speech that has been made by members of the committee on the floor of the House today has been to the effect that, if there is anything mandatory in the bill, that clause is mandatory which provides that we must maintain one-fourth of the metal monetary stocks in silver. If there is a joker in the bill, or if there is anything in the bill that destroys that mandatory clause, it is the conjunction "or" in line 18 of section 4.

We have as one of the protections to the Treasury the provision that they cannot buy silver after it rises above its monetary value. In my opinion, that is a sufficient protection; but, if you allow the disjunctive word "or" to stand instead of replacing that word with the conjunctive "and", then immediately when the price of silver goes to $1.29 the Secretary of the Treasury is authorized to sell silver, thereby wholly destroying the mandatory feature.

Mr. SAMUEL B. HILL. Will the gentleman yield?

Mr. MURDOCK. I yield to the gentleman from Washington.

Mr. SAMUEL B. HILL. Does the gentleman not believe if the price of silver should reach $1.29 and go above $1.29 that that would have a depressing effect on commodity values, and would the gentleman not be satisfied with that price for silver?

Mr. MURDOCK. I am satisfied that the limit on the price to be paid of $1.29 an ounce is all that the Government needs, and therefore if the members of the committee want to be consistent, how can the Treasury be directed to maintain the metal monetary stocks of this country at one-fourth silver and at the same time be directed whenever the price goes above $1.29 to sell the silver stocks regardless of whether there is more than one-fourth silver in the Treasury or not?

Mr. SAMUEL B. HILL. Does the gentleman not believe it would be in the interest of the economic condition of the country to reduce the premium value of the silver if it should go above $1.29 an ounce?

Mr. MURDOCK. May I ask the gentleman a question? He has made a speech on the floor, and every member of the committee has made a speech on the floor, telling the people of the country that it is absolutely mandatory to maintain one-fourth of our metal-money stocks in silver. Then we find this joker in the bill: The Secretary of the Treasury may, immediately on the price rising above $1.29, regardless of the quantity of silver in the Treasury, sell it. You either mean it is mandatory or it is not mandatory. If you mean what you have been saying all day here in the House, then you cannot consistently object to my amendment.

Mr. COOPER of Tennessee. The gentleman does not advocate here that the Secretary of the Treasury should continue to pay more for the silver than it is worth in money?

Mr. MURDOCK. Absolutely not. That is just what I am trying to put over. You are protected there, and you cannot purchase after it reaches $1.29; but why permit the Secretary of the Treasury by this section to sell silver even though you have not in the Treasury one-fourth of your metal monetary stock in silver? If the gentleman can answer that question, I wish he would.

Mr. SAMUEL B. HILL. If the sales of silver should bring the price down below $1.29, the Government would stop selling.

Mr. MURDOCK. I am not interested in bringing the price down. What I want is to boost the price. If the President meant anything in his message, and if the gentlemen meant anything in their talks on the floor, they mean we are going to keep the silver until we have one-fourth of monetary stocks in silver; and consistency demands that your committee accept my amendment.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I desire to call attention to one feature of the general debate this afternoon where for a brief period we touched on the industrial use of silver.

On page 56 of the hearing, Mr. MCCORMACK interrogated Mr. Oliphant as follows:

I should like to know why, Mr. Oliphant, a 50-percent tax should be imposed upon silver used in legitimate business, on the profits.

Mr. OLIPHANT. I think that is a very legitimate question. Why should we impose a tax upon the middleman who merely buys silver, we will say, from a producer and sells the silver to a manufacturer?

The difficulty there is the difficulty I know your committee has so frequently run into, and that is the problem of classification.

Then, later on, Mr. Oliphant said:

I am prepared to say this, if I may: If we can work out a feasible classification, and by that I mean a classification between speculative dealing and ordinary trade dealing, that is feasible from the standpoint of administration, I would be very happy to go along with it.

Now, whether or not any such provision has been worked out, I think, is a pending question that the majority members of the committee ought to be prepared to answer.

The only expert I heard was our colleague from Texas [Mr. DIES], who said that the Government's buying up silver would, of course, increase the price of silver by increasing the demand in the market. Therefore, there will be a marked increase in the price of silver to the industrial or commercial user of it, and I think the inquiry which the gentleman from Massachusetts [Mr. MCCORMACK] made of Mr. Oliphant ought to be answered as to whether or not a classification can be offered under which industrial silver will not be increased in price because the Government is going to buy up silver and hoard it.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. TREADWAY. Yes.

Mr. VINSON of Kentucky. The question of the gentleman from Massachusetts [Mr. MCCORMACK] referred to the tax on silver used commercially and Mr. Oliphant stated, and it is perfectly clear, that the user of silver commercially does not pay the tax.

Mr. TREADWAY. If that is true, that helps partially.

Mr. VINSON of Kentucky. And it is also true, according to the evidence before our committee, that in the ordinary course of business—and nothing is done here to disturb this procedure—users of commercial silver get it from the mine. The definition of "cost" in this bill states specifically that the market price of silver for the silver-mine owners is the cost of production. Consequently, I may say to the gentleman from Massachusetts, there is no tax upon newly mined silver that is sold to commercial users, because there is no difference between the cost price to the mine owner as defined in the bill and the price at which he sells it—that is assuming that the mining company sells, in ordinary course of business, without holding silver for speculative purposes.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I ask unanimous consent to proceed for 2 minutes, because I think this is a question we ought to consider.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. COOPER of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. I yield to the gentleman from Tennessee.

Mr. COOPER of Tennessee. I just want to remind the gentleman that the question he is discussing comes up in connection with page 7 of the bill, while we are now on page 2.

Mr. TREADWAY. But it is a question having to do with the bill very definitely, and while the explanation of the gentleman from Kentucky [Mr. VINSON] may take care of the feature to which he is referring, namely, that there will be no tax on this industrial silver, nevertheless, if the Government creates a fictitious value for the marketable silver in the markets of the world, London and New York, how can the industrial user of silver buy at any other than this fictitious value or price?

Mr. VINSON of Kentucky. I have never heard anyone suggest that the user of commercial silver should buy below the market price.

Mr. TREADWAY. Then, if the purchases—by the Government—raise the price of silver, the industrial user of silver will be at a very marked disadvantage. May I ask the gentleman if he agrees with this statement?

Mr. VINSON of Kentucky. I will say that the user of commercial silver will pay the market price.

Mr. TREADWAY. And he will be at a disadvantage if the Government raises the market price.

Mr. VINSON of Kentucky. He will pay more for it than he would if the price had not been increased.

Mr. TREADWAY. The gentleman then recognizes the fact that this bill will inflict a hardship on the user of commercial silver.

Mr. VINSON of Kentucky. It will increase the price of silver.

Mr. TREADWAY. That is what I wanted the gentleman to say.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. I yield.

Mr. CULKIN. As I understood the gentleman from Kentucky [Mr. VINSON], the gentleman stated that the tax did not apply if the silver was bought at the mines, if it is all commercial; otherwise, then, the tax does apply. Is that what I understand?

Mr. VINSON of Kentucky. The tax is paid by the transferor, and if the transferor bought it for a less price and sold it at a profit, he must pay the tax. Certainly a person using commercial silver is not going to pay a higher price to a transferor when he can buy it more cheaply from the mine, which does not have to pay tax if sale is in ordinary course of business.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. SAMUEL B. HILL. Mr. Chairman, I move that all debate on this section and all amendments thereto close in 5 minutes.

The motion was agreed to.

Mr. DARROW. Mr. Chairman, I move to strike out the last word, and I do it for the purpose of calling the attention of the House to the fact that this is Decoration Day, a day when the entire country is paying honor to those who have served their country and paid their last sad sacrifice. Yet the House of Representatives seems to pay no attention to it. Here it is a quarter past 6, and the House does not seem to be willing to pay that same respect to one of its own Members who has passed away. I think it is time for the House to adjourn.

Mr. BYRNS. Mr. Chairman, will the gentleman yield?

Mr. DARROW. Yes.

Mr. BYRNS. I call the attention of the gentleman to the fact that even though this be Decoration Day, we are serving our country here as best we can. The Senate is also in session considering legislation. I stated to the House, and it was well understood, that we could get through with this bill, and if it had not been for the time taken up in a filibuster carried on on the gentleman's side of the Chamber, we would have been through by now.

Mr. DARROW. Oh, no.

Mr. BYRNS. I do not say that the gentleman filibustered, but I do say that one gentleman on his side made two or three points of no quorum when there was a quorum present. Then he called for tellers when the vote was overwhelmingly in favor of the amendment.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. BYRNS. We cannot accept a challenge like that. If gentlemen will go ahead and discuss legitimate amendments, we can get through with this bill in a very short time; but we cannot do it when gentlemen undertake to filibuster, as some gentlemen have undertaken to do.

Mr. DARROW. If I am correctly informed, the first roll call today was caused by a Member on the gentleman's side; not on this side of the House at all.

Mr. BYRNS. That may be true; but there has been a plain intent to filibuster, and the gentleman himself stood up a moment ago and called for tellers on an amendment that was overwhelmingly adopted.

Mr. DARROW. I thought that was proper.

Mr. McGUGIN. And when did it become a filibuster to ask for tellers?

Mr. BYRNS. It is a filibuster when on a vote that is 3 to 1 someone calls for tellers, when everybody knows that tellers are called for for the purpose of delay. There is a chance to adjourn this House sine die next Saturday week, if we pass this bill; and there is no chance to do it unless we stay here and attend to business. That is the only motive that I have in this matter. I do not have to go home any more than anybody else, but I know the country wants this House to adjourn, and I know the only way we can adjourn is to pass legislation that is deemed necessary.

Mr. McGUGIN. Does the gentleman think these two or three teller votes are responsible for this desecration of Decoration Day?

Mr. McFADDEN. Mr. Chairman, will the gentleman from Pennsylvania yield?

Mr. DARROW. Yes.

Mr. McFADDEN. I wonder if the House knows that one of the Pennsylvania delegation died yesterday afternoon, and that the Pennsylvania Members want to pass a resolution out of respect to that Member.

Mr. BYRNS. That will be done; but I have seen the House on many occasions insist on doing business before such a resolution is passed, and I wonder if the gentleman from Pennsylvania knew that our deceased colleague was dead, when he was joining in the filibuster on that side.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired. The question is on the amendment offered by the gentleman from Utah [Mr. MURDOCK].

The question was taken, and the amendment was rejected.

The Clerk read as follows:

SEC. 5. The Secretary of the Treasury is authorized and directed to issue silver certificates in such denominations as he may from time to time prescribe in a face amount not less than the cost of all silver purchased under the authority of section 3. There shall be maintained in the Treasury as security for all silver certificates heretofore or hereafter issued and at the time outstanding an amount of silver in bullion and standard silver dollars of a monetary value equal to the face amount of such silver certificates. All silver certificates heretofore or hereafter issued shall be legal tender for all debts, public and private, public charges, taxes, duties, and dues, and shall be redeemable on demand at the Treasury of the United States in standard silver dollars; and the Secretary of the Treasury is authorized to coin standard silver dollars for such redemption.

Mr. FIESINGER. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. FIESINGER: Page 3, line 3, strike out the entire section 5 and insert in lieu thereof the following: "The Secretary of the Treasury is authorized and directed to

issue silver certificates redeemable upon demand in silver bullion to the full value of the face of the certificate in such denominations as he may from time to time prescribe in an aggregate amount of not less than the cost of all silver purchased under the authority of section 8. There shall be maintained in the Treasury for the redemption of all silver certificates issued under this act an amount of silver in bullion equal in value to the face amount of such silver certificates. Also silver certificates heretofore or hereafter issued shall be legal tender for all debts, public and private, public charges, taxes, duties and dues."

Mr. FIESINGER. Mr. Chairman, this amendment would make silver primary money and legal tender, at its world-accepted value. That is to say, the Secretary of the Treasury would take this one-fourth of silver reserve, as provided for in this act, and give it circulation at its true value without artificial support or restraint. He would issue certificates against the silver bullion so purchased to the full amount he paid for it. There would be no profit and no loss.

Mr. McFADDEN. Mr. Chairman, will the gentleman yield?

Mr. FIESINGER. Yes.

Mr. McFADDEN. If silver is purchased abroad, how is the Treasury to pay for it? In gold?

Mr. FIESINGER. It can be settled for in those countries abroad that will take these certificates, as provided in the bill, in lawful money of the United States.

Mr. McFADDEN. "Lawful money" means gold, in settlement of international transactions, does it not?

Mr. FIESINGER. Well, it is provided that the Secretary of the Treasury may use his discretion as to payment. But under the amendment I propose, where silver is a real reserve of primary money, it would be possible and even safe to let some gold go.

Mr. McFADDEN. Does the gentleman not see the possibility of a redistribution of a lot of our gold to foreign countries, and our taking silver in return for it?

Mr. FIESINGER. I think we will have to redistribute the gold of this country. Gold must circulate. That is one of the things I want to call to the attention of the committee. There has been a lot said today about having this gold in the Treasury. This bill, in my judgment, contravenes all monetary history in the United States, in that, in my judgment, this bill is going to prevent gold redemption.

A great deal has been said today about Professor Kemmerer, and I do not agree with Professor Kemmerer, but I will say that he is right, and all economists, orthodox and otherwise, who know anything about this subject are right when they tell you that you must have a free market for your basic money and that if you are ever going to have prosperity you must get back to gold redemption. Gold and silver must be freely distributed and must freely circulate throughout the world if they are to serve as money. This is necessary for us if we are ever to have world distribution of commodities, wheat, corn, and hogs and cotton.

Mr. COOPER of Tennessee. Will the gentleman yield?

Mr. FIESINGER. I yield.

Mr. COOPER of Tennessee. As I understood the gentleman's amendment, it provides for the redemption of these certificates in bullion rather than in silver dollars?

Mr. FIESINGER. Yes, sir.

Mr. COOPER of Tennessee. That has never been done in the history of the country.

Mr. FIESINGER. It has been done in other countries, and we can do it as well as they if we wish to. In our history our silver money has not been a success, and I am pointing out to you the reason why it has not been a success.

Mr. COOPER of Tennessee. Redemption has always been in silver dollars and not in bullion.

Mr. FIESINGER. And they have been 60-cent dollars and they are kept at parity with gold by our law and not by the value in the silver. In fact, there is literature that we have built up in this Congress and in the preceding Congress with two and a half years of study about this subject that seems has never been read.

Mr. SAMUEL B. HILL. Will the gentleman yield?

Mr. FIESINGER. I cannot yield now.

That literature I do not believe has been read by 10 Members of this House. The whole subject of money has been gone into in that committee. I have been one of the members of that committee and have studied and read that literature, and every man should read that literature which has come out of the Committee on Coinage, Weights, and Measures before he is competent to vote upon this bill. And I want to say again that I do not understand why the bill now before the House should not have been referred to that committee, which properly has jurisdiction on this subject.

There is one thing more I want to say. My friend the gentleman from Kentucky [Mr. BROWN] made the statement that the bill which I introduced would cause three or four times as much profit in speculation as this bill. You will never pass any bill that will eliminate the profit to speculators. Is your design to stop profits speculators, or is it to deal with the fundamental proposition which you are attempting to deal with, that is, to remove the cause and cure this depression? I am aiming to cure the depression. There are people in my district who are starving that they may buy milk for their babies. I have letters telling me this. My heart is sick at the tragedy of it all. I am aiming to stop it, and I see how it can be stopped. I see a way to relieve these people, and I see a way to save this great Nation. I am fearful of the consequences of further delay. Speculator's profits lie everywhere. They did not stop the gold bill nor the wheat bill nor the cotton bill. I am aiming to cure unemployment, strikes, social unrest, and give our people food, clothing, and shelter.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, apparently the sole purpose of the gentleman from Ohio [Mr. FIESINGER] is to strike out the very heart of this legislation. Any legislation that does not conform to his views will meet his opposition. I hope that those of you who are in favor of carrying out the views of the administration will vote against his amendment.

Mr. Chairman, I move that all debate on this section and all amendments thereto do now close.

The motion was agreed to.

The CHAIRMAN. The question is on the adoption of the amendment offered by the gentleman from Ohio [Mr. FIESINGER].

The amendment was rejected.

Mr. MOTT. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The Clerk read as follows:

SEC. 6. Whenever in his judgment such action is necessary to effectuate the policy of this act, the Secretary of the Treasury is authorized, with the approval of the President, to investigate, regulate, or prohibit, by means of licenses or otherwise, the acquisition, importation, exportation, or transportation of silver and of contracts and other arrangements made with respect thereto; and to require the filing of reports deemed by him reasonably necessary in connection therewith. Whoever willfully violates the provisions of any license, order, rule, or regulation issued pursuant to the authorization contained in this section shall, upon conviction, be fined not more than $10,000 or, if a natural person, may be imprisoned for not more than 10 years, or both; and any officer, director, or agent of any corporation who knowingly participates in such violation may be punished by a like fine, imprisonment, or both.

Mr. WHITE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITE: Page 3, line 17, after the word "redemption", strike out all of section 6.

Mr. WHITE. Mr. Chairman, if there is anything intended by the enactment of this legislation, it is to increase the purchasing power of silver and to increase the purchasing power of the silver-using countries.

This section 6 provides:

Whenever in his judgment such action is necessary to effectuate the policy of this act, the Secretary of the Treasury is authorized, with the approval of the President, to investigate, regulate, or pro-

hibit, by means of license or otherwise, the acquisition, importation, exportation, or transportation of silver and of contracts—

And so forth.

That will operate to bar an increase in the value of silver and an increase in the purchasing power of our foreign customers. I want to point out to you that as a result of revaluing the gold dollar, by increasing the value of the ounce of gold from $20.67 to $35 an ounce, we have favored the producers of gold in Great Britain to the tune of $235,000,000 annually. We have raised the purchasing power of our trade competitors in this country by legislative action $235,000,000 annually. When we are producing most of the silver mined in this country we are by this bill placing in the hands of one man the power to control the price of that commodity and we will destroy the main object that it was intended to accomplish in this bill. I ask you to vote out that section. There is no need of it. There is nothing in this bill that requires that section. It is simply a joker put in there to emasculate the legislation which we are trying to enact. I ask you to vote for the amendment.

Mr. SAMUEL B. HILL. Mr. Chairman, I move that all debate on this section and all amendments thereto do now close.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Idaho [Mr. WHITE].

The question was taken, and the amendment was rejected.

The Clerk read as follows:

SEC. 7. Whenever in the judgment of the President such action is necessary to regulate the value of the money of the United States, he may by Executive order require the delivery to the United States mints of any or all silver by whomever owned or possessed. The silver so delivered shall be coined into standard silver dollars or otherwise added to the monetary stocks of the United States as the President may determine; and there shall be returned therefor in standard silver dollars, or any other coin or currency of the United States, the monetary value of the silver so delivered less such deductions for seigniorage, brassage, coinage, and other mint charges as the Secretary of the Treasury with the approval of the President shall have determined: *Provided*, That in no case shall the value of the amount returned therefor be less than the fair value at the time of such order of the silver required to be delivered at such value is determined by the market price over a reasonable period terminating at the time of such order. The Secretary of the Treasury shall pay all necessary costs of the transportation of such silver and standard silver dollars, coin, or currency, including the cost of insurance, protection, and such other incidental costs as may be reasonably necessary. Any silver withheld in violation of any Executive order issued under this section or of any regulations issued pursuant thereto shall be forfeited to the United States and may be seized and condemned by like proceedings as those provided by law for the forfeiture, seizure, and condemnation of property imported into the United States contrary to law; and, in addition, any person failing to comply with the provisions of any such Executive order or regulation shall be subject to a penalty equal to twice the monetary value of the silver in respect of which such failure occurred.

With the following committee amendment:

Page 4, line 11, strike out the words "regulate the value of the money of the United States" and insert the words "effectuate the policy of this act."

The committee amendment was agreed to.

Mr. VINSON of Kentucky. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise at this time to keep the RECORD straight.

In his closing remarks the gentleman from Ohio [Mr. LAMNECK] made the unequivocal statement that silver could be taken under the power of eminent domain contained in section 7 at any price that the Secretary of the Treasury might deem fit to pay. In fact, the gentleman said it could be taken by the Secretary for 10 cents an ounce. As a matter of fact, newly mined silver in this country now is selling at 64½ cents an ounce. The world price for silver is 45 cents an ounce.

I want to call to the attention of the committee the provision of the bill in regard to the price that must be paid for silver that is taken under this power of eminent domain under section 1. You find the language of the bill in this section, which reads:

Provided, That in no case shall the value of the amount returned therefor be less than the fair value at the time of such order of the silver required to be delivered as such value is determined by the market price over a reasonable period terminating at the time of such order.

I think that is perfectly clear. The fair market value is to be received for the silver taken—without any tax thereon. I have already stated here, but I wish again to repeat it, that if the owner of the silver so taken under this power of eminent domain is not satisfied with the price that the Secretary of the Treasury fixes according to the market price over a reasonable period of time terminating at the time of the order, the claimant has the right under the general law of the land to go into the Court of Claims, and there the market value of the silver will be determined. The exercise of the power of eminent domain carries with it just compensation for the property taken. No property shall be taken even by our Government without just compensation. The holders of silver are protected by this constitutional right, and general law provides jurisdiction in the United States Court of Claims for the determination of such rights.

The Clerk read as follows:

SEC. 8. Schedule A of title VIII of the Revenue Act of 1926, as amended (relating to stamp taxes), is amended by adding at the end thereof a new subdivision to read as follows:

"10. Silver, and so forth, sales and transfers.—On all transfers of any interest in silver bullion, if the price for which such interest is or is to be transferred exceeds the total of the cost thereof and allowed expenses, 50 percent of the amount of such excess. On every such transfer there shall be made and delivered by the transferor to the transferee a memorandum to which there shall be affixed lawful stamps in value equal to the tax thereon. Every such memorandum shall show the date thereof, the names and addresses of the transferor and transferee, the interest in silver bullion to which it refers, the price for which such interest is or is to be transferred and the cost thereof and the allowed expenses. Any person liable for payment of tax under this subdivision (or anyone who acts in the matter as agent or broker for any such person) who is a party to any such transfer, or who in pursuance of any such transfer delivers any silver bullion or interest therein, without a memorandum stating truly and completely the information herein required, or who delivers any such memorandum without having the proper stamps affixed thereto, with intent to evade the foregoing provisions, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall pay a fine of not exceeding $1,000 or be imprisoned not more than 6 months, or both. Stamps affixed under this subdivision shall be canceled (in lieu of the manner provided in section 804) by such officers and in such manner as regulations under this subdivision shall prescribe. Such officers shall cancel such stamps only if it appears that the proper tax is being paid, and when stamps with respect to any transfer are so canceled, the transferor and not the transferee shall be liable for any additional tax found due or penalty with respect to such transfer. The provisions of this subdivision shall extend to all transfers in the United States of any interest in silver bullion, and to all such transfers outside the United States if either party thereto is a resident of the United States or is a citizen of the United States who has been a resident thereof within 3 months before the date of the transfer or if such silver bullion or interest therein is situated in the United States; and shall extend to transfers to the United States Government (the tax in such cases to be payable by the transferor), but shall not extend to transfers of silver bullion by deposit or delivery at a United States mint under proclamation by the President or in compliance with any Executive order issued pursuant to section 7 of the Silver Purchase Act of 1934. The tax under this subdivision on transfers enumerated in subdivision 4 shall be in addition to the tax under such subdivision. This subdivision shall apply (1) with respect to all transfers of any interest in silver bullion after the enactment of the Silver Purchase Act of 1934, and (2) with respect to all transfers of any interest in silver bullion on or after May 15, 1934, and prior to the enactment of the Silver Purchase Act of 1934, except that in such cases it shall be paid by the transferor in such manner and at such time as the Commissioner, with the approval of the Secretary of the Treasury, may by regulations prescribe, and the requirement of a memorandum of such transfer shall not apply.

"As used in this subdivision—

"The term 'cost' means the cost of the interest in silver bullion to the transferor, except that (a) in case of silver bullion produced from materials containing silver which has not previously entered into industrial, commercial, or monetary use, the cost to a transferor who is the producer shall be deemed to be

the market price at the time of production determined in accordance with regulations issued hereunder; (b) in the case of an interest in silver bullion acquired by the transferor otherwise than for valuable consideration, the cost shall be deemed to be the cost thereof to the last previous transferor by whom it was acquired for a valuable consideration; and (c) in the case of any interest in silver bullion acquired by the transferor (after Apr. 15, 1934, and before the tax under this subdivision takes effect) in a wash sale, the cost shall be deemed to be the cost to him of the interest transferred by him in such wash sale, but with proper adjustment, in accordance with regulations under this subdivision, when such interests are in silver bullion for delivery at different times.

"The term 'transfer' means a sale, agreement of sale, agreement to sell, memorandum of sale or delivery of, or transfer, whether made by assignment in blank or by any delivery, or by any paper or agreement or memorandum or any other evidence of transfer or sale; or means to make a transfer as so defined.

"The term 'interest in silver bullion' means any title or claim to, or interest in, any silver bullion or contract therefor.

"The term 'allowed expenses' means usual and necessary expenses actually incurred in holding, refining, or transporting the interest in silver bullion as to which an interest is transferred (including storage, insurance, and transportation charges but not including interest, taxes, or charges in the nature of overhead), determined in accordance with regulations issued hereunder.

"The term 'memorandum' means a bill, memorandum, agreement, or other evidence of a transfer.

"The term 'wash sale' means a transaction involving the transfer of an interest in silver bullion and, within 30 days before or after such transfer, the acquisition by the same person of an interest in silver bullion. Only so much of the interest so acquired as does not exceed the interest so transferred, and only so much of the interest so transferred as does not exceed the interest so acquired, shall be deemed to be included in the wash sale.

"The term 'silver bullion' means silver which has been melted, smelted, or refined and is in such state or condition that its value depends primarily upon the silver content and not upon its form."

With the following committee amendment:

Page 9, line 11, strike out the word "refining" and insert the word "processing."

The committee amendment was agreed to.

Mr. TABER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TABER: Page 6, line 1, strike out "50" and insert in lieu thereof "90."

Mr. TABER. Mr. Chairman, this amendment is offered, as I stated in general debate, for the purpose of making the situation of the holder of and speculator in silver analogous to that of the holder of or speculator in gold. The speculator in gold was required to turn his gold in to the Treasury of this country without any profit whatever. Under this bill the holder of and speculator in silver is entitled to 50 percent of the profit that might be made by his speculation.

Speculation in silver has been on a colossal scale by a large number of speculators who have no interest in silver other than an interest to gamble. The bill as it stands without confiscatory language is a racket—a racket for the benefit of the gambler and the speculator. This amendment is offered to take the racket out of the bill. I hope the amendment will be adopted.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. RICH. Is there any reason why the American people should be prohibited from gambling in gold but permitted to gamble in silver?

Mr. TABER. Not a particle. That is why it is a racket, and why the amendment should be adopted.

Mr. COOPER of Tennessee. Mr. Chairman, I covered this question during the course of my remarks on the bill. As I stated then, the effect of such an amendment as that proposed by the gentleman from New York would be the closing of the silver market in this country. We now have 2 outstanding silver markets, 1 in New York and 1 in London; and the effect of such an amendment as this would be to close the market in this country and leave us at the mercy of the London market in carrying out the program contemplated under this bill. The amendment should be voted down.

Mr. Chairman, I move that all debate on this section and all amendments thereto do now close.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment of the gentleman from New York [Mr. TABER].

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 10, noes 102.

So the amendment was rejected.

Mr. CULKIN. Mr. Chairman, I offer a motion to strike out the enacting clause which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. CULKIN: I move that the committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. BYRNS. Mr. Chairman, I make the point of order. In the first place, there has been no change in this bill, as I remember, since the committee voted down a previous motion to strike out the enacting clause. In the second place, the motion to strike out the enacting clause must be in writing; and, in the third place, the gentleman must declare himself opposed to the bill.

Mr. TABER. Mr. Chairman, there have been two amendments adopted since the previous motion and this motion is in writing.

The CHAIRMAN. Is the gentleman opposed to the bill?

Mr. CULKIN. I am opposed to the bill.

Mr. BYRNS. The motion shall be in writing.

The CHAIRMAN. It is in writing.

Mr. CULKIN. Mr. Chairman, the gentlemen in charge of this bill saw fit to cut off discussion on an amendment which exempted industrial silver from the application of this law. The reason I am making this motion is to protect my rights as a Member of the House and to protect the rights of my constituents as far as possible. Mr. Chairman, I have pending at the desk an amendment.

Mr. COOPER of Tennessee. Mr. Chairman, I make the point of order that the debate must be confined to the motion to strike out the enacting clause and not to any amendment which the gentleman may wish to offer.

The CHAIRMAN. The gentleman will proceed in order.

Mr. CULKIN. Mr. Chairman, I am doing the best I can. Section 8 of this law provides a penalty for speculation. The statute brands the manufacturer as a speculator.

Mr. SAMUEL B. HILL. Will the gentleman yield?

Mr. CULKIN. I yield to the gentleman from Washington.

Mr. SAMUEL B. HILL. Will the gentleman point out the language in the bill that brands the manufacturer as a speculator?

Mr. CULKIN. You brand him as a speculator when you put a tax on silver that is used in industry.

Mr. SAMUEL B. HILL. If the gentleman will yield further, there is no tax levied on silver in a manufacturing process. There is no tax levied on a manufacturer who holds stocks of silver for manufacturing uses. There is no tax levied on fabricated silver commodities.

Mr. CULKIN. The monetary bill specifically exempted gold, and I have been endeavoring for the last hour to get the gentlemen of the committee to consent that this bill except the silver used in manufacturing.

May I say further, Mr. Chairman, that one-sixth of the 39,000,000 ounces, the total silver produced in continental America, is used in these manufacturing establishments, such as for jewelry and other types of manufactures. The silver industry employs 100,000 men, and it is now proposed to put an additional burden on them and that, if you please, without any chance for discussion here, simply an arbitrary, unjustified procedure on the part of this committee.

Mr. SAMUEL B. HILL. With the Secretary of the Treasury empowered under this bill to buy 1,312,000,000 ounces of silver, what does the gentleman think is the leading factor in determining the market value of silver? Is it not the fact that the Federal Government is in the market for silver?

Mr. CULKIN. Certainly.

Mr. SAMUEL B. HILL. This being true, will that not fix the market value to the manufacturer who has to buy for industrial use?

Mr. CULKIN. That is true to some extent. But I may say to the gentleman that there is a border line there. There is a danger that the so-called "bureaucrats"—perhaps that is an impolite term—of the Treasury will say to the industrialists: "You must pay a tax." The gentleman has heard of that sort of thing before. Why not clarify the language? Why not give it a reasonable clarification by an amendment exempting silver used for industrial purposes? I may say to the gentleman that that was done in the gold bill.

Mr. SAMUEL B. HILL. If the manufacturer has to buy his silver in the market, and if that market is fixed by the fact the Federal Government is buying silver, what benefit will there be to the manufacturer to let the transferor to him of the silver have a tax rebate on his stocks? He will have to pay the same amount of money anyway.

[Here the gavel fell.]

The CHAIRMAN. The question is on the motion of the gentleman from New York.

The motion was rejected.

The Clerk read as follows:

SEC. 10. As used in this act—

The term "person" means an individual, partnership, association, or corporation;

The term "the continental United States" means the States of the United States, the District of Columbia, and the Territory of Alaska;

The term "monetary value" means a value calculated on the basis of $1 for an amount of silver or gold equal to the amount at the time contained in the standard silver dollar and the gold dollar, respectively;

The term "stocks of silver" means the total amount of silver at the time owned by the United States (whether or not held as security for outstanding currency of the United States) and of silver contained in coins of the United States at the time outstanding;

The term "stocks of gold" means the total amount of gold at the time owned by the United States, whether or not held as a reserve or as security for any outstanding currency of the United States; and

The term "silver bullion" means silver which has been melted, smelted, or refined and is in such state or condition that its value depends primarily upon the silver content and not upon its form.

With the following committee amendment:

On page 11, strike out lines 7, 8, 9, and 10.

The committee amendment was agreed to.

Mr. SAMUEL B. HILL. Mr. Chairman, in line 6, page 11, I think there is an oversight in the matter of the committee amendment in not including the semicolon and the word "and" as a part of the matter to be stricken out. I therefore offer an amendment striking out the semicolon and the word "and" and inserting a period.

The Clerk read as follows:

Amendment offered by Mr. SAMUEL B. HILL: Page 11, line 6, after the word "States", strike out the semicolon and the word "and" and insert a period.

The amendment was agreed to.

The Clerk read as follows:

SEC. 11. In addition to any sums appropriated by section 3 there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $500,000, which shall be available for expenditure under the direction of the President and in his discretion, for any purpose in connection with the carrying out of this act; and there are hereby authorized to be appropriated annually such additional sums as may be necessary for such purposes.

Page 11, line 11, after the figure "11", strike out the words "In addition to any sums appropriated by section 3 there is hereby" and insert in lieu thereof the words "There is authorized to be".

The committee amendment was agreed to.

The Clerk concluded the reading of the bill.

The CHAIRMAN. Under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MARTIN of Colorado, Chairman of the Committee of the Whole House on the state of the Union, reported that the Committee having had under consideration the bill (H.R. 9745) to authorize the Secretary of the Treasury to purchase silver, issue silver certificates, and for other purposes, pursuant to House Resolution 401, he reported the same back to the House with sundry amendments adopted in the Committee.

The SPEAKER. Under the rule the previous question is ordered.

Is a separate vote demanded on amendments? If not, the Chair will put them en gros.

The amendments were agreed to.

Mr. BYRNS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BYRNS. Mr. Speaker, I understand if the House adjourns now, this will be the first order of business in the morning after the reading of the Journal.

The SPEAKER. Yes. The Chair would suggest that we proceed with the third reading of the bill.

The bill was ordered to be engrossed, read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. BYRNS. Mr. Speaker, it is the understanding that the vote on the passage of the bill will go over until tomorrow morning.

EXTENSION OF REMARKS—H.R. 9715

Mr. STUDLEY. Mr. Speaker, we are again facing the same problem that was faced by the Cleveland administration in 1893. We are about to dash ourselves to pieces against the economic laws that we cannot repeal.

The heresy of trying to advance the price of silver by an act of Congress has again arisen. This heresy was slain by our people in 1896. But it has again been brought to life.

Let us turn back the pages of our recent history.

Within the memory of many of us now in the Congress the Silver Purchase Act of July 14, 1890, was enacted. This act provided in substance that the Government must purchase monthly 4,500,000 ounces of silver bullion, and that the Secretary of the Treasury should issue in payment therefor Treasury notes redeemable on demand in gold or silver coin, at the discretion of the Secretary of the Treasury, and that said notes may be reissued. It was declared in the act to be—

The established policy of the United States to maintain the two metals on a parity with each other upon the then legal ratio, or such other ratio as may be provided by law.

The action of the Secretary of the Treasury was so controlled by the above declaration as to prevent his exercising the discretion nominally vested in him. It is at once apparent that if the Secretary refused to pay these Treasury notes in gold, if demanded, they would stand discredited and would suffer a depreciation as obligations payable only in silver; this would destroy the parity between the two metals by establishing a discrimination in favor of gold.

More than $147,000,000 of these Treasury notes had been issued in payment for purchases of silver bullion by July 15, 1893. A large proportion of these notes given in the purchase of silver bullion had been paid in gold out of the Treasury. Between May 1, 1892, and July 15, 1893, these Treasury notes issued in payment of silver bullion amounted to a little more than $54,000,000, and during the same period about $49,000,000 was paid out by the Treasury in gold for the redemption of such notes.

This policy made the depletion of our Treasury gold reserves easy, and the European nations immediately took advantage of such an opportunity. Our gold reserves in the Treasury were promptly depleted. Between July 1, 1890, and July 15, 1893, the gold in our Treasury was decreased by more than $132,000,000, while during that same period the silver coin and bullion in our Treasury increased by more than $147,000,000.

The implacable law of economics could not be stayed even by an act of the Congress. Grimm's Law went grimly and ir-

resistibly forward, and the cheaper metal drove the dearer metal out of circulation.

When the Silver Purchase Act of July 14, 1890, was enacted, it was hailed as sure to advance the price of the white metal. But the price of silver, obedient to economic law, went down, and down, and then further down as the purchases increased, until its price reached the lowest point ever known up to that time. The act of Congress designed to advance the price of silver was impotent in the face of economic law—the rule of supply and demand over prices.

The situation with the Treasury grew steadily worse notwithstanding the sales of Government bonds made to reinforce the gold reserves, and on the 1st day of December 1895, within less than 5½ years, there had been withdrawn from the Treasury nearly $375,000,000. Nearly $327,000,000 of the gold thus withdrawn, had been paid out on these Treasury notes and all the $346,000,000 was then still uncanceled and ready to be used to draw more gold from the Treasury.

In his special message to the Congress of August 8, 1893, and again in his third annual message of December 2, 1895, President Cleveland earnestly besought the Congress for remedial legislation. Meanwhile, on November 1, 1893, the silver purchase law had been repealed, but at that time the mischief had been done and the Treasury notes had been issued, which had wrecked our Treasury's gold reserve and made our fiscal system the gullible objective of the nations of Europe.

In his special message above referred to, President Cleveland used the following language, which has since become one of the high lights of Democratic doctrine with reference to our financial structure:

> The people of the United States are entitled to a sound and stable currency and to money recognized as such on every exchange and in every market of the world. Their Government has no right to injure them by financial experiments opposed to the policy and practice of other civilized states, nor is it justified in permitting an exaggerated and unreasonable reliance on our national strength and ability to jeopardize the soundness of the people's money.

Acts of Congress are potent impulses to apply to the advancement of economic theory. But even an act of Congress will not arrest the implacable laws of economics and evolution. They will move forward with the resistless power of the glacier down the mountainside.

It has been stated during this discussion that we are now living in a new era and that President Cleveland and even Thomas Jefferson lived in a different economic atmosphere and that their economic philosophy can in no wise apply to our problems. But in spite of these apparent differences, I am convinced of the living virility of the law of supply and demand and of the survival of the fittest. No act of Congress can thwart their operation.

Mr. GRIFFIN. Mr. Speaker, I had intended to propose an amendment to this bill, H.R. 9745, a bill unblushingly framed and presented for the benefit of the silver sharks and the swarms of speculators who swim around them, but desisted at the last moment.

Wall Street seems to have such a strangle hold upon the sentiment of this House that my feeble plea for one of the most ancient forms of currency seemed foredoomed to failure.

I refer to wampum, which was used by our ancestors for thousands of years before Columbus discovered America. Aye, even later, until Wall Street, with its ruthless methods of spoliation, polluted our shores and perpetrated the atrocious crime of 1873 and put it on a par with silver.

Why did the white man demonetize wampum? It certainly conforms to all the requirements of the quantitative theory of money. We have 10,000 miles of shore line, every mile of which is a vertible mine of wealth to those who sincerely believe the base of our currency should be expanded.

If you would strike out the references in this bill to silver and insert the word "wampum", you would accomplish the long-cherished desideratum of broadening the base of our monetary structure and of permanently remedying the serious maladjustment of our currency that has so long tortured the minds of our "brain trusters."

But enough of mere ratiocination! I disdain its use when the merits of the proposition are so manifest that even a child could understand its language.

Let me make the appeal to your hearts, my braves! Think of the gorgeous strings of wampum that adorned the breasts of our beauties, when, in the long-distant past, the stringing swish of our arrows set the leaves of the forest astir and the dread sickening thud of our tomahawks was heard in battle.

Then, on the practical side, think of our obligations to our loyal friends and neighbors, who, anticipating this projected effort to enhance the price of wampum, and with highly unselfish concern for its fate as the monetary base of our national currency, have stacked their tents with its stores. Shall we not think of them? We would be untrue to them, untrue to the parents who bore us, untrue to our children, untrue to those lofty ideals of humanity and friendship which have ever controlled our legislative policies, if we did not here and now wrest from the greedy hands of the gold and silver magnates their monopolistic control of those soul-destroying metals which have so long pressed their thorns relentlessly down on the brow of labor.

Let us restore once more the sanctified and "holey" wampum—the money of our fathers—to its once glorious place as the base of our Nation's currency. It is unquestionably of sufficient volume to meet the urgent needs of the red man, whose people are clamoring—aye, starving—for the want of more money.

With Government approval of wampum, there will be money for everybody; the quantitative school of thought will be victorious; prosperity will return; the American flag will wave again in triumph over a country happy and contented and the stars will shine again in benevolent splendor on the greatest and most prosperious nation in all the world.

CANCEL INTEREST ON LOANS ON ADJUSTED-SERVICE CERTIFICATES

Mr. COLLINS o Mississippi. Mr. Speaker, I ask unanimous consent to exentd any remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. COLLINS of Mississippi. Mr. Speaker, I take a great deal of pride in my record touching veterans' legislation.

The Congress only has the power to declare war. In my judgment, when it votes to place the Nation in that status, by implication it pledges the Nation when peace shall have been restored to do justice to the fullest possible extent to those of our citizens who joined the colors pursuant to its act. Thus minded, I have advocated and supported every measure of relief, every measure of restitution, if it be possible to make restitution, to those who were called by act of Congress from the pursuits of peace to engage in war and its consequent effects.

A declaration of war means the loss of human lives. It means widows and orphans, wrecked homes, blasted plans and ambitions, ruined careers, maimed and pain-wracked bodies, destroyed minds. A few paltry dollars never can make amends. At best, if adequate, they may lighten the burden and make the future somewhat easier to endure.

After waiting more than 7 years, the veterans of the last war were given an adjusted-service certificate—not something that would be of immediate benefit to those in destitute circumstances, but payable 20 years hence. The only way a veteran in need may be immediately advantaged is to borrow on the security of his adjusted-service certificate. He is treated just like an ordinary commercial borrower that pledges his security and submits to an annual interest charge.

Mr. Speaker, I have no knowledge of the extent to which veterans have availed themselves of the loan privilege. I

take it that a very large percentage have been compelled to resort to that course. Undoubtedly many of the borrowers never will be able to repay their loans. In that event a very large portion of the maturity value of certificates will have been eaten up by interest. I do not think that is right, equitable, or just. I feel that the holder of an adjusted-service certificate ultimately should be paid an amount equivalent to its full maturity value and not penalized because through force of circumstances he has found it necessary to borrow upon it to keep body and soul together in these times of wide-spread distress and destitution. Therefore, I am presenting today a bill that will effectuate my thought, that will remove any interest charge against an adjusted-service certificate. To do otherwise, in my judgment, would place the Government in the despicable position of profiting at the expense of those for whose plight, in a great many cases certainly, it is entirely responsible.

PUBLIC ROADS BILL

Mr. IMHOFF. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. IMHOFF. Mr. Speaker, a few days ago it was my privilege to vote favorably on the passage of H.R. 8781, the public highways bill, a bill designed to increase employment by authorizing an appropriation to provide for emergency construction of public highways and related projects, and for other purposes.

I was glad to have a part in adding an amendment to this bill calling for an appropriation of $400,000,000, said amendment requiring that one-fourth, or not less than 25 percent, of this appropriation be expended upon county and township roads.

This amendment will mean that the State of Ohio will be allotted $4,000,000 to be spent upon school-bus routes, mail routes, and other township and county roads. In my State the appropriation for highway construction under the relief program was expended almost entirely on the main thoroughfares, and the township and county roads got comparatively nothing. Under the C.W.A. some work was done on these roads, but with the curtailment of the C.W.A. much of this work was left uncompleted.

This bill, if concurred in by the Senate, will correct these injustices and will do something worth while for the farmers, the school children, and the rural mail carriers. It will at least help to get them out of the mud.

I understand this is the first time in the history of the Nation that Congress has specifically directed the spending of Federal money on township and county roads, and I am proud to have had a part in it. This is a distinct victory for the people in the rural sections of our country from one end to the other.

It seems to me that it was high time that Congress was paying some attention to these forgotten people, who are in reality the very backbone of the Nation. The specific instructions as to the expenditure of this appropriation provide employment in most needed sections and give proper recognition to the most neglected of all our people in this respect, namely, the farmers, the school children, and the rural carriers.

On the day this legislation was passed Congress did itself proud.

THE NAVAL AFFAIRS SUBCOMMITTEE WHITEWASH OF AIRCRAFT PROCUREMENT

Mr. McFARLANE. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein a minority report on naval aircraft purchases.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. McFARLANE. Mr. Speaker, under unanimous consent to extend my remarks in the RECORD, I include the minority report on naval aircraft purchases.

The minority report is as follows:

MINORITY REPORT OF W. D. MCFARLANE, OF THE SUBCOMMITTEE INVESTIGATING AIRPLANE MANUFACTURE

Our committee met 20 days during February to hear the testimony or witnesses brought before us who were named to investigate the following:

1. To ascertain profits in manufacture of airplanes, airplane engines, and aeronautical equipment.
2. To ascertain if any profiteering has taken place.
3. To ascertain whether there has been any collusion between manufacturers with respect to Government contracts.
4. To ascertain whether the method of development and procurement can be improved.
5. Any other phases that may appear desirable to see that the Government interest is wholly protected.

ONLY THE NAVY'S SIDE OF TESTIMONY HEARD

Only Navy and former Navy officials and the representatives of the different companies selling the Navy aircraft equipment were called before the committee to testify. The writer requested that other parties, independent of the Navy, including those companies not doing business with the Navy, be called, and that expert aviators and aviation engineers, including Gen. William Mitchell and Mr. C. J. H. MacKenzie-Kennedy, be called before the committee to testify, and after considerable debate, finally, on February 27, the committee agreed to allow Gen. William Mitchell and Mr. C. J. H. MacKenzie-Kennedy to file written statements, which they did, but which statements were not read nor considered by the committee before adopting the report, favoring in every way the present plans of operation of naval aircraft purchase. Because of lack of sufficient evidence covering both sides of the different questions under investigation, I believe the report of the committee is premature and the evidence before the committee wholly insufficient to cover all sides of the question under investigation or to justify the majority report filed herein, completely approving all points under investigation, so far as the Navy Department is concerned.

FIRST PROPOSITION

"To ascertain profits in manufacture of airplanes, airplane engines, and aeronautical equipment."

How can we determine and declare whether or not the profits made by contractors from the Navy airplane business is moderate and reasonable, when the undisputed evidence in the record shows little or no competition is actually being had in the procurement of our warplane engines, as well as of warplanes and accessories? The names of the directors comprising the aircraft companies, which clearly establishes an interlocking directorate, showing the connections of these differently named companies, was inserted in the CONGRESSIONAL RECORD by me (p. 4977).

It shows the aviation industry as really a single company. If there is an air trust completely dominating the aircraft industry, as many people believe, and the chart substantiates, then how can this committee, on the record at this time, find the profits in the manufacture of airplanes and aircraft equipment to be moderate and reasonable, and especially in the face of the record showing that since the Aircraft Act of July 1926 the Navy's average cost for engines amounts to $8,793, while the Army's average cost for engines is $6,691 each; that Navy engines purchased under competitive bidding cost an average of $3,382, while the Army engines purchased under competitive bidding cost an average of $4,798. At this point I insert in the report an article from the Washington Evening Star of March 12, entitled "Warplane Engine Price Gap Probed—McCarl's Figures Show Wide Difference Between Army and Navy Figures", by the Associated Press, as follows:

"A wide difference in prices paid by the Army and Navy for airplane engines was disclosed today. Congressional investigators started a hunt for the cause of the gap.

"Representatives of both services had etimated the average cost at around $6,000 per motor. A statement by J. R. McCarl, the Comptroller General, emphatically disagreed with that figure.

"McCarl's list of contracts granted since July 1926 showed the War Department paid an average of $6,691 for 4,245 engines, while the Navy's average cost was $8,793 for 3,158 engines.

"The investigators were trying, also, to find out why 2 Army engines which were bought on competitive bids cost an average of $4,798, while 103 obtained by the Navy, also on competitive bids, cost $11,332.

"There were some differences in the engines, the investigators agreed, but they still wanted more information.

"'RUSH ORDERS' PUZZLE

"A puzzle over 'rush orders' put through in the last days of the Hoover administration was growing even more puzzling to House committeemen.

"The investigators had a new tabulation from McCarl of $10,000,000 worth of Army planes contracted for in the 3 months just before President Roosevelt took office.

"This showed that from January 11, 1933, through February 28, contracts for 663 engines and 136 airplanes, costing $9,405,172, were let by the War Department. The Navy had no contracts during this period.

"Of these, only a $1,414,227 contract, let to the Boeing Airplane Co. on January 11 for 196 airplanes, was held by the Comptroller to have been competitive.

"The other contracts, which McCarl ruled were not competitive, follow:

"Consolidated Aircraft Corporation, 10 planes, February 27, 1933, $615,863; Curtiss Airplane & Motor Co., Inc., 1 plane, February 21, $40,000, and 46 planes, February 27, $946,791; Douglas Aircraft Co., Inc., 24 planes, February 28, $440,304, and 6 planes, February 28, $292,013; Glenn L. Martin Co., 49 planes, January 17, $2,440,605.

"Pratt & Whitney Aircraft Co., 3 engines, February 4, $63,314; 255 engines, February 4, $1,251,962; 2 engines, February 7, $12,551; 20 engines, February 16, $130,889; 24 engines, February 28, $113,133.

"Wright Aeronautical Corporation, 2 engines, January 9, $15,085; 3 engines, January 11, $23,000; 52 engines, February 1, $451,444; 64 engines, February 24, $566,320; 92 engines, February 28, $585,671."

SECOND PROPOSITION

"To ascertain if any profiteering has taken place."

The majority report finds "The reason for the small average profit is to be found in the fact that the existence of the Naval Aircraft Factory at Philadelphia has probably served as an effective brake on the price of airplanes."

The record shows but 23 airplanes manufactured in this plant since 1923, and none manufactured since 1931, and the average unit price for manufacturing the last 11 planes in this plant was $125,541.30, as shown by complete record of the aircraft plant at Philadelphia, as furnished by the Navy Department, as follows:

Aircraft manufactured at the Naval Aircraft Factory

Year	Type	Number manufactured	Unit price
1917-18	C-1—flying boats, 2 engines	First boat	$55,547.84
		First 9	40,794.92
		Second 10	25,673.55
		Last 30	21,680.96
1918-19 (war)	F5L—flying boat, twin engine	First boat	56,099.76
		First 25	26,339.08
		Second 25	25,664.95
		Third 25	20,495.45
1919	F6L	2	35,932.41
	8A-1	2	3,151.62
1918-19-20	NC-5632—big flying boats, 6 engines	1	113,924.72
	NC-5633, 5634, 5635	3	90,330.75
1918	HS-3, 5590, 5591	2	23,570.86
	MF—small flying boats, 1 engine	First 20	5,821.97
		Second 20	4,755.14
		Third 20	4,435.59
		Fourth 20	3,771.52
1920	VE 7 Standard-Vought, 2-seat fighters	16	5,377.61
	VE	24	5,978.86
	VE, except final assembly	10	5,631.12
	VE 7, 5681, 5690	10	10,015.78
	VE 7, G, 5691, 5700	10	8,901.60
1920-22	Loening amphibian	36	7,125.38
1921	NC-9 and 10, Loening amphibian	2	110,231.73
1922	PT—twin-float seaplane	6	15,427.35
		9	15,251.77

Aircraft manufactured at the Naval Aircraft Factory—Continued

Year	Type	Number manufactured	Unit price
1923	TS—Fighters	5	$27,189.85
	TF—Fighters	4	52,402.26
1923	PT-2—twin-float seaplane	18	20,572.22
1924	DT-4—twin-float seaplane	2	25,417.14
1924	TG4—2-float torpedo seaplane	1	30,780.60
		1	38,678.60
		1	33,340.00
1926	PN-7—flying boat	2	137,679.45
	TG-2—float torpedo seaplane	2	37,524.94
	No. 1-2—float torpedo seaplane	3	30,948.20
1925-31	PN-8—flying boat	1	194,602.18
	PN-9—flying boat	1	167,731.45
	NM-1—flying boat	1	107,178.14
	PN-10—flying boat	2	104,288.00
	PN-11—flying boat	1	166,253.89
		1	112,614.00
1929	XT2N-1—flying boat	1	70,715.75
1930-31	XP4N-1—flying boat	1	102,065.68
	XP4N-2—flying boat	1	128,593.64
	XP4x2—flying boat	1	125,593.64

NOTE 1.—The above costs are exclusive of engines, but inclusive of everything else, such as instruments, etc. The costs do not include the overhead expense of officers' salaries, plant maintenance, plant depreciation, purchase and supply salaries, and other clerical administrative expense that is properly figured in costs by private firms and which might be added; no charge for interest on investment in plant, amounting to $11,000,000, nor municipal, State, and Federal taxes. The foregoing shows that anything done by the Naval Aircraft Factory at Philadelphia is quite useless as a check of private airplane-manufacturing firms.

Next, the majority report states, "Furthermore, the naval personnel who have handled procurement matters have endeavored to carefully analyze price quotations and to appraise them in the light of all the technical information available", and that statement made in the face of the evidence above quoted which fails to show what salaries are paid and all personnel and maintenance expense. Surely Congress has not forgotten its investigation and experience with its credit mobilizer—a corporation organized by a few stockholders of the Union Pacific Railroad Co. to construct the Union Pacific Railroad Co. and which secured approximately 90 millions for performing work which was valued by a congressional committee at $40,000,000.

PURCHASES UNDER P.W.A. MADE WITH LITTLE OR NO COMPETITION

That being true this committee should be and the taxpayers at large are interested in knowing fully the reasons why it is necessary to pay the amounts listed for airplanes and parts and particularly why there was no real competition had in the procurement of aircraft equipment recently expended under the $7,500,000 P.W.A. allotment. The list of contracts for the purchase of airplanes, airplane engines, instruments, and equipment is as follows:

CONTRACTS FOR PURCHASE OF INSTRUMENTS OR EQUIPMENT FOR AIRPLANES (P.W.A. ALLOTMENT)

No.	Date	Contractor	Article	Unit price	Total price	Purchase method[1]
32108	June 30, 1933	Aircraft Radio Corporation	76 radio-receiving equipments	$832.38	$63,261.00	Letter.
			48 more of same sup. Dec. 9, 1933	702.90	33,739.20	T.
32109	do	Hygrade Sylvania Corporation	45 radio-transmitting equipments	1,980.61	89,127.45	T.
34018	Dec. 21, 1933	Eclipse Aviation Corporation	Various electrical equipment		194,899.85	K.
34158	Jan. 2, 1934	Sperry Gyroscope Co	Pilot for automatic flying		13,770.00	K.
34298	Jan. 15, 1934	Pioneer Instrument Co., Inc	80 manifold pressure-warning systems	75.00	6,000.00	T.
34299	do	Consolidated Ashcroft Hancock Co	200 thermometers	20.00	860.00	T.
34300	do	Kollsman Instrument Co., Inc	100 pressure gages	14.40	1,440.00	T.
34301	do	Consolidated Ashcroft Hancock Co	353 engine gage units	11.25	3,972.00	T.
34302	do	Sperry Gyroscope Co., Inc	490 directional gyros, etc	401.92	192,925.00	T.
34303	do	Pioneer Instrument Co., Inc	111 turn and bank indicators	70.00	7,770.00	T.
34304	do	Elgin National Watch Co	218 protractors	24.35	5,308.30	T.
34305	do	Pioneer Instrument Co., Inc	250 compasses	24.90	6,225.00	T.
34306	do	do	100 electrical tachometers	69.50	6,950.00	T.
34307	do	do	25 octants	230.00	5,950.00	T.
34308	do	Willard Storage Battery Co	93 batteries, storage	19.37	1,802.14	T.
34309	do	Kollsman Instrument Co., Inc	840 altimeters	68.00	57,120.00	T.
34332	Jan. 16, 1934	Elgin National Watch Co	200 chart boards	6.70	1,340.00	T.
34336	do	do	570 aircraft clocks	14.00	7,980.00	T.
34340	Jan. 18, 1934	Aeromarine Instrument Co., Inc	253 tachometers	12.50	3,162.50	T.
34341	do	Pioneer Instrument Co., Inc	230 pilot-static tubes	4.80	1,104.00	T.
34342	do	Kollsman Instrument Co., Inc	561 airspeed indicators	14.50	8,134.50	T.
34408	Jan. 22, 1934	Weston Electrical Instrument Corporation	Parts for 100 engine cylinder thermometer indicators	7.74	774.00	T.
34409	do	The Lewis Engineering Co	100 cylinder thermometer indicators with switches	28.35	2,835.00	T.
34411	do	Paul G. Haaks	360 inclinometers	5.75	2,070.00	T.
34412	do	Pioneer Instrument Co., Inc	329 fuel-quantity gages	11.85	3,898.65	Competitive.
34446	Jan. 25, 1934	Elgin National Watch Co	50 navigational watches	39.50	1,975.00	Do.
34632		Kent Extinguisher Co	135 chemical fire extinguishers	6.50	850.50	Do.
34679	Feb. 10, 1934	Aircraft Radio Corporation	457 transmitting equipments	564.98	258,198.56	Do.
34854	Feb. 23, 1934	Steele Products Corporation	231 aircraft filter units	3.36	776.75	Do.
34878	Feb. 24, 1934	Walter Kidde	5 c.o.-2 fire extinguishers	148.50	741.00	Do.
34882	do	Turner Devices, Inc	600 aircraft plotters	.87½	525.00	Do.
34883	do	Pioneer Instrument Co	28 octants	245.00	6,860.00	Do.
35024		Switlik Parachute & Equipment Co	312 aviators' belts	2.26	706.35	Do.
35060		Graham Electric Co	1 high-power announcing set		7,900.00	Do.

[1] Explanation of the abbreviations shown on these lists under "Purchase method" are as follows, and refer to the respective sections of the act of July 2, 1926: "K", no competition—purchases made without competition K—procurement information furnished by Comptroller's department from Navy contracts on file with them—(practically all such contracts filed with Comptroller's department show no competition). "T", purchases of aircraft authorized to be made from the lowest responsible bidder. (T—procurement information furnished by Navy Department, these contracts not yet filed with the Comptroller's department.)

CONTRACTS FOR PURCHASE OF PARTS FOR AIRPLANES OR AIRCRAFT ENGINES (P.W.A. ALLOTMENT)

No.	Date	Contractor	Article	Unit price	Total price	Purchase method
23932	Dec. 14, 1933	Hamilton Standard Propeller Co.	Propellers		$156,250.00	K.
34112	Dec. 26, 1933	Chance Vought Corporation	9 landing gears	$863.08	7,767.72	K.
34113	do	Pratt & Whitney Aircraft Co.	48 sets of parts to remodel Pratt & Whitney R-1690-40 engines.	177.48	8,519.04	K.
34152	Jan. 2, 1934	Glenn L. Martin Co.	19 cockpit enclosures	1,281.29	24,344.52	K.
34162	do	Smith Engineering Co.	22 propellers	2,389.54	52,470.00	K.
34257	Jan. 13, 1934	Wright Aeronautical Corporation	17 sets parts to install propeller shaft	1,094.64	17,880.00	K.
34258	do	do	92 sets parts to modify Wright R-1820-78 engines, with labor for assembling 111 cam hubs, etc.	253.61	23,332.54	K.
34276	do	Chance Vought Corporation	3 cockpit enclosures	641.00	1,923.00	T.
34449	Jan. 25, 1934	do	26 sets tail surfaces	516.60	13,431.60	T.
34080	Feb. 16, 1934	Curtiss Aeroplane & Motor Co.	50 propeller hubs	1,315.00	65,750.00	T.
34081	do	Hartzell Propeller Co.	115 propeller blades	158.80	18,262.50	T.
34082	do	Hamilton Standard Propeller Co.	98 propellers, controllable pitch	988.06	96,830.00	T.
34023	Mar. 1, 1934	Blaw-Knox Co.	20 heavy-duty cylinders	425.00	8,500.00	T.

CONTRACTS FOR PURCHASE OF AIRPLANES OR ENGINES FROM $7,500,000 P.W.A. ALLOTMENT

No.	Date	Contractor	Article	Item price	Unit price	Total price	Purchase method
34019	Dec. 21, 1933	Grumman Aircraft Engineering Corporation	5 airplanes	$102,500.00	$20,500.00	$123,143.45	K.
			Parts	20,500.00			
			Changes	143.45			
					24,628.69		
34031	Dec. 23, 1933	Pratt & Whitney Aircraft Co.	50 engines	606,358.27	10,277.25	790,248.89	K.
			Parts	182,524.62			
			Drawings, lists, etc.	1,366.00			
					13,394.04		
34194	Jan. 8, 1934	Douglas Aircraft Co., Inc.	6 airplanes	226,500.00	27,750.00		
			Parts	56,625.00			
			Drawings, data, etc.	6,000.00			
					48,187.50	289,125.00	K.
34217	Jan. 9, 1934	Great Lakes Aircraft	17 BG-1 airplanes and spares		19,880.32	337,965.53	K.
34568	Jan. 30, 1934	Wright Aeronautical Corporation	56-R1820 engines and spares		7,816.49	437,723.42	K.
34813	Feb. 17, 1934	Curtiss Wright Airplane Co.	2 airplanes, transport type		59,950.00	119,900.00	T.
34816	Feb. 23, 1934	Chance Vought Corporation	Service and material to convert 1 plane			52,700.00	K.
34144	Dec. 27, 1933	Consolidated Aircraft Corporation	21 airplanes, parts, etc.		85,090.47	1,799,500.00	K.
			Change order of Feb. 26, 1934			3,402.00	
34159	Jan. 2, 1934	Pratt & Whitney Aircraft Co.	7 engines and spares, with		13,150.87	92,114.30	K.
			Option no. 1, 12 engines, spares, etc.		13,054.15	156,649.80	K.
			Option no. 2, 12 engines, spares, etc.		13,054.15	156,649.80	K.

It seems that the price being paid for this equipment is excessively high, as shown by the above charts. If there is an Air Trust, as many of us believe, or a working agreement with the different aircraft concerns (which is the same thing) whereby they set the price the Government shall pay for this equipment, as the prices on much of this equipment indicate is being done, and it seems has been done, it is evident that much profiteering has taken place. It is true that since these different companies have reorganized into two principal holding corporations, the profits have been reduced. It is also true that in such reorganization in the holding corporations the Government has been deprived of hundreds of thousands of dollars in income taxes, that would have been paid by these different subsidiaries had they not been allowed to file consolidated returns through the holding corporation.

THE TRUST AND CONSOLIDATED RETURNS

As a result of my investigation of the income-tax returns of these different corporations, and the information thus disclosed (CONGRESSIONAL RECORD, pp. 6080–6085, 6463, 6869–6892), there was furnished concrete evidence upon which Congress last week acted and abolished the right to file consolidated income-tax returns. This amendment will require many more millions in taxes to be paid into the Treasury by these large corporation chains.

The evidence shows the Navy examined the books of these companies at stated intervals and the division of overhead costs as to Army, Navy, and commercial business apportioned by the company for costs purposes. The evidence shows there is little or no competition in the amounts paid for war engines and war planes. A compilation since the Aircraft Act of 1926 shows that Army expenditures for aircraft total $57,346,098, with competitive contracts amounting to only $3,336,634, while the Navy expenditures during this time were $53,026,614, with competitive contracts amounting to $5,901,051, and noncompetitive contracts amounting to $47,125,563.

We have no testimony in the record showing what other engine and plane manufacturing concerns not doing business with the Navy could and would have charged the Government for this material.

THIRD PROPOSITION

"To ascertain whether there has been any collusion between manufacturers with respect to Government contracts."

The chart attached under the first proposition clearly shows the interlocking directorate and the connections existing between the different aircraft concerns in this country today, giving an ample voice in each other's affairs. The testimony shows these principal concerns pool their patents, which is a powerful weapon and can be used to force understandings and agreements on price, and according to the way the Government contracts on engines and planes have been awarded it seems that the contracts on both engines and planes have been fairly well distributed between the subsidiaries of the two principal holding corporations, to wit: United Aircraft & Transport Corporation and the Curtiss-Wright Corporation. Of the 4,245 engines purchased by the Army since the Aircraft Act of 1926, 2,492 were purchased from Pratt & Whitney, and 1,153 from Wright, 587 from Wright subsidiaries, and only 13 from all other engine manufacturers together. Since the Aircraft Act of 1926 the Navy obtained 2,149 engines from Pratt & Whitney, 971 from Wright, 2 from Wright subsidiaries, and 36 from all others. Most of the airplanes have been secured from six companies, most of which companies head up directly through the above-named holding corporations or have direct or indirect connections with them.

Mr. Fleet, of the Consolidated Aircraft Corporation, testified that 50 planes had been sold to the Army at $1 each, because of excessive profits earned under an Army contract which was let without competition. Because of existing contractural provisions existing between the Army and Navy each branch should receive the benefit in price given the other, and it, therefore, seems that the Navy Department should have received the same concession made the Army, since the Navy was buying similar planes from them at that time. The 50 planes delivered to the Army at $1 each were valued at $6,000 each, or $300,000, and according to the company's records this concern still had a profit of 25 percent after delivering the planes.

We cannot tell from the testimony in the record whether or not there are conflicts in the prices charged our Government for warplanes and warplane engines as compared to prices charged foreign governments for the same equipment. As I remember the testimony, there is no accurate information in the record telling us just exactly the charges made between the different governments for this kind of aircraft equipment and just exactly the kind and character of aircraft equipment furnished the different governments for the prices quoted. We, therefore, cannot definitely tell from the record in its present condition whether or not there has been any collusion between manufacturers with respect to Government contracts.

FOURTH PROPOSITION

"To ascertain whether the method of development and procurement can be improved."

The majority report finds: "That the policy pursued by the Navy Department since the adoption of the Aircraft Procurement Act of 1926 is a practical and prudent one and should be followed until a better plan is proposed."

CONGRESSIONAL INTENT ON AIRCRAFT ACT OF 1926

The Aircraft Act of 1926 was perfected after extensive hearings and investigations by a committee appointed for that purpose, and after a thorough discussion in Congress as shown by the RECORD in the passage of the bill. In the enactment of this legislation the intent of Congress was clearly shown by the speeches made when the measure was passed, that it was the clear intention of Con-

gress to have open competitive bidding by advertisements in at least three of the leading aeronautical journals.

In adopting the free conference report on the Aircraft Act of 1926, on page 12359 of the RECORD, Sixty-ninth Congress, first session, Mr. MCSWAIN said:

"Mr. MCSWAIN. Rather than eliminate publicity, rather than cut out competition and bidding, as was the recommendation of the Lampert and Morrow committees, we have not doubled it merely but we have multiplied it by at least 10, so that now the light is to be turned on from every angle. It is true that there is discretion in the Secretary to decide which is the lowest responsible bidder, which one can best build the aircraft for the safety of the lives of the men who are to fly them in time of peace and time of war.

"Mr. GRIFFIN. But you eliminated that.

"Mr. MCSWAIN. The discretion still rests with the Secretary of War to decide that question and there is publicity from the very first proposition of inviting competition in the matter of design contest, competition in the building and construction contract, and there is light turned on in this."

But the fundamental defect in the law was and is, that the independent agency of Congress, the General Accounting Office, was not only denied the authority to see that this intention was carried out but was actually and specifically, by the language of the act, denied this authority by making the decisions of the Secretary of War and the Secretary of the Navy final and conclusive (sec. 10 (t)). In the procurement of new designs in aircraft or aircraft parts or aeronautical accessories, as clearly defined under sections 10 (A) to (E) of said act, the principal dispute that has arisen concerning the construction of this act is paragraph K of section 10 of the act, reading as follows:

"The Secretary of War or the Secretary of the Navy may at his discretion purchase abroad or in the United States with or without competition, by contract, or otherwise, such designs, aircraft, aircraft parts, or aeronautical accessories as may be necessary in his judgment for experimental purposes in the development of aircraft or aircraft parts or aeronautical accessories of the best kind for the Army or the Navy, as the case may be, and if as a result of such procurement, new and suitable designs considered to be the best kind for the Army or the Navy are developed, he may enter into contract, subject to the requirements of paragraph (j) of this section, for the procurement in quantity of such aircraft, aircraft parts, or aeronautical accessories without regard to the provisions of paragraphs (a) to (e), inclusive, hereof."

DECISIONS OF JUDGE ADVOCATE GENERAL OF NAVY CONSTRUING AIRCRAFT ACT OF 1926, REQUIRING COMPETITION

I requested Rear Admiral O. G. Murfin, Judge Advocate General of the Navy, on March 5, 1934, to furnish me with a copy of the opinions of his Department construing section 10 of the Aircraft Act and every opinion rendered by the Judge Advocate General's Department in construing section 10 (K) is in substance as follows:

JANUARY 21, 1931.

From: The Judge Advocate General.
To: Secretary of the Navy.
Subject: Procurement policy under section 10, paragraph (k) of the act of July 2, 1926.

1. The Chief of the Bureau of Aeronautics in the basic letter requests that the Secretary of the Navy authorize the procurement of aircraft, aircraft parts, or aeronautical accessories under section 10, subsection (k) of the act approved July 2, 1926 (44 Stat. 787) when, in the opinion of the Navy Department, such procurement is in the best interests of the Government. The Bureau proposes, in the event of approval of its request, to recommend production orders under the said subsection (k):

(1) When the experimental article has demonstrated superior characteristics of design or performance over existing types and the Bureau believes the military value warrants a production order, and

(2) When the negotiated price for the production order is considered fair and reasonable.

2. The said subsection (k) of section 10, quoted below, is divided into two parts, (a) and (b), for convenience in identifying them in subsequent references:

(a) "The Secretary of War or the Secretary of the Navy may at his discretion purchase abroad or in the United States with or without competition, by contract or otherwise, such designs, aircraft, aircraft parts, or aeronautical accessories as may be necessary in his judgment for experimental purposes in the development of aircraft or aircraft parts or aeronautical accessories of the best kind for the Army or the Navy, as the case may be, and

(b) "If as a result of such procurement, new and suitable designs considered to be the best kind for the Army or the Navy are developed, he may enter into contract, subject to the requirements of paragraph (j) of this section, for the procurement in quantity of such aircraft, aircraft parts, or aeronautical accessories without regard to the provisions of paragraphs (a) to (e), inclusive, hereof."

3. With reference to (a) above, it will be noted that the Secretary of the Navy has discretionary authority, thereunder to purchase "abroad or in the United States, with or without competition, by contract or otherwise", such aircraft as may be necessary in his judgment for experimental purposes in the development of aircraft of the best kind for the Navy. Under this part of subsection (k) if the Secretary of the Navy shall determine administratively that further experiments with this type of plane are necessary in the development of aircraft of the best kind for the Navy, additional planes may be purchased of domestic manufacturers for experimentation under the same conditions as the first plane, namely, "with or without competition, by contract or otherwise." The War Department under this part of subsection (k) has purchased without competition from the company furnishing the experimental airplane, 2 and 3 additional planes for further experimental purposes and in one instance 15 additional planes for issue to the various training stations for further experimentation.

4. With reference to (b) of subsection (k) above, the question of the scope of this paragraph as permitting or not permitting the purchase of additional planes on a quantity basis, without competition, has been the subject of divergent views ever since its enactment, the Air Services of both the Army and Navy contending for an interpretation that would permit the purchase without competition of additional airplanes from the designer whose plane originally obtained for experimental use has proved satisfactory for service use, and the legal officers of the two departments uniformly holding that competition was necessary unless the additional planes were for further experimentation.

5. A chronological statement from the official record in this connection is given below:

Under date of December 4, 1926, the Assistant Secretary of the Navy for Aeronautics, in reference (a), after referring to the fact that the legal authorities of the Army and Navy were then in substantial agreement on the interpretation of paragraph (k), gave his interpretation of this paragraph that would permit purchase on a quantity basis without competition in the same manner as the procurement of the original experimental plane after the latter had demonstrated on tests its satisfactoriness for service use.

6. Under date of December 11, 1926, the Judge Advocate General, in reference (b), after reviewing the effect of the various sections of the Aircraft Procurement Act, held that "procurement in quantity in accordance with a design purchased under paragraph (k), whether subsequently altered or not, must be accomplished in pursuance of existing law relating to the purchase of naval supplies, and the proposals received for production in accordance with such a design must be accompanied by written guarantees, and the contracts by bonds." Owing to the fact that at the time there was no case pending requiring a decision, the Secretary of the Navy did not act upon this opinion.

7. Under date of February 12, 1927, the Judge Advocate General, in reference (c), stated that "on a consideration of subsection (k) both as a unit and as divisible into two parts, I am of the opinion that it lacks the express terms that are requisite to a grant of power to award the quantity-production contracts contemplated by the second part of the subsection until the matter shall have been subjected to competition, and that such power cannot be derived by inference from the language actually used in the subsection."

8. Under date of February 5, 1927, the Solicitor of the Navy Department, in reference (f), commenting upon reference (e), stated that—

"The privilege to award contracts without competition must be given in express terms to effect the repeal or waiver of the express terms used in the statutes that require such competition. Otherwise the privilege is not granted. The discretionary power granted by the first part of (k) plainly relates directly to purchases for experimentation, and unless there is express intention or indisputable inference that such discretion shall apply to some other official duty, it can be applied only to the one it plainly designates. Clearly enough it seems such discretionary power is not by express language directly applied in (k) to the awarding of the contemplated quantity-production contracts. Hence its application to the making of such contracts must be by inference if it is to be found in the provision."

9. Under date of December 13, 1927, the Assistant Secretary of the Navy for Aeronautics, in reference (g), requested the Judge Advocate General to make a study of a proposed revision of subsection (k), for submission to the Congress, that would permit the buying of aircraft in quantity without competition.

10. Under date of December 16, 1927, the Judge Advocate General, in reference (h), submitted to the Assistant Secretary of the Navy for Aeronautics a revision of this subsection (k) that he considered would confer upon the Secretary of the Navy the desired authority.

11. Under date of January 12, 1928, the Secretary of the Navy, by reference (i), submitted to the Speaker of the House of Representatives the revised draft of section (k) prepared by the Judge Advocate General, with a recommendation that it be enacted into law.

12. This proposed legislation, introduced January 16, 1928, by the Honorable CARL VINSON (H.R. 9359), was referred to the Committee on Military Affairs. This bill was not reported out of the committee.

13. The Judge Advocate General of the Army, under date of May 17, 1929, with the approval of the Assistant Secretary of War, held that the quantity production contemplated under subsection (k) must be obtained as a result of advertising pursuant to Revised Statutes 3709, and under date of August 3, 1929, held with

the approval of the Secretary of War that he was "constrained to adhere to the opinion expressed in the opinion addressed to you under date of May 17, 1929, that quantity procurement authorized in the later portion of paragraph (k), section 10, of the act of July 2, 1926 (44 Stat. 787), must be made after advertising pursuant to section 3709, Revised Statutes."

14. In conclusion this office is of the opinion that:

(a) The Secretary of the Navy has full authority to purchase planes abroad or in the United States, with or without competition, by contract or otherwise, as may be necessary in his judgment for experimental purposes in the development of aircraft of the best kind for the Navy, and that this authority includes the right to acquire additional planes for further experimental purposes under the same conditions as the original planes upon an administrative determination, by the Secretary of the Navy, that the additional planes are needed for further experimental use.

(b) While recognizing the equitable considerations that prompt the recommendation in the basic letter, this office is constrained to adhere to the opinion rendered in its endorsement of February 12, 1927, that secton (k) lacks the express terms that are requisite to a grant of power to award the quantity production contract until the matter shall have been subjected to competition, and that such power cannot be derived by inference from the language actually used in the subsection.

(c) The only manner in which the authority to make such further purchases, without competition, of additional planes, for other than experimental use, as recommended by the Bureau of Aeronautics, can be legally affected is through the enactment of legislation in the form of H.R. 9359, referred to in paragraph 12 above.

D. F. SELLERS.

SECRETARY OF NAVY WILBUR REQUESTS LAW BE CHANGED ELIMINATING COMPETITION

Secretary Wilbur requested Congress to enact the following bill:

H.R. 9359, Seventieth Congress (1928) first session, reads as follows:

"A bill to amend section 10 of an act entitled "An act to provide more effectively for the national defense by increasing the efficiency of the Air Corps of the Army of the United States, and for other purposes", approved July 2, 1926

"*Be it enacted, etc.*, That paragraph (K) of section 10 of the act approved July 2, 1926 (44 Stat.L., p. 787), is hereby amended to read as follows:

"(K) The Secretary of War or the Secretary of the Navy may at his discretion purchase abroad or in the United States with or without competition by contract, or otherwise, such designs, aircraft, aircraft parts, or aeronautical accessories as may be necessary in his judgment for experimental purposes in the development of aircraft or aircraft parts or aeronautical accessories of the best kind for the Army or the Navy, as the case may be, and if as a result of such procurement, new and suitable designs considered to be the best kind for the Army or the Navy are developed, he may, at his discretion, with or without a competition, enter into contract, subject to the requirements of paragraph (J) of this section, for the procurement in quantity of such aircraft, aircraft parts, or aeronautical accessories without regard to the provisions of paragraphs (a) to (e), inclusive, hereof."

Thus it will be seen that the Navy Department recognizes, by asking that the above section be amended and by the unbroken line of decisions of the Judge Advocate General of the Navy from the enactment of this act in 1926 to date, that they did not and do not have the right to procure aircraft, aircraft parts, or accessories, under section 10(k), without open competitive bidding, and as shown by the following letter of Hon. H. L. Roosevelt, Acting Secretary of the Navy:

MARCH 12, 1934.

MY DEAR MR. MCFARLANE: Referring to our telephonic conversation this morning, you are informed that the papers transmitted to you by the Judge Advocate General's letter of March 5, 1934, are to be regarded as indicating the views entertained by the Navy Department at this time respecting the interpretation of section 10 of the Aircraft Procurement Act approved July 2, 1926, inasmuch as the opinions which they expressed or which are deducible therefrom have not since been modified by this Department or by higher legal authority of the Government.

Sincerely yours,

H. L. ROOSEVELT,
Acting Secretary of the Navy.

The officers in charge of the administrative positions of the Navy since July 2, 1926, are as follows:

Mr. Curtis D. Wilbur, Secretary of Navy, March 19, 1924, to March 4, 1929.

Mr. Edward P. Warner, Assistant Secretary of Navy for Aeronautics, July 10, 1926, to March 15, 1929.

Mr. Charles Francis Adams, Secretary of Navy, March 5, 1929, to March 4, 1933.

Mr. David S. Ingalls, Assistant Secretary of Navy for Aeronautics, March 16, 1929, to June 1, 1932.

Mr. Claude A. Swanson, Secretary of Navy, March 4, 1933 to date.

Mr. H. L. Roosevelt, Assistant Secretary of Navy, March 4, 1933, to date.

However, the opinions of the Judge Advocate General of the Navy are only advisory and have no controlling effect on the Secretary of the Navy and his subordinates. Had this 1926 act not departed from the procedure existing for more than a century and taken away from the Comptroller General the jurisdiction to review these aircraft contracts, he would have rendered decisions in these matters and such decisions would have been the controlling factor of these contracts. Possibly this investigation would not have been necessary.

I attach hereto complete statement of airplanes, engines, and accessories purchased by the Navy Department under this act as shown by the contracts on file in the Comptroller General's Office, which accurately show the method of procurement by the Navy of its different classes of aircraft equipment and these figures and classifications do not agree with the Navy Department figures as inserted in the hearings.

NAVY CONTRACTS ON FILE IN COMPTROLLER'S OFFICE SHOWING METHOD OF PROCUREMENT OF AIRCRAFT

Explanation of the abbreviations shown on the attached list under "Advertising" are as follows, and refer to the respective sections of the act of July 2, 1926:

10 (k) No competition; purchases made without competition.

10 (q) No competition; purchases made of proprietary or patented articles.

10 (t) Purchases of aircraft authorized to be made from the lowest responsible dealer.

ALLISON ENGINEERING CO.

Contract no.	Date	Advertising	Number	Total amount
W 535 ac 5592	Dec. 22, 1932	Sec. 10 (k)	1 engine and parts	$38,237.32
W 535 ac 6192	Aug. 16, 1933	do	1 engine plans, etc.	25,000.00

AMPHIBIANS, INC.

Ce 1262	June 30, 1931	12	1 plane	$3,687.00

BELLANCA AIRCRAFT CORPORATION

Ce 1292	July 13, 1931	14	2 engines	$4,000.00
Ce 1293	do	13	2 planes	14,574.00
Cs 1335	Sept. 1, 1931	None	1 plane and equipment	22,325.45
Ce 1763	Apr. 7, 1933	12	1 airplane	11,485.00
22258	June 1, 1931	Sec. 10 (k)	1 airplane and drawings	15,700.00
24194	Oct. 19, 1931	do	1 plane	89,156.35
25255	Jan. 18, 1932	do	1 airplane and drawings	16,591.00
28203	Oct. 31, 1932	do	do	17,913.00
W 535 ac 5128	May 28, 1932	None	4 airplanes and parts	114,507.54

B/J AIRCRAFT CORPORATION

22856	June 30, 1931	Sec. 10 (k)	1 plane, Info. etc.	$30,000.00
24280	Oct. 26, 1931	do	18 planes	80,287.29
27632	June 30, 1932	do	1 plane	98,934.50
31426	May 15, 1933	Sec. 10 (q)	9 planes, spare parts, etc.	188,350.21
W 535 ac 4197	Apr. 30, 1931	Sec. 10 (k)	10 planes, spare parts, etc.	181,168.84

BOEING AIRPLANE CO.

Contract no.	Date	Advertising	Number	Total amount
Cc 613	May 24, 1929	7	1 airplane	$13,500.00
1581	Nov. 27, 1926	Sec. 10 (k)	1 airplane and parts	32,250.00
2785	Mar. 3, 1927	Sec. 10 (q)	32 airplanes and parts	516,997.91
4222	June 30, 1927	do	do	1,392,848.65
17424	May 10, 1930	Sec. 10 (k)	1 airplane and drawings	50,000.00
17534	June 2, 1930	Sec. 10 (q)	27 airplanes and parts	626,557.31
21737	Apr. 23, 1931	do	30 planes, spares, data, etc	653,029.27
22880	June 30, 1931	Sec. 10 (k)	1 plane, data, etc	82,151.62
28115	Aug. 15, 1932	Sec. 10 (q)	38 planes, parts, etc	517,559.24
30794	Mar. 20, 1933	Sec. 10 (k)	1 airplane	18,000.00
Wac 10	Sept. 20, 1926	Prop	25 airplanes and parts	334,592.25
W 535 ac 1146	Jan. 27, 1928	None	1 airplane and parts	15,314.40
W 535 ac 1334	May 29, 1928	Sec. 10 (k)	do	45,376.80
W 535 ac 1872	Nov. 7, 1928	None	10 airplanes and parts	153,742.62
W 535 ac 2419	June 10, 1929	do	90 airplanes and parts	1,111,771.70
W 535 ac 3123	June 2, 1930	do	131 airplanes and parts	1,553,563.84
W 535 ac 3978	Mar. 3, 1931	do	138 airplanes and parts	1,560,407.04
W 535 ac 4537	Aug. 14, 1931	Sec. 10 (k)	7 airplanes and parts	730,730.57
W 535 ac 5200	June 15, 1932	do	3 airplanes and parts	116,650.96
W 535 ac 5642	Jan. 11, 1933	Open market	136 airplanes and parts	1,414,207.87

CHANCE-VOUGHT CORPORATION

3375	Apr. 20, 1927	Sec. 10 (q)	23 airplanes	$643,605.30
4341	June 30, 1927	Sec. 10 (k)	1 airplane	50,000.00
4358	do	Sec. 10 (q)	20 airplanes and parts	933,615.59
6287	Feb. 13, 1928	do	37 airplanes and parts	727,015.22
10174	Nov. 19, 1928	do	do	1,944,240.19
15539	Jan. 18, 1930	do	36 airplanes and parts	719,504.65
17405	May 13, 1930	Sec. 10 (k)	1 airplane and parts	76,000.00
21108	Mar. 2, 1931	Sec. 10 (q)	25 airplanes spare parts	601,569.83
24144	Oct. 17, 1931	do	15 airplane parts, etc	288,072.18
24198	Oct. 19, 1931	do	65 airplane parts, etc	1,169,106.40
24224	do	None	28 airplane parts, etc	624,602.47
27659	June 30, 1932	Sec. 10 (k)	1 airplane, drawings, etc	85,580.30
31062	Apr. 13, 1933	Sec. 10 (q)	20 airplane spares, etc	326,000.00
31130	Apr. 22, 1933	Sec. 10 (k)	1 airplane, parts	109,531.73
32068	June 30, 1933	Sec. 10 (q)	20 airplane parts, etc	317,940.16
W 535 ac 2320	Apr. 30, 1929	Open market	1 airplane and parts	13,100.00

CONSOLIDATED AIRCRAFT CORPORATION

21581	Apr. 9, 1931	Sec. 10 (k)	1 plane, data, drawings	$107,990.16
22960	July 15, 1931	Sec. 10 (t)	23 planes, 23 gears (landing spares, miscellaneous)	1,726,249.36
27409	June 22, 1932	Sec. 10 (k)	1 plane	97,636.83
34144	Dec. 27, 1932	None	21 planes and parts	1,799,500.00
W 535 ac 4625	Sept. 22, 1931	Sec. 10 (k)	37 airplanes and parts	249,809.54
W 535 ac 4998	Mar. 19, 1932	do	4 airplanes and parts	154,155.94
W 535 ac 5732	Feb. 27, 1933	do	10 airplanes	615,863.60

CONTINENTAL AIRCRAFT ENGINE CO.

24319	Oct. 28, 1931	Sec. 10 (k)	1 engine, tests, etc	$23,000.00
Word 177	July 17, 1933	do	1 engine, experimental	6,999.92
Word 179	Aug. 18, 1933	do	do	3,740.00

CURTISS AIRPLANE & MOTOR CO., INC.

Wac 2	Aug. 17, 1926	None	100 engines	$800,000.00
Wac 3	do	None	25 airplanes	290,000.00
Wac 53	Oct. 14, 1926	None	40 airplanes	508,930.50
W 535 ac 633	May 3, 1927	5	75 airplanes	667,112.00
W 535 ac 637	Feb. 28, 1927	5	90 airplanes and spares	1,215,110.00
W 535 ac 652	Apr. 30, 1927	None	5 airplanes and spares	91,000.00
W 535 ac 674	June 18, 1927	None	5 engines	81,760.00
W 535 ac 716	July 30, 1927	None	1 airplane and parts	370,990.90
W 535 ac 750	Aug. 24, 1927	None	36 airplanes and parts	557,505.25
W 535 ac 944	Dec. 2, 1927	None	5 airplanes and parts	57,625.00
W 535 ac 950	do	53	1 airplane and parts	17,500.00
W 535 ac 951	Dec. 28, 1927	None	21 airplanes and parts	314,055.83
W 535 ac 1266	Apr. 7, 1928	Sec. 10 (k)	8 airplanes and parts	165,300.00
W 535 ac 1332	June 21, 1928	Sec. 10 (q)	12 airplanes and parts	1,050,473.62
W 535 ac 1333	June 14, 1928	Sec. 10 (k)	1 airplane and parts	50,000.00
W 535 ac 1362	June 25, 1928	Sec. 10 (q)	140 engines	1,103,123.22
W 535 ac 1447	June 19, 1928	do	48 engines 43 airplanes	1,107,323.76
W 535 ac 1550	June 25, 1928	None	1 engine	3,500.00
W 535 ac 1697	Oct. 3, 1928	None	37 airplanes	552,099.00
W 535 ac 2298	June 6, 1929	None	69 airplanes	933,038.67
W 535 ac 2673	Oct. 3, 1929	Sec. 10 (q)	72 engines	727,896.16
W 535 ac 3005	Mar. 17, 1930	do	100 engines	666,280.00
W 535 ac 3003	Feb. 28, 1930	Sec. 10 (k)	50 airplanes and parts	710,225.43
W 535 ac 3088	May 12, 1930	do	1 airplane and drawings	69,300.00
W 535 ac 3301	June 12, 1930	Sec. 10 (q)	40 engines and spares	245,460.01
W 535 ac 3315	do	do	119 engines and parts	1,019,119.62
W 535 ac 3825	Jan. 6, 1931	do	30 airplanes and spares	367,993.33
W 535 ac 4136	May 1, 1931	do	10 airplanes	167,463.00
W 535 ac 4603	Sept. 19, 1931	Sec. 10 (k)	13 airplanes and spares	427,615.00
W 535 ac 4599	do	do	1 airplane and spares	100,347.12
W 535 ac 5258	June 24, 1932	do	5 airplanes and spares	231,758.81
W 535 ac 5711	Feb. 21, 1933	do	1 airplane and spares	40,000.00
W 535 ac 5733	Feb. 27, 1933	do	46 airplanes and spares	946,791.84

CURTISS-WRIGHT AIRPLANE CO.

W 535 ac 5927	May 12, 1933	Sec. 10 (k)	2 airplanes and plans	$111,000.00

CURTISS WRIGHT FLYING SERVICE

Cc 1311	July 29, 1931	14	1 airplane	$2,500.00

DETROIT AIRCRAFT CORPORATION (RECEIVER, PETER R. BEAGLEY & DETROIT TRUST CO.)

Contract no.	Date	Advertising	Number	Total amount
17996	July 2, 1930	Newspaper advertising	32 engines	$855,185.63
23618	Sept. 9, 1931	Sec. 10 (k)	1 engine and drawings	21,850.00
W 535 ac 3533	Aug. 13, 1930	do	1 airplane and drawings	16,499.54
W 535 ac 4445	July 6, 1931	do	1 airplane	24,800.00
W 535 ac 4536	Aug. 17, 1931	do	5 airplanes and parts	166,392.00
W 535 ac 4539	Sept. 23, 1931	do	do	30,157.60
W 535 ac 4693	Nov. 4, 1931	do	1 airplane	13,840.00
FLEET AIRCRAFT, INC.				
Cc 1254	June 25, 1931	14	2 airplanes	$7,000.00
Cc 1283	do	14	do	2,000.00
16684	Mar. 17, 1930	Sec. 10 (k)	6 airplanes and parts	35,545.06
W 535 ac 2462	June 13, 1929	None	1 airplane	4,400.00
W 535 ac 3069	Apr. 2, 1930	Sec. 10 (k)	15 airplanes and parts	73,024.84
FOKKER AIRCRAFT CORPORATION OF AMERICA (GENERAL AVIATION)				
W 535 ac 2210	Mar. 1, 1929	Sec. 10 (k)	1 airplane and parts	$65,577.25
W 535 ac 2288	May 29, 1929	Sec. 10 (q)	6 airplanes and parts	265,306.70
W 535 ac 2413	June 7, 1929	Sec. 10 (k)	2 airplanes and drawing	70,841.95
W 535 ac 2910	Dec. 23, 1929	8	1 plane and parts	41,868.99
W 535 ac 3465	July 11, 1930	Sec. 10 (k)	20 airplanes and parts	468,963.30
W 535 ac 4035	Mar. 30, 1931	do	6 airplanes and parts	271,781.65
W 535 ac 4153	May 5, 1931	do	do	215,337.43
W 535 ac 4928	Feb. 12, 1932	do	1 airplane and parts	15,000.00
17890	June 24, 1930	None	do	50,854.64
19875	Dec. 1, 1930	do	do	1,184.00
Tcg 16569	June 3, 1932	3 dealers	2 engines	7,930.00
FORD MOTOR CO.				
Cc 1151	Apr. 17, 1931	17 bids	1 airplane and parts	$31,000.00
19540	Oct. 28, 1930	Proprietary	do	54,443.86
24609	Nov. 17, 1931	do	2 airplanes and parts	81,121.61
GREAT LAKES AIRCRAFT CORPORATION				
22842	June 30, 1931	Sec. 10 (k)	1 airplane, data, drawings, etc	$73,534.77
27287	June 13, 1932	do	1 airplane, information, etc	128,630.18
GROVER LOENING CO.				
22855	June 30, 1931	Sec. 10 (k)	1 airplane, data, etc	$75,165.04
27157	June 6, 1932	do	Conversion of airplane	18,934.00
29350	Nov. 30, 1932	do	1 airplane, information, etc	95,137.00
GRUMANN AIRCRAFT ENGINEERING CORPORATION				
21520	Apr. 2, 1931	Sec. 10 (k)	1 airplane and parts	$127,621.95
27654	June 30, 1932	do	Services and materials	709,140.42
29025	Nov. 2, 1932	do	1 plane, information, etc	94,500.00
32111	June 30, 1933	Sec. 10 (q)	22 planes, parts, designs, etc	593,450.18
33773	Dec. 4, 1933	None	34 planes and parts	687,260.37
HALL ALUMINUM AIRCRAFT CORPORATION				
6272	Feb. 24, 1928	None	1 airplane and parts	$140,052.90
6538	Jan. 25, 1928	Sec. 10 (k)	do	73,938.47
17695	June 10, 1930	None	do	747,131.17
18017	June 30, 1930	Sec. 10 (k)	do	257,771.00
LYCOMING MANUFACTURING CO.				
W 535 ac 5559	Dec. 1, 1932	Sec. 10 (k)	8 engines and parts	$36,542.74
NORTHROP CORPORATION				
31282	May 8, 1933	Sec. 10 (k)	1 airplane and parts	$85,186.80
PRATT & WHITNEY AIRCRAFT CO.				
Cc 370	May 29, 1928	7	1 engine	$7,866.15
Cc 919	June 7, 1930	10	2 engines	7,305.65
Cc 961	June 24, 1930	9	1 engine	5,568.37
Cc 1748	Mar. 14, 1933	8	do	4,821.00
910	Oct. 5, 1926	Sec. 10 (q)	200 engines and parts	2,312,101.06
1645	Jan. 18, 1927	Sec. 10 (k)	5 engines and blueprints	105,042.48
3712	July 14, 1927	do	2 engines	35,900.00
3994	Aug. 4, 1927	Sec. 10 (q)	39 engines	380,275.10
4375	June 24, 1927	Cir. to dealers	81 engines	992,273.00
5622	Nov. 7, 1927	Sec. 10 (q)	90 engines	3,177,810.50
10245	Nov. 26, 1928	do	845 engines and parts	4,097,392.23
11909	Apr. 22, 1929	Sec. 10 (k)	7 engines and parts	62,514.20
13011	June 29, 1929	None	36 engines and parts	286,837.09
13613	Aug. 19, 1929	Sec. 10 (k)	1 engine and parts	4,010.32
15291	Dec. 24, 1929	do	do	5,347.10
16397	Mar. 5, 1930	do	2 engines and parts	10,823.18
16448	Mar. 4, 1930	Sec. 10 (q)	112 engines and parts	739,766.40
17006	Apr. 10, 1930	None	1 engine	6,514.66
17456	May 19, 1930	Sec. 10 (k)	2 engines	12,521.60
17975	June 28, 1930	do	2 engines and parts	11,217.50
19114	Sept. 22, 1930	None	2 engines	13,400.38
19371	Oct. 9, 1930	Sec. 10 (q)	35 engines and parts	224,028.43
20552	Jan. 20, 1931	None	10 engines and parts	77,628.09

PRATT & WHITNEY AIRCRAFT CO.—continued

Contract no.	Date	Advertising	Number	Total amount
20597	Jan. 21, 1931	Sec. 10 (q)	4 engines and parts	$27,940.95
21711	Apr. 20, 1931	do	2 engines	15,796.20
21776	Apr. 21, 1931	do	20 engines and parts	140,685.09
21777	Apr. 27, 1931	do	51 engines and parts	352,257.15
22522	June 16, 1931	do	45 engines and parts	284,542.62
23089	Apr. 20, 1931	do	21 engines and parts	157,620.49
W 535 ac 643	May 12, 1927	None	5 engines	51,565.00
W 535 ac 664	June 21, 1927	Sec. 10 (k)	{3 engines $17,250 2 engines $9,460 and spares 15 engines $7,760}	70,620.00
W 535 ac 683	June 22, 1927	do	{5 engines $7,470 and spares}	172,190.89
W 535 ac 1907	Oct. 24, 1928	Sec. 10 (q)	20 engines $6,115.80 and spares	142,197.91
W 535 ac 2095	Jan. 1, 1929	do	{6 engines $5,973.97 19 engines at $6,181.97 and spares}	126,873.17
W 535 ac 2447	June 21, 1929	do	{30 engines at $6,061.97 150 engines at $5,361.97 and spares}	1,135,667.04
W 535 ac 2646	Aug. 27, 1929	do	80 engines at $5,353.06 and spares	522,745.19
W 535 ac 2727	Sept. 28, 1929	do	{41 engines at $5,353.06 19 engines at $5,361.97 and spares}	699,972.13
W 535 ac 2975	Jan. 22, 1930	do	12 engines and parts	603,115.04
W 535 ac 3030	Mar. 18, 1930	do	252 engines and parts	1,452,372.83
W 535 ac 3172	May 7, 1930	do	40 engines and parts	233,804.26
W 535 ac 3259	June 11, 1930	do	684 engines and parts	3,823,855.04
W 535 ac 3508	May 26, 1930	Sec. 10 (k)	3 engines	11,826.30
W 535 ac 3501	Aug. 7, 1930	Sole mfg	1 engine	5,073.60
W 535 ac 3554	Aug. 14, 1930	Sec 10 (q)	24 engines and spares	134,205.90
W 535 ac 3709	Dec. 6, 1930	do	60 engines and spares	348,090.58
W 535 ac 3776	Dec. 8, 1930	do	52 engines and spares	308,884.81
W 535 ac 3997	Feb. 2, 1931	Open market	1 engine	5,602.32
W 535 ac 4054	Apr. 1, 1931	Sec. 10 (q)	202 engines and parts	1,123,614.24
W 535 ac 4402	July 15, 1931	Open market	1 engine and parts	3,983.91
W 535 ac 4505	Aug. 4, 1931	Sec. 10 (k)	100 engines and parts	303,690.45
W 535 ac 4706	Oct. 28, 1931	do	112 engines and parts	364,195.13
W 535 ac 4894	Feb. 1, 1932	Sec. 10 (q)	28 engines and parts	186,367.62
W 535 ac 5087	May 3, 1932	do	1 engine and parts	4,759.17
W 535 ac 5105	May 10, 1932	do	do	7,642.17
W 535 ac 5248	June 24, 1932	Sec. 10 (k)	3 engines and blueprints	33,821.25
W 535 ac 5281	June 27, 1932	Sec. 10 (q)	19 engines and spare parts	110,502.83
W 535 ac 5368	Aug. 26, 1932	do	2 engines and parts	15,182.86
W 535 ac 5507	Nov. 18, 1932	do	28 engines and parts	162,647.54
W 535 ac 5652	Feb. 4, 1933	Sec. 10 (k)	3 engines and parts	63,314.10
23360	Aug. 15, 1931	do	4 engines and parts	24,202.79
24225	Oct. 19, 1931	Sec. 10 (q)	50 engines and parts	322,491.55
24411	Nov. 4, 1931	do	26 engines and parts	163,467.72
24608	Nov. 17, 1931	do	46 engines and parts	310,197.45
24702	Nov. 28, 1931	do	52 engines and parts	341,764.87
24744	Dec. 7, 1931	do	27 engines and parts	147,941.67
24788	Nov. 30, 1931	do	5 engines and parts	33,158.70
25106	Jan. 5, 1932	Sec. 10 (k)	2 engines and parts	45,617.25
25107	Jan. 4, 1932	do	1 engine and parts	43,685.00
25419	Feb. 1, 1932	do	2 engines and parts	13,267.50
25469	Feb. 4, 1932	Sec. 10 (q)	6 engines and parts	36,504.34
26875	May 16, 1932	Sec. 10 (k)	10 engines and parts	113,236.70
27259	June 9, 1932	Sec. 10 (q)	78 engines and parts	696,274.48
27615	June 30, 1932	Sec. 10 (k)	1 engine and parts	15,000.00
28118	Aug. 9, 1932	do	3 engines and parts	70,050.00
28233	Aug. 23, 1932	Sec. 10 (q)	57 engines and parts	403,731.95
29578	Dec. 20, 1932	do	12 engines and parts	60,116.40
31111	Apr. 19, 1933	Sec. 10 (k)	2 engines and parts	28,972.60
31112	do	do	do	14,305.38
31281	May 3, 1933	do	1 engine and parts	20,549.61
31420	May 15, 1933	do	do	6,448.83
31464	do	do	4 engines and parts	44,472.26
31473	May 17, 1933	Open market	3 engines and parts	14,976.54
31683	June 3, 1933	Sec. 10 (q)	14 engines and parts	72,656.50
32110	June 30, 1933	do	30 engines and parts	188,671.38
32150	Aug. 16, 1933	do	35 engines and parts	482,159.36
34031	Dec. 23, 1933	None	50 engines and parts	790,240.89
N 156 s 5045	July 1, 1930	209	All parts	289,896.30
Tcg 19422	Sept. 15, 1932	3	2 engines and parts	11,174.98
Tcg 20422	May 15, 1933	3	do	9,913.96
Tcg 20424	do	3	do	9,882.46
W 535 ac 5695	Feb. 4, 1933	Sec. 10 (i)	255 engines and parts	1,251,962.01
W 535 ac 5709	Feb. 16, 1933	do	20 engines and parts	130,859.33
W 535 ac 5744	Feb. 28, 1933	Sec. 10 (k)	24 engines and parts	113,133.30
W 535 ac 5766	Feb. 7, 1933	Sec. 10 (q)	2 engines and blueprints	12,551.14
W 535 ac 5799	Mar. 29, 1933	do	1 engine and tools	11,609.37
W 535 ac 5841	May 1, 1933	do	44 engines and parts	313,620.10
W 535 ac 5944	May 26, 1933	do	132 engines and parts	833,394.80

SIKORSKY AVIATION CORPORATION

6487	Jan. 23, 1928	Sec. 10 (k)	1 airplane	$35,500.00
8783	Oct. 13, 1928	do	2 airplanes	72,000.00
17627	June 3, 1930	None	1 airplane and parts	91,830.00
19529	Nov. 3, 1930	Sec. 10 (t)	3 airplanes and parts	165,502.65
22268	June 1, 1931	None	2 airplanes and parts	80,000.00
22845	June 30, 1931	do	1 airplane and parts	83,332.50
24365	Nov. 4, 1931	do	do	30,000.00
W 535 ac 2256	May 23, 1929	Sec. 10 (k)	do	43,241.64
W 535 ac 3263	June 3, 1930	do	10 airplanes and parts	427,337.77

STEARMAN AIRCRAFT CO.[1]

Ce 414	July 25, 1928	11	2 airplanes	$19,500.00
Ce 418	Aug. 6, 1928	3	do	19,500.00
Ce 420	do	3	4 airplanes	39,000.00
Ce 537	Feb. 14, 1929	17	1 airplane	10,500.00
Ce 685	June 26, 1929	17	do	9,750.00
W 535 ac 3775	Dec. 4, 1930	Sec. 10 (k)	4 airplanes	26,828.40
W 535 ac 5370	Sept. 2, 1932	do	9 airplanes and data	51,275.17

[1] Dealers.

WRIGHT AERONAUTICAL CORPORATION

Contract no.	Date	Advertising	Number	Total amount
Als 8277	Sept. 6, 1930	5	1 motor	$3,885.00
Cc 208	May 26, 1927	6	3 engines	14,550.60
Cc 836	June 1, 1928	7	do	11,763.00
Cc 903	June 3, 1930	10	5 engines	14,670.00
Cc 1472	Apr. 8, 1932	7	2 engines	7,905.00
Cc 1495	May 17, 1932	9	3 engines	10,732.50
1194	Oct. 28, 1926	None	180 engines and spare parts	1,252,652.08
4376	June 30, 1927	Sec. 10 (q)	48 engines	579,883.51
6549	Jan. 25, 1928	None	100 engines and spares, etc	1,069,452.31
6856	Feb. 21, 1928	Sec. 10 (k)	1 engine and spare parts	4,150.07
10887	Jan. 28, 1929	do	3 engines	13,528.48
10888	do	do	3 engines and parts	8,284.24
11183	Mar. 4, 1929	Sec. 10 (q)	59 engines	301,561.35
11986	Apr. 18, 1929		15 engines, spares, etc	80,302.90
12384	May 25, 1929	None	3 engines	22,490.50
13021	June 29, 1929	Sec. 10 (k)	112 engines and spares, etc	1,008,639.92
14890	Nov. 21, 1929	do	50 engines and spare parts	216,564.55
16579	Mar. 10, 1930	do	72 engines and spare parts	540,697.83
16707	Mar. 24, 1930	do	1 engine	8,931.37
16727	Mar. 22, 1930	do	2 engines	41,940.04
18013	June 30, 1930	do	2 engines and tests, etc	72,233.83
21354	Mar. 21, 1931	None	1 engine and spare parts	54,082.74
22885	June 30, 1931	Sec. 10 (t)	60 engines, spares, drawings, etc	592,531.78
25220	Jan. 16, 1932	Sec. 10 (k)	9 engines, parts, etc	70,366.31
25482	Feb. 6, 1932	None	10 engines and spare parts	42,390.05
26699	Apr. 30, 1932	Sec. 10 (k)	4 engines, spares, etc	56,072.05
27122	June 2, 1932	do	10 engines, etc	117,941.45
27614	do	Sec. 10 (q)	42 engines	344,420.08
30697	Mar. 14, 1933	do	45 engines, parts, etc	352,942.36
31263	May 3, 1933	None	6 engines	27,276.86
31321	May 8, 1933	do	3 engines	20,452.67
31322	do	do	do	9,832.66
31686	June 3, 1933	Sec. 10 (k)	4 engines and parts	43,941.79
31706	June 18, 1933	Sec. 10 (q)	8 engines	47,245.03
33642	Nov. 20, 1933	None	66 planes and parts	478,186.35
33734	Nov. 28, 1933	do	46 engines and parts	334,293.85
W 535 ac 634	Mar. 21, 1927	Sec. 10 (q)	12 engines	75,048.35
W 535 ac 655	June 6, 1927	None	7 engines	30,943.64
W 535 ac 663	June 22, 1927	do	5 engines and parts	71,020.00
W 535 ac 665	do	Sec. 10 (q)	128 engines	1,606,715.37
W 535 ac 1471	June 9, 1928	Sec. 10 (k)	7 engines	140,639.90
W 535 ac 2019	Jan. 16, 1929	Sec. 10 (q)	139 engines and spare parts	559,573.59
W 535 ac 3193	Apr. 10, 1930	None	1 engine	5,082.69
W 535 ac 3320	June 4, 1930	do	128 engines and parts	706,054.80
W 535 ac 3752	Dec. 2, 1930	Sec. 10 (k)	16 engines	44,247.20
W 535 ac 3770	Mar. 3, 1931	Sec. (q)	6 engines and parts	39,036.81
W 535 ac 3801	Dec. 23, 1930	do	60 engines and parts	311,073.62
W 535 ac 3802	do	do	58 engines and parts	438,822.15
W 535 ac 4112	Apr. 8, 1931	None	1 engine	3,914.33
W 535 ac 4042	Mar. 19, 1931	do	do	4,611.50
W 535 ac 4121	May 4, 1931	No. Sec. 10 (q)	100 engines and parts	803,896.73
W 535 ac 4399	June 25, 1931	do	92 engines and parts	742,943.23
W 535 ac 4653	Oct. 15, 1931	do	32 engines and parts	154,735.70
W 535 ac 4711	Nov. 4, 1931	do	134 engines and parts	1,111,980.53
W 535 ac 5247	June 21, 1932	do	8 engines and parts	58,295.70
W 535 ac 5255	do	Sec. 10 (q)	1 engine	6,298.75
W 535 ac 5605	Jan. 11, 1933	do	3 engines and parts	23,000.13
W 535 ac 5627	Feb. 24, 1933	No. Sec. 10 (q)	64 engines and parts	568,320.00
W 535 ac 5632	Feb. 1, 1933	do	52 engines and parts	451,444.80
W 535 ac 5646	Jan. 9, 1933	do	2 engines and plans	15,085.00
W 535 ac 5738	Feb. 28, 1933	do	92 engines and parts	585,671.06

CURTISS AEROPLANE & MOTOR CO.

4251	Jan. 19, 1928	Special	3 airplanes and parts	$73,692.84
4276	June 30, 1927	do	1 engine and parts	11,700.60
4329	do	do	3 airplanes and spares	61,967.00
5727	Nov. 21, 1927	do	21 airplanes and parts	418,753.04
8793	June 23, 1928	Sec. 10 (t)	68 airplanes and parts	297,051.30
10745	Jan. 17, 1929	Sec. (k)	2 airplanes	6,800.00
12723	June 18, 1929	do	1 airplane	55,218.00
13002	June 29, 1929	Sec. 10 (q)	35 airplanes	688,329.53
16131	Feb. 15, 1930	do	9 airplanes and spares	118,386.56
17901	June 30, 1930	Sec. 10 (k)	1 airplane and spares	75,192.21
18055	do	Sec. 10 (q)	43 airplanes and spares	620,149.14
19057	Dec. 15, 1926	Special	31 airplanes and parts	439,495.27
19673	Nov. 6, 1930	do	1 airplane and parts	30,032.00
20359	Dec. 31, 1930	Sec. 10 (k)	3 airplanes and parts	87,299.00
20526	Jan. 15, 1931	None	1 engine	6,522.00
22572	June 18, 1931	do	30 airplanes and parts	48,734.70
24021	Oct. 12, 1931	Sec. 10 (k)	6 airplanes and parts	297,366.22
26480	Apr. 16, 1932	None	1 airplane and parts	42,550.25
26572	Apr. 22, 1932	Sec. 10 (k)	1 airplane and drawings	62,161.63
27648	June 20, 1932	do	1 airplane, etc	121,292.02
28847	Oct. 18, 1932	do	28 airplanes and parts	515,579.44
29095	Nov. 9, 1932	do	1 airplane and parts	35,667.92
29274	Nov. 22, 1932	do	do	124,780.00
31827	June 19, 1933	do	1 airplane, etc	113,445.00
31828	June 15, 1933	do	Wings, etc	27,680.00

DOUGLAS AIRCRAFT CO., INC.

17989	June 30, 1930	None	1 airplane and parts	$79,710.50
21441	Mar. 30, 1930	Sec. 10 (k)	do	53,834.00
27658	June 21, 1932	do	1 airplane drawing, etc	89,637.92
28527	Dec. 19, 1932	do	3 airplane parts, etc	131,222.57
31543	May 29, 1933	do	1 airplane drawing, etc	105,182.87
W 535 ac 2389	June 3, 1929	None	20 airplanes and parts	244,792.17
W 535 ac 2709	Sept. 25, 1929	Sec. 10 (q)	36 airplanes and parts	878,711.29
W 535 ac 2851	Mar. 20, 1930	Sec. 10 (k)	2 airplanes and data	91,243.00
W 535 ac 2951	Jan. 7, 1930	Sec. 9	1 airplane ($1 tech. data 3,300)	4,122.21
W 535 ac 2954	Jan. 8, 1930	Sec. 10 (k)	1 airplane	17,807.00
W 535 ac 3015	Feb. 19, 1930	Sec. 10 (q)	17 airplanes and parts	226,873.56
W 535 ac 3113	June 2, 1930	do	146 airplanes and parts	1,736,938.48
W 535 ac 3275	do	do	44 airplanes and parts	554,695.80
W 535 ac 3769	Dec. 9, 1930	do	30 airplanes and parts	569,125.87
W 535 ac 4051	Mar. 31, 1931	do	15 airplanes and parts	171,494.74

DOUGLAS AIRCRAFT CO., INC.—continued

Contract no.	Date	Advertising	Number	Total amount
W 535 ac 4099	Apr. 25, 1931	Sec. 10 (q)	30 airplanes and parts	$396, 599. 79
W 535 ac 4320	June 16, 1931	Sec. 10 (k)	6 airplanes and parts	175, 907. 64
W 535 ac 4460	July 31, 1931	do	8 airplanes and parts	298, 045. 24
W 535 ac 4534	Aug. 19, 1931	do	5 airplanes and parts	176, 434. 71
W 535 ac 4538	Aug. 22, 1931	do	12 airplanes and parts	435, 739. 80
W 535 ac 4553	do	Sec. 10 (q)	18 airplanes and parts	212, 189. 78
W 535 ac 4921	Feb. 22, 1932	None	2 airplanes and parts	80, 000. 00
W 535 ac 5100	May 26, 1932	Sec. 10 (k)	8 airplanes and parts	279, 948. 33
W 535 ac 5428	Oct. 4, 1932	Sec. 10 (q)	1 airplane and parts	16, 215. 00
W 535 ac 5446	Nov. 18, 1932	do	15 airplanes and parts	175, 908. 35
W 535 ac 5450	do	Sec. 10 (k)	1 airplane and data	185, 000. 00
W 535 ac 5743	Feb. 28, 1933	do	24 airplanes and parts	440, 304. 00
W 535 ac 5745	do	do	6 airplanes and parts	292, 013. 00
W 535 ac 5774	May 18, 1933	Sec. 10 (q)	8 airplanes, parts, etc	86, 120. 80
W 535 ac 5911	Aug. 3, 1933	do	22 airplanes and parts	349, 622. 45

GLENN L. MARTIN CO.

1739	Dec. 7, 1926	Sec. 10 (q)	1 airplane and parts	$2, 536. 85
2828	Feb. 7, 1926	None	do	2, 760. 33
4049	June 20, 1927	Sec. 10 (k)	do	65, 000. 00
4340	June 30, 1927	Sec. 15	54 airplanes and parts	2, 249, 236. 24
8778	June 30, 1928	Sec. 10 (k)	1 airplane and parts	80, 000. 00
12551½	May 31, 1929	None		1, 017, 935. 35
12966	June 29, 1929	Sec. 10 (k)	1 airplane and parts	154, 929. 00
12976	do	do	do	85, 000. 00
12996	do	None	9 airplanes and parts	658, 459. 98
21342	Apr. 9, 1931	Sec. 10 (k)	12 airplanes, parts, data, etc	553, 320. 64
24145	Oct. 17, 1931	Sec. 10 (q)	16 airplanes, spares, etc	534, 662. 00
25704	Feb. 25, 1932	Sec. 10 (k)	1 airplane, data, etc	44, 636. 00
26229	Mar. 29, 1932	do	4 airplanes, parts, etc	160, 373. 69
W 535 ac 5220	June 14, 1932	do	1 airplane engine	3, 500. 00
W 535 ac 5605	Jan. 17, 1933	Sec. 10 (k)	49 airplanes and parts	2, 440, 605. 52

GOODYEAR ZEPPELIN CORPORATION

128	Oct. 6, 1928	Yes, newspaper	Airship ZRS-4	$5, 430, 420. 18
129	do	do	Airship ZRS-5	2, 363, 062. 41
13197	July 15, 1929	Sec. 10 (k)	2 airplanes	3, 770. 80
17919	June 28, 1930	do	do	4, 033. 46
W 535 ac 4703	Oct. 20, 1931	Sec. 9	1 airplane	9, 065. 20

According to the above charts the Army and Navy have purchased $110,000,000 of equipment; the Army has purchased $57,346,098, of which $3,336,634 was by competitive bidding, or 92 percent of their contracts during this period were let without competitive bids; the Navy purchased $53,026,614, of which $5,901,051 was purchased through competitive bids, or 91 3 percent of the Navy's aircraft equipment was purchased without competitive bids. The Aircraft Act of 1926 as enacted gives the War and Navy Departments special privileges not enjoyed by the other aeronautical branches of the Government, to wit: Coast Guard, Department of Commerce, and the National Advisory Committee for Aeronautics, and these two Departments according to the above record have openly and notoriously disregarded the plain letter of the law of Congress, the decisions of the Judge Advocate General of each Department, and have continued from the date the act became effective to the present time to knowingly, wantonly, and willfully violate the plain letter of the law in the procurement of their aircraft as shown by the above charts. The following article published by the Washington Post on March 12, 1934, is very pertinent and gives a clear picture of the situation, which article reads as follows:

NINETY-TWO PERCENT ARMY'S PLANES BOUGHT WITHOUT BIDS—MCCARL MOVES TO PLACE CURB ON SPENDING WITHOUT CHECK

Comptroller General McCarl is drafting an amendment to the act of July 2, 1926, whereby Army and Navy contracts for airplanes will be passed upon by the General Accounting Office, and the intent of the act, calling for competitive bidding, will be carried out.

The disclosure that more than 92 percent of all the Army's and Navy's aircraft purchases since passage of the act had been made through negotiated contracts with a few big companies caused the House Military Affairs Subcommittee on Aviation to request McCarl to draw up the amendment.

Less than 8 percent of the $110,000,000 spent by the two Services for airplanes and engines since 1926 was expended after competitive bidding, as the act intended, the Comptroller General advised the Rogers investigating committee.

FEW COMPETITIVE BIDS

Army expenditures for aircraft in the 7½ years totaled $57,346,098, with competitive contracts amounting to only $3,336,634.

Navy expenditures in that time were $53,026,614, with competitive contracts totaling $13,694,533.

However, the Navy's competitive total includes $7,793,482 spent for the dirigibles *Akron* and *Macon*, and it was generally agreed that, while bids were called for, only one company in the United States could build these ships.

From July 1926 through December 1933 the Army bought 4,245 engines and 1,857 planes. Only two of the engines were contracted for after proper competition, according to McCarl.

In the same period, the Navy bought 3,158 engines—103 as a result of competitive bidding—and 1,076 airplanes.

Armed with these figures and with a mass of testimony involving charges of an Air Trust the Rogers committee determined yesterday to learn why huge contracts were passed out to individual companies without competition.

Nearly all the engines bought by the Army and Navy, the Comptroller General's figures show, were obtained through negotiated contracts with the Pratt-Whitney Aircraft Co. and the Wright Aeronautical Corporation.

Of its 4,245 engines, the Army bought 2,492 from Pratt-Whitney, 1,153 from Wright, 587 from a Wright subsidiary, and only 13 from all other engine manufacturers.

The Navy obtained 2,149 from Pratt-Whitney, 971 from Wright, 2 from the Wright subsidiary, and 36 from all others.

SIX PLANE COMPANIES FAVORED

Most of the airplanes for the two Services came from six big companies, and witnesses before the Rogers committee have alleged these companies are connected, through stock ownership and interlocking directorates, with the two leading engine builders.

The Comptroller General's frequent protests against these negotiated contracts were answered by the War Department—chiefly by the Air Corps—with quotations from the law which says the General Accounting Office has no control over such contracts. This Office passes upon all other Government contracts and the Rogers committee intends to have the act of July 2, 1926, amended to bring aircraft procurement under the eye and supervision of Comptroller General McCarl.

In contrast to military and naval procurement methods, the Comptroller General's report to the committee pointed to Commerce Department purchases of aircraft over which McCarl has jurisdiction.

From July 1926 through December 1933, the Commerce Department spent $294,141 for airplanes and engines, and only $22,325—for one plane needed in an emergency—was expended through negotiation, the rest being bought after competitive bidding.

NAVY OFFICIALS AND COMPANIES SELLING EQUIPMENT WANT NO CHANGE IN PROCUREMENT LAW

All Navy and former Navy officials, as well as all those who testified for the companies selling the Navy equipment, expressed the opinion in substance that no changes should be made in the law as it is written, each and every one of whom knows or should have known that he had or was violating the provisions of said law, and in direct violation of an unbroken line of decisions of both the Judge Advocate Generals of the Navy and the Army since 1926 to date, in the procurment of aircraft, and that open competitive bidding as required under the provisions of the said law in the procurement of aircraft were not being complied with.

FIFTH PROPOSITION

Any other phases that may appear desirable to see that the Government is wholly protected.

I believe we are all vitally interested and want to know our position in the air. On March 6, I inserted in the CONGRESSIONAL

RECORD (pp. 3853–3862) charts prepared by Mr. Mackenzie-Kennedy, comparing the leading warplanes and warplane-engine performances of the world. I endorse the information contained in these charts as being the latest and best information we have on the comparisons made and the subject covered.

On March 21, I requested Dr. Albert F. Zahm, Chief of the Division of Aeronautics of the Library of Congress, to furnish me with a statement analyzing these charts. On March 24, I received the following reply from Dr. Albert F. Zahm:

LIBRARY OF CONGRESS,
DIVISION OF AERONAUTICS,
Washington, March 24, 1934.

Hon. W. D. MCFARLANE,
House Office Building, Washington, D.C.

DEAR MR. MCFARLANE: In reply to your inquiry of March 21, 1934, regarding the Mackenzie-Kennedy charts of the world's leading warplane engines and warplanes, I have pleasure in reporting as follows:

After several days' careful checking of the charts against information readily available in this division, we find substantial agreement in most of the items. In some cases where differences are to be accommodated, we are asking Major Mackenzie-Kennedy to cite his original sources so that we may compare them with our. The final result will be at your service. To make a complete check of these charts, however, we should have access to the unpublished aeronautic data of the United States war services.

From my various conferences with Major Mackenzie-Kennedy, in the past 5 weeks, I realize that he has made careful use of extended and recent sources in order to ensure the exactness of his charts, along with their obvious convenience and utility. He does not seem to understate the case for America though indicating that her warplane engines are deficient in power, especially at combat altitudes.

Since the charts give at a glance vitally important information understandable by all our citizens, it seems desirable to have similar ones prepared yearly for the use of those agencies officially concerned with the national defense.

To that end one might recommend the appointment of a committee of Federal experts having access to all sources of aerotechnical information, whether open or confidential, to prepare at-a-glance charts accompanied with sufficient notes and references to make their verification easy. The National Advisory Committee for Aeronautics, for example, has a foreign agent constantly gathering such data, and has several subcommittees comprising Army, Navy, and other officers of the Government who jointly furnish information on technical questions.

On request of the Advisory Committee I have sent it photostats of the charts which Major Mackenzie-Kennedy, on my solicitation, has kindly presented to this Library with permission to duplicate for the benefit of other branches of the Government.

Very truly yours,

A. F. ZAHM, *Chief Division of Aeronautics.*

In the above letter you will note that Dr. Zahm states: "From my various conferences with Major Mackenzie-Kennedy, in the past 5 weeks, I realize that he has made careful use of extended and recent sources in order to ensure the exactness of his charts, along with their obvious convenience and utility. He does not seem to understate the case for America though indicating that her warplane engines are deficient in power, especially at combat altitudes."

This statement of Dr. Zahm after careful investigation is worthy of serious consideration. It must be borne in mind that Dr. Zahm, as Chief of the Division of Aeronautics of the Library of Congress, has at his disposal more than 20,000 volumes on aeronautics, which is the largest library on aeronautics in the world.

I have frequently consulted Dr. Zahm on the subject and the latest information I have received from him concerning these charts is his letter of April 25, 1934, reading as follows:

LIBRARY OF CONGRESS,
DIVISION OF AERONAUTICS,
Washington, April 25, 1934.

Hon. W. D. MCFARLANE,
House of Representatives, Washington, D.C.

DEAR MR. MCFARLANE: Complying with your request of April 23, I furnish herewith duplicates of the letter and marked charts which I sent to Mr. Delaney, April 20.

The figures as revised show on the average substantial agreement of the Mackenzie-Kennedy data with those in Jane's All the World's Aircraft of 1933.

For example, in table I the original chart numbers for engine power have 70 in perfect agreement with Jane, 24 too low, marked red; 11 too high, marked green.

To make the 24 too-low chart numbers agree with Jane, they must be increased in percentage, respectively, 12, 7, 10, 22, 1.5, 9.5, 20, 8.3, 14.6, 12.5, 3.4, 11.4, 3.6, 3.6, 3.1, 2.1, 7.7, 5.6, 25.7, 35, 6.7, 2. The sum is 255.1, which divided by 24 gives the average discrepancy as 10.65 percent.

To make the 11 too-high chart numbers agree with Jane they must be decreased in percentage, respectively, 4, 37.1, 8.4, 16.7, 2.9, 5.5, 10.6, 11.1, 4.8, 2.2, 16. The sum is 119.3, which divided by 11 gives 10.9 percent.

Dividing the total percentages of error 374.4 by the number of checked items 105, gives 374.4/105=3.58 percent. Hence in table I the original engine power figures differ from those of Jane by an average of 3.58 percent.

This may be called substantial agreement.

Analyzing in the same way the figures for maximum speed and speed at 10,000 feet altitude, given for warplanes in table III, we find they differ from Jane's by an average of 2.7 percent; viz, there is substantial average agreement.

In the same table the chart values for war-service ceiling differ from Jane's by an average of 4.5 percent.

Similarly in table I the chart figures for United States engine power are found to fall below those of Jane by an average of 1.75 percent, viz, table I does not materially understate the case for the United States, as far as checked.

In table III the chart figures for maximum United States warplane speed fall below Jane's by an average of 0.8 percent; at 10,000 feet the checked chart figures agree with those of Jane; the chart values for war-service ceiling differ from Jane's by 3.45 percent. Hence table III does not materially understate the case for the United States as far as checked.

These charts do not purport to furnish figures later than 1933; hence they do not indicate the capacities of the world's warplanes and engines at the present moment.

Very truly yours,

A. F. ZAHM, *Chief, Division of Aeronautics.*

I insert at this point the charts so checked by Dr. Zahm as being the latest information available on this subject. The charts were prepared from very many sources of information of which Jane's All the World's Aircraft was only one.

TABLE I.—*Warplane engines, characteristics and performance*

SEC. A. 400 TO 449 HORSEPOWER FOR SMALL FIGHTERS

Position	Country	Engine	Cylinders, arrangement	Cooling	Rated horsepower	Maximum power		Weight (pounds per horsepower)	Supercharged	Remarks
						Actual horsepower	Altitude (feet)			
1	France	Delage G.V.I.S	12V	W	450	459	16,500	1.30	S	Inverted.
		Farman 12 G.V.I	12V	W	450	420	18,150	1.28	S	Inverted, 540 hp. maximum.
		Potez 12 A.S	12—	W	400	400	21,450	1.71	S	Opposed cylinders.
2	Great Britain	Armstrong-Siddeley "Jaguar"	14R	A	400	400	14,580	1.90	S	
2	Japan	Mitsubishi "Jaguar"	14R	A	400	400	14,500	1.99	S	License from Great Britain.
3	United States of America.	Pratt & Whitney "Wasp Jr." T-3A	9R	A	420	360	4,000	1.40	S	Mildly supercharged, 1932.
		Wright "Whirlwind" 6R-975-E2	9R	A	420	360	4,000	1.40	S	Do.

SEC. B. 400 TO 850 HORSEPOWER FOR FIGHTERS

1	Great Britain	Bristol "Mercury IV" S2	9R	A	(520) 540	(570) 560	16,000	1.12	S	Special: 303 hp. at 16,000 feet.
		Armstrong-Siddeley "Panther"	9R	A	(540) 536	(585) 520	11,200	1.86	S	1931.
		Napier "Lion" XV	12W	W	550	600		1.75		Holds world's long-distance record of 5,341 miles.
2	Japan	Nakajima "Jupiter" XF	9R	A	540	570	12,000	1.66	S	License from Great Britain, 1931.
3	France	Lorraine "Petrel"	12V	W	600	500	14,850	1.99	S	600 hp. maximum.
		Gnome-Rhone "Mistral" K9	9R	A	(550) 500	(610) 500	13,200	1.33	S	
		Farman 12 W.E.S	12V	W	500	500	19,000	1.40	S	
4	United States of America.	Pratt & Whitney "Wasp" S1-D1	9R	A	550	500	11,000	1.43	S	550 hp. at 5,000 feet, 1933.

Left-hand bracketed figures make tables agree with Jane's All the World's Aircraft of 1933.

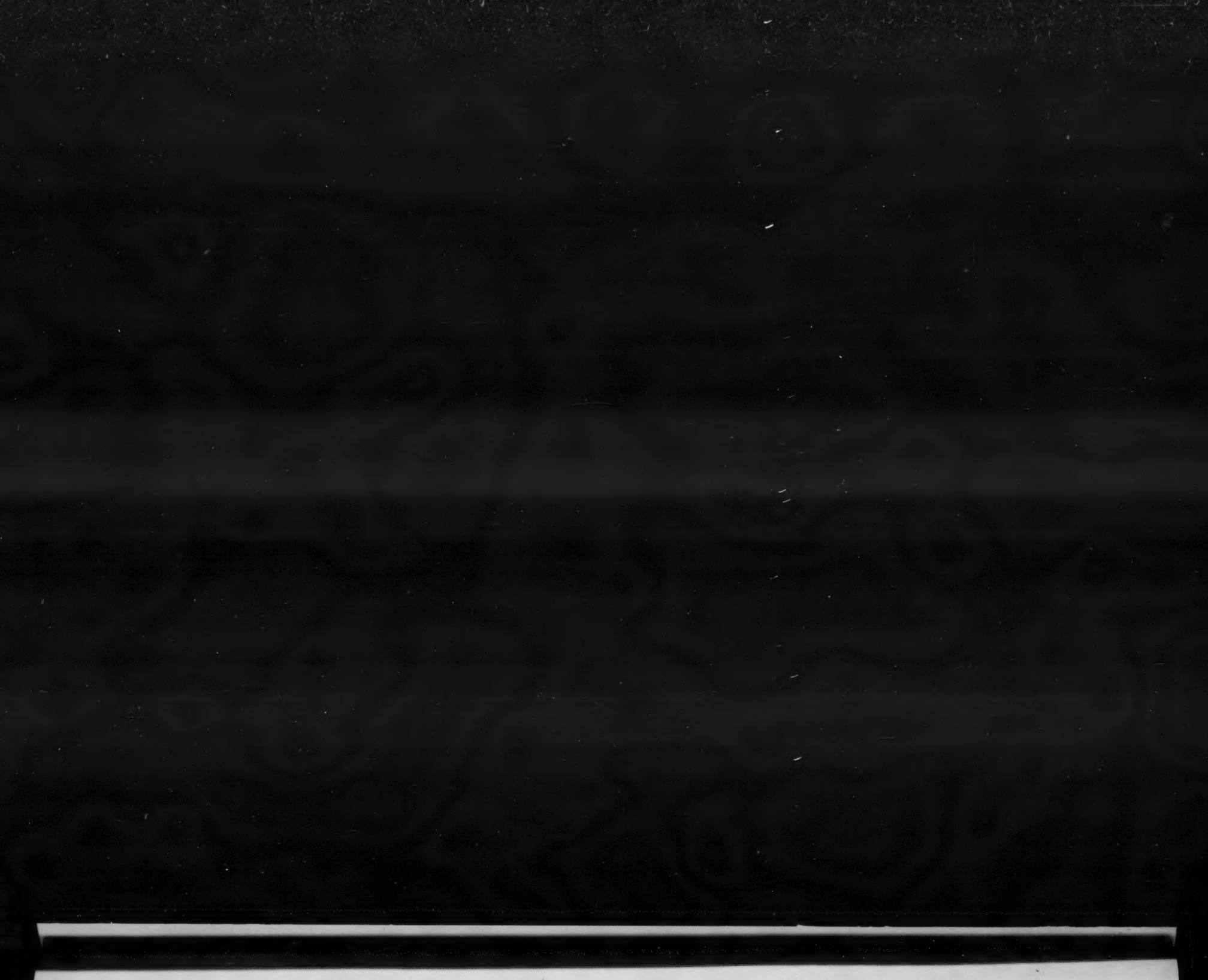


TABLE I.—*Warplane engines, characteristics and performance*—Continued

SEC. C. 600 TO 650 HORSEPOWER FOR FIGHTERS, BOMBERS

Position	Country	Engine	Cylinders' arrangement	Cooling	Rated horsepower	Maximum power		Weight (pounds per horsepower)	Supercharged	Remarks
						Actual horsepower	Altitude (feet)			
1	Great Britain	Rolls-Royce "Kestrel" II S	12V	W	600	(525) 840	11,500	1.11	S	Ground equivalent: 1,200 hp.
		Bristol "Pegasus" S2	9R	A	600	580	13,500	1.69	S	Holds world's altitude record of 43,976 feet, 1932.
		Armstrong-Siddeley "Tiger"	14R	A	(660) 650	792		1.53	S	
2	France	Hispano-Suiza 12Xbrs	12V	W	(600) (560)	650	13,200	1.29	S	Ground equivalent: 1,100 hp.
		Renault	12V	W	650	650	13,200	1.74	S	
		Lorraine "Courlis"	12V	W	600	660		1.41		
		Farman 12 W.I	12W	W	(650) 600	(650) 555	18,000	1.36	S	Inverted, 740 hp. maximum.
2	Japan	Kawasaki-B.M.W.VII A	12V	W	(500) 600	770		1.39	S	Japan can also manufacture Rolls-Royce and Lorraine engines.
		Mitsubishi-Hispano-Suiza	12V	W	600	650	13,200	1.29	S	
3	Italy	Fiat A30R	12V	W	600	600	13,200	1.20		850 hp. maximum.
3	United States of America.	Curtiss "Conqueror" 8V-1570F	12V	W	600	600	12,000	1.44	S	First supercharged Sept. 1932.
		Pratt & Whitney "Twin Wasp Jr.". R. 1535.	14R	A	(675) 600	625		1.33	S	1932.
		Pratt & Whitney "Hornet" T1C	9R	A	(700)	578	8,000	1.20	S	
		Wright "Cyclone" SR-1820-F2	9R	A	(700)	600	12,000	1.21	S	605 hp. maximum.
		Wright "Whirlwind" R1510	14R	A	(700)	600	12,000	1.24	S	1933.

SEC. D. 700 TO 900 HORSEPOWER FOR HEAVY DUTY

1	Great Britain	Rolls-Royce "Buzzard" II MS	12V	W	(835) 850	925		1.65	S	
		Armstrong-Siddeley "Leopard"	9R	A	800	854		1.89	S	1932.
2	France	Hispano-Suiza 12Ybrs	12V	W	(800) (650)	(850) 900	13,200	1.09	S	Ground equivalent: 1,490 hp.
		Gnome-Rhone "Mistral Major" K14.	14R	A	(900) 800	(900) 870	13,200	1.56	S	Ground equivalent: 1,340 hp.
		Lorraine "Orion"	18W	W	700	870		1.44		
		Renault 18Jbr	18W	W	700	850		1.67	S	
3	Japan	Kawasaki-B.M.W.IXA	12V	W	(715) 800	(800) 900		1.53	S	Japan can also manufacture Lorraine and Junkers engines.
		Mitsubishi-Hispano-Suiza	12V	W	(800) 700	860	13,200	1.09	S	
3	Italy	Isotta-Fraschini "Asso" 750R	18W	W	850	920		1.64		
		Fiat A26R	12V	W	700	760		1.44		
4	Germany	Junkers L88a	12V	W	800	850		1.98	S	
5	Czechoslovakia	Avia V30	12V	W	700	700	13,200	1.76	S	Allied to France.
6	United States of America.	Pratt & Whitney "Twin Wasp Jr."	14R	A	(725) 700	(725) 700	8,000	1.33	S	725 hp. maximum, 1933.
		Pratt & Whitney "Twin Wasp"	14R	A	(825) 800	830	4,500	1.36	S	

SEC. E. 900 TO 1,000 HORSEPOWER FOR HEAVY DUTY

1	Czechoslovakia	Avia W44	18W	W	1,000	1,000	15,200	1.65	S	Allied to France, 1932.
2	France	Hispano-Suiza 18Sb	18	W	1,100	1,125		1.20	S	
		Lorraine "Eider"	12V	W	900	1,050		1.33	S	
3	Great Britain	Rolls-Royce "Buzzard" II MS	12V	W	(900)	925		1.65	S	
3	Italy	Fiat A25	12V	W	(970) 950	(1,000) 1,050		1.69	S	As supplied to China.
		Isotta-Fraschini "Asso 1000"	18W	W	900	1,100		1.62		
3	Germany	Mercedes-Benz F2	12V	W	(890) 900	1,030		1.76	S	
4	Japan	Licensed to manufacture Hispano-Suiza, Lorraine, and Rolls-Royce airplane engines.								
0	United States of America.	None								

SEC. F. 1,000 HORSEPOWER AND UP FOR RACING PLANES

1	Italy	Fiat AS 6	24V	W	2,300	(2,800) 2,600		0.78	S	2,900 hp. at 3,000 r.p.m. World's airplane speed record, 1933.
1	Great Britain	Rolls-Royce R	12V	W	2,300	2,600		.63	S	World's airplane speed record, 1931.
		Napier "Lion" VIId	12V	W	(1,320) 1,250	1,350		.89	S	
2	France	Renault 12Ncr	12V	W	1,600	2,000		.68	S	
		Farman 18T	18T	W	1,200	1,480	3,630	.72	S	
		Lorraine "Radium"	12V	W	2,000	2,200			S	Inverted, not developed.
3	Japan	Licensed to manufacture Rolls-Royce and Lorraine airplane engines.								
4	United States of America.	Packard X (IA-2775)	24X	W	1,200	1,230		1.21		1929, never flown.

SEC. G. DIESEL (HEAVY OIL) ENGINES—ALL TYPES

1	Germany	Junkers "Jumo-4"	6-line	W	600	750		2.20		
		Mercedes-Benz	12V	W	(880) 700	(1,000) 750		2.78		Undergoing trials.
2	France	Hispano-Suiza-Clerget 14U	14R	A	500	(640) 600		2.20		
		Hispano-Suiza-Clerget 9T	9R	A	300	400		2.20		
		Idloise-Junkers "C.L.M."	6-line	W	(420) 480	(540) 530	13,200	2.80	S	
3	Great Britain	Rolls-Royce "Condor"	12V	W	500	600		2.80		
4	Japan	Licensed to manufacture Junkers, Hispano-Suiza, and Rolls-Royce airplane engines.								
5	United States of America.	Packard DR-980	9R	A	225			2.26		
		Guiberson a-980	9R	A	185			2.74		
		Aviation Diesel*	7R	A	400					

SUPPLEMENTARY, THE LEADING AIRSHIP ENGINE OF THE WORLD

1	Germany	Maybach VL2	12V	W	(420) 550	(570) 550		4.35		Used on the late U.S.S. "Akron" and "Macon", reversible.

NOTE 1.—64 different airplane engines have been compared in the above table I.

NOTE 2.—Soviet Russia is manufacturing airplane engines of its own design, and of German and Italian design. It may be considered as not weaker than the United States in airplane engines.

NOTE 3.—A=air cooled; P=Prestone cooled; W=water cooled; R=radial; S=supercharged.

*From Jane's All the World's Aircraft of 1933 (experimental, never been flown).

Left-hand figures in parenthesis make tables agree with Jane's All the World's Aircraft of 1933.

TABLE II.—*Leading warplane engines in table I compared according to the actual power they develop at war-service altitudes*

SEC. A. 400 TO 450 HORSEPOWER FOR SMALL FIGHTERS (WAR-SERVICE ALTITUDE, 15,000 TO 20,000 FEET)

Position	Country	Engine	Horsepower	United States deficiency in power of warplane engines	
				Measured in horsepower	Measured in percentage
1	France	Delage G.V.I.S	450		
2	Great Britain	Armstrong-Siddeley "Jaguar".	400		
2	Japan	Mitsubishi "Jaguar" (license from Great Britain).	400		
3	United States of America.	P. & W. "Wasp Jr." T. 3A	300	−150	−33.33
		Wright "Whirlwind" 420 hp.	300		

SEC. B. 500 TO 550 HORSEPOWER FOR FIGHTERS (WAR-SERVICE ALTITUDE, 15,000 TO 20,000 FEET)

1	Great Britain	Bristol "Mercury IV" S. 2	570		
2	Japan	Nakajima "Jupiter" XF	525		
3	France	Lorraine "Petrel"	500		
4	United States of America.	P. & W. "Wasp" S1–D1	425	−175	−29.17

SEC. C. 600 TO 650 HORSEPOWER FOR FIGHTERS, BOMBERS (WAR-SERVICE ALTITUDE, 15,000 TO 20,000 FEET)

1	Great Britain	Rolls-Royce "Kestrel" II S. (1932).	700		
2	France	Hispano-Suiza 12 X brs	600		
2	Japan	Kawasaki-B.M.W. VII A	600		
3	Italy	Fiat A. 30 R	600		
3	United States of America.	Curtiss "Conqueror"	550		
		P. & W. "Hornet" T. 1C	550		
		Wright "Whirlwind" R. 1510.	500	−150	−21.43
			500		

SEC. D. 700 TO 900 HORSEPOWER FOR HEAVY DUTY (WAR-SERVICE ALTITUDE, 10,000 TO 15,000 FEET)

1	Great Britain	Rolls-Royce "Buzzard" II M.S. (1932).	900		
2	France	Hispano-Suiza 12 Y brs (1932).	850		
3	Japan	Mitsubishi-Hispano-Suiza-(1932).	800		
3	Italy	Isotta-Fraschini "Asso" 750 R (1932).	800		
4	Germany	Junkers L. 88a (1932)	750		
5	Czecholovakia	Avia V. 30 (1932)	700		
6	United States of America.	P. & W. "Twin Wasp" (1933).	675	−225	−25.00

TABLE II.—*Leading warplane engines in table I compared according to the actual power they develop at war-service altitudes*—Continued

SEC. E. 900 TO 1,000 HORSEPOWER FOR HEAVY DUTY

Position	Country	Engine	Horsepower	United States deficiency in power of warplane engines	
				Measured in horsepower	Measured in percentage
1	Czechoslovakia	Avia W. 44	(1,000) 1,100		
2	France	Hispano-Suiza 18 Sb	1,000		
3	Great Britain	Rolls-Royce "Buzzard" II M.S.	900		
3	Italy	Fiat A. 25	900		
3	Germany	Mercedes-Benz F. 2	900		
4	Japan	Licensed to manufacture Hispano-Suiza, Lorraine, and Rolls-Royce airplane engines.			
	United States of America.	None		−1,100	−100.00

SEC. F. 1,000 HORSEPOWER AND UP FOR RACING PLANES

1	Italy	Fiat A. 5.6	(2,800) 2,600		
1	Great Britain	Rolls-Royce "R"	2,600		
2	France	Renault 12 Ncr	2,000		
3	Japan	Licensed to manufacture Rolls-Royce and Lorraine airplane engines.			
4	United States of America.	Packard X (1929)	1,250	−1,650	−56.9

SEC. G. DIESEL (HEAVY OIL) ENGINES, ALL TYPES

1	Germany	Junkers "Jumo"	(750) 650		
2	France	Hispano-Suiza-Clerget 14U	(640) 600		
3	Great Britain	Rolls-Royce "Condor"	(540) 550		
4	Japan	Licensed to manufacture Junkers, Hispano-Suiza, and Rolls-Royce airplane engines.			
5	United States of America.	Packard	225	−525	−70.00
	United States average deficiency for all engines.			−567.8	−47.97

Left-hand figures in parenthesis make table agree with Jane's All the World's Aircraft of 1933.

COMPARISON OF THE LEADING WARPLANES OF THE WORLD, 1933

TABLE III.—*Warplanes, duty, characteristics, and performance*

SEC. A. ARMY FIGHTERS (PURSUIT) 1-PLACE, LIGHT DUTY

Position	Country	Type	Wing arrangement	Engine	Cooling	Rated horsepower	Maximum speed: Miles per hour	Maximum speed: At altitude (feet)	Speed (m.p.h.): At 10,000 feet	Speed (m.p.h.): At 15,000 feet	Speed (m.p.h.): At 20,000 feet	Climb to 15,000 feet (min.)	War-service ceiling (feet)	Crew	Number of guns	Remarks
1 ½	Gt. Britain.	Vickers "Jockey"	M	Bristol "Mercury IV" a	A	500	[1] 238	20,000	[2]225	238	[2]238	7	[4]36,000	1	2	238 m.p.h. at 20,000 feet in February 1932.
		Hawker "Fury" b	B	Roll.-Royce "Kestrel"	W	600	[5] 223	13,000	[6]225	230	225	7	35,000	1	2	Vertical power dives exceed 400 m.p.h.
		Fairey "Firefly II"	B	do	W	600	223	13,000	225	230	225	8	35,000	1	2	223 m.p.h. at 13,000 feet in January 1932.
		Bristol "Bulldog III A"	B	Bristol "Mercury IV"	A	500	205	10,000	205	205	195	8	35,000	1	2	
		Gloster S.S. 19	B	do	A	500	209	10,000	209	[7]207	195	8	35,000	1	6	Compare with Curtiss "Strike" in sec. C.
		Armstrong-Whitworth XVI	B	Armstrong-Siddeley "Panther."	A	800	[3] 205	10,000	[8]205	[10]200	[11]192	9	32,500	1	2	187 m.p.h. at 25,000 feet. 212 m.p.h. maximum.
		D.H. 77	M	Napier "Rapier"	A	300	203	10,000	203	195	195	9	32,000	1	2	
2	France	Dewoitine 500	M	Hispano-Suiza	W	500	230	15,000	220	230	[12]215	8	35,000	1	2	207 m.p.h. at 26,000 feet.
		Nieuport-Delage 121C–1	M	do	W	500	229	11,500	228	225	220	6	39,600	1	2	Highest war-service ceiling.
		Loire 43C–1	M	do	W	500	223	10,500	224	221	215	8	35,000	1	2	
		Mureaux 170C–1	M	do	W	500	225	12,000	227	220	215	8	33,000	1	2	
		Morane-Sauinier 325	M	do	W	500	[13] 225	13,000	220	225	210	8	[14]36,000	1	2	
3	Poland	P.Z.L. P. XI	M	Bristol "Mercury IV"	A	500	217	13,200	217	215	205	6	33,000	1	2	Allied to France.
		P.Z.L. P. VIII	M	Lorraine "Petrel"	W	500	206	12,040	210	200	190	7	30,000	1	2	Unsupercharged engine.
3	Italy	Fiat C.R. 30	B	Fiat A. 30R	W	600	[15] 224	10,000	[16]224	214	205	8	[17]30,000	1	2	
4	Japan	Kawasaki 92 (K.D.S.)	B	Kawasaki-B.M.W	W	600	[18] 217	5,000	210	205	200	6	32,000	1	2	Licensed to manufacture Hawker and Nieuport Delage warplanes.
		Nakajima 91	M	Nakajima "Jupiter"	A	500	[19] 190	10,000	190	185	180	8	30,000	1	2	
5	Sweden	Svenska "Jaktfolk"	B	Armstrong-Siddeley "Panther."	A	500	208	13,000	205	205	195	9	32,000	1	2	Svenska Aero A.B. allied with Heinkel Co. in Germany.
6	U.S.A	Curtiss "Swift" XP-934	M	Curtiss "Conqueror"	W	650	215	6,000	205	195	185	8	30,000	1	2	
		Curtiss "Hawk" P-6E	B	do	W	650	197	5,000	189	182	175	9	25,500	1	2	Enclosed cockpit.
		Boeing P-26	M	P. & W. "Wasp"	A	500	[20] 210	6,000	205	195	185	8	30,000	1	2	
		Boeing P-12E	B	do	A	500	189	6,000	187	180	173	10	[28,000	1	2	Wire-braced monoplane.

a + 30 horsepower now (1933).

b 250 miles per hour, climb to 4,500 ft. in 1 minute now (1933).

The following numbered figures make table agree with Jane's All the World's Aircraft of 1933: [1]=207, [2]=218, [3]=207, [4]=31,500, [5]=200, [6]=214, [7]=220, [8]=196, [9]=196, [10]=204, [11]=190, [12]=226, [13]=233, [14]=39,360, [15]=230, [16]=230, [17]=26,240, [18]=205, [19]=199, [20]=231.

TABLE III.—*War planes, duty, characteristics, and performance*—Continued

SEC. B. NAVY FIGHTERS, 1-PLACE, LIGHT DUTY

Position	Country	Type	Wing arrangement	Engine	Cooling	Rated horsepower	Maximum speed: Miles per hour	Maximum speed: At altitude (feet)	Speed (m.p.h.): At 10,000 feet	Speed (m.p.h.): At 15,000 feet	Speed (m.p.h.): At 20,000 feet	Climb to 15,000 feet (mins.)	War-service ceiling (feet)	Crew	Number of guns	Remarks
1	Gt. Britain	Hawker "Nimrod"	B	Rolls-Royce "Kestrel"	W	600	[1] 210	13,000	210	210	210	8	35,000	1	2	Fastest navy fighter in the world.
		Hawker "Hoopoe"	B	Armstrong-Siddeley "Panther".	A	500	205	10,000	205	205	200	9	33,000	1	2	
		Fairey "Firefly III"	B	Rolls-Royce "Kestrel"	W	600	210	10,000	210	205	200	8	33,000	1	2	
2	Japan	Hawker "Nimrod"	B	do	W	600	[2] 205	13,000	205	205	205	8	35,000	1	2	License from Great Britain.
		Nakajima 90	B	Nakajima "Jupiter"	A	500	[2] 205	10,000	205	200	195	7	33,000	1	2	
3	U.S.A.	Boeing F4B-4	B	P. & W. "Wasp"	A	500	190	6,000	190	185	175	9	27,500	1	2	
		Curtiss "Goshawk" F11C-2	B	Wright "Cyclone"	A	700	193	5,000	187	180	175	11	25,400	1	2	Similar to Army plane supplied to Turkey.
		Curtiss "Sparrowhawk" F9C-2.	B	Wright "Whirlwind 420"	A	420	175	5,000	171	163	155	13	21,700	1	2	U.S.S. "Macon" airship defender.
		Berliner-Joyce XFJ-2	B	P. & W. "Wasp"	A	500	193	6,000	190	180	170	11	24,700	1	2	

SEC. C. ARMY FIGHTERS, MULTIPLACE, LIGHT DUTY

1	Gt. Britain	Hawker "Demon"	B	Rolls-Royce "Kestrel"	W	600	210	13,000	210	210	205	8	35,000	2	3	
		Fairey "Fox II"	B	do	W	600	210	13,000	210	210	205	8	35,000	2	3	
2	France	Breguet 41M3	S	2-Hispano-Suiza	W	650	195	15,000	200	195	190	11	31,350	3	5	2 engines.
3	Japan	Junkers K.47	M	Nakajima "Jupiter"	A	500	192	13,000	200	190	180	9	33,000	2	3	Licensed to manufacture Hawker, Breguet, Junkers, and Dornier warplanes.
4	Switzerland	Dornier Do. C4	M	Hispano-Suiza	W	650	197	11,500	200	190	180	12	31,180	2	4	Branch of German Metallbauten G.m.b.H.
5	U.S.A.	Berliner-Joyce P.16	B	Curtiss "Conqueror"	W	600	186	6,000	180	[4] 170	[5] 160	12	[6] 26,200	2	3	
		Curtiss "Shrike" A.8	M	do	W	600	197	ground	180	170	155	20	19,800	2	6	Ground attack—see Gloster, sec. A.

The following numbered figures make tables agree with Jane's All the World's Aircraft of 1933: [1]=192.5, [2]=192.5, [3]=192.5, [4]=192, [5]=178, [6]=29,000.

SEC. D. NAVY FIGHTERS, MULTIPLACE, LIGHT DUTY

1	Gt. Britain	Hawker "Osprey"	B	Rolls-Royce "Kestrel"	W	600	205	13,000	205	200	195	8	33,000	2	3	
2	Japan	Licensed to manufacture Hawker, Junkers, and Dornier warplanes.														
3	U.S.A.	Vought V-70	B	P. & W. "Hornet"	A	600	[1] 174	6,000	165	160	150	10	[2] 22,300	2	3	
		Curtiss "Helldiver" F8C-7	B	Wright "Cyclone"	A	575	165	10,000	165	160	150	11	22,000	2	3	As supplied to U.S. Marine Corps.

SEC. E. ARMY OBSERVATION-GENERAL PURPOSE PLANES, LIGHT DUTY

1	Gt. Britain	Hawker "Audax", "Hart"	B	Rolls-Royce "Kestrel"	W	600	210	13,000	[2] 210	210	200	8	35,000	2	3	
		Westland "Wallace"	B	Bristol "Pegasus"	A	600	190	12,000	190	185	180	10	35,000	2	3	140 m.p.h. at 35,000 feet.
		Armstrong-Whitworth "Atlas II."	B	Armstrong-Siddeley "Tiger."	A	650	175	10,000	175	170	165	10	32,000	2	3	Flew over Mount Everest (29,121 ft.) April 1933.
		Fairey "Gordon"	B	Armstrong-Siddeley "Panther."	A	600	180	10,000	180	175	170	10	32,000	2	3	
		Vickers "Vespa"	B	Bristol "Pegasus"	A	600	180	6,500	175	170	165	9	32,000	2	3	Holds world's altitude record: 43,976 feet.
		Bristol 118	B	do	A	600	175	12,000	175	170	165	10	32,000	2	3	
1	Belgium	Renard R. 31	M	Rolls-Royce "Kestrel"	W	600	[4] 208	13,000	210	[5] 205	200	10	34,500	2	3	
2	France	Mureaux 112 R. 2	M	Hispano-Suiza	W	650	192	16,500	200	195	190	8	35,000	2	4	
		Breguet 27-3	S	do	W	650	200	13,500	200	200	180	11	[6] 30,000	2	4	
		Potez 50 A-1	S	Gnome-Rhone K. 14	A	700	192	6,500	192	185	180	8	31,000	2	4	3 guns rearward.
		Latecoere 49	B	Hispano-Suiza	W	650	171	13,500	170	165	160	13	26,500	2	5	Also licensed to manufacture Hawker, Breguet, Junkers, and Dornier warplanes.
					W											
3	Japan	Kawasaki 88	B	Kawasaki-B.M.W		500	[7] 180	10,000	160	155	150	12	27,000	2	4	
3	U.S.A.	Curtiss "Raven" Y 10-40A	S	Wright "Cyclone"	A	700	195	6,000	192	187	175	10	26,000	2	3	Retractable landing gear.
		Consolidated 23	S	Curtiss "Conqueror"	W	600	192	5,500	190	180	170	10	25,000	2	3	
		Douglass O-38 S	B	Wright "Cyclone"	A	575	172	5,000	170	165	155	12	21,500	2	3	
		Thomas-Morse O-19E	B	P. & W. "Wasp"	A	500	158	6,000	150	145	140	15	21,000	2	3	

SEC. F. NAVY OBSERVATION, LAND PLANES—CARRIER PLANES, LIGHT DUTY

1	Gt. Britain	Hawker "Osprey"	B	Rolls-Royce "Kestrel"	W	600	[8] 200	13,000	200	195	190	8	32,000	2	3	
		Short "Gurnard"	B	do	W	600	[9] 192	11,000	[10] 190	[11] 185	180	9	[12] 20,000	2	3	
		Fairey III F	B	Napier "Lion" XI	W	570	175	10,000	175	165	160	10	30,000	3	3	
2	Japan	Licensed to manufacture Hawker, Short, Junkers, and Dornier warplanes.														
3	U.S.A.	Vought V. 50	B	P. & W. "Hornet"	A	575	190	6,000	170	160	150	11	25,000	2	3	
		Vought SU. 1	B	do	A	600	180	6,000	170	165	160	11	[13] 25,000	2	[14] 3	
		Vought "Corsair" O3U-4	B	do	A	600	167	6,000	160	155	150	10	23,000	2	3	
		Berliner-Joyce OJ-2	B	P. & W. "Wasp Jr."	A	420	160	6,000	155	150	145	12	20,000	2	3	

The following numbered figures make tables agree with Jane's All the World's Aircraft 1933: [1]=185, [2]=20,400, [3]=172, [4]=187, [5]=184, [6]=31,500, [7]=137, [8]=175, [9]=144, [10]=144, of [11]=130, [12]=20-000, [13]=20,500.

TABLE III.—*Warplanes, duty, characteristics, and performance*—Continued

SEC. G. NAVY TORPEDO-BOMBERS, LAND PLANES, CARRIER PLANES—HEAVY DUTY (10,000 FEET)

Position	Country	Type	Wing arrangement	Engine	Cooling	Rated horsepower	Number of engines	Total horsepower of engines	Total weight of plane loaded (pounds)	Power loading, pounds per horsepower	Maximum speed: Miles per hour	Maximum speed: At altitude (feet)	Speed, miles per hour at altitude (feet)	War service ceiling (feet)	Crew	Gun stations	Tail-gun station	Range (miles)	Load: Torpedo or bomb (pounds)	Remarks
1	Gt. Brit.	Blackburn "Ripon" M. 1/30.	B	Rolls-Royce "Buzzard."	W	[1]850	1	[2]850	[3]7,400	8.7	150	10,000	150	[4]18,000	2	2	....	[4]600	2,150	Fastest torpedo plane in the world.
		Hawker "Horsley".	B	Armstrong-Siddeley "Leopard."	A	800	1	800	9,650	12.1	[5]145	10,000	[7]145	[5]16,000	3	2	....	600	2,150	
		Vickers M. 1/30.	B	Rolls-Royce "Buzzard."	W	[6]850	1	[19]850	8,500	10.0	145	10,000	145	19,000	2	2	....	600	2,150	
2	France	Latecooere 29	M	Hispano-Suiza	W	650	1	650	[11]6,100	9.4	143	5,000	140	15,000	3	2	....	500	1,540	
3	Japan	Navy 89	B	Mitsubishi-Hispano-Suiza.	W	[13]650	1	[13]650	7,500	11.5	140	5,000	135	15,000	3	2	....	800	2,000	Blackburn type.
4	U.S.A.	Martin BM-2 (125)	B	P. & W. "Hornet"	A	575	1	575	6,140	10.7	143	6,000	125	[14]16,500	2	2	....	[14]450	1,000	Diving bomber.
		Douglas P2D-1	B	Wright "Cyclone"	A	575	2	1,150	12,700	11.0	125	6,000	115	12,000	3	2	....	800	2,000	
		Great Lakes TG-2	B	do	A	575	1	575	8,340	14.7	125	6,000	115	12,000	3	2	....	800	2,000	

SEC. H. ARMY FIGHTER-BOMBERS, HEAVY DUTY (15,000 FEET)

1	Gt. Brit.	Vickers B. 19/27	B	Rolls-Royce "Kestrel."	W	600	2	1,200	[16]16,400	13.7	195	10,000	180	27,000	4	2	[4]1	....	....	No gun-station amidships.
		Boulton & Paul "Sidestrand III."	B	Bristol "Jupiter"	A	[17]500	2	[16]1,000	10,200	10.2	160	20,000	[19]170	[20]20,000	4	3	[4]0	....	....	To 15,000 feet in 10 minutes 1931).
2	U.S.A.	Martin YB-10, 12, 13 (123). [a] [b]	M	Wright "Cyclone"	A	[21]575	2	[22]1,150	12,000	10.4	195	6,000	170	25,000	3	2	[4]0	....	....	Retractable landing gear.
		Boeing B-9 [b]	M	P. & W. "Hornet"	A	[21]650	2	1,300	13,500	10.3	185	6,000	170	22,600	4	2	[4]0	....	....	Do.
2	France	Amiot 141 M	M	Lorraine "Orion"	W	700	2	1,400	15,070	10.8	160	10,000	170	26,000	5	3	[4]0	....	....	
		S.E.C.M. 141 M	M	do	W	700	2	1,400	14,236	10.2	161	10,000	155	23,700	5	3	[4]0	....	....	
		S.P.C.A. 30 M 4	M	Hispano-Suiza	W	650	2	1,300	14,300	11.0	158	10,000	150	24,600	6	4	[4]0	....	....	Twin-fuselage.
3	Japan	Junkers K. 37	M	Nakajima "Jupiter"	A	500	2	1,000	9,500	9.5	169	13,500	165	27,000	4	3	[4]0	....	....	
4	Czechoslovakia	Aero A. 42	M	Isotta-Fraschini	W	1,000	1	1,000	10,428	10.4	168	10,000	160	22,000	3	2	[4]0	....	....	Allied to France.

[a] See note 2.

[b] Betwixt and between types not encouraged abroad.

The following numbered figures make tables agree with Jane's All the World's Aircraft of 1933: [1]=825, [2]=825, [3]=10,400, [4]=13,000, [5]=750, [6]=120, [7]=120, [8]=14,000, [9]=825, [10]=825, [11]=10,570, [12]=600, [13]=600, [14]=15,110, [15]=525, [16]=15,800, [17]=460, [18]=920, [19]=142, [20]=21,500, [21]=710, [22]=1,420, [23]=700.

SEC. I. ARMY HEAVY BOMBERS-TROOP TRANSPORTS, HEAVY DUTY (15,000 FEET)

1	Gt. Brit.	Fairey	M	Rolls-Royce "Kestrel."	W	600	2	1,200	19,050	15.9	180	10,000	175	25,000	5	3	1	....	....	As transport: 4+20 soldiers.
		Vickers 163	B	do	W	600	4	2,400	25,700	10.7	160	10,000	150	20,000	5	4	1	....	....	As transport: 4+21 soldiers.
		Boulton & Paul P. 32.	B	Bristol "Pegasus"	A	600	3	1,800	22,700	12.6	165	10,000	155	18,000	5	3	1	....	....	
		Gloster	B	Rolls-Royce "Kestrel."	W	600	4	2,400	28,000	11.7	146	12,000	143	19,000	5	4	1	....	....	As transport: 4+30 soldiers.
		Handley-Page "Heyford."	B	do	W	600	2	1,200	[15]15,600	13.0	[3]160	13,000	150	22,000	4	3	0	....	....	
2	Japan	Junkers K. 51	M	Junkers L. 88	W	800	4	3,200	65,000	17.2	157	18,000	160	24,000	10	4	0	....	....	
		Kawasaki 87	M	Kawasaki-B.M.W.	W	600	2	1,200	15,000	12.5	150	13,200	150	20,000	6	4	0	....	....	Similar to Dornier Do. F.
2	Italy	Caproni 95	M	Isotta-Fraschini	W	[3]650	3	1,950	[4]20,000	10.2	155	10,000	160	[5]18,000	6	3	1	....	....	Estimated.
		Fiat B.R. 3	B	Fiat A-25	W	950	1	950	10,010	10.5	150	10,000	140	18,400	2	2	0	....	....	20 supplied to China.
3	France	Liore et Olivier "Le O" 206.	B	Gnome-Rhone K. 7	A	[8]360	4	1,200	[7]17,820	14.7	143	13,200	140	25,000	4	3	0	....	....	
		Bleriot 137	M	Hispano-Suiza	W	650	2	1,300	12,300	9.3	140	15,000	140	26,600	6	3	0	....	....	
4	U.S.A.	Keystone B-6A	B	Wright "Cyclone"	A	575	2	1,150	13,334	12.5	111	10,000	100	16,500	5	3	0	....	....	(See note 4), obsolescent.

SEC. J. NAVY PATROL FLYING-BOATS, HEAVY DUTY (10,000 FEET)

1	Gt. Brit.	Short "Singapore II"	B	Rolls-Royce "Kestrel."	W	600	4	2,400	27,750	11.6	155	6,000	150	[6]16,000	7	4	1	....	....	Altitude maintained on 2 engines.
		Short "Rochester"	B	Rolls-Royce "Buzzard."	W	850	6	5,100	74,000	14.5	150	6,000	145	15,000	10	4	1	....	....	5,580 h.p. maximum.
		upermarine "Southampton X".	B	Bristol "Jupiter"	A	500	3	1,500	23,000	15.3	130	6,000	125	15,000	7	4	1	....	....	
		Blackburn "Iris V"	B	Rolls-Royce "Buzzard."	W	[6]850	3	[22]2,350	31,500	12.4	130	6,000	120	15,000	5	3	1	....	....	
		Blackburn "Sydney".	M	Rolls-Royce "Kestrel."	W	600	3	1,800	22,730	12.6	127	6,000	120	15,000	5	3	1	....	....	
		Saunders-Roe "Severn".	S	Bristol "Jupiter"	A	500	3	1,500	22,150	14.8	124	6,000	120	15,000	5	3	1	....	....	
2	Italy	Savoia-Marchetti S-55.	M	Fiat A-24R	W	700	2	1,400	16,940	12.1	147	5,000	135	13,776	6	4	0	....	....	Twin-hull, engines in tandem.
2	Holland	Dornier "Wal"	M	Lorraine "Courlis"	W	600	2	1,200	[11]14,100	11.8	143	5,000	135	12,000	6	3	0	....	....	Engines in tandem.
3	Japan	Navy 90-1 (Navy Yard).	M	Mitsubishi-Hispano-Suiza.	W	700	3	2,100	26,880	12.8	142	6,000	130	15,000	6	4	1	....	....	Cruises at 130 m.p.h.
		Navy 90-2 (Kawanishi).	B	Rolls-Royce "Buzzard."	W	850	3	2,550	40,000	15.7	[12]130	6,000	125	15,000	7	4	1	....	....	K.F. 1 et seq. Cruises 124 m.p.h.
		Navy 15	B	Nakajima "Lorraine."	W	450	2	900	15,000	16.7	128	6,000	125	15,000	5	3	0	....	....	Supermarine "Southampton."

The following numbered figures make tables agree with Jane's All the World's Aircraft of 1933: [1]=16,700, [2]=142 at 13,000 feet, [3]=850, [4]=33,000, [5]=16,400, [6]=465, [7]=39,800, [8]=15,000, [9]=825, [10]=2,475, [11]=22,040, [12]=136.

TABLE III.—*Warplanes, duty, characteristics, and performance*—Continued

SEC. J. NAVY PATROL FLYING BOATS, HEAVY DUTY (10,000 FEET)—continued

Position	Country		Wing arrangement	Engine	Cooling	Rated horsepower	Number of engines	Total horsepower of engines	Total weight of plane loaded (pounds)	Power loading, pounds per horsepower	Maximum speed: Miles per hour	Maximum speed: At altitude (feet)	Speed, miles per hour at altitude (feet)	War service ceiling (feet)	Crew	Gun stations	Tail-gun station	Range (miles)	Load: Torpedo or bomb (pounds)	Remarks
4	France	C.A.M.S. 55-3	B	Hispano-Suiza	W	600	2	1,200	15,180	12.6	130	6,000	125	[1] 12,136	5	2	0	----	----	Engines in tandem.
		Amiot 110	M	do	W	650	1	650	9,094	13.9	132	6,000	125	16,400	6	2	0	----	----	
5	U.S.A.	Martin XP2M-1 (121).	M	Wright "Cyclone"	A	[2] 575	3	[3] 1,725	[4] 23,150	13.4	140	5,000	120	14,600	5	2	0	----	----	
		Martin XP3M-1 (120).	M	P. & W. "Hornet"	A	540	2	1,080	15,600	14.4	115	5,000	100	12,500	4	2	0	----	----	
		Consolidated P2Y-1	S	Wright "Cyclone"	A	[5] 575	3	[6] 1,725	20,000	11.6	138	5,000	100	14,000	5	2	0	----	----	
		Hall [a]		do	A	[7] 650	4	[8] 2,600	40,000	15.4	140	5,000	120	14,000	6	2	1	----	----	Estimated. Has a tail gun.
		Keystone PK-1	B	do	A	[9] 525	2	[10] 1,050	16,303	15.5	120	5,000	100	12,000	5	2	0	----	----	

SUPPLEMENTARY—THE RACING PLANES OF THE WORLD

Position	Country	Type	Wing arrangement	Engine	Cooling	Rated horsepower	Max. hp.	Max. speed	Year	Remarks
1	Italy	Macchi-Castoldi S-M. 67	M	Fiat A.S. 6	W	[11] 2,300	2,900	424.03	1933	World's speed record for all types of planes.
		Macchi M. 52 bis	M	Fiat A.S. 3	W	1,000	1,050	318.4	1928	World's speed record in 1928.
2	Great Britain	Supermarine S-6 B	M	Rolls-Royce "R"	W	2,300	2,600	407.5	1931	World's speed record for all types of planes.
		Gloster VI	M	Napier "Lion" VII D	W	1,250	1,350	336.3	1929	World's speed record in 1929.
3	France	Bernard 120	M	Hispano-Suiza	W	1,000	1,200	310.5	1929	Unofficial speed.
		Nieuport-Delage	M	Lorraine "Radium"	W	2,000	2,200	400.0	1931	Estimated speed, has not completed tests.
4	Japan	Licensed to manufacture Rolls-Royce, Hispano-Suiza, and Lorraine airplane engines, and Nieuport-Delage airplanes.								
5	U.S.A.	"Mercury"	M	Packard X	W	1,200	1,250		1929	Never flown, could not leave the water.
		Granville "Gee Bee" R-2	M	P. & W. "Wasp Jr." special	A	600	800	294.4	1932	World landplane record.

[a] Displays ignorance of aerobatics.

The following numbered figures make tables agree with Jane's All the World's Aircraft of 1933: [1]=13,120, [2]=700, [3]=2,100, [4]=20,195, [5]=700, [6]=2,100, [7]=700, [8]=2,800, [9]=700, [10]=1,400, [11]=2,800.

SUPPLEMENTARY—THE STRATOSPHERE (HIGH-ALTITUDE) PLANES OF THE WORLD

Position	Country	Type	Wing arrangement	Engine	Cooling	Rated horsepower	Weight	Lbs/hp	Miles per hour	Ceiling	Crew	Performances	Remarks
							Pounds			*Feet*			
1	Germany	Junkers JU. 49	M	Junkers L. 88	W	800	8,800	11.0	310	50,000	2	Estimated	Supercharged. Variable-pitch propeller.
2	France	Farman F. 1000	M	Farman 8 V.I.	W	400	5,600	14.0	----	65,000	2	do	3-stage supercharger. Ultimate ceiling: 80,000 feet.
		Guerchais	M	Lorraine "Orion"	W	700	5,500	7.9	200	150,000	2	do	Brown-Boveri supercharger.
3	Japan	Licensed to manufacture Junkers airplanes and airplane engines.											
4	Great Britain, Italy, and Soviet Russia are considering stratosphere planes, and developments are under way.												
5	U.S.A.	No stratosphere planes under development.											

The following numbered figures makes table agree with Jane's All the World's Aircraft of 1933: [1]=280.

TABLE IV.—*Leading warplanes in table III compared according to their actual speeds at war-service altitudes*

SEC. A. ARMY FIGHTERS, PURSUIT, 1-PLACE (WAR-SERVICE ALTITUDE 15,000 TO 20,000 FEET)

Position	Country	Type	Miles per hour	United States deficiency in speed at war-service altitudes	
				Measured in miles per hour	Measured in percentage
1	Great Britain	Vickers "Jockey"	(207) [a]238		
2	do	Hawker "Fury"	([1]209) 228		
2	France	Dewoitine 500	215		
3	Poland	P.Z.L. P. XI	205		
3	Italy	Fiat C.R. 30	205		
4	Japan	Kawasaki 92 (licensed to manufacture Hawker and Nieuport-Delage warplanes).	200		
5	Sweden	Svenska "Jaktfolk"	195		
6	United States of America.	Curtiss XP-934	185	−53	[a]−22.27
		Boeing P. 26		−40	−17.78

SEC. B. NAVY FIGHTERS, 1-PLACE (WAR-SERVICE ALTITUDE, 15,000 TO 20,000 FEET)

1	Great Britain	Hawker "Nimrod"	(1192.5) 210		
2	Japan	Hawker "Nimrod" (license from Great Britain).	205		
3	United States of America.	Boeing F4B-4	175	−35	−16.67
		Curtiss "Goshawk" F11C-2			

SEC. C. ARMY FIGHTERS, MULTIPLACE (WAR-SERVICE ALTITUDE, 15,000 TO 20,000 FEET)

1	Great Britain	Hawker "Demon"	205		
2	France	Bregnet 41M3	195		
3	Japan	Junkers K. 47 (licensed to manufacture Hawker, Breguet, Junkers, and Dornier warplanes).	180		
4	Switzerland	Dornier Do. C4	175		
5	United States of America.	Berliner-Joyce P. 16	(178) 160	−45	−21.95

SEC. D. NAVY FIGHTERS, MULTIPLACE (WAR-SERVICE ALTITUDE, 15,000 TO 20,000 FEET)

1	Great Britain	Hawker "Osprey"	195		
2	Japan	Licensed to manufacture Hawker, Junkers, and Dornier warplanes.			
3	United States of America.	Vought V. 70	160	−35	−17.95

SEC. E. ARMY OBSERVATION-GENERAL PURPOSE PLANES (WAR-SERVICE ALTITUDE, 15,000/20,000 FEET)

1	Great Britain	Hawker "Audax"	200		
1	Belgium	Renard R. 31	(184) 200		
2	France	Mureaux 112 R. 2	190		
3	Japan	Kawasaki 88 (also licensed to manufacture Hawker, Breguet, Junkers, and Dornier warplanes).	150		
3	United States of America.	Curtiss "Raven" O-40A	175	−25	−12.50

SEC. F. NAVY OBSERVATION, LAND PLANES-CARRIER PLANES (WAR-SERVICE ALTITUDE 15,000 FEET)

1	Great Britain	Hawker "Osprey"	(175) 195		
2	Japan	Licensed to manufacture Hawker, Short, Junkers, and Dornier warplanes.			
3	United States of America.	Vought V. 50	160	−35	−17.95

SEC. G. NAVY TORPEDO-BOMBERS, LAND PLANES-CARRIER PLANES (WAR-SERVICE ALTITUDE 10,000 FEET)

1	Great Britain	Blackburn "Ripon" M. 1/30	150		
2	France	Latecoere 29	140		
3	Japan	Navy 89 (licensed to manufacture Blackburn and Hawker warplanes).	135		
4	United States of America.	Martin MB-2	125	−25	−16.67

[a] Omitted; see note 4.
[1] Rated.
[2] At 15,000 ft.

Left-hand figures in parenthesis make tables agree with Jane's All the World's Aircraft of 1933.

TABLE IV.—*Leading warplanes in table III compared, etc.*—Con.

SEC. H. ARMY FIGHTER-BOMBERS (WAR-SERVICE ALTITUDE 15,000 FEET)

Position	Country	Engine	Miles per hour	United States deficiency in speed at war-service altitudes	
				Measured in miles per hour	Measured in percentage
1	Great Britain	Vickers B. 19/27	180		
2	United States of America.	Martin YB-10	170		
2	France	Amiot 141 M	170		
3	Japan	Junkers K. 37 (licensed to manufacture Junkers warplanes).	165		
4	Czechoslovakia	Aero A. 42	160	−10	−5.56

SEC. I. ARMY HEAVY BOMBERS—TROOP TRANSPORTS (WAR-SERVICE ALTITUDE 15,000 FEET)

1	Great Britain	Fairey	175		
2	Japan	Junkers K 51 (licensed to manufacture Junkers and Dornier warplanes).	160		
2	Italy	Caproni 95	160		
3	France	Liore et Olivier "LeO" 206	140		
4	United States of America.	Koystone B-6A	100	[a]−75	[a]−42.87

SEC. J. NAVY PATROL FLYING BOATS (WAR-SERVICE ALTITUDE, 10,000 FEET)

1	Great Britain	Short "Singapore II"	150		
2	Italy	Savoia-Marchetti S-55	135		
2	Holland	Dornier "Wal"	135		
3	Japan	Navy 90-I (licensed to manufacture Short, Blackburn, and Dornier warplanes).	130		
4	France	C.A.M.S. 55-3	125		
5	United States of America.	Martin XP2M-1	120	−30	−20.0(?)

SUPPLEMENTARY—THE RACING PLANES OF THE WORLD

1	Italy	Macchi-CastoldiS-M67 (official world's record, 1933).	424.03		
2	Great Britain	Supermarine S-6B (official world's record, 1931).	407.5		
3	France	Bernard 120	310.5		
4	Japan	Licensed to manufacture Rolls-Royce, Hispano-Suiza, and Lorraine airplane engines, and Nieport-Delage airplanes.			
5	United States of America.	Granville "Gee Bee" R-2	294.4		
		Total I, using Vickers "Jockey" (a) in sec. A (United States average deficiency in speed, all classes).		−33	−16.84
		Total II, using Hawker "Fury" (b) in sec. A (United States average deficiency in speed, all classes).		−31	−16.31
		Total III, racing planes, all types (United States deficiency in speed of racing planes).		−129.63	−30.57

[a] Omitted; see note 4.

NOTE 1.—122 different warplanes have been compared in table III.

NOTE 2.—Tail-gun stations on the warplanes in secs. H, I, and J are behind the tail surfaces. For defensive armament, the use of such a tail gun station gives a warplane 50 percent superiority over a warplane without it.

NOTE 3.—Only the speeds of warplanes at war-service altitudes have been compared in table IV. If rate of climb, war-service ceiling, useful load, and armament were also to be included, the United States average deficiency would be much worse, approximating engine table II.

NOTE 4.—The deficiency figures for the United States in sec. I have been omitted from the average deficiency totals, as the U.S. Army heavy bomber has been superseded by the United States fighter-bomber.

NOTE 5.—Soviet Russia is manufacturing warplanes of its own design, and of German and Italian design. It may be considered as not weaker than the United States in warplanes.

NOTE 6.—A=Air-cooled; P=Prestone-cooled; W=Water-cooled; B=Biplane M=Monoplane; S=Sesquiplane (1½ plane).

BATTLE COMPARISON OF THE LEADING U. S. WARPLANES WITH THE LEADING FOREIGN WARPLANES, 1933

TABLE V.—*U. S. Army fighters attacking foreign-army warplanes*

GROUP A. U. S ARMY FIGHTERS [1] (PURSUIT), 1-PLACE AND MULTIPLACE

Comparison no.	Country	Type of warplane	Maximum speed (m. p. h. at 15,000 feet)	Crew	Number of guns	War-service ceiling (feet)	Remarks
1	U.S.A.	Boeing P-26	195	1	2	30,000	Wire-braced monoplane.
		Curtiss "Swift" XP-934	195	1	2	30,000	Enclosed cockpit.
		Berliner-Joyce P-16	170	2	3	26,000	
		Curtiss "Shrike" A-8	170	2	6	19,800	Ground attack plane.

VERSUS

GROUP B. FOREIGN ARMY FIGHTERS, 1-PLACE [2]

Country	Type of warplane	Maximum speed (m.p.h. at 15,000 feet)	Crew	Number of guns	Tail-gun station	War-service ceiling (feet)	Remarks
Great Britain.	Vickers "Jockey" [3]	239	1	2	.....	36,000	
	Hawker "Fury" [4]	225	1	2	.....	35,000	Vertical power dives, 400 m.p.h.
	Fairey "Firefly II".	225	1	2	.....	35,000	
	Bristol "Bulldog IIIA".	200	1	2	.....	33,000	
	Gloster S.S. 19	207	1	6	.....	32,000	Compare with Curtiss "Shrike".
France	Dewoitine 500	220	1	2	.....	35,000	207 m.p.h. at 20,000 feet.
	Nieuport-Delage 121C-1.	225	1	2	.....	30,000	Highest war-service ceiling.
	Loire 43 C-1	221	1	2	.....	35,000	
	Mureaux 170C-1	220	1	2	.....	33,000	
Poland	P.Z.L. P.XI	215	1	2	.....	33,000	Allied to France.
Italy	Fiat C.R. 30	214	1	2	.....	30,000	
Japan	Kawasaki 92 (K. D. 5)	205	1	2	.....	32,000	Licensed to manufacture Hawker and Nieuport-Delage.

GROUP C. FOREIGN ARMY FIGHTERS, MULTIPLACE [5]

Great Britain.	Hawker "Demon".	210	2	3	.....	32,000	
		210	2	3	.....	32,000	
	Fairey "Fox II"	195	3	5	.....	31,350	2 engines.
France	Brequet 41 M3	190	3	3	.....	33,000	Licensed to manufacture Hawker, Brequet, Junkers, and Dornier.
Japan	Junkers K. 47						
Switzerland	Dornier Do. C4	190	2	4	.....	31,150	

GROUP D. FOREIGN ARMY OBSERVATION-GENERAL PURPOSE PLANES [6]

Great Britain.	Hawker "Audax"	210	2	3	.....	35,000	
	Westland "Wallace".	190	2	3	.....	35,000	
France	Mureaux 121 R-2	195	2	4	.....	35,000	
	Brequet 27-3	200	2	4	.....	30,000	
Belgium	Renard R. 31	205	2	3	.....	34,500	
Japan	Kawasaki 88	155	2	4	.....	27,000	Licensed to manufacture Hawker, Brequet, Junkers, and Dornier.

GROUP E. FOREIGN ARMY FIGHTER-BOMBERS [7]

Great Britain.	Vickers B.19/27	180	4	[8] 2	1	27,000	No gun station amidships.
France	Amiot 141 M	170	5	[8] 3	0	26,000	
Japan	Junkers K. 37	165	4	[8] 3	0	27,000	

[1] These machines cannot even reach the corresponding foreign planes.
[2] Superior in speed and ceiling to U.S. planes in group 1-A. Out of reach of United States planes in group 1-A.
[3] +30 horsepower now (1933).
[4] 250 miles per hour, climb to 4,500 ft. in 1 minute now (1933).
[5] Superior in armament, speed, and ceiling to United States planes in group 1-A Out of reach of United States planes.
[6] No protection required owing to superior armament, speed, and ceiling. Out of reach of United States planes in group 1-A.
[7] No protection required owing to superior defensive armament with tailgun.
[8] Gun stations.

BATTLE COMPARISON OF THE LEADING U. S. WARPLANES WITH THE LEADING FOREIGN WARPLANES, 1933—Continued

TABLE V.—*U. S. Army fighters attacking foreign-army warplanes*—Con.

VERSUS

GROUP F. FOREIGN ARMY HEAVY BOMBERS-TROOP TRANSPORTS [9]

Country	Type of warplane	Maximum speed (m.p.h. at 15,000 feet)	Crew	Number of guns	Tail-gun station	War-service ceiling (feet)	Remarks
Great Britain	Fairey	178	5	[8] 3	1	25,000	As transport: 4+ 20 soldiers.
	Vickers 163	150	5	[8] 4	1	20,000	As transport: 4+ 21 soldiers.
	Boulton & Paul P .32.	155	5	[8] 3	1	18,000	
	Gloster	143	5	[8] 4	1	19,000	As transport: 4+ 30 soldiers.
Italy	Caproni 95	160	6	[8] 3	1	18,000	Estimated.
Japan	Junkers K .51	160	10	[8] 4	0	24,000	Licensed to manufacture Junkers.
	Kawasaki 87	150	6	[8] 4	0	20,000	Similar to Dornier Do. F.

[8] Gun stations.
[9] No protection required owing to superior defensive armament with tail-gun station. Optional defense by planes in group 1-C.

TABLE VI.—*U.S. Navy fighters attacking foreign navy warplanes*

GROUP A. U.S. NAVY FIGHTERS, 1-PLACE AND MULTIPLACE

Comparison no.	Country	Type of warplane	Maximum speed (miles per hour at 15,000 feet)	Crew	Number of guns	War-service ceiling (feet)	Remarks
2	United States of America.	Boeing F4B-4	185	1	2	27,500	
		Curtiss "Goshawk" F11C-2	180	1	2	25,400	
		Curtiss "Sparrowhawk" F9C-2	163	1	2	21,700	U.S.S. "Macon" airship defender.
		Berliner-Joyce XFJ-2	180	1	2	24,700	
		Vought V-70	160	2	3	22,300	
		Curtiss "Helldiver" F8C-7	160	2	3	22,000	As supplied to U.S. Marine Corps.

VERSUS

GROUP B. FOREIGN NAVY FIGHTERS, 1-PLACE [1]

Country	Type of warplane	Maximum speed (miles per hour at 15,000 feet)	Crew	Number of guns	Tail-gun station	War-service ceiling (feet)	Remarks
Great Britain.	Hawker "Nimrod."	210	1	2	.....	35,000	Fastest navy fighter in the world.
Japan	do	205	1	2	.....	33,000	License from Great Britain.
Do	Nakajima 90	200	1	2	.....	32,000	

GROUP C. FOREIGN NAVY FIGHTERS, MULTIPLACE [1]

Great Britain.	Hawker "Osprey."	200	2	3	.....	32,000	
Japan							Licensed to manufacture Hawker, Junkers, and Dornier warplanes.

GROUP D. FOREIGN NAVY OBSERVATION, LANDPLANES, AND CARRIER PLANES [2]

Great Britain.	Hawker "Osprey."	195	2	3	.....	32,000	
	Short "Gurnard."	185	2	3	.....	30,000	
Japan							Licensed to manufacture Hawker, Short, Junkers, and Dornier warplanes.

[1] Superior in speed and ceiling to all U.S. planes in group 2-A.
[2] No protection required. Out of reach of all U.S. planes in group 2-A.

TABLE VI.—*U.S. Navy Fighters, etc.*—Continued

VERSUS

GROUP E. FOREIGN NAVY PATROL FLYING BOATS [1]

Country	Type of warplane	Maximum speed (miles per hour at 15,000 feet)	Crew	Number of guns	Tail-gun station	War-service ceiling (feet)	Remarks
Great Britain.	Short "Singapore II."	[4] 150	7	[5] 4	1	16,000	Altitude maintained on 2 engines. 5,580 horsepower maximum.
	Short "Rochester."	[4] 145	10	[5] 4	1	15,000	
	Supermarine "Southampton X."	[4] 125	7	[5] 4	1	15,000	
	Blackburn "Iris V."	[4] 120	5	[5] 3	1	15,000	
Japan	Navy 90-1 navy yard).	[4] 130	6	[5] 4	1	15,000	Cruises at 130 miles per hour.
	Navy 90-2 (Kawaniski).	[4] 125	7	[5] 4	1	15,000	K.F. 1 et seq. Cruises at 124 miles per hour.

[1] No protection required, owning to superior defensive armament with tail-gun station.
[4] Miles per hour at 10,000 feet.
[5] Gun stations.

TABLE VII.—*Foreign army fighters attacking U. S. Army warplanes*

GROUP A. FOREIGN ARMY FIGHTERS, 1-PLACE AND MULTIPLACE

Comparison no.	Country	Type of warplane	Maximum speed (miles per hour at 15,000 feet)	Crew	Number of guns	War-service ceiling (feet)	Remarks
3	Gt. Britain.	Vickers "Jockey."	238	1	2	36,000	
		Hawker "Fury"	225	1	2	35,000	Vertical power dives, 400 miles per hour.
		Fairey "Firefly II."	225	1	2	35,000	
		Bristol "Bulldog III A."	200	1	2	33,000	
		Gloster S.S. 19	207	1	6	32,000	Compare with Curtiss "Shrike."
		Hawker "Demon."	210	2	3	32,000	
		Fairey "Fox II"	210	2	3	32,000	
	France	Dewoitine 500	230	1	2	35,000	207 miles per hour at 26,000 feet.
		Nieuport-Delage 121 C-1.	225	1	2	39,600	Highest war-service ceiling.
		Loire 43 C-1	221	1	2	35,000	
		Mureaux 170 C-1.	220	1	2	33,000	
		Breguet 41 M 3.	195	3	5	31,350	2 engines.
	Poland	P.Z.L.P. XI	215	1	2	30,000	Allied to France.
	Italy	Fiat C.R. 30	214	1	2	30,000	
	Switzerland	Dornier Do. C4	190	2	4	31,150	
	Japan	Kawasaki 92 (K. D. 5).	205	1	2	32,000	
		Junkers K. 47	190	2	3	33,000	Licensed to manufacture Junkers. Licensed to manufacture Hawker, Nieuport-Delage, Breguet and Dornoir warplanes also; and Rolls-Royce, Hispano-Suiza, and other leading European airplane engines.

TABLE VII.—*Foreign Army Fighters attacking U. S. Army warplanes*—Con.

VERSUS

GROUP B. U.S. ARMY FIGHTERS (PURSUIT), 1-PLACE [1]

Country	Type of warplane	Maximum speed (miles per hour at 15,000 feet)	Crew	Number of guns	Tail-gun station	War-service ceiling (feet)	Remarks
United States of America.	Boeing P-26	195	1	2		30,000	Wire-braced monoplane.
	Curtiss "Swift"-XP-934.	192	1	2		30,000	Enclosed cockpit.

GROUP C. U.S. ARMY FIGHTERS, MULTIPLACE [2]

United States of America.	Berliner-Joyce P-16.	170	2	3		26,200	
	Curtiss "Shrike" A-8.	170	2	6		19,800	Ground attack plane.

GROUP D. U.S. ARMY OBSERVATION-GENERAL PURPOSE PLANES [3]

United States of America.	Curtiss "Raven" O-40A.	185	2	2		25,400	Retractable landing gear.
	Consolidated 23	180	2	2		25,000	
	Douglas O-38S	165	2	2		21,500	

GROUP E. U.S. ARMY FIGHTER-BOMBERS [4]

United States of America.	Martin YB-10, 12, 13 (123).	170	3	[5] 2		25,000	Retractable landing gear.
	Boeing B-9	170	4	[5] 2		22,600	Do.

[1] Inadequate speed and ceiling against group 3-A.
[2] Inadequate speed, cannot reach planes in group 3-A.
[3] Protection required by United States planes in group 3-A and group 3-B.
[4] Protection required owing to the "blind tail."
[5] Gun stations.

TABLE VIII.—*Foreign navy fighters attacking U.S. Navy warplanes*

GROUP A. FOREIGN NAVY FIGHTERS, 1-PLACE AND MULTIPLACE

Comparison no.	Country	Type of warplane	Maximum speed (miles per hour at 15,000 feet)	Crew	Number of guns	War-service ceiling (feet)	Remarks
4	Great Britain.	Hawker "Nimrod"	210	1	2	35,000	Fastest navy fighter in the world.
		Hawker "Osprey"	200	2	3	35,000	
4	Japan	Hawker "Nimrod"	205	1	2	32,000	License from Great Britain.
		Nakajima 90	200	1	2	32,000	

VERSUS

GROUP B. U.S. NAVY FIGHTERS, 1-PLACE [1]

Country	Type of warplane	Maximum speed (m.p.h. at 15,000 feet)	Crew	Number of guns	War-service ceiling (feet)	Remarks
United States of America.	Boeing F4B-4	185	1	2	27,500	
	Curtiss "Goshawk" F11C-2.	180	1	2	25,400	
	Berliner-Joyce XFJ-2	180	1	2	24,700	

[1] Inadequate speed and ceiling against foreign planes in group 4-A.

TABLE VIII.—*Foreign navy fighters attacking U. S. Navy warplanes*—con.

VERSUS

GROUP C. U.S. NAVY FIGHTERS, MULTIPLACE [1]

Country	Type of warplane	Max. speed (m.p.h. at 15,000 feet)	Crew	Number of guns	Tail-gun station	War-service ceiling (feet)	Remarks
United States of America.	Curtiss "Hell-diver" F8C-7.	160	2	3	.....	22,000	As supplied to U.S. Marine Corps.
	Vought V-70.....	160	2	3	.....	22,300	

GROUP D. U.S. NAVY OBSERVATION, LAND PLANES-CARRIER PLANES [2]

United States of America.	Vought V-80.....	160	2	3	.....	25,000	
	Vought SU-1.....	165	2	3	.....	25,000	

GROUP E. U.S. NAVY PATROL FLYING BOATS [4]

United States of America.	Martin XP2M-1 (121).	[5] 120	5	[6] 2	.....	14,000	
	Martin XP3M-1 (120).	[5] 100	4	[6] 2	.....	12,500	
	Consolidated P2Y-1.	[5] 100	5	[6] 2	.....	14,000	

GROUP F. U.S. NAVY AIRSHIPS AND AIRSHIP-DEFENDER PLANES [7]

United States of America.	"Macon".....	84	81	16	3	20,000	
	Curtiss "Sparrowhawk" F9C-2 [8]	163	1	2	.....	21,700	Airship defender plane.

[1] Inadequate speed and ceiling against group 4-A.
[2] Protection required by group 4-B and group 4-C.
[4] Protection required by group 4-B because of "blind tail."
[5] Miles per hour at 10,000 feet.
[6] Gun stations.
[7] Airship defender too slow; cannot reach ceiling.
[8] Cannot return to mother ship at altitude nor defend it at altitude.

The above charts and figures being true it is very evident that the performance of our warplanes and warplane engines are in no position whatever to successfully compete with such planes of several other nations.

This being true it is very evident that a large part of the money we have been spending annually for aviation has been wasted and practically the only benefit we have received has been the training given our aviators, and apparently even this training has been with obsolete and unsatisfactory equipment if the showing made recently by the Army Air Corps in flying the mail is to be taken as a criterion.

THE PRESENT WORLD POSITION OF THE UNITED STATES AIR FORCES

I find that according to an expert the present world position of the United States air forces is as follows:

First. Not higher up than third of the nations in merely the number of warplanes. Three other nations, namely, Italy, Soviet Russia, and Japan, are so close to the United States in this connection that it would be easy for some authorities to place this country sixth of the nations.

Second. Not higher up than sixth of the nations in the number of factories manufacturing warplanes or high-powered airplane engines. In fact, the United States can easily be classed as eighth of the nations in this respect as shown in detail hereinafter.

Third. Definitely the most backward of all the nations manufacturing warplane engines and warplanes in the design of them in service and projected.

Fourth. Its leading warplanes are most deficient in elasticity of performance.

Fifth. Its leading warplanes cannot even reach similar foreign planes to do battle with them.

Sixth. Comparatively, it does not actually make or possess any warplanes.

Seventh. The whole of its air forces could probably be grounded and rendered useless or destroyed by the tiny Belgian air force, given the same type of warplane pilots as the principal combatant nations had in the World War.

Eighth. The whole of its air forces could be grounded and rendered useless or destroyed by 30 percent of the British Royal Air Force, or 40 percent of the French air force, or 50 percent of each of the Italian, Japanese, or Soviet Russian air forces.

Ninth. It will take at least 2 years to catch up with the outside world in design, production, and availability of warplane engines and warplanes if it begins to produce the leading types of these devices under license from the original foreign manufacturers; and at least 3 to 4 years if it proceeds without such foreign licenses, and if the foreign nations concerned stop progress meanwhile.

Tenth. The United States has as much to defend in the sense of actual wealth as the British Empire.

The United States air forces decidedly cannot fight when they like, where they like, or how they like.

The preceding would seem to be emphasized by recent experience with air-mail transport.

The warplane-engine factories of the world, exclusive of diesel engines, are as follows:

Position	Country	Number of factories	Names of factories
1	France.....	7	Delage, Farman, Gnome-Rhone, Hispano-Suiza, Lorraine, Potez, and Renault.
2	Japan.....	5	Aitcha (Lorraine under French license and own air-cooled radial engines), Kawanisi (Rolls-Royce under British license), Kawasaki (B.M.W. under German license), Mitsubishi (Armstrong-Siddeley under British license and Hispano-Suiza under French license and Junkers under German license), Nakajima (Lorraine under French license and Bristol "Jupiter" under British license).
3	Great Britain...	4	Armstrong-Siddeley, Bristol, Napier, and Rolls-Royce.
4	Germany.....	4	B.M.W., Junkers, Mercedes-Benz, and Siemens Halske.
5	Soviet Russia...	4	Amstro (B.M.W. under German license and Hispano-Suiza under French license), Ikar (Bristol "Jupiter" under British license and own water-cooled types), Motor (B.M.W. under German license and Gnome-Rhone under French license), "9 Zawod", translated means "Ninth Factory" (B.M.W. under German license). A series of "M" air-cooled radial engines is also being manufactured in Soviet Russia. Besides the preceding, the British-made Napier "Lion" engines; the French-made Lorraine engines; and the German-made Junkers engines are used. The said factories can produce at least 80 warplane engines per week at present on a peace footing.
6	Italy.....	3	Alfa-Romeo, Fiat, and Isotta-Fraschini.
7	Czechoslovakia.	3	Avia, Praga, and Walters.
8	United States of America.	2	Pratt & Whitney and Wright Aeronautical Corporation, both making only moderately high-powered airplane engines. These factories make principally air-cooled radial engines, the United States being strongly biased in favor of such engines. However, the Wright Corporation also makes the only type of moderately high-powered, liquid-cooled airplane engine in the United States. The United States makes no warplane engines according to the understanding of such an engine abroad. By comparison it resembles a person of athletic appearance but with a weak heart. Thus, the position of the United States is a good eighth with regard to warplane engine factories; in fact, even this places it too far forward. Besides this, it is to be seen that this country has practically all its eggs in one basket, even for production of moderately high-powered airplane engines. The warplane engine has long passed its "horse-and-buggy" stage of the World War. It is not now possible for the United States to repeat its feat with the "Liberty 12" installation in that war, in connection with the modern warplane engine. The grave difficulties experienced by the Curtiss Aeroplane & Motor Co., Inc., of Buffalo, N.Y., and all other aviation factories in the United States, with warplane production during the World War should not have been consigned to oblivion. In consequence they will now be much greater. It is only possible now to use efficient commercial-type airplanes as very poor auxiliaries in war. In fact, they are basically as far as possible removed from modern war service. The lore acquired by their pilots and crews has to be jettisoned and replaced by real warplane experience before such pilots and crews can be usefully employed in war—qualified to face the deadly air attacks of only seconds in duration. Finally, the United States air forces are hybrid to such extent, owing to civilian engineering and operational influence, that it is doubtful that they can perform either war service or civil transportation satisfactorily.

The aforesaid foreign warplane-engine factories are large factories with more war experience than any corresponding factory in the United States. Many of these foreign factories are world famous for the best of reasons—excellence of products in war and in peace. All of these factories are in the position to swing into maximum production at the peak of possible improvement of their products on the outbreak of war. This cannot be said of any United States aviation-engine factory.

The Mitsubishi Aircraft Co., Ltd., of Nagoya, Japan, is an example of the size of the said foreign factories. In 1931 it covered 59 acres and had 2,500 employees. Now it covers about 70 acres and has over 4,000 employees. It is a branch of the great Japanese armament, engineering, and shipbuilding firm at Mitsubishi, Busan & Kaisha, and was originally sponsored by the giant British armament firm of Vickers, Ltd., to which no United States manufacturer can even approach for war experience throughout the world.

COMPARATIVE FRONTAL AREAS OF WATER-COOLED AND AIR-COOLED WARPLANE ENGINES

The superiority for airplanes and warplane performance of the high-powered, water-cooled engine over the corresponding air-cooled radial engine, which is recognized abroad, is demonstrated by the following table of frontal areas:

Engine type	Approximate frontal area engine (square feet)	Approximate frontal area radiator (square feet)	Make of engine
6-cylinder in line	3	1¼–2	German, Junkers Jumo–4.
12-cylinder "V"	4	1¼–2	British, Rolls-Royce; French, Hispano-Suiza; etc.
14-cylinder radial (44-inch diameter).	10		American, Pratt & Whitney (Twin Wasp Jr.).
14-cylinder radial (48-inch diameter).	12		American, Pratt & Whitney (Twin Wasp).
9-cylinder radial (56-inch diameter).	16		American, Pratt & Whitney (Hornet T.I.C.).

The water-cooled engines are much easier to "stream line", and have the additional advantage of affording much better visibility for the pilot-gunner in the fighter types of warplanes—a matter of greatest importance. The Townend ring and N.A.C.A. cowling have helped to reduce the frontal resistance of air-cooled engines slightly, enabling increase of the speed of the plane by a few miles per hour. The disadvantages of increased weight of cooling equipment are more than offset by the greatly reduced frontal area and lighter and better stream lining possibilities of the water-cooled engine.

The weights per rated horsepower of water-cooled engines usually include only the air-screw hub, magnetoes, carburetors, supercharger, and gearing, if any. The weight of the radiator, cooling water, piping, and so forth, is equal to about 0.4 to 0.5 pound per rated horsepower.

THE AIR TRUST

Investigation has disclosed the shackled state of the aviation industry of the United States.

The structure of that portion of the aviation industry of the United States which is producing warplane engines and warplanes is assembled as follows:

(a) The United Aircraft & Transport Corporation, New York, N.Y., which comprises the following:

First. Boeing Airplane Co., Seattle, Wash., airplanes and warplanes.

Second. Stearman Aircraft Co., Wichita, Kans., airplanes.

Third. Sikorsky Aircraft Corporation, Bridgeport, Conn., airplanes and warplanes.

Fourth. Chance-Vought Corporation, East Hartford, Conn., warplanes.

Fifth. Pratt & Whitney Aircraft Co., East Hartford, Conn., P. & W. Wasp and Hornet air-cooled radial airplane and warplane engines.

Sixth. Hamilton Propeller Co., East Hartford, Conn., airplane and warplane propellers.

Seventh. Boeing School of Aeronautics, Oakland, Calif., flying service.

Eighth. United Aircraft Exports, Inc., New York, N.Y.

Ninth. Boeing Aircraft of Canada, Ltd., Vancouver, British Columbia.

This group of firms, probably the largest aircraft trust in the United States, is not free to make its own decisions on aviation matters. Possibly its technical and other material becomes speedily known to foreign countries. It is controlled by the National City Co. and the National City Bank of New York and by the Morgan international financial interests.

(b) The Goodyear-Zeppelin Corporation, Akron, Ohio. This corporation is the manufacturer of the rigid United States airship *Akron, ZRS–4*—destroyed by a storm in April 1933—and the new rigid United States airship *Macon, ZRS–5*, of United States Naval Aviation, the new nonrigid coastal patrol, 65 miles per hour, United States airship *TC–13*, of the United States Army Air Corps, and other slower and smaller nonrigid airships. It owns the Zeppelin rights for the United States and controls airship work previously undertaken by the Goodyear Tire & Rubber Co. Probably all its technical and other material soon becomes known to Germany and other foreign countries. The National City Co. and the National City Bank of New York and the Morgan international financial interests are concerned with the Goodyear-Zeppelin Corporation.

Its activities have led the United States taxpayer into a useless expenditure on gas-filled airships during the years 1930–33 of at least $20,000,000, which has largely benefited the Mellon-controlled Aluminum Co. of America.

This unnecessary expenditure of time, energy, and money is still being caused to mount rapidly. What is even more serious, it detracts not less than to an equal extent from the development of airplanes and warplanes and their engines. It is altogether the wrong way for the United States to recognize foreign or aviation ability.

(c) The Curtiss-Wright Corporation, New York, N.Y., which comprises the following:

First. Curtiss Aeroplane & Motor Co., Buffalo, N.Y., airplanes and warplanes.

Second. Keystone Aircraft Corporation, Bristol, Pa., airplanes and warplanes.

Third. Curtiss-Wright Airplane Co., St. Louis, Mo., airplanes.

Fourth. Wright Aeronautical Corporation, Paterson, N.J., Curtiss D–12 (450/500 rated horsepower, water-cooled) and "Conqueror", "Prestone"-cooled, airplane and warplane engines, and Wright "Cyclone" and "Whirlwind" air-cooled radial airplane and warplane engines.

Fifth. Curtiss-Wright Flying Service, flying service.

Sixth. Curtiss-Wright Export Corporation, New York, N.Y.

Seventh. Canadian Wright, Ltd., Montreal, Canada.

This group of firms constitutes another Aircraft Trust in the United States, and it is about the size of the United Aircraft & Transport Corporation already referred to. The Curtiss-Wright Corporation is likewise not free to make its own decision on aviation matters. Possibly all its technical and other material also becomes quickly known to foreign countries. In the background the Chase National Bank and the Rockefeller financial interests are concerned with the Curtiss-Wright Corporation. The Bank of the Manhattan Co., the City Bank Farmers Trust Co., the Central Hanover Bank & Trust Co., and the Marine Bank of Buffalo, N.Y., appear more prominently as this corporation's bankers.

The Curtiss-Wright Corporation and the United Aircraft & Transport Corporation between them control the aviation industry of the United States. Their pattern is the same, and they present a united front to any third party, including the Government of the United States. They monopolize the manufacture of airplane and warplane engines in this country. It is the case with both of them, that the last word on whether or not they shall adopt any aviation improvement or invention lies not with their technical executives but with their outside unqualified financial masters. These groups maintain a pool of patents that discourages the offer and adoption of any aviation improvement or invention from without, and deprives their own personnel of real incentive to make any such improvement or invention. Neither of the groups has been responsible for the introduction or adoption of any actual improvements in aircraft or aircraft engines.

They have been and are being caused by the purely financial powers behind them to adhere to the false manufacturing policy in a competitive market of maximum reproduction with minimum improvement. Although the trust builders and stock manipulators of these combines have prevented competition in the design and production of aircraft and aircraft engines in the United States, they have been, naturally, unable even to slow down that of foreign countries; and so, as the appended charts show, their progress has made the United States air defense a negligible factor in the world today.

The only momentous development in aircraft production which any of these financial interests has supported is the already referred to extremely costly and unnecessary one of the gas-filled airships which can be made to call for much greater lump sums of money from the United States Treasury, be more spectacular than any other form of aircraft production as yet, and benefit the Aluminum Co. of America. No foreign nation would tolerate in the path of the development of its air defense any such double-faceted single block of private interests as the United Aircraft & Transport Corporation and the Curtiss-Wright Corporation nor any such conflicting appendage of the financial systems behind either or both of them as the Goodyear-Zeppelin Corporation.

(d) North American Aviation, Inc., New York, N.Y., which comprises the following:

First. Berliner-Joyce Aircraft Corporation, Baltimore, Md., warplanes.

Second. Douglas Aircraft Co., Inc., Santa Monica, Calif., airplanes and warplanes.

Third. Sperry Gyroscope Co., Inc., Brooklyn, N.Y.

Fourth. Ford Instrument Co., Long Island City, N.Y.

Fifth. Transcontinental & Western Air, Inc., New York, N.Y.

Sixth. Eastern Air Transport, Inc., Brooklyn, N.Y.

This smaller aircraft combine is, perforce, subject to the United Aircraft & Transport Corporation and the Curtiss-Wright Corporation because of its dependence upon them for airplane and warplane engines, their ascendancy in the aviation industry of the United States, the market they provide, the great financial powers behind them, and interlocking interests in general.

(e) The leading allegedly individual firms engaged in warplane production in the United States are the following:

First. Bellanca Aircraft Corporation, New Castle, Del.

Second. Consolidated Aircraft Corporation, Buffalo, N.Y.

Third. Glenn L. Martin Co., Baltimore, Md.

Fourth. Great Lakes Aircraft Corporation, Cleveland, Ohio.

Fifth. Grumman Aircraft Engineering Corporation, Valley Stream, Long Island, N.Y.

Sixth. Hall-Aluminum Aircraft Co., Buffalo, N.Y., affiliate of the said Aluminum Co. of America, New York, N.Y., the Mellon-controlled Aluminum Trust.

Now, some of these firms even have been absorbed by the aforesaid North American Aviation Corporation.

These six concerns together merely approximate the size of only the Curtiss-Wright Corporation. They are more or less independent as regards each other and North American Aviation, Inc.,

but they are, perforce, subject to the United Aircraft & Transport Corporation and the Curtiss-Wright Corporation for the same reasons that North American Aviation, Inc., works hand in hand with these two ascendant combines.

Thus at least all the worth-while limbs of the aviation industry of the United States engaged in producing warplane engines and warplanes are shackled as heavily as possible by the limitations of the private and wholly financial interests of the Wall and Pine Streets area of New York. No foreign country manufacturing warplane engines and warplanes permits any similar restriction of its aviation industry.

These interests have dictated and persisted in the false manufacturing policy of maximum reproduction with minimum improvement in the highly specialized and competitive field of warplane engines and warplanes.

Although this policy is the line of least resistance for purely financial interests to follow, it is treacherously harmful to industry in general and to the manufacture of devices for war in particular. The extent to which it has been caused to prevail in the United States has made this country paramount in reproductive means for obsolete or obsolescent finished products and the least protected against internal price cutting and unemployment. It has been largely responsible for the United States lacking competent air defense.

The private banking and similar financial interests of the United States are the arch priests of this untruthful doctrine, and not this country's comparatively few, efficient, and quite independent manufacturers, such as Mr. Henry Ford. The historical Ford automobile model T, which received throughout the world more nicknames—including "Tin Lizzie" and "Spider Car"—than anything else has ever done, is not an example of maximum reproduction with minimum improvement in a competitive market, even though some 15,000,000 of these automobiles were made and sold without appreciable change for many years up to 1928. It was uniquely constituted for the road surfaces of its heyday, and so it cost less all around to own and operate than any other automobile. It could be made to get anywhere with the least amount of trouble.

During the World War the British Royal Army Service Corps, operating against the Germans in the wilds of Africa, kept official records of the mileage that various types of automobiles could be relied upon to make without having to be abandoned. These records proved that the Ford model T made by far the greatest mileage per car and that it was the only type of automobile to give satisfactory service in these African campaigns. Improvement of road surfaces and not any advance made by the automobile industry in general has been the principal reason for the Ford model T being superseded in 1929 by the Ford model A, and this type being followed by the Ford model V–8 in 1932, and so on.

While road surfaces guided Mr. Henry Ford, the automobile industry generally was guided by mechanical detail. This caused him to lead in the prevention, rather than the cure of automobile failures, somewhat like the sanitary engineers who, through attention to first considerations, have been more responsible by prevention of disease, than the doctors have been by cures of the sick for the improvement in the general health of civilized communities. It was principally responsible for Mr. Ford's phenomenal success as an automobile manufacturer. He satisfied the chief demand in connection with automobiles, and stubbornly kept on doing so. Those responsible for United States air defense have not yet embarked upon this policy in connection with it, as this country has no real air defense.

The fostering of maximum reproduction with minimum improvement naturally entailed the shutting out from production in the United States for this country's air forces of foreign warplane engines and warplanes under license from their original manufacturers abroad.

WEAKNESS OF THE UNITED STATES WARPLANE ENGINE PROGRESS LIES IN INSUFFICIENT DEVELOPMENT OF AVIATION ENGINE SUPERCHARGERS

Superchargers are used on a rapidly growing number of aviation engines today to increase or boost the power of the latter at high altitudes, particularly for war planes, and to maintain an increased, constant power output from sea level to the maximum boost altitude.

A supercharger forces a super, or additional charge, of fuel into an aviation engine, and thereby boosts or increases its power. Without a supercharger the power of an aviation engine falls off rapidly as an airplane or airship climbs, but with a supercharger not only is the sea-level power output of an aviation engine greatly increased but this increased power is maintained up to the supercharger altitude, which varies for the most part between 12,000 and 20,000 feet at present.

Since a full supercharger maintains for an airplane a much faster rate of climb and speed at high altitude, it is recognised as indispensable for warplanes. But a supercharger is also useful in a moderate form for other types of planes for economical service—some of these planes may be for war purposes also.

There are two principal methods of supercharging used, but the results obtained are the same. Mechanically these two types of superchargers are somewhat similar, the rotating element consisting of an impeller or fan which is driven at high speed through gearing from the engine crankshaft. A flexible friction drive is provided to protect the gearing against damage upon sudden acceleration or acceleration of the engine due to the inertia of the impeller. The gear ratio varies from 1:6 in moderate superchargers to 1:10 in full superchargers, the normal speed of the impeller being from 12,000 revolutions per minute to 32,000 revolutions per minute for different types of aviation engines. Maximum impeller speeds often exceed 25,000 revolutions per minute.

In the United States and Great Britain the accepted practice is to connect the supercharger on the output end of the carburetor so that it sucks the mixture from the carburetor and forces it into the engine. This system is used on the American Curtiss "Conqueror", the British Rolls-Royce "Kestrel" and "Buzzard", and the various radial air-cooled engines. The French Lorraine "Petrel", one of the lightest aviation engines in the world for its power—300 horsepower at 14,850 feet, 1.09 pounds per horsepower—uses a 2-speed supercharger of this type.

Most of the French aviation engines, however, are fitted with a supercharger connected to the input end of the carburetor, which blows air through the carburetor into the engine. The new Delage inverted engine has two positive Roots-type blowers which operate on this principle and which maintain the sea-level power output of the engine up to 16,500 feet. The French Hispano-Suiza engines have blower-type superchargers with automatic air-pressure regulators. The French Farman inverted engine has a 2-speed Farman supercharger of this type controlled by the pilot, which functions up to 6,000 feet and 18,000 feet altitudes.

A moderate supercharger gives increased power to the engine for taking off and maintains power to 2,000 or 3,000 feet altitude. A full supercharger maintains the sea-level rated power of the engine up to at least 12,000 feet altitude—the United States maximum. In Europe and Japan supercharge altitudes for warplanes (with correspondingly increased engine powers) are very much higher, going up to 18,000 feet and 25,000 feet. Thus, European and Japanese warplanes can maintain engine output and corresponding performance from sea level to 25,000 feet, which is vastly superior to the capabilities of United States warplanes. This deficiency is a principal fault in the United States warplanes and makes the whole of the United States air forces of the present time practically useless. It should be remedied in all new warplanes contracted for by the United States; otherwise all the additional expenditures involved by these new warplanes will be wasteful. As such remedy entails redesign and reconstruction of the United States warplane engines, it will take at least 3 to 4 years to carry out if the manufacture in the United States of foreign warplane engines is still excluded; otherwise it will take at least 2 years to accomplish. This means that immediate wholesale manufacture in the United States of new warplanes without imported foreign engines for them will be largely extravagant.

As regards boost control. It is essential to provide against serious damage to a fully supercharged aviation engine which would result from the unrestricted use of full throttle and supercharger at low altitudes. An automatic boost control or gate control is used to prevent such full-throttle opening and is controlled by atmospheric pressure or other means. It automatically opens the throttle sufficiently when climbing to keep the engine operating at normal boost power up to its maximum boost altitude. Above this altitude, of course, the power of the engine decreases up to the ceiling of the plane.

In an emergency, at low altitude, such as an overshot landing in a small field or on an airplane carrier, the momentary use of the full sea-level supercharged power of the engine should be provided for to gain flying speed and altitude which will frequently save a serious crash.

The full sea-level supercharged power of the 600-horsepower British Rolls-Royce Kestrel II S warplane engine is equivalent to 1,200 horsepower, that of the 500-horsepower French Hispano-Suiza 12 Xbrs warplane engine is equivalent to 1,120 horsepower, and of the larger 600-horsepower French Hispano-Suiza 12 Ybrs is equivalent to 1,490 horsepower.

The Rolls-Royce Kestrel II S supercharged warplane engine has an automatic gate control which normally functions up to the maximum boost altitude, but it also has an emergency feature—a pilot can "go through the gate", as with the gear shift of an automobile, for a few moments to have the use of the enormous full sea-level supercharged power of the engine, a most excellent form of life insurance in battle.

In conclusion, it is to be readily seen from this question of supercharging aviation engines that commercial planes are unsatisfactory for war purposes and that warplane pilots have to be specially trained.

The aforesaid very backward position of the United States air forces is principally due to the bankers' control of the American aviation industry, which has naturally fostered maximum production with minimum improvement instead of moderate production with maximum improvement. In case of war at the present time, the United States has only quantity production facilities for obsolete or obsolescent warplane engines and warplanes instead of being able to swing into quantity production of such devices at their maximum point of improvement.

The foregoing deals with the question of supercharging aviation engines in the simplest terms. It does not go into such matters as the three-stage supercharger of the French Farman 8V.I. aviation engine for an ultimate ceiling of 80,000 feet, nor with the use of oxygen and similar subjects.

PRESTONE COOLING FOR WARPLANE ENGINES

Warplane-engine development in the United States has been additionally interfered with by Prestone cooling, a form of liquid cooling of aviation engines.

This mixture, as used for the American Curtiss Conquerer SV–1570-type aviation engine, is ethylene-glycol, with about 5 percent water added to prevent freezing.

Advantages:

First. Saves weight, about 0.2 pound per horsepower, or 120 pounds for 600 horsepower. This, however, amounts to a saving of only 44 pounds on the weight of the corresponding French Hispano-Suiza 12 Xbrs., which develops much more power, i.e., 710 horsepower at an altitude of 13,200 feet.

Second. Saves area of radiator by 35 percent, but the tunnel radiator practically wipes this out.

Disadvantages:

Besides obstructing full supercharging of the engine, these are as follows:

First. Engine must be run at a higher temperature (250° to 180° F.)

Second. Power of engine is limited by higher temperature.

Third. Life of engine is shortened by higher temperature.

Fourth. Life of lubricating oil is shortened by higher temperature.

Fifth. Difficult to cool the pistons properly.

Sixth. Difficult to lubricate engine; oil flow must be increased.

Seventh. Engine clearances must be greater; more wear, more noise.

Eighth. Strength of aluminum alloys may be affected.

Ninth. Coolant has more tendency to leak, requiring special gaskets to withstand the combination of coolant and higher temperature.

Tenth. Special rubber-hose joints in the cooling system are required to withstand the higher temperature.

Eleventh. The radiator must be made stronger, using special solder.

Twelfth. The engine cannot be cooled by water in an emergency.

The aforesaid explains the aversion to this cooling mixture for aviation engines abroad. It has interfered with the development of the liquid-cooled aviation engine in the United States for several years.

The hereinbefore set out at-a-glance tables of the world's leading warplane engines and warplanes show the actual position of the United States air forces in detail. The position revealed by this survey reminds one forcibly of the advice, "Scrap the lot", of the late British Admiral of the Fleet and First Sea Lord, Lord Fisher, to the British Board of Admiralty in connection with unsatisfactory equipment and administration of the British Fleet at the time. Lord Fisher had the strength of character to carry out this policy, and did so.

A UNIFIED AIR FORCE

It would seem that the United States Army Air Corps and Naval Aviation would be benefited greatly by being merged into a single United States air force under a department of aviation presided over by a secretary and two assistant secretaries for aviation. This department of aviation should be divided into an air staff, responsible for the air force, and a civil aviation branch, responsible for civil aviation. The air force should be directed by a chief of the air staff. All of the said officials should constitute together an aviation council, headed by the secretary for aviation, within the department of aviation. This department should be able to sue and be sued in the same way as a citizen of the United States may sue or be sued by a fellow citizen, and therefore be subject to this strict control by law.

As an air force is a mechanized force operating three-dimensionally, the pay of the pilots, flying observers, designers, engineers, and mechanics of the air force should be made to compare favorably with corresponding civil aviation pay. In addition, pilots, their observers, and the mechanics responsible for their machines should receive a cash bonus for each hour of actual flying without accident, but with a suitable cash penalty applying only to such bonus in the case of any accident due to them.

The present practice of inviting competitive manufacturing bids for proprietary aviation devices be abandoned, and replaced by the grant of contracts on solely a net cost (including labor) plus a suitable percentage.

A mobile aircraft inspection section should be formed in such a way that intimacy with contractors is reduced to minimum.

The present policy of buying in quantity airplanes for war purposes, and their engines, be discontinued.

The present policy of maximum reproduction with minimum improvement of warplanes and their engines be dropped as beneficial only to commercial bankers and the like.

All gas-filled airships and amphibian planes for war purposes be jettisoned as of no war value and a sheer waste of the taxpayers' money.

The United States might well acquire the license to manufacture at home certain foreign types of warplane engines and warplanes. Payments for such licenses to be an offset in kind against debt payments owed to the United States by the foreign countries concerned.

The type percentages of warplanes in the present United States Army and Navy Air Force is unsatisfactory, as shown by the following:

Warplanes:	*Percent of total*
1. Fighters	28.89
2. Observation planes	48.89
3. Other types	22.22

It will be seen from this that the largest part of the equipment in planes of the United States air defense consists of observation planes, known as "joy riders" in England, and I believe called "air-taxis" for officers in this country. The present allotment of planes to war vessels of the United States Battle Fleet is 4 observation planes per cruiser, and 3 observation planes per battleship, which provide excellent taxi facilities.

The type percentages of warplanes should be modified as follows:

Warplanes:	*Percent of total*
1. Fighters	62.5
2. Observation planes	15.0
3. Other types	22.5

The allotment of planes to the battle fleet should be altered to 3 fighters and 1 observation plane per cruiser and 2 fighters and 1 observation plane per battleship. There is a demand to very greatly increase the number of planes of the Army and Navy Air Corps. If the planes be made really efficient, the number need not be so great. A total of about 2,000 to 2,500 planes should form a substantial air force.

As the United States has some very large and wealthy cities to protect, at least nine, special combat squadrons should be formed and stationed in these cities, these squadrons to be known as the "city defense squadrons." They should consist of one-place fighters, specially made with enclosed cockpit and designed capable of high-altitude, combat-patrol service, with a speed of not less than 240 miles per hour at 25,000 feet and war-service ceiling of 40,000.

ALUMINUM OR STAINLESS STEEL?

The practically universal use of aluminum alloys in the construction of warplanes of the United States Air Forces should be either terminated altogether or very drastically curtailed. This usage of aluminum would appear to benefit only the aluminum interests in this country. The action of sea water—salt water—is not favorable to this material in Navy planes; besides, it is very prone to perishing; also it is merely a superstition that an airplane constructed of aluminum or duraluminum or similar aluminum alloys is necessarily lighter than one constructed of steel. In fact, the aluminum plane works out to be the heavier one because of the weakness of the material.

In foreign countries aluminum is being rapidly dropped as a structural element in warplanes. Great Britain has now switched to stainless-steel structure for navy and other planes, and exhaustive tests of this material in completed warplanes have proved its great superiority over aluminum for lightness, strength, and in every other way. Great Britain already has indestructible stainless-steel seaplane floats and flying-boat hulls tested in actual collisions. Machines constructed of stainless steel require much less ground attention, and so effect a great all-around saving which offsets very favorably any increase of initial cost of production. In the United States are some factories capable of producing excellent stainless steel for warplanes, but they are not encouraged. Great Britain has always been suspicious of aluminum for the construction of airplanes.

MR. WARNER'S POSITION

In the statement made by Mr. Edward P. Warner, editor of Aviation, in the committee hearings, there are several references to the aforesaid at-a-glance tables. In the latter part of 1926 he was responsible for an order by the Navy Department to the Pratt-Whitney Co. of 200 radial air-cooled engines of nominal horsepower, each of 400 horsepower, at a price of $9,250 each. Before this order was obtained by the Pratt-Whitney Co., they had had practically no experience of aviation-engine manufacture. They had made only about three engines, for which they had been paid $15,000 each by the Navy Department. This engine was named the "Wasp", and nothing in it was new or superior, or even equal, to other radial air-cooled engines existing at the time. Thus there was really no experimental work to be done. It was really a question of teaching the Pratt-Whitney Co. to make a very ordinary aviation engine, and at a time when they had practically no factory facilities for aviation engines. If in these circumstances the company was satisfied with $15,000 apiece for three engines, the price of $9,250 each for 200 engines was unconscionably high, and certainly included provision that the United States Government should pay in advance for the teaching of Pratt-Whitney Co. to make aviation engines and to equip them so that they would become an unnecessary competitor with a mediocre article of an older aviation-engine manufacturer in the United States—the Wright Co.

The circumstances make clear a situation in which a company promoter or stock speculator would be provided with a sort of manna from heaven, upon which he could transform very little capital into enormous profits.

In a period of about a couple of years or so the Wasp engine price became reduced to less than $5,000 each, due principally to the fact that nothing was done to supply the Navy Department with a better engine for war purposes than was necessary for an ordinary commercial plane. In other words, the practice was to reproduce both for war purposes and commercial purposes exactly the same engine as many times as possible so as to bring in as large a return as could be obtained for the capital invested.

Thus the figures for warplane engines of the United States set out in the preceding tables are fully confirmed. These figures show no special warplane engine development for the United States.

At the time that the Pratt-Whitney Co. aviation-engine enterprise was so colossally boosted by the Navy Department there existed in Great Britain an aviation engine known as the "Bristol Jupiter", behind which there was a number of years of warplane service experience and which was in all respects a superior engine to the said Pratt-Whitney Wasp. A responsible American firm had laid themselves out to manufacture this engine in the United States, but they were given practically no support to do so.

The Bristol Jupiter engine is manufactured under license in at least six countries outside of England. Incidentally, in 1932 that fine American naval flyer, Capt. Alford Williams, D.F.C., owned a Curtiss Hawk with a Bristol Jupiter engine. All Colonel Lindbergh's great flights have been made with Wright engines.

Mr. Warner says that the British Government paid about the same price as the United States Government for radial engines. This may be so, but the British engines maintained power up to 15,000 feet at the time, whereas the Pratt-Whitney Wasp dropped about 50 horsepower at 4,000 feet at this time.

The Pratt-Whitney should not have been given the said order for 200 engines. It would have served the Navy Department better to have placed an order at the time for only 50 engines, as would be the practice in the strictly supervised foreign countries.

Mr. Warner's qualifications for recommending or approving any warplane engine orders were well illustrated by his own description in the July 1932 issue of Aviation of the Boeing XP-936 pursuit plane of the United States Army Air Corps that its "general appearance suggests something over 220 miles per hour at low altitudes." Just how this shows efficiently in a pursuit ship is very obscure. And what speed would the general appearance suggest at the recognized war-service altitudes of 15,000 feet and 20,000 feet?

It would seem that he was then in sympathy with Maj. Louis K. Hibb's ridiculous theory that the United States air forces should operate by "hedge hopping", published in the Field Artillery Journal in 1933. One reason prompting this being that then American warplanes would blend with the ground and so escape being attacked. No idea of attacking enemy planes here, merely running away from them.

Mr. Warner refers to the French Delage G.V.I.S., 450-horsepower aviation engine as merely a racing-plane engine, and ignores the fact that this engine maintains that power up to the altitude of 16,500 feet which is altogether too high an altitude for racing planes under usual circumstances. As the French air forces consist of many thousands of warplanes, it is quite possible that Mr. Warner has not noticed the Delage engine amongst them to any great degree.

He also refers to the fact that there is more than one liquid used for cooling aviation engines. This is barely noticeable abroad, but in the United States, Prestone cooling is practiced. Although Mr. Warner thinks this system a great tribute to the country, there is shown hereinbefore the exact value of Prestone cooling for warplane engines. He has informed the committee that Mr. MacKenzie-Kennedy is the only person who classes planes by horsepower in the aforesaid tables. This confirms that he has little recollection of them. In the tables referred to, planes are not classed by horsepower, as will be seen from them. The only table that is classed by horsepower is the warplane-engine table which is reasonable. By referring to his magazine, Aviation, for April 1934, we find that Mr. Warner is now using a similar classification for American airplanes, but he refuses to vouch for their accuracy.

He refers to the British Hawker Super-Fury fighter as not yet out of the development stage. It was last year a unit of the Royal Air Force. Mr. Warner's notions with regard to rapid climbing for planes seem to be confined to something to do with crossing the English Channel, but, as the great French war ace, Guynemer, always emphasized, it was exceedingly convenient to possess this facility in air combat. The committee is referred to the book—Guynemer, Knight of the Air—published by Harvard University Press.

Mr. Warner skipped the fact that the Pratt-Whitney Wasp engines are in several models of more or less horsepower, and so he conveys an exaggerated impression of improvement. The United States Army and Navy programs of about 340 and 225 planes for the 6 months ending December 1933 and 18 months ending December 1933, respectively, support the impression that the said Pratt-Whitney 400-horsepower model was being supplied quite recently.

It appears that Mr. Warner very materially champions the Pratt-Whitney concern, both by his statements and his silences. It seems, however, that Pratt-Whitney is merely an incubus on United States air defense. It only duplicates unnecessarily the Wright engine factory. Pratt-Whitney might with benefit to the country be made to manufacture a good foreign water-cooled engine under license obtained by the Nation, as aforesaid.

Aviation trade periodicals still have a limited circulation, and this enhances the value of a consistently big advertiser. Thus, members of the staff of such journals are not called upon abroad for information likely to operate against their advertisers.

The aforesaid is the extension of my remarks on March 6 in the CONGRESSIONAL RECORD (pp. 3864-3869). I have also had other Government experts on aeronautics check the accuracy of these charts of warplane engines and warplanes and they have stated that they are conservative but accurate.

THE PRESIDENT WANTS COMPETITION

I insert in the record at this time statements issued by President Roosevelt March 8 and March 10, 1934, showing his attitude on this question at this time, and particularly calling to the attention of Congress his ideas on this question as follows:

"Any combinations, agreements, or understandings intended to prevent free competitive bidding should be prevented and such action should be a basis for cancelation of contracts."

The President further states:

"Such safeguards should be provided as will prevent the evil practices of excessive salaries, unearned bonuses, and illegitimate personal-expense accounts detrimental to the interests of legitimate stockholders and the public."

The President further emphasizes:

"Real competition between the manufacturing companies will stimulate inventive genius, and should give to our people safer and better equipment, both for commercial and military purposes."

These recommendations should be written into law governing future procurement of aircraft for the Army and Navy. The full text of the President's letters of March 8 and 10 is as follows:

PRESIDENT'S LETTER OF MARCH 8, 1934, ON AIR MAIL

President Roosevelt's letter urging return of the air mail to private carriers, addressed to Chairmen McKELLAR and MEAD, of the Senate and House Committees on Post Offices and Post Roads, and Senator BLACK, of the Air Mail Investigating Committee, follows:

MY DEAR MR. CHAIRMAN: Our domestic air-mail contracts have been canceled. The Army Air Corps is temporarily carrying the air mail. I believe we should make new contracts with commercial air carriers as soon as possible to carry the greater part of our air mail.

To protect the public interest and to provide for new contracts on a basis of honest payment for honest service, I suggest new legislation on this subject.

ENCOURAGES INDUSTRY

We must avoid the evils of the past and at the same time encourage the sound development of the aviation industry.

I suggest that new air-mail contracts be let for a period not exceeding 3 years on full, open, and fair competitive bidding, with a limitation of the rate of compensation above which no contract will be awarded.

Any combinations, agreements, or understandings, intended to prevent free competitive bidding should be prevented and such action should be a basis for cancelation of contracts.

In order that the bidding shall be really competitive, I suggest that in determining the specifications for proper equipment, only speed, useful load capacity, and safety factors and safety devices should be considered.

So that all companies desiring to qualify and bid may have an opportunity fully to prepare themselves for actual service, I suggest that after the contract is awarded a period of not longer than 6 months shall be allowed the successful bidder to qualify under the terms of the law and the bid.

INTERSTATE COMMERCE COMMISSION SUPERVISION URGED

It is my judgment that 6 months before expiration of the contracts made under competitive bidding the Interstate Commerce Commission should pass upon the question of public convenience and necessity of air-mail routes, and thereafter fix a maximum rate of air-mail pay on the routes designated, subject, of course, to equipment specifications to be laid down.

I suggest that the proposed law prohibit the award of an air-mail contract to any company having connections with subsidiaries, affiliates, associates, or holding companies, directly or indirectly, by stock ownership, interlocking directorates, interlocking officers, or otherwise, if said subsidiaries, affiliates, associates, or holding companies are engaged, directly or indirectly, in the operation of competitive routes or in the manufacturing of aircraft, or other materials or accessories used generally in the aviation industry.

MAY BAR CONTRACT SALES

No air-mail contract should be sublet or sold to any other contracting company nor should a mail contractor be allowed to merge or consolidate with another company holding an air-mail contract. Obviously, also, no contract should be made with any companies, old or new, any of whose officers were party to the obtaining of former contracts under circumstances which were clearly contrary to good faith and public policy.

Such safeguards should be provided as will prevent the evil practices of excessive salaries, unearned bonuses, and illegitimate personal expense accounts detrimental to the interests of legitimate stockholders and the public.

Public safety calls for pilots of high character and great skill. The occupation is a hazardous one. Therefore, the law should provide for a method to fix maximum flying hours, minimum pay, and a system for retirement or annuity benefits.

WANTS SOUND POLICY

Enactment of legislation along the lines suggested will establish a sound, stable, and permanent air-mail policy. The knowledge that the Interstate Commerce Commission, a judicial body, will hereafter regulate air transportation routes and air-mail pay will remove uncertainty as to routes and mail pay.

Such legislation will relieve air transport companies from paralyzing monopolistic control which has heretofore often influenced them to buy planes and other equipment from associates and affiliates.

Real competition between the manufacturing companies will stimulate inventive genius, and should give to our people safer and better equipment both for commercial and military purposes.

I am sending letters similar to this to Representative MEAD, Chairman House Committee on Post Offices and Post Roads, and to Senator BLACK.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

TEXT OF PRESIDENT'S LETTER OF MARCH 10, 1934, ORDERING SECRETARY OF WAR DERN TO CURTAIL ARMY MAIL FLIGHTS

Following is the text of President Roosevelt's letter to Secretary Dern, ordering curtailment of the Army air-mail service:

"On February 9 the Army Air Corps was given the temporary assignment of carrying the air mail and commenced the actual carrying on February 20. This action was taken on the definite assurance given me that the Army Air Corps could carry the mail.

DEATHS MUST STOP

"Since that time 10 Army flyers have lost their lives. I appreciate that only 4 of these were actually flying the mail, but the others were training or were proceeding to the mail route. I appreciate also that almost every part of the country has been visited during this period by fog, snow, and storms and that serious accidents, taking even more lives, have occurred at the same time in passenger and commercial aviation.

"Nevertheless, the continuation of deaths in the Army Air Corps must stop.

"We all know that flying under the best of conditions is a definite hazard, but the ratio of accidents has been far too high during the past 3 weeks.

"Will you, therefore, please issue immediate orders to the Army Air Corps stopping all carrying of air mail, except on such routes, under such weather conditions, and under such equipment and personnel conditions as will insure, as far as the utmost care can provide, against constant recurrence of fatal accidents?

"This exception includes, of course, full authority to change or modify schedules.

"As you know, the period of emergency will end as soon as the necessary legislation has been enacted and new contracts can be obtained. I am writing once more to the chairmen of the House and Senate committees urging speed in the enactment of legislation.

ASKS BETTER TRAINING

"Because military lessons have been taught us during the past few weeks, I request that you consult immediately with the Postmaster General and the Secretary of Commerce in order that additional training may be given to Army air pilots through cooperation with private companies who later on will fly the mails. This should include, of course, training in cross-country flying, in night flying, blind flying, and instrument flying.

"I am sending a copy of this letter to the Postmaster General in order that he may make arrangements with you. He will, of course, modify the instructions given on February 9 to conform with the Army plans."

Following is the text of the President's letter to Senator MCKELLAR and Representative MEAD, Chairmen of the Senate and House Post Office Committees, urging prompt passage of his air-mail program:

"I am enclosing a copy of a letter which I have just sent to the Secretary of War.

"In this letter, I asked that he issue immediately orders to the Army Air Corps stopping all carrying of air mail, except on such routes, under such weather conditions, and under such equipment and personnel conditions as will insure, as far as the utmost human care can provide, against constant recurrence of fatal accidents.

"This is an added reason for the desirability of the enactment of the legislation which I proposed to your committee a few days ago. I hope much that this legislation can be taken up as soon as possible in order that new bids for new contracts for carrying the mail may be invited."

RADIOBROADCASTS ON NATIONAL DEFENSE

I also insert in the RECORD at this time the radiobroadcasts of Mr. Boake Carter of Thursday, March 15, 1934, and Friday, March 16, 1934, over the Columbia Broadcasting System, which accurately give a disinterested viewpoint of the question under consideration:

THURSDAY, MARCH 15, 1934, 7:45 TO 8 P.M.

"It seems that airy matters about the air are in fashion today, but the whole aviation controversy could not, simply could not, have gone by without a good thrilling spy story cropping up into it somewhere. The gentleman who found the—er—spy—is W. D. MCFARLANE, a scrapping, two-fisted Representative from the Thirteenth Congressional District of Texas, where men are men and women say 'Yes, boss.' The spy is middle-aged, ruddy-faced C. J. H. MacKenzie-Kennedy, ex-major of the British Army.

"A House resolution was introduced by MCFARLANE, requesting that the ruddy-faced major be examined, picked apart, held up for inspection, and probed to see whether he was a big spy, or just a little spy, and whether he wasn't a spy at all. And it grew out of the House Naval Affairs Committee hearing into the naval aviation, a committee of which 'Texas' MCFARLANE was a member and a fighting minority of one. The committee hearing had dragged on for a number of days. Only Navy witnesses appeared, ex-Navy officials and representatives of corporations doing business with the Navy on aviation matters and getting a handsome rake-off through lack of competitive bidding. Few independent witnesses, if any, appeared. At all times two or more Navy officers were present at the hearings, directly assigned there by the Navy Department, and they were helpful in jumping up and down, jack-rabbit fashion, to interject questions here, interrupt a witness' answer there—whenever the testimony began to grow a little too warm for general comfort.

"The fiery MCFARLANE waged a lone and futile battle to get down an accurate picture of the facts—a fact which his Texas constituents might chalk up to his credit as an able Representative of theirs—but he was, as has been said, only a fighting minority of one. It is a picture that compares little favorably when stacked alongside the well-oiled, cooperative manner in which the House Military Affairs Committee pulled the lid off the Army-aviation kettle. But here entered the middle-aged, ruddy-faced British ex-major. He is the inventor of a tail gun for planes, a weapon that may be mounted in the tail of a ship and fired at a pursuing enemy, without running the risk of shooting off the rudder of your own ship. He made no bones about it, but said he was on the scene in the National Capitol to see that the Navy didn't pinch his tail gun without his permission. He also had with him an amazing series of charts, listing every motor, every plane, all the armaments of every fighting plane, comparisons of horsepower, performance, equipment, everything, of every major nation in the world. His charts attracted attention, naturally.

"Experts shut themselves up, studied his charts, broke them down, and emerged to say that his charts, which showed the United States was away behind in military and naval aviation, were correct, but he had been too conservative. Representative MCFARLANE made an effort to introduce the charts at the committee hearing. The gentlemen of the Navy scampered about and went into a huddle. The figures blew all the story they had been so careful to build up through favorable testimony, to smithereens. So what to do? Ah! Call him a spy. Drop the hint here and there. The seeds will grow. Numerous members of the committee bit. Bewildered Mackenzie-Kennedy was dubbed a spy. Over here to steal aviation secrets was he. (Although nobody thought to look at his chart, which showed there wasn't much to steal with Uncle Sam's military ships behind everyone else.)

"For quite a while the ruddy-faced major was taken for a verbal ride. But the wily MCFARLANE—these Scots are canny people—waited until the hullabaloo had subsided and then said, 'Very well; if he's a spy, let's have him up here and go over him with a fine-tooth comb and pick him to pieces.' Just the thing the Navy didn't want. For inevitably, in the fine-tooth combing the ruddy-faced ex-major, the questioning would have swerved round to the chart, which didn't show such complimentary figures to the Navy's air performance. So the committee hastily wound up its investigation one day early, gave the admirals a pat on the back, congratulated them on their aviation progress, and reported that all the charges about collusion on matters of contracts were wrong.

"The following day mild-mannered Comptroller General McCarl produced reports of his office showing, from 1926 to 1930, 90 percent of all Navy aircraft procurement had been let in violation of Aircraft Act of 1926, but as yet nobody has been after Comptroller General for being a big, bad spy, for shooting holes through the Navy's story.

"But Congressman MCFARLANE didn't give up. If his resolution is acted upon, and the ruddy-faced ex-major of the British Army is minutely examined on matters of spying, MCFARLANE will get his story into the record. So there is method, deep method, in his spy resolution. It demonstrates that if the administration is going to overhaul all the military aviation and put it on a sounder base, it should do the same with naval aviation. One lone Congressman, no matter how hard he may scrap, cannot get very far in seeing to it that American principles are protected and the tax dollar spent according to law, not without law."

FRIDAY, MARCH 16, 1934, 7:45 TO 8 P.M.

"Two famous pilots spoke into a battery of microphones at the Senate committee hearing on the administration's bill to return the air mail to private companies and in most instances they agreed that the Army is not equipped to handle the mail job and that the job should be turned back to private airlines. Colonel Lindbergh handled himself in excellent fashion under the questioning of Senators, whose queries were ofttimes tinged with partisanship. When questions of ethics, or hypothetical legal questions, were put to him he sensibly remarked that he was not equipped to answer, or that he was no lawyer. On technical questions and matters of organization, his replies were clear-cut, decisive, and easy to follow. Clarence Chamberlin likewise chalked up a clear-cut record. On the question of whether the contracts should have been canceled, Lindbergh again repeated his statement of it being 'unjust.' Chamberlin contented himself with a mild, 'It was unfortunate that it was necessary', somewhat in contrast to a previous vehement statement defending the administration's action. Pilot Chamberlin also added an accusation that two major airlines did not buy up-to-the-minute equipment. Both agreed the section of the proposed bill which would refuse permission to all companies to bid on new contracts unless they

waived all claims in connection with the annulments was unfair. Lindbergh tagged it as 'contrary to the American spirit of liberty.' Chamberlin mentioned the stockholders of present companies and said it wasn't fair to make them the unwitting goats and suggested that if the old companies can reorganize themselves within the requirements of the bill, then they should be given the right to bid. It would seem that both these gentlemen are on sound ground in that argument.

"To leave that clause in the bill would be a backhanded admission by the administration that it had a guilty conscience over the cancelations. Whatever legal rights the companies have insofar as claims for damages they may bring forward is a matter for the law courts to decide. Colonel Lindbergh insisted that contracts should not have been canceled without trial—as he had done all along. Many feel likewise. Others feel the President did the only thing left to do. It seems surely that the Colonel bases his protest almost chiefly on technicalities. Testimony produced showed perfectly clearly that there had been unpleasant abuses. The abuses were made of public funds. The public funds were granted by the Government. Inasmuch as it was more of a public morals and policy question than anything else, it seems there was no course left to the White House other than the one it took.

"Both men agreed that operating companies and manufacturing companies should be separated, and thus head off any further possibilities of operating companies favoring manufacturing affiliates all the time for its equipment. Both men also agreed that it was no place for the Interstate Commerce Commission to supervise air traffic. Their agreement is simple for any layman to understand—for one more, under such conditions, it would be a case of ground men running an air outfit. Both pilots echo one another in saying that a separate commission should be set up to regulate American commercial aviation.

"But Chamberlain went one step farther and said he was against a unified air system, with Army, Navy, and Commerce under the one head. Against that there is the recommendation of Brigadier General Mitchell that there should be a department of aeronautics, combining all Government aviation activities, civil and military. But certainly, the Interstate Commerce Commission has no place in the bill. Both flyers agreed that the Army does different types of work and therefore couldn't handle the mail. That the Air Corps didn't have enough time to prepare. But neither went on beyond that to say that that was no excuse, if the country is to have a properly prepared air-defense system.

"General Mitchell put the whole affair in a nutshell yesterday. 'The Army', he said, 'has equipment that's been designed to operate near an army on the ground. The air mail is meant for cross-country flying. One group has been asked to do the other's job and they're just up in the air. They ought to know how to fly each other's equipment.' Incidentally neither Chamberlin nor Lindbergh think they should—but, comparing the two viewpoints, it would seem that General Mitchell's theory is the more logical. 'For', said the General, 'the Army's been restricted to flying from aerodrome to aerodrome in good weather. If a man can't fly through bad weather, he cannot fly at all in war. The whole game of the future is going to be bad-weather flying, and when attacks are made they'll be done through all weathers.'

"With the Lindbergh and Chamberlin theory, of giving no cross-country experience with commercial flyers, Army pilots will certainly never get any—under the present system of mass troop movement under which it operates. Colonel Lindbergh reviewed the general air picture by saying, commercially, we're far better than Europe. Racing ships, Europe's ahead of us. In air-cooled motors, we're ahead of Europe. With liquid-cooled motors, Europe's ahead of us. In general military flying, he expressed no opinion.

"An answer is provided for any citizen who cares to find out for himself, in a most complete set of charts printed in the CONGRESSIONAL RECORD of March 6, inserted by Congressman MCFARLANE, of TEXAS. The records—which military experts have studied and verified as correct—are somewhat pitiful when it comes to our own military aviation. But all in all the chief thing which stood out in today's testimony of these two famous pilot witnesses was that they made some valuable technical recommendations and warnings concerning the administration's bill to return the air mail to private carriers. Their suggestions were 'full of meat', to use the vernacular. The committee would gain much and lose nothing by studying what these two gentlemen had to say and comparing them with what Mitchell had to say yesterday. For it seems to me that the whole question involved now has grown to be something far bigger than just a question of air mail. And that is, What's to be the general air policy of the country from now on? If the air mail's all fixed up nicely and everybody's happy again and military aviation falls back into its old rut, then not a real honest step forward will have been taken. If military aviation is pepped up, and commercial is allowed to fall by the wayside, then the situation's the same.

"The question, paramount above all—the one at which to aim eventually as the ultimate goal, it seems—is to arrive at the point out of all these investigations, where aviation will be set aside, in its own department, under its own men, who understand its problems, and from whence it can continue to go onward and upward to greater efficiency all round. That, of course, is an executive function of the Government and may be the thing the President is aiming for."

EXPERIMENTAL MONEY USED TO DEVELOP COMMERCIAL PLANES AND ENGINES

ALL SUCH IMPROVEMENTS SHOULD BELONG TO THE GOVERNMENT

The Government has paid out hundreds of thousands of dollars since the Aircraft Act of 1926, principally to subsidiaries of the United Aircraft & Transport Corporation and the Curtiss-Wright Corporation, under contract for the development of warplanes and warplane engines. Had the Government officials in the Army and Navy Departments had the Government's interest at heart they would have provided by contract that all such money so expended in experimental contracts on warplanes and warplane engines, that such drawings, designs, plans, patents, and improvements developed through the use of Government money, would remain the exclusive property of the United States Government to be used by them as they saw fit; however, we find that these same Government officials have not protected the rights of the taxpayers of the Government in this regard, but have continued to use the Government money so expended on experimental contracts to develop these planes and engines for private corporations, and these corporations have patented these improvements in their own names and used these exclusive governmental patent monopolies as a basis for securing future business on the improvements made through Government money, and the Army and Navy Departments have continued to use this alibi or excuse as their reason for continued successive purchases made from these different corporations since the Aircraft Act of 1926.

An examination of the statistical data received from the Comptroller's Department will show to what extent this plan of operation has made these departments dependent upon these concerns. A recent illustration might better illustrate the point.

The recent Navy patrol planes that made the flight from San Francisco to Hawaii were built by the Consolidated Aircraft Corporation, and these planes now need modernizing, and a proprietary contract (no. 33642) was recently let for modernizing these planes. (A proprietary contract is one let without competitive bidding, because of exclusive patent right.) Under modernizing contract new engine mounts were to be entirely rebuilt, in any event. Almost any type of engine satisfactory in performance could have been installed. Had the matter been left open to competition, but with open competitive bidding, the Government should and would receive better equipment for less money. Certainly the Wright "Cyclone" and the Pratt & Whitney "Hornet" engines of the type under discussion are interchangeable, as shown by the recent Douglass transport planes developed for the P.W.A. These planes were designed to take the Wright "Cyclone" engine but when they were installed they ran too hot, and they were removed and Pratt & Whitney "Hornet" engines were substituted. These "Hornet" engines worked perfectly, however. Wright immediately got busy and improved the "Cyclones" and had them reinstalled. In this regard it is interesting to note that the Transcontinental & Western Lines are directly connected to Curtiss-Wright Co. through the Hayden-Stone Co.

JUST ONE BIG FAMILY

In Airways and Airports for March 1934, page 325, in the article Cleaning up the United States Air Transport is this comment:

"The net results will be a more economic air transport and, perhaps, the breaking up of the greatest vertical and horizontal 'trust' which now rules American aviation."

The above statement is very significant when we analyze our aviation industry in this country today. The same four holding corporations very largely control the transportation as well as the manufacturing end of this business. Our investigation has dealt primarily with these corporations because of their sale of equipment direct to the Navy Department through their different subsidiaries.

These same corporations through their transportation subsidiaries largely own and control all air-mail lines in the United States as well as the air mails leading out of the United States. I refer at this point to a consolidated statement and chart showing by management groups certain statistics of mail- and passenger-carrying operations including the revenue-miles flown and the revenue per mile flown for the years 1931 and 1932, showing the amounts of money paid by the Government to the transport lines of these same holding corporations furnishing the equipment to the different aviation branches of the Government. (See pp. 7436, 7437, CONGRESSIONAL RECORD.)

A study and a comparison of this chart with the first chart inserted in the RECORD, page 4977, showing the different ramifications and connections of the Air Trust, should convince the most skeptical of the exact status of the industry in this country today, and it is particularly noticeable how much of the taxpayers' aviation dollar the "trust" receives—about 75.5 percent.

The chart I am now referring to in the RECORD gives rather a complete picture of the aviation industry, dealing with the aviation dollar. It shows the percentage of the total amount paid to domestic air-mail contractors, foreign air-mail contractors, and contracts for military airplane equipment that went to each group.

It is difficult to consider the military aspects of aviation without also considering the air-mail operations because they are so closely identified and deal with our national defense, and the companies that have provided the air mail service are also furnishing our military equipment. The interlocking of the directors and organizers of the companies forming the aviation trust would, in case of an emergency, place our national defense in the hands

of a few masters of big business who have exploited military and air-mail contracts for their own selfish interests and have built up a monopoly within a monopoly, with the knowledge and support of Government employees and officials of three former administrations.

Our aviation industry is definitely headed for General Motors control, as indicated by the chart. The process of gaining this control started during the World War in 1917 when the Aircraft Production Board was controlled by men closely identified with General Motors Corporation. These men are still directing our aviation policy.

This chart indicates the trust is not satisfied with 93 percent of the money paid by the taxpayers of this country for domestic air-mail transportation, 98 percent of the amount paid for foreign air-mail transportation, and 87 percent of the money paid for military equipment, but they also control a large percentage of the airways-lighting equipment, airplane-accessory companies, investment trusts—dealing with aviation securities, airplane and liability insurance, dirigible operations, Aeronautical Chamber of Commerce, and the National Aeronautic Association.

The record shows that the aviation monopoly, with its railroad bank connections, has not been for a healthy growth of the industry. In 1929 there were 7,695 airplanes operating in this country, and during that year they flew 104,336,560 miles and carried 2,995,530 passengers, and there were 20,944 people employed in the transportation and flying operations. In 1932 the number of miles flown had been gradually reduced more than one-half, the number of planes was only 1,979, and less than half the number of passengers were carried in all commercial services, and they were employing only one-fifth the number of people.

If it is the purpose of Congress to develop commercial aviation and air-mail operations as a part of our national defense, it certainly should see to it that this trust is broken and individual initiative again given its chance for development. As long as the trust exists, a few men in Wall Street, not representative of the entire Nation, can retard the growth of the industry to the benefit of rail and steamship transportation at will, and exploit the development of such interests in the same selfish manner as they have the aviation industry. The recent development in a streamlined railroad train may be the beginning of such exploitation.

PROPAGANDA

Among the mass of propaganda which has been received by Members of Congress was a recent special air-mail issue of National Aeronautics Magazine sent out by Transcontinental & Western Air, Inc. (a General Motors controlled organization). In it appears a general indictment of the administration for cancelation of air-mail contracts because of fraud.

Specific charges were made against Postmaster General James A. Farley in an open letter published in the magazine and signed by Hiram Bingham, president of the National Aeronautical Association.

Before discussing the propaganda thus forced upon this body through the medium of this trust-dominated magazine, I would remind you that the signer of this letter is the same Hiram Bingham who represented the State of Connecticut in the United States Senate; whose conduct, as a Member of the Senate, was censored and condemned by vote of his fellow members. There have been only two other Senators so disgraced in the history of Congress. I refer you to the CONGRESSIONAL RECORD of November 4, 1929, for full details.

Mr. Bingham's letter, in view of the circumstances surrounding his public life, should probably not be considered except for the fact that because his name is associated in the magazine with the names of many illustrious persons, which may have some effect on public opinion, and because he makes serious charges against our honorable Postmaster General. He says:

"Your letter contains a number of misleading statements and shows a distressing failure to appreciate the actual situation and also an apparent ignorance of air-mail history.

"* * * Your letter leads me to believe that without proper cause you have caused suffering to thousands of innocent workers and investors.

"* * * The Watres Act was passed because the then Postmaster General of the United States was anxious to develop an efficient air transport system. He was careful to get specific legal warrant from Congress for what he thought it necessary to do. * * *

"You imply in your statement that attendance at the conference was limited to a favored few. You state, specifically, that it was 'confined to those who subsequently obtained the contracts.' That statement shows that you are ignorant of the facts. By listing in your own letter 14 companies, all of them at that time independent of each other, were represented. All except five already had contracts obtained by competitive bidding. * * *

"You did not state in your letter that your predecessor, Postmaster General Brown, was careful to get an interpretation of his newly acquired authority from the Comptroller General. * * *

"* * * You say 'these meetings resulted in a division of all air-mail contracts of the United States.' No one would guess from your letter that substantially 60 percent of the total domestic air-mail operations up to 3 months ago were being carried on routes that existed at the time of those terrible conferences in 1930 and that were still, long after you became Postmaster General, in the hands of the original contractors or their direct successors by purchase. * * *

"* * * You have made no suggestion that there was any wrongdoing prior to November 6, 1929."

In referring to these charges of the Honorable Mr. Bingham it may be well, as he suggests, to examine into the scheme of things "prior to November 6, 1929." There is much evidence in the records to indicate there was a very definite conspiracy to control by monopoly the aviation industry by men closely identified with governmental departments, dating back to the World War in 1917. Col. Edward A. Deeds, Richard F. Hoyt, Charles F. Kettering, Howard E. Coffin, H. E. Talbot, and others directly under their orders, organized the principal aviation enterprises, including the manufacture of airplanes, airplane motors, airplane propellers, airplane accessories, insurance, airports, airport lighting equipment, air transport, air-mail operating, and military-equipment companies, which entailed a very large percent, if not all, of the financing and stock promotions attributed by Mr. Bingham as "sharpers and disreputable characters who took advantage of the romantic appeal of aviation to fleece the public." Mr. Bingham's epithet as applied to these gentlemen can well be understood when we examine the Hughes report, published in the CONGRESSIONAL RECORD, Sixty-fifth Congress, third session, page 883.

These men, who have made millions out of the aviation stock manipulation, bonuses, and salaries, have associated with them in the aviation racket all those in Government positions who would tighten their hold on the industry; these include Col. Paul Henderson, former Second Assistant Postmaster General under Harry S. New; Harry S. New himself; William P. MacCracken, Assistant Secretary of Commerce for Aeronautics; Maj. Gen. Mason Patrick, former Chief of Army Air Service; D. K. E. Bruce, formerly in the Diplomatic Service, son of ex-United States Senator, and son-in-law of Andrew Mellon, all under the Coolidge administration; also Roy D. Chapin, Secretary of Commerce in the Hoover administration.

It is easy to understand why, after the former "Postmaster General Walter F. Brown had made up his mind to develop a great national air-transport system", that he "was careful to get specific legal warrant from Congress for what he thought it necessary to do", and also "was careful to get an interpretation from the Comptroller General." I say it is not hard to understand when we consider the companies which have been favored were controlled largely by men who had resigned from Government jobs or who had been in Government positions, some of whom had already been criticized for irregularities in aircraft procurement during the World War as members of the "Aircraft Production Board"; at least one member was recommended for court martial and at least one has been convicted of antitrust violation.

CONSPIRACY IN AIR-MAIL CONTRACTS

These circumstances, coupled with the acts of former Postmaster General Walter F. Brown, in their chronological order, in awarding contracts and expanding schedules to absorb the annual appropriation for air mail, we submit to the people of this Nation to analyze and determine for themselves whether or not there has been a conspiracy.

1. March 4, 1929. The organization of the Aviation Corporation of Delaware was in process on March 4, 1929, when Walter F. Brown became Postmaster General, and the following day upon his retirement Harry S. New became director and adviser of the company.

2. May 10, 1929. Formation of Inter-Departmental Committee on Airways suggested by President Hoover, to hear and determine questions relating to the extension of the civil airways system of the United States, was announced by Postmaster General Brown. Personnel of the committee: W. Irving Glover, Second Assistant Postmaster General; Earl B. Wadsworth, Superintendent of Air Mail, Post Office Department; Wm. P. MacCracken, Assistant Secretary of Commerce for Aeronautics; F. C. Kingsburg, chief of Airways Division; and Harry H. Blee, chief of Airports Division, Department of Commerce.

3. Aviation Corporation acquired route 1, route 2, route 16, route 20, routes 21, 22, 23, 24, 28, 29, and 30, totaling 4,354 miles of air-mail routes.

4. June 15, 1929. Postmaster General advertised for bids on route 32, from Pasco, Wash., to Spokane, Wash., to Portland, Oreg., to Seattle, Wash., a distance of 490 miles; a clause in the advertisement provided "upon the expiration of service already contracted for or that may be extended under the certificate plan on route CAM–5, the terminal of this route that is now being advertised may be changed to Salt Lake City or such point on the transcontinental route as service of the Northwest is supplied to and from." It was also provided that it might be extended to the Canadian border and that the successful bidder have 6 months to begin service.

5. September 23, 1929. Contract on route 32 was awarded after a delay of over 3 months to Varney Air Lines, Inc., a subsidiary of United Aircraft & Transport Corporation, at 9 cents a pound, including equipment. Route 5 was operated by the same company and the transcontinental route by another subsidiary of the United Aircraft & Transport Corporation.

6. Postmaster General Walter F. Brown, after an extended airplane trip with United Aircraft & Transport officials, called a conference of all operators and notified them that they must work out a yardstick for the revamping of the Air Mail Service. The time limit on all air-mail contracts was expiring and the operators were told that in order to have them renewed they must do what he wanted them to do. To enable the Postmaster General to carry out his plan and get the Watres Act passed it was necessary for him to extend the time limit under the contracts for a temporary 6 months' period. The status of the air-transport serv-

ice companies on March 4, 1933, is evidence that his will had been carried out as they had been consolidated in the hands of only a few operators.

7. January 14, 1930. Postmaster General Brown startled the industry in announcing in a speech before the Cleveland Chamber of Commerce his well-laid scheme for new legislation to enable him to complete his plan.

8. Conferences with air-mail operators prior to passage of Watres Act.

9. April 29, 1930. McNary-Watres Act became law.

10. May 3, 1930. Route certificate issued to Varney Air Lines (United) on route 5, which included route 32, that had been bid in at 9 cents a pound. The rate fixed was 83 cents on certain trips and 98 cents on other trips. (Note: Under terms of the contract operator would only be required to operate 2 months at the 9-cent rate. Contract on route 5 expired October 28, 1929, was extended 6 months to enable the Watres Act to be passed and carry out this deal with the United.)

11. Spoils conference, about May 15, 1930.

12. Adjusted contract held by Aviation Corporation upwardly to the extent of $108,001.87 per annum. This has been greatly increased since the adjustment.

13. Arranged change in Postal Regulations to cut out bidders and to permit the Pennsylvania Railroad to become joint bidder.

14. August 2, 1930. Advertised for bids on routes 33 and 34, and included clauses not provided in the Watres Act, to restrict the bidding to one combination.

15. September 15, 1930. Awarded contract for route 33 to Robertson and Safeway at maximum rate with the knowledge the contract was to go to the Aviation Corporation and that the companies would not bid against each other on routes 33 and 34, advertised the same day. The circumstances surrounding the advertising and award of these two contracts indicate clearly the Postmaster General and the company who obtained the award knew in advance who would get both contracts and the amount that would be bid.

16. September 30, 1930. Awarded (after protest by low bidder) route 34, New York to Los Angeles, to Pennsylvania Railroad, Mellon, and General Motors combination.

COMPTROLLER'S RECORD ON EXPENDITURES

I insert at this point a copy of the letter of the Comptroller General of the United States, including tabulations, as follows:

GENERAL ACCOUNTING OFFICE,
Washington, March 23, 1934.

Hon. W. D. MCFARLANE,
House of Representatives.

MY DEAR MR. MCFARLANE: Complying with the request contained in your letter of March 16, 1934, for use of the Naval Affairs Committee of the House of Representatives, there is enclosed herewith in duplicate a tabulation showing the contracts of record in this office which have been entered into by the War and Navy Departments since July 2, 1926, for the purchase of airplanes and airplane engines. This tabulation is a break-down of the War and Navy Department contracts listed in the report forwarded to you with office letter of March 6, 1934 and shows the amounts stipulated in the contracts to be paid for airplanes, airplane engines, parts, drawings, data, etc. It is not understood that you desired—and there has been no attempt to list—the contracts of the two Departments in question for airplane parts where such contracts did not involve the purchase of airplanes and/or airplane engines. The changes by written orders and without competition after the contracts were entered into were many and they have not been listed on the tabulation enclosed.

There is also enclosed a tabulation showing the appropriations made by the Congress since July 2, 1926, in an aggregate sum of $217,457,491 for the Army Air Corps, with expenditures shown on the books of this office to date of $181,397,977.66 for the Army Air Corps and appropriations made in an aggregate sum of $218,526,078, with expenditures similarly shown to date of $188,017,181.41 for the Navy Air Corps. These amounts do not include the pay and allowances of the officers and enlisted men of the two Services, for funds therefor were and are carried elsewhere in the respective appropriation acts. It is understood that you require such a tabulation for the purposes of showing the considerable sums of public money made available by the Congress—and actually expended—for the Army and Navy Air Corps Services, exclusive of pay and allowances.

There has been noted your request for information whether this office actually examines the Army and Navy contracts for the purchase of airplanes, airplane parts, and accessories, and audits the expenditures thereunder in the same manner that it examines other contracts and expenditures for the several departments, independent establishments, etc., of the Government or whether this office merely examines the contracts to see whether they have been awarded under sections 10 (k), 10 (q), or 10 (t) of the act of July 2, 1926, and whether the expenditures by the disbursing officers are in accord with the terms of the contract. In other words, whether this office determines the legality and regularity of the contracts and expenditures or whether such questions under contracts of the War and Navy Departments for the purchase of airplanes, airplane parts and accessories are left to the administrative officers of the respective department and this office merely checks the contracts and expenditures to see that they are regular on their face and comply with the act of July 2, 1926, and any limitations that may have been placed in the appropriation acts.

The answer to such question is found in section 10 of the act of July 2, 1926 (44 Stat. 788, 789), wherein it is provided in subsection (q) that in the purchase of aircraft, constructed according to designs presented prior to July 2, 1926, or according to such designs with minor modifications thereof—which modifications may be made at any time—the "action of the Secretary of War or the Secretary of the Navy in each case shall be final and conclusive." Also, in subsection (t) wherein it is provided that thereafter whenever the Secretary of War or the Secretary of the Navy shall enter into any contract for or on behalf of the United States for the purchase of aircraft, aircraft parts, or aircraft accessories they were authorized to award such contract to the bidder that said Secretary shall find to be the lowest responsible bidder that can satisfactorily perform the work or the service required to the best advantage of the Government and that "the decision of the Secretary of the department concerned as to the award of such contract, the interpretation of the provisions of the contract, and the application and administration of the contract shall not be reviewable otherwise than as may be therein provided for, by any officer or tribunal of the United States except the President and the Federal courts."

The principal aim of this office is to carry out the will of the Congress as stated in the statutes. The effect of this act of July 2, 1926, is to deny the Accounting Office of the United States all but the most perfunctory jurisdiction and control over the terms of specifications, advertisements, contracts, and expenditures of the War and Navy Departments for the purchase of aircraft, aircraft parts, and aircraft accessories. The act in specific terms expresses the intention of the Congress to rely on the administrative officers concerned in the making of the contracts and expenditures for aircraft, aircraft parts, and aircraft accessories to see that the terms of the law are carried out and the interests of the United States properly protected. Of course, under such circumstances this office may only check the contracts and expenditures for aircraft, aircraft parts, and aircraft accessories to see that the formalities of the act of July 2, 1926, have been observed. So far as this office is concerned, the responsibility has been left where the Congress placed it in the act of July 2, 1926; that is, on the administrative officers of the War and Navy Departments.

With respect to your request for the suggestions of this office as to the amendments necessary to the act of July 2, 1926, to secure a return of control by law over the terms of specifications to secure full and free competition by all qualified bidders in the delivery of aircraft, aircraft parts, and aircraft accessories, you are advised that it is believed that the enactment of H.R. 8044, Seventy-third Congress, second session, with the minor amendments suggested in the enclosed copy of my letter of March 17, 1934, to the Chairman of the Committee on Military Affairs, House of Representatives, would accomplish that object.

Sincerely yours,

J. R. MCCARL,
Comptroller General of the United States.

Enclosures.

Appropriations, expenditures, and balances, Navy Air Corps, 1927–34

Symbol	Title	Appropriation	Expenditures	Carried to surplus	Treasury balance
77851	Aviation, Navy, 1927	$19,065,288.00	$18,894,180.11	$171,107.89	
77894	Salaries, Bureau of Aeronautics, 1927	191,000.00	189,520.58	1,479.42	
	Total, 1927	19,256,288.00	19,083,700.69	172,587.31	
78851	Aviation, Navy, 1928	20,100,000.00	19,780,549.15	319,450.85	
78894	Salaries, Bureau of Aeronautics, 1928	200,000.00	196,639.33	3,360.67	
	Total, 1928	20,300,000.00	19,977,188.48	322,811.52	
	Aviation, Navy:				
78/78851	1928–29	200,000.00	200,000.00		
79851	1929	31,989,000.00	31,843,514.44	145,485.56	
79894	Salaries, Bureau of Aeronautics, 1929	250,420.00	227,542.28	22,877.72	
	Total, 1929	32,420,420.00	32,271,056.72	168,363.28	

Appropriations, expenditures, and balances, Navy Air Corps, 1927–34—Continued

Symbol	Title	Appropriation	Expenditures	Carried to surplus	Treasury balance
	Aviation, Navy:				
79/0851	1929–30	$248,000.00	$212,918.56	$35,081.44	
70851	1930	31,182,000.00	30,938,808.94	243,191.06	
70894	Salaries, Bureau of Aeronautics, 1930	285,420.00	284,953.09	466.91	
	Total, 1930	31,715,420.00	31,436,680.59	278,739.41	
71851	Aviation, Navy, 1931	32,033,211.00	30,977,232.64	1,051,192.72	
	Impounded, Economy Act		4,785.64		
71894	Salaries, Bureau of Aeronautics, 1931	289,640.00	289,618.74	21.26	
	Total, 1931	32,322,851.00	31,266,851.38	1,051,213.98	
	Impounded under Economy Act (not included in expenditures)		4,785.64		
72851	Aviation, Navy, 1932	31,145,900.00	27,044,856.78		$4,068,804.60
	Impounded, Economy Act		41,338.53		
72894	Salaries, Bureau of Aeronautics, 1932	290,400.00	289,676.33		723.67
	Total, 1932	31,435,400.00	27,334,533.11		4,069,528.36
	Impounded under Economy Act (not included in expenditures)		41,338.53		
73851	Aviation, Navy, 1933	25,245,420.00	20,188,575.78		4,511,920.86
	Impounded, Economy Act		544,923.36		
73894	Salaries, Bureau of Aeronautics, 1933	290,400.00	256,026.23		1,424.95
	Impounded, Economy Act		32,948.82		
	Total, 1933	25,535,820.00	20,444,602.01		4,513,345.81
	Impounded under Economy Act (not included in expenditures)		577,872.18		
74851	Aviation, Navy, 1934	21,957,459.00	2,751,774.02		19,205,684.98
74894	Salaries, Bureau of Aeronautics, 1934	263,420.00	166,100.00		97,320.00
	Total, 1934	22,220,879.00	[1] 2,917,874.02		19,303,004.98
7X804	Increase of Navy aviation (no year):				
	Appropriated, 1927	3,300,000.00			
	Expenditures:				
	1927		816,188.12		
	1928		1,136,457.53		
	1929		1,329,166.56		
	1930		2,882.20	15,305.59	
	Total	3,300,000.00	3,284,694.41	15,305.59	

NAVY SUMMARY

	Amount of appropriation	Net expenditures	Impounded under Economy Act	Carried to surplus	Treasury balance
1927	$19,256,288.00	$19,083,700.69		$172,587.31	
1928	20,300,000.00	19,977,188.48		322,811.52	
1929	32,439,420.00	32,271,056.72		168,363.28	
1930	31,715,420.00	31,436,680.59		278,739.41	
1931	32,322,851.00	31,266,851.38	$4,785.64	1,051,213.98	
1932	31,435,400.00	27,334,533.11	41,338.53		$4,059,528.36
1933	25,535,820.00	20,444,602.01	577,872.18		4,513,345.81
1934	22,220,879.00	2,917,874.02			19,303,004.98
No year	3,300,000.00	3,284,694.41		15,305.59	
Total	218,526,078.00	188,017,181.41	623,996.35	2,009,021.09	27,875,879.15

[1] Expenditures so far as reported for 1934.

Appropriations, expenditures, and balances, Army Air Corps, 1927–34

Symbol	Title	Appropriation	Expenditures	Carried to surplus	Treasury balance
	Air Service, Army:				
86/7571	1926–27 (no expenditures in 1926)	$1,000,000.00	$999,809.21	$190.79	
87571	1927	15,900,000.00	15,742,466.26	157,533.74	
87561	Salaries, office of Chief of Air Service, 1927	206,694.00	192,613.59	14,080.41	
	Total, 1927	17,106,694.00	16,934,889.06	171,804.94	
	Air Corps, Army:				
				2,060.42	
87/8570	1927–28	1,750,600.00	1,747,999.58	227,963.52	
88570	1928	19,841,300.00	19,413,346.48		
88560	Salaries, office of Chief of Air Corps, 1928	206,294.00	202,309.09	3,984.91	
	Total, 1928	21,797,594.00	21,363,655.15	233,938.85	
	Air Corps, Army:				
88/9570	1928–29	300,000.00	294,798.07	5,201.93	
89570	1929	26,355,157.00	24,680,053.78	448,150.90	
	Transferred to "No year" account:				
	1929		610,000.00		
	1931		616,952.32		
89560	Salaries, office of Chief of Air Corps, 1929	231,274.00	229,589.36	1,684.64	
	Total, 1929	26,886,431.00	25,204,441.21	455,037.47	
	Transferred (not included in expenditures)		1,226,952.32		
80570	Air Corps, Army, 1930	32,440,785.00	30,235,904.31	25,928.00	
	Transferred to "No year" account, 1931		2,178,952.69		
80560	Salaries, office of Chief of Air Corps, 1930	219,274.00	215,836.46	2,437.54	
	Total, 1930	32,660,059.00	30,452,740.77	28,365.54	
	Transferred (not included in expenditures)		2,178,952.69		
81570	Air Corps, Army, 1931	33,199,740.00	32,219,418.56	955,814.64	$24,470.80
81560	Salaries, office of Chief of Air Corps, 1931	236,091.00	232,915.06	3,175.94	
	Total, 1931	33,435,795.00	32,452,333.62	958,990.58	24,470.80

Appropriations, expenditures, and balances, Army Air Corps, 1927–34—Continued

Symbol	Title	Appropriation	Expenditures	Carried to surplus	Treasury balance
82570	Air Corps, Army, 1932	$31,479,635.00	$29,167,461.66		$2,312,015.32
	Impounded under Economy Act		158.02		
82560	Salaries, office of Chief of Air Corps, 1932	236,105.00	235,479.89		625.11
81/2569	Technical construction, Air Corps, 1931–32	[1] 53,000.00	52,796.76		203.24
	Total, 1932	31,768,740.00	29,455,738.31		2,312,843.67
	Impounded (not included in expenditures)		158.02		
83570	Air Corps, Army, 1933	25,439,131.00	15,999,742.39		8,852,928.46
	Impounded under Economy Act		580,460.15		
83560	Salaries, office of Chief of Air Corps, 1933	234,105.00	204,306.44		271.67
	Impounded under Economy Act		29,526.87		
	Total, 1933	25,673,236.00	16,204,048.85		8,853,200.13
	Impounded (not included in expenditures)		615,987.02		
84570	Air Corps, Army, 1934	23,324,185.00	2,467,163.78		20,857,021.22
84560	Salaries, office of Chief of Air Corps, 1934	213,584.00	140,700.00		72,884.00
	Total, 1934	23,537,769.00	[2] 2,607,863.78		20,929,905.22
8X570	Air Corps, Army (no year):				
	Appropriated, 1931	2,724,073.00			
	Transferred from Air Corps, Army:				
	1929	616,952.32			
	1930	2,173,952.00			
	Expenditures:				
	1931		717,510.34		
	1932		2,860,253.12		
	1933		1,031,020.16		
	1934 (reported)		22,217.28		
	Impounded under Economy Act		2,260.55		886,716.56
	Total	[1] 5,519,978.01	4,631,000.90		886,716.56
	Impounded (not included in expenditures)		2,260.55		
8X564	Air Corps, Army, emergency construction (no year):				
	Appropriated, 1931	871,100.00			
	Expenditures:				
	1931		85,386.16		
	1932		655,969.86		
	1933		102,878.39		
	1934		4,251.88		
	Impounded under Economy Act		1,235.12		20,378.59
	Total	[1] 871,100.00	849,486.29		20,378.59
	Impounded (not included in expenditures)		1,235.12		
8X569	Technical construction, Air Corps, Army (no year):				
	Appropriated, 1931	1,196,000.00			
	Transferred from Air Corps, Army, 1929	610,000.00			
	Expenditures:				
	1930		17,451.90		
	1931		587,229.62		
	1932		87,823.86		
	1933		541,350.47		
	1934		7,923.87		
	Impounded under Economy Act		4,258.08		559,962.20
	Total	[1] 1,806,000.00	1,241,779.72		559,962.20
	Impounded (not included in expenditures)		4,258.08		

WAR SUMMARY

	Amount of appropriation, including transfers	Net expenditures	Impounded under Economy Act	Carried to surplus	Treasury balance
1927	$17,106,604.00	$16,934,889.06		$171,804.94	
1928	21,597,594.00	21,363,655.15		233,938.85	
1929	25,659,478.68	25,204,441.21		455,037.47	
1930	30,481,106.31	30,452,740.77		28,365.54	
1931	33,435,795.00	32,452,333.62		958,990.58	$24,470.80
1932	31,768,740.00	29,455,738.31	$158.02		2,312,843.67
1933	25,673,236.00	16,204,048.85	615,987.02		8,853,200.13
1934	23,537,769.00	2,607,863.78			20,929,905.22
No year	8,197,078.01	6,722,266.91	7,753.75		1,467,057.35
Total	217,457,491.00	181,397,977.66	623,898.79	1,848,137.38	33,587,477.17

[1] See memorandum.

[2] Expenditures as reported so far.

The above tabulations of the Army and Navy show the appropriations made by Congress since July 2, 1926, which shows the sum of $217,457,491 for the Army Air Corps, with expenditures shown on the books of the office to date of $181,397,977.66 to the Army Air Corps; and appropriations made in aggregate $218,526,078, with expenditures similarly shown to date of $188,017,181.41 for the Navy Air Corps. These amounts do not include pay and allowances of the officers and enlisted men of the two Services, for funds therefor were and are carried elsewhere in the respective appropriation acts.

RECOMMENDATIONS

(1) I recommend that section 10 (Q) of the Aircraft Act be repealed and that section 10 (K) and section 10 (T) be amended so as to require open competitive bidding in the production procurement of all aircraft equipment, as was required by the Government prior to the passage of the Aircraft Act of 1926.

(2) That the proposed amendment of subsection 10 (K), as amended, would continue so as to permit the continuance of purchase by the Secretary of the Navy without competition such designs, aircraft, aircraft parts, and aeronautical accessories as may be necessary for experimental purposes only, but should not permit quantity purchases or repeat purchases of any such proven experimental designs, etc., without open competitive bidding.

(3) That all future contracts of the Navy contain a provision giving the Government the right or license upon the payment of a stipulated royalty or sum, the right to manufacture or cause to be manufactured such designs, aircraft, etc. This would enable the Government to eliminate patent contentions and permit free and open competition in all future procurement of all aircraft. This procedure was followed by the United States from 1917 to 1928 in certain cases.

(4) That the naval aircraft plant at Philadelphia be continued to operate as under present schedule without any enlarged powers,

duties, or authority, except that the excessive overhead expenses, wherever possible, be eliminated. That disinterested witnesses be called to testify, if any doubt exists in the minds of the committee as to the exact status of the aviation industry regarding the interlocking connections of the different companies and the complete domination of the industry by the four major holding companies comprising the Air Trust.

(5) That a thorough investigation be made as to the desirability of future use of alloys of aluminum in the manufacture of our aircraft, and particularly the adaptability and usefulness of stainless steel for aircraft manufacture. That a comparative study of the use of these materials as to cost, maintenance, weight, length of life, ability to withstand salt water, etc., be carefully analyzed.

(6) That no more purchases of lighter-than-air craft equipment be made unless and until their elasticity of performance, maneuverability, and general usefulness under actual war conditions is definitely proven to the entire satisfaction of a disinterested board.

(7) That all aviation units attached to battleships, cruisers, or aircraft carriers be maintained at the highest state of efficiency for war purposes and all "admirals' taxis" (or joy-riding planes) be eliminated from the fleet service.

(8) That the Aircraft Act be amended so as to prohibit any governmental department from awarding any contract for any kind of aircraft to any company having connections with subsidiaries, affiliates, associates, or holding companies, directly or indirectly, by stock ownership, interlocking directorates, interlocking officers, or otherwise, if said subsidiaries, affiliates, associates, or holding companies are engaged directly or indirectly in the operation of competitive manufacturing, jobbing, or selling concerns dealing in any kind of aircraft equipment.

(9) That the Aircraft be amended so that it will stimulate inventive genius.

(10) That the air-mail laws be amended so that the Government will take over and operate the air mail and own 51 percent of the stock of the newly organized companies to be chartered for this purpose. This should be done for the same reasons that we carry other mail and to furnish proper training for the men in the Army to fly domestic mail, the men of the Navy to fly coastal and foreign mail, and primarily to save the taxpayers money and for the general good of the Services. Great Britain, France, and other countries recognized the necessity of owning and controlling their air-mail lines soon after the World War and have found this policy sound.

(11) That the eight different branches of aeronautics of the Government be combined under a secretary of the air of equal standing of other Cabinet positions, which department shall have a separate budget, personnel, and status as other departments of Government; that this be done in the interest of eliminating waste, extravagance, duplication, overlapping of responsibilities, and for the benefits to be derived from a united supervision. Germany unified her air force in 1916. After serious damage to Great Britain from the air, she unified her air forces in 1917. France, Italy, and other European nations soon followed suit. There are no divisions in the air such as we recognize on land and sea, and we must have a centralized command for war purposes.

(12) That the law creating the National Advisory Committee for Aeronautics be amended, requiring that eligibility for membership on this Committee be limited to those not connected directly or indirectly with any aviation company selling any aircraft equipment to the Government; that an affidavit be filed by each member upon appointment showing completely their property holdings and connections, and that such an affidavit be filed the first of each year thereafter and all such information be made a part of the annual report of this Board, violation of such law to suspend automatically member from the board.

Respectfully submitted.

W. D. MCFARLANE.

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to extend their own remarks on the silver bill.

The SPEAKER. Is there objection?

There was no objection.

H.R. 9725

Mr. LANZETTA. Mr. Speaker, I ask unanimous consent to file a supplementary report on the bill H.R. 9725.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. HARTER, for 2 days, on account of official business.

To Mr. KVALE, for the balance of the week, on account of illness.

To Mr. MEAD (at the request of Mr. BEITER), on account of official business.

To Mr. SUTPHIN, for 3 days, on account of important business.

To Mr. ZIONCHECK, for 3 days, on account of official business.

SENATE BILLS REFERRED

Bills and a joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1744. An act enabling certain farmers and fruit growers to receive the benefits of the Federal Farm Loan Act and amendments thereto and the Emergency Farm Mortgage Act of 1933; to the Committee on Agriculture.

S. 1760. An act for the relief of the Snare & Triest Co., now Frederick Snare Corporation; to the Committee on Claims.

S. 1786. An act for the relief of Lucile A. Abbey; to the Committee on Claims.

S. 1947. An act to provide for the creation of the St. Croix Island National Monument located near the mouth of the St. Croix River in the State of Maine, and for other purposes; to the Committee on the Public Lands.

S. 2272. An act for the relief of Bert Moore; to the Committee on Claims.

S. 2617. An act for the relief of the estate of Jennie Walton; to the Committee on Claims.

S. 2619. An act for the relief of E. Clarence Ice; to the Committee on Claims.

S. 2906. An act for the relief of Ransome Cooyate; to the Committee on Claims.

S. 3096. An act for the relief of John T. Garity; to the Committee on Claims.

S. 3366. An act for the relief of C. O. Meyer; to the Committee on Claims.

S. 3486. An act for the relief of George L. Rulison; to the Committee on Claims.

S. 3493. An act to revive and reenact the act entitled "An act authorizing H. C. Brenner Realty & Finance Corporation, its successors and assigns, to construct, maintain, and operate a bridge across the Mississippi River at or near a point between Cherokee and Osage Streets, St. Louis, Mo.", approved February 13, 1931; to the Committee on Interstate and Foreign Commerce.

S. 3641. An act to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Ogdensburg, N.Y.; to the Committee on Interstate and Foreign Commerce.

S.J.Res. 86. Joint resolution for the adjustment and settlement of losses sustained by the cooperative marketing associations; to the Committee on Agriculture.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on the following dates present to the President, for his approval, bills of the House of the following titles:

On May 29, 1934:

H.R. 8617. An act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1935, and for other purposes.

On May 30, 1934:

H.R. 1158. An act for the relief of Annie I. Hissey;

H.R. 1933. An act for the relief of Philip F. Hambsch;

H.R. 1943. An act for the relief of A. H. Powell;

H.R. 1977. An act for the relief of R. A. Hunsinger;

H.R. 2054. An act for the relief of John S. Cathcart;

H.R. 2322. An act for the relief of C. K. Morris;

H.R. 2433. An act for the relief of Anna H. Jones;

H.R. 2438. An act for the relief of Ruby F. Voiles;

H.R. 3056. An act for the relief of James B. Conner;

H.R. 3300. An act for the relief of George B. Beaver;

H.R. 3302. An act for the relief of John Merrill;

H.R. 4690. An act for the relief of Eula K. Lee;

H.R. 5477. An act to fix the rates of postage on certain periodicals exceeding 8 ounces in weight;

H.R. 6179. An act to amend an act entitled "An act to provide for the leasing of coal lands in the Territory of Alaska, and for other purposes";

H.R. 7168. An act for making compensation to the estate of Nellie Lamson;

H.R. 7289. An act for the relief of H. A. Soderberg;

H.R. 7343. An act to remove inequities in the law governing eligibility for promotion to the position of chief clerk in the Railway Mail Service;

H.R. 8241. An act to authorize the construction and operation of certain bridges across the Monongahela, Allegheny, Youghiogheny Rivers in the county of Allegheny, Pa.;

H.R. 8494. An act to authorize the Secretary of the Interior to modify the terms of existing contracts for the sale of timber on the Quinault Indian Reservation when it is in the interest of the Indians so to do;

H.R. 8714. An act to extend the times for commencing and completing the construction of a bridge across the Pee Dee River and a bridge across the Waccamaw River, both at or near Georgetown, S.C.;

H.R. 8937. An act granting the consent of Congress to the State of Indiana to construct, maintain, and operate a free highway bridge across the Wabash River, at or near Delphi, Ind.;

H.R. 8938. An act to amend the act of Congress approved June 7, 1924, commonly called the "San Carlos Act", and acts supplementary thereto;

H.R. 8951. An act authorizing the city of Shawneetown, Ill., to construct, maintain, and operate a toll bridge across the Ohio River at or near a point between Washington Avenue and Monroe Street in said city of Shawneetown and a point opposite thereto in the county of Union and State of Kentucky;

H.R. 9000. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near Holtwood, Lancaster County;

H.R. 9065. An act granting the consent of Congress to the Department of Public Works of the Commonwealth of Massachusetts to construct, maintain, and operate a free highway bridge across the Connecticut River at Turners Falls, Mass.;

H.R. 9257. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near Bainbridge, Lancaster County, and Manchester, York County;

H.R. 9271. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near Millersburg, Dauphin County, Pa.; and

H.R. 9502. An act authorizing the State Highway Departments of the States of Minnesota and North Dakota to construct, maintain, and operate certain free highway bridges across the Red River from Moorhead, Minn., to Fargo, N.Dak.

THE LATE GEORGE F. BRUMM

Mr. DARROW. Mr. Speaker, it is with a feeling of deep personal sorrow that I announce to the House the death of our beloved colleague, Hon. GEORGE FRANK BRUMM, from the Thirteenth District of Pennsylvania.

Mr. BRUMM has served his constituency, his State, and his Nation faithfully and well, and I know that during the five terms he has served in the House he has endeared himself to all by his genial and kindly spirit. Friends have been made on both sides of the aisle, and at a later time I shall pay a further tribute to his memory.

Mr. Speaker, I now offer the following resolution.

The Clerk read as follows:

House Resolution 402

Resolved, That the House has heard with profound sorrow of the death of the Honorable GEORGE F. BRUMM, a Representative from the State of Pennsylvania.

Resolved, That a committee of four Members of the House, with such Members of the Senate as may be joined, be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provision of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

The resolution was agreed to.

The SPEAKER. The Chair appoints the following committee: Mr. DARROW, Mr. CONNOLLY, Mr. WOLFENDEN, and Mr. RICHARDSON.

ADJOURNMENT

The SPEAKER. The Clerk will report the remainder of the resolution.

The Clerk read as follows:

Resolved, That, as a further mark of respect, this House do now adjourn.

The resolution was agreed to.

Accordingly, at 7 o'clock and 4 minutes p.m., the House adjourned until tomorrow, May 31, 1934, at 12 o'clock noon.

COMMITTEE HEARING

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(Thursday, May 31, 10 a.m.)

Continuation of the hearings on the oil bill, H.R. 9676.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. SUMNERS of Texas: Committee on the Judiciary. H.R. 9476. A bill to empower certain members of the Division of Investigation of the Department of Justice to make arrests in certain cases, and for other purposes; with amendment (Rept. No. 1824). Referred to the House Calendar.

Mr. PLUMLEY: Committee on Military Affairs. S. 3457. An act to authorize the Secretary of War to sell or dispose of certian surplus real estate of the War Department; without amendment (Rept. No. 1825). Referred to the Committee of the Whole House on the state of the Union.

Mr. JAMES: Committee on Military Affairs. S. 2130. An act to authorize an appropriation for the purchase of land in Wyoming for use as rifle ranges for the Army of the United States; without amendment (Rept. No. 1826). Referred to the Committee of the Whole House on the state of the Union.

Mr. WEST of Texas: Committee on Immigration and Naturalization. H.R. 9760. A bill to provide for legalizing the residence in the United States of certain classes of aliens; without amendment (Rept. No. 1827). Referred to the House Calendar.

Mr. WEIDEMAN: Committee on Immigration and Naturalization. H.R. 9367. A bill to provide a penalty upon vessels arriving in the United States having on board stowaways; without amendment (Rept. No. 1828). Referred to the House Calendar.

Mr. SUMNERS of Texas: Committee on the Judiciary. S. 3040. An act to give the Supreme Court of the United States authority to make and publish rules in actions at law; without amendment (Rept. No. 1829). Referred to the House Calendar.

Mr. KELLER: Committee on the Library. House Joint Resolution 342. Joint resolution authorizing an appropriation to defray the expense of erecting the completed Navy and Marine Memorial Monument; without amendment (Rept. No. 1830). Referred to the Committee of the Whole House on the state of the Union.

Mr. MITCHELL: Committee on Agriculture. H.R. 9011. A bill to facilitate purchases of forest lands under the act approved March 1, 1911; without amendment (Rept. No. 1831). Referred to the Committee of the Whole House on the state of the Union.

Mr. SUMNERS of Texas: Committee on the Judiciary. S. 2248. An act to protect trade and commerce against interference by violence, threats, coercion, or intimidation; with amendment (Rept. No. 1833). Referred to the House Calendar.

Mr. SUMNERS of Texas: Committee on the Judiciary. H.R. 6486. A bill to repeal certain provisions of the act of March 4, 1933, and to reenact sections 4 and 5 of the act of March 2, 1929; with amendment (Rept. No. 1834). Referred to the Committee of the Whole House on the state of the Union.

Mr. SUMNERS of Texas: Committee on the Judiciary. H.R. 9091. A bill to amend the laws relating to proctors' and marshals' fees and bonds and stipulations in suits in admiralty; with amendment (Rept. No. 1835). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. MAY: Committee on Military Affairs. S. 792. An act for the relief of Curtis Jett; without amendment (Rept. No. 1823). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BEITER: A bill (H.R. 9799) to provide for the appointment of an additional judge of the District Court of the United States for the Western District of New York; to the Committee on the Judiciary.

By Mr. RANKIN: A bill (H.R. 9800) to compensate widows and children of persons who died while receiving monetary benefits for disabilities incurred in or aggravated by active military or naval service in the World War; to the Committee on World War Veterans' Legislation.

Also, a bill (H.R. 9801) to amend the Federal Water Power Act, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. WALTER: A bill (H.R. 9802) to establish a fish-cultural station at Hamilton Township, Monroe County, Pa.; to the Committee on Merchant Marine, Radio, and Fisheries.

By Mr. CELLER: A bill (H.R. 9803) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and act amendatory thereof and supplementary thereto; to the Committee on the Judiciary.

By Mr. MOTT: A bill (H.R. 9804) authorizing a preliminary examination and survey of the Nehalem, Miami, Kilchis, Wilson, Trask, and Tillamook Rivers tributaries to Tillamook Bay in Tillamook County, Oreg., with a view to the controlling of floods; to the Committee on Flood Control.

By Mr. COLLINS of Mississippi: A bill (H.R. 9805) to provide relief to persons owning real property in areas that have been subjected to overflow in the State of Mississippi; to the Committee on Rivers and Harbors.

Also, a bill (H.R. 9806) providing for the cancelation of interest on loans to veterans on their adjusted-service certificates; to the Committee on World War Veterans' Legislation.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. COLLINS of California: A bill (H.R. 9798) to authorize the Secretary of the Interior to issue patent to certain lands in the Colorado River Indian Reservation; to the Committee on Indian Affairs.

By Mr. CALDWELL: A bill (H.R. 9807) to retire Walter L. Rosasco with the rank of second lieutenant, Air Corps, United States Army; to the Committee on Military Affairs.

By Mr. CONNOLLY: A bill (H.R. 9808) for the relief of James Garfield Haney; to the Committee on Naval Affairs.

By Mr. DOCKWEILER: A bill (H.R. 9809) for the relief of Isabell Breault; to the Committee on Claims.

Also, a bill (H.R. 9810) for the relief of William Henry Amlaw; to the Committee on Military Affairs.

By Mr. DIES: A bill (H.R. 9811) granting an increase of pension to Frank E. Sullivan; to the Committee on Pensions.

By Mr. REECE: A bill (H.R. 9812) granting a pension to Ezekiel Smith; to the Committee on Invalid Pensions.

Also, a bill (H.R. 9813) granting a pension to Sallie Smith; to the Committee on Invalid Pensions.

By Mr. McGRATH: Joint resolution (H.J.Res. 361) for the relief of Yee Look; to the Committee on Immigration and Naturalization.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

4848. By Mr. GAVAGAN: Petition concerning House bill 6097, providing higher moral standards for films entering interstate and international commerce; to the Committee on Merchant Marine, Radio, and Fisheries.

4849. By Mr. GIFFORD: Petition of the New Bedford Port Society; to the Committee on Naval Affairs.

4850. By Mr. GOODWIN: Petition of the National-American Wholesale Lumber Association, New York, favoring the immediate passage of Senate bill 3603 and House bill 9620, relating to the national housing act; to the Committee on Banking and Currency.

4851. By Mr. LUNDEEN: Petition of the City Council of the City of Minneapolis, Minn., protesting against the removal of repair work from the Hamline shops of the Western Fruit Co.; to the Committee on Appropriations.

4852. Also, petition of the Corporation of the Church of St. Lawrence, urging the enactment of the amendment to section 301 of Senate bill 2910, providing for the insurance of equity of opportunity for educational, religious, agricultural, labor, cooperative, and similar non-profit-making associations seeking licenses for radio broadcasting by incorporating into the statute a provision for the allotment to said non-profit-making associations of at least 25 percent of all radio facilities not employed in public use; to the Committee on Merchant Marine, Radio, and Fisheries.

4853. Also, petition of the Northern Lights Chapter of the Izaak Walton League, urging that the Federal Government refrain from the purchase of all tax-delinquent lands from private interests within the border-lake region, chiefly the northwest corner of St. Louis County of the State of Minnesota, and allow such lands to revert to the State under the present laws regulating such lands; to the Committee on Banking and Currency.

4854. Also, petition of the St. Louis County Farmers' Legislative Association, favoring legislation whereby munition makers and bankers would be prevented from furnishing munitions of war in any form to any nation at war with another nation with which we are at peace, and favoring a constitutional amendment to the Federal Constitution which would permit a direct vote of the people before our country engage in any war, except a war of defense against invasion; to the Committee on Foreign Affairs.

4855. By Mr. LINDSAY: Petition of the Brooklyn Chamber of Commerce, Brooklyn, N.Y., opposing Senate bill 2926 and House bill 8423 as modified and presented to the Senate on May 26, 1934; to the Committee on Labor.

4856. Also, petition of the Peoples National Bank, Brooklyn, N.Y., opposing the passage of House bill 9045; to the Committee on Banking and Currency.

4857. Also, petition of the First National Bank of New Rochelle, N.Y., opposing the Steagall bill (H.R. 9045) and favoring the Fletcher bill (S. 2788); to the Committee on Banking and Currency.

4858. Also, petition of Richey, Brown & Donald, Maspeth, N.Y., opposing consideration of the amended Wagner labor disputes bill at this session of Congress; to the Committee on Labor.

4859. Also, telegram from the Duplan Silk Corporation, New York City, opposing the passage of the Industrial Adjustments Act; to the Committee on Interstate and Foreign Commerce.

4860. By Mr. RUDD: Petition of the Brooklyn Chamber of Commerce, Brooklyn, N.Y., opposing the passage of Senate bill 2926 and House bill 8423 in their present form; to the Committee on Labor.

4861. Also, petition of the Duplan Silk Corporation, New York City, opposing the passage of the Industrial Adjustments Act in its present form; to the Committee on Interstate and Foreign Commerce.

4862. Also, petition of the First National Bank of New Rochelle, N.Y., favoring the passage of the Fletcher bill (S. 2788); to the Committee on Banking and Currency.

SENATE

THURSDAY, MAY 31, 1934

(Legislative day of Monday, May 28, 1934)

The Senate met at 11 o'clock a.m., on the expiration of the recess.

THE JOURNAL

On motion of Mr. ROBINSON of Arkansas, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, May 30, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. ROBINSON of Arkansas. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Couzens	Kean	Reynolds
Austin	Cutting	Keyes	Robinson, Ark.
Bachman	Davis	King	Russell
Bailey	Dickinson	La Follette	Schall
Bankhead	Dieterich	Lewis	Sheppard
Barbour	Dill	Logan	Shipstead
Barkley	Erickson	Lonergan	Smith
Black	Fess	Long	Steiwer
Bone	Fletcher	McCarran	Stephens
Borah	Frazier	McGill	Thomas, Okla.
Brown	George	McKellar	Thomas, Utah
Bulkley	Glass	McNary	Thompson
Bulow	Goldsborough	Metcalf	Townsend
Byrd	Gore	Murphy	Tydings
Byrnes	Hale	Neely	Vandenberg
Capper	Harrison	Norbeck	Wagner
Caraway	Hastings	Norris	Walcott
Carey	Hatch	Nye	Walsh
Clark	Hatfield	O'Mahoney	Wheeler
Connally	Hayden	Patterson	White
Copeland	Hebert	Pittman	
Costigan	Johnson	Pope	

Mr. LEWIS. Mr. President, I announce the absence of the Senator from California [Mr. McADOO] due to continued illness, and the absence of the Senator from Indiana [Mr. VAN NUYS], the Senator from Florida [Mr. TRAMMELL], the Senator from Massachusetts [Mr. COOLIDGE], the Senator from Louisiana [Mr. OVERTON], and the Senator from Wisconsin [Mr. DUFFY], who are detained on important public business. I ask that this announcement may stand for the day.

Mr. HEBERT. I wish to announce that the Senator from Vermont [Mr. GIBSON], the Senator from Pennsylvania [Mr. REED], and the Senator from Indiana [Mr. ROBINSON] are necessarily absent from the Senate.

The VICE PRESIDENT. Eighty-six Senators have answered to their names. A quorum is present.

NOMINATION OF W. LEROY LARSON—RECONSIDERATION AND RECOMMITTAL

Mr. McKELLAR. Mr. President, as in executive session, I desire to make a request. On the 29th of May the nomination of W. LeRoy Larson to be postmaster at Sidney, Nebr., was confirmed. Notice of the confirmation has not as yet been sent to the President. I ask unanimous consent to reconsider the vote by which the nomination was confirmed, and then that the nomination be recommitted to the Committee on Post Offices and Post Roads.

The VICE PRESIDENT. The Senator from Tennessee asks, as in executive session, that the vote by which the nomination referred to by him was confirmed be reconsidered and that the nomination be recommitted to the Committee on Post Offices and Post Roads. Is there objection? The Chair hears none, and it is so ordered.

RENTAL AND HOUSING CONDITIONS IN THE DISTRICT

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the Public Utilities Commission of the District of Columbia, transmitting, in further response to Senate Resolution 86, Seventy-third Congress, first session, a supplemental report—made upon completion of the housing survey conducted as a Civil Works project in cooperation with the Department of Commerce—of an investigation relating to the cost and character of housing in rented premises in the District of Columbia, which, with the accompanying papers, was referred to the Committee on the District of Columbia.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a resolution adopted by the Civil Liberties Commission of the Ohio State Association of the Improved Benevolent Protective Order of Elks of the World, favoring the enactment of legislation for the prevention of lynching and mob violence, which was ordered to lie on the table.

Mr. COPELAND presented resolutions adopted by the One Hundred and First Annual Session of the New York Congregational Conference at Syracuse, N.Y., favoring the adoption of Senate Resolution 244 (submitted by Mr. NYE), increasing the limit of expenditure by the Special Committee on Investigation of the Munitions Industry, which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

He also presented a resolution adopted by the executive committee of New York State League of Savings and Loan Associations, favoring the adoption of a home-modernization program, which was referred to the Committee on Banking and Currency.

He also presented a resolution adopted by the White Plains (N.Y.) Realty Board, favoring making available additional bonds up to $2,000,000,000 for continuance of relief to home owners under the Home Owners' Loan Corporation, which was referred to the Committee on Banking and Currency.

He also presented a resolution adopted by the committee on cooperation for better housing of the New York Rehabilitation, Modernization, and Replacement Movement, New York City, favoring the passage of Senate bill 3603, providing for the financing of home construction and repair, which was referred to the Committee on Banking and Currency.

He also presented a resolution adopted by the board of supervisors of the county of Orleans, N.Y., favoring the passage of the so-called "McLeod bill", providing payment to depositors in closed banks, which was referred to the Committee on Banking and Currency.

He also presented a memorial of sundry citizens, being members and friends of the American Legion Auxiliary of Port Byron, N.Y., remonstrating against the entrance of the United States into the League of Nations and the World Court, which was referred to the Committee on Foreign Relations.

He also presented a petition of sundry citizens of Brooklyn and New York City, N.Y., praying for the enactment of legislation permitting the reunion of families separated from near and dependent relatives abroad, which was referred to the Committee on Immigration.

He also presented a resolution adopted by the Pelham Parkway Democratic Club, Borough of Bronx, New York City, N.Y., favoring the immediate lifting of restrictions so as to allow the free immigration into the United States of persons suffering religious persecution under the Government of Germany, which was referred to the Committee on Immigration.

He also presented the petition of Sara P. Eastburn and other citizens of Croton-on-Hudson, N.Y., praying for the passage of the so-called "Wheeler-Howard bill", for promotion of the welfare of Indians, which was referred to the Committee on Indian Affairs.

He also presented a petition of sundry citizens, being members of the Woman's Home Missionary Society of the Mohawk District, Herkimer, N.Y., praying for the enactment of legislation granting to Indians enough land to live on comfortably, which was referred to the Committee on Indian Affairs.

He also presented a resolution adopted by the Women's Home and Foreign Missionary Societies, of Herkimer, N.Y., favoring the passage of House bill 6097, providing higher moral standards for films entering interstate and foreign

commerce, which was referred to the Committee on Interstate Commerce.

He also presented a memorial of sundry citizens, being members of the Methodist Church of Clifton Springs, N.Y., remonstrating against the passage of House bill 7316, legalizing the use of the mails in connection with lotteries, etc., which was referred to the Committee on the Judiciary.

He also presented a resolution adopted by a general assembly of the Spring Valley (N.Y.) High School, stating "in case of declaration of a defensive war in which the students of high-school age will participate, we insist that all capital, all labor, and all commodities needed in the successful prosecution of such a war shall be conscripted in order to secure an equal distribution of service and sacrifice", which was referred to the Committee on Military Affairs.

He also presented a petition of sundry citizens of New York City, N.Y., praying for the passage of Senate bill 1842, the so-called "birth-control bill", which was ordered to lie on the table.

He also presented a resolution adopted by the North Jefferson Business Men's Association, of Buffalo, N.Y., favoring the passage of the bill (H.R. 8430) to amend the Tariff Act of 1930, which was ordered to lie on the table.

He also presented petitions of sundry citizens of Troy and Mechanicville, N.Y., praying for the enactment of legislation providing adequate retirement pensions for railway and express company employees, which were ordered to lie on the table.

He also presented a resolution adopted by the Greater East Side Democratic Association, of Buffalo, N.Y., endorsing the bill (S. 2926) to equalize the bargaining power of employers and employees, to encourage the amicable settlement of disputes between employers and employees, to create a national labor board, and for other purposes, which was ordered to lie on the table.

THE WORLD COURT

Mr. BARBOUR. Mr. President, I ask unanimous consent to have printed in full in the RECORD and appropriately referred resolutions recently adopted by the Rutherford (N.J.) Ministerial Association.

There being no objection, the resolutions were referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

Resolved, That in view of the attack on the World Court made by ex-Senator Reed and others at the hearings on May 16 before the Senate Committee on Foreign Relations, that the Rutherford Ministerial Association, at its meeting on May 17, hereby reaffirms its desire that the United States complete its adherence to the Court, and to this end respectfully asks the Committee on Foreign Relations to report for favorable action the protocols of adherence without further delay; be it further

Resolved, That a copy of this minute be sent to Senator KEY PITTMAN, Chairman of the Committee on Foreign Relations, and that another copy be given to the press.

ADJUSTED COMPENSATION OF WORLD WAR VETERANS

Mr. GEORGE presented a petition numerously signed by sundry citizens, being World War veterans and their beneficiaries, of Atlanta, Ga., which was referred to the Committee on Finance and ordered to be printed in the RECORD, without the signatures after the first one, as follows:

ATLANTA, GA., *May 22, 1934.*

To the President and Congress of the United States:

We, the undersigned World War veterans and beneficiaries of adjusted-service certificates, petition you to make provision for and the immediate payment of all said certificates, without any deduction of any interest upon any and all loans and prior advances against same.

We advance these reasons for this action, to wit:

1. Veterans universally have suffered as much as others from the depression of 1929 and following years, and this continues.

2. Despite payment of one-half these certificates and all other relief measures taken, we have received probably less than any other people who have had any beneficial legislation under this and all previous administrations, post-war.

3. We have been in the minority as beneficiaries in this administration among those who have actually had relief or employment provided.

4. All others who have claimed or advanced any bonus for services and losses against the Government during the World War have long since been paid bounties, losses, and extra compensation; and any claim that this requested action will open such claims is preposterous and without merit.

5. The cost of living generally and for our dependents and selves is on the increase steadily, has been for the past year, while the opportunity to earn a livelihood is not in keeping with the same pace either in wages currently paid or opportunity for employment.

6. Besides the universal and general debt burden of the country, the veterans were taken out of employment, these certificates were issued to in part compensate and equalize this loss of earnings during the war as compared with those who remained in civil pursuits, and payment to us was delayed for 27 years after the war, while the civilians had earned and received their wages currently during the war and have long since had extra compensation, etc., since the war, even long prior to the authorization of these certificates; hence the certificates, but not payment of the recognized thing to be done by us by the Government.

7. Veterans since the war have not received an equal chance at employment, but rather have actually been discriminated against in private and other employment and pursuits.

8. There was no havoc or hardship, as predicted, from the payment of one-half of these certificates, and there is no merit or reason in the bogus cry now that such would be the case following the present payment in full thereof.

9. It is generally known that these certificates do not include 7 years' interest from the termination of the war to 1925 in our favor, and this is enough to take care of the accrued interest and therefore just that the interest earned in these advances should be waived.

10. This relief will enable the majority of the veterans to buy for their dependents much needed necessities, such as clothes, food, medicine, and relieve their sufferings, make payments of debts for such purposes already incurred, and obtain relief from other embarrassing circumstances. There are very few not in such unfortunate conditions.

11. This would not work any special privilege in our favor, because there are very few classes of people or industries and commerce who have not already been the recipients of governmental bounty, loans, and other relief since the World War, during past and this administration; in fact, the armed forces have actually received less per capita costs in all such benefits, while they took the greater risk, that of their health, lives, and usual opportunities of peace and war, besides their actual suffering during the war and since from injury to health, loss of lives, discrimination in post-war life in the lack of equal opportunities to be self-supporting, and the same other hazards of life as all others.

12. This relief should in no wise be discounted as against those who were not in actual combat or overseas, because most of those were forced against their will to serve where commanded, despite their cravings to be at the front.

13. There is no assurance that the country will be better able to pay these certificates in full 11 years hence than now; besides it is unjust for the country to profit off the certificates as it was intended originally for this matter to be handled by banking institutions as to loans and advances, and 7 years' interest was negligently taken from the face of the certificates, which is to say the least unjust, despite the adage that the king can do no wrong.

14. This action would be in keeping with the spirit and keeping with the preelection campaign pledges of the present administration when the country was unquestionably in more dire circumstances than at present.

15. We have supported not alone this administration as loyally as any one, also at all times we have been even more loyal to our Government since the war than prior, and in this spirit no one dare deny we will ever continue.

16. We have sacrificed as much under the economy law to balance the Budget and maintain the credit of the Nation as any others according to our ability, if not more; besides which we are and have borne an equal per capita cost of all relief and extraordinary and ordinary measures for the support of the Government and the general and usual brunt of all things in general.

17. This action would greatly increase the buying, directly and indirectly, of capital goods which has been very slow to respond to all that has been done, and provide an immediate stimulus of money flow, circulation, and commerce, more so perhaps than anything else yet has caused instantly.

18. The death rate or mortality among us is very great, growing more rapid, and we believe that we can personally spend and supervise its spending in life to better advantage these funds to our dependents and selves; besides we wish and deserve that privilege, and rather do so than to linger and die with the fear that after we are gone these certificates may never be paid to our loved ones. There is no guaranty that the latter may not happen.

19. We believe the service organizations are without the authority to bind our individual rights universally, from lack of numerical strength and otherwise, to bind us universally so as to debar us this right of petition to our Government.

20. We cannot see how the public can at this time with good grace fairly and justly object to the grant of this petition and action.

21. We believe that this petition universally represents the wishes of our friends, all those who aspire to have a real, considerate understanding of our present problems and those of the past of our dependents and of the veterans generally throughout the country.

Very respectfully submitted.

CHAS W. ANDERSON AND OTHERS.

GAMBLING AND USE OF OPIUM IN MANCHURIA

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the RECORD and to lie on the table a statement which Mr. Stuart Fuller, of the State Department, read before the opium advisory committee of the League of Nations concerning the evils of the opium traffic. With conditions growing worse in asiatic lands in respect to this menace, we must be on our guard in this country against the importation of dangerous narcotics.

There being no objection, the statement was ordered to lie on the table and to be printed in the RECORD, as follows:

ADDRESS BY STUART FULLER, OF THE UNITED STATES STATE DEPARTMENT

As is well known, the evils of opium and gambling have long constituted a deep-rooted social problem in Harbin and northern Manchuria. It is also well known that for years the production of opium has been intricately involved with the wide-spread banditry obtaining in that area.

The following quotations from a statement made by a gentleman who has lived in China for nearly 24 years, who has been a resident of Harbin for 10 years past, and who has no connection with any consular or diplomatic establishment, may be of interest. This gentleman's work affords him wide contact with the local Chinese population, and his statements are not only based on first-hand information but are considered reliable and well informed:

"While it is true that under the old government there was much illicit use of opium, morphine, and other drugs, and also considerable secret gambling, I regret to say that since the legalizing of opium and gambling these forms of vice have greatly increased in Harbin and northern Manchuria.

"There has been such a tremendous increase in the cultivation of the poppy that it is quite impossible for the government to control the sale and use of opium. In many of the places which I visit throughout north Manchuria, to judge from the amount of opium that is sold, the large number of opium shops, and the great number of gambling hells that have been opened, one would be led to believe that opium and gambling constitute the principal business of those towns. I am glad to say that in recent months there has been a little improvement in Harbin, but the sale and use of opium still continues on a large scale, and what is worse, many young people are taking to this vice. I know this to be a fact, because I have visited many of the opium dens and there have found young men and women whom I know. These young men and women state that it is only since the opening up of these legalized opium dens that they have taken up the use of opium. Before opium was legalized those who sold the drug charged much higher prices than those demanded for smoking at the present time. Now opium is much cheaper and it is as easy to obtain a smoke as to get a cup of tea.

"Never before during my long residence of more than 20 years in China have I heard of opium shops where men were permitted to stand at the door for the purpose of inviting the people to come in and smoke. I have heard these runners call out on the streets that opium is a panacea to cure every ill. Many go in to learn how to smoke not only because of the temporary pleasure which they may derive from the drug but, unfortunately, under the delusion that opium will cure their ills.

"Previously there were no young women in these opium dens, but now these shops have been made attractive and young women, prostitutes, are employed in them to encourage the young men to come in and smoke.

"On a number of occasions I have been told by local Chinese that Koreans and Japanese are also taking up the use of opium.

"When a man becomes addicted to opium and has used up all of his money, he usually does one of two things: He may resort to the use of morphine or he may become a bandit. If he resorts to morphine, this soon drags him to the very bottom of human existence, until he is thrown out upon the streets eventually in the winter, to be carried off a frozen corpse and thrown beyond the bounds of the city for his body to be devoured by the dogs. If he becomes a bandit, he uses any method open to him to extract opium or money from the people. Many of these opium addicts go into the country districts because there, through banditry, they are enabled to rob the people of opium or of the money with which opium may be obtained.

"During the winter months anywhere from five to a dozen human bodies, morphine addicts, are picked up frozen on the streets of Harbin and are carried away as so much refuse. They are the bodies of men and women whose lives have been ruined. These people, created in the image of God, might have grown to be respectable, honorable citizens, but instead they have been destroyed mind, body, and soul. These people began as opium addicts and ended up with morphine. It is now so easy to obtain a morphine injection and these injections may be had for such a small sum that these poor, weak, dejected people take to the use of morphine as a duck takes to water. In our city these morphine dens can be found everywhere. I have talked with some of the proprietors of these dens. They explain that this is their way of making a livelihood, and state that they are not concerned with the people whose lives are destroyed but are out to make money in any way that they can. It is hard for me to understand why these people are permitted to continue in this nefarious traffic and to conduct these morphine dens where hundreds of lives are being destroyed."

REPORTS OF COMMITTEES

Mr. HALE, from the Committee on Naval Affairs, to which was referred the bill (S. 1844) for the relief of James Foy, reported it without amendment and submitted a report (No. 1211) thereon.

Mr. KEAN, from the Committee on Naval Affairs, to which was referred the bill (S. 504) to authorize the Secretary of the Navy to make a long-term contract for a supply of water to the United States naval station at Guantanamo Bay, Cuba, reported it with amendments and submitted a report (no. 1212) thereon.

Mr. THOMAS of Utah, from the Committee on Military Affairs, to which was referred the bill (S. 3595) to restore to the public domain portions of the Jordan Narrows (Utah) Military Reservation, reported it without amendment and submitted a report (No. 1214) thereon.

GEORGE E. Q. JOHNSON—REPORT OF CLAIMS COMMITTEE

Mr. LEWIS. I tender a report from the Committee on Claims, with an amendment, on House bill 4460, to provide for the payment of compensation to George E. Q. Johnson, and I submit a report (No. 1213) thereon. I do so at the request and on behalf of the able Senator from Mississippi [Mr. STEPHENS].

It is a report following the recommendation of the Attorney General, and the passage of the bill by the House, favoring the payment of compensation to George E. Q. Johnson, a district judge for the northern district of Illinois, of Chicago, who passed out of office, his tenure under the law terminating, and this bill is for the payment of salary due him.

I tender the report, and ask to have it take such course that I may call it up later for action, without disturbing the program as now arranged.

The VICE PRESIDENT. The report will be placed on the calendar.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WAGNER:

A bill (S. 3704) to amend section 865 of the Revised Statutes of the United States; to the Committee on the Judiciary.

By Mr. CAREY:

A bill (S. 3705) to extend the boundaries of the Grand Teton National Park in the State of Wyoming, and for other purposes; to the Committee on Public Lands and Surveys.

By Mr. LONERGAN:

A bill (S. 3706) authorizing improvement of the Connecticut River between Saybrook and Hartford, Conn., for navigation purposes; and

A bill (S. 3707) to provide for a preliminary examination of the Connecticut River, with a view to the control of its floods and prevention of erosion of its banks in the State of Connecticut, and for other purposes; to the Committee on Commerce.

By Mr. DAVIS:

A bill (S. 3708) for the relief of Samuel Shenkman; to the Committee on Military Affairs.

By Mr. DAVIS (for Mr. REED):

A bill (S. 3710) to provide sick leave for certain civilian employees of the United States Government; to the Committee on Expenditures in the Executive Departments.

A bill (S. 3711) to extend the time limit for filing claim for emergency officers' retirement pay; to the Committee on Military Affairs.

A bill (S. 3712) to authorize the appointment of Joseph W. Cavanagh, former lieutenant, Supply Corps, United States Navy, to such grade and rank on the active list, and for other purposes; to the Committee on Naval Affairs.

A bill (S. 3713) granting a pension to Anna M. D'Autrechy; and

A bill (S. 3714) granting an increase of pension to Florence G. Miller; to the Committee on Pensions.

By Mr. HAYDEN:

A joint resolution (S.J.Res. 130) to amend section 72 of the Printing Act, approved January 12, 1895, and acts amendatory thereof and supplementary thereto, relative to the allotment of public documents, and section 85 of the same act fixing the date of the expiration of the franking privilege to Members of Congress; to the Committee on Printing.

ESTABLISHMENT OF UNEMPLOYMENT RELIEF FUNDS

Mr. HEBERT introduced a bill (S. 3709) to encourage the establishment of unemployment relief funds for employees, which was read twice by its title and referred to the Committee on Finance.

Mr. HEBERT subsequently said: Mr. President, earlier in the day I introduced a bill to encourage the establishment of unemployment-relief funds for the unemployed. I have in mind a similar measure presented here a short time ago by the Senator from New York [Mr. WAGNER]. The Senator from New York and I were members of a committee investigating unemployment insurance. We made rather an extensive investigation of the subject in 1931. We differed in some respects, particularly as to the method of procedure, but we did not differ as to the need for the establishment of some form of unemployment reserves. The Senator from New York has incorporated his ideas in a measure which is now pending in the Senate. I have tried to do likewise with the measure which I have introduced and to which I now refer.

I ask unanimous consent to have this bill printed in the RECORD for the information of Senators.

The VICE PRESIDENT. Without objection, it is so ordered.

The bill is as follows:

[S. 3709, 73d Cong., 2d sess.]

A bill to encourage the establishment of unemployment relief funds for employees

Be it enacted, etc.—

SECTION 1. When used in this act, the term—

"Employer" shall mean any person, partnership, association, corporation, or the legal representative, trustee in bankruptcy, receiver, or trustee thereof, or the legal representative of a deceased person, who or whose agent or predecessor in interest has, within each of 20 or more calendar weeks in the taxable year, employed at least 10 persons, except that the term "employer" shall not include the Federal Government, the government of the several States, municipal corporations, or other governmental instrumentalities.

"Employee" shall mean any person employed by an employer subject to this act, except that for the purposes of this act "employee" shall not include—

(1) an agricultural laborer;

(2) domestic servant;

(3) a teacher in any school, college, or university for the regular annual term for which such school, college, or university is in session;

(4) a physician, surgeon, interne, or nurse in a hospital, sanatorium, or other similar private endowed institution not operated for profit;

(5) a physically handicapped person employed by an institution financed largely by charitable donations and organized not for profit but primarily for the relief and rehabilitation of such handicapped persons;

(6) the father, mother, spouse, or minor child of the employer;

(7) an employee in the service of a common carrier subject to the provisions of the Emergency Railroad Transportation Act of 1933 (48 Stat. 211).

"Contributions" shall mean the amount which the employer has paid for the taxable year to an unemployment fund, but shall not include any amounts deducted from wages or contributed by employees.

"Unemployment fund" shall mean any unemployment compensation fund or reserve, or unemployment insurance fund or reserve, or guaranteed employment fund or reserve to which the employer contributes.

SEC. 2. Any employer who has paid contributions to an unemployment fund may deduct from income in the computation of his taxes, under the internal revenue law, an amount equal to such contributions paid during the taxable year.

SEC. 3. No deduction may be made, as provided in section 2 of this act, unless the Secretary of Labor has made a finding of fact within the taxable year that the unemployment fund to which the employer paid contributions, conforms to the following conditions:

(a) The unemployment fund shall consist of reserves set up for each employee individually, to be paid each employee as a matter of right during any period of temporary unemployment under such conditions as the trustees of the fund may determine. Upon the definite termination of his employment with his employer each employee shall be entitled to receive any portion of the reserves then remaining in his name and unpaid.

(b) The unemployment fund shall be in the exclusive name and control of trustees to be chosen by employers and employees, or of any agency of a State or of the Federal Government duly constituted for the purpose.

(c) There shall be a right of review before an impartial board whenever a dispute arises as to the distribution or administration of the funds.

(d) No provision of this act shall be construed as to prevent the participation by employees and/or the government of any State in contributing to any unemployment fund.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred or ordered to be placed on the calendar, as indicated below:

H.R. 1646. An act to promote safety on the streets and highways of the District of Columbia by providing for the financial responsibility of owners and operators of motor vehicles for damages caused by motor vehicles on the public highways in the District of Columbia; to prescribe penalties for the violation of the provisions of this act; and for other purposes;

H.R. 6037. An act to exempt from taxation certain property of the National Society of the Sons of the American Revolution;

H.R. 6130. An act to prevent misrepresentation and deception in the sale of milk and cream in the District of Columbia;

H.R. 8517. An act to provide for needy blind persons of the District of Columbia;

H.R. 9007. An act to amend section 11 of the District of Columbia Alcoholic Beverage Control Act;

H.R. 9143. An act providing educational opportunities for the children of soldiers, sailors, and marines who were killed in action or died during the World War;

H.R. 9184. An act to authorize the Commissioners of the District of Columbia to sell the old Tenley School to the duly authorized representative of St. Ann's Church of the District of Columbia; and

H.R. 9622. An act to amend subsection (a) of section 23 of the District Alcoholic Beverage Control Act; to the Committee on the District of Columbia.

H.R. 2035. An act for the relief of Jennie Bruce Gallahan;

H.R. 9180. An act relating to the incorporation of Columbus University of Washington, D.C., organized under and by virtue of a certificate of incorporation pursuant to the incorporation laws of the District of Columbia as provided in subchapter 1 of chapter 18 of the Code of Laws of the District of Columbia; and

H.R. 9400. An act to exempt from taxation certain property of the American Legion in the District of Columbia; to the calendar.

RECOMMITTAL OF A BILL

On motion of Mr. COPELAND, the bill (S. 3553) to provide for the creation of a commission to examine into and report the clear height above the water of the bridge authorized to be constructed over the Hudson River from Fifty-seventh Street, New York, to New Jersey, was taken from the calendar and recommitted to the Committee on Commerce.

AMENDMENT OF REVENUE ACT OF 1932

Mr. COPELAND submitted an amendment intended to be proposed by him to the bill (H.R. 9234) to amend section 601 (c) (2) of the Revenue Act of 1932; which was referred to the Committee on Finance and ordered to be printed.

NATIONAL INDUSTRIAL ADJUSTMENT BOARD—AMENDMENTS

Mr. WAGNER submitted amendments intended to be proposed by him to the bill (S. 2926) to equalize the bargaining power of employers and employees, to encourage the amicable settlement of disputes between employers and employees, to create a National Labor Board, and for other purposes, which were ordered to lie on the table and to be printed.

RECIPROCAL TARIFF AGREEMENTS—AMENDMENTS

Mr. HASTINGS submitted several amendments intended to be proposed by him to the bill (H.R. 8687) to amend the Tariff Act of 1930, which were ordered to lie on the table and to be printed.

FIGHTING FOR PEACE

Mr. COPELAND. Mr. President, I ask unanimous consent to have printed in the RECORD an address by Mr. Frank E. Gannett, head of the Gannett newspapers. This is a valuable contribution to the cause of world peace. It was a radio talk given for the International Committee of the Young Men's Christian Associations in New York City on March 14, 1934.

The PRESIDING OFFICER. Is there objection?

There being no objection, the address was ordered to be printed in the RECORD, as follows:

FIGHTING FOR PEACE

A SECRETARY OF PEACE IN UNITED STATES CABINET

By Frank E. Gannett

There is no occasion for me to speak against the horrors of war or its tragic ineffectiveness and even futility. It is trite but true to say that war never settled any problem.

I doubt if any person listening this afternoon would venture to speak up in praise or defense of war. Everyone wants peace. No one likes legalized murder. No sane, normal person wants to kill his fellow man. And yet as we sit securely in our homes today, preparations for war go forward. We are told every day that another great war is inevitable. In the Far East the situation is tense. The nations of Europe seem ready to spring at one another's throats. The slightest incident might provoke another world conflict.

We of America may say we would not be involved. Yet most men who know how wars are made, and know their ramifications, believe it would be impossible for America to stand on the sidelines if even a substantial portion of the world should enter the arena for armed conflict.

TALK IS USELESS

Talking against war will not prevent it. If we could talk war to death, the grim champion of Mars would long ago have been sealed in his tomb for eternity. Developing military and naval strength cannot end war. History has yet to show a single instance where preparation for war has prevented it. Was there ever a more devastatingly efficient fighting machine than Germany developed under the Kaiser? Instead of preventing war, it was perhaps the chief cause of the titanic world struggle for which we of this generation and generations yet unborn, must pay in gold, in peace of mind, and in shattered health.

I recall being in Hong Kong in 1899. In the harbor lay a fleet of British warships and several German vessels. The men of the two fleets met ashore. The Germans proposed a toast to "Der Tag", the day Germany would fight Great Britain. A free-for-all fight followed in which many Germans and British were injured. This was 14 years before the World War broke out, but the World War was being bred. Disarmament conferences do not prevent war; least of all does sparring by the great powers over the kinds of armaments, defensive or offensive, each nation may possess. Never was such a conference entered into with entire good will on all sides. Each nation, instead of honestly seeking peace, has maneuvered for military or naval advantage for itself.

I am sure that the hearts of many listeners burned as did mine when they recently read in a current magazine of what has gone on behind the scenes at some of the disarmament conferences.

VENDORS OF WAR

Almost unbelievable seem the disclosures made in this magazine article. Can it be possible that not only were lobbyists for munitions makers skulking about these conferences but that some of the delegates themselves were stockholders and even directors of the great armament firms?

Yet so this article declared. It pointed out also that it cost about $25,000 to kill a soldier during the World War and added: "The important point is that every time a burst shell fragment finds its way into the brain, the heart, or the intestines of a man in the front line, a great part of the $25,000, much of it profit, finds its way into the pocket of the armament maker."

Again I say, disarmament conferences can never end war.

Nor can diplomatically worded treaties entered into by great nations against war prevent conflict. Such treaties too often are full of weasel words. They are effective only until some nation, for trivial cause or great, wishes to fight.

If talk against war, arming for war, conferring on armaments, treaties against war, cannot bring peace, must we despair of ever achieving it?

I am an optimist. I don't think we need despair of peace; that we need reconcile ourselves to these periodic conflicts in which mankind goes berserk and forgets and stifles all the humanitarian impulses which it has slowly developed as it has emerged from primitive savagery.

What we want, then, is not opposition to war, but definitely planned and organized promotion of peace.

For years I have argued that if the smallest fraction of the money spent in preparation for war were used in the promotion of international peace, we soon could bring about actual disarmament of the world and take off the backs of suffering mankind the unbearable burden imposed by martial preparations.

SECRETARY OF PEACE

Is it any wonder we have wars, when we consider the governmental set-up of all nations? Every nation has its department of war, the business of which is to prepare for war and to make war. Has any nation a department of peace, whose business it is, not to make war but to make peace?

So this afternoon I venture definitely to suggest that America should take the lead in setting up a department of peace, with a Cabinet officer at its head, on a par in authority and influence with all other Cabinet members. Other nations, I believe, would be forced to follow us. We could then develop an international peace conference entirely apart from other international bodies but cooperating heartily with them. This council would be constantly striving not to prevent war but to bring about better international relations.

Of course, I am not venturing today to outline a definite program for America's department of peace, nor am I nominating a Cabinet officer to head this department. But surely it requires no great imagination to suggest some of the functions of such a department.

Without entering into a discussion of a controversial subject, I am convinced all wars are due to economic pressure, to ambition, or to carefully fostered national hatreds.

International economic problems are complex and require intense study and consideration. But I believe they can be settled around the table just as business men in competing lines often settle their difficulties for the benefit of all.

Our present manner of dealing with an economic situation is for the strongest nation to grab what it can get, thus breeding ill feeling and friction which lead inevitably to war.

HIS FIRST TASK

Here, then, is the first place that our department of peace could function.

As a newspaper man, I believe in the tremendous power of publicity. I don't like the word "propaganda", since it suggests adroit and undercover manipulation of public opinion. Propaganda is shoddy publicity. Honest publicity includes information through the news columns, advertising of all kinds, editorial opinions, graphic presentation, conveyed by newspaper, book, radio, or motion-picture screen.

I have come to believe that advertising can accomplish anything. Why can't it prevent war, instead of making war? Every day we see the power of advertising in selling ideas to the public.

A manufacturer with adequate funds can change the thinking of millions in regard to his product by using the printed page effectively.

We now have the radio, which leaps over national boundaries to every corner of the world.

You will recall how, near the close of the World War, President Wilson used airplanes to distribute pamphlets to the Germans, acquainting them with the truth of the situation.

Today radio can accomplish a job like this much easier and more effectively.

What a powerful medium would the secretary of peace find in these great agencies of the printed word, the radio, and the motion picture! He would not seek to manipulate them under cover, but would enlist the cooperation of the men controlling them so that they might be used, frankly and openly, for bringing about better understanding between nations. No longer would printed word and picture hold up national characteristics to ridicule and scorn. Then men, women, and children of the nations would come to know each other as they really are.

YELP FOR SECRETARY

Think again of what the secretary of peace and his department, having the weight of a Government agency, could accomplish through the Boy Scouts, the Girl Scouts, and similar organizations of youth by arranging pilgrimages to and from other countries—yes, and at Government expense. We could make no better investment in world peace than to make it possible for the boys and girls of the world to know and understand one another.

While riding in the New York subway, I have often thought that in this great city, in a comparatively small space, we have a marvelous cross section of the peoples of the world. These live in peace, get along well together, like each other, intermarry, go into business together, and live exactly on the same basis as the people of any individual nation. They find there is little basic difference between the men from one country and from another country. They know it would be silly, even if it were permitted, to go about fighting with this individual or that merely because he happened to come from a country that had a different flag.

Is this not abundant proof that, given an agency like the department of peace, similar understandings could be fostered between the peoples of the earth, even though they are not living together in close physical contact as in a great city like New York?

If time permitted, I might go on at length to suggest other opportunities for promotion of peace through such a department and such a Cabinet officer as I have suggested.

As Dr. John R. Mott, that great world citizen, talked to me the other day about the work of the Y.M.C.A. throughout the world, I was tremendously impressed with what this organization is doing in promoting peace and understanding. Men in southern Africa understand the Y.M.C.A. of the United States and of England and of Germany. They have, these Y.M.C.A. members, not hatred and

bitterness, but love and admiration for each other, and this spirit is being spread throughout the world.

The work of Dr. Mott through the international Y.M.C.A. has accomplished more than can ever be measured in promoting friendly international relationships.

This man of great soul, known in every city, village, and hamlet in the world where there is a Y.M.C.A., has been carrying out unofficially the very idea I have in mind.

EFFECTIVE AGENCY

But how much more could be accomplished by a Government agency, properly financed, with the authority back of it of a great Nation like the United States, with an army of workers instantly applying corrective measures to every cause of ill will that might develop anywhere in the world.

There is nothing in the whole world more important than peace. Millions of men would give their lives gladly to promote it. Many millions went into the World War feeling that it was a war to end war, and yet we find that the war left behind it more problems than it undertook to solve. These problems have in them the germs of more wars instead of peace.

With peace the most important thing in the world, why cannot our Government and every other government in the world unite in a great effort along new and constructive lines for promoting peace?

We have learned that might does not make right; that arming a nation does not prevent war.

It may be wise for a nation to protect itself, but it would be still wiser for a nation to promote international friendship and brotherly love, so that there would be no need of military protection.

Why can't the whole world live in peace, as citizens from all parts of the world live side by side in peace in this country?

In concluding, let me repeat: We shall achieve world peace not by fighting war, not by preparing for war, but only by demanding and embarking on a definitely planned program of peace. We must, if you will pardon what seems a contradiction in terms, fight for peace with as much effort and determination—yes, and what is equally important—with as liberal financing as we have always shown in preparing for armed conflict.

RECIPROCAL-TARIFF AGREEMENTS

The Senate resumed the consideration of the bill (H.R. 8687) to amend the Tariff Act of 1930.

Mr. GEORGE. Mr. President, the bill under consideration is designed to combine two basic features:

First. A policy of tariff bargaining, first introduced in section 3 of the Tariff Act of October 1, 1890, and further extended in section 3 of the Dingley Tariff Act of July 24, 1897, which authorized the President to negotiate "commercial agreements in which reciprocal and equivalent concessions may be secured in favor of the products and manufactures of the United States."

Second. The policy of permitting the Chief Executive to rationalize and adjust the basic duty rates within a 50-percent range in order to achieve the objective and carry out the policy of the Congress as stated in the particular legislation. This feature of flexibility through Presidential action was introduced in sections 315, 316, and 317 of the Tariff Act of 1922 and was reenacted in sections 336, 337, and 338 of the Tariff Act of 1930.

The first feature of the bill has been objected to upon the ground that tariff bargaining by Executive agreement is in abrogation of the constitutional power of the Senate to ratify treaties with foreign nations. It is said that the agreements which the President is authorized to enter into under the bill are not in fact Executive agreements but are properly treaties requiring the ratification of the Senate.

The well-recognized distinction between an Executive agreement and a treaty is that the former cannot alter the existing law and must conform to all prior statutory enactments, whereas a treaty, if ratified by and with the advice and consent of two-thirds of the Senate, itself becomes the supreme law of the land and takes precedence over any prior statutory enactments.

If the contemplated agreements to be effective should require Senate ratification, there would be no need for the proposed legislation, inasmuch as the President would then simply negotiate a treaty which, if ratified by the Senate, would itself have the effect of changing the tariff rates. However, in the present bill, the Congress proposes to change the prevailing tariff law so that the proposed Executive agreements may be made in harmony with the revised law. This is a fundamental distinction and answers the question as to why the bill is here. A mere Executive agreement can be made by the President without the consent of Congress. It is equally true—and the fact demonstrates beyond all question the real nature of the agreements—that the agreements contemplated in the present bill could not be made effective by the President without prior congressional authorization.

The distinction between treaties and Executive agreements rests on more than a technical difference. It rests upon a fundamental theory of government. The Constitution places a check upon the President's power to enter into treaties by imposing the requirement that the advice and consent of the Senate by a two-thirds vote must be obtained. But no such extraordinary requirement exists with respect to commitments with foreign governments when such commitments give effect to the will of the people as expressed by previous acts of Congress. The only question which can arise is the validity of the particular act. The two-thirds rule obviously is designed as a check, not on the power of Congress, but on the power of the President.

A commitment to a foreign government can be effective as domestic law without approval by a two-thirds vote of the Senate. From the beginning of our national history down to the present day, the Executive, acting in conformity with previous acts of Congress, has entered into Executive agreements with foreign nations without obtaining the approval of the Senate by a two-thirds vote, and such agreements have been recognized and held valid by the courts.

I repeat, the only question that can arise on this branch of the legislation is the validity of the particular act of Congress which it is now sought to enact, giving to the President the power and authority to negotiate Executive agreements. It has been asserted that the second feature of the bill, whereby the President is permitted to adjust rates within a 50-percent range, is an improper and illegal attempt to delegate the legislative and taxing powers of the Congress. The question arises: Is not the making of a tariff a legislative power? The obvious answer is yes, and Congress in the proposed bill is exercising that very power. In the true sense of the word tariff making is a legislative power. But from this, in the light of the decisions of the Supreme Court, it does not follow that the only way in which Congress can make the tariff is by prescribing every detail of its operation and every rate for each article imported. Indeed, a study of the tariff acts reveals that exactly the contrary is true, for in not one of the tariff acts has Congress ever undertaken to prescribe every detail of the operation of the act itself and every rate for each article imported.

The fact is that the Congress from the earliest days has recognized that in the regulation of such a matter as foreign commerce, wherein nice adjustment and flexibility is necessary, due to changing domestic conditions and changing governmental attitudes and actions abroad, it has often proved necessary to invoke the assistance of some central, compact authority which could from time to time exercise a rationalizing judgment. Under our system of government Congress has naturally turned to the Chief Executive to meet this need.

The Supreme Court of the United States has shown itself to be aware of this need. On two notable occasions the Court has been called upon to decide whether acts of Congress improperly delegated the tariff-making power to the President. In both of these instances the Court has availed itself of the opportunity to speak directly to the point. In *Field* v. *Clark* (1892) (143 U.S. 649) the Court said, on page 691:

> * * * In the judgment of the legislative branch of the Government, it is often desirable, if not essential, for the protection of the interests of our people against the unfriendly or discriminating regulations established by foreign governments in the interests of their people, to invest the President with large discretion in matters arising out of the execution of statutes relating to trade and commerce with other nations.

That this is true is evidenced by many previous enactments of Congress. From time to time the Congress has authorized the President—

First. To lay embargoes on ships and vessels (act of June 4, 1794).

Second. To remit and discontinue restraints and prohibitions prescribed by Congress with respect to commercial intercourse (acts of Feb. 9, 1899, and Dec. 19, 1806).

Third. To revive restrictions and prohibitions with respect to commercial intercourse previously removed (acts of Mar. 1, 1809, and May 1, 1810).

Fourth. To declare the repeal of acts imposing duties on the tonnage of ships and vessels and on goods, wares, and merchandise (acts of Mar. 3, 1815, and May 31, 1830).

Fifth. To suspend the free entry of specified articles and to enter into executive agreements for the free introduction of such articles on a basis of reciprocity (act of Oct. 1, 1890).

Sixth. To enter into commercial agreements granting reciprocal and equivalent concessions, and to suspend by proclamation the imposition and collection of duties provided for by Congress (act of July 24, 1897).

Seventh. To grant minimum rates prescribed by Congress on imports (act of Aug. 5, 1909).

Eighth. (a) To lower or raise duties to equalize cost of production; (b) to exclude articles from importation on grounds of unfair competition; (c) to specify and declare new and additional duties when discrimination against American products is found to exist (acts of Sept. 21, 1922, and June 17, 1930).

The granting of such powers to the President has been consistently upheld by the courts. Enactments such as these show the development of reliance on executive action for adjustments to meet current conditions and contemporary practices of other nations.

Mr. COSTIGAN. Mr. President——

The PRESIDING OFFICER (Mr. COPELAND in the chair). Does the Senator from Georgia yield to the Senator from Colorado?

Mr. GEORGE. I do.

Mr. COSTIGAN. Has the able Senator from Georgia emphasized the fact that the earlier statutes cited by him are particularly significant, in that they were passed through the Congress by men who had much to do with framing the Constitution?

Mr. GEORGE. I thank the Senator for his observation; and I think the recitation of the fact is quite sufficient to give emphasis to the thought he has in mind. I had not especially emphasized that fact. The dates of the acts themselves, of course, disclose that they came early after the establishment of the Government under the Constitution, when many of those who participated in framing the Constitution were, of course, actual participants in much of the legislation passed.

Mr. President, I digress to emphasize one thought upon this phase of the question, and that is that the only question which can legitimately arise is whether or not an Executive agreement is authorized by a valid act of the Congress. If it is, that is an end to the question so far as any infringement upon the treaty-making power of the Senate as a branch of the Congress is concerned.

The second question is the important question in this particular legislation..

I desire now to consider in some detail the decision of the Supreme Court in the case of *Hampton Co.* v. *United States* (1928) (276 U.S. 394), a case often referred to in this debate. This case arose under section 315 of the Tariff Act of 1922, which section was reenacted in substance in section 336 of the Tariff Act of 1930. The issue raised in this case involved the question of the constitutionality of the so-called "flexible tariff provision", upon which depended the authority of the President to proclaim an increase of 2 cents per pound in the duty fixed by Congress.

It was contended that the flexible tariff provisions of section 315 were invalid as an improper delegation of the taxing power reserved to Congress by the Constitution. The Court, by unanimous decision, rejected this contention. The rule governing such questions was stated in the opinion by Mr. Chief Justice Taft, at page 409; and I invite particular attention to the ruling made in that case, not to what was said by way of argument in the subsequent discussion of the principle laid down:

> If Congress shall lay down by legislative act an intelligible principle to which the person or body authorized to fix such rates is directed to conform, such legislative action is not a forbidden delegation of legislative power.

Note—

> If Congress shall lay down by legislative act an intelligible principle to which the person or body authorized to fix such rates is directed to conform—

such legislation is valid, said the Court.

The soundness of the decision in the Hampton case is a question upon which I have spoken, and I retract not one whit from what I have previously said in this body in the discussion of that case so far as my personal views are concerned; but we are here concerned, not with our views of the Constitution, but with what the Constitution is as interpreted by the Supreme Court. "If Congress shall lay down * * * an intelligible principle", says the Court, such legislation is valid. Now, let me ask, What intelligible principle can be laid down as a predicate upon which reciprocal tariff agreements can be made by this country with any other country aside from the intelligible principle stated in this bill?

I cannot imagine the predication of power upon any honest principle, freely and fairly and openly declared, save the one recognized in this bill as the basis of the authority to the President. I am not now discussing the desirability or the advisability or the wisdom of bargaining tariff making through Executive agreement. I am discussing the question involved in this bill; to wit, What intelligible principle can be the foundation for the exercise by the Executive of the power which this bill seeks to give him, save the expansion of our foreign commerce?

We need not be confused by mere formula. We need not be confused by uncertainty of criterion. That is not the test which the Supreme Court in the Hampton case recognized. The validity of the flexible provision of the Tariff Act of 1922 was made to depend upon the declaration by the Congress of an intelligible principle for the guidance of the Executive in making or changing tariffs. I ask again, and let it be answered, Assuming that tariff bargaining by Executive agreement is desirable and necessary, what intelligible principle can be laid down save the purpose of expanding American commerce? That is the basis and the only reason and only excuse for tariff alteration or change by executive agreement.

The Court further found the intention of Congress to be clear; that is, the intention of Congress as expressed in the flexible provisions of the Fordney-McCumber Tariff Act. I quote again the words of Chief Justice Taft:

> Its plan was to secure by law the imposition of customs duties on articles of imported merchandise which should equal the difference between the cost of producing in a foreign country the articles in question and laying them down for sale in the United States, and the cost of producing and selling like or similar articles in the United States, so that the duties not only secure revenue but at the same time enable domestic producers to compete on terms of equality with foreign producers in the markets of the United States.

The objectives of Congress are thus explicitly interpreted by the Court to be the establishment of duties which will (1) secure revenue in fact as well as in theory, and (2) regulate commerce so as to enable the domestic producer to compete on equal terms in the home market with the foreign producer so far as costs of production are concerned. Both of these objectives were approved by the Court as being within the proper field for regulation by Congress.

Before passing to the Court's treatment of the principles and plan established by Congress for the realization of these objectives, it is of interest to compare the objectives of the present bill. The sharply altered condition of world trade, and particularly the perilous situation of our own export trade, upon which the objectives of the present bill are predicated, are well known.

Upon this point I wish to make use of a map, merely for the purpose of stating the facts disclosed by the map, pre-

pared by the American Manufacturers' Export Association. The facts, however, are based upon official figures.

The total exports of certain important enumerated articles in 1929 from all the States of the Union amounted to $5,146,000,000. In 1932—and the condition has not greatly improved since the end of 1932—the total exports of the same important commodities or products amounted to only $1,576,000—an actual loss in our exports of these important articles and products of $3,570,000.

Let us see how impressive the figures become when we apply them to States. Let us take, first, the State of New York. The total exports from that State of textiles, automobiles and parts, undressed furs, flour, books, maps, and printed matter, in 1929, amounted to $957,000,000; in 1932, to only $248,000,000, showing a loss in exports of the products of that State of $709,000,000.

Let us take next the State of South Carolina. The exports from that State of cotton, tobacco, textiles, lumber, and asbestos, amounted, in 1929, to $28,000,000; in 1932, to $16,000,000.

Let us consider the exports of the State of Georgia. In 1929 the exports of cotton, naval stores, lumber, metals and manufactures, and tobacco, amounted to $71,000,000; in 1932, to only $23,000,000, showing a loss in exports of $48,000,000.

Let us take the State of Texas for illustration. The total exports from that great State of cotton, petroleum, sulphur, carbon black, and rice, in 1929 amounted to $658,000,000; in 1932, to only $300,000,000.

Let us take the State of California. The exports from that State of petroleum, fresh and dried fruits, barley, canned goods, in 1929 amounted to $380,000,000; in 1932, to $149,000,000, showing a loss in the exports of that great State of $231,000,000.

Allowing for some decline in the value of exports, the picture is unquestionably true on the whole.

Mr. COSTIGAN. Mr. President, will the Senator yield to me?

Mr. GEORGE. I yield.

Mr. COSTIGAN. I trust that the Senator from Georgia will include in his remarks a table setting out in detail the losses in exports annually, indicated by him, for each of the States of the Union.

Mr. GEORGE. I shall be glad to do that, but without stopping to recite them now.

(The table referred to is printed at the end of Mr. GEORGE's remarks.)

Mr. GEORGE. Mr. President, I now digress to say that from the dawn of civilization those nations which have recognized the value of foreign commerce have grown rich and prosperous; those which have recognized the desirability of living within themselves on their own fat, have fried in their own fat in the long run.

This Nation, I cheerfully concede, can more nearly live within its own borders than most other nations, let us say, as a matter of pride, than any other nation whose resources have been mobilized and organized up to this date; but as certainly as that the sun shines, if this Nation elects to live within itself, we will become a poor nation, relatively, because that is in keeping with all of the facts of the economic history of the world.

It has been said, and repeatedly said, that at most our exports have amounted to only 10 percent, or 9 percent, or 7 percent, of our total production; but I desire to say, with all of the emphasis in me, that those exports, nevertheless, have constituted the surplus money of this Nation, the surplus capital of the Nation, and they always will constitute the surplus capital of our Nation. They are multiplied in our domestic economy at least five times over, and we cannot forego them permanently without a loss of wealth in the United States and to the people of the United States.

Mr. COSTIGAN. Mr. President, it should also be added that the export business of the United States formerly directly or indirectly employed millions of Americans who are at this time reported unemployed.

Mr. GEORGE. The Senator is quite right. I meant to embrace that, of course without enumeration, in the declaration upon which I stand, that the export surplus, the value of the exports over and above the imports, our participation in foreign trade, are multiplied many times over in the domestic economy, and they enter into the prices of all our raw products and into the employment of labor in the United States.

Mr. President, going back to the words of the bill itself, I quote: "For the purpose of expanding foreign markets for the products of the United States"; and since it is a supplementary amendment to the tariff act, this bill has as its object also to provide revenue, which objective will be more fully realized under the plan of operation provided in the bill—"by affording corresponding market opportunities for foreign products in the United States."

There could be no doubt with regard to the constitutionality of the objectives of the bill before the Senate. This is made abundantly clear when we set these objectives beside the objectives of our tariff acts which have had the express approval of the Supreme Court itself.

After approving the legality of the objective of Congress in the Tariff Act of 1922, the Court examined principles and plans of operation provided by the Congress to realize these objectives. The Court found the intention of Congress to be clear in this respect also. Duties were to be so adjusted that they should equalize the difference between the costs of production abroad and at home, and in order to implement this policy, Congress invoked the assistance of the Chief Executive. With the assistance of the Tariff Commission, the President was authorized to raise or lower the basic tariff rates within a 50-percent range in order to equalize any difference between the costs of production of goods imported from abroad and those produced at home. In reply to argument of counsel to the effect that no definite formula had been laid down by Congress, inasmuch as it was impossible to ascertain the difference in costs of production with any degree of precision, the Court said, at page 404:

> It may be that it is difficult to fix with exactness this difference, but the difference which is sought in the statute is perfectly clear and perfectly intelligible.

Bear in mind, the test which the Court laid down in the Hampton case was not the certainty of criteria, was not the certainty of formulae, but the declaration of an intelligible principle, and they come back to it in the discussion of the formulae.

> But the difference which is sought in the statute is perfectly clear and perfectly intelligible.

Mr. CUTTING. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. CUTTING. Does the Senator really think that the definition given in the pending bill is perfectly intelligible? Does he really think that it is understandable to say that the President can act when restrictions are unduly restrictive? That is the language of the bill.

Mr. GEORGE. I think so, because in prior acts he was authorized to act when he found it to be in the public interest, and that particular power was upheld. I beg to remind the Senator that that was a legislative power as well as a delegation of the authority to change tariffs.

Mr. LONG. Mr. President, will the Senator yield?

Mr. GEORGE. Mr. President, I am speaking under a limitation of time; but if the Senator wishes to ask a question, I shall be glad to have him do so.

Mr. LONG. In the prior acts, however, Congress prescribed what the rates should be, and they allowed the President simply to place them in effect, as I understand.

Mr. GEORGE. Oh, yes; that is quite true.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. ROBINSON of Arkansas. In the interstate commerce act a rule was provided for the guidance of the Commission.

They were to ascertain and put into effect just and reasonable rates.

Mr. GEORGE. Exactly; it was provided as the Senator has pointed out.

Mr. ROBINSON of Arkansas. That was more general than the provision contained in the pending measure.

Mr. GEORGE. It is true that in the McKinley Act and in the Dingley Act the rate itself was prescribed by Congress, but the point I make is that it is equally legislative power to declare when the act shall become effective as it is to fix the rate itself. The act did not become effective upon the happening of an event about which there could be no dispute; it became effective when, in the public interest, the President found it necessary to put the rates prescribed by Congress into effect.

Mr. President, the Chief Justice went further in the Hampton case, and stated that the very impossibility of providing exact formulas for such desired adjustments in the basic duties was reason for invoking the assistance of the Chief Executive in the matter.

Permit me to quote his exact language again:

> Because of the difficulty in practically determining what that difference is, Congress seems to have doubted that the information in its possession was such as to enable it to make the adjustment accurately, and also to have apprehended that with changing conditions the difference might vary in such way that some readjustments would be necessary to give effect to the principle upon which the statute proceeds. As it was a matter of great importance it concluded to give by statute to the President, the chief of the executive branch, the function of determining the difference as it might vary.

Let me digress to say, Mr. President, that while the difference between the cost of production of a given article at home and abroad is the formula laid down in the flexible tariff act, and while the power to make that determination is in the President, as a matter of fact the difference between cost of production of a given article at home and abroad cannot be definitely determined, and it was upon that ground that I thought the flexible provision of the Tariff Act of 1922 should be held unconstitutional.

Moreover it not only cannot be ascertained, but it changes overnight, and any man with common sense and experience knows that it changes overnight. Even if at the given instance when the rate is declared that difference has been accurately ascertained, in the moment after the ink has dried upon the signature of the Chief Executive, it may again be changed and modified by rapidly changing conditions.

The act itself recognized that this difference could not be ascertained, because it went further, and provision is made that when the cost of manufacturing the article abroad cannot be ascertained then the President is to take what? Any necessary criterion fixing that cost? By no means. He is to take the American selling price of the particular article as it is landed in this country and sold in the open market, whatever may be the exigency and necessity of the foreign manufacturer who must sell upon our market, regardless of what it cost him to manufacture or produce his article.

I am not contending that the criterion or the formula laid down in the flexible-tariff provision is not more exact and definite than the broad criterion or the broad predicate upon which the President is authorized to act under the pending bill; but I ask, If tariff making is to be had by Executive agreement, if it is necessary or proper now or at any time, what criterion can be laid down, what honest declaration of principle can be made save the finding of the Executive authority that it is necessary to expand foreign markets? That is the heart of it. That is the basis of it. Without it, it can never be justified.

Mr. CUTTING. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. CUTTING. I dislike to interrupt the Senator, because I know he is under a time limit. I speak as a layman, and I am merely anxious to get the Senator's expert legal opinion. Would it not be simpler, under the circumstances which the Senator is describing, to merely have the bill provide that the President, whenever he finds it in the public interest, may do so and so?

Mr. ROBINSON of Arkansas. Mr. President, that was what was done in paragraph 338 of the Tariff Act of 1930.

Mr. CUTTING. I understand that.

Mr. ROBINSON of Arkansas. That was the language used.

Mr. CUTTING. And would it not be simpler to do it now, if that would make the measure constitutional?

Mr. ROBINSON of Arkansas. The Senator would not contend that that is a more definite rule than that which the Senator from Georgia is discussing.

Mr. GEORGE. No; and I would say frankly to the Senator from New Mexico that that is my interpretation of the rather broad language used here. At least, when boiled down it comes to that in the public interest. But, of course, the public interest with respect to our foreign commerce is the sale of more of our goods in the channels of foreign trade. Public interest, however, involves much more than that, and the Senator from New Mexico very properly points that out.

Mr. HASTINGS. Mr. President, will the Senator yield for a question?

Mr. GEORGE. I will yield for a question, although I am speaking, of course, under very limited time.

Mr. HASTINGS. I just wanted to ask whether this language could be construed in any way except as the person administering it exercises his own opinion? Is not the question, "Whenever he finds as a fact that any existing duties or other import restrictions of the United States or any foreign country are unduly * * * restricting the foreign trade" largely a question of opinion upon which people very greatly differ?

Mr. GEORGE. It is a matter of settled judgment, and so is the question of the cost of producing merchandise in Italy as compared with producing the same merchandise in the United States, one of opinion, one of judgment, one of discretion. It must necessarily be so. So it was also a matter of discretion and opinion under the earlier acts governing our commerce when the President was authorized to issue an outright embargo whenever he found that in the public interest it was necessary to do so. Certainly it was a matter of settled judgment.

Perhaps the most significant expression of the Supreme Court of the United States on this question is to be found in the opinion of the court at page 406 of the Hampton case. May I ask Senators' closest attention as I read these words, which to my mind are of the greatest significance and pertinence to the present consideration. Quoting from the language of the Chief Justice at page 406:

> In determining what it (the Congress) may do in seeking assistance from another branch (the executive), the extent and character of that assistance must be fixed according to common sense and the inherent necessities of the governmental coordination.

There is the rule in the Hampton case. The President may negotiate these executive treaties or these executive agreements which cannot change existing law, but which must conform to existing law, whenever the Congress lays down an intelligible principle. And—

> In determining what it (the Congress) may do in seeking assistance from another branch (the executive), the extent and character of that assistance must be fixed according to common sense and the inherent necessities of governmental coordination.

If the Court means what it says, you cannot have tariff bargaining by executive agreement unless you are frank enough and honest enough to lay down the formula which this bill contains. I am not now arguing whether you want tariff in that way. I am not now presenting the question of whether it is advisable or wise to have a change in tariffs through Executive action.

On that point I desire to digress for a moment. We have heard many times about the dangerous power given the President under this bill to change our tariff rates. Bear in mind now and let us speak exactly: "Alter our basic tariff rates." This bill does not give the President one single ounce of power over the basic tariff rate that he does not now possess under the flexible provisions of the Tariff Act of 1930. The conditions under which he may exercise that

power vary, of course, but I am speaking about the extent of his power.

Under the flexible tariff he cannot take an article from the free list and put it upon the dutiable list. Under this bill he cannot take an article from the free list and put it upon the dutiable list so far as alteration of tariff rates is concerned. Under the present tariff act he cannot take an article from the dutiable list and place it upon the free list. Under this bill he cannot take an article from the dutiable list and place it upon the free list.

Under the tariff act the President may exercise the dangerous power of changing tariffs 50 percent up or 50 percent down. Under this bill the President may exercise that power, and only that power. He cannot alter an existing basic rate of duty more than 50 percent up or down.

The power is precisely, is exactly, the same; and if it is dangerous in one case, it is dangerous in the other case.

The conditions under which he exercises it are different. The formula which he is authorized to apply is different in making the changes. But the power is there, and I now wish to emphasize what was emphasized yesterday on the floor of the Senate—that the power to change the tariff under the flexible provision is not in the Tariff Commission, it is in the President and in the President alone. He is authorized to make use of the Tariff Commission. The Tariff Commission is advisory under both the act of 1922 and the act of 1930. He may take their judgment. But, as President Coolidge did in the sugar case, he may refuse to follow it after they have found the difference in the cost of production of sugar abroad and in the United States. He may find the fact, as has been repeatedly held by the Supreme Court, independently of and beyond the findings made by the Tariff Commission itself. So that the power is vested in the same agency—the Chief Executive—and precisely the same power is given under existing law as is proposed to be given under this bill.

Now, I want to repeat what the Supreme Court did hold in the Hampton case:

> In determining what it (the Congress) may do in seeking assistance from another branch (the executive), the extent and character of that assistance must be fixed according to common sense and the inherent necessities of governmental coordination.

If we want changes in the tariff through Executive action, such changes must be predicated upon the common-sense declaration made in the pending bill. They can be predicated upon no other ground; that is, they cannot be frankly and honestly predicated upon any other ground, save the expansion of our foreign commerce and the opening of markets for American-made products.

Coming back to the decision in the Hampton case, the Court thus upheld the constitutionality of a tariff law under which the Congress, in response to what it deemed the necessities of prevailing conditions, sought to assist the domestic producer by affording him an opportunity for equal competition in the home market through equalizing the difference between domestic and foreign costs of production.

Today world conditions are totally altered. If the American standard of living which the Congress sought to foster and protect in the Tariff Acts of 1922 and 1930 through the technique of adjusting the tariff rates to varying costs of production is to be restored and maintained, normal industrial and agricultural production must be made possible by reopening the foreign markets which these products previously enjoyed. To accomplish this requires more than facilities for adjusting and keeping in balance merely one phase of commercial activity; that is to say, equalizing the cost of production. In the words of the Supreme Court, "common sense and the inherent necessities of the governmental coordination" require the Congress to use a different technique in treating these new conditions. It is imperatively necessary to administer intelligently and quickly the other vital aspects of commerce which follow production, namely, distribution and consumption.

May I again digress to say that we carried production under war pressure to a height which it had not previously reached, but, if common sense prevails, we will recognise and must recognize that the great problem of this present time is the distribution and consumption of products, and not the mere making of products. Indeed, the new tariff barriers all over the world, the new customhouses that came out of the Treaty of Versailles, following the incidents of war, broke up and disrupted the ordinary trade and commerce and intercourse between nations long established and impeded the commerce of the world precisely as physical barriers will impede the physical progress of men who wish to travel the physical highways of the world. We are asked to recognize that fact, and to recognize it only. The Congress has fixed the tariff rates; the Congress has said what those rates must be on every commodity or article especially enumerated. The Congress proposes to say that when trade restrictions are unduly burdensome upon our commerce, when our markets abroad may be expanded, we will permit the President to negotiate an executive agreement with the foreign nation in question or with numerous foreign nations, in order that we may again recapture much of our lost commerce.

I recognize that men differ upon the question of how valuable is this commerce. I have dealt with that question. I recognize that men may honestly differ about the desirability of reaching out after foreign trade and foreign commerce. Far from being a free-trader, in any sense of the word, under existing conditions, and in view of our own standards and well-recognized and established doctrines and principles, I, nevertheless, believe with all my heart that a more liberal trade policy upon the part of this and every other great commercial nation is needed at this moment, among other things, again to build back anything like permanent stability and prosperity among the nations of the earth.

It does not mean free-trade; it does not mean the wiping out of tariffs. It means simply the taking of a sensible view of this broad problem, not in the light of the particular commodity which is grown in my State or which may be manufactured in your State but in the light of the interest and the welfare of all the people of the United States.

Within the past 4 years we have been made painfully aware that the deleterious effects of the world-wide maladjustment of the processes of distribution upon our domestic economy have been equal to or greater than inequalities in costs of production. Regardless of the relative importance of these factors in the entire process which constitutes trade and prosperity, the demonstrable fact is that today it is the factors of distribution and consumption which are in need of immediate attention. Congress has, therefore, drawn this bill with the objective of assisting the domestic producer by again invoking for a limited period of 3 years the assistance of the Chief Executive as the only practical way to carry out effectively a plan for breaking the jam in the processes of distribution between nations. The plan is based upon the intelligible principle of negotiating trade agreements with other nations whereby the admission of foreign goods into the United States will be regulated, as provided in the bill itself—

> In accordance with the characteristics and needs of various branches of American production so that foreign markets will be made available to those branches of American production which require and are capable of developing such outlets by affording corresponding market opportunities for foreign products in the United States. * * *

To implement this bargaining principle upon which the plan is based, the Congress, following the procedure adopted and tested in the flexible provision of the tariff act, proposes to authorize the President, whenever he finds as a fact that any existing duties or other import restrictions unduly burden and restrict the processes of distribution and consumption of the foreign trade of the United States, to enter into executive trade agreements with foreign countries and to proclaim limited modifications in the basic duties and import restrictions established by Congress; and, as I have already indicated, the same limitation of 50-percent change up or down in the existing rates of duty, found in section 336 of the Tariff Act of 1930, is provided in this bill.

The principle laid down to which the President must adhere is found on page 2 of the bill, beginning with line 3,

wherein Congress explains the plan for realizing the objectives of the bill—

By regulating the admission of foreign goods into the United States in accordance with the characteristics and needs of various branches of American production so that foreign markets will be made available to those branches of American production which require and are capable of developing such outlets by affording corresponding market opportunities for foreign products in the United States.

There is the principle spelled out at some length—in short, it is a principle of reciprocal tariff bargaining. If the Congress desires to have its agent bargain with other countries for concessions, it must clothe the agent with authority to make concessions. The Congress has provided for this on page 2 of the bill, beginning at line 19, where the President is authorized—

To proclaim such modifications of existing duties and other import restrictions, or such additional import restrictions, or such continuance, and for such minimum periods, of existing customs or excise treatment of any article covered by foreign-trade agreements, as are required or appropriate to carry out any foreign-trade agreement that the President has entered into hereunder.

And then there follows the same 50-percent limitation in any changes in duties as is found in section 336 of the 1930 act.

What are the limitations upon the Executive in his bargaining? First, he cannot change the basic tariff rates more than 50 percent up or down; second, he can make only such modification or other action as is required to carry out trade agreements; only to this extent can he make any change in the tariff law; thirdly, no agreement can be made except for the purposes set out in the bill and in harmony with the basic principle thereof quoted above. Finally, before the President can exercise any power under the bill he must find—

As a fact that any existing duties or other import restrictions of the United States or any foreign country are unduly burdening and restricting the foreign trade of the United States and that the purpose above declared will be promoted by the means hereinafter specified.

Without dogmatizing, because upon a question of this kind no lawyer who feels responsibility would undertake to dogmatize, but accepting the decision of the Supreme Court of the United States in the Hampton case—if Congress establishes an intelligible principle to which the Chief Executive is to conform, it is proper for the Congress to command the assistance of the Chief Executive in varying the customs duties.

The principle of bargaining is certainly intelligible to the American people.

No fair-minded person can say that the principle of bargaining to open the lanes of distribution and markets of consumption by the Chief Executive in aid of the domestic producer is not as intelligible and practicable a principle within the rule announced in the Hampton case as that of equalizing the costs of production the world over as compared with prevailing costs in the United States.

Testing the validity of this bill as the Court will approach it, we must bear in mind the exigency of the situation, the common knowledge of which has been supported and amplified by testimony of those responsible for having accurate knowledge. We must also bear in mind that it is the consensus of opinion that the proposed method is the only practical procedure open to us, an opinion which is borne out by the practice and experience of most of the other nations of the world.

I call to witness the fact that those nations which have resorted to executive tariff bargaining have increased their foreign trade and commerce by a greater percentage than our own has increased. I call to witness that fact in this particular emergency as indicated in the testimony adduced at the hearings on the pending bill.

Accepting the rule of the Hampton case as the law of the land—and this rule we must accept as long as it stands, whatever our own personal opinion may be regarding the soundness of the decision—the conclusion seems to be certain, as nearly certain as one would dare assert, that a favorable decision is likely and probable from the Court sustaining the validity of this bill when and if the bill becomes law and its constitutionality is brought before the Court for its decision.

I have already mentioned some of the previous enactments of Congress granting to the President power to deal with matters of foreign commerce ranging from the levying of an absolute embargo to the suspension or imposition of customs duties. Most of these precedents were adduced in the case of Field against Clark, decided by the Supreme Court of the United States in 1892. That case is said to be not in point with regard to the bill now before the Senate, because in that case the rates which the President was authorized to put into effect or suspend were fixed by the Congress. Yet the President, before he could suspend or put such rates into effect, was required to exercise a very broad discretionary power. He was obliged to find that the suspension of the rate was in the interest of the common welfare.

I again emphasize that the making of a rate is a congressional function, that the carrying into effect of the rate made is equally a congressional function, and yet that function was delegated to the President under the act considered in Field against Clark and was sustained by the Supreme Court, and that case is in point upon that feature of the pending bill.

Moreover, that case is precisely in point upon the question of the broad distinction between an Executive agreement and a treaty. The court there recognized that the fundamental distinction is not the one noted here by Senators, but it is that the Executive agreement must conform to existing law and he has not the power to alter or change it, whereas a treaty, when ratified by the Senate, becomes the supreme law of the land and supersedes conflicting congressional acts.

The President was authorized to act only when he should be satisfied that a foreign government producing and exporting certain specified articles had imposed duties or other exactions upon exports of the United States which he deemed "to be reciprocally unequal and unreasonable."

I am sorry the Senator from New Mexico [Mr. CUTTING] is not present at the moment. It is the exact clause; it is almost the language of this bill. Here was a congressional power. Congress fixed the rate and said to the President, "You may put certain rates into effect or you may abrogate certain rates on sugar, molasses, and sirup." But it also said to the President, "We delegate to you the power to change those rates—that is, to put them into effect or to withdraw the rates—when you, as President, shall find that other countries, against whom the rates were to be invoked, of course, have enacted laws which you deem to be reciprocally unequal and unreasonable." That contemplated the judgment of the President, of course, the judgment of the Chief Executive, the settled conviction of the Chief Executive, of course; but the Supreme Court held that that delegation of power was authorized under the Constitution.

The PRESIDING OFFICER. The time of the Senator from Georgia on the amendment has expired.

Mr. GEORGE. I will take my time on the bill.

The PRESIDING OFFICER. The Senator from Georgia is recognized for 20 minutes on the bill.

Mr. GEORGE. Mr. President, it cannot be said, as a matter of law, that the determination of when duties are "reciprocally unequal and unreasonable" is more a matter of precise fact than the determination of when duties "are as a fact * * * unduly burdening and restricting the foreign trade of the United States." So far as the formulas laid down in the flexible-tariff provisions of the acts of 1922 and 1930 are concerned, we have the testimony of Robert Lincoln O'Brien, the Chairman of the Tariff Commission, himself a Republican. Mr. O'Brien testified, both before the House Committee on Ways and Means and the Senate Committee on Finance, to the effect that the formula of equalizing the cost of production was impossible to administer with any degree of precision; that it was an ex-

tremely indefinite matter and left much to the discretion and judgment of those administering the law. As to the fact that under section 336 of the present tariff law, it is really the President to whom the Congress has delegated the power to modify existing tariffs, Mr. O'Brien was equally emphatic in his testimony. He said:

> Tariff making by the Tariff Commission is Presidential tariff making. * * * I want to impress upon you gentlemen that the present 336 method is Presidential tariff making; if it is tariff lowering, it is Presidential tariff lowering.

In point of fact the decision in the case of Field against Clark was strongly relied upon in the Hampton case. I cannot do better than quote the decisive language of Mr. Chief Justice Taft on page 409 of the opinion:

> If it is thought wise to vary the customs duties according to changing conditions of production at home and abroad, it (Congress) may authorize the Chief Executive to carry out this purpose, with the advisory assistance of a tariff commission appointed under congressional authority. This conclusion is amply sustained by a case in which there was no advisory commission furnished the President—a case to which this Court gave the fullest consideration nearly 40 years ago. In *Field* v. *Clark* (143 U.S. 649, 680) * * *.

I now desire to give some attention to the part which the prevailing emergency conditions may play in any careful consideration of the constitutionality of this bill. Upon this point I find myself generally in accord with those who considered it. However, the court may properly take into account the part which such conditions play in determining whether a given principle of established law is properly applied to a particular piece of legislation.

Although the bill is designed to meet a very real emergency, an extraordinary condition obtaining here, as I have tried to show from the actual figures, and obtaining also throughout the world, it is not a compromise with emergency and its constitutionality is not and need not be predicated upon any doctrine that an emergency creates powers which are not at other times to be found within the Constitution.

The principle upon which the Hampton case was decided is familiar to us, and the only real question, so far as validity goes, before this body, therefore, is whether the plan proposed in this bill is a proper application of this principle. In my opinion the need for and the practicability of the plan now under consideration have been demonstrated beyond any reasonable doubt, both by the critical situation of our foreign trade and the current practices of other nations. As was said by the United States Supreme Court in its recent decision on the Minnesota moratorium law—and I think the language of the Court itself should be noted:

> While emergency does not create power, emergency may furnish the occasion for the exercise of power. Although an emergency may not call into life a power which has never lived, nevertheless, emergency may afford a reason for the exercise of a living power, already enjoyed. The constitutional question presented in the light of an emergency is whether the power possessed embraces the particular exercise of it in response to particular conditions.

The Hampton case has established that there does reside in the Constitution the power in Congress to invoke the assistance of the Chief Executive to vary the customs duties according to changing conditions of production at home and abroad. It cannot be asserted that this power was intended to be or is so limited as to include only changing conditions of production. Is it not entirely reasonable to conclude that if the necessity exists for invoking the assistance of the Chief Executive to adjust the customs duties from time to time, the Congress may say to the Chief Executive, "Adjust these duties not only with regard to the varying costs of production but also with regard to the varying barriers to the distribution of goods produced at home and abroad"?

Whatever part the question of an emergency may or may not play in the principles of constitutional law, certain it is that the Supreme Court of the United States would attach great weight to the prevailing exigency if called upon to decide whether Congress had acted properly in invoking the assistance of the Chief Executive in this particular respect. The Court has gone far to make abundantly clear that it looks upon this question in no narrow, formalistic manner. In an opinion handed down by the Court on Monday last, a case involving the validity of an Arkansas statute, the majority of the Court again recognized that the proper application of a particular principle as translated into legislation might depend upon existing conditions.

Of course, there is in the Constitution no power that is not there equally in peace as in war, under good or under bad conditions, without regard to emergencies or existing conditions; but the right of the legislative branch of the Government to exercise that power may well depend upon extraordinary conditions. Every legislative body has recognized that principle from time immemorial.

Many things that are appropriate in the face of a major emergency threatening the very existence of the Nation itself, as in war, could not for a moment be sustained and maintained if it were sought by the legislative branch to make applicable the same principle to peace-time conditions and to the normal affairs of the Nation. To that extent, and to that extent only, has the question of extraordinary conditions or emergency any part in the discussion of this bill.

I have discussed the matter from the standpoint of what the Court has decided. In the light of the principles laid down by the Court, I repeat, in that discussion I do not abate one single whit my own personal view and conviction that the Hampton case might have been decided, consonant with sound principles of law under our Constitution, the other way.

We are now called upon, however, to say whether this measure in all probability will have the sanction of the court, and we are called upon to pass upon that question in the light of the facts as they exist, in the light of Executive tariff making in many parts of the world, and in the light of the fact that if Executive tariff making can be indulged under our system, it must be predicated upon the proposition of finding markets for our own products. Upon the firm conviction which I have that this is a fundamental step back toward normal restoration of prosperous conditions, not only in our own country but also throughout the world, I am going to resolve any doubt in my mind in favor of the validity of this bill, and vote for its passage.

I do so, Mr. President, again not because I am unmindful of the danger of delegating legislative power, whether taxing power or not, to any agency, whether the Chief Executive or not, but also because in present extraordinary conditions I see no other way to meet them as they exist, to break the log jam in the trade and commerce of the world, to set currents again in motion, and distinctly because this power is limited and restricted in its exercise, by the terms of the bill, to a short period of time.

It need not be said that if the power be once given, it will be continued. This Congress itself already has indicated that it would not extend for another year the licensing power given the President or the Administrator under the National Industrial Recovery Act.

It is true that that licensing power was never used, but it is well known that the Administrator at one time desired an extension of the power. Already, however, even the threat to ask for that extension has been abandoned; and it is decidedly uncertain whether this Congress will extend and enlarge the licensing power given to the Administrator under the Agricultural Adjustment Act, which the Administrator himself is asking at the hands of this Congress.

So we may treat these conditions as extraordinary; and if lack of faith and confidence be invoked in the processes of democratic government, as those in opposition to the bill have asserted, may we not remind them that they may have confidence in the integrity and courage of the legislative branch of the Government under the Constitution to discontinue this extraordinary power to the President at the time fixed in this bill if happily the extraordinary conditions which now seem to justify its use shall have ceased to exist.

Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks a table to which I have referred, showing the value of domestic exports from the United States, by States from which shipped, during 1929 and 1932, and the percentage decrease.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Value of domestic exports from the United States, by States from which shipped, during 1929 and 1932, and the percentage decrease

[Official sources]

State	1932	1929	Percentage of decrease from 1929
Texas	$299,650,783	$657,559,600	54.4
New York	248,111,439	956,755,282	74.1
California	149,200,991	380,344,112	60.8
Pennsylvania	100,425,070	340,843,339	70.5
Louisiana	80,668,242	221,272,346	63.5
New Jersey	74,638,341	262,699,217	71.6
Illinois	66,958,484	238,762,882	72.0
Ohio	51,288,057	221,916,976	76.9
Michigan	48,932,565	355,300,020	86.2
Virginia	45,015,148	101,135,071	55.5
Washington	24,961,630	126,744,522	72.4
Alabama	32,948,681	59,236,706	44.4
North Carolina	32,947,947	99,524,789	66.9
Massachusetts	32,255,535	111,531,026	71.1
Georgia	23,408,595	70,935,462	67.0
Indiana	17,244,177	73,740,468	76.6
Mississippi	17,100,005	52,882,558	67.7
Tennessee	16,804,907	52,135,646	67.8
Oregon	16,499,766	70,208,381	76.5
Maryland	16,146,847	67,886,581	76.2
South Carolina	16,041,083	27,524,304	41.7
Connecticut	15,219,161	53,317,912	71.5
Florida	15,133,802	33,304,979	54.6
West Virginia	14,683,246	41,289,873	64.4
Wisconsin	14,352,253	124,977,467	88.5
Kansas	10,583,895	23,805,710	55.5
Arkansas	10,248,110	29,187,729	64.9
Kentucky	9,604,864	23,751,693	59.6
Iowa	9,497,889	37,401,376	74.6
Missouri	9,451,151	49,296,315	80.8
Oklahoma	8,481,619	35,187,695	75.9
Minnesota	6,346,529	51,649,147	87.7
Arizona	5,209,318	14,438,868	63.9
Rhode Island	4,721,048	18,734,794	74.8
Nebraska	3,153,193	12,406,268	74.6
New Hampshire	2,147,358	7,245,762	70.4
Maine	1,954,764	7,311,106	73.3
South Dakota	1,903,493	7,095,247	73.2
Delaware	1,818,180	6,252,506	70.9
Montana	1,433,437	5,680,894	74.8
Vermont	1,148,672	3,790,767	69.7
Colorado	1,022,732	4,001,887	74.4
New Mexico	820,638	821,000	[1] 2.8
Nevada	710,952	543,679	[1] 30.7
Idaho	657,907	1,956,019	66.4
Utah	494,617	1,006,411	50.8
North Dakota	210,525	942,834	77.6
Wyoming	121,538	1,451,983	91.6
Total	1,572,374,094	5,145,789,189	69.4

[1] Increase.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, communicated to the Senate the intelligence of the death of Hon. GEORGE F. BRUMM, late a Representative from the State of Pennsylvania, and transmitted the resolutions of the House thereon.

The message also announced that the House had agreed to a concurrent resolution (H.Con.Res. 40) authorizing and directing the Clerk of the House to make certain changes in the enrollment of the bill (H.R. 5884) "An act to amend an act entitled 'An act to establish a uniform system of bankruptcy throughout the United States', approved July 1, 1898, and acts amendatory thereof and supplementary thereto", in which it requested the concurrence of the Senate.

RECIPROCAL-TARIFF AGREEMENTS

The Senate resumed the consideration of the bill (H.R. 8687) to amend the Tariff Act of 1930.

Mr. POPE. Mr. President, the bill now pending (H.R. 8430) proposing to give the President power to negotiate reciprocal trade agreements, is one of the most important measures, if not the most important measure, which has come before this Congress.

In his message to the Congress the President said that this legislation "is an essential step in the program of national economic recovery", and is "necessitated by the economic crisis through which we are passing."

It is not my purpose to repeat the arguments that have been made here, nor to dwell upon the facts already furnished this body in support of the measure. It has been shown that the total exports of the United States decreased from $5,241,000,000 in 1929 to $1,675,000,000 in 1933; that United States imports fell from $4,399,000,000 in 1929 to $1,499,000,000 in 1933; that the American share of world trade decreased in that time from about 13.83 percent to 10.92 percent; that the proportion of such trade lost by the United States has been gained by other nations; that there are about 27,000,000 of unemployed in the world and about 10,000,000 of that number are in the United States; that by reason of such reduced foreign trade some 700,000 people in the United States are unemployed in our foreign trade.

It has been further shown that the principle of reciprocal trade agreements is by no means new in this country.

Without attempting to trace the origin and history of the policy of reciprocity in our Government, it is interesting to note the recurring declarations in favor of this policy appearing in the platforms of both major political parties since the Civil War. For instance, there are ringing declarations in the Republican platforms of 1892, 1896, 1900, and 1904 extolling reciprocity.

The Democratic platforms have likewise declared adherence to this doctrine time and again, and the 1932 platform contained a strong declaration in favor of reciprocal-tariff agreements with other nations.

So far as the policy of reciprocity in trade relations is concerned, therefore, there is nothing new in the proposal before us. The only new feature about it is the transfer of a broader power than heretofore transferred to the executive department of the Government. That reciprocal trade agreements are desirable and furnish the only method of increasing our world trade under present conditions is very generally conceded. The method of bringing about this result is the real question involved.

Before the World War the United States was a debtor nation and paid out about $200,000,000 annually in interest. This enabled the United States to show a favorable trade balance year after year. Since the World War foreign nations owe the United States from $500,000,000 to $1,000,000,000 annually in interest, which means that the United States is a creditor nation. Our export trade, however, was kept up until about 1929 by means of huge loans to these foreign nations.

The discontinuance of these loans, the stock-market crash, and the enactment of the so-called "Smoot-Hawley Tariff Act" in 1930, followed by the enormous loss of world trade, were the most important factors in the economic collapse. Largely as the result of this tariff act, retaliatory tariffs, quotas, embargoes, and other import restrictions were enacted by foreign countries.

The loss of world trade is due to such import restrictions, to inability of foreign nations to pay for imports in money or credit, and to the cessation of interest payments and loans to Europe by the United States. The only hope of increasing world trade is through international barter. To enlarge the volume of trade by barter is, as I understand it, the purpose of this bill to provide for reciprocal-trade agreements.

There are two possible methods of bringing about such agreements—one by reciprocity treaties ratified by the Congress and the other by reciprocal executive agreements under a specific authorization by Congress. In a recent letter transmitted to the Senate in response to Senate Resolution 325, the Tariff Commission related our experience under these two methods covering a period of some 60 years. During that time 10 reciprocity treaties which did not become effective were negotiated under the general treaty powers. Out of the 10, 2 were rejected by foreign countries, 2 were negotiated by one President but not accepted by his successor, and the other 6 were suppressed by congressional action.

The Tariff Act of 1897 contained a direct authorization to the Executive to negotiate reciprocity treaties within certain limitations. Such explicit authorization, however, added nothing to the constitutional right of the Executive to negotiate treaties which would be effective upon ratification by the Senate, but it did indicate the intention of Congress to make

treaties so negotiated effective by ratification. Under this authority 11 treaties—the so-called "Kasson Treaties"—were negotiated with various foreign countries, including Great Britain. These treaties were recommended by Presidents McKinley and Theodore Roosevelt. Not one of them ever came to a vote in the Senate.

During the last century, with three exceptions, all attempts on the part of the United States to complete reciprocity treaties have been aborted. Out of 21 such abortive treaties 16 failed of ratification by the Senate.

From the experience this Nation has had in efforts to complete reciprocity treaties it seems vain to hope for any results by that method.

This country has also had some experience with reciprocal executive agreements, and the result has been in marked contrast to the fate of the attempted reciprocity treaties.

Under the Tariff Act of 1890, 13 such agreements were negotiated by the Executive and only 1 failed to become effective owing to the failure of the other country to ratify it. Under the Tariff Act of 1897, nine such agreements were entered into and became effective.

The conclusion of the Tariff Commission in the letter above indicated is summed up in the following statement:

> The past experience of the United States with respect to the difficulty of obtaining reciprocal concessions by means of treaties and the greater success in negotiating executive agreements under previous authorization by the Congress may be significant as a guide to future policy regarding methods of tariff bargaining.

The past experience of other nations has likewise taught them the value of negotiating executive agreements under previous authorization of their legislative bodies. The difference between such other nations and our own is that most of them have profited by experience and have authorized in one form or another their executives to execute promptly reciprocal trade agreements that would be beneficial to their respective countries.

The executives of about 25 nations have been given power to change duties without reference to their legislative bodies.

The executives of about 25 other nations have power to change duties preferentially pending perfunctory approval by their legislatures. These include practically all the important commercial nations of the world outside of the United States.

As a result, these nations have entered into numerous trade agreements, many of which have deprived the United States of valuable markets for her surplus products.

As stated by Secretary Hull in his recent testimony before the House committee:

> Many nations during the past 1 and 2 years have entered into reciprocal trade agreements and promptly carried them into effect. They are not disposed to take the time and trouble to negotiate such arrangements with a country unable to place such agreements in operation without unreasonable or uncertain delay, if at all. Our Government negotiated the 10 commercial agreements known as the "John A. Kasson Commercial Treaties" under the Dingley Tariff Act of 1897, which, according to the current public opinion at the time would have doubled our foreign trade if allowed to operate. They were, however, filibustered to death in another body, as we are accustomed here in the House to say. In the light of our past disastrous experience in seeking to carry reciprocal or similar agreements into effect, our Government would have much difficulty in removing the skepticism of other countries.

The effectiveness of the action of foreign countries in giving power to their executives to negotiate such agreements is attested by frequent newspaper reports. For instance, in the Washington Star on May 9 last appeared an article with the following headline—

> Trade Pact Made by Three Nations—

The subhead being:

> Italy, Austria, and Hungary Agree on Reciprocal and Preferential Duties.

I shall not take the time to read the article, but I ask that it be printed at the conclusion of my remarks and as a part of them.

The PRESIDING OFFICER (Mr. THOMAS of Utah in the chair). Is there objection? The Chair hears none, and it is so ordered.

(See exhibit A.)

Mr. POPE. Mr. President, I will read one or two paragraphs of the article, which seem very significant on the point under discussion. I quote as follows:

> An Italo-Austro-Hungarian economic agreement was reached today and will be signed probably Saturday.

Reading further:

> This agreement is based on reciprocal and preferential duties, a minimum export price accord, and an agreement between the three nations to purchase fixed quantities of certain products.

The article continues with an account of the accord that had been reached, in which Austria and Italy agreed to buy Hungarian wheat, Hungary and Italy agreed to buy Austrian lumber and wood pulp, and Austria and Hungary agreed to tariff adjustments to build up Italian ports.

This is typical of agreements being made by other nations to the exclusion of the United States.

The real purpose, however, of my remarks today is to consider briefly the effect of the proposed measure upon American agriculture. Coming, as I do, from an agricultural State, and believing, as I do, that the interests of agriculture are fundamental in any program of economic rehabilitation, I am peculiarly interested in this measure as it relates to the farmers of the country.

Is there danger to the agricultural interests under a proposal to give the President power to negotiate reciprocal trade agreements with other nations? Can any substantial benefits be expected to accrue to agriculture as a result of the enactment of this measure?

It seems that most of those the country over who supported the so-called "Smoot-Hawley tariff bill" are now opposing this measure and they appear extremely solicitous of the welfare of agriculture under this bill. The beneficiaries of that tariff law, and that large portion of the press which reflects their views, are generally opposed to the present measure and are seeking to alarm the farmers of the country. It has been my observation that the beneficiaries of high protective tariffs on industrial commodities have always sought to alarm the farmers, to hold out the lure of minor or ineffective tariffs, and to obtain their support for ever-increasing tariff duties on manufactured products.

Let us examine just a few of the tariff rates now in effect on imported farm products as compared with imported manufactured goods.

The tariff on crude and manufactured foodstuffs is a shining example of our previous governmental policy. In 1928 the average rate of duty on unmanufactured foodstuffs was 3.5 percent of the value of the imports. In 1931 this was increased to 5.3 percent, and in 1933 it stood at 5 percent. At the same time the import duty on manufactured foodstuffs—that which had gone through the hands of our special protected interests—was, in 1928, 39.5 percent, which amount was increased to 59.1 percent in 1931, and stood at 52 percent in 1933. The grower of foodstuffs now has the sweet satisfaction of realizing that under the beneficent Smoot-Hawley Act the manufacturer has just a little more than 10 times the advantage accorded him. This should inspire the farmer with confidence in the present solicitude of some of the opponents of this measure.

These figures are obtained from a copy of a report of the Statistical Division of the United States Tariff Commission for May 1934.

This report further shows that crude materials other than foodstuffs had an average rate of duty of 5.4 percent in 1928, 9.4 percent in 1931, and 14 percent in 1933.

On semimanufactured products—such as wood pulp, poles, ties, metals, marble, and leather, in large measure produced and prepared by individuals and small business concerns—the average rate of duty was 6.6 percent in 1928, 6.2 percent in 1931, and 8 percent in 1933; while finished manufactured goods had an average duty of 25.8 percent in 1928, 24.7 percent in 1931, and 27.7 percent in 1933.

To be more specific, hides and skins of the bovine species carry a 10-percent duty, while boots and shoes carry 25 percent, leather gloves 64.3 percent, leather bags 37.4 percent, and harness and saddles 28 percent.

This indicates the sort of treatment that has been received by farmers and other producers of raw materials in the tariff game that has been played for several generations.

It is hardly necessary to remind the Members of this body and the country of the great disparity between prices of farm products and prices of manufactured goods used by farmers which has developed during the last 25 years.

Mr. BAILEY. Mr. President, will the Senator yield?

Mr. POPE. I yield.

Mr. BAILEY. Is it the Senator's view that we shall, under this proposed legislation, buy more manufactured goods from abroad in competition with our manufacturers here in order that we may sell more farm products abroad?

Mr. POPE. I think the President should have the power, Mr. President——

Mr. BAILEY. No; I did not ask about power, Mr. President. The power is in the bill. But I ask the Senator if that is what he is driving at? Is that what he thinks should be done? Would that be an economic procedure?

Mr. POPE. The point I am making is that those who are opposing this bill are in general those who supported the Smoot-Hawley tariff bill, and that they are not so much interested in the welfare of the farmer; and, as I shall point out a little later, the only hope for the farmer is to have the foreign markets for his products increased by this method or some other similar method.

Mr. BAILEY. Does the Senator mean by "this method" our buying more manufactured goods, say, from England or Japan?

Mr. POPE. It may be thought to be wise to do that.

Mr. BAILEY. Is that the object in view? Is that what we are driving at with this proposed legislation?

Mr. POPE. I cannot say, Mr. President, what the view of the President is as to details of the agreements to be made, but I do know from his statement that it is his purpose to make such arrangements as will enlarge our foreign trade.

In the testimony that was printed there were various suggestions made as to how that may be done. But my point will be, when I develop it, that I want the farmer in on any arrangement that will expand his market, so that he may have a market for his surplus products.

Mr. BAILEY. Mr. President, I do not want to be subjected to the classification of an opponent of the bill. I am trying to get some light. I will reiterate my question. The Senator has argued that we should provide the ways and means of increasing the export of our agricultural products abroad. I wish to know now if he argues that we are to do that by way of closing up or reducing the manufacture or sale of our own domestic products within our own country? If so, I wonder how the farmer will maintain his domestic trade?

Mr. POPE. Mr. President, I cannot see that giving to the President the power to increase markets for farm products under arrangements such as are being made by other nations, a power which he would exercise wisely, we think, would mean closing up any manufacturing industry. It might mean reduction of some duties on manufactured goods, which, as I have shown, are much higher than agricultural duties and might very well be reduced.

Mr. BLACK. Mr. President, will the Senator yield?

Mr. POPE. I yield to the Senator from Alabama.

Mr. BLACK. The Senator can very well state, it seems to me, that the farmer's domestic trade has not blossomed forth in such a manner as many anticipated since the Smoot-Hawley Tariff Act increased tariff rates. Has the Senator seen any decided benefit to the State of Idaho or to its farmers from the increases carried in that act on manufactured products there?

Mr. POPE. The reverse is true, I would say.

Mr. BAILEY. Mr. President, if I may interrupt the Senator again, the chief agricultural exports of this country are cotton and tobacco, and the cotton trade for the present year is about where it was last year, and last year about where it was the year before. We are exporting from 8,000,000 to 9,000,000 bales a year. The tobacco exports are about 300,000,000 pounds a year. I shall now turn the question around. The Senator did not become quite clear in his statement as to what would be done with our exports of manufactured goods. Does the Senator conceive that the President of the United States, in order to increase the sale of manufactured goods, will authorize the lowering of the tariff so that foreign nations may sell us more agricultural products?

Mr. POPE. Do I conceive that the President could do that, or would?

Mr. BAILEY. There is no question about the power contained in the bill to do it.

Mr. POPE. I do not conceive that he would reduce the tariff on agricultural products, but a situation might arise where it would be of advantage to the farmer to have agricultural duties reduced as to some products in order to dispose of other products of which he had a surplus.

Mr. BLACK. Mr. President, will the Senator further yield?

Mr. POPE. I yield.

Mr. BLACK. Coffee is an agricultural product of South America. Does the Senator not conceive the picture, that there are agricultural products such as coffee with reference to which some kind of bargain might be made by the United States Government?

Mr. LONG. What else, other than coffee, Mr. President?

Mr. BLACK. Does the Senator not conceive that trade agreements might be made with regard to such products?

Mr. POPE. Certainly.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. POPE. I yield.

Mr. TYDINGS. I do not want to be drawn into the argument, but I think a partial answer to the wise question propounded by the Senator from North Carolina [Mr. BAILEY] would be that whatever the farmer would gain by having additional farm markets, to that extent would increase his purchasing power, so that he could buy the products of the domestic market. It has been contended that under the present dispensation he does not have the money to buy the things he needs. Certainly, if he could sell one-half of his cotton, and 40 percent of his tobacco, and 20 percent of his wheat every year, which he has not been able to do, and with respect to which we have had a curtailment program, he would have more money to buy the things which we produce in our own country, and, therefore, would to that extent offset, even if not completely, the loss of trade that might result through additional importations of manufactured articles.

Mr. BAILEY. Mr. President, assuming every premise stated by the Senator from Maryland, that the farmer's purchasing power were to be increased—and we should at the same time decrease the rates on manufactured imports—would not the farmer buy the manufactured imports rather than the domestic articles?

Mr. TYDINGS. Mr. President, will the Senator further yield?

Mr. POPE. I yield.

Mr. TYDINGS. I do not think I can answer that question exactly as presented. But may I call the attention of the Senator from North Carolina to the fact that nearly one-half of the population is rural, either dependent in full or in part upon agriculture. As a matter of fact, it is the largest single industry in the country, and has the largest purchasing power if it were put into the position to have it, whereas the number of manufactured articles that might come in, unless all the schedules were reduced, would affect only small groups of individual manufacturers, if at all. So the percentage of people who would be helped, I think it is only fair to say, would be larger if agriculture were helped, than if any other single group in any one line of manufacturing in the country were helped.

Mr. BAILEY. Mr. President, I will conclude my part of this colloquy with just one remark. The Senator from Maryland predicates his statement and his argument on the theory that the President will close a number of smaller or less valuable industries in America. I should like to know

if we are looking that in the face. Do we really intend by this legislation to authorize the President to destroy even one industry in America? I would rather have one industry going well here, to buy from our farmers, than a thousand in Japan.

Mr. TYDINGS. Mr. President, will the Senator further yield?

Mr. POPE. I yield.

Mr. TYDINGS. I think it would be better to sacrifice one or two or three industries, which are not a part of the efficient political economy of the country, or which are not efficiently operated, or which are not efficiently located, than to sacrifice the nearly 50 percent of the people who are dependent upon agriculture. As we have the picture now, we have sacrificed the greater number of people to take care of the smaller industries. I would rather sacrifice a smaller number of industries and take care of the larger number of people. We cannot have the cake and eat it too. I think the Senator's interrogatory as to whether we must surrender something is pertinent, but I do think the prosperity of a maximum number of people on the farm would far outweigh any other prosperity; would outweigh the prosperity or injury that might be done to a smaller number engaged in manufacturing in some of our States.

Mr. BAILEY. I said I would conclude my remarks, and, if I correctly understand the Senator, I will not interrupt further. Insofar as we sacrifice the domestic industry to which he referred, we enhance the position and increase the prosperity of similar industries in other countries. Is that the policy of the Congress? Is that the rule upon which this proposed legislation is based, for which the distinguished senior Senator from Georgia argued so ably this morning? Is it the rule that justifies the constitutionality of the measure that we shall enter upon a policy which will build up small industries in other nations and destroy similar industries in our own Nation? Is that in contemplation?

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. POPE. I yield.

Mr. TYDINGS. I think a very crude illustration of one benefit that might come under this proposed legislation can be given. We have in America no old wines. Those who drink wines are willing to concede, I think, as a matter of fact, that France and other countries abroad make better wines, because they are older at the game and because, due to prohibition, we have no old wines in this country. On the contrary, France produces very few apples, whereas in Maryland we produce many apples, 80 percent of which are exported. Those who have given consideration to the problems of the apple growers realize that France has not only put a high tariff on apples from the United States but has in force a quota limitation, so that only a certain quantity of apples may go into France. France cannot ship her wines here and we cannot ship our apples there. I do not see why, for example, we could not import more wines from France, provided France would import more apples from us. That would not only benefit the apple and wine producers in each country but would benefit everybody connected with the operation from the time the apple leaves the tree until it reaches France. It would benefit the railroad companies, and, incidentally, would help the coal miners, the equipment makers, the makers of rails, the banks which hold railroad bonds, the stocks which are held by investors in the country, the steamship companies—and there hemp and rope and cotton and lumber come in, because steamship companies, which use those commodities, must live on transportation, and the more trade there is back and forth, the more people there are employed, regardless of the production of the given article. So if we can exchange products, if we could work out an arrangement of that kind, not only would the producers and those intimately related with the particular commodity produced be benefited but all the indirect workers would be benefited—the maker of baskets, the builder of trucks used to haul the apples to the station, the manufacturers of the tires on the trucks, the drivers of the trucks, the baggagemaster, the brakeman, the engineer, the fireman, the coal miner, and all the others engaged in incidental activities connected with the marketing of that crop.

Mr. POPE. Mr. President, if I may now follow my thought, the testimony at numerous hearings during the last 2 years has shown the extent of this disparity between the price of the things the farmer sells and the things he buys. Using 1910 to 1914 as the base period, represented by 100, the relative price of all farm commodities in 1932 was 57, while on the same base the prices paid by farmers for manufactured goods is represented by the figure 111. The whole purpose of agricultural legislation recently enacted has been to remove, so far as possible, this disparity.

The farmer does not need to be told, however, of the enormous, and to him hopeless, difference between the price that he receives for hides and the price he pays for shoes; the price he gets for wheat and the price he pays for bread; the price he gets for pork and the price he pays for cured hams and bacon; the price he gets for wool and the price he pays for woolen goods. He knows that the purchaser of his goods fixes the price of every dollar's worth of his farm products, and that the seller fixes the price of all the manufactured goods the farmer buys.

At the hearing before the Senate Committee on Agriculture and Forestry, one witness, who had made a study of this subject, gave this bit of interesting testimony:

> Speaking of bakeries, Mr. Brice Smith, of Kansas City, prominent in baking industry, told me that there was so little wheat in a loaf of bread that it was almost negligible and he didn't figure it as entering into the price factor. * * * I submit, sir, that here is a suit of clothes that cost me $55. I am not gainsaying that it contains $15 or $18 worth of cloth. That cloth is a manufactured article. If you take the cloth off my back and weigh it on the scale, at the price prevailing for wool today you would see that the farmer did not receive 55 cents out of the $55 that I paid for the suit.

Some years ago my distinguished colleague [Senator BORAH] pointed out that during the decade from 1920 to 1930, in spite of the great prosperity enjoyed by the manufacturing interests of the country, the condition of the farmer became steadily worse. During that period the value of his property decreased from about $77,000,000,000 to $55,000,000,000. His average income decreased from about $900 to $600 per year, while his taxes increased some 300 per cent. Since the distinguished Senator made that statement the condition of the farmer became much worse until a little over a year ago. Some improvement has been made within the last year.

That agriculture is more deeply interested in export trade than other industry appears from the fact that during the past 23 years 17.86 percent of the income of the farmer has been received from export trade as compared to 5.21 percent of the income received from such trade in nonagricultural industries. The foreign markets are a necessity to the American farmer if he is to maintain his present production and standard of living. Surpluses of farm products must be disposed of if our country is to have any degree of prosperity.

Under the pending measure it is the purpose of the Government to effect reciprocal agreements that may gradually eliminate the unfair discrimination against the farmer and afford him markets for his surplus products. If that could be done, the whole domestic-allotment legislation could be dispensed with and the farmer would then have a better opportunity to share in the wealth and prosperity of the Nation. That the President of the United States is keenly alive to the interest of the farmer appears in a significant way from his message to the Congress. He says:

> Important branches of our agriculture, such as cotton, tobacco, hog products, rice, cereal, and fruit raising, and those branches of American industry whose mass-production methods have led the world, will find expanded opportunities and productive capacity in foreign markets, and will thereby be spared, in part at least, the heart-breaking readjustments that must be necessary if the shrinkage of American foreign commerce remains permanent.

To those farmers who have been alarmed by propaganda that their interests have been marked for slaughter and that there is a sinister design by our great President and his administration to trade off whatever advantages farmers may now possess, I would remind them of the record of

President Roosevelt, a record throughout his public career of friendship and sympathetic interest and constructive effort in the interest of the farmer. These are his reassuring words on this measure:

The exercise of the authority which I propose must be carefully weighed in the light of the latest information so as to give assurance that no sound and important American interest will be injuriously disturbed. The adjustment of our foreign-trade relations must rest on the premise of undertaking to benefit and not to injure such interests. In a time of difficulty and unemployment such as this, the highest consideration of the position of the different branches of American production is required.

From the policy of reciprocal negotiation which is in prospect, I hope in time that definite gains will result to American agriculture and industry.

Mr. LONG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Louisiana?

Mr. POPE. I yield.

Mr. LONG. Would not the Senator also say that he agrees with President Roosevelt's assurance to the farmers when he said, "Of course, it is absurd to talk of lowering tariff duties on farm products"? Would not the Senator also support that statement?

Mr. POPE. Oh, yes. I do not see that that is inconsistent at all with the statement made by the President in his message.

Mr. BAILEY. Mr. President, may I ask the Senator one more question?

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from North Carolina?

Mr. POPE. Yes.

Mr. BAILEY. It is quite clear that the Senator's point of view is that this proposed legislation is designed to aid the farmer in the export of his crops and in developing a world market.

Mr. POPE. Yes.

Mr. BAILEY. And at the expense, of course, of buying manufactured goods, not agricultural commodities, from other nations.

Mr. POPE. It may be at the expense——

Mr. BAILEY. There must be some reciprocity. The Senator is arguing that there is to be reciprocity; but, whatever we might buy, we would not buy agricultural products; we must buy something, and therefore we would buy either mining products or manufactured goods.

Mr. POPE. We might buy agricultural products; for instance, we might buy coffee.

Mr. BAILEY. I would feel much better about voting for the bill if I knew how we are going to maintain the N.R.A. and the American wages by the method of buying goods from a foreign country.

Mr. BANKHEAD. Mr. President, I should like to ask the Senator if that would not depend on what we bought; whether or not the commodities were produced in this country in any substantial quantities?

Mr. POPE. Does that answer the question of the Senator from North Carolina?

Mr. BAILEY. By no means. It is said that the answer to the question depends upon a generality. That never answered a question from the foundation of the world.

Mr. HARRISON. Mr. President, will the Senator permit me to interrupt him there?

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Mississippi?

Mr. POPE. I yield.

Mr. HARRISON. This proposal specifically excludes the provision of the N.I.R.A. which gave to the President the power even to put an embargo where importations would affect the prices under the code arrangement or might destroy the effect of the code under the N.R.A. law; and so it would seem to me that we have taken away none of the power from the President. He will continue to see that that law shall be carried out.

Mr. BAILEY. Mr. President, if I may interrupt, it is my understanding that the code and the N.I.R.A., either now or presently, will apply to every industry in America; and if that is the case, then there is no use for this proposed legislation; it falls to the ground, and there is nothing that we could import.

Mr. HARRISON. Mr. President, may I say to the Senator from Idaho that I do not want to take his time because he is, of course, proceeding under a limitation; but there are many items now on the free list, such as rubber, silk, tin, coffee, and tea. Would it not be possible for us to agree with some country which has very large exportations of coffee or tea, for instance, that we will not for the period of 3 years put a tax on those items if they will make certain concessions to us in the taking of some of our goods? But if the amendment should be adopted whereby all agricultural products would be eliminated from any such agreement, then we could not make that kind of a trade agreement.

Mr. BAILEY. The amendment relates to existing tariff rates and not to what we may do in the future with regard to any new tax we may impose on foreign products.

Mr. HARRISON. But under the terms of the bill the President is given that power. We are not proposing to effect any rates at all, because there is no demand to put a tax on coffee or tea or silk or similar articles. If, in order to get large concessions from some other country, we make an agreement that we will not impose such a tax, it would seem to me a very advantageous arrangement. Even in the Colombian treaty or agreement which will probably come to the Senate, that is one of the main features; but if we adopt the amendment which is championed by the Senator from Ohio [Mr. FESS], and others, some of whom may carry out their purpose to vote for it, then all right to make such an arrangement in a trade agreement would be taken away.

Mr. FESS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Ohio?

Mr. POPE. I yield.

Mr. FESS. I do not know whether I understood the illustration given by the Senator from Mississippi when he said that we might say to Brazil, "We will not put any burden of tariff on coffee for 3 years if we can get an agreement by which you will take some of our products." Suppose they took us at our word, would we put a duty on coffee if they should not enter into such an agreement?

Mr. HARRISON. I do not believe we would.

Mr. FESS. Is that a mere bluff that we are using toward Brazil?

Mr. HARRISON. I imagine if Congress gives this power to the President and our Government enters into an agreement of that kind, we will at least show our good faith and abide by the agreement.

Mr. FESS. Under the authority granted in the bill could we make that kind of an arrangement with coffee on the free list?

Mr. HARRISON. I think we could.

Mr. FESS. So the bill does propose to deal with items on the free list the same as with items on the dutiable list?

Mr. HARRISON. Oh, the President could not take an item from the free list and put a tariff tax on it and thus put it on the dutiable list. That is not permitted under the terms of the bill. But there is nothing in the bill that would prohibit the President from entering into an agreement that we would not put a tax on something now on the free list, although there is no demand in the country to put a tax on it, if we could get certain concessions which would help our agricultural interests and the general prosperity of the country.

Mr. FESS. Would that carry with it the threat that if they should not make the concessions we want them to make, we would put a duty on an article now on the free list?

Mr. HARRISON. Oh, no. All of this is to be done by mutual agreement and understanding.

Mr. FESS. It seems to me it is merely a bluff.

Mr. HARRISON. The whole thing perhaps seems to be a bluff to the Senator from Ohio.

Mr. POPE. Mr. President, the American farmer asks no special privileges from his Government. He only asks the

opportunity to live as a decent, self-respecting American citizen. He knows that he has been subjected to unfair discrimination under our tariff policies, and that he has paid billions of dollars to the overlords of industrial aristocracy which has helped to build huge fortunes and concentrate great wealth in the hands of a favored few. He knows that this has resulted in his impoverishment.

The pending measure would tend to restore to the American farmer the position in our economic life to which he is entitled.

Now we have the proposed amendment of the Senator from California [Mr. JOHNSON] providing that no foreign-trade agreement shall be entered into with respect to any agricultural product. In other words, this would mean that the farmer might not share in the reciprocal agreements for increased foreign markets and no hope would be afforded him in this way to dispose of his surplus products. To my mind, he would again be discriminated against as he has been discriminated against under tariff bills in the past. I do not favor such discrimination, and I do not favor any such amendment.

An appealing argument can be made, and is constantly being made, that under our economic system and under the agricultural program of this administration the production of farm products is being curtailed, acres are being leased and plowed up, pigs are being killed, and other acts are being done to limit or dispose of surplus farm products, and at the same time millions of people at home and abroad are suffering for such goods.

A few days ago at a meeting of the Committee on Agriculture and Forestry, when a bill to make effective the limitation of farm products was being considered, one member of the committee exhibited a newspaper clipping showing the distressingly large number now on the relief rolls of this country. I think every member of the committee who read the clipping was struck by the tragedy of it all—there we are struggling to reduce surpluses of farm products to sustain prices of farm products while millions are undernourished and on the relief rolls of the country and millions more in need in other countries.

Now, under this measure there is a chance to dispose of some of these surpluses for consumption by those who need them; a chance to reverse the program of curtailment and elimination of surplus products; a chance to restore to some extent the markets for such products as have been lost within the last few years; a chance to look in the direction of a larger volume of world trade.

In my humble opinion, if permanent and substantial relief for American agriculture is ever to be realized, it must be, at least in part, through expanding markets and expanding returns for the labor and toil of the millions of farmers in the country.

EXHIBIT A

[From the Evening Star, May 9, 1934]

TRADE PACT MADE BY THREE NATIONS—ITALY, AUSTRIA, AND HUNGARY AGREE ON RECIPROCAL AND PREFERENTIAL DUTIES

ROME, May 9.—An Italo-Austro-Hungarian economic agreement was reached today, and will be signed probably Saturday.

This agreement is based on reciprocal and preferential duties, a minimum export price accord, and an agreement between the three nations to purchase fixed quantities of certain products.

The major points of the agreement, which has been in negotiation for 5 weeks by Dr. Richard Schuler, the Austrian Minister; Dr. E. De Winckler, Hungarian export chief, and Dr. Chiancarelli, the head of the economic section of the Italian foreign ministry, are as follows:

1. The minimum export price accord—Austria and Italy agree to buy Hungarian wheat at a price approximating 40 lire a quintal, that is, about 92.6 cents a bushel, a figure appreciably above the present export price. Hungary and Italy agree to buy Austrian lumber and wood pulp for paper making also at a price appreciably above the present internal price in Austria. The minimum export price accord is an effort to raise prices and increase buying power.

2. Italy agrees to buy approximately 2,000,000 quintals (7,408,000 bushels) of Hungarian wheat, and Austria agrees to buy 2,250,000 quintals (8,334,000 bushels), thus practically eliminating Hungary's surplus of 6,500,000 quintals. The feature of this agreement is that Italy agrees to buy whether she needs wheat or not and has the right to reexport any portion of this purchase that she does not need either as wheat or flour.

3. Austria and Hungary agree to lower their tariffs 10 percent on the products of any country which go through Trieste and Fiume. This is an effort to build up these ports at the expense of North German ports, particularly Hamburg.

4. Italy's and Austria's industrial products are given a large preferential treatment by Hungary. So considerable is this preference that an expert said in the future only Italian automobiles would be sold in Hungary.

5. A permanent committee has been appointed whose chief members are Winckler, Schuler, and Chiancarelli.

The experts believe that the economic agreement, which was negotiated by Premier Mussolini of Italy, Chancellor Dolfuss of Austria, and Prime Minister Goemboes of Hungary, will lift Austria and Hungary out of their economic difficulties and make Austria more independent commercially.

Mr. CUTTING obtained the floor.

Mr. McNARY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	Johnson	Pope
Ashurst	Couzens	Kean	Reynolds
Austin	Cutting	Keyes	Robinson, Ark.
Bachman	Davis	King	Russell
Bailey	Dickinson	La Follette	Schall
Bankhead	Dieterich	Lewis	Sheppard
Barbour	Dill	Logan	Shipstead
Barkley	Erickson	Lonergan	Smith
Black	Fess	Long	Steiwer
Bone	Fletcher	McCarran	Stephens
Borah	Frazier	McGill	Thomas, Okla.
Brown	George	McKellar	Thomas, Utah
Bulkley	Glass	McNary	Thompson
Bulow	Goldsborough	Metcalf	Townsend
Byrd	Gore	Murphy	Tydings
Byrnes	Hale	Neely	Vandenberg
Capper	Harrison	Norbeck	Wagner
Caraway	Hastings	Norris	Walcott
Carey	Hatch	Nye	Walsh
Clark	Hatfield	O'Mahoney	Wheeler
Connally	Hayden	Patterson	White
Copeland	Hebert	Pittman	

The PRESIDING OFFICER. Eighty-seven Senators have answered to their names. A quorum is present.

THE AIR MAIL—CONFERENCE REPORT

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Tennessee?

Mr. CUTTING. I do.

Mr. McKELLAR. I desire to call up the conference report on the air mail bill. It will take only a short time, I think. Would it inconvenience the Senator if I should call it up now?

Mr. CUTTING. That is quite satisfactory, provided I may obtain recognition after the consideration of the report shall be concluded.

Mr. McKELLAR. Of course.

Mr. President, I ask unanimous consent to have considered the conference report on Senate bill 3170, relating to air-mail contracts.

Mr. CUTTING. I assume that if there is to be any considerable debate, I may reserve the right to resume the floor.

Mr. McKELLAR. The Senator from Ohio [Mr. FESS] desires to speak on the report.

Mr. CUTTING. The Senator from Ohio assures me that it will require considerable debate.

Mr. McKELLAR. I did not know that.

Mr. McNARY. Mr. President, I may say that the program was arranged without consideration of this report, which, I am satisfied, will lead to some debate.

Mr. McKELLAR. Very well, Mr. President; I withdraw the request.

RECIPROCAL-TARIFF AGREEMENTS

The Senate resumed the consideration of the bill (H.R. 8687) to amend the Tariff Act of 1930.

Mr. CUTTING. Mr. President, I intend to vote for the pending amendment of the Senator from California [Mr. JOHNSON]. I am afraid, however, that, even if we assume the possibility that that amendment may be adopted, the dangers which confront American agriculture may be just as serious as they are at the present time.

Even if we should adopt the amendment of the Senator from California, the Executive, nevertheless, retains the right to lower agricultural tariffs by 50 percent; and while that might not be embodied in any specific agreement with a foreign country, I fear that the practical results would remain very much the same.

I cannot resist the conclusion that whether or not this amendment shall be adopted, the bill in itself postulates the sacrifice of American agricultural interests. I cannot see—and so far no one on the opposite side has attempted to enlighten me—how we shall be able to make any agreements of this kind except with regard to agricultural products.

It surely is apparent that reciprocal agreements can be made most easily with nations which are prepared to receive our capital goods and which have nothing to pay in return except agricultural surpluses which have accumulated in their countries.

Mr. Louis M. Hacker has an interesting article in the June Harper's entitled, "Plowing the Farmer Under", in which, among other things, he says:

> In view of the long conditioning American industry has had in a protective-tariff environment, a sudden change to an international unfavorable balance situation under which the United States would import more than it would export—and particularly buy from abroad manufactured goods—is unlikely. If the question is seriously considered in all its ramifications, there is a greater possibility of the bars being let down for the importation of foreign raw materials and foodstuffs than for the importation of finished goods. In any event, as a reform program, the revival of foreign trade holds out no real hope for American agriculture.

With that conclusion I entirely agree.

It has been a remarkable thing that for 10 days an interesting debate—a debate on a very high plane, I think—has been maintained by members of the minority party. It started out with the speech of the Senator from Idaho [Mr. BORAH], certainly as eloquent and convincing an address as I have ever heard in this Chamber. It has gone on for the most part on the same general plane, yet during all that time the debate has been entirely one-sided. Until the last couple of days, no one has attempted to defend the principles of the bill. No one, even now, has pointed to any single commodity as to which the United States would obtain more favorable treatment through the passage of the bill than it is able to obtain at the present time.

That seems to me a very remarkable state of affairs. It is true that certain interests have been mentioned which, we are assured, will not be bargained away for the satisfaction of this fetish of international trade. Chief of them is wool. We have been told—perhaps not in so many words on the floor of the Senate, but we certainly have been informed through the press—that wool would not be considered one of the products which would be traded under these agreements; yet when we turn to the little pamphlet by the Secretary of Agriculture entitled "America Must Choose", we find the following:

> This will involve a radical reduction in tariffs that might seriously hurt certain industries and a few kinds of agricultural businesses, such as sugar-beet growing and flax growing. It might also cause pain for a while to wool growers, and to farmers who supply material for various edible oils.

The Secretary of Agriculture, of course, is one of the people who are going to administer this bill if it shall be passed; and I submit that the Secretary of Agriculture who says that the bill may cause pain to the wool growers is a better authority than any we have had so far on the other side.

For the first time this morning a serious attempt was made to justify the constitutionality of the bill. I know that no Member of the Senate will accuse me of posing as a constitutional lawyer, and I do not care to discuss that phase of the question at all; but in the able discussion by the Senator from Georgia [Mr. GEORGE] one conclusion stood out firmly in my mind, and that is that there is no limitation whatever upon the power of the President as described in the first paragraph, the preamble of the bill. The Senator from Georgia admitted that, in effect, this section would have meant exactly the same thing if we had worded it: "The President may, when he deems it for the best interest of the country", do those acts which in subsequent paragraphs we grant him authority to do.

That, of course, is interesting, not as a matter of constitutionality but as a matter of common sense and a matter of policy; and what little I intend to say this afternoon will be confined to the question of policy.

Mr. FESS. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Ohio?

Mr. CUTTING. I yield.

Mr. FESS. When the Senator from Georgia made the distinction that this bill lays down a rule of action for the President, and said that because of that it is constitutional, can we not justifiably come to the conclusion, if that principle is accurate, that all it is necessary to do is for the Congress to lay down a principle and give to the President full authority to fix the rates thereafter? Would not that be a conclusion from his statement?

Mr. CUTTING. That would be a conclusion which would commend itself to me as a layman. I do not undertake to decide questions of that kind.

Mr. FESS. It appears to me that that is a justifiable conclusion from the premises laid down.

Mr. CUTTING. It would seem to me, furthermore, as a layman, that if it is constitutional to say that the President may exert the powers delegated to him in this measure if he deems it in the best interests of the country, it would be equally constitutional to delegate to the President power to make war if in his judgment that should be to the best interests of the country.

I prefer, however, to get on to the question of the policy of the measure, because that, after all, is what I am most concerned about.

Mr. President, perhaps I may be allowed to say that my remarks will be based on two assumptions, and if those assumptions are incorrect, of course the argument based on them is equally incorrect.

The first assumption is that the evils from which we have been suffering in this country are due primarily to the fact that our people have not sufficient purchasing power to consume the goods which our country is producing or is able to produce. If that is the case, then it seems to me to follow that when the citizens of a country cannot themselves buy the goods which they produce, neither can they buy the goods which some foreign country is willing to exchange for the goods which they produce. So it seems to me that the fundamental thing which is wrong is the question of internal purchasing power, and that we cannot remedy that defect by any kind of international agreement at all.

The second assumption I make is that international trade is essentially an exchange of the goods and services of one country for the goods and services of another. If we export a certain amount of products of our country, we have to take in exchange, in the long run, an equivalent amount of goods and services from the foreign country with which we are dealing. Of course, there is one alternative, and that is the alternative of extending credit to the foreign country, by which it may buy our goods; but that merely postpones the day of reckoning, unless we are willing to say that the credit which we are extending to the foreign country shall never be made good by any real exchange of commodities.

In the light of those assumptions, which, I confess, seem to me axiomatic, let us see what the policy of the administration is as testified to by its representatives before the Finance Committee of the Senate. Let me first read from the Secretary of State, because in two sentences he sums up the entire policy of the proposal. Said Secretary Hull:

> If a nation is enterprising * * * it will resolutely seek in the present situation to restore old markets and to establish new markets both at home and abroad until a volume of production affording full employment to labor has been made possible.

Then comes the sentence to which I desire to attract particular attention:

The policy of the proposed bill is to supplement our almost impregnable domestic markets with a substantial and gradually expanding foreign market for our more burdensome surpluses.

There we have it in a nutshell. Our own market is impregnable. No foreign nation can invade it. We maintain it just exactly as it is today. On the other hand, we find markets abroad for our burdensome surpluses.

When we consider that every other industrial nation on the face of the globe is engaged in exactly the same pursuit, that every one of them has a surplus which it has to export, and that it has devised a mechanism for keeping its own markets impregnable, we can realize the kind of a fight which it is proposed the United States shall enter.

A market for our burdensome surpluses. With millions of our own people underfed and underclothed, does it not seem the most utter paradox on the face of the earth that the main endeavor of the United States at the present time is to get rid of burdensome surpluses? Just think of the expression! How can a surplus be burdensome when there are people in our country who need to use it?

We used to talk about the bountiful harvest. We used to talk about burdensome deficits. We have to change all our views about those things. From now on the harvest will be a calamity to us, and the drought and the famine will be termed "bountiful."

If the principle under which we are asked to act is correct, then, of course, there is nothing in sight but a desperate endeavor to get the products which this country produces in such abundant profusion into the hands of somebody else somewhere else, and leave our own people to starve.

Mr. President, in the time at my disposal I am not able to read as much as I should like from this very interesting testimony of Secretary Hull. I shall quote a paragraph or two, however. Said the Secretary:

A few other countries are already aroused and awake to the value of foreign trade. Their seamen and their vessels loaded with merchandise are finding their way into every harbor of an increasing number of countries. They are exhibiting remarkable initiative, enterprise, and pioneering spirit not unlike that of other nations in the past, when they set out determined upon their share of world commerce. A vast and ever-increasing foreign trade is easily within the grasp of this country, unless we fritter away the opportunity. It is a first step in such an undertaking that the proposed bill is offered.

So we join this race in which all foreign nations are now engaged to get rid of as many goods as possible and to take as few goods as possible in return.

I shall come back a little later to the Secretary's doctrine of a burdensome surplus. First, I wish to quote a line or two from the Secretary of Agriculture. Secretary Wallace stated his policy concisely. His testimony appears on page 27 of the Senate Finance Committee hearings. He said:

It would seem to be exceedingly unwise during the period when we have such a breathing spell to prepare for an eventuality, which eventuality will be either the continuation of the acreage-control programs, which we are now using in the Agricultural Adjustment Administration, or the creation of foreign purchasing power by the acceptance of more goods from abroad, or do a little of each.

There seems to be some confusion in the way the testimony of the Secretary is printed. I cannot believe that he meant to say it was exceedingly unwise to prepare for an eventuality. Probably he is misquoted in the printed record, but I am reading it as it stands.

His policy, however, is plain; either we are to continue the acreage-control program—and that means the program exemplified, for instance, this morning, when we read that a million cattle are to be destroyed in the Middle West—either we are to do that and cut down the goods which are available to our own people who need them, or, on the other hand, we are to create foreign purchasing power. It seems to me that the Secretary is not actually offering two alternatives at all. They are merely two angles of the same policy. We create foreign purchasing power, and we cut down the level of American production to the intolerably low level of consumption which exists at the present time.

If we are going to increase purchasing power, why do we have to confine ourselves to foreign purchasing power? Why do we not do something to increase the purchasing power of our own people at home?

Mr. HATFIELD. Mr. President, will the Senator yield?

Mr. CUTTING. I yield.

Mr. HATFIELD. The Senator might be interested in the statement that was made by the distinguished Senator from Colorado [Mr. COSTIGAN] respecting the number of workmen who were employed in the production of commodities which were sold abroad. Would the Senator be interested in knowing what the Tariff Commission's report shows?

Mr. CUTTING. If it will not take too long.

Mr. HATFIELD. Perhaps it would take a little bit too long.

Mr. CUTTING. I should prefer that the Senator put it into the RECORD in his own time.

Mr. HATFIELD. It is only one paragraph, I will say to the Senator. The report headed "Economic Analysis of Foreign Trade of the United States in Relation to the Tariff", by the Tariff Commission in response to Senate Resolution 325, shows that in 1929 the estimated number of wage earners in manufacturing industry engaged in producing for export articles of the several major commodity groups, was 658,000. This number had decreased to 364,000 in 1931, or a decrease of 294,000 employees. In other words, at the high tide of business there were only 658,000 wage earners employed in this country in such industry.

Mr. CUTTING. I appreciate that contribution by the Senator from West Virginia.

I have already mentioned the fact that it has been almost impossible to get any tangible information as to what will be done if this bill shall be passed. The Assistant Secretary of State, Mr. Sayre, was before the Committee on Finance for a long time. He was questioned by many Senators, especially by the Senator from Connecticut [Mr. WALCOTT]. Let me quote just a little to show the difficulty of finding out what this all means and what it is all about:

Senator WALCOTT. Can you think of any trade that would benefit in this country that does not injure another industry, under the terms of this bill?

Mr. SAYRE. I think, sir—I hesitate to mention this—but I think, sir, the very recent agreement which we signed with Colombia will create real benefits without doing injury to anybody. I can think of many other instances where it is possible, I believe, to create real benefit without injury.

Later on Senator WALCOTT asked:

Senator WALCOTT. Doctor, we struggled this morning to get a single concrete illustration. You must have had something in mind when you drew this bill, otherwise the bill could not have been drawn.

* * * * * * *

Can't you be frank enough to tell us what you have in mind that impelled you to draw this bill?

Mr. SAYRE. I think it would be the answer of a pure theorist to say, until this careful study of which I have been speaking has been made, what commodities can be traded in advantageously and what countries can be traded with advantageously; until we consult with and talk with the countries concerned, we cannot say with what countries agreements can be negotiated. The State Department has expressly abstained from doing that in order to keep good faith with Congress.

Senator WALCOTT. So you have no countries in mind and no commodities?

Mr. SAYRE. No specific consultations have as yet taken place. I do not say that I have no countries in mind, and I do not say that I have no commodities in mind, but I do say that I do not know, until investigations and inquiries have been made, what countries will move toward it or what commodities we will bargain with.

We do not know what countries and we do not know what commodities. And the only concrete instance that can be pointed to is a treaty with Colombia, which was not only negotiated but also signed 5 months ago, and to which the Senate of the United States has so far been forbidden access.

Nevertheless, it must be obvious that most of the countries with which we are going to deal under the provisions of this bill are countries which have agricultural products to export to the United States. From all we have heard of the Colombian Treaty it must come under that head.

The Senator from Mississippi [Mr. HARRISON] just now made a most extraordinary defense of that treaty when he said that we were promising under the agreement to keep

coffee on the free list for 3 years. As the Senator from Ohio [Mr. FESS] very justly pointed out, there is no way in which coffee could be put on the dutiable list except by the Congress of the United States, and there is no desire on the part of any element either in Congress or among the population of the United States to have coffee placed on the dutiable list, so that, as the Senator from Ohio aptly said, any deal with a foreign nation, one of the terms of which is that coffee should be kept on the free list, is purely a question of bluff.

I have in my hand a pamphlet just issued by the Foreign Policy Association, which, as some of us know, is a society favorable to international trade. This particular pamphlet, entitled "Tariff Bargaining Under the New Deal", makes the best possible case, certainly the best case I have seen anywhere, in favor of this bill. Most of the specific statements are taken from the report of the Tariff Commission, and for those reasons I think it is fair to say that it represents, in a way, the position taken by the proponents of this legislation.

The countries as to which this pamphlet says we are going to gain by means of reciprocal agreement are the following: Colombia, Cuba, Canada, Germany, Italy, and Argentina. Since we have not been able to obtain from any member of the administration the names of the countries with which we propose to deal, I think it is fair to consider a few of the countries here mentioned as being perhaps those with which it is proposed to make agreements.

As to Cuba, of course, Cuba is almost in a class by itself, since Cuba is one of the few countries which has a so-called "favorable balance of trade" with this country; that is, which exports more to us than she imports from this country.

When we come to Canada, however, how is it conceivable that we can make an agreement with Canada which will not have as one of its terms the providing of markets in this country for Canadian wheat, timber, copper, cattle, dairy products, and coal, all of them products of which we already have a surplus?

With regard to Germany, everyone knows that Germany is engaged at the present time in closing herself off from all communication with foreign countries. She is engaged in building up a national state of the most complete variety. She is attempting to build up production of those articles which she does not now produce. The idea of entering into any trade agreement with present-day Germany seems preposterous, although logically it might have some desirable features.

As to Italy, this very pamphlet shows that agricultural products, cheese, olive oil, products of that kind, would probably be the main Italian surplus which we would have to take in this country.

The last country in this list is Argentina. The Foreign Policy Association says:

> Argentina ranks as the most important of the countries with which the United States has had preliminary conversations regarding a new commercial agreement.

And at the end, after quoting from the Tariff Commission, it sums up the situation as follows:

> The Tariff Commission's study would indicate that the United States might make substantial concessions on a number of dutiable articles now imported from Argentina, including flaxseed, quebracho extract, cattle hides, and combing wool.

Of course, unless we were to add to that list the canned meats, as to which the Senator from Louisiana was so eloquent the other day, I do not know how there could be a series of Argentine imports which would be more distressing to American agriculture than flaxseed, hides, and wool. Those are the products which would be allowed to come into this country under an agreement with "the most important of the countries with which the United States has had preliminary conversations."

Mr. BORAH. Mr. President——

The PRESIDING OFFICER (Mr. DIETERICH in the chair). Does the Senator from New Mexico yield to the Senator from Idaho?

Mr. CUTTING. I yield.

Mr. BORAH. In connection with the remarks the Senator has just been making, I should like to refer to an Associated Press dispatch of March 2, from which I quote as follows:

> Negotiations for reciprocity treaties between the United States and Brazil, Argentina, Sweden, and Portugal, under way for several months, have been interrupted until legislation proposed in President Roosevelt's tariff message has made appreciable progress in Congress.

I take it from that that these reciprocal agreements have already been under negotiation and are now perhaps practically closed, awaiting for the Congress to adjourn.

Mr. CUTTING. It is so stated in the pamphlet from which I have just quoted.

Mr. JOHNSON. Mr. President, will the Senator give the names of the three particular articles to which he referred, as to which conversations are being carried on with Argentina, and upon which there is to be one of the Yankee bargaining trades?

Mr. CUTTING. The articles mentioned in this pamphlet are flaxseed, hides, and wool.

Mr. JOHNSON. Wool?

Mr. CUTTING. Wool is one of them. Is the Senator surprised?

Mr. JOHNSON. I am sure that the article has been read erroneously, if the Senator would glance at it again, because we know that there is now outstanding a commitment that wool shall not be touched, and it is an astounding thing to find in an authoritative publication a statement that wool is to be dealt with in a reciprocity agreement.

Mr. CUTTING. Mr. President, I have so far failed to find the definite agreement of which the Senator speaks; I have seen references to it in the press, but I have never seen an authoritative statement from anyone to the effect that wool will not be considered under the terms of this proposed act. If the Senator knows of a place where that has been stated in black and white, and in so many words, and in language which cannot be misinterpreted, then I should be delighted to be so informed.

Mr. JOHNSON. I referred yesterday, if the Senator will pardon me for taking his time——

Mr. CUTTING. I am delighted to have the Senator interrupt me.

Mr. JOHNSON. I referred yesterday to a dispatch from one of our distinguished colleagues in which, in so many words, he said he had the assurance that wool would not be touched.

Mr. CUTTING. Mr. President, I am sure that our distinguished colleague quoted by the Senator from California made his statement in complete good faith, but we have previously had so many such assurances with regard not only to this kind of legislation but also to other kinds of legislation that I should prefer to have any assurance of that sort written into the bill.

Mr. President, having said what I have, I want to make it perfectly clear that I think there are many rates in the tariff schedules which are entirely too high. Time and time again during the discussion of the Hawley-Smoot bill I voted for lower rates than were placed in the bill by the majority—and the majority, it is fair to say, consisted, in part, at least, of Senators who sat on the opposite side of the aisle. I think a great many of the rates in the various schedules ought to be lowered; but they ought to be lowered with the sole objective of helping the American consumer. They ought to be lowered with the purpose of increasing our own defective purchasing power. They ought not to be lowered as a part of a Yankee horse trade; they ought not to be lowered in consideration for something or other which may come in from abroad; they ought not to be lowered in order, as the Secretary of Agriculture says, to create foreign purchasing power.

The President has full authority, under the existing flexible provision of the tariff law, to make all these changes, to lower a duty as much as 50 percent, if he desires. He has all that authority right now. Why is it necessary for him to exercise it as a part of a series of foreign agreements?

One of the ablest Members of this body said to me this morning that perhaps the drought and the famine in the West were so great that instead of having an agricultural surplus we should be forced within a year to buy agricultural products from abroad, and that in that case we might want to enter into an agreement by which we could bring foreign wheat, for instance, into our country without the payment of the existing duty of 42 cents a bushel. Of course, it seems to me that the answer to that is that if we need foodstuffs from abroad it is perfectly easy for the President to lower the duty and that every one of the countries which produce an agricultural surplus will let us have it and will be glad to do so; but then it is to our advantage to import that food, and we can hardly ask foreign nations to do something which is to our advantage as part of a bargain to provide a foreign market for our manufactured goods, of which, I assume, we will still have a surplus in spite of the drought.

International trade, Mr. President, as I have previously said, is essentially an exchange of goods and services; it cannot be anything else. We may loan money to foreigners to buy our products, but the loan does not in the least alter the substantial economic realities of the situation.

A year or two ago Mr. Lawrence Dennis wrote an interesting book entitled "Is Capitalism Doomed?" in which he demonstrated beyond a shadow of a doubt, in my judgment, that the principal of foreign loans can never be repaid; and that the interest can be repaid only by making additional loans with which to pay it.

I shall read a word from his final conclusion:

> The American people have now admitted that they are going to do nothing about unemployment.

This was written a couple of years ago, and, of course, for a time we did some very serious things about unemployment. Since, however, we have abandoned the C.W.A. and have done so little to take its place, and since we are proposing to appropriate a totally inadequate sum for public works, I think we may almost say that we are back in the position which Mr. Dennis describes. However, I shall continue the quotation:

> The American people have now admitted that they are going to do nothing about employment. War, therefore, is the inevitable solution. It will impose itself by the force of economic and political events brought to bear on statesmen who do not know what it is all about. The more our statesmen talk peace, and the greater their sincerity of belief in what they say, the more inevitable becomes the war issue.

We have as the principal proponents of this bill three of the most honorable and sincere statesmen whom I know. I have for them the highest respect, and nothing I have said or shall say must be taken as impugning in any way my belief in the sincerity of Secretary Hull, Secretary Wallace, or of Assistant Secretary Sayre. Does not that emphasize the fact Mr. Dennis brings out—that the greater the sincerity of our statesmen, the more danger there is apt to be of their leading us into a ruinous policy?

Mr. President, I have never been one who has engaged in the denunciation of foreign governments because of their failure to pay the war debts. I have never been able to see how, under the present economic system of the world, it is possible for them to do so. The loans were not made in cash. They were made in goods, and they will have to be repaid in goods, or not repaid at all. When I say "goods", of course, I mean goods or services, neither of which we are willing or able to accept. But having said that, the fact remains that the only people who derived any advantage from the loans which we made to foreign governments during the war and during the subsequent period were the foreign consumers. They got their munitions, and they have not paid for them. Whether they are able or unable to pay for them, the fact remains that the whole advantage has gone to them; and that as to any foreign loans we may make in the future the same thing will be true. We cannot make this kind of thing work unless we increase the purchasing power in this country. We cannot make it work by sending abroad money or credit with which the foreigner will buy our products. To do so will sink us deeper and deeper in the morass in which we are already floundering.

I was amazed to hear this morning from the lips of the senior Senator from Georgia [Mr. GEORGE] the statement that the excess of our exports over our imports represented the surplus capital of this Nation, and that that surplus undoubtedly would have to be invested in foreign trade. Mr. President, the whole idea of surplus capital which has to be reinvested is that of the system which we pursued domestically in the disastrous years which led to the crisis of 1929—the crisis which we are still confronting. To keep on investing money in production—and to that extent the same thing is true of foreign trade—is to keep on increasing the gap between the purchasing power of the people of the country and the cost of production, which in the long run they have to pay.

What are the inevitable results of this policy? We are trying to get what is called "a favorable trade balance."

When we say a "favorable trade balance", we are using a term which has always seemed to me wildly contrary to the fact. A favorable trade balance is a balance whereby we deplete our country of its goods and services and take nothing in return. We find every industrial nation in the world engaged in the same ridiculous endeavor. There is some excuse for other countries which have to import most of the goods their people need, but for a country like the United States, which produces almost everything, which has difficulty in finding sufficient noncompeting foreign goods to pay for its exports, it seems like a policy of madness.

I entirely agree with Mr. Dennis that such a policy can lead to nothing but war. Every war for a hundred years has been due to exactly this kind of thing—this race; this competition for markets; this endeavor to find subject territories to which surplus products of a nation may be sold; this endeavor to beat the other fellow out in a horse trade; this endeavor to get our manufactured goods, we will say, into Argentina instead of the manufactured goods of Great Britain, although in return we have to take products for which we do not have a need and which will injure American industry and labor.

Why, Mr. President, it seems to me it would be more sensible to take our surplus, if it is really burdensome, and dump it in the Atlantic Ocean. Then, at least, we would be free from this war menace, and we could proceed, without regard to these fanciful castles in the air, to set our own house in order, as sooner or later we are going to have to do.

Of course, Mr. President, our surplus should not be sunk in the Atlantic Ocean. Of course, something more sensible than that should be done with it. But why should not we help our own consumer? Why should we not help out the people of our own country? Why would it not be far more sensible yet to distribute our surplus among the needy and the starving right here at home? Yet, if anyone should suggest something of the sort, I can see the hands go up, the whispers of horrified amazement which would arise from many parts of the Chamber, "That would be unsound. That would be socialistic. That would be radical."

There is no way apparently in which we can help our own consumers except indirectly through giving our goods away—because that is what it amounts to—to foreign consumers who will never in the long run be able to pay for more than an infinitesimal fraction of them.

Mr. DICKINSON. Mr. President——

The PRESIDING OFFICER (Mr. HATCH in the chair). Does the Senator from New Mexico yield to the Senator from Iowa?

Mr. CUTTING. I yield.

Mr. DICKINSON. The impractical phase of the proposed legislation is due to the fact that we produce practically every commodity in this country upon which any possible trading agreement could be made.

Mr. CUTTING. I think the Senator has stated the case, perhaps not literally but substantially.

Mr. DICKINSON. Practically all the commodities which we do not produce, like silk and coffee, come here free of

duty; and, therefore, there is nothing practical about a suggestion of this kind with reference to negotiating trade agreements or adjusting tariffs in order to secure a trade advantage.

Mr. CUTTING. Yes, Mr. President; I think the most hopeful thing about the legislation is that it is so impractical that perhaps it will never be put into effect. I think, perhaps, it will be impossible to find countries which meet the various terms that have been laid down before us as the policy of the administration, but insofar as it is practical it is a dangerous piece of legislation.

Mr. DICKINSON. Let me further suggest that the uncertainty the threat of this measure would arouse in the minds of business men—the fact that they would not know when their interests would be involved in tariff duties or tariff trade agreements—would certainly more than overcome any possible trade advantages or benefits we might get under the bill.

Mr. CUTTING. I am afraid that is apt to be the case.

Mr. President, I mentioned a moment ago a conception which most of my colleagues would consider a revolutionary conception, of distributing the surplus directly to our own consumers or, what amounts to the same thing, distributing sufficient purchasing power among the people of the country to buy the products of its industry. I was amazed the other day to read an editorial from the London Times, perhaps the most conservative organ of public opinion in the present world. Sometimes a foreign observer, even though a conservative one, sees a situation from a little broader angle than we do at home. I want to quote a few sentences from this editorial:

The purpose of the tariff bill—

Meaning the present pending legislation—

is to help foreigners to buy American goods by authorizing the President to reduce the tariff in appropriate cases, thus enabling them to sell their goods in America. There is, however, the threefold difficulty—that America, comparatively speaking, needs so little that she cannot produce for herself; that much of that little is earmarked, so to speak, for the repayment of American loans abroad, leaving little over to pay for any expansion of American exports; and that any great increase of imports would expose American industries to competition from countries working for longer hours at lower wages and would tend to spread unemployment among the already hard hit industrial workers. The policy of the administration provides for the establishment of export credit banks with Government backing to finance foreign purchases of American goods. Their operations, however, while they would ease the immediate difficulty, would only postpone and would not solve the problem of payment. Unless, of course—

And these are the words which I ask my colleagues to mark—

Unless, of course, credits were advanced without any intention of insisting upon repayment, and in that case it would seem simpler and would achieve the same ultimate purpose if they were advanced directly to the American farmers and other producers.

Such a suggestion, coming from the stodgy, reactionary, ultraconservative London Times seems to me very significant of the way our policy must look to any intelligent observer from outside. It would look even more crazy to an inhabitant of Mars.

At any rate, Mr. President, that is the policy which we apparently are adopting. Our surpluses—to use Secretary Hull's cogent phrase—are burdensome to us. What are we going to do with them? We are going to force them on other countries at any risk. We are going to make deals with them. We are going to get the better of them in the deals. Always, of course, the United States can be counted on to get the better of a trade agreement.

Mr. DICKINSON. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Iowa?

Mr. CUTTING. I yield to the Senator.

Mr. DICKINSON. Can the Senator name one deal where we did get the better of the bargain?

Mr. CUTTING. Mr. President, I do not like to go back into the past. We are dealing with the future now and whatever may have been the case in the past, from now on we are going to get the better of every deal, because that is the assurance we have been given; and if we do not get the better of any deal, God help us! What are we going to do? What are we going to do with all these surplus foodstuffs?

The PRESIDING OFFICER. The time of the Senator from New Mexico has expired.

Mr. CUTTING. I still have 20 minutes on the bill?

The PRESIDING OFFICER. The Senator has.

Mr. CUTTING. I will take that.

What are we going to do with these surplus products? There is nothing to do with them. We could not even conceive of giving them to our own people. We could not conceive of building up what seems to nearly everybody the thing which the people in this country most lack; namely, the power to buy, the power to consume, the power of equating our consumption with our production. We cannot do that, but we can force the foreigner to take our stuffs. We can force him to do so even though in the last analysis we shall have to go to war in order to do it, because, as the Senator from Georgia stated this morning, our excess of exports over imports represents our surplus capital. We have to employ surplus capital. We have to keep on investing and reinvesting. We have to keep on piling up production, forcing reinvestment of capital in this country or abroad, although we know perfectly well in advance that the capital never is going to be paid back, and that the interest cannot be paid back except by future loans. We are going to enter into this race. That is what we are proposing to do, according to the men—the very honorable and sincere men—who have appeared before the Finance Committee and have boldly stated their policy.

Of course we cannot compete with the foreigner in the open market on most of the products with which it is inevitable that this proposed legislation will deal. Of course our cost of production is higher, and as a result of recent legislation it is going to be higher still. Every time we enact legislation for the benefit of the people of this country, every time we enact what is generally called social-service legislation—and I believe in that legislation as fervently as any Member of this body—every time we do that we are inevitably raising our costs of production. All the legislation which has been enacted as part of the new-deal program—the N.R.A. and all the rest of it—is increasing that cost of production. So the only way in which we can take care of this situation is to enter into these trades, in which inevitably we are going to give away something without getting anything substantial in return.

Mr. President, I have sympathized deeply with the publicity given in recent months to the question of armaments. No one deserves more credit for the publicity in that respect than our colleagues from North Dakota and Michigan [Mr. NYE and Mr. VANDENBERG], who have started an investigation of our own armament industry. There is no question that the race for armaments is one of the direct and important factors which lead to war; but, having said that, I wish to say again that in my judgment the race for armaments never has been and never will be half so potent a factor in bringing about war as the race for markets—a race which, in our case, will bring doubtful advantage at best to us if we engage in it, and in which we can succeed, perhaps, only by passing again through an ordeal which may be far worse than the ordeal of 1917 and 1918.

In my judgment, Mr. President, we shall have to set our own financial house in order. We shall have to devise some method of equating our industrial and agricultural surpluses, on the one hand, with our starving, underclothed consumers on the other. After we shall have done that I think we can face foreign nations with equanimity. Perhaps then we can with advantage enter into agreements which wise men might consider of mutual profit. Until, however, we get down to bedrock, until we do something for the people of our own country and their internal purchasing power, I submit that legislation of this sort is not only injurious but also dangerous and fundamentally indefensible.

We have been told, on grounds which seem to be unanswerable, that the proposed legislation is unconstitutional. I pass that by. We have been told, and I think it has been sufficiently proved, that a great many Members of this body have, let us say, conscientiously and sincerely altered their views on the wisdom of delegating three of our most important powers to the Executive of the Nation. I pass that by. If I believed this proposed legislation right, I could swallow a great deal. Certainly, inconsistency is not always a sign of immature judgment. It may sometimes be a sign of statesmanship. I am willing to concede that all the Members of the majority side who signed that impressive round robin 5 years ago have now changed their minds; but I am not willing to do an unconstitutional thing if, in addition to being unconstitutional, it seems to me dangerous and subversive of the interests of our own people.

It is in that belief that I shall vote in favor of the amendment of the Senator from California [Mr. JOHNSON]; and even should that amendment be adopted, I should still feel obligated to vote against the delegation of a power which it is obvious, from all the testimony we have had on the subject, will be used in a way which I believe to be perilous to the interests of this country.

Mr. GOLDSBOROUGH. Mr. President, I hold in my hand a very unique, interesting, and historic document, which I shall trespass upon the time of the Senate to read. It was presented in the First Congress, first session, and was Document No. 1. I read it, as follows:

AMERICAN STATE PAPERS.

FINANCE.

[No. 1, 1st Congress, 1st session.]

Manufactures.

Communicated to the House of Representatives, April 11, 1789.

To the President and Congress of the United States, the petition of the tradesmen, mechanics, and others, of the town of Baltimore, humbly sheweth:

That, since the close of the late war, and the completion of the Revolution, your petitioners have observed, with serious regret, the manufacturing and trading interests of the country rapidly declining, while the wealth of the people hath been prodigally expended in the purchase of those articles, from foreigners, which our citizens, if properly encouraged, were fully competent to furnish.

To check this growing evil, applications were made, by petitions, to some of the State legislatures: these guardians of the people, in several of the States, interposed their authority: laws were by them enacted, with the view of subduing, or, at least, diminishing the rage for foreign, and of encouraging domestic manufactures; but the event hath clearly demonstrated, to all ranks of men, that no effectual provision could reasonably be expected, until one uniform, efficient government should pervade this wide-extended country.

The happy period having now arrived when the United States are placed in a new situation; when the adoption of the General Government gives one sovereign Legislature the sole and exclusive power of laying duties upon imports; your petitioners rejoice at the prospect this affords them, that America, freed from the commercial shackles which have so long bound her, will see and pursue her true interest, becoming independent in fact as well as in name; and they confidently hope, that the encouragement and protection of American manufactures will claim the earliest attention of the supreme Legislature of the Nation; as it is a universally acknowledged truth, that the United States contain, within their limits, resources amply sufficient to enable them to become a great manufacturing country, and only want the patronage and support of a wise, energetic government.

Your petitioners conceive it unnecessary to multiply arguments to so enlightened a body as the one they have now the honor of addressing, to convince them of the propriety and importance of attending to measures so obviously necessary, and, indeed, indispensable; as every member must have observed and lamented the present melancholy state of his country; the number of her poor increasing for want of employment; foreign debts accumulating; houses and lands depreciating in value; trade and manufactures languishing and expiring. This being a faint sketch of the gloomy picture this country exhibits, it is to the supreme Legislature of the United States, as the guardians of the whole empire, that every eye is now directed: from their united wisdom, their patriotism, their ardent love of their country, your petitioners expect to derive that aid and assistance, which alone can dissipate their just apprehensions, and animate them with hopes of success in future, by imposing on all foreign articles, which can be made in America, such duties as will give a just and decided preference to their labors, and thereby discountenancing that trade which tends so materially to injure them, and impoverish their country; and which may, also, in their consequences, contribute to the discharge of the national debt, and the due support of Government.

Your petitioners take the liberty to annex a list of such articles as are, or can be, manufactured in this place, on moderate terms; and they humbly trust that you will fully consider their request, and grant them, in common with the other mechanics and manufacturers of the United States, that relief which, in your wisdom, may appear proper.

A list of enumerated articles manufactured in Baltimore town, and State of Maryland, which are affected by the importation.

Shipbuilding.

Anchors, adzes, axes, hatchets, iron bolts, spikes, and all kinds of nails, scythes, (Dutch excepted) sickles, drawing knives, bits for boring pumps, carriage hoops and attire, scale beams, steelyards, spades, shovels, hoes, mattocks, pickaxes, andirons, shovels, and tongs, chimney grates, iron traces and chains, thumb latches, plane irons, augers, chisels, and gouges, gridirons, currycombs, bits, and stirrup irons, smith's and hand bellows, guns and pistols, gun and pistol locks.

Copper and tinware, including worms for stills.

Brass andirons, candlesticks, and all rough brass castings, under 100 pounds weight, brass carriage and harness furniture.

Cordage, cables, and spun yarn, white rope, log line, and sein twine.

Ship's blocks, of all kinds.

Wrought gold jewelry, and all kinds of plated ware.

Clocks, of all kinds.

Wool and cotton cards.

All kinds of snuff and manufactured tobacco.

All kinds of ivory and horn combs.

Cabinet work and all other wooden household furniture.

Coaches, chariots, chaises, and all other riding carriages.

Carpenter's and joiner's planes.

Spinning wheels and all other turner's work.

Buck- and sheep's-skin breeches, buck and doe gloves.

Boots and shoes of all sorts, boot legs, vamps, and all kinds of curried leather.

Hats of all sorts.

Saddles, doe cloths, girths, surcingles, cruppers, stirrup leathers, bridles, saddlebags, leather trunks, portmanteaus, valises, shot pouches, holsters, leather and velvet caps, and carriage harness.

Burr millstones and all kinds of wrought stone, earthenware.

Brushes of all kinds.

Women's stays.

Ready-made clothes and wearing apparel.

Printing, writing, and wrapping paper, blank books, and all kinds of stationery.

Starch, hair powder, and fig blue.

Soap and candles.

Linseed oil.

Mathematical instruments.

Beer, ale, and porter.

Loaf sugar, chocolate.

Beef, pork, butter, and cheese.

Bar iron and nail rods, all kinds of iron castings, window glass, and all other kinds of glassware manufactured in great quantities in other parts of the State.

Adam Fonerden; Thomas Peters; David Stodder; John Bankson; George P. Keeports; Ambrose Clarke; William Wilson; John Gray, John McClellan; Richardson Stuart; J. Goulding; Aaron Sides; David Emmit; Adam McLeane; Robert Steuart; Isaac Caustin; George Carnaghan; George Davy; Standern Barry; John McDermeit; Joseph Rice; Hugh Steuart; Alexander Adams; Gerrard Hopkins, Sr.; Charles Wow; John Martin; Simon Brim; Thomas Long; William Lotzinger; John R. Keira; Gabriel Gill; John Linvill; Larn Wright; George Litzinger; Patrick Mullan; James Martin; Samuel Messersmith; Henry Simind; Jacob Eberhardt; Henry Ziegler; John Clark; John Breidenbersh; Hugh Allen; William C. Gouldsmith; George Rothrock; Thomas Warren; Stephen Bahon; Daniel Shea; Justus Brown; Frederick Yeiser; Joseph Smith; Joseph Perigo; Daniel Carroll; Adam Breitenodes; John Crossmug; David Evans; Elijah Evans; Aaron Mattison; Samuel Moore; James Mattison; William Mattison; Peter Bond; John Gatt Scholt; Samuel Smith; John Smith, Jr.; Charles S. Weesenthaly; Dumeste & Bentalou; Daniel Diffenderffer; Eng'd Yeison; F. Lorane; Frederick Wille; William Hawkins; Joseph Donaldson; John Lyons; Alexander Robinson; Cyprian Wells; Andrew Drebert; E. Murray; George Lindenberger, Jr.; John Mackenhim; Nicholas Mackenhim; Adam Garty; William Graham; Joseph Justis; William Ball; John Dickson; E. Solomon; Thomas Dickson; William Dickson; Frederick Kemmelmeyer; John Ress, Jr.; Thomas McCrary; Samuel Davidson; Baltzer Shaiffer; William Hutton; George Rien; James Hutton; John Reily; Sheppard Chusek; Robert Mickle; John Usher; William Thompson; W. Markell; John Alter; H. F. Delaporte, Sr.; F. Delaporte, Jr.; Conrad Disher; Michael Hauck; John Brown; James Calhoun; J. & L. Solomon; Alexander Coulter; Peter Leret; Aaron Levering; David Stewart; Haus Cluevey; Michel Delmoser; Peter Will; John Dixon; Marius McCausland; Simon White; Christian Drebert; G. & J. Tillinghast; Christopher Rabory; Richard Burland; Edward Pannell; Thomas Patterson; John Kitten; Alexander McKim; John Gordon; Andrew Aitken; John Shultz; George Parker; George Dasen; Jacob Welsh; Jacob Knal; Benjamin May; John Robi-

son; Gilbert Bigger; James Rice; Jacob T. Towson; Richard Rutter; Nathan Levering; George Aiken; Thomas Sadler; James H. McCulloch; Thomas Hollingsworth; Samuel Hollingsworth; David Brown; Peter Facharie; John Strelker; M. Eichelberger; Hezekiah Walters; David Patton; David Plunket; Charles Garts; John Leypold; Thomas Goulding; Andrew Goulding; Archibald Stewart; John Thomas; Elisha Tyson; Richard Dather; Jacob B. Drimmitt; Nathan Tyson; John Mitchel; Nathaniel Smith; Andrew Barges; Aquila Jones; Richard Lawson; John McFadon; Roger Clancy; Andrew Wallales; William Tull; William Robb; John Lynch; Jonathan Silliman; John Williams; William Jenkins; Peter Garts; Benjamin Griffith; George Dwilbiss; Peter Walter; Stephen Wilson; William Patterson; James McCulloh; James Bryden; James Brown; James Mart; James Sloan; Joshua Lemmon; William Presstman; Thomas McKim; Samuel McKim; James Baker; William Baker; James Fisher; John Tinges; Robert McKim; Thomas Smith; Matthew Patton; Horatio Hollingsworth; Thomas Hare; Andrew Carsory; Samuel Sadler; John Griffith; Henry Wilson; Enoch Levering, Sr.; Enoch Levering; William Taylor; Thomas Rutter, Jr.; Jacob Graybill; John Ross; Philip Rogers; Thorowgood Smith; J. W. Hyntman; Thomas B. Usher; Jacob Griest; William MacCreery; John Kirwan; John Steele; David Ricketta; Thomas Morris; William Tinker; Robert Walsh; Patrick Bennet; John McDade; Robert Conway; Robert Cornthwait; John Coulter; George Ross; Patrick Dar; C. P. Brotherson; C. M. Brotherson; Simon French; Francis Partridge; Thomas Cole; George James; Peter Steel; Jonas Cooper; James Curtesin; Michael Schoocgly; John Bannon; John Barrott; Henry Wineman; William Trimble; Joseph Foster; David Carson; William Jacob; Edward Gattles; Alexander McCaskey; John Warren; Jacob Shaffer; Francis Ellerton; Nathaniel Morton; William Bedford; Seth Stodder; Archibald Shaw; William Tomlinson; James Simpson; George Rice; Samuel James; John Logan; James Conner; Nicholas Coleman; James Tibbitt; Samuel Brown; John Horstman; James Geddes; Morris Job; George Hussey; James Howell; Christopher Bermingham; Joseph Harrison; John Jones; Richard Lawrence; W. Belt; Richard Sturns; Timothy Gardney; Joseph Evans; Peter Cara; Joseph Davis; Isaac Hall; George Hall; John Bonfield; William Tilyard; John Winnong; Thomas Johnson; James Birckhead; John H. Young; John Weaver; John McMyre; Robert Brith; Peter Wornry; Thomas Weary; William Crone; Elijah Luce; Gerrard Hopkins; Samuel Dodge; William Rae; James Fortune; James Biney; Dixson Browsy; William Jackson; Richard Jones; Usher Treasy; Peter Sharp; Thomas Trimble; John Burney; Peter Clopper; Daniel Leavy; William Wetherly; Thomas Woodward; Peleg Coggeshall; James Hall; Alexander Cummins; George Alley; James Batlison; Thomas Barrows; John Tarpey; William Etchbirger; William Slaten; Garet Furendivell; John Willsom; William Johnson; William Hayes; Thomas Coese; Dever T. Truven; W. Hayes, Jr.; William Grimes; Isaac Satten; Edward Davis; Emmanuel Stansbury; Jonathan Hall; Benjamin Dashiell; George Helm; Abraham Inloes; W. Enut; Samuel Bacon; Brittingham Dickerson; Raphael Clark; Daniel Post; Jacob Dieter; John Swift; James Fishwick; Abraham Andrews; Daniel Brian; John White; James Baker; William Reeves; Peter Hookes; Robert Townsend; George Bugh; Joseph Beays; Job Smith; George Alderson; Edward Walsh; John Henry; David Burke; John Miller; Jonathan Harrisson; Frederick Shaffer; Jonas Osborns; John Holmes, Jr.; John Mickle; William Gibson; Joshua Girthy; Leonard Harbaugh; David Helien; Cornelius Clopper; John Kurtz; George Dray; Charles Swartz; William Singleton; Richard Barrance; John Storck; George Poe; David Poe; Leonard Karg; Welton Atkinson; Peter Hart; Andrew Grub; John McRay; Conrad Appleman; William West; Samuel Johnston; James Dower; Simon Deagle; Peter Daushong, his × mark; Peter Gold; John Runnow; John Guttrow, his × mark; Paul Bisheaud; Peter Blossum; Laurance Lausor; John Wills; Samuel Manegee; J. Coulow; W. Lacase; Christopher Wynn; Louis Barburin; Peter Pair; Alexander White; Oliver White; Joseph White; James Bull; William Rea; Casper Weaver; William Hammond; Henry Taylor; James Wandell; Gualter Hornby; John McMullen; William Gordon; William Quill; Alexander Forsyth; John Salmon; Andrew Keener; James Bankson; Michael Keenear; Thomas Littlejohn; Samuel Forber; F. Rut; Nicholas Gorsuch; Nicholas Lefevre; John Solsuller; John Shrim; John Shrim, Jr.; John Allen; Edward Cook; Robinson Jones; Thomas Russell; Peter Frick; Thomas McElderry; James Stirling; Adam Smith; Frederick Prill; Christopher Hughes; Charles Torrance; George Franciscus; Martin Summer; John Keller; George Shaeffer; Robert Smith; Charles Myers; Archibald Moncreiff; Cumb'd Dugan; Christian Mayer; Henry Johnson; John T. Bunnikhuysen; Jacob Bothrock; James Burn; James Clarke; D. Delozeer; Alexander Ferrer; John Spear; John Gordon; Joseph Sterett; William Van Wyck; Robert Gotmor; John H. Purviance; William Spear; Thomas Peters; John Stump; John Whiteley; Thomas Coulson; B. Heetwood; George Davy; George Davy, Jr.; Christian Matheot; Robert Holston; Philip Samault; John Mather; Martin Primhaw; John Farmer; Brian Philpot; William Dustan; John Schowtel; Lewis Thompson; Mark Morres; James Graham; George Howard; John Hunt; Samuel Martin; Nathan Griffith; Lavallin Barry; Joseph Lemane; Patrick Million; John Alford; Peter Dulany; John Hague; John Harman; John Williams; Timothy Daby; Andrew Scott; William Aisquith; John Horn; Wilhelm Crylio; Jabes Steiger; George Cole; Godfred Cole; Jacob Cole; Jacob Mull; Caleb Smith; Joseph Bankson; Lewis Richards; John Given; John Kirgan; Ezekiel Story; Samuel Mayers; John Harket; Jesse Hollingsworth; Patrick Carrol; John Wall; John Stover; William Matthews; Bale Owings; John Johnston; Joseph West; George Johnston; Job Smith; John Hillen; Job Davidson; Mansel Alcock; George Dent; James Phillips; Thomas M'Intire; John Clark; A. Seekamp; T. W. Taylor; Peter Hoffman; Hugh McCurdy; John McHenry; James McHenry; John Wolfenden; John Scroge; Louis Barnard; Mathias Beneaur; John Boyd; B. Merryman, Jr.; John G. Red; John Hayes; Joseph Swan; David Brown; Joseph Angel; William Goddard; James Boyne; Samuel Tillinghast; Thomas Woodward; James McCannon; William Branson; Anthony Marm; Jacob Dail; James Young; James Alcock; Nicholas Rogers; Lawson Alexander; Andrew Robinson; Alexander Robinson; John Voches; Edward Besse; Charles Ghequiese; Daniel Deady; Jacob Adams; Frederick Devilbiss; Robert Dunn; Jasper and James de Carnap; Nicholas Tschudy; John McDonough; George Ressold; Charles Crookshanks; E. Johnson; William Buchanan, of Georgia; William Dick; John Richmond; Philip Moore; John Proctor; H. J. Schroever; Richard Whelan; Philip Bier; George Grundy; George Lurly; George Riol; Michael Raborg; Charles Couch; William Miller; Francis Smith; Joseph Alcock; Archibald Robinson; John Bickham; James Smith; William Hughes; Thomas Hepburn; William Johnson; Lawrence Bewes; John Gibbons; Ebenezer Williams; Samuel Forrest; William Smith; Thomas Smith; Joseph Sellers; Patrick O'Halloran; Robert Whelan; Samuel Curtis; Amos Eustace; George Dalrymple; Thomas Strawbridge; J. Colman; James Edwards; Jacob Stansbury; William Messersmith; Caleb Bracken; John Barry; Timothy Rairdon; William Sanders; Charles Holder; John Brown; David Knox; Zachary Myles; Henry Worthington; John Miller; Richard Bair; Samuel Chase; William Goodwin; Lyde Goodwin; David Harris; James Carey; William Valck; John Moale; John Moale, Jr.; Henry Keerl; Isaac Bibber; H. Ridgely, of Baltimore; Elisha I. Hall; John Tagart; E. Johnson, Jr.; Hugh Henry; Chr. Johnston; John Weatherburn; James Drain; David Moore; Matthew Black; Thomas Fenton; William McSherry; John Steiger; Christian Baughman; Alexander Gallerghe; Adam Jamison; Frederick Docker; John Dougherty; Charles Stewart; John Trumbo; Ezekiel Stansbury; Ephraim Robison; Jacob Myer; John Bottler; George Dagan; Jacob Winand; George Dul; John Jeffers; Joseph Allen; John Coopery; George Wehrly; George Weller; Laurence Skitz; Peter Tuglot; Joseph Hook; Caleb Hewitt; Jacob Moore; William Elwes; William Munday; John Hill; Alexander Adams; John Hammond; James Labes; John Weyer; Laurence Rice; John Dorsey; George Roberts; Richard Dorsey; George Moore; Samuel Owings; Joseph Anderson; W. Jefferis; James Fitzmaurice; William Collens; Hiram Cochran; Robert Davidson; Leonard Foreman; William Shope; Jacob Tabeler; William Thompson; Toby Findorfft; John Hook; John Burn; Jacob Eichelberger; M. Colgan; Martin Watters; Jacob Small; Daniel Henry; William McLaughlin; William Gwynn; J. Riffell; Peter Forneus; Isaiah King; Jacob Brown; John Hermaman; John Gowld; Thomas Tool; Robert Wetmore; William Wetmore; James Flin; John Schultz; George Lotter; Philip Fletcher; Wilton Atkinson; Adam Trumbo; Adam Gerhard; John Ellicott; Conrad Hussh; Parker Dorsey; John H. Hamilton; Jacob Myer; Septimus Noel; Jacob Newman; Ludvich Little.

Summarizing, I might say, first, that this is a tariff petition from 726 manufacturers, mechanics, and tradesmen of Baltimore town.

Second, it was presented as Document No. 1 in the first session of the First Congress.

Third, it was approved by Alexander Hamilton, then Secretary of the Treasury.

Fourth, it was embodied in a tariff bill by James Madison.

Fifth, it was debated for 5 weeks, and passed on May 16, 1789.

Sixth, it was signed by President George Washington on July 4, 1789.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 1932. An act for the relief of Alfred Hohenlohe, Alexander Hohenlohe, Konrad Hohenlohe, and Viktor Hohenlohe by removing cloud on title;

S. 2623. An act to amend the act entitled "An act to require the erection of fire escapes in certain buildings in the District of Columbia, and for other purposes", approved March 19, 1906, as amended; and

S. 3290. An act to amend an act entitled "An act to establish a Board of Indeterminate Sentence and Parole for the District of Columbia and to determine its functions, and for other purposes", approved July 15, 1932.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2032) for the relief of Richard A. Chavis.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H.R. 3985) for the relief of Charles T. Moll.

The message further announced that the House insisted upon its amendment to the bill (S. 3025) to amend section 12B of the Federal Reserve Act so as to extend for 1 year the temporary plan for deposit insurance, and for other purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. STEAGALL, Mr. GOLDSBOROUGH, and Mr. LUCE were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendment of the Senate to each of the following bills of the House; asked for conferences with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. HILL of Alabama, Mr. COFFIN, and Mr. GOSS were appointed managers on the part of the House at the conferences:

H.R. 541. An act for the relief of John P. Leonard; and

H.R. 2439. An act for the relief of William G. Burress, deceased.

RECIPROCAL-TARIFF AGREEMENTS

The Senate resumed the consideration of the bill (H.R. 8687) to amend the Tariff Act of 1930.

Mr. McNARY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	Johnson	Pope
Ashurst	Couzens	Kean	Reynolds
Austin	Cutting	Keyes	Robinson, Ark.
Bachman	Davis	King	Russell
Bailey	Dickinson	La Follette	Schall
Bankhead	Dieterich	Lewis	Sheppard
Barbour	Dill	Logan	Shipstead
Barkley	Erickson	Lonergan	Smith
Black	Fess	Long	Steiwer
Bone	Fletcher	McCarran	Stephens
Borah	Frazier	McGill	Thomas, Okla.
Brown	George	McKellar	Thomas, Utah
Bulkley	Glass	McNary	Thompson
Bulow	Goldsborough	Metcalf	Townsend
Byrd	Gore	Murphy	Tydings
Byrnes	Hale	Neely	Vandenberg
Capper	Harrison	Norbeck	Wagner
Caraway	Hastings	Norris	Walcott
Carey	Hatch	Nye	Walsh
Clark	Hatfield	O'Mahoney	Wheeler
Connally	Hayden	Patterson	White
Copeland	Hebert	Pittman	

The PRESIDING OFFICER. Eighty-seven Senators having answered to their names, a quorum is present.

Mr. HATFIELD. Mr. President, after the remarkable argument presented by that able statesman and patriotic American, the senior Senator from the great State of California [Mr. JOHNSON], in dealing with the subject of agriculture, especially as it pertains to the subject of fruits and other products of agriculture; and remembering what has been accomplished in that great State in the development of citrus fruits and other fruit products, and their relation to chemistry, I deem it pertinent to relate the value of the chemical industry to our country. Knowing the part the chemical industry played in making possible the development of the citrus fruit industry, I feel it appropriate to discuss the subject of chemistry as it applies to agriculture; incidentally, as it applies to chemicals, medicines, and to the welfare of the American people, who were deprived of a chemical industry for a period of almost a hundred and fifty years, until the war-embargo period, beginning in 1914, at the commencement of the greatest war which history records.

One of the most essential industries of our country which will be seriously affected by the granting of authority to the Chief Executive to enter into reciprocal trade treaties with foreign countries, without Senate approval, is the chemical industry, which is still young in our country's history.

This industry, born out of the suffering and privations of our sick and injured during the World War, can hardly expect to receive any consideration from an administration bent on accepting and distributing the products of the German chemical cartel in the United States in order to make possible the distribution of additional American pork products in Germany.

Mr. President, we have heard it said on the side and in the cloakrooms that there is assurance upon the part of those in control of this Government that the tariff protection now accorded wool will not be disturbed. It is rumored the same promise has been made with respect to the chemical and every other industry now in operation which has tariff protection. In my judgment, Mr. President, all of these different groups, representing these different industries, will be greatly disappointed if the reciprocal tariff principles are applied in the secret recesses here at Washington behind closed doors.

Mr. President, that distinguished American, the late President Woodrow Wilson, had something to say upon this subject. I ask to have printed in the RECORD at this point a part of President Woodrow Wilson's message to Congress on May 20, 1919, and his admonition to an American Congress, which admonition applies today as it applied when he was the Chief Executive of this Nation.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

Nevertheless there are parts of our tariff system which need prompt attention. The experiences of the war have made it plain that in some cases too great reliance on foreign supply is dangerous, and that in determining certain parts of our tariff policy domestic considerations must be borne in mind which are political as well as economic. Among the industries to which special consideration should be given is that of the manufacture of dyestuffs and related chemicals. Our complete dependence upon German supplies before the war made the interruption of trade a cause of exceptional economic disturbance. The close relation between the manufacture of dyestuffs on the one hand and of explosives and poisonous gases on the other has given the industry an exceptional significance and value. Although the United States gladly and unhesitatingly joins in the program of international disarmament, it will, nevertheless, be a policy of obvious prudence to make certain of the successful maintenance of many strong and well-equipped chemical plants. The German chemical industry, with which we will be brought into competition, was and may well be again a thoroughly knit monopoly capable of exercising a competition of a peculiarly insidious and dangerous kind.

Mr. HATFIELD. The pioneer of early American history and his conquests of the unexplored wilds furnished the basis for an inspiring chapter of early American history. Early pioneers passed on, leaving a great heritage for America. But the spirit of the pioneer, and of conquest was just as great as in earlier years. First came pioneering in the building of transcontinental railroads to serve industry, agriculture, and diversified American affairs. Then the mechanical age arrived, and motive power was substituted for human labor to an unprecedented degree. Transformation of society accompanying these pioneering efforts was great. Such transformations continue today, but under still a different leadership.

Today it is the scientist and engineer dealing in chemical research, chemical development, chemical industry, that af-

ford exploration and conquest just as thrilling, just as vital to American well-being. The astounding accomplishments in applied chemistry have a profound importance for the safety, comfort, the happiness of our people. The future of chemistry and its continuous expansion in America is, therefore, of inescapable interest for every statesman.

America dare not stand still. If we were content to do so, we should have to accept the theory that a substantial percentage of the people were assigned to a subsistence level wholly un-American, wholly unacceptable to any community. Only when America advances are her people busy, productive, happy.

As we expanded across the continent from the original Colonies to the Pacific, there was always new opportunity. While the intensive development of the continent was being accomplished through railroad building, and more recently through automotive development and highway building, opportunity continued. Only occasionally when this type of expansion in human affairs slowed down or stopped did opportunity hide or seem to disappear altogether.

But there are no new geographic areas to be explored and developed. We do not need more railroads, more highways, more automobiles in the sense that we needed them 20 to 50 years ago. We must look elsewhere for opportunity. We find it in the field of chemical research, chemical development, and new industries based on them. Here is an unlimited field for new human activity. There one finds room for pioneer spirit and conquest, of just as great magnitude and of just as thrilling character as lay before the Colonists of early American history.

The remarkable progress of American chemical industry since the World War has been largely due to the progressive attitude of the executives of this industry in maintaining an extensive and continuous program of research. The future of this and many other industries must be based on continuance of large annual expenditures for highly specialized skilled staffs engaged in scientific and engineering investigations. It has been estimated that under normal business conditions the chemical research expenditure by that industry ranges from twelve to fifteen million dollars annually, and if the chemical processing industry is added it would approximate $50,000,000 annually. The results of this investment are of benefit to every citizen in the fields of medicine, agriculture, and everyday life. Through chemical research, American industry has been able to break away from the domination of foreign monopolies in these vital necessities with a tremendous saving to the consumers of this country.

Every State of our Union can and does share in these benefits. In other words, Mr. President, the chemical industry is reclaiming those products which have been considered waste materials. There is no geographic limit on the opportunity for scientific pioneering. I am prepared to show this convincingly with respect to every part of the United States. But, first, I want to describe briefly some of the achievements reached in recent years in my home State, West Virginia.

West Virginia was primarily a producer of raw materials, principally coal, lumber, oil, and gas. The application of chemistry to these and other raw materials of the State, such as natural gas, salt, and limestone, with the aid of the energy from our mountain rivers, has wrought a miracle of transformation providing many thousands of workers with employment. Today West Virginia is one of the leading chemical and industrial States of the Union, and the Kanawha River Valley has been properly termed "the Rhine of America." With coal, water, and air as raw materials, nitrogen has been fixed in the form of ammonia and other compounds made on a scale undreamed of before the World War. One of the major units of this industry in my home State has become an integral part not only of national defense but also of modern industry and of efficient agriculture.

Chemists have taken the natural gas and petroleum of this area and by complicated, highly specialized processes, made from these fuels numerous synthetic chemicals. The largest plant for manufacture of synthetic ethyl alcohol is there. It and a large variety of other solvents and related chemical products have become widely used essentials in the manufacture of explosives, varnishes, synthetic resins, and synthetic fibers such as rayon. These and other products of American ingenuity and industrial skill could not be furnished the American people so efficiently or so cheaply were it not for the supplies of chemical products made from natural gas and petroleum. Truly this is pioneering for the service of the Nation just as much as was the opening up of new territory or the conversion of unexplored wilderness into productive farm land.

In West Virginia there are many other equally novel, equally important industries based on chemical research. Enterprising establishments manufacture alkalis, barium chemicals, pigments, and an endless variety of chemical products that are a record of scientific achievement developed from simple raw materials. The application of chemical skill with sound engineering practice represents a pioneer work that is a modern-day demonstration of the Aladdin's lamp of chemistry.

The two important alkalis are soda ash and caustic soda, both made from salt. Caustic soda is made by an electrolytic treatment of brine, giving also chlorine as a joint product. Caustic soda is used in the manufacture of soap, rayon, rubber, textiles, pulp and paper, petroleum refining, and for the preparation of a multitude of chemicals. Soda ash, which is made by the so-called "Solvay process", has similar uses.

In West Virginia more than half of all the groups of enterprises, doing some $40,000,000 worth of manufacturing a year, are in the chemically controlled establishments where research finds its practical and essential application for the service of the American people and American industry. Other States may not possess so great a chemical wealth. But every State of the Union has many such opportunities which may be based on their particular resources, mineral, agricultural, or of whatever sort they may be. Each State, furthermore, needs this kind of service from chemical research and affords the same opportunity for chemical industry and development.

A trip around the United States will demonstrate many such possibilities. The many possibilities which exist are an inspiring basis for optimism and confidence in the future of industrial America if chemical vision is given continued opportunity to translate itself into practical industry.

This opportunity will not continue if the chemical industry is dependent upon the wisdom, the sagacity, the personal convictions of the men intrusted to the carrying out of the revolutionary and wholly unconstitutional proposal now pending before the Senate.

As the Senator from California [Mr. JOHNSON] pointed out last evening, the present Secretary of State has frequently expressed and committed himself with respect to the tariff; he is against protecting any industry, and he believes fundamentally and whole-heartedly in the principles which were laid down by that English economist of many years ago, Adam Smith.

Virginia, like my own State, has been greatly benefited by chemical development. Within its borders one finds the world's greatest plant for the manufacture of synthetic sodium nitrate, the material which today replaces Chilean nitrate as a raw material for fertilizer and industrial products in time of peace, and for explosive making in time of war.

I have in my hand a book entitled "Significance of Nitrogen", by J. Enrique Zanetti, a distinguished teacher of chemistry at Columbia University. It is printed under the auspices of the Chemical Foundation, with an introduction by Hon. Francis P. Garvin. On page 62 I note a paragraph dealing with the development of synthetic nitrogen in America, which I ask to have incorporated in the RECORD at this point as a part of my remarks.

The PRESIDING OFFICER (Mr. BYRD in the chair). Without objection, it is so ordered.

The matter referred to is as follows:

COMMERCIAL DEVELOPMENT OF NITROGEN FIXATION

The close of the war found us very nearly where we were prior to the opening of the war in the production of atmospheric nitrogen. Not much had been achieved in actual production, but a vast amount of experience had been gained, which, during the following 12 years, was to lead to a position of complete independence from foreign nitrogen. By 1921 only one plant, built by the Atmospheric Nitrogen Corporation at Syracuse, N.Y., was producing in appreciable amounts—3,000 tons of nitrogen annually—by the Haber process. Within a few years, however, the number and capacity of the plants increased rapidly. Capacities in 1932 are as follows:

Corporation and location:	*Net tons nitrogen*
Atmospheric Nitrogen Corporation, Hopewell, Va	177,000
E. I. du Pont de Nemours & Co., Belle, W.Va	100,000
Atmospheric Nitrogen Corporation, Syracuse, N.Y.	14,000
Shell Chemical Co., Pittsburg, Calif	10,000
Pennsylvania Salt Mfg. Co., Wyandotte, Mich	6,000
Mathieson Alkali Co., Niagara Falls, N.Y.	5,000
Roessler-Hasslacher Chemical Co., Niagara Falls, N.Y.	2,500
Midland Ammonia Co., Midland, Mich	2,000
Great Western Electrochemical Co., Pittsburg, Calif.	1,200
Pacific Nitrogen Co., Seattle, Wash	900
Total	318,600

These plant capacities cannot be given with a claim to strict accuracy because of the rapid changes that are constantly going on, but they certainly represent a minimum capacity in 1932.

PRESENT NITROGEN SITUATION

With the substitution of by-product coke ovens for the old beehive ones our by-product ammonia annual capacity has now reached 200,000 tons of nitrogen. Adding this to the synthetic ammonia capacity in tons of nitrogen taken as 318,600, we have a capacity of 518,600 tons of nitrogen, which is far in excess of our normal peace-time consumption placed at 370,000 tons.

Military authorities place our nitrogen requirements for the manufacture of explosives and smokeless powders, in case of war, at 150,000 tons. This figure represents a maximum which will not be reached until the third year of a major war. That amount—and a good deal more—could be supplied by our existing plants which, without much difficulty, could step up their production at least 10 percent above normal capacity.

Mr. HATFIELD. Until recently Chile had a world monopoly on nitrate of soda, imposing a high export tax on this necessity. Today the price ($25 per ton) is about one-half the pre-war price, when the world's supply was a monopoly controlled by international financiers.

Incidentally, the American farmer and consumer paid an export tax to Chile of over $290,000,000 on nitrate bought from Chile since 1880, a penalty for our former dependence upon a single foreign source for a necessity, and at the same time our chemists were deprived, because of neglect upon the part of the Congress of the United States, of the opportunity of developing the ability which was dormant in them, and the toilers of this country were deprived of employment in an industry which is always stimulating and always encouraging and always intelligent.

Mr. President, suppose a few years ago we had concluded a treaty with Chile under which we bound ourselves to take Chilean nitrates for our domestic needs. How, may I ask, would it have been possible to have developed this new independent domestic source of this essential product? This single example illustrates how trade treaties will be an obstacle to progress and invention.

Because of like chemical developments elsewhere, we no longer fear a shortage of nitrogen as a possible handicap should this Nation ever become involved in armed conflict, and our farmers are independent of a foreign monopoly. Given from 12 to 18 months, American chemical industry could reproduce as often as the Government might need, at any point which the Government might designate, plants similar to those in Virginia and West Virginia, making fixed nitrogen for explosives as unlimited in quantity as the atmosphere about us. Thus chemistry has afforded the basis of our security against a foreign monopoly and made us independent.

In Virginia, the Carolinas, Georgia, Tennessee, West Virginia, and other States the chemist has given further evidence of his pioneering service, of value not only to the local community but to the Nation as a whole. In those States are located a number of the country's greatest synthetic textile plants, making rayon, or artificial silk, as it was called at one time. These plants use either cotton linters or highly purified wood fiber (alpha-cellulose) as a base material. In other words, they take cotton and make of it an entirely new product, enlarging the textile industry's opportunity for the spinning and weaving of a wholly new class of fabrics. At once, therefore, they afford a new opportunity for employment of the people in the communities where processing is done and an additional market for our surplus cotton linters.

Here again America finds itself with abundant supplies of a textile fiber so that, to a considerable extent, we could, should the necessity ever rise, do without imports of silk from the Orient. The greatest service comes not because America thus competes with another nation in the making of artificial silk to replace the natural but in that this development frees us from dependence on others. An additional service is in the fact that the American textile consumers are given a wider choice of materials than ever before. When the ultimate users, the general public, are so served we can accord proper credit to the chemists who accomplish these developments.

In Georgia we find one of the greatest and the newest of chemical engineering achievements, which has just proven its industrial possibilities. In Georgia the distinguished American chemist, Dr. Charles H. Herty, saw the slash pine and other local scrub varieties of forest trees little used, seemingly almost useless. This situation was, as always, a challenge to the chemical pioneering spirit. Chemists felt that there must be ways in which this so-called "weed wood" of the South could be put to service. Chemical investigations in research laboratories, directed by Dr. Herty at Savannah, have supplied the answer.

A few months ago whole editions of newspapers in important southern cities were printed on the paper made from these so-called "useless trees." Not even the metropolitan dailies of New York present a finer appearance than do the southern newspapers, which used local wood pulp for their newsprint paper.

The commercialization of this research is the next step ahead. It offers perhaps the greatest single opportunity for further development of industry in the South. As plants are built, there will spring up in these States a new and wholly American industry supplying needed newsprint paper at a reasonable cost. We shall then be, to that extent, less dependent upon the imported supplies of pulpwood and wood pulp. We shall be just that much closer also to the creation of new wood-pulp-using industries of which the same chemists talk with enthusiasm and assurance.

These southern industries, first supplying their own tributary territory, can properly afford us a wider base for southern industry, a larger opportunity for other uses of wood pulp outside the field of the paper industry. They also give promise of providing employment in territory where today the want of a new industry is perhaps most acutely felt.

It is my understanding that 70 percent of the newsprint used in printing all papers and magazines is of foreign origin. This is true, even in the southern communities, where, through the developments made possible by the use of slash pine, American independence of foreign newsprint is possible.

Incidentally it is my understanding that newsprint paper made from slash pine can be commercially produced at a price which will mean a saving to the users of newsprint of from 30 to 40 percent of the present price.

Mr. President, chemical developments, as I have herein shown, point the way to industrial development and American economic independence of foreign sources of newsprint paper. Ordinarily this statement could be made with some assurance of safety. However, in view of the confidence which the present administration places in the ability of Mordecai Ezekiel, economic adviser to the Secretary of Agriculture, it is essential that we qualify this statement.

The Department of Agriculture has secured, through congressional favor, the handling of tremendous sums of money belonging to the American people. Presumably this money should be expended for American agriculture and the devel-

opment, where possible, of agricultural waste lands. The development of the slash-pine industry should, to intelligent, fair-minded Americans, be a matter of prompt consideration. Yet the economic adviser to the Secretary of Agriculture is credited with stating that the first purpose of the Department of Agriculture is to place in the hands of foreign nations the dollars with which they may pay for those farm products which we export.

Mr. Ezekiel is further credited with maintaining that if we take steps to reduce our imports, which naturally would include newsprint paper, the ability of foreign countries to buy our cotton for export will be greatly curtailed.

May I suggest to the Senators representing the Carolinas, Georgia, Florida, Alabama, Mississippi, Louisiana, and Texas that it might be well for them to consider whether they will vote to make impossible the creation of a new industry in the Southland in order that the theory of Mr. Ezekiel and his associates may prevail, the theory of Mr. Ezekiel being that we must not permit the building of this newsprint industry in the Southland, as by so doing we would necessarily reduce our imports of newsprint paper. To Mr. Ezekiel the matter of placing American money in foreign hands is of greater importance than to provide employment for American workers or to make it possible for States, wherein slash pine prevails, to have a new industry which would assist America in economic and industrial freedom.

Mr. A. A. Berle, in an article with a subtitle, "Berle interprets the philosophy behind the program for reconstruction through control of the old forces", states:

> Those of us who had the privilege of working on the original plan began with the assumption that what we needed most was a machine that worked. Whether it was rugged individualism, fascism, communism, socialism, or what not, made not the slightest bit of difference.

I have a quotation from a radio address delivered recently by a distinguished author, H. L. Mencken, published in the Baltimore Sun of April 28, 1934, which I ask to have printed at this point as a part of my remarks. Mr. Mencken was commenting upon the Ezekiel suggestion from a practical point of view.

There being no objection, the quotation was ordered to be printed in the RECORD, as follows:

> Go back to your old job while the going is still good. Go back to teaching sophomores to be ashamed of their fathers. If you go on much longer trying to make a new sure cure on poor old Uncle Sam every day, and sending in a bill for $100,000,000 with every one, you may wake up some morning and find the country howling for your hide. And when that time comes you may discover that both ends of Pennsylvania Avenue have slid from under you and you are left to face the music alone.

Mr. President, the culture and care of forest areas on land which should be retired from agriculture would afford much employment. Essentially, this type of development would be self-financed, self-perpetuating, virile, growing, permanently a natural part of the social and business structure of the area in which it would be placed. It is not like many of the proposed governmental schemes for betterment, schemes which contemplate mere multiplication of manufacturing units or relocations in new territory. When such relocation occurs, oftentimes the new merely destroys that which was formerly efficient in another State. Not so with the southern development of wood pulp, paper, and other wood products. They would represent additional wealth-producing possibilities for the entire country.

In Florida, Alabama, Georgia, and Mississippi, American chemists found another opportunity for pioneering. Again they were intrigued by an apparent waste. In much of the area tributary to Pensacola there were pine stump wastes with high rosin and turpentine content. This waste temporarily disturbed the chemical investigator, but after much study he devised new methods for the reclaiming of these materials. Chemistry has added greatly to the store of available products by taking rosin and turpentine from woods that otherwise were worse than wastes, actually a nuisance, and a cause of fire hazard in the area where left by old-type logging operations, and the pulp is then available for paper making.

The chemist was not content merely to supply more naval stores of this sort. He set about devising new uses and new derivatives for the products of his industry. The story of the development of synthetic camphor from turpentine is a romance just as thrilling as any pioneering exploration on the Great Plains or over Indian trails to the far West.

This country has been and temporarily is dependent on imported camphor. The natural camphor comes from the Japanese Government monopoly and is an essential raw material for a wide variety of industrial operations. A few years ago chemists said to us in Congress, "We believe that with tariff protection against price dumping we can supply camphor at reasonable prices to supplement imported natural material." Congress decided that it was wise to encourage this development, but said that the protection afforded should continue only if the domestic industry did actually supply a reasonable percentage of domestic requirements regularly.

The United States Tariff Commission has periodically determined the ratio of domestic production and domestic consumption. It reports that the American chemical industry has made good and is today supplying well over the amount prescribed in the tariff law. The raw material is, of course, the turpentine produced in the pine forests of the South. The American chemical industry, therefore, not only insures against interrupted supply or excessive high price of camphor but also affords a new outlet for the products of the naval-stores industry of our Southern States.

The Gulf coast country has not been neglected by American chemists. Near Birmingham, Ala., we have an expanding chemical industry based largely on phosphate rock as a raw material, which is converted phosphoric acid and its derivatives. In Louisiana and Texas there are large deposits of sulphur, salt, petroleum, and natural gas, which products are the basic raw materials used in much of the new chemicals. In Louisiana there is occurring new sulphur production as well as new alkali-industry development, which will add much to the industrial wealth of that southern State.

At Baton Rouge there is a new plant for the hydrogenation of petroleum. Hydrogen is derived from natural gas and is chemically combined with petroleum, thus giving a higher yield of gasoline and producing lubricating oils of superior qualities.

Similar developments exist in the Gulf coast country, with one of the outstanding alkali plants of the Nation located at Corpus Christi, Tex.

Mr. President, the Dow Chemical Co. began extracting iodine direct from brine in Shreveport, La., about 1928. In 1930 they opened another plant at Long Beach, Calif. This iodine is precipitated as silver iodide from the raw brine slightly acidulated with sulphuric acid. The silver iodide is converted to iodine and the silver recovered.

The price of iodine in 1930 was about $4 per pound. We were buying every pound of it from Chile. This monopoly of the English-Chilean syndicate controlled every pound of iodine shipped into America and our consumers paid $4 a pound. But what do we find today? Through the development made possible by research on the part of the Dow Chemical Co., taking the salt water from the oil wells of Louisiana and California, treating it with a silver product, precipitating silver iodide, and then manufacturing the iodine into the sublimated form, there is produced in America a tremendous amount of iodine yearly, saving to the American people some $1,250,000. In 1932 the price dropped to $2.50 per pound, and in the spring of 1933 it dropped further to $1.90 per pound.

Another plant, also at Long Beach, Calif., is making iodine from the same California waste brines from the oil wells. All told, the American plants are making more than half of all the iodine used in the United States.

Mr. President, years ago the world was dependent for sulphur on the pyrites mines of Spain and the sulphur mines of Italy. Prices of this essential element were irregular and often excessive. Supplies were none too sure. American industry had to carry great stocks in storage to insure against interruption of manufacturing operations should

labor, shipping, or less frequently war-time interruption of supply occur. Today all that has been changed.

A new process for sulphur mining has been developed and applied in Texas and Louisiana. Steam is pumped down into the ground, and the sulphur is melted in place from its rocky bed far below the surface. It is then forced out of the ground in a fluid condition, pumped to nearby storage bins, and allowed to solidify. This sounds, and actually is, very simple; but it took a great deal of careful chemical research and highly skilled engineering development to make it a successful, going process. This new process made possible American freedom from fluctuating price, and a complete elimination of any threat of interrupted supply of sulphur.

That is an extremely important thing for the welfare not only of the sulphur and sulphuric-acid industries but also of scores of other great industrial groups. These today could not operate without that most important of all heavy chemicals, sulphuric acid, which is made in huge quantities every year from the elemental sulphur so simply and so efficiently mined in these Southern States. Today there is hardly a plant making steel, fertilizer, petroleum products—such as gasoline—paints or pigments, explosives, rayon, or a hundred other products which would not have to close down if its supply of sulphuric acid could not be obtained. Literally millions of tons of sulphuric acid are used annually in these industrial operations. Certainty and continuity, as well as reasonable price, are assured, because the American chemical industry has supplied the sulphur, and developed highly efficient processes for conversion of elemental sulphur into sulphuric acid.

Mr. President, if there were time, one could tell an intensely interesting story of the ways in which sulphuric acid can now be made. Formerly huge chambers made of lead were necessary. Then came chemists and devised what they called the contact process, using that extremely rare metal, platinum, as an aid to combining sulphur dioxide, air, and water into the wanted acid. Huge lead chambers were extremely costly, and the supplies of the rare metal platinum were too uncertain and the price much too high to satisfy the chemist. Wholly new kinds of material were devised to take the place of platinum. These materials were made from minerals containing vanadium, a metal somewhat rare, but far less expensive and far more widely available than platinum.

The American industrial concerns that wish to make sulphuric acid have a wide choice of processes and assurance that they are not dependent on the costly platinum. One might say that all this development places a limited price on sulphuric acid. Certainly this result is not only of value to the communities where the acid industry is located but it is also of tremendous importance to all users of the multitude of products in the making of which the sulphuric acid is used.

They know that so far as these chemicals are concerned they need not worry. The price to them of the ultimate product is not going to rise unduly. Substitution of a competing method or material will quickly come, if necessary, to prevent this. The chemist thus becomes a protector of the consumer-customer pocketbook through the achievements made possible by scientific pioneering.

Mr. President, many times Congress has given its attention to the question of fertilizer supply for American agriculture. Without fertilizer, the American farmer is helpless in his competition with the rest of the world for domestic as well as foreign markets. Without fertilizer, his labor in the production of crops, even with modern machinery, would be almost as great as in the pioneer days, with primitive scythes and hand-seeding of the field.

Fertilizer is the farmer's labor-saving device par excellence. The chemist has long recognized this. Furthermore, he has done something about it. He has made fertilizer materials cheap, widely available, certain of supply from American sources. It was the chemist's curiosity to know what was in the rock underlying the oil fields in Texas and New Mexico that brought about the greatest and most recent of these discoveries, paving the way for American independence for our fertilizer industry. I refer to the studies made by chemists of the rock cuttings taken from oil wells in these States. In these cuttings the chemists found significant quantities of potash, one of the three vital supplies for fertilizer which at that time had to be secured from foreign sources.

The chemists recommended underground exploration to see just how much potash actually existed, and just where it might be possible to mine it economically. With the aid of geologic science, a number of places were selected for drilling. The prophesied existence of huge beds of potash was proven. Now a substantial chemical enterprise is mining and processing potash in New Mexico and California in quantities which can supply about one-third of the entire domestic consumption. Enlargement of these operations would be easy and economic were there any threat of price rise in the supplies imported from abroad. The question is simply one of applying on a larger scale established chemical methods to the reserves proven by sound exploration, guided by impartial scientific investigators.

Up until the time of this discovery we depended altogether upon the German production of this product, which seemed to exist in various sections of the German Empire and in Alsace-Lorraine.

Mr. President, because of this and other developments already referred to, America can stand independent of the rest of the world so far as fertilizer needs are concerned. We could at any time, with some notice, supply American industry and American agriculture with all they may ask for in the way of potash, nitrogen products, and phosphate chemicals. All this could be done without any significant rise in price above the prevailing rates for the chemicals needed. Thus, with respect to those basic materials of military and agricultural need, America today is self-sufficient. To this extent the War Department's list of strategic imported materials has shrunk.

No longer need our military authorities worry as to where they will get abundant supplies of nitrogen or potash in the event of hostilities. The American chemical industry stands in a proven position, adequately prepared to meet these needs, no matter how much or how fast they may expand. This is as it should be. We have American chemical research, an aggressive American chemical industry, and adequate tariff protection to thank for the achievement.

The chemical industry is further aggressively at work in many of these Midwestern and Great Lakes States. It has made a more notable contribution with the use of local raw materials than at Midland, Mich. There the raw material used is a salt brine, pumped from deep wells. From this brine is made a wide variety of salt products and some highly distinctive materials which occur here in unusual concentration in these brines. These include alkalis, chlorine used for the purification of drinking water, Epsom salt (magnesium sulphate), and bromides used in medicine and photography.

Without developments which made bromine available in large quantities, it would not be possible to achieve success in the development of the highly efficient ethyl gasolines marketed now from coast to coast by every important petroleum company. There is a romance of chemical pioneering in this development that is thrilling, even to the layman.

Mr. President, to make ethyl gasoline, the petroleum industry requires a fluid which contains various bromine compounds, such as ethylene dibromide. For a time it looked as though the limited supplies of bromine were going to limit the quantities of efficient motor fuel which could otherwise be marketed. More intensive development at Michigan took place, and a significant expansion in supply of bromine occurred. Sea water was then selected as a logical raw material.

Mr. President, American chemistry in the development of ethyl gasoline has created a market for the use of petroleum which otherwise would not exist. Not only this, but the development of ethyl gasoline has enlarged the opportunities and the speed of airplane traveling.

One wonders why the Dow Chemical Co., up in northern Michigan, should be the one leading in research of this sort. This is merely another evidence that chemistry knows no geographic boundaries, recognizing no artificial limits on new plans for better, cheaper service to its customers. As a result of the scientific chemical research work at Midland, there has been built within the last year near Wilmington, N.C., a plant to recover bromine from sea water. This is known as the "Ethyl-Dow Chemical Co." That plant takes sea water in which there is about 1 pound of bromine for every 10 tons of water and efficiently recovers this necessary chemical. The supply which the petroleum industry demands is, therefore, only limited by the market, not any longer by the raw material. Withal, the price of bromine has become constantly lower.

One of the many developments in which Dow chemists have had an important part is the production of magnesium. This is one of the elemental materials, even lighter than aluminum. It is a constituent of some of the lightest, strongest alloys so far developed. Named for the company first producing it—dow metal—it is furnished as an additional member of the light alloy series available to American manufacturing industry. It combines strength and lightness in an admirable way for many purposes to which older types of metal are not so well adapted.

Incidentally I understand that 20 percent of the annual earnings of the Dow Chemical Co. are set aside each year for chemical research.

This development of light alloys, of alloy steel, and nonferrous alloys is really the prefatory chapter of chemical development on which transportation of the future is to be based. The aircraft industries, both airplanes and lighter-than-air ships, would not have been possible in their modern efficient form, had there not been both extremely strong light alloy steels and the aluminum and magnesium alloys of which these craft and their mechanical equipment are made. Recently an American airplane made a phenomenal trip from San Francisco to New York in less than 13 hours due to this type of construction.

Other divisions of the transportation industries are learning a great lesson from aircraft. Land vehicles, quite as much as air vehicles, should be as light as possible commensurate with strength suitable for service. Lately there have been a half dozen new railroad train or car developments of this sort. As evidence that the rail carriers are alert to the possibilities which come from light alloys chemically controlled, we now hear of speeds of 100 miles or more per hour of trains, depending on the light construction which gains speed without need for sacrificing strength or security.

The alloy steels rendering so great a service in automotive transportation are going to find application in rail development as well. For this reason there is today much talk of applying these metals to freight-car as well as to passenger-car development. This is not in the interest alone of more beauty or speed. It is in the interest of economy and efficiency of service to the shipper. Hauling deadweight tonnages of old-fashioned crude cars about the country is an advantage to no one. Substitution of more efficient transportation units will be helpful to every interest involved.

It is said that the lowering of the net weight of a freight car by only 5 tons would render practically obsolete every freight car now in America. Chemical engineers in the alloy-steel field tell us that even a greater weight saving than this can be accomplished by the use of modern materials of construction. They assure us that it can be done at a cost within practical limits. The saving in fuel, wear and tear, handling charges on the cars when hauled both full and empty will more than repay the carriers for purchase of equipment of this sort. Evidently we are entering into a whole new era of transportation facilities, using materials developed under chemical-process control.

Mr. President, when viewing this situation which contemplates a rebuilding of much, in order that we may substitute better equipment, one sees possibilities of employment for workers all the way from the iron mine, through the iron and steel industry, to the shops building new equipment. This reveals possible new employment which, for a time may equal that prevailing when the railroads were first laid out and built. The beauty of all this is that none of it is employment artificially stimulated. It is all based on the sound judgment of competent business executives who make the new purchases and carry out the new plans because this is the way to give better service to their patrons and customers—a symbol of progress.

When we study the available raw materials, explore the possibilities of further development, consider needed industry, everywhere we find new chemical opportunity. The only limitation on this chemical development is that placed by the barrier of uncertainty, the obstacle of threatened interruption to development, such as the measure now pending, just at some crucial time as the work goes on, as prevails at present with the threat of foreign products landed at total costs which are less than American costs of production, small as they are.

Mr. President, most of us, unacquainted with scientific developments, little realize the present-day scope of chemical enterprise. Not all this is found in the making of queer commodities sold in tank cars, high-pressure cylinders, or special containers devised to meet the needs of a particular commodity. Many of the products are materials of everyday use, which we could not have in their present purity, at their present price, were it not for the intensive research and close chemical control in the factory. During the past decade this dominance of chemical-process industry has grown amazingly. In the last three census years amazing data were disclosed as to the extent of this growth.

Today approximately 20 percent of all American manufactures, measured either in terms of value of product or in terms of factory employment, comes from establishments properly classified as chemically controlled industry. If one adds to these the highly processed modern foods, processed fuels, and metals and alloys made under the most careful chemical control, he finds that at least another 20 to 25 percent is dependent on chemically minded management. Thus we reach the amazing conclusion that nearly half of the output of American factories is responsive to chemical research, chemical control, or the planning of chemically minded executives. Under these circumstances is there any wonder that discerning statesmen look with admiration at the achievement of this distinguished profession or science.

Chemical industry has rendered another service of great social value, which has been little noticed. I refer to the stabilization of supplies and prices of everyday goods. Formerly there were shortages and surpluses of many things which were accepted as natural or inevitable. The chemist dislikes that word "inevitable." He refuses to accept it with reference to goods of any sort. The chemist, therefore, sets about providing substitutes of comparable efficiency and value which can be used when there be need.

From this spirit of chemical development there have grown up many new commodities. These are competitive, one with another. Such competition is, to the public, far more important in maintaining reasonable price levels than is any sort of acceptable competition between concerns making identical commodities. If one kind of leather tanning (vegetable tan) becomes too expensive, the chemist substitutes a new method (chrome tan), and the buyer of shoes is protected against unreasonable increases in prices. If one solvent happens to be scarce, another is substituted, such as synthetic amyl alcohol, usually with little or no increase in cost to the manufacturer. There is no end to this development. Each new thing enters the market in order to give the ultimate purchaser wider choice and greater certainty of uninterrupted supply.

Mr. President, the chemical industry has long recognized this situation. It has profited by its knowledge. During the boom period it did not allow prices to get out of hand. The chemical commodity index curve for 1920 to 1930 was surprisingly level. Of course, certain individual commodities rose and fell sharply, but, by and large, chemicals as a

class did not boom, hence they did not have any great occasion to slump. Employment in the chemical industry has been correspondingly stable. Every element in the business has been benefited, including the consumer.

America would be very fortunate if more of its industrial groups had been able to operate on the far-seeing scientific basis which prevailed in the chemical industry. Perhaps as more of the industries come under chemically minded management, this industrial benefit will be experienced, as well as the advantage of scientific research. Perhaps if we do more of that kind of planning, based on informed, scientifically minded management, we would need less of Government interference with business affairs, less artificial planning by the academic mind, which can know but little of the real problems of practical business which it seeks to govern.

America expects to progress further. None of us are content to stand still. We will progress the more rapidly if we afford a continued opportunity for chemical investigation and chemical industry to thrive. Based on such opportunities will be new services and new possibilities for employment, and, best of all, a higher standard of living for all—consuming groups as well as producers. A few of the many examples include utilization of cottonseed, formerly a waste product, as a raw material for edible oil and as a source for lintels used for pyroxylin products—celluloid articles—and as a base for the lacquer industry used in painting for instance automobiles; also new sources of fertilizer materials; and above all, new medicinals for the cure and prevention of disease.

Mr. President, there are some who will contend that we possess a very large heavy-chemical industry, one which produces alkalis, acids, fertilizers, metallic salts, wood-distillation chemicals, and other products, and also related industries, such as rayon. These industries are established as a result of congressional tariff action, on a firm basis. These industries will remain strong only so long as we continue to write tariff rates in the open.

No American industry can feel that it is safe with men, not conversant with industry, men having no interest in the continuation of industries which are temporarily in need of what to some may appear to be high tariff rates, men who are controlled and influenced solely by theory and virtually devoid of facts.

The organic-chemical industry, which includes such products as dyes and medicinals, had made very little progress prior to 1914.

For a period of 150 years we were largely dependent upon products produced by the German cartel, and other foreign syndicates, and we paid to them such prices for these most essential products as they demanded.

The American organic-chemical industry has grown today to a point where, if present tariff rates on these products continue, we will be able to be independent of the German cartel, the British, the French, or the Japanese monopolies.

Mr. President, this does not mean that the American producer of these organic-chemical products secures from the American people the exorbitant, yes, the extortionate prices which the American people were forced to pay prior to the establishment, on a sound basis, of the American organic-chemical industry.

Incidentally, one reason these products are sold to the American people at a fair price, a price, Mr. President, which is far below prices we formerly paid to the German cartel, is the foresight and the patriotism of the Honorable Francis P. Garvan, founder of the American Chemical Foundation, to whom President Wilson and a Democratic Congress entrusted those patents which were taken over when we entered the World War. It is my understanding that Mr. Garvan established a license system whereby all American chemical manufactures were licensed to use these patents on the payment of a small fee, the proceeds from these licenses being used exclusively for chemical research and promotion of the American Chemical Foundation.

Mr. President, the farmer is dependent upon the chemical industry for many products which make farm life more pleasant and, likewise, the chemical industry is dependent upon the purchasing power of the American farmer.

Therefore, I sincerely trust that this amendment protecting agriculture, so essential to the welfare of the American farmer, will prevail.

At this point I desire to read from the text of a book by an outstanding American chemist who is the chief of the research division of the Dow Chemical Co., located in the great State of Michigan. His name is William J. Hale, Ph.D. It was Dr. Hale, through his chemical staff, who developed the process through which iodine is taken from the salt wells of America. It was the Dow Co. who fathered the development of bromine from the Atlantic Ocean, and, not long ago, the development of a plant in the great State of North Carolina. This plant is extracting bromine in commercial quantities. For every 10 tons of sea water handled 1 pound of bromine is realized.

A few years ago this eminent chemist and distinguished American, published a book, the title of which is "Chemistry Triumphant: The Rise and Reign of Chemistry in the Chemical World."

This book contains a wealth of information and, at this point, I wish to quote as follows:

> The status of chemical industry in America in 1914 was infantile in the extreme. There was only a smattering of an organic-chemical industry, but the inorganic had made some real progress in production of halogens, soda, sulphuric acid, and aluminum. The World War practically set up an embargo in this country on chemicals. Chemical activities thus were encouraged and, to extend this activity, an organic-chemical embargo was continued after the war up to the time of passage of the benign Fordney-McCumber Tariff Act of 1922. Thus was made possible the rise and development in America of this fundamental industry of industries. Truly the Fordney-McCumber Tariff Act will be viewed by future historians as one of the greatest and most timely acts of a United States Congress in making for American safety and security for all time.

In California we find literally scores of examples of chemical achievement. The reason for my delivery of this address was the argument presented yesterday evening by the distinguished Senator from that great State [Mr. JOHNSON], as stated in the beginning of my remarks.

One of these achievements deserves special attention, not because it is the biggest or the finest or any other superlative sort of thing. It deserves attention rather because it represents an interesting point of view of chemists and the chemical industry.

Waste is at all times objectionable to the chemist. He sees no excuse for waste products. The chemist insists on doing research in order to establish an industrial basis for converting these into by-products. In other words, we might well classify chemists as those who literally develop valuable products from the scavenger materials. They reclaim, rehabilitate, and turn into some useful material something which ordinarily would be thrown away. Strangely enough, oftentimes they make the by-product more important, more profitable, of greater public service than the original industrial materials.

In California chemists found the activities of the citrus-fruit industry plagued by surpluses, burdened with low-grade fruit that could not be packaged, shipped, and profitably sold on the ordinary market. In the case of lemons currently the margin of profit was destroyed by the lack of market for the culls and surpluses. Chemists attacked this problem with fundamental research methods. They established a basis for a lemon-oil industry, utilizing the rind, the citric-acid industry using the juice. Today the great lemon-marketing cooperatives of the West operate plants which are based on the research achievements of American chemists.

This development in California, in conjunction with an eastern process for making citric acid from sugar, has made this country independent of our former sole source of raw materials for citric acid, namely, Italy.

In California we have a plant making synthetic ammonia and derivatives based upon hydrogen obtained from natural gas, a unique development.

Later I shall refer to the great potash and borax industry situated at Searles Lake, Calif. Here the chemist has again rendered a service both to the industry and to the customers.

During the war we were seeking kelp from the sea, salts from the lakes of Nebraska and California, with the hope of securing a little fertilizer potash for the farmer. But, today, there has been a marvelous development in the production of potash in New Mexico through the work of the chemists who have delved down into the earth and found here, under our own flag, richer stores, if possible, than are found in the German Empire.

Mr. President, shortly I expect to hear that the chemists will take part in two new developments now occurring on the Columbia River, one at Bonneville, just 50 miles east of Portland, Oreg., the other at Grand Coulee, in central Washington. The American Government at these two points is building two great power dams, utilizing the water flow of this greatest river of the far Northwest.

We may look forward to the meeting at tidewater, at the Bonneville plant, of cheap power and cheap transportation. Just a few hundred miles to the east, in Idaho and Montana, are huge supplies of phosphate rock. Just now able chemical engineers are investigating the possibility of taking this rock, this power, cheap transportation, and potash which the chemists have made available at Searles Lake and Death Valley, Calif., and preparing cheap fertilizer. At one of the western ports of America, where ended the famous explorations of Lewis and Clark, the scientific explorers take up the trail. They suggest to us that here may be the point at which to make the cheapest fertilizer materials available for the Pacific region.

As one turns eastward across the Great Plain States of the Northwest, one recognizes a great national problem for which the chemical industry has not yet afforded an adequate answer, the problem of disposal of agricultural surpluses. The reason for delay is obvious, when one studies this situation.

Mr. President, hitherto these materials, wheat, corn, cattle, hogs, and other farm and range products, have been used almost wholly as food. The human being wants and uses only about so much food, on the average, each day. Growing more food, therefore, merely lowers the price. Lowering the price does not create a desire for more food or any opportunity for a greater market. No amount of agricultural research, showing how to produce foodstuffs more cheaply, will make us eat any more food, although we may increase the variety. Such research does make it possible to grow the food at a cost more nearly approximating the market price, but it does not solve the surplus problem.

The chemical industry seems to afford the only hopeful basis for a solution of this problem. The chemist takes corn, coal, petroleum, or natural gas and makes many hundreds of useful chemicals that have no apparent relationship to the raw material employed. It is to be expected that with the proper stimulation the chemical industry can take wheat and other grains as they have taken corn, coal, and petroleum as chemical raw materials and make nonfood products from them. A much larger opportunity lies ahead. The chemical industry has done much for the Corn Belt, but it has not yet solved its problem of surpluses. It is not too much to hope, however, that chemical research, engineering development, and industrialization will do so in due time.

Mr. FESS. Mr. President, will the Senator yield?

Mr. HATFIELD. I yield.

Mr. FESS. There has been much speculation as to the possibility of converting out of corn, for example, a form of alcohol which might be used for fuel purposes, for operating internal-combustion engines, and so on.

Mr. HATFIELD. I thank the able Senator for his contribution, and I am about to discuss the inestimable help which American chemists have rendered in making valuable use of corn and other farm products.

It is none other than the distinguished chemist to whom I referred a while ago, Dr. Hale, who has written extensively upon the practicability of doing what the Senator from Ohio has referred to. Dr. Hale and other chemists claim that the farmer's surplus corn can be utilized by making it into alcohol, and that if alcohol is mixed in certain proportions with gasoline the efficiency of the gasoline will be increased, and this method could utilize every surplus ear of corn produced by the American farmer. They also state that if this project is developed—and they say that it certainly will be—the farmer will never have an opportunity for a vacation, but that he will have to reclaim the land now dormant in order to satisfy the demands which will be made for this combination with gasoline which is made from petroleum and alcohol, which combination increases the standard of efficiency of the automobile.

Mr. President, I hold in my hand a copy of a chart which indicates, in part, what American chemists have done with corn. I shall not take the time to give a list of the different by-products which flow from an ear of corn, but I point on the chart to the germ or heart of the corn, which is the fattening element. When the farmer feeds that to his hog, instead of developing a hog that is attractive to the market he develops one satisfactory primarily for the production of lard, but if he takes the germ, or that fattening element, out of the corn, the farmer can feed the proteins of the corn to his hog and develop one more acceptable to the market, such as we find in the State of Virginia in the production of Smithfield hams.

Corn is taken by the chemist, and from the kernels are prepared yeast, gluten, and feed, dry and wet starches. The dry starch is used in the making of textiles, paper, confectionery, explosives, laundry, adhesive, colors, and fireworks. From the wet starch is derived sugar, which is used in dietetics, caramel, brewing, rayon, leather, lactic acid, sodium lactate, calcium lactate, vinegar, pharmaceuticals, alcohol, and fermentation products. In addition thereto, from the germ in the corn are prepared corn oil, corn-oil meal, soap and glycerine, salad oils, table and cooking oils.

In other words, Mr. President, the corn farmer is deriving, through chemical research, similar cooperation and help as happened in the coal fields, where American chemistry has made possible the use of coal for medicinals, fertilizers, and many other chemicals.

The PRESIDING OFFICER. The time of the Senator from West Virginia on the amendment has expired.

Mr. HATFIELD. I believe I have 20 minutes on the bill.

The PRESIDING OFFICER. The Senator has 20 minutes on the bill.

Mr. HATFIELD. Mr. President, I have some figures here showing the prices of chemicals now as compared with the prices the American people paid for like chemicals before the development of industrial chemistry in the United States.

Before the war, to furnish one example, the well-known medicinal "606", sold by the German cartel, cost the consumer about $3.50 per ampul, and at that time was a German monopoly. I am now informed that the purchases of salvarsan by the United States Government of the improved product from domestic sources cost twenty-odd cents per ampul.

What is true of "606", or salvarsan, is typical of what has happened with many other chemical products. America has become independent of foreign monopoly and the American people have been privileged to purchase these products at prices which are from one-half to one-tenth the prices which they formerly paid.

The story of indigo which sold in 1916 at $2 and which sold in 1932 at 14 cents is most interesting.

What is true of indigo is likewise true of sulfur black. Pre-war price, 18 cents; 1932, 15 cents.

Aspirin, a drug used universally today but available only to the rich prior to 1915, sold in 1932 for 68 cents, as against a pre-war price of $4.80.

Saccharin: Pre-war price, $2.25; current price, $1.70.

Diethylbarbituric acid (trade name, Barbital and Veronal): Pre-war price, $21.50; current price, $3.25.

Carbon tetrachloride: Pre-war price, 8½ cents; current price, 5¼ cents.

Ammonia: July 1914, 13 cents; current price, 4½ cents.

Mr. President, I desire to refer to a few more problems dealing with creative chemistry which have been developed in the United States in the last 17 years. I read from a text from a book by the late Edwin E. Slosson, M.S., Ph.D., one of America's outstanding scientific writers, one who possibly may be known personally to a great many Representatives and Senators. This distinguished scientist was a very attractive writer, a very impressive writer. He was one who could impart his knowledge to the public in an understandable way.

Take, for instance, his treatment of the subject of coal, a commodity which is found in 35 or 40 of the 48 States of the Union in commercial quantities, in the production of which some 500,000 men are employed.

In the olden days, 35 or 40 years ago, the old beehive oven was the oven which furnished the coke for the steel industry of this country; but today the beehive oven would be a curiosity indeed.

I hold in my hand a chart, unfolded, which shows coal in its distilled state, yielding coke, gas, and tar; and I turn a few pages from this chart, and I behold another chart showing coal in its original form, taken from the mine 100 percent.

In another example is shown where the coal has been reduced, the coke or carbon representing 72 percent of the original coal. Then we go to another chart, and we find gas representing 22 percent of the original coal, and then to a lesser constituent, tar, representing 6 percent of the coal; and from this tar, Mr. President, there have been unfolded many thousands of different chemicals giving to the American textile mills a wide variety of dyes, which are reflected in the wearing apparel of each and every one of us today.

Not only that, Mr. President, but from the same tar comes synthetic chemicals and synthetic medicines; very much better, very much purer than the chemicals that were once developed from the vegetable root or from the tree that grew in the forest. That in part is what happened to coal in the last 17 years in America under the development of the American chemist.

Take the product known as "madder." It was a European farm product which was grown on more than 500,000 acres in southern France. From these madder roots was developed a chemical known as "alizarin", which represents the basis of turkey red.

Synthetic indigo is developed from coal tar, a synthetic product. Indigo grew in India. Some 1,500,000 acres were devoted to the development and growth of indigo.

The madder root which was produced and sold from the farm product of France brought to the growers of madder some $15,000,000 a year. The indigo grown in India brought to those who cultivated it some $22,000,000 a year. So, Mr. President, it is easy to see what is in store for the American people through and by the continued development of the chemical industry of America if properly protected.

Take another example. Many of us have read of Tyrian purple which was worn by the Roman senators and by the wealthy people in those ancient days of old Rome in its heyday. We remember reading of the tunic, a yard wide, or, at least a yard square, and the cost of the dye which entered into that tunic, which dye was taken from the glands of numberless little shellfish taken from the Mediterranean. The dye was extracted from the little sac that was located near the head. In case some harm was overtaking the shellfish it emitted this fluid which hid it from its enemy. These little glands were taken from the fish, the fluid was extracted from the gland, and it took 12,000 of them, Mr. President, or $750 worth, taken from these little inhabitants of the Mediterranean Sea, for the purpose of dyeing one tunic a yard square.

At this point in my remarks, I desire to quote for the RECORD an extract from Chemistry Triumphant:

> There is no animosity between the chemist and the toiler of the land; they are each striving to provide for man's needs at lowest costs. As biology develops, the chemist in turn will apply his art to extend and diversify the output of the land. But from time to time the advance in chemical manufacture is destined to work havoc upon century-old customs and habits.
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> Some 400,000 acres, extending from France into Asia Minor, were once under cultivation of madder. By 1870 the annual world crop of this root had mounted to 70,000 tons, valued at that time at $15,000,000, and containing about 1,500,000 pounds of pure alizarin. In 1912 the consumption of synthetic alizarin amounted to 4,000,000 pounds. Today little or no madder is grown. Synthetic alizarin was victorious.
>
> In the same manner natural indigo was practically driven from the world market by the synthetic product. This constituted the greatest chemical gamble in the world's history down to the close of the nineteenth century. Over $5,000,000 was expended by the German companies toward their goal. No one could have foreseen the tremendous obstacles that were destined to beset the enterprise.
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> The average annual world production of indigo in 1880 amounted to some 8,000,000 pounds (65 percent indigotine). In 1896 approximately 1,600,000 acres under indigo cultivation yielded a crop of 17,000,000 pounds of indigo (65 percent indigotine) valued at $20,000,000. In 1912, after 15 years of severe competition, this acreage had dropped to 200,000, and the value of the crop to about $2,000,000. In 1913 Germany exported 13,400,000 pounds (100 percent) synthetic indigo, valued at $10,000,000, with the selling price reduced to about one-half of what the natural indigo commanded in 1896. By 1914 synthetic indigo in the form of a 20 percent paste was being delivered in New York at 15 cents per pound. Today the world production of indigo (20 percent) is about 75,000,000 pounds annually. The victory was complete. Synthetic indigo of American manufacture appeared in our markets in January 1917. From its initial selling price of $1.25 per pound (20 percent paste) the constant lowering in manufacturing costs permitted of its sale at scarcely 13 cents per pound by 1927.
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> It was not long before the indigo chemist sought even to better his product beyond that provided by nature through many milleniums. In 1909 Friedlaender synthesized 6, 6'-dibromindigotine and found it identical with Tyrian purple of the ancients; over 12,000 molluscs (murex brandaris) were collected on Italian shores to yield 1.4 grams of this dye to confirm his research. And today we brominate indigo directly to a number of valuable fast dyes, notably among which is a tetrabrom indigo (Ciba blue 2B) far superior to the ancient Tyrian purple of similar constitution.
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> Again in 1905 Friedlaender discovered the beautiful red thioindigo, a direct counterpart of indigotine, wherein the imino (NH) groups of the latter are replaced by sulphur (thio) atoms. Insight into indigotine structure led to amplification in new ranges of color. In general these indigoid dyes constitute our first vat dyes; dyes that are capable of reduction to a soluble leuco or colorless base in vats or tubs, and from which solutions the immersed textiles absorb the colorless base to be dyed (that is, impregnated with the original insoluble dye) immediately after they are exposed to the oxidizing action of air. In 1901 R. Bohn discovered another type of vat dye called indanthrene. In brilliance and fastness to light it has few competitors. Furthermore, by halogenation this fastness is enhanced. Possibly no class of dyes has attracted more attention of late than certain of the azo colors; they lend themselves most admirably to development upon the newer silks.

Mr. President, today the American chemist can reproduce the same Tyrian purple at a minute fraction—a few coppers—of what it cost to color this same tunic in ancient times.

Mr. President, I could go along and recite the unfolding of the great accomplishments of chemical progress over the period of 17 years in America because of the protective tariff which was enacted in 1922 after the embargo was lifted, but time will not permit.

Mr. FESS. Mr. President, will the Senator yield?

Mr. HATFIELD. I yield.

Mr. FESS. Before the Senator reads I wish to recall to his memory the sort of prophecies which were made back in 1922, when it was proposed to protect the dye industry.

The mere suggestion was ridiculed out of all countenance. We were then wholly subservient to Germany for dyes; and when it was suggested that we could produce sufficient for our needs it was ridiculed, just as there was ridicule back in the early days of tin plate, when it was said that it was perfectly silly to talk about our ability to furnish sufficient tin plate for our needs. All that the Senator has stated has developed since 1922. It has all developed in that comparatively short time.

Mr. HATFIELD. I thank the able Senator for his contribution.

It was due to this opposition, so well expressed by the able Senator from Ohio, that for 150 years the chemical industry of America languished; and it will languish just so long

again, Mr. President, unless it is so guarded by a protective tariff which is free from bargaining, assuring those who are willing to invest their money in this life-saving industry to the 125,000,000 people that their investment will be worth while. And, while the investment is safe, it is made in the interest of the American consumer, as the RECORD will disclose from statements which appear in my address, this industry has saved the consumer who pays for these products millions, yes, many millions of dollars yearly.

Dr. Hale, in his interesting book Chemistry Triumphant, refers to the fact that had the Germans prosecuted the war as they could have done in the first weeks of the contest, they, in all probability, would have won a complete victory. But when the onslaught came and when 6,000 men fell upon the field of battle, overcome by gas, not knowing what they were battling against, Mr. President, Italy, France, and England were as paralytic in their preparedness as was America. It was left to the American chemists, largely here in the District of Columbia, to develop the gas, and the Allies furnished the shells; and these shells were loaded with gas and sent across the seas so the soldiers of the Allied forces might be supplied with the same kind of armaments which were utilized and developed in secret and their potentialities realized by the German chemists even before the outbreak of the war.

Mr. President, quoting from Chemistry Triumphant, I note Dr. Hale deals with the subject of the gas attack by the Germans upon the Allies, as follows:

At the outbreak of the war, almost all countries, outside of Germany, were woefully deficient in chemical experience. This was by far their greatest weakness. Had Germany left her land troops at home and concentrated upon chemo-aerial attack, the victory would have been hers even within 10 days. This is on the assumption, of course, that she could have commanded a great number of airplanes and a sufficiency of chemicals.

Mr. President, the value of chemical gas in warfare in contrast with the value of gunfire is well illustrated in the book, Creative Chemistry, by Edwin E. Slosson, page 221, the chapter entitled "Fighting with Fumes", which reads as follows:

The Germans opened the war using projectiles 17 inches in diameter. They closed it using projectiles one one-hundred millionth of an inch in diameter. And the latter were more effective than the former. As the dimensions were reduced from molar to molecular the battle became more intense. For when the "Big Bertha" had shot its bolt, that was the end of it. Whomever it hit was hurt, but after that the steel fragments of the shell lay on the ground harmless and inert. The men in the dugouts could hear the shells whistle overhead without alarm. But the poison gas could penetrate where the rifle ball could not. The malignant molecules seemed to search out their victims. They crept through the crevices of the subterranean shelters. They hunted for the pinholes in the face masks. They lay in wait for days in the trenches for the soldiers' return as a cat watches at the hole of a mouse. The cannon ball could be seen and heard. The poison gas was invisible and inaudible, and sometimes even the chemical sense which nature has given man for his protection, the sense of smell, failed to give warning of the approach of the foe.

Mr. President, it is our duty, it is an obligation that we owe to our people to safeguard and protect this industry so essential in time of peace, so necessary in time of war. To my mind, no diplomat, no college theorist should be trusted to enter into negotiations with any foreign country through which negotiations we may awaken and find that our chemical industry has been throttled.

Mr. President, the American farmer profits through the continuation of the American chemical industry and the American chemical industry and every other industry can profit only through the continuation of a purchasing power on the part of American farmers, which purchasing power they have only through the sale of their farm products to the employed industrial workers of our country.

Mr. President, I whole-heartedly support the amendment sponsored by Senators JOHNSON and FLETCHER.

(Quotations from Dr. Hale's book and other quotations ordered to be printed in the RECORD at the conclusion of Mr. HATFIELD's remarks are as follows:)

[From the Chemistry Triumphant, p. 11]

The great lesson impressed upon the Allies was the power of chemical industry and the complete dependence at all times of all things human upon chemical advance. Thus has chemical study come to the fore—achemico—Genesis of the world itself. It is the heritage which Germany gave to an advancing civilization—the valorization of chemistry.

BIOLOGICAL GENESIS—THE (?) ASCENDANCY

In the not far distant future there must come another awakening—the dominance of another force; the birth of another star of human destiny. This is the biological development. Not alone must we become conversant with all manner of physical and chemical changes inherent in human functions but further must we attain exact knowledge and control of bacteria and enzymes in all media.

It is hoped that the agency of a war will not be required to force home the necessity of such study. Almost 9,000,000 able-bodied men had need to be killed to force the world upon a chemical basis. Nature is prodigal in her tutelage. In the insect world there would appear indeed parallels of these human devastations through mighty cataclysms that serve for racial advance.

[From the Chemical Industries for May 1934]

A CHEMICAL TOURIST THROUGH THE SOUTH

By Williams Haynes

I. DOWN THE ATLANTIC SEABOARD

Three-quarters of the several million dollars which chemical industry spent for new plants last year was invested in the South. Half of these capital expenditures this year will be made in the South. By next year there will be a notable tilt southward in the balance of our chemical production, and more than this, the South will be the home not only of new centers of production of standard heavy chemicals, but also of new producers and of new processes.

It would be gross exaggeration to call this development a southern migration of chemical operations, although an enthusiastic transplanted Yankee prophesied we should be moving chemical industries bodily to New Orleans which he quite firmly believes will become American chemical headquarters. Warmed doubtless by the unusually severe weather reports from the North this past winter, this optimism may be discounted as heavily as you wish, nevertheless this southern trend is significant.

What has prompted it?

What does it mean?

Where will it end?

No simple answer can be found to these leading questions. The more one knows of these southern chemical developments, the more important they appear and the more complicated their industrial implications.

Below the frost belt

Cheap, available, abundant raw materials are often an obvious motive for southern location. The Gulf coast combination of sulphur, salt, petroleum, and natural gas, with coke, limestone, and phosphate rock available by water transport is unique and intriguing. The South is obviously the natural habitat for cellulose and hydrocarbon developments, both of which promise exceptionally great expansion in the chemical future.

Chemical production below danger of freezing temperature means cheaper installations and more convenient operation.

The climate is not only kind to pipe lines and pumps, it is equitable in many sections as shown by the fact that only 2 days were lost during the 150 days the Dow bromine plant was building. But you cannot generalize on southern climate. One night on the Gulf coast of Texas we slept soundly through a downpour of 4.1 inches; 3 days later, a thousand miles away we were still in Texas where they had seen no drop of rain since September 1933 and where the full year's fall is usually only 0.9 inch more than the single night's rain of the coast region.

The cart before the horse

The meaning of this southward movement is even harder to appraise. Chemical industry is proverbially dependent upon its consuming industries and historically follows them into new territories. The new southern plants on the coast are not shut out by freight costs (thanks to the big water-rail differential) from eastern or northern markets and are at a positive advantage in the Mississippi, Missouri, and Ohio Rivers territory as against competitors on the Atlantic side of the Allegheny Mountains. Reversing the usual order, available chemical supplies may be a helpful incentive to the establishment of chemical-process industries in the South. Certainly a number of wide-awake chambers of commerce are doing plenty of wishful thinking along these lines. Even today the effects upon the local communities of these chemical plants are considerable. At Brunswick, Ga., the Hercules wood-turpentine plant has done what the T.V.A. is planning at Muscle Shoals. They are lighting two cities and selling surplus electrical power to the neighboring countryside. At Grande Ecaille, La., a new town is being built where a swamp was a year ago, and for 10 miles up and down the Delta of the Mississippi new houses are building, old houses are being renovated, new crops of vegetables, and eggs, and milk are finding a profitable market. Carlsbad, N.Mex., hardly appreciates it yet, but it is in a fair way of being transformed from a cattle town and tourists' rendezvous into a mining center. Corpus Christi, with its new deep-water harbor, welcomes the Southern Alkali's new plant as harbinger of an industrial springtime that will sow a rich crop of local prosperity. The Ethyl-Dow plant has a weekly pay roll of something over $3,000—good new money for the landlords, the merchants, and the movies of Wilmington; and the business men of this old

North Carolina port hark back to the war-time days of its shipbuilding activity for an adequate comparison.

Of all recent southern chemical developments this bromine-from-the-sea operation has most firmly caught the public fancy. The publicity hounds at the A.C.S. St. Petersburg meeting smelled a good story in Dr. Stewart's casual reference to gold from seawater in his paper[1] on the Dow process of extracting bromine and the daily papers all over the country wrote glittering headlines. Everywhere throughout the South the first question asked anyone who has actually visited the new Dow plant is about this fabled gold extraction. The facts are plain. In a million parts of sea water are 67 parts of bromine; in a billion parts, 2⅓ parts of gold. A cubic mile of ocean contains $126,000,000 worth of bromine and at new-deal values, $6,125,000 of gold. Handling 37,000,000 gallons a day Dow is extracting 15,000 pounds of bromine. In the same goodly quantity of water there is about $40 worth of gold. I suspect that, as they are handling the water anyway and since Habor has thoroughly researched the gold-extraction processes, it is not unlikely they will at least make some experimental gold recovery—enough, as one of the officers jokingly said, "to make rings for the directors." It would be a clever publicity stunt.

The manager of this new Dow plant is an embarrassingly young engineer transferred from Midland, G. P. Dressel. He has an engaging smile, a real sense of humor, and a very great modesty of his own accomplishments with a very great pride in his plant's performance of 101 percent of projected capacity the second month of operation.

The plant was really built under the direction of A. P. Beutel, our chief of construction, and the process worked out by our chemists under the direction of Leroy C. Stewart, our research director. Of course, we had a big initial advantage in using what is essentially the same process we use in extracting bromine from our Midland brines; but our mother liquor here, the ocean, actually contains less bromine than our effluent after the extraction at our home plant.

Briefly we replace the bromine in the sea water with chlorine, blow it out with air, remove it in absorption towers by a soda ash solution forming sodium bromide and bromate. This bromide-bromate liquor is treated with sulphuric acid to liberate bromine, which is condensed to pure liquid bromine and which in turn is mixed with ethylene gas to form ethylene dibromide, our finished product. We make our ethylene from ethyl alcohol shipped down through the inland waterway from Deepwater, Del., and our ethylene dibromide goes back the same route to Carneys Point, Del., where it is blended with tetra-ethyl-lead for motor fuel by our ally in this enterprise, the Ethyl Gas Corporation. Both our bromine extraction and our bromine-ethylene reaction operate at above 90 percent efficiency.

The alliance Mr. Dressel mentioned is mutually advantageous in the extreme. The motor-blend use having roughly quadrupled the market for bromine, and still growing, Dow, the largest producer, faced the problem of either expanding greatly their present brine operations or tapping a new source of supply. As the brine operation necessitated extensive well expansions and would produce large quantities of the typical Dow products from the midland brine, the company, rather than upset their production balance, naturally preferred to tap a bromine source that was easy and economical to work, unlimited in supply, and would produce no byproducts. The set met these requirements perfectly, and having determined that the bromine content of the Atlantic is virtually constant all along the coast, it remained to find a location where there was no pollution from a large city, no dilution from fresh-water rivers, and where the effluent might be disposed of without fear of such dilution. The long narrow sand bar, outside Wilmington, N.C., behind which the Cape Fear River flows into the sea, offered an ideal combination of these advantages.

Besides the alcohol from Deepwater, the chlorine used comes from the R. & H. division of du Pont, another affiliate of the Ethyl Gas, and it is interesting to note that this chlorine is originally separated from salt at Niagara Falls, in the operation that produces the sodium used in the manufacture of the tetra-ethyl-lead. The sulfuric acid used comes from nearby fertilizer operations in specially designed tank containers below decks on a company-owned vessel, the *Ethyl Dow*, 116 feet long, with 100 horsepower diesel engine.

At the end of the bar, 8 miles below the bromine plant, commanding the mouth of the Cape Fear River is Fort Fisher, and the Union soldiers who attacked this stronghold during the Civil War, helped this ultra-modern chemical plant not a little. The trenches they dug were the basis of the canal through which 26,000 gallons of sea water now flow every minute into a settling basin, dug out of a great natural depression tens of thousands of years ago when a great shower of meteors bombarded the Carolina coast. All of which bears out Dr. Stewart's statement that "in kidnaping old Father Neptune we had to take every natural and chemical advantage over the old sea king." Production that is slightly over projected capacity the second month of operation is a record that will stand for a long time.

Bromine is not an exclusively southern raw material; but the southern pines, longleaf, slash, and loblolly distinctly are, and in Savannah are stirring new developments in the better chemical utilization of this natural crop, which many of us have forgotten is the foundation of one of our very oldest chemical raw-materials industries. The first year of the first English colony at Jamestown, Va., the first cargo of exports back to England included wood pitch, the crude material of our American naval-stores industries, which even today control the world's markets for turpentine and rosin.

Because of this same pitch, however, it has always been believed that the southern pines were quite unsuited for the manufacture of wood pulp for white or newsprint paper. At Savannah, Dr. Herty has proved that if the southern pine is caught young and treated rough; that is, cut before the heartwood forms, say at from 5 to 7 years, and chipped, digested, and beaten promptly there is no rosin problem at all. He has done it, and W. G. MacNaughton—"Bill" to thousands of friends—thoroughly relishes showing how they are going on and doing it, time and again, day after day, using all sorts of pines and always learning more and more about the best and the quickest and the cheapest way to convert them into good white cellulose.

Technically, one might say, this feat is an accomplished fact. Economically, the transfer of the newsprint paper industry to the South is still an interesting probability.

On the pro side is the fact that in 5 years southern pines are suitable for working while it takes northern spruce from 20 to 30 years to reach this size. When the paper industry becomes more seriously dependent upon reforestation this will doubtless be an unanswerable economic argument. But in the meantime, the industry is firmly planted in substantial buildings, equipped with costly and weighty machinery, close to suitable and still sufficient raw materials, located on clear water streams. I suspect the first southern mill will be either the property of a new company or an addition to or adaptation of some existing kraft paper operation. In the meantime the good work should go forward, for it holds huge industrial possibilities, and some of the many rumors of cellulose for rayon and acetate from southern pines ought to be translated into a fact as plain as the newsprint pulp.

In Savannah, thanks to my confrere, Thomas Gamble, who combines the jobs of publisher of the leading naval-stores business paper and of the mayor of Savannah most skillfully, I enjoyed a conference with a score of leaders among the gum producers who make rosin and turpentine by the ancient and honorable processes of extracting the gum from the trees by chipping, collecting in cups, and then distilling, in distinction to the wood producers, who steam distill pine stumps for the extraction of the rosin and turpentine.

The gum men are wide-awake to their position, which is not altogether an enviable one. Several of their best, old markets (notably paint and varnish) have been sharply curtailed; their output, difficult to control because coming from many small independent stills, requiring little investment, holds remarkably constant; their prices (though up somewhat recently) have declined to half of the 1926 levels. At the same time, the wood-rosin operations have been expanding, and being large, centralized plants, under strict chemical control, are not only producing cleaner, more sharply defined grades, but also a number of interesting, profitable chemical byproducts.

Among the gum producers there is a growing conviction that their future lies in finding chemical markets where, as in the manufacture of the synthetic camphor substitute, their natural produce will become the starting point for various syntheses. This very plainly points to better standardization of their products, and may in turn force a solution of their old problems arising out of the small-unit methods of production.

Early attempts in improving quality

This is not a new thought. As far back as 1925, Alfred Fendig headed up a group which secured control of 180,000 acres of turpentine woods, and under the name of the "Better Rosin Corporation", built a plant, designed by Kloss and Roy (who are now associated with the Hercules wood operation at Brunswick, Ga.), to operate on a continuous-evaporation system. This plan was later changed to an adaptation of the French process of batch cleaning and distilling. This plant burned after a short operating life, but A. S. Carr and Bryan Brown are working a similar set-up. It is said that by their methods they are able to raise the quality of their rosin about three grades, which in the case of the very lowest grades represents an increase in price of 50 cents a barrel, but in the popular, H, I, K classes only represents about 5 cents or 10 cents. The problem sums up as to the ability of a plant costing, say, $25,000 and with additional transporation costs to compete with a plant requiring a tenth of this investment.

Hercules at their wood plant have found quite a distinct solution. They work a different raw material, pine stumps, bought on cleared land and hauled in by rail, where they are chipped, subjected to steam distillation, and refined, with the production of pine oil, as well as the better grades of rosin. Furthermore, they are extracting the various chemical constituents of both turpentine and pine oil, and securing about a hundred different products, a number of which are already finding growing commercial application.

Principal constituents

TURPENTINE

Hydrocarbons:	*Boiling point*
70-percent a-Pinene	156° C.
2-percent p-Menthane	170° C.
25-percent Dipentene	176° C.

PINE OIL

Alcohols:	
8-percent Fenchyl alcohol	203° C.
12-percent Borneol	212° C.
55-percent a-Terpineol	218° C.

[1] See Ind. & Eng. Chem., vol. 26, no. 4 (April 1934), p. 361.

This Brunswick plant, its sister ship at Hattiesburg, Miss., and the Newport operation at Pensacola are furnishing the most uncomfortable kind of competition to the gum producers; but they may be well-disguised blessings showing the way out of the ancient and basic difficulties of this industry. Certainly one need not despair of the future. Naval stores have been too long, a too important part of southern economy, and the materials are too cheap and abundant, and too interesting chemically not to have a very definite place in the chemical operations of tomorrow. They may hold a development similar to the coal-tar industry, where a market for intermediates made the beehive oven obsolete. One of the recent innovations is interesting. Since colonial days rosin has been shipped in wooden barrels weighing about 75 pounds. It is now being shipped in steel one-way-shippers, weighing 15 pounds, with a very considerable freight saving.

Quite a different state of affairs exists down in Florida at another famous southern headquarters of chemical raw materials, the phosphate-rock mines. While four-fifths of our domestic production (normally some 4,000,000 long tons) comes from this region, and consumption dropped a half between 1930 and 1932, nevertheless the average price of "land pebble" for these 3 years was $3.24, $3.39, $3.13, bespeaking eloquently the stabilizing effects of the ability of an industry to strike some reasonable balance between output and shipments. Furthermore, since the early autumn of last year there has been a steady increase in the demand for rock, both from domestic and foreign buyers.

Origin of Florida phosphate deposits

The Florida phosphate fields, centered in Polk County, lie at the old coastline of a prehistoric sea and consist of a rich phosphatic marl in a fine clay. The deposits are largely from the organic remains of the gigantic mammals of that period and the teeth of sharks and the bones of whales, 3-toed horses, and mastodons are not uncommonly found. A commercially workable deposit must be rich enough and large enough and must lie under a thin overburden. The beds run from 600 to 800 feet in thickness and the overburden from 16 to 40 feet, and reasonable expectation is held to be 250,000,000 tons of washed rock.

The mining operation is simple. By dragline the overburden is stripped off, powerful streams of water sluice the rock out of its matrix of clay into pits from which the slurry is pumped to great washers where the phosphate pebbles are cleaned and dried. A recent innovation is the use of a flotation process by the I.A.C. at their mines at Mulberry recovers fines lost in the ordinary water-washing process.

Besides the I.A.C., the A.A.C. at Pierce, the American Cyanamid at Brewster, the Southern Phosphate at Ridgewood, the Coronet Phosphate at Coronet, the Phosphate Mining Co. at Nichols, and Swift at Fort Mead are operating in this field. Most of the companies have built their own towns, housing their employees and providing them not only with supplies but also with hospitals, schools, swimming pools, movies, and what not of modern life usually lacking in communities of their size.

Cyanamid's phosphate operations

After a misty, moisty, and very muddy trip through the fields, we came back to the big, bare office from which H. L. Mead directs the Cyanamid's phosphate operations. On the walls are two great maps of Florida and of the company's property; over by the window an enormous, old-fashioned table desk; around the room four stiff, straight, wooden chairs—all as stark and businesslike as a cold chisel. General Manager Mead, who, besides mining and selling his product, is lord mayor of the city, judicial authority, and spiritual adviser to his 1,200 people, and very obviously granddaddy to all the children of the community, gives you a strong impression of the clean-cut, fit, well-bred efficiency of a British cavalry officer of the old school, and then immediately belies appearances by saying that most of his troubles are due to Army men meddling with business affairs.

"We have been working our men 30 hours during the past 3 years, thus holding down production, but at the same time keeping our forces at work and giving all some income. Now we have a pick-up, and they would be only too glad to get the wages of 50 hours a week. We have always worked this way, spreading the work during dull seasons and getting the men extra money during the busier months. But now we must post a 40-hours-only notice, and the men kick at having to share their own legitimate piece of 'cake' with floaters. From our own point of view, we dislike not keeping the faith of our old custom of taking care of our own people and sharing good times and bad with them, and it is moreover a serious question how much we can afford to pad our pay roll with inefficient men. Our way is proved. It is not only the most efficient but it is the fairest to our men. But the Army man has a thoroughly unbusinesslike conception of labor. He has the made-work notion because he must keep the enlisted men busy. He sends two men to a job and hopes to goodness it will take them a day. The industrialist sends one man and hopes it can be done in 4 hours.

"Most of these Florida phosphate operations are little self-contained communities. The companies stand almost in loco parentis. We run a grade school here and a high school with a principal, nine teachers, and an athletic coach, and our students can go straight to Columbia, or Cornell, or any of the big universities, which cannot be said of high schools in rural districts in any State. We are proud of our death rate of 4 percent, for we work hard to keep it lower than the average of communities with the same industrial risks and the equivalent to our Negro population."

One only need drive through the various phosphate towns, with their well-painted houses, their neat lawns, and attractive public squares, to see the difference between living in them and in the ordinary small southern village. It is very easy to believe that good men, black and white alike, eagerly seek jobs with these companies, and that when one of them falls from grace, his wife and children besiege the office with protestations and pledges. That is the best proof I could find that the mutual interests of men and management are skillfully guarded in the phosphate fields.

Mr. METCALF. Mr. President, the pending bill will pass. We will take one more significant step toward relieving the Congress of its legislative power. It may not be long before the country is treated to the amusing spectacle of Republicans dining in memory of Jefferson, and the former adherents of that noted statesman may decorate the table of a Hamiltonian festival with the donkey. Jefferson's idea was that governments are based upon the indvidual, who must have the largest freedom, with the fewest possible restrictions and the least possible legislation. If he lived today, he might foresee full realization of the latter part of his philosophy, for before long there may be no need to legislate. We will have bestowed our last vestige of power upon the Executive. Hamilton believed in a strong central government, and this administration apparently feels that the great Secretary of the Treasury was too conservative in his philosophy. The principles of Jefferson have been so completely shelved by his followers that it might become necessary for the Republicans to campaign to rescue a few vital liberties from an impending dictatorship.

O shade of Jefferson, tell me now
Is this a donkey or a purple cow?

[Laughter.]

Mr. President, we should think not only of our own State but also of our country. Yesterday, while listening to the eloquent Senator from California [Mr. JOHNSON], I heard him speak of his great love for his State, and of his amendment to protect the people of his State. I come from Rhode Island, where I was born, and a State whose welfare I have equally at heart; but, Mr. President, our thoughts must be national, not local. I know no East nor West, no North nor South, but think first of my beloved country, and lament we now no longer can truly sing:

My country 'tis of thee,
Sweet land of liberty.

A good government requires good leadership, and the evidence of good leadership is found in those men who execute the mandates of the leader. This administration has garnered from all corners of the land men with new and abstract theories. College professors and economists have been called from the colleges to an extent that might imperil the very existence of our institutions of higher learning. Employees of the Federal Government have been dropped by thousands, and the patronage machine has evidently been working in violation of the patronage code, if, indeed, there is one, to take care of deserving Democrats and professors.

There is naught so funny in any clown
As a donkey in a cap and gown.

[Laughter.]

During the month of February more than 20,000 new employees were given jobs in the executive civil service, in addition to those who filled vacancies. All semblance of the civil-service merit system was junked in dispensing this patronage. It would be of great interest to deserving members of the Democratic Party to know that in September, 10,017 new jobs were created and filled. In October, 10,314 new employees were hired. In November, 10,925 were hired. In February of this year came the magnificant accomplishment of the greatest patronage machine of all times, when the Federal pay roll was increased by 20,639 in a period of 4 weeks. All these positions were in the executive civil service. I understand that one deserving Democrat waited for 30 days to see the liaison officer appointed, either by the chairman of the Democratic National Committee or the Postmaster General, to handle patronage matters between the departments; and after failing to interview this most

important gentleman left Washington, disgusted with the whole business.

O Jefferson, where are you today
When many Democrats are led astray?

[Laughter.]

The cost of government is necessarily reflected in the cost of commodities. Commodities which must absorb high taxes must compete with those from foreign countries; and yet at a time when the people are bearing a tax load greater than at any other time in our history, we propose to reduce tariffs. On March 31 of this year 20,616,000 persons were receiving pay from some branch of the Government. The practice of camouflaging the ordinary Budget of the Government by creating another has reached startling proportions. We propose now to lower prices by reducing the tariff and to increase them by cheapening the dollar. We have one part of the Department of Agriculture buying up pigs for slaughter and another part teaching the farmer how to grow larger and more prolific ones. Many branches of the Government are in absolute contradiction, but nothing that has been done is a greater contradiction to the whole social and economic structure of this country than this bill. The reduction of tariff rates is of great importance, but the most damaging thing of all will be the constant fear hanging over the industrial regions of the United States, of a sudden stroke which might destroy their market, imperil the jobs of thousands of their workers, and render their capital worthless. We can have no prosperity without confidence. There can be no confidence when power of this kind is vested in an administration which vacillates in its policies with the regularity of a pendulum.

Mr. DICKINSON. Mr. President, starting a number of years ago, a real effort was made to give some protection to agricultural products. I remember very well when the first farm-relief legislation was proposed. Its sole purpose was to give American producers of farm products the domestic price for the portion consumed in this country. The first legislation of this character contemplated the old export-debenture program. That was entirely dependent upon the tariff. It was for the purpose of trying to maintain our domestic prices for the portion or the percentage of our products consumed by our own people. The next proposal was the McNary-Haugen bill, which had a similar purpose. All this legislation was dependent upon the protective-tariff policy. We had been fighting for a good many years here to try to get agricultural products under the protective-tariff system, and I think we have fairly well succeeded.

We first put a tariff on wheat. We have it now on vegetables; we have it on citrus fruits; and the Senator from California [Mr. JOHNSON] yesterday made a statement with reference to the protection that has been given the products of his State. We now have it on live cattle. We had a serious fight to get it on live cattle in the last tariff bill. I remember very well when we attempted to get a tariff on hides, and how it was said a tariff ought not to be put on hides, but a tariff was finally put on hides for the protection of the cattle producers of this country. We increased the tariff on chilled meat, on raw meat, on poultry products, on eggs, on fresh milk, all for the purpose of giving the domestic market to the producers of our own products in our own States without interference from imports.

This movement has been going on for a number of years, but now we find that we are considering a measure which will upset the whole program. Why? Because if we ever delegate the authority proposed to be delegated by the pending bill the first interest to be affected will be agriculture. I wish to take a little time to discuss that phase of the subject for a few minutes.

First, I want to consider the suggestions of the various officials who had to do with the presentation of this bill and the reasons for it to the various committees. Secretary Wallace, before the Ways and Means Committee of the House, at page 45 of the hearings, said:

Speaking purely from the standpoint of agriculture, I wish to say it is exceedingly desirable that purchasing power, foreign purchasing power, for our agricultural surplus be restored; and if, in the judgment of Congress, it cannot be restored, then we should like to know it, so that we can nerve ourselves up to continuing with the present exceedingly difficult job of retiring surplus acres.

I believe recent developments and recent events have demonstrated that we do not need to retire any surplus acreage. The Lord has taken a hand in the matter. It is my understanding that now an order is about to be issued by the administration canceling all restrictions with reference to the production of corn on western acreage, for the reason, it is said, that so much of the crop has been destroyed by drought that the farmers have to put all their acreage into such crops as now may be planted in order to be assured of sufficient feed for their livestock.

In addition to that, I find the Department proceeding to purchase thousands, yes, two or three million head of cattle, in order to save them in drought areas on account of the shortage in feed and lack of water. In other words, we find, after we have this splendid scheme all arranged, there is no necessity for it by reason of the fact that conditions have changed from what they were a little while ago.

Quoting further from Mr. Wallace, at page 48 of the hearings, he said:

The chairman has suggested that the situation today is materially different from what it was in those lovely days previous to 1914, and I should like to call the attention of the Congressman [Mr. BACHARACH] to the fact that after the war closed, there was a certain inability to perceive the nature of the post-war situation, and this inability characterized the actions of Congress during the period, especially from 1921 to 1933.

I want our good brethren on the other side of the aisle, who were serving here from 1921 to 1933, to get this point:

This inability characterized the actions of Congress during the period, especially from 1921 to 1933, and that inability to understand the nature of what had happened has been largely responsible for our present situation.

In other words, it is a direct indictment that the Government, the Congress, the legislative authority of the country, failed to comprehend the situation then confronting us, and failed to do the things that should have been done in order to bring about what Mr. Wallace calls a condition which would be ideal under the "brain trust" and under the present regime of socialization or social planning or whatever it may be called.

I continue to quote from Mr. Wallace:

I should like to say the outstanding thing that was not recognized by the Congress, and perhaps cannot be recognized by the Congress, because of the way in which it is constituted, is the fact we had suddenly become a creditor Nation and that, therefore, a radical change in our tariff policy was essential.

Let me suggest that we were becoming a creditor nation. Why? Because we loaned money to foreign countries, by which we created a market for materials manufactured by industries largely, and, therefore, we were largely responsible by that program for an overexpansion, the results of which we will not overcome for years and years. One of the prime motives behind the pending bill is the fact that the General Motors Co., the International Harvester Co., and various similar organizations, which no longer are satisfied with the domestic market, are insistent that they have a world market. They are going to secure that market if they can, regardless of its effect on the domestic market.

I think Congress fully realizes this condition. I think it is a fact that we have been heading into this condition, not because of Congress, but because of a desire on the part of certain interests in the country to extend their markets and to extend their credits and to make banking profits, and that is the underlying principle in the whole program.

Therefore, I want to go a little further and quote a little more from Mr. Wallace. Before the Senate Committee on Finance he said, at page 27 of the hearings:

Because of that situation we have felt it essential in the Department of Agriculture to engage in many direct activities, many crop-production programs, which most men would feel under any ordinary conditions to be highly artificial in nature and unwarranted.

The situation, to my mind, is of such extreme seriousness that it should not be considered from the standpoint of partisan politics. On the contrary, it would seem to me that the right-

thinking men in both parties should try to discover that policy having to do with the tariff and with the agricultural control, if you please, that may be necessary, pending the building up of a sufficient volume of foreign purchasing power. That policy should be of such a broad-gaged nature that it could be continued in its broad outlines across the administrations.

In other words, such a policy should be carried into effect not only by this administration but also by those which are to follow.

In order that we may understand the situation it seems to me we should look at the practical application of this matter. I know of no one who makes a more thorough study of the agricultural interest of the country than the several farm organizations of the United States. Under date of April 8, 1934, according to Clarence L. Linz, in the New York Journal of Commerce, the representatives of those organizations held a meeting here. That meeting was for the purpose of determining how and wherein agricultural products would be affected by such a foreign tariff policy as is now proposed. Those leaders were intensely concerned. Why? If the farmer is not able to pay his adjustment fees or membership fees, they can no longer have any organization, and in a little while some of these men would be looking for other jobs. They were meeting in Washington for the purpose of determining how the program would affect the farming interests of the country. From the first report I quote as follows from the article of Mr. Linz under date of April 8:

Alarmed at the attitude of the administration toward their demands for complete protection for domestic oils, fats, sugar, and all other agricultural products, representatives of organized agriculture plan to meet here April 11 to voice their protests and to consider generally the administration's new foreign-trade policies.

Further on the article reads:

The leaders have scanned the list of "dutiable articles more or less noncompetitive and with respect to which foreign countries possess advantages" prepared by the Tariff Commission as a guide to the selection of commodities considered suitable for rate reduction.

Get that: "Considered suitable for rate reduction"!

Out of the several hundred commodities contained in this list, in his appearance before the House Ways and Means Committee, Tariff Commission Chairman O'Brien selected a group of representative articles, among which were the following agricultural products: Long-staple cotton—

It seems to me I can remember that the Senator from Mississippi [Mr. HARRISON], in the discussion of the late tariff bill, said there must be a tariff on long-staple cotton or there would be no tariff bill. That is item no. 1.

Cane and beet sugar—

That is of interest to the Senators from Louisiana, to the Senators from Michigan, to the Senators from Utah, and to the Senators from Minnesota, as well as to those of us representing the State of Iowa.

Mr. LONG. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. CLARK in the chair). Does the Senator from Iowa yield to the Senator from Louisiana?

Mr. DICKINSON. I yield.

Mr. LONG. I wonder if the Senator from Iowa thinks that the Senator from Mississippi may think he is in the same position as the Senator from Wyoming [Mr. O'MAHONEY] with reference to wool—that they are not going to touch his long-staple cotton?

Mr. DICKINSON. I should like to have the authority of the Senator from Wyoming for the letter he has written to his constituents in which he practically pledges that wool is going to be exempted. I read the letter inserted in the RECORD by the Senator from Michigan [Mr. VANDENBERG]. But in that letter the Senator from Wyoming did not say what his authority was. I should like to know whether it was a telephone conversation, whether it was a letter signed by the Secretary of State, whether it was an Executive promise, or what kind of promises are being made with reference to which items will be in and which items will be out when the bill shall be passed.

Mr. VANDENBERG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Michigan?

Mr. DICKINSON. I yield.

Mr. VANDENBERG. I suggest that the Senator should not place too much credence in that letter because, among other things, the letter will show he quoted Secretary Hull as promising public hearings ahead of any rate changes, whereas, when we asked for public hearings to be provided textually in the provisions of the bill, the recipient of the letter voted against it.

Mr. DICKINSON. This next item is soybeans. The next items are oil cake, oil-cake meal, and then comes cheese. I wonder what the Senators from Wisconsin and the Senators from Minnesota and the Senators from New York think about that? I am sorry the senior Senator from New York [Mr. COPELAND] has just left the Chamber. I wanted him to be here in order that I might ask him about cheese, which is being produced in the State of New York. This is one of the items the Tariff Commission said could be eliminated from protection, and yet we have been working for at least 15 years to get a proper protective tariff on dairy products and on fresh milk.

Crin vegetal, carpet wool, cigarettes, wrapper and filler tobacco, edible olive oil, olives, grapes, limes, peaches, beans, peas, tomatoes, cucumbers—

I wonder what the Senators from Florida will say with reference to eliminating the vegetable schedule as it now exists for the protection of the people who are producing vegetables in Florida against the importations from Bermuda. I wonder what the Senators from Texas will say when it is shown that there is danger of their protection being reduced so that the Mexican producers across the Rio Grande can bring in their vegetables to compete in the vegetable markets with the products of Texas. That applies to all the various products in the southern and the southeastern section.

Eggplant, flax, hides—

I wonder what the Senators from North Dakota have to say as to whether or not flax ought to be one of the products on which there shall be a reduction in the tariff.

The next item is hides. We have been working for a tariff on hides for a great many years. The number of cattle per farm in the livestock-production area of this country has been diminishing for years, and one of the reasons for it is that the production of livestock has not been profitable. Here is one item that we tried to get in under the protective tariff, to prevent competition from cheap land areas such as those of Canada and Mexico; and now we find hides listed as one of the items that ought to be eliminated or the tariff reduced.

Eggs—

The poultry production of this country is worth a great deal more than the wheat production; it is worth practically as much as the cotton production, and worth practically as much as the corn production; and yet we find eggs listed here by the Tariff Commission as one of the items that ought to be subject to this kind of regulation.

Other commodities which he suggested were dyes—

I wonder what the chemical interests of the country think about that—

stains, and colors, menthol, cosmetics, and toilet preparations, china, and porcelain ware.

There we have the great earthenware schedule involved. Well do I remember, in a tariff debate in Sioux City, when the Senator from Mississippi [Mr. HARRISON], who was talking, said he would specify the schedules that ought to be reduced, and the first one he named was the earthenware schedule, all along the line.

Mr. HATFIELD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from West Virginia?

Mr. DICKINSON. I yield.

Mr. HATFIELD. Is the Senator speaking of pottery and china?

Mr. DICKINSON. Yes.

Mr. HATFIELD. I will say to the Senator from Iowa that I was talking yesterday to Mr. Duffy, the president of the union of workers in those industries. It is affiliated with the American Federation of Labor. Mr. Duffy tells me that in normal times the pottery and china industries of America employed 25,000 persons, but that today they are employing less than 7,000, owing to the fact that their market has been taken largely by Japan and European nations.

Mr. DICKINSON. In other words, if the provisions of this bill are to be carried out and the suggestions of the senior Senator from Mississippi [Mr. HARRISON] are to be adopted as to earthenware, it simply means that the earthenware industry of this country will be eliminated. Can the Senator from West Virgina tell me the total number of people who are employed and the total investment in earthenware production?

Mr. HATFIELD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa further yield to the Senator from West Virginia?

Mr. DICKINSON. I yield.

Mr. HATFIELD. I am told that 25,000 persons are dependent solely upon the pottery industry of America. About 17,000, I may say to the distinguished Senator, are employed ordinarily in the Ohio section and the West Virginia section—the northern panhandle of my State.

Mr. DICKINSON. It is my understanding that earthenware is produced from the city of Pittsburgh clear down the Ohio Valley on both sides—on the West Virginia side and on the Ohio side—to a point below Cincinnati, and that it is the outstanding product of that particular area of this country.

Mr. HATFIELD. I may say to the distinguished Senator that it is one of the outstanding products. I think the production does not quite extend to Cincinnati, however; but it is a very important industry, and the largest pottery and china plant in the world is located in the northern panhandle of West Virginia.

Mr. DICKINSON. I thank the Senator.

The next items mentioned are—

Graphite, optical instruments, stained and painted glass windows, marble in blocks, manganese, and tungsten ores, woven wire cloth.

I also remember that in the debate to which I have referred, woven wire cloth was mentioned as one of the items on which there ought to be a reduction in tariff; and yet, as I understand the matter, the woven wire cloth industry is running at a very small percentage of capacity, and a great many of its workers have had only about 1 day's employment per week .

Mr. HATFIELD. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Iowa further yield to the Senator from West Virginia?

Mr. DICKINSON. I yield.

Mr. HATFIELD. I understand that had it not been for the action of the Tariff Commission, the woven wire cloth industry would not be in existence at all today. An increased tariff rate on woven wire cloth was necessary after the passage of the Smoot-Hawley tariff bill.

Mr. DICKINSON. I thank the Senator.

The next items are—

Pocket cutlery, razors, surgical instruments, shotguns, watch movements, cotton handkerchiefs—

And here I desire to read something concerning cotton handkerchiefs. I know nothing about the industry; but here is a letter from the Acheson-Harden Co. of New York. The letter is dated May 24, 1934. It is signed by the Acheson-Harden Co. The second paragraph of the letter is as follows:

This serious menace of cheap handkerchiefs coming into this country from Japan is causing our industry a great deal of concern, and is not helping us to aid the Government in its recovery program. In fact, it is operating quite to the contrary. It is also causing us to be very cautious about placing forward commitments for our raw materials.

In this correspondence I find a statement of fact that this organization gave to a person who was accumulating evidence with reference to the production of these particular articles. I read from this statement, which is dated May 11, 1934:

The handkerchief industry is suffering severely at the present time from competition on cheap cotton handkerchiefs coming into this country from Japan.

Our industry is one of considerable size, employing many thousands of workers.

While this competition from Japan is directly affecting all domestic handkerchief manufacturers in the cheaper field of cotton handkerchiefs, it is indirectly affecting many other industries furnishing the handkerchief industry with raw material and other supplies. I will mention below a few of the types of supplies to the handkerchief business which are being indirectly affected by this Japanese competition:

Spinning and weaving mills furnishing cotton cloth to the industry.

Bleaching and printing mills engaged in printing and bleaching the cotton cloth.

Ribbon manufacturers supplying ribbon with which the handkerchiefs are tied.

Box manufacturers supplying paper boxes to the industry.

Thread manufacturers supplying thread by which the handkerchiefs are stitched, and many others too numerous to mention here.

For your information, I wish to give you below some of the high spots in reference to this Japanese competition.

This correspondence shows that when we enter into a negotiation with a country such as I have suggested, we will not only be affecting the production of cotton handkerchiefs, but we will also be affecting the concerns which are interested in the production of all the other commodities that go into the production of handkerchiefs.

The following completes the list of articles as considered by these farm organizations:

Silk fabrics, straw hats, brooms, dolls and toys, machine-made laces, women's and children's gloves, sponges, crayons, and cameras.

A little bit later, and under date of April 13, I find another article by Clarence L. Linz from which I desire to read. It tells about the meeting of these farm organizations and their consideration of this question for days and days; and then I desire to read their conclusion at the end of the meeting:

After debating the matter for 2 days, officials of the American Farm Bureau Federation, the National Grange, Farmers' National Grain Corporation, National Cooperative Council, and the National Farm Editors' Association stopped short of adopting a resolution commending the President for the helpful consideration he had given agriculture and demanding outright exemption for the products of that industry from all tariff bargaining.

They did not adopt the resolution, but the whole sentiment of the meeting was that they be exempted from the negotiations of the President in connection with tariff schedules and trade agreements with the rest of the countries of the world. That shows the trend of these particular organizations.

Continuing to quote:

Unconvinced by oral promises from administration leaders—

And there comes in the letter that has been read here. It seems that some promises have been going around executive circles here that some of these commodities shall be exempt. I want the commodities of my State exempted, and that is the reason why I shall support the amendment offered by the Senator from California.

Unconvinced by oral promises from administration leaders that it is not the intention to disturb agricultural products in their present protected status, the farmers' representatives reviewed the statements made by Government officials in their various discussions and writings on the subject.

The opposition of the State and War Departments to the proposed processing taxes upon vegetable and fish oils, the former coming largely from the Philippine Islands, was reviewed. It was asserted by some of the speakers, it is said, that if the President is given the powers proposed for him in the pending tariff bill, despite denials to the contrary, he would have authority to suspend the tax and he would be upheld in any court action because the real intent of the tax is to limit imports for the benefit of the domestic dairy cattle and cottonseed-oil industries.

The attitude of Secretary of Agriculture Wallace in respect to the demands of the sugar-beet and beet-sugar industries for a

guaranteed share of the domestic market, was brought forward as another example of how the administration views sections of agriculture.

I next quote from the Journal of Commerce under date of April 17:

The national agricultural conference, comprised of officers and directors of leading agricultural organizations of the country completed 5 days of deliberation upon the Roosevelt tariff policies and adjourned without being able to come to an agreement as to its desirability.

Although extremely friendly to the idea of reciprocal trade agreements with foreign nations if they provide markets for agricultural surpluses, representatives of organized farmers were apprehensive on the program to give the President the broad powers he has asked of Congress for manipulation of the tariff laws of the United States.

* * * * * *

"Regardless of how we balance advantages and disadvantages, the fact remains that the foreign market is not so desirable as a home market either for capital or for labor. After all, our problem is that of extending home-consuming power in view of the constant losses which our producers of cotton, wheat, lumber, and other products have suffered and will increasingly suffer in the world markets by reason of the growing competition of other nations."

A flood of amendments have made their appearance in the Senate. Senator VANDENBERG (Republican, Michigan) proposes that there shall be exempted from the proposed tariff-bargaining privileges all basic commodities covered by the Agricultural Adjustment Act and all commodities covered by codes under the National Industrial Recovery Act.

Mr. President, that shows the conclusion of the agricultural organizations with reference to what they thought should be done as to this important matter now pending before the Senate.

I desire to go a little further and consider what is being proposed. In today's copy of the Daily News, in an article by Ruth Finney, I find the following:

According to present indications, tariff bargaining is to assume the major place in the recovery program this summer that N.R.A. occupied last year.

If it is going to make the record N.R.A. made, God pity the interests of this country involved in this important piece of legislation.

The administration hopes it will put an unspecified but large number of men to work in factories whose products will be sold abroad, and will prove helpful to agriculture.

First trade bargains will be made with Latin American countries.

What do the Latin American countries produce? I shall show in a few moments what the principal exports of the Latin American countries are. I continue the quotation:

Changes in foreign policy announced within the last few days removed the final barriers standing in their way. Monetary policies of the past 6 months apparently have been shaping toward this end.

Certainly; get a dollar that is cheap enough, so that the other fellow does not know what it is worth, and you are always safe in dickering with him. I continue to quote:

Last July President Roosevelt picked five countries and proposed to them that exploratory studies be undertaken to see if negotiation of trade agreements would be possible.

I should like to know how that proposal was made. How does it happen that we are negotiating with other countries long before there is any prospect of this tariff policy's being adopted?

I continue to read from this article in the Daily News:

The five were Argentina, Brazil, Colombia, Portugal, and Sweden. All responded favorably.

We have heard a great deal about the Colombian Treaty. I should like to know whether the other countries mentioned are involved in the same treaty. I do not know why this information should not be available to the Senate, so that we might be permitted to know whether or not the products of our respective States are to be bargained away under some sort of secret agreement such as is suggested here.

Later conversations were begun with half a dozen other Latin American countries.

Last December the United States actually negotiated a new commercial treaty with Colombia, a first step which was possible because practically all products sent to this country from Colombia are on the free list and no tariff changes of the sort the new bill will authorize were necessary.

Coffee is the biggest item in our trade with Colombia, and it comes free. A press statement issued at the time the treaty was signed indicated that the United States has promised—

Promises were made before any authority was given—

to continue giving coffee free entry in return for tariff reductions on our products. Heretofore Colombia has been levying duties against all principal exports from this country.

Mr. FESS. Mr. President, will the Senator yield?

Mr. DICKINSON. I yield.

Mr. FESS. If, in order to get concessions from these countries, we propose not to impose a tariff on coffee for 3 years, does that mean that the policy of the Government, if we do not get what we want, is to be changed, and we are to tax all the people who drink coffee merely because we demand that some other country give us some concession which they themselves do not want to give? Who is to be benefited by that?

Mr. DICKINSON. Nobody. In other words, what we are asked to do is to impose a penalty on every coffee drinker, in order to obtain a market in the South American country, which amounts to only a few million dollars, for a limited number of products. But Colombia is not so short-sighted that she will be convinced for a moment that there is any danger of America's putting a tariff on coffee. We have been going along for all these years, and never has it even been suggested that we were considering putting a tariff on the importation of coffee into this country.

Mr. FESS. There will not be any such tariff. There is not a man, woman, or child who would agree to it today.

Mr. DICKINSON. What kind of a bargain could the representatives of our Government, including the Assistant Secretary of State, possibly drive with Colombia, when Colombia knows that this condition exists, and is going to continue to exist? It is an insult to the intelligence of the representatives of that foreign country.

I continue to quote:

Brazil, Portugal, and Sweden apparently were selected for first bargaining conversations because most of their products, likewise, now come into this country free.

What particular bargain can we drive with a country which has had its products imported into this country free of duty, when there is no possible expectation that any tariff is proposed or will be proposed on their particular line of importations?

Mr. FESS. Mr. President, it would appear that our keeping coffee on the free list, according to this idea, has been a benefit to the other countries, instead of a benefit to the American people. We have never put a tariff on commodities such as coffee, tea, and spices, things we cannot produce, because it would be that much of a tax upon the necessities of our people.

Mr. DICKINSON. That is correct.

Mr. FESS. We refrain from imposing a tax, not because we favor the other people, but because we favor our own people.

Mr. DICKINSON. That is correct. I read further from the article by Ruth Finney:

Recently the State Department sent the White House a detailed report on trade bargaining, presumably summarizing progress already made and preparing the way for final completion of agreements.

Let us take up some of these countries. I will first turn to Argentina. Under the item of domestic exports, I find we have no figures later than 1932.

The first item of export is chilled beef, $32,000,000 worth. What trade relations is it desired that we make with Argentina so that we can import chilled beef into this country in competition with the meat producers of this country?

The second item is wool. We import some wool. Are we to make a trade agreement relating to wool, when we can produce more wool in this country than we use? That is why the distinguished Senator from Wyoming [Mr. O'MAHONEY] wants to have wool exempted, so that it will not be subjected to any agreement made under the provisions of the bill.

The next item is wheat. I wonder how many people think we ought to have keener competition in the production of wheat, when the carry-over of last year was some 300,000,000 bushels?

The next item is corn. I know something about the corn production of this country, and I want to show that we need no further competition, so far as corn is concerned. Yet these are the principal commodities produced in Argentina for export. But it is said that in order to increase our foreign trade, in order to sell agricultural products, we should negotiate a secret trade agreement with this particular country, which is producing for export, in major products, the very commodities which are produced for export in this country of ours.

The next country is Brazil. We have just discussed the item of coffee, which is the major export product of Brazil.

The next one is cocoa beans. We do not produce cocoa beans. That is a bean, however, from which oil is produced. It is subject to many of the conditions we tried to impose under the vegetable-oil provision of the Philippine bill.

The next item is chilled meats, and that is the very item about which I have been objecting, because all over the State of Iowa this past year one could go into practically any grocery store and buy chilled canned meats produced in Paraguay, Uruguay, Brazil, Argentina, and other South American countries.

Why should the meat producers of the United States be subjected to that type of competition, when as a matter of fact we have the capacity in this country not only to produce all the meat we can consume but also to produce a surplus, if opportunity were given and proper encouragement afforded?

So what do we expect to gain by extending our trade relations on a negotiation basis with a country in South America which produces for export the same commodities we produce?

Next I will turn to Colombia. What is the principal export of Colombia? Coffee. In this case exactly the same conditions apply as we have been talking about in relation to Brazil. The next item is mineral products. There we have an exactly similar condition. Next is petroleum. I wonder if the oil-producing organizations of this country desire additional competition; I wonder if they want trade relations so modified with Colombia that they will have keener competition in the production of oil.

Next I will take Denmark. I find that the general exports from Denmark are pork and bacon, meats of different kinds, dairy products, including butter. I wonder how many of those interested in dairy products and meat products think we ought to have negotiations with that country whereby it will be made easier for them to sell their export products in America.

These are the types of commodities which are produced in surplus. Therefore I say that this program is impractical and unworkable. Why? Because the great majority of the countries with which we expect to deal export in surplus the very products which we ourselves produce in surplus. I do not believe it will be possible under those circumstances to make a trade agreement which will be other than detrimental to the interests of our own country. That is a phase of this question to which I think we ought to give consideration.

I note that the amendment of the Senator from California [Mr. JOHNSON] provides that the provisions of this bill with respect to any agricultural or horticultural product, include the commercial articles or materials made therefrom by usual first processings.

I believe that leather would be included within the terms of that amendment and that if agricultural products and horticultural products are exempted leather would be exempted. If leather would be exempted, I am wondering whether the State of Massachusetts, the State of New York, the State of New Jersey, and the State of Delaware would not be intensely interested in this amendment. I am wondering whether any State where hides are processed into leather—because the hide is an original article from the animal—will not be interested. The production of leather is a first process, and, therefore, leather clearly would come within the provisions of this exemption.

I believe we should have some clear understanding with reference to these various items, and for that reason I suggest that leather should be one of the products we should think about when we vote on this bill.

This bill is very far-reaching. The bill will have an effect to discourage business everywhere. It will create a lack of confidence. It will create an element of uncertainty. People will not know what their commitments for the morrow can be.

In order to suggest the reaction, I quote from an address by Mr. Monro on the American tariff, delivered in New York on January 21, 1932, in which he said:

> The most persistent of these attacks centers around the alleged effect of the tariff on our foreign trade. Very rarely is any mention made of the extent to which our tariff has prevented a complete collapse of American business and industry.
>
> * * * * * * *
>
> In the first place, according to the census data compiled by the Department of Commerce, our export trade amounts to between 8 and 10 percent of our total annual production. The corollary of this is that over 90 percent of the goods we annually produce are sold right here in this country to the American people. To propose or even suggest that we deliberately adopt a policy which will sacrifice to a greater or lesser extent our 90-percent domestic market in favor of a nebulous possible gain in our 10-percent foreign market is to me short-sighted in the extreme.

I quote further from another article by the same writer, dated January 18, 1934, in which he says:

> Higher prices for American-made products are a direct invitation to increased importations of competitive foreign-made products. In other words, to the extent that the national recovery program is successful, it will raise the whole level of costs and prices in this country still higher above what these are in foreign countries. To the extent that this happens, to that extent must industries secure increased tariff protection, limited, however, as previously stated, at least to the difference in the costs of production in this country and abroad.

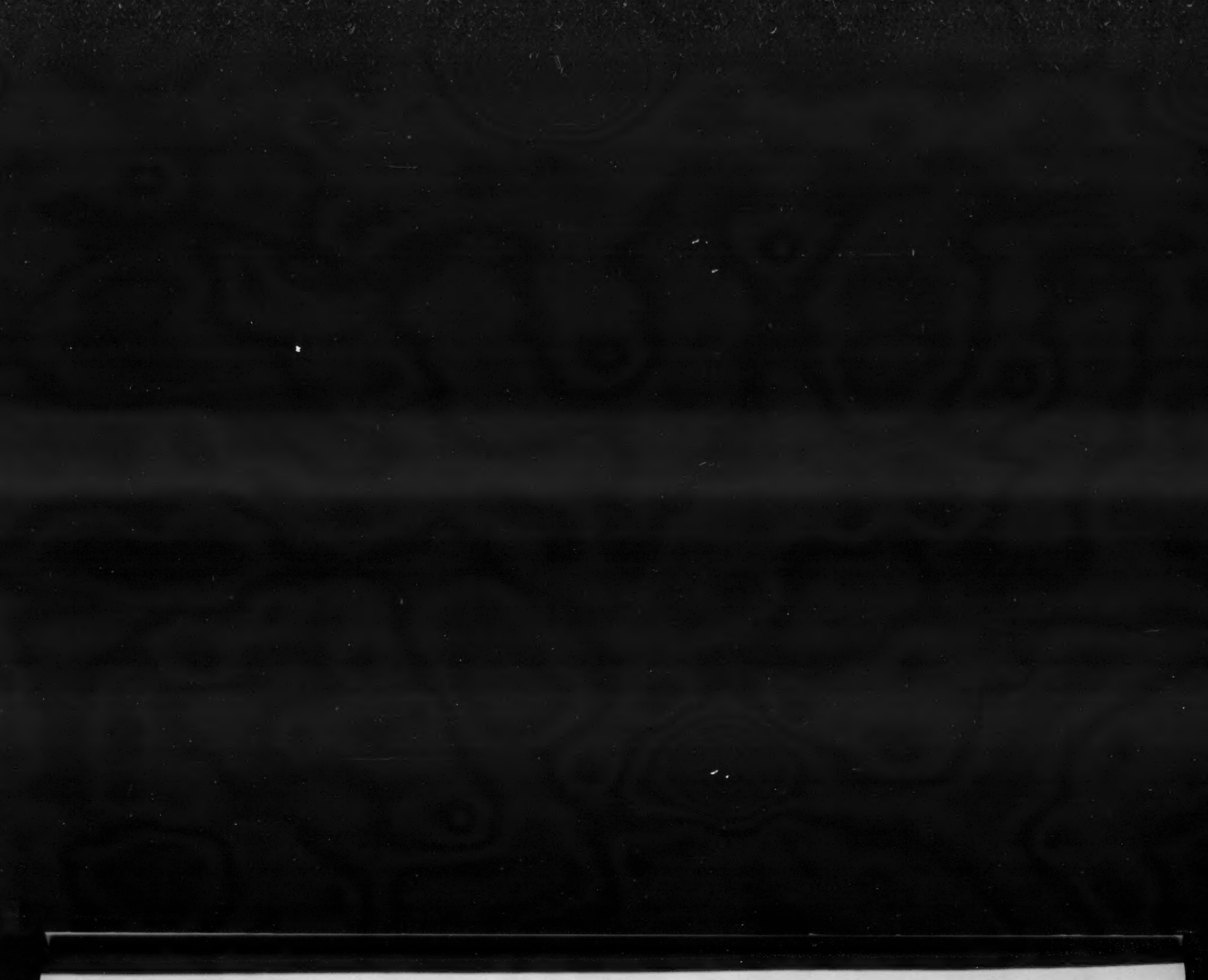
In other words, this whole program of tariff reduction and exploitation and planning for expansion of foreign trade is absolutely contradictory to the very policy proposed in the National Recovery Act, upon which this administration depended for the recovery of this country during the past year.

Furthermore, the proposed tariff policy goes to the extent of making an economic dictator of the Chief Executive. In that connection, I desire to read a short paragraph from a distinguished Democrat. This is an address by Senator WILLIAM H. KING, Democrat, of Utah, given over the radio October 25, 1931, and this is what he said in that address:

> In periods of economic depression, as in periods of war, the forms of government, if not their foundations, are challenged. We are now confronted with demands from all parts of the land for legislation and the execution of policies which are at variance with democratic institutions and our form of government. Fantastic and visionary schemes and plans are urged with fanatical zeal. Communistic, socialistic, and paternalistic programs are presented and demand made that they be carried into execution. It matters not that many of these suggestions ignore individual rights and the duties and responsibilities of the States, nor that they are in contravention of positive inhibitions in the Federal Constitution. The swirling waters of unrest and discontent are beating against the foundations upon which rest democratic institutions, the indefeasible rights of individuals, and the sovereign rights of States.
>
> Unfortunately we are cursed with a Federal bureaucracy more powerful, more penetrating, more exasperating than that which afflicts any country on earth. Nearly a million Federal employees operate this bureaucratic machine which oppresses the people, limits individual rights, interferes with local self-government, impinges upon the rights of the States, and, paradoxical as it may seem, while aggrandizing the Federal Government and aiding in its usurpatory activities, it sows the seeds of socialism.

Remember, Senators, that statement was made in 1931. If that was true then, what must be the views of the distinguished Senator from Utah with reference to what has happened since March 4, 1933?

It seems to me that the distinguished Representative from Massachusetts [Mr. TREADWAY], summed up under date of



June 9, 1933, what will happen under this bill very conclusively, and I now read his conclusions:

In conclusion, I wish to summarize my objections to the Democratic reciprocity tariff proposal as follows:

First. It contemplates an unconstitutional delegation of the power of Congress to lay and collect duties and imposts and to regulate commerce with foreign countries.

Second. It would destroy the principle of the protective tariff and substitute a competitive tariff or tariff for revenue, which can only result in a flooding of the domestic market with cheap foreign goods with which domestic producers cannot compete.

It seems to me that what will happen under this tariff bill has been shown here not only by the suggestion of the Senator from Tennessee that the whole purpose was to reduce tariffs, but it has also been shown by the testimony and by the questioning of the distinguished Representative DICKINSON, of Missouri, in the Ways and Means Committee, where he showed that the principal intent of this bill was reduction of tariffs.

I continue to quote:

Third. The granting of reciprocal concessions to foreign countries would result in destroying one domestic industry in an attempt to benefit another.

Fourth. The reduction of our own tariff rates would not insure greater foreign purchases from us, because foreign countries will buy in the cheapest market, no matter how much of their goods we import.

Are we going to tie up a reduction of rates with a reciprocal trade agreement whereby we try to coerce the other country into trading with us? That is not practical. Our country cannot survive under a policy of that kind for the reason that there are now 20 or 25 countries which want to deal with us. Most of them are not so insistent upon what we can sell them as they are insistent upon what they can sell to us. Our markets are wanted by the countries of the world. Our markets are what the countries of the world seek. Our markets are at stake in all these negotiations. Therefore, we will have representatives of the various countries of the world centering on our representatives for the purpose of seeing how much of our markets they can secure rather than how much of our goods they will be compelled to buy.

I continue to quote:

Fifth. In order to obtain greater foreign markets, we must meet world prices. To do this we would have to reduce production costs to world levels, which would involve lower wages to labor and longer hours of employment.

Sixth. The purpose of the bill is inconsistent with the present policy to increase wage levels, because without tariff protection our higher standard of living cannot be maintained in competition with the cheap labor of Europe and the Orient.

Seventh. Buying more goods abroad will not help to reopen our own factories producing the same merchandise.

Eighth. The importance of our foreign trade has been overemphasized, since our exports even in normal times only amount to about one-tenth the value of our domestic production.

Ninth. What this country needs is more purchasing power, and this cannot be brought about by denying American workmen and producers the right to produce the goods consumed in the home market.

Will it be contended that an increase in quantity of imports in 10 months over the same period of the preceding year of 33⅓ percent is low?

Mr. President, the compilations of the Department of Commerce, table 16 of the Summary of the United States Trade with the World, 1933, shows that while the volume of imports had fallen to an index of 79 in 1932, that they had increased in 1933 to an index of 86.

The same Department also shows that while the index of imports for the first 3 months of 1933 was at 73 our imports had so increased that for the 3-month period of 1934 the index had reached 87. A compilation of our imports for the first 9 months of the present fiscal year, the last figures available, show that the import index has now reached 92, or only 8 points below normal.

At this point, Mr. President, I desire to have inserted in the RECORD as a part of my remarks two tables showing our imports and our exports for the 10-month periods, July 1, 1932, to April 30, 1933, and July 1, 1933, to April 30, 1934.

The PRESIDING OFFICER. Without objection, it is so ordered.

The tables are as follows:

Total exports by months, 1932, 1933, 1934

	1933	1932	Increase (+) or decrease (−)	
			Amount	Percent
July	$144,109,000	$106,931,000		+34.9
August	131,472,000	108,600,000		+21.1
September	160,119,000	132,037,000		+21.3
Total, 3 months	435,700,000	347,468,000	+$88,232,000	+25.4
October	193,070,000	153,080,000		+26.1
November	154,256,000	138,834,000		+32.7
December	102,619,000	131,613,000		+46.4
Total, 3 months	509,945,000	423,526,000	+146,409,000	+34.6

	1934	1933	Increase (+) or decrease (−)	
			Amount	Percent
January	$172,224,000	$120,589,000		+42.8
February	162,805,000	101,515,000		+60.3
March	190,000,000	108,015,000		+75.9
Total, 3 months	526,029,000	330,119,000	+$194,910,000	+59.0
April	179,444,000	105,217,000		+70.5
May		114,203,000		
June		119,791,000		
Total, 3 months		339,211,000		

Increase first 10 months, $503,778,000, or 41.8 percent.

Total imports by months, 1932, 1933, 1934

[General imports]

	1933	1932	Increase (+) or decrease (−)	
			Amount	Percent
July	$142,980,000	$79,421,000		+80.0
August	154,916,000	91,102,000		+70.0
September	146,641,000	98,411,000		+49.0
Total, 3 months	444,537,000	268,934,000	+$175,603,000	+65.3
October	150,857,000	105,499,000		+43.0
November	128,503,000	104,468,000		+23.0
December	133,217,000	97,087,000		+37.2
Total, 3 months	412,579,000	307,054,000	+105,525,000	+34.4

	1934	1933	Increase (+) or decrease (−)	
			Amount	Percent
January	$135,513,000	$96,006,000		+41.1
February	132,656,000	83,748,000		+58.4
March	158,000,000	94,860,000		+66.5
Total, 3 months	426,169,000	274,614,000	+$151,555,000	+55.2
April	146,517,000	88,412,000		+65.7
May		106,869,000		
June		122,497,000		
Total, 3 months		317,778,000		

Increase first 10 months, $490,788,000, or 52.3 percent.

Mr. DICKINSON. These tables, Mr. President, show that our imports have increased $490,788,000, or 52.3 percent. During the same period our exports have increased $503,788,000, or 41.8 percent.

During this 10-month period, which includes the last figures available, our foreign trade increased $994,566,000, or almost a steady increase of $100,000,000 each month.

This increase in foreign trade is not due to any legislative enactment or to any action on the part of the present Chief Executive.

These figures, showing an increase in our foreign trade of $100,000,000 per month, indicate that what we need is

not tariff-rate reductions, which instill fear and will result in greater unemployment, but a substantial improvement in our domestic trade.

Mr. HATFIELD. Mr. President, will the Senator yield?

Mr. DICKINSON. I yield.

Mr. HATFIELD. While our imports have increased to the point the Senator has just indicated, our home trade has increased only 5 percent. Is not that true?

Mr. DICKINSON. That is correct.

Mr. President, it is my hope that the amendment of the Senator from California [Mr. JOHNSON] will prevail. I believe there is no protection whatsoever for agriculture in the proposed legislation. There is protection in exempting all agricultural products, and agricultural products through the first processing, from the provisions of the bill.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had disagreed to the amendment of the Senate to the bill (H.R. 9322) to provide for the establishment, operation, and maintenance of foreign trade zones in ports of entry of the United States, to expedite and encourage foreign commerce, and for other purposes; agreed to the conference asked for by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. CULLEN, Mr. MCCORMACK, Mr. VINSON of Kentucky, Mr. TREADWAY, and Mr. BACHARACH were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9061) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1935, and for other purposes; that the House receded from its disagreement to the amendments of the Senate nos. 41, 86, 92, and 118 to the said bill, and concurred thereon, and that the House had receded from its disagreement to the amendment of the Senate no. 39 to the bill and concurred therein with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had passed a bill (H.R. 9745) to authorize the Secretary of the Treasury to purchase silver, issue silver certificates, and for other purposes, in which it requested the concurrence of the Senate.

MONETARY USE AND ACQUIEITION OF SILVER

Mr. PITTMAN. I ask that House bill 9745 may be read twice and lie on the table.

The bill (H.R. 9745) to authorize the Secretary of the Treasury to purchase silver, issue silver certificates, and for other purposes, was read twice by its title and ordered to lie on the table.

MOUNT RUSHMORE NATIONAL MEMORIAL COMMISSION

Mr. NORBECK. Mr. President, from the Committee on the Library I report back favorably the bill (S. 3533) to amend the act entitled "An act creating the Mount Rushmore National Memorial Commission and defining its powers and purposes", approved February 25, 1929, and for other purposes.

I ask unanimous consent for the immediate consideration of the bill.

Mr. HARRISON. Mr. President, I understand there will be no discussion on the bill?

Mr. NORBECK. If there shall be any debate I will withdraw the request. I merely desire to make a brief statement explanatory of the bill.

The bill would correct a complication growing out of the death of Calvin Coolidge, who passed on before the inscription for the entablature was completed. The present law names him as the author. The bill does not change the authorization of $250,000 carried in the present law. It removes the requirement of immediately matching Federal funds. It will make immediately available the appropriation of about $50,000 already made, which, together with balance on hand, will be sufficient to complete the figure of Thomas Jefferson on the mountain.

The Mount Rushmore National Memorial Commission are firmly of the opinion that they can raise additional funds by private subscription if given a little more time.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 3 of the act entitled "An act creating the Mount Rushmore National Memorial Commission and defining its powers and purposes", approved February 25, 1929, is amended by adding at the end thereof the following new sentence: "If by reason of death, disability, or other cause, any individual to whom functions are assigned under this section has been or shall be rendered unable to perform such functions, the Commission is authorized to designate or employ such other person as it deems competent to perform such functions."

SEC. 2. Section 5 of such act of February 25, 1929, is amended to read as follows:

"SEC. 5. There is hereby authorized to be appropriated the sum of not to exceed $250,000 for the purpose of defraying the cost of such memorial and landscaping. Such sums as may be appropriated pursuant to this act shall be advanced to the treasurer of said Commission from time to time by the Secretary of the Treasury upon requisition of the executive committee provided for by this act."

SEC. 3. Any funds heretofore made available for expenditure under the provisions of such act of February 25, 1929, are hereby made available for expenditure under such act as amended by this act.

REGULATION OF SECURITIES EXCHANGES—CONFERENCE REPORT

Mr. FLETCHER. Mr. President, I move that the Senate proceed to the consideration of the conference report on the securities exchange bill.

Mr. HARRISON. Mr. President, will there be any discussion involved?

Mr. FLETCHER. I think not. I know of no opposition. I think we can dispose of it in a very few minutes.

Mr. HARRISON. I hope the Senator will ask unanimous consent instead of moving to proceed to its consideration, so as not to displace the unfinished business.

The PRESIDING OFFICER (Mr. LOGAN in the chair). It will not displace the unfinished business if taken up by motion. The question is on agreeing to the motion of the Senator from Florida.

Mr. HASTINGS. Mr. President, I hope the Senator will not insist upon taking up the conference report now. I should like to have an opportunity to go over the report. I have not had an opportunity yet to do so.

Mr. FLETCHER. It has been on the desks of Senators since yesterday. It was reported yesterday, and the report was printed at length in yesterday's proceedings.

Mr. HASTINGS. That is not a very long time to consider it.

Mr. FLETCHER. We have not a very long time to be here, either. The conference report has to be acted on in the Senate before it can be acted on in the House. It is a unanimous report of the conferees.

The PRESIDING OFFICER. The motion to consider the report is not debatable. The question is on the motion of the Senator from Florida to proceed to the consideration of the conference report.

The motion was agreed to; and the Senate proceeded to consider the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9323) to provide for the regulation of securities exchanges and of over-the-counter markets operating in interstate and foreign commerce and through the mails, to prevent inequitable and unfair practices on such exchanges and markets, and for other purposes.

(For conference report, see RECORD of Wednesday, May 30, 1934, pp. 9930–9942.)

Mr. FLETCHER. I move the adoption of the report.

The PRESIDING OFFICER. If there is no objection——

Mr. HASTINGS. I object, Mr. President, until I have an opportunity to read the report.

May I inquire of the Senator from Florida whether he does not intend to make any explanation to the Senate of what was agreed upon and why certain amendments were made?

Mr. FLETCHER. I have no objection to making any explanation or answering any questions about the report. I do not wish to consume time unnecessarily by reviewing the whole report. It is a pretty extensive report. I can, I think, satisfy the Senate very briefly as to the principal features dealt with by the conferees, and where the principal changes were made in the Senate bill and in the House bill. I do not desire to put myself in the position of understanding or overstating anything, because I do not wish to give an opportunity for some malicious, unscrupulous propagandist to say that I deceived the Senate about something.

The principal features are these:

The Senate receded from its amendment as to section 2, which was the provision with reference to the purpose and object of the bill, and adopted the House provision as to that section.

The House receded from its disagreement to the Senate provision which establishes an independent commission of five, and the Senate provision on that subject was agreed to.

The Senate receded from its disagreement to the House provision with reference to margin requirements, and we agreed to the House provision on that subject, perhaps with an amendment; but, at all events, the report leaves the control of margins as fixed in the House bill and leaves the control of credits in the Federal Reserve Board.

Those were the main features, as I think the Senator will agree. As to some other amendments, the House receded with an amendment here and there through the bill; but not as to very vital or essential provisions.

The House receded from its disagreement to the provision of the Senate bill which transfers to the Commission the administration of the Securities Act, and puts in the hands of the Commission both the administration of this measure and the administration of the Securities Act.

The Senate receded from the provision as to the salaries of the Commissioners. The Senate bill fixed their salaries at $12,000, and the House suggested $10,000; and we agreed on salaries of $10,000.

I think there were some other not so very important provisions—for instance, with reference to the statute of limitations. The bill now provides that any suit for damages brought under the sections of the bill with reference to misleading or false statements as to registration or application must be brought within 1 year after discovery of the facts constituting the cause of action and within 3 years after the cause of action accrued, instead of within 10 years and 5 years, respectively, as I think the other provisions were.

Mr. COUZENS. Mr. President, I desire to suggest to the Senator from Florida that one of the important changes made in the bill was as to the question raised particularly by the junior Senator from Oregon [Mr. STEIWER] with respect to having the Commission come under a budgetary plan, rather than to rely upon the fees collected from the stock exchanges.

Mr. FLETCHER. Yes. The Senate bill provided that all expenses were to be paid by the exchanges. The House bill provided for a fee of one five-hundredths of 1 percent to be levied on the exchanges when they register; so that the expenses are intended to be taken care of, so far as possible, in that way. In other words, the Senate bill provided that all expenses should be met by the exchanges. The conference report provides for a registration fee of one five-hundredths of 1 percent on the amount of business transacted.

Mr. LONG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Louisiana?

Mr. FLETCHER. I yield.

Mr. LONG. Since it is 15 minutes after 5 o'clock, I was wondering whether we could not let Senators look over this conference report tonight, and vote on it tomorrow, and save a great deal of time. We have already reached our usual adjourning time. I think I understand the conference report, but perhaps I have been paying closer attention to it than some other Senators.

Mr. FLETCHER. I think we can dispose of it in a very few minutes. If the Senator from Delaware wishes to inquire about any particular provision, I shall be very glad to answer his questions.

Mr. HASTINGS. Mr. President, I am not prepared to discuss something I have not read. It will be necessary for me to read the report in order to understand it, and it will also be necessary for me to read it if I desire to discuss it. I hope the Senator from Florida will not insist upon action tonight, because I do not want to be put in the position of having voted for this important conference report without knowing what is in it.

If the Senator will let the report go over until tomorrow, I am quite certain we shall not lose any time. I may not have anything to say about the report, but I do want to have an opportunity to read it before the report is adopted by the Senate.

Mr. FLETCHER. Of course, I can only proceed in accordance with the rules. The report was presented on yesterday, was printed, and was placed on the desks of Senators. I cannot help whether or not Senators read it. I should like to dispose of it. I do not believe the Senator from Delaware will find anything of any consequence in the report that is not in either the House or the Senate bill; and we certainly have had enough discussion with regard to the measure.

I should like to accommodate the Senator from Delaware, but we must try to dispose of our business in the regular order. The rules require that a conference report shall be presented one day, and lie over until the next day, and then it can come up at any time on call.

Mr. HASTINGS. I had not supposed that this conference report would be presented to the Senate at quarter past 5 in the evening of a day that began at 11 o'clock with a discussion on the tariff, to which I have given all my attention. I have no doubt that the Senator is within the rules, and I appreciate that he is anxious to have the report adopted; and I have no inclination at all to delay the approval of the report. I merely desire to have an opportunity to read it, and if I find in it anything that I think is objectionable and that I ought to point out to the Senate, I should like to have an opportunity to do so.

I assure the Senator that if he will agree to let the report go over until tomorrow it will not delay the ultimate disposition of the measure.

Mr. FLETCHER. Mr. President, the trouble is that we shall have the tariff bill before us tomorrow, and perhaps the next day, and if we wait until something else happens we never will know where we are.

I have waited all day today to have this report considered. I did not press it early this morning. I wanted to do so, but I yielded that opportunity, if I had one. In any event, I did not press it this morning, expecting to bring it up before adjournment this afternoon. I was perfectly willing to wait, and did wait, until we were almost ready to adjourn this afternoon. I cannot see how I could very well consent to having the report go over until tomorrow. I think it ought to be disposed of now.

I am sorry the Senator from Delaware has not read the report, but it has been here for 24 hours or more. I am sure he will not find anything particularly new in it. We reconciled the differences between the House and the Senate. All the Senate conferees signed the report, and all the House conferees signed it except one Member, who had to leave before the papers were ready for signature. The report is a unanimous one.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. FLETCHER. I yield.

Mr. McNARY. Personally I have no objection to the present consideration of the report. The Senator from Delaware and one or two other Senators have indicated to me a desire to read the report this evening. They did not know it had been published they were so busy with the

tariff bill, and I think time would be saved if we could go over until 10:30 o'clock tomorrow, which hour I have agreed on with the Senator from Mississippi, and the Senator from Florida can present his conference report at that hour. There will be no objection to its consideration then.

Mr. FLETCHER. With the understanding that it will come up at 10:30 tomorrow?

Mr. ROBINSON of Arkansas. Mr. President, I will state to the Senator from Oregon that it was my intention to move a recess until 10 o'clock tomorrow.

Mr. McNARY. I have explained to the Senator from Mississippi personal reasons why I did not want to have the Senate meet until 10:30 o'clock. I am satisfied he understands and appreciates the reasons.

Mr. ROBINSON of Arkansas. I am satisfied there is some good reason or there would not have been an understanding reached by the Senator from Mississippi with the Senator from Oregon.

The PRESIDING OFFICER. Is there objection?

Mr. FLETCHER. I am agreeable to accommodating the Senator from Delaware. I do not believe he will find anything in the conference report to discuss which has not already been discussed. I am willing to let the matter rest until 10:30 o'clock tomorrow morning.

Mr. HARRISON. Mr. President, I hope that no matter will be brought up which will bring on any discussion until we get the tariff bill out of the way. There are Senators remaining in Washington who have important matters at their homes demanding their attention, who are anxious to get away, and I am getting the blame because we are not having night sessions. Let us get the tariff bill out of the way and take up these other matters in an orderly way. I shall interpose no objection to any conference report or any other matter coming up which does not lead to discussion.

Mr. THOMAS of Oklahoma. Mr. President, I am not sure, but I do not believe that the conference report on the District of Columbia appropriation bill will provoke much discussion, and, if it be agreeable, I should like to have that considered and, if possible, disposed of at this time.

The PRESIDING OFFICER. The conference report in charge of the Senator from Florida is the matter before the Senate at this time. It has not as yet been disposed of.

Mr. McNARY. Mr. President, let me suggest this procedure: I suggest that the Senator from Florida withdraw his request and renew it in the morning. In the meantime we can take up the conference report on the District of Columbia appropriation bill and after that shall be disposed of recess until 10:30 o'clock a.m. tomorrow.

Mr. FLETCHER. With the understanding that it will be taken up at 10:30 o'clock tomorrow morning.

Mr. ROBINSON of Arkansas. The Senate has voted to take up the conference report on the securities exchange bill. There is no occasion for setting aside the order. We may by unanimous consent proceed to the consideration of other conference reports, and then, at the conclusion of that business, I will move a recess until 10:30 o'clock tomorrow.

Mr. McNARY. That is very agreeable.

Mr. McKELLAR. Mr. President, for several days I have been attempting to get action on the conference report on the air mail bill, and I believe that all are agreed that it may now come up, unless the conference report referred to by the Senator from Oklahoma takes precedence. I hope the Senator from Oklahoma will not insist. We can dispose of the air-mail conference report in a very short time.

The PRESIDING OFFICER. The pending question is the request of the Senator from Oklahoma that unanimous consent be granted to take up the conference report on the District of Columbia appropriation bill.

Mr. FLETCHER. Mr. President, is it the understanding that by unanimous consent the conference report on the securities exchange bill will go over until 10:30 o'clock tomorrow?

The PRESIDING OFFICER. The conference report will be before the Senate when it meets in the morning. The Senator's motion was agreed to, and the conference report is before the Senate at this time, and will be before the Senate when it meets tomorrow.

Is there objection to proceeding to the consideration of the conference report on the District of Columbia appropriation bill, as requested by the Senator from Oklahoma? The Chair hears none.

DISTRICT OF COLUMBIA APPROPRIATIONS—CONFERENCE REPORT

Mr. THOMAS of Oklahoma submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9061) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1935, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 3, 4, 9, 11, 14, 17, 24, 25, 26, 28, 33, 36, 43, 44, 45, 47, 56, 57, 61, 62, 65, 67, 68, 69, 74, 77, 79, 81, 88, 93, 98, 99, 103, 105, 119, and 121.

That the House recede from its disagreement to the amendments of the Senate numbered 5, 8, 10, 12, 13, 16, 18, 20, 21, 23, 30, 32, 35, 37, 38, 40, 46, 50, 51, 52, 53, 54, 55, 63, 70, 71, 73, 75, 76, 78, 83, 84, 85, 87, 89, 91, 94, 95, 96, 97, 100, 101, 102, 104, 107, 108, 109, 110, 111, and 112, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "a sum equal to $5,700,000 less a sum equal to 70 percent of the amounts expended under the allotments from the Public Works Administration of $1,759,500 for sewers and $148,650 for park improvements"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$37,492"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$40,626"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$83,754"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "$40,000"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$22,500"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows: ": *Provided further*, That the amount expended hereunder shall not exceed $200,000"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "$120,094"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$716,200"; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$768,700"; and the Senate agree to the same.

Amendment numbered 42: That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$40,000"; and the Senate agree to the same.

Amendment numbered 48: That the House recede from its disagreement to the amendment of the Senate numbered 48, and agree to the same with an amendment as follows: Omit the matter inserted by said amendment, and on page 32 of the bill, in line 10, after the word "therewith", insert "including the Shaw Junior High School,"; and the Senate agree to the same.

Amendment numbered 49: That the House recede from its disagreement to the amendment of the Senate numbered 49, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "$150,000"; and the Senate agree to the same.

Amendment numbered 58: That the House recede from its disagreement to the amendment of the Senate numbered 58, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,184,500"; and the Senate agree to the same.

Amendment numbered 59: That the House recede from its disagreement to the amendment of the Senate numbered 59, and agree to the same with an amendment as follows: At the end of the matter inserted by said amendment insert the following: ": *Provided*, That no part of this amount shall be obligated or expended unless and until the Jefferson Junior High School site shall have been acquired within the sum contained in this act for such purpose"; and the Senate agree to the same.

Amendment numbered 60: That the House recede from its disagreement to the amendment of the Senate numbered 60, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "$105,000"; and the Senate agree to the same.

Amendment numbered 64: That the House recede from its disagreement to the amendment of the Senate numbered 64, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"For 2 combination hose wagons and 1 pumping engine, triple combination, all motor driven, $23,500."

And the Senate agree to the same.

Amendment numbered 66: That the House recede from its disagreement to the amendment of the Senate numbered 66, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$42,998"; and the Senate agree to the same.

Amendment numbered 72: That the House recede from its disagreement to the amendment of the Senate numbered 72, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows: ", of which not exceeding $750 shall be available for telephone and telegraph service"; and the Senate agree to the same.

Amendment numbered 80: That the House recede from its disagreement to the amendment of the Senate numbered 80, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$240,000"; and the Senate agree to the same.

Amendment numbered 82: That the House recede from its disagreement to the amendment of the Senate numbered 82, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$324,000"; and the Senate agree to the same.

Amendment numbered 90: That the House recede from its disagreement to the amendment of the Senate numbered 90, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$30,000"; and the Senate agree to the same.

Amendment numbered 106: That the House recede from its disagreement to the amendment of the Senate numbered 106, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$2,000,000"; and the Senate agree to the same.

Amendment numbered 113: That the House recede from its disagreement to the amendment of the Senate numbered 113, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "trucks, and motor vehicles such as are now owned"; and the Senate agree to the same.

Amendment numbered 114: That the House recede from its disagreement to the amendment of the Senate numbered 114, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$310,000"; and the Senate agree to the same.

Amendment numbered 115: That the House recede from its disagreement to the amendment of the Senate numbered 115, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$160,000"; and the Senate agree to the same.

Amendment numbered 116: That the House recede from its disagreement to the amendment of the Senate numbered 116, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$60,000"; and the Senate agree to the same.

Amendment numbered 117: That the House recede from its disagreement to the amendment of the Senate numbered 117, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$90,000"; and the Senate agree to the same.

Amendment numbered 120: That the House recede from its disagreement to the amendment of the Senate numbered 120, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows:

"SEC. 7. No part of the funds appropriated in this act for any activity shall be available for transfer to any other activity or between subheads of the same activity unless specifically authorized by the Director of the Bureau of the Budget."

And the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 39, 41, 86, 92, and 118.

ELMER THOMAS,
CARTER GLASS,
ROYAL S. COPELAND,
WILLIAM H. KING,
GERALD P. NYE,
HENRY W. KEYES,
Managers on the part of the Senate.

CLARENCE CANNON,
THOMAS L. BLANTON,
B. M. JACOBSEN,
D. LANE POWERS,
Managers on the part of the House.

Mr. THOMAS of Oklahoma. Mr. President, the report just submitted was arrived at after several sessions of the conferees on the part of the Senate and of the House, and was signed by all the conferees.

One amendment was transposed from one section to another section, which made it necessary to refer the amendment back to the House, and I desire to make a motion that the Senate concur in the amendment of the House to the amendment of the Senate numbered 39. The only difference is that it transfers an amendment which the Senate placed in the bill from one section to another section where it was thought it might be more appropriate. It is an amendment relating to education.

The PRESIDING OFFICER. The first question is on agreeing to the conference report.

Mr. NORRIS. Mr. President, before the report is agreed to, I wish to ask the Senator from Oklahoma a question.

I have understood there was very serious objection to one provision in the report. I myself am not informed as to

the merits of the contention, but I am advised that even the Senator from Oklahoma is of the opinion that there is one part of the report which is perhaps unsatisfactory and may cripple some of the activities of one of the various boards here in Washington. I had supposed someone else knowing more about the matter than I do would take it up. I am not prepared to debate it, or even object.

Mr. THOMAS of Oklahoma. Mr. President, I will make a statement, and from my statement the Senator from Nebraska will get the facts as they were laid before the committee of conference.

The item the Senator has in mind is the appropriation for the Public Utilities Commission. The Budget estimate was for $86,823. The House reduced that to $50,000. In the hearings before our committee some evidence was introduced which convinced the committee that the amount should be restored to the Budget estimate, and we so recommended. The Senate accepted our figure, and the bill was passed containing the figure suggested by the Budget.

In conference, the House conferees would not agree to any sum in excess of $50,000, and after the matter was held in abeyance for two or three sessions, desiring to reach an agreement, the Senate conferees finally yielded to the House figure of $50,000. That is the way the matter stands today.

Mr. NORRIS. Mr. President, I understand that the amount agreed upon is about $37,000, or $38,000 less than the Budget estimate. Is that correct?

Mr. THOMAS of Oklahoma. That is correct.

Mr. NORRIS. It is a reduction of the amount provided in the bill as passed by the Senate?

Mr. THOMAS of Oklahoma. That is correct. The Senate accepted the Budget estimate.

Mr. NORRIS. In other words, the Senate conferees yielded in toto on this amendment, and took the House figure?

Mr. THOMAS of Oklahoma. Yes.

Mr. NORRIS. As I said a while ago, I am not sufficiently conversant with the matter to discuss its merits. I had supposed someone on the Committee on Appropriations who was better informed would enlighten the Senate on the question.

Mr. THOMAS of Oklahoma. The Senate conferees made all the arguments they were capable of making, and used all the arguments submitted to them in the hearings, but the House conferees were adamant.

Mr. NORRIS. If it be true that this reduction will seriously cripple this Commission, it is a very grave matter. As I understand, the Commission has very important functions to perform, and I understand that if those functions were not performed, there would be very serious difficulty in the District of Columbia. I have been told that the amount agreed upon, $37,000 below the Budget estimate, would bring about that result.

I realize that at this date, when almost every Member of Congress is anxious to adjourn, it probably would be futile to oppose a conference report, especially if the opposition should come from one who is not a member of the committee, and who is not well posted on the subject matter of the division between the two Houses. If I am correctly informed, however, the amount agreed upon will seriously cripple and interfere with the proper functioning of this particular Commission, which everyone admits is a very important one. I myself do not feel disposed, however, under the circumstances, to oppose the report. I presume it would be a futile thing to do. However, I wanted to call attention to the matter.

Mr. THOMAS of Oklahoma. The District of Columbia appropriation bill formerly carried an appropriation of $40,000,000. It has been reduced to $30,000,000; in other words, a reduction of $10,000,000 in the past few years. Many departments will claim that they will be ruined by the cuts which have been made. One is the recorder of deeds in the District of Columbia. We tried to have the amount raised substantially, but we failed to do so. We had to stay within the Budget estimates. Even the amount in this bill exceeds the Budget estimate by some $200,000. It is the best the Senate committee could do without holding out indefinitely. After holding out for about a week we thought we had better bring the measure back to the Senate.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

The PRESIDING OFFICER laid before the Senate the action of the House of Representatives receding from its disagreement to the amendments of the Senate nos. 41, 86, 92, and 118 to the bill (H.R. 9061) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1935, and for other purposes, and concurring therein; and receding from its disagreement to the amendment of the Senate no. 39 to said bill, and concurring therein with the following amendment:

In lieu of the sum proposed to be inserted by said amendment, insert "$5,763,960, of which not exceeding $5,000 may be expended for compensation to be fixed by the Board of Education and traveling expenses of educational consultants employed in character education."

Mr. THOMAS of Oklahoma. I move that the Senate concur in the amendment of the House to the amendment of the Senate numbered 39.

The motion was agreed to.

THE AIR MAIL—CONFERENCE REPORT

Mr. McKELLAR. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the conference report on Senate bill 3170, relating to air-mail contracts.

The PRESIDING OFFICER. Is there objection?

Mr. McNARY. Mr. President, I stated earlier in the day that I should have to object to the consideration of this report until the conclusion of the debate on the tariff bill. There is considerable further debate to be had on this side. I desire to cooperate with those who have the tariff bill in charge, and I asserted so this morning. Upon inquiry I find that there are Members who wish to discuss it.

Mr. McKELLAR. The Senator realizes that the conference report can be brought up at any time.

Mr. McNARY. Without objection, it can. I appreciate that. I am telling the Senator frankly that it will lead to debate, and a great deal of debate.

Mr. McKELLAR. I have been assured that the only speech which would be made would be that by the Senator from Ohio [Mr. FESS], and he said he did not think his remarks would take very long. It seemed to me we might dispose of the report this afternoon.

Mr. FESS. Mr. President, I suggested to the Senator from Tennessee that my remarks would take 30 or 40 minutes, but I did not speak for anyone else.

Mr. McKELLAR. No; the Senator did not; but I have spoken to the other Senators who are interested in the report, and, so far as I know, the only one who intends to make a speech is the Senator from Ohio. There are no speeches to be made on this side of the Chamber. I see no reason why we cannot allow the Senator from Ohio all the time he desires and still dispose of the report this afternoon. As I said, there are no speeches to be made on this side of the Chamber; so I hope the Senator from Oregon will not object to the present consideration of the report.

The PRESIDING OFFICER. Does the Senator from Oregon object?

Mr. McNARY. I object, for this reason——

The PRESIDING OFFICER. Objection is made.

Mr. McKELLAR. Later on I shall move to consider the report.

ADDRESS BY THE PRESIDENT OF THE UNITED STATES AT GETTYSBURG

Mr. ROBINSON of Arkansas. Mr. President, I ask unanimous consent to have printed in the RECORD the address delivered by the President at Gettysburg on yesterday.

There being no objection, the address was ordered to be printed in the Record, as follows:

My friends, on these hills of Gettysburg two brave armies of Americans once met in combat. Not far from here, in a valley likewise consecrated to American valor, a ragged Continental Army survived a bitter winter to keep alive the expiring hope of a new Nation; and near to this battlefield and that valley stands that invincible city where the Declaration of Independence was born and the Constitution of the United States was written by the fathers. Surely, all this is holy ground.

It was in Philadelphia, too, that Washington spoke his solemn, tender, wise words of farewell—a farewell not alone to his generation but to the generation of those who laid down their lives here and to our generation and to the America of tomorrow. Perhaps if our fathers and grandfathers had truly heeded those words we should have had no family quarrel, no Battle of Gettysburg, no Appomattox.

As a Virginian, President Washington had a natural pride in Virginia; but as an American in his stately phrase, "the name of American, which belongs to you, in your national capacity, must always exalt the just pride of patriotism, more than any appellation derived from local discrimination."

Recognizing the strength of local and State and sectional prejudices and how strong they might grow to be, and how they might take from the National Government some of the loyalty the citizens owed to it, he made three historic tours during his Presidency. One was through New England in 1789, another through the Northern States in 1790, and still another through the Southern States in 1791. He did this, as he said, "in order to become better acquainted with their principal characters and internal circumstances, as well as to be more accessible to numbers of well-informed persons who might give him useful advices on political subjects."

But he did more to stimulate patriotism than merely to travel and mingle with the people. He knew that nations grow as their commerce and manufactures and agriculture grow, and that all of these grow as the means of transportation are extended. He sought to knit the sections together by their common interest in these great enterprises; and he projected highways and canals as aids, not to sectional but to national development.

But the Nation expanded geographically after the death of Washington far more rapidly than the Nation's means of intercommunication. The small national area of 1789 grew to the great expanse of the Nation of 1860. Even in terms of the crude transportation of that day, the 13 States were but within "driving distance" of each other.

With the settling and the peopling of the continent to the shores of the Pacific, there developed the problem of self-contained territories because the Nation's expansion exceeded its development of means of transportation. The early building of railroads did not proceed on national lines.

Contrary to belief, the South and the West were not laggard in developing this new form of transportation; but there, as in the East, most of the railroads were local and sectional. It was a chartless procedure; people were not thinking in terms of national transportation or national communication. In the days before the brothers' war not a single line of railroad was projected from the South to the North; not even one from the South reached the National Capital itself.

It was an inspired prophet of the South who said: "My brethren, if we know one another, we will love one another." The tragedy of the Nation was that the people did not know one another because they had not the necessary means of visiting one another.

Two subsequent wars, both with foreign nations, measurably allayed and softened the ancient passions. It has been left to us of this generation to see the healing made permanent.

We are all brothers now in a new understanding. The grain farmers of the West do not set themselves up for preference if we seek at the same time to help the cotton farmers of the South; nor do the tobacco growers complain of discrimination if, at the same time, we help the cattlemen of the plains and mountains.

In our planning to lift industry to normal prosperity the farmer upholds our efforts. And as we give the farmer a long-sought equality the city worker understands and helps. All of us share in whatever good comes to the average man. We know that we all have a stake—a partnership—in the government of our country.

Today we have many means of knowing each other—means that have sounded the doom of sectionalism. It is, I think, as I survey the picture from every angle, a simple fact that the chief hindrance to progress comes from elements, which, thank God, grow less in importance with the growth of a clearer understanding of our purposes on the part of the overwhelming majority. These groups are those who seek to stir up political animosity or to build political advantage by the distortion of facts; those who, by declining to follow the rules of the game, seek to gain an unfair advantage over those who live up to the rules; and those few who still, because they have never been willing to take an interest in their fellow American, dwell inside of their own narrow spheres and still represent the selfishness of sectionalism which has no place in our national life.

Washington and Jefferson and Jackson and Lincoln and Theodore Roosevelt and Woodrow Wilson sought and worked for a consolidated Nation. You and I have it in our power to attain that great ideal. We can do this by following the peaceful methods prescribed under the broad and resilient provisions of the Constitution of the United States.

Here, in the presence of the spirits of those who fell on this ground, we give renewed assurance that the passions of war are moldering in the tombs of time and the purposes of peace are flowing in the hearts of a united people.

NERO, N.I.R.A., OR DARROW—EDITORIAL FROM AUTOMOTIVE DAILY NEWS

Mr. NEELY. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial entitled "Nero, N.I.R.A., or Darrow", which appeared in the Automotive Daily News.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Automotive Daily News]

NERO, N.I.R.A., OR DARROW

What about N.I.R.A.? This question has been raised this week in Washington through the publication of the 50,000-word report of the Darrow Board. Fifty thousand words are a lot of words, either figuratively or literally. We feel that the Darrow report could have been much more devastating, if it were intended so, had it been less hysterical and its suggestions for correcting the errors of N.I.R.A. more coherent.

Taken by and large the sole purpose of N.I.R.A., as we see it, was to bring about cooperative effort on the part of all our people to the end that we might bring about recovery in our industry and on our farms and thus throw off the pall of depression which was rapidly heading us for God knows where. If this principle of cooperation is opposed to the American spirit, then surely Benjamin Franklin was wrong when he said, "We must hang together or hang separately." It is unfortunately true to an extent that some labor leaders construed N.I.R.A. as meaning "we must hang on together."

When the spring of 1933 came, we were faced with a national spirit verging on panic. In any panic it is every man for himself and the devil take the hindmost. It was necessary that some immediate steps be taken to bring people to a point of working together against the common enemy which was causing the panic if any semblance of order was to be restored.

This could be accomplished in two ways: One by setting up a Nero—an absolute dictator, who would tell industry and individuals what they could or could not do. The second was to bring all business men together in their respective trades and ask them to set up rules for themselves which would end the unfair practices which were disturbing and hamstringing their trades. These rules would be supported and enforced by the Government. This was N.I.R.A.

N.I.R.A., therefore, is not in any sense a form of dictatorship, since the rules governing an industry are drawn up by the members of the industry governed. It is true, perhaps, that in some cases the stronger members of certain industries dominated to an extent the committees drawing up the rules. But this in itself is not a criticism of the principle of N.I.R.A. It is rather a criticism of individuals who sought to make capital for themselves on the willingness of others to cooperate. The relaxation of the antitrust laws returned the control of industry to industry. It was a carte blanche to industry to govern itself within itself. If industry has failed to do this fairly, as Mr. Darrow charges, then the inference is that industry is not fit to govern itself—and a Nero is necessary. On the other hand, if industry has worked out an equitable self-government under the codes, N.I.R.A. has succeeded.

The choice, then, seems open. Either we must continue with N.I.R.A., move more radically to Nero, or revert to Darrow, who advocates scrapping N.I.R.A. and returning to the old days of open, unhampered competition, which Mr. Darrow himself admits is, and always has been, and always will be, wolfish—the same type of competition that brought us to our fall in 1929.

EXECUTIVE SESSION

Mr. ROBINSON of Arkansas. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER. The nominations will be placed on the calendar.

IN THE NAVY AND MARINE CORPS

Mr. WALSH. From the Committee on Naval Affairs I report favorably the nominations of sundry midshipmen to be ensigns in the Navy and of several midshipmen to be second lieutenants in the Marine Corps. I make the unusual request that action be taken at once.

I may say as a preliminary statement that these nominations are all those of midshipmen who are graduated today at Annapolis. A few days ago the President submitted the names of 50 percent of the class who, under existing law,

were entitled to commissions. Since that time we passed, a few days ago, the act providing for the commissioning of all the members of the class. These nominations are of the remaining 50 percent of the class who are graduated today.

I ask immediate action on the nominations.

The PRESIDING OFFICER. The nominations will be read.

The legislative clerk proceeded to read the nominations of sundry midshipmen to be ensigns in the Navy and second lieutenants in the Marine Corps.

Mr. WALSH. I ask unanimous consent that the reading be dispensed with, and that the nominations be confirmed en bloc.

The PRESIDING OFFICER. Without objection, that will be done; and the nominations are confirmed en bloc.

Mr. WALSH. Mr. President, I ask that the President be notified of the action taken by the Senate.

The PRESIDING OFFICER. Without objection, the President will be notified. The calendar is in order.

TREATY WITH CUBA

Mr. ROBINSON of Arkansas. Mr. President, I understand the Senator from Nevada [Mr. PITTMAN] desires to consider Report No. 30 on the calendar, being the treaty relating to Cuba.

Mr. PITTMAN. Mr. President, the Senator from Arkansas is correct. The other treaties might require some explanation, and I ask that they be passed over.

The PRESIDING OFFICER. Without objection, other treaties on the calendar will be passed over.

Mr. PITTMAN. The treaty with Cuba was read twice a few days ago, but I did not ask for its consideration at that time. The report of the committee is unanimous. We simply surrender our contractual relations under the Platt amendment and resort to international law. That is all there is to the treaty. I ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Nevada?

There being no objection, the Senate, as in Committee of the Whole proceeded to consider Executive Q, Seventy-third Congress, second session, a treaty of relations between the United States of America and the Republic of Cuba, which was signed at Washington on May 29, 1934, which had previously been read the second time.

Mr. FESS. Mr. President, the island of Cuba is only a very short distance from the continental boundary of the United States. While the character of populace is not the same as that of the United States, it is similar in certain elements to ours. We are similar not so much racially as we are in our interests.

Anyone who has studied and is familiar with the 400 years of background of controversies involving Cuba must realize the volatility of the Cuban mind. Anyone who has any familiarity whatever with the history of the Cuban people will notice and cannot avoid noticing numerous episodes which indicate that their stability is a matter of doubt.

Anyone who is at all familiar with our relationship with Cuba in our efforts to prevent filibustering on the part of American citizens in the islands, which several times led to very strained relations between us and Spain, must realize that our interests are so interwoven with the interests of Cuba that it is a question of very grave doubt, in my opinion, whether we should have written into the organic law of Cuba the right to interfere when the question of her independence is at stake, so that anything we might do would be regarded as within the limits of the law written under that agreement.

Any interruption of that relationship I fear is going to invite what most of us believe is inevitable. It will be interesting to watch the developments of the next 10 years in Cuba, having in mind the volatility of temperament and mind of the Cuban people, divided into very rabid factions, and to see just what effect the future will have upon the stability of their Government.

We wrote into our relationship with Cuba in the organic law not only a right of interference, as I have already suggested, but also an inhibition against the Cuban Government incurring any obligations with any foreign country that might involve some difficulty with us. I know it is a little inconsistent with the idea of independence for us to hold any such power over Cuba as was written into the organic law. I had thought, both for our own people and for the people of Cuba, that the relationship which has always existed subsequent to the Spanish-American War, after which we granted limited independence to Cuba, had better not be interrupted.

I stated to the committee that while I questioned the wisdom of the treaty, I did not feel like objecting seriously further than simply to say that if I had my way about it I would not interrupt this relationship at this time.

The PRESIDING OFFICER. If there be no amendment, the treaty will be reported to the Senate.

The treaty was reported to the Senate without amendment.

The PRESIDING OFFICER. The resolution of ratification will be read.

The legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive Q, Seventy-third Congress, second session, a treaty of relations between the United States of America and the Republic of Cuba, which was signed at Washington on May 29, 1934.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution is agreed to, and the treaty is ratified.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. Mr. President, on page 2 of the Executive Calendar is the nomination of Hans E. Eiel to be postmaster at Buffalo Center, Iowa. I ask that the nomination be withdrawn at the request of one of the Senators from Iowa, and that it be recommitted to the Committee on Post Offices and Post Roads.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McKELLAR. I ask unanimous consent that the other postmaster nominations on the calendar be confirmed en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered. That completes the calendar.

The Senate resumed legislative session.

GEORGE E. Q. JOHNSON

Mr. LEWIS. Mr. President, I ask unanimous consent for the immediate consideration of the bill (H.R. 4460) to provide for the payment of compensation to George E. Q. Johnson. I beg to say to the Senate that there are many reasons of urgency why the bill should at once be passed; and I ask the Senate, as an accommodation to me, that it be done at once.

I ask the Senate's indulgence for possibly one-half a minute to explain what I feel is of necessity an injustice done to a citizen of the city of Chicago.

Mr. Justice Johnson, an eminent citizen of Illinois, was named Federal judge. He served, as the record shows, about 5 months. He was not confirmed. He never has been paid. The House has passed the bill giving him this money. The Senator from Mississippi [Mr. STEPHENS] has reported, with an amendment, the bill appropriating the money.

May I take the liberty of asking the Senate if it will allow me to have the bill taken from the table and passed at once so that this gentleman may have his money? The Attorney General recommends it; the House approves it; the Senate committee has approved it. There is no dissent from any source.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois?

There being no objection, the Senate proceeded to consider the bill (H.R. 4460) to provide for the payment of compensation to George E. Q. Johnson, which had been reported from the Committee on Claims with an amendment, on page 1, line 9, after the word "is", to strike out "authorized to be appropriated such sums as may be necessary to carry out the provisions of this act" and insert "hereby appropriated, out of any money in the Treasury not other-

wise appropriated, the sum of $5,500, or so much thereof as may be necessary, for payment of the claim", so as to make the bill read:

Be it enacted, etc., That notwithstanding the provisions of section 1761 of the Revised Statutes, as amended, George E. Q. Johnson shall be paid the sum of $5,500 as compensation for services for the period from August 17, 1932, to March 4, 1933, both days inclusive, during which time he held the office of United States district judge for the northern district of Illinois. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $5,500, or so much thereof as may be necessary, for the payment of the claim: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

DEATH OF REPRESENTATIVE BRUMM

The PRESIDING OFFICER laid before the Senate the following resolutions from the House of Representatives, which were read:

House Resolution 402

Resolved, That the House has heard with profound sorrow of the death of the Honorable GEORGE F. BRUMM, a Representative from the State of Pennsylvania.

Resolved, That a committee of four Members of the House, with such Members of the Senate as may be joined, be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provision of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Mr. DAVIS. Mr. President, I send to the desk a resolution, which I ask to have read, and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be read.

The resolution (S.Res. 253) was read, considered by unanimous consent, and unanimously agreed to, as follows:

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. GEORGE F. BRUMM, late a Representative from the State of Pennsylvania.

Resolved, That a committee of two Senators be appointed by the Presiding Officer to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

The PRESIDING OFFICER. The Chair appoints as the committee of the Senate to attend the funeral the senior Senator from Pennsylvania [Mr. REED] and the junior Senator from Pennsylvania [Mr. DAVIS].

RECESS

Mr. DAVIS. Mr. President, as a further mark of respect to the memory of the deceased Representative, I move that the Senate now take a recess until 10:30 o'clock a.m. tomorrow.

The motion was unanimously agreed to; and (at 5 o'clock and 51 minutes p.m.) the Senate took a recess until tomorrow, Friday, June 1, 1934, at 10:30 o'clock a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 31 (legislative day of May 28), 1934

PROMOTIONS IN THE NAVY

To be ensigns

Earl W. Logsdon
Ernest L. E. Ritson
Colin J. Mackenzie
George B. Nicol
Joe M. Alexander
James D. Babb
William I. Martin
Herman J. Kossler
William T. Kinsella
Clyde G. Caldwell
William T. Dutton
Samuel R. Brown, Jr.
Albert Raborn
Lawrence H. Birthisel, Jr.
Robert W. Leeman
Robert A. Chandler
Wendell H. Froling
Heliodore A. Marcoux
George F. Davis
Wilbur H. Cheney, Jr.
Robert F. Sellars
George E. Artz
Hugh Q. Murray
James H. Ashley, Jr.
Charles H. Becker
Malcolm M. Champlin
James E. Owers
Henry C. Corbin
Joseph S. Lewis
Leslie K. Taylor
William W. Stark, Jr.
George A. Hill, Jr.
James E. Johnson
Eugene W. Davis
Stuart Stephens
Allen W. Moore
Robert E. Bourke
Carl W. Schoenweiss
John H. Parker
George D. Hoffman
William A. Dean, Jr.
Charles D. Lewis
Frederick A. Gunn
Edward J. Mulquin
Thomas W. South, 2d.
Donald E. Pugh
Gordon A. Griffin
Robert C. Bengston
Mark A. Grant
Malcolm C. Reeves
Craig R. Garth
James C. Bentley
Harold E. Cole
William N. Deragon
Carlyle Ingram
Thomas R. Hine
Raymond Payne
Richard S. Klunk
Clarence T. Doss, Jr.
Clayton S. Clark
Robert B. Crowell
Frank G. Marshall, Jr.
Willie M. Dickey
Frank C. Bolles, Jr.
Fletcher L. Sheffield, Jr.
George H. Wigfall
Harold W. Campbell, Jr.
Francis E. Fleck, Jr.
John W. Geist
Richard S. Stuart
William A. Stevenson
Edwin K. Jones
Charles M. Bertholf
Claude F. Bailey
Gorman C. Merrick
Herbert F. Carroll, Jr.
Joseph W. Stivers
John C. Martin
Douglas L. L. Cordiner
Alan L. Ingling
George F. Stanish
Lester J. Stone
Isaiah M. Hampton
Albert P. Coffin
Archibald Stone, Jr.
Charles C. Coley
Robert M. Milner
Gordon P. Chung-Hoon
Charles R. Ware
James E. Vose, Jr.
Russell B. Allen
Edward H. Worthington
Charles B. Farwell
Dewey G. Johnston
Denis H. Biwerse
Hobart Key, Jr.
Sidney D. B. Merrill
Robert M. Lee
Charles E. Thurston, Jr.
John L. Foster
Ward J. Peterson
Thomas H. DuBois

MARINE CORPS

To be second lieutenants

Victor H. Krulak
Arthur J. J. Hagel
John E. Weber
Floyd B. Parks
Lehman H. Kleppinger

POSTMASTERS

COLORADO

Ida S. Faires, Alma.
Thomas E. Sexton, Buena Vista.
Ithal Jenkins, Eads.
Melvin F. Hofstetter, Hayden.
Robert R. Menhennett, Kremmling.
Carlos M. Wilson, La Junta.
William H. Harkrader, Las Animas.
Gus C. Flake, Manitou.
Grover C. Huffnagle, Ridgway.
James F. North, Rocky Ford.
Charles L. Dickson, Westcliffe.

DELAWARE

Elmer Layfield, Dagsboro.
Charles F. Wilson, Harrington.

IDAHO

William Schlick, Burley.
Mary P. Kelley, Kuna.

ILLINOIS

Gilbert C. Jones, Albion.
Ralph McLaughlin, Baylis.

Marvin G. Diveley, Brownstown.
Clyde P. Stone, Carmi.
Clason W. Black, Clay City.
Mary J. Comstock, Dietrich.
Ira D. Hogue, Dongola.
Beryl J. Donaldson, Farina.
Margaret Echols, Flossmoor.
Harold E. Young, Mounds.
Paul B. Laugel, Newton.
Paul R. Smoot, Petersburg.
Martin J. Naylon, Polo.
Floyd J. Tilton, Rochelle.
Alva M. Clavin, Sterling.
Melvin Higgerson, West Frankfort.

IOWA

Clifford A. Brause, Denver.
Clara E. Kennedy, Estherville.
Eva Keith, Goldfield.
Frank Proescholdt, Manilla.
Elmer D. Bradley, Missouri Valley.
Mark F. Hogan, Monticello.
Vane E. Herbert, Storm Lake.
John F. Taylor, Villisca.
Myrtle Ruth Lash, What Cheer.

NEW MEXICO

Joseph H. Gentry, Fort Stanton.
Alda M. O'Hara, Las Cruces.

OREGON

Robert H. Fox, Bend.
Joseph M. Buchanan, Crane.
Claude H. Reavis, Enterprise.
Hiram J. Stillings, Hermiston.
Margaret Marie Anderson, Jordan Valley.
May B. Johnson, Madras.
Henry Lloyd, Milton.
Henry Alm, Silverton.

TENNESSEE

Ferd B. Cowan, White Pine.

HOUSE OF REPRESENTATIVES

THURSDAY, MAY 31, 1934

The House met at 12 o'clock noon.

Rev. Frederick Brown Harris, D.D., of the Foundry Methodist Episcopal Church, Washington, D.C., offered the following prayer:

Our Father God, with the din of clamorous voices in our ears, we would hush earth's noises and wait in this quiet moment for the still, small voice of the Eternal Spirit, lest we forget whose servants we are. Amid the tumult and shouting of troubled days we would lift our eyes to the eternal verities. In our bewildering doubt and darkness lift upon us the light of Thy countenance, Thou God who hast been our help in ages past, Thou who art our hope for years to come. Breathe through the heats of our desire Thy coolness and Thy balm. In discordant and disordered days may our ordered lives confess the beauty of Thy peace.

We pray for new insights and for larger sympathies. Recognition of our oneness in Thee makes vivid our realization of the oneness of humanity across all separating barriers of border or breed or birth. Lift the levels of our thinking and living above the fog of blinding prejudice and selfish seeking.

As we look to Thee now in this national shrine of each patriot's devotion, inspire these servants of Thine and of the people to face the vast needs of the present and of the future with dauntless courage and that brotherly compassion for the baffled and discouraged multitudes which moved the heart of that Lord and Master of us all. We ask it in His name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 9322. An act to provide for the establishment, operation, and maintenance of foreign-trade zones in ports of entry of the United States, to expedite and encourage foreign commerce, and for other purposes.

The message also announced that the Senate insists upon its amendment to the foregoing bill, requests a conference with the House thereon, and appoints Mr. STEPHENS, Mr. COPELAND, and Mr. MCNARY to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 785. An act for the relief of Elizabeth Bolger;

S. 2002. An act for the relief of R. S. Howard Co., Inc., and

S. 2342. An act for the relief of I. T. McRee.

Mr. McGUGIN. Mr. Speaker, I make the point that there is no quorum present.

Mr. SHALLENBERGER. Will the gentleman withhold that for a minute?

Mr. McGUGIN. I will withhold it.

FARM CREDIT ADMINISTRATION AND AGRICULTURAL RECOVERY

Mr. SHALLENBERGER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of farm relief.

The SPEAKER. Is there objection?

There was no objection.

Mr. SHALLENBERGER. Mr. Speaker, a little more than a year ago President Franklin D. Roosevelt signed an Executive order creating the Farm Credit Administration, consolidating the then existing Federal financial agencies making loans to farmers and cooperatives, and setting up new agencies required to make the system effective.

It is not given to us to read the history of our times as posterity will see it, but I venture the prediction that this Executive order, backed by the legislation this Congress enacted to make it effective, will be pronounced one of the outstanding achievements of this administration. It was created at a time when agriculture in practically all its branches was prostrate. Foreclosures were the order of the day, and farms all over the land were being sold at sheriffs' sales for a tithe of their values because private sources of credit had dried up and there was no way in which land mortgages could be refinanced.

Today that tide has been stemmed in most sections, and with lower interest rates, temporary postponement of principal payments, and longer terms for amortization, made possible through this agency, farmers who have been advised and availed themselves of its operations are enabled to resume normal agricultural activities, freed from the fear of homeless old age. In some communities, I grant you, the relief has not been as extensive as in others, nor as great as the emergency seems to warrant. But bear in mind, Mr. Speaker, that the organization now functioning under Gov. W. I. Myers is endeavoring to correct a maladjustment which grew up over a period of years when administrations here in Washington, devoid of either vision or understanding, were willing to let things drift, hoping conditions would right themselves. Instead, they grew steadily worse until the Nation itself was almost on the verge of collapse, and it took the strong hand and clear head of President Roosevelt, backed by an aroused electorate and a loyal Congress, to save the situation.

I submit that it is being saved, Mr. Speaker, and in proof thereof point to the fact that in the first 12 months after its creation the Farm Credit Administration made loans to farmers aggregating $1,273,000,000. Of this amount $791,000,000 represented loans made by the Federal land banks and the Land Bank Commissioner in saving 316,000 farms from foreclosure. Ninety percent of this went to pay old

debts, due in a large part to local creditors, and the usefulness of the money loaned was thereby multiplied, giving direct support to reviving business activity throughout the agricultural sections of the Nation.

A break-down of these figures shows that $218,230,000 of this vast sum was paid to commercial banks in the communities where the farms were located and which were themselves oftentimes in distress; $82,480,000 was paid to insurance companies; $21,900,000 for payment of delinquent and current taxes; and $381,540,000 to private mortgage companies, retired farmers, dealers, and other local creditors.

In taking over these mortgages the Government followed sound business principles and where prior loans were deemed excessive insisted on their being scaled down. In this way, during the first year of its existence, the Farm Credit Administration has reduced the total of outstanding farm mortgages $46,000,000. This was done by the voluntary action of the creditors, many of whom no doubt realized that with changed conditions they could not hope, even through foreclosure, to obtain the full face value of their loans, and they willingly accepted the Government securities based on the new appraisal. In this manner the Farm Credit Administration is now making farm-mortgage loans at the rate of $5,000,000 per day. Even though there is no increase in this ratio, which is likely as the organization begins to function more perfectly, this gives a total of probable loans during the next year of $1,825,000,000 and takes no account of the easier situation borrowers from private agencies find as a result of this broad avenue of credit opened to them.

In addition to advances made on farm mortgages the Farm Credit Administration also provides credit on short-term loans at low rates of interest. It now has in operation something more than 650 production-credit associations, organized during last fall and winter, and they are now functioning in every county in the United States. These associations provide credit for farmers and stockmen until their products can be marketed, and already they have advanced $27,000,000 with the certainty that this will be largely augmented during the coming summer and fall.

These loans are made on a strictly business basis; but since the Farm Credit Administration makes the discount services of the intermediate-credit banks available to such borrowers, the loans can be made at the rate of 5 percent, whereas many heretofore have been paying from 10 to 15 percent for similar services through private agencies.

I think we should not lose sight of the fact, Mr. Speaker, that these are all loans, legitimate loans, based on the best security in all this world—fertile farms and their products. We have heard much and will hear more during the approaching political campaign as to how the Federal Government is squandering untold millions of the people's money in socialistic schemes and half-baked enterprises. These plaints will reach their crescendo just before the election and may fool some people who do not take the trouble to investigate. One of the agencies which will thus be an object of attack is the Farm Credit Administration. It will be labeled socialistic and the charge made that the Government is pouring money into a rat hole.

As I said before, these are honest loans on unquestioned security which are being and will continue to be repaid with interest sufficient for their amortization and the necessary carrying charges. They are self-liquidating, and no amount of breast beating can get us away from that fact.

Moreover, Mr. Speaker, they are not nearly so revolutionary as these critics would have us believe. Agencies similar to this one have been in existence in Denmark and Holland for more than a generation, and the prosperity of these little nations has been built up by this means. England, Belgium, France, Sweden, and Norway are among the more conservative nations which have undertaken to model their agrarian policies after those of Denmark and Holland; and, observing the success they attained, we are doing likewise.

With us, however, this is not wholly an untried experiment. The Farm Credit Administration was not called into being by the much-maligned "brain trust." It has been an evolution, and I am proud of the fact that it was another Democratic administration, that of President Woodrow Wilson, which saw the inception of this program culminating in creation of the Farm Credit Administration. It was in 1916 that the Farm Loan Board was organized, then a division of the Treasury, and the first emergency seed, feed, and fertilizer loans were made to farmers by the Department of Agriculture during the Wilson administration.

The Republican Party, whose spokesmen are now so critical of our agricultural policy, was in power for 12 years, from 1921 to 1933. Did it do away with the Farm Loan Board? No, indeed; it did not. Just the reverse. It sought to expand that agency, gave it an independent status, together with millions of dollars, direct grants from the Treasury, with which to go out into the open market and seek to control agricultural surpluses by the purchase of millions of bushels of wheat and thousands of bales of cotton. It set up the agricultural credit corporations and farm-land banks in districts all over the land, as well as seed-loan offices in certain cities.

However, all this did not work. There was no cooperation between these loosely jointed organizations. They left the farmer baffled and confused, wound up in yards of red tape and restrictive regulations. It took an expert to tell to just what agency and where the needy farmer must apply for a particular type of credit sought.

The creation of the Farm Credit Administration cut the redtape. It provides for a complete and coordinated system, retaining the useful and discarding the useless features of those previous agencies. There is an administration organization in Washington giving supervision to all these facilities and regional units in each of the 12 farm credit districts, to which a farmer may apply for any form of credit to which he may feel he is eligible. Each of these regional units has four permanent branches; namely, a Federal land bank, an intermediate-credit bank, a production-credit corporation, and a bank for cooperatives. The policies of these four organizations are unified. They have one board of directors and one general agent.

The whole spirit of this organization is based on cooperation. Every borrower from whichever one of these agencies supplies the credit must be a stockholder therein. He subscribes to stock equal to 5 percent of his loan and thus becomes a part owner of the institution, having a voice in its management. Ultimately it is assumed that control of these institutions, these banks and corporations, will pass into the hands of the men who use them. Now they are partners with the Government which has advanced the initial funds with which to launch their activities.

There is one thing, Mr. Speaker, that cannot be stressed too strongly. It is the fact that the Farm Credit Administration is not loaning Government money. True, in a few instances some small advances have been made, but in the main these organizations are financed through the sale of their own bonds and debentures, secured by the farmers' notes and warehouse receipts. However, through the agency of the Farm Credit Administration the money required is obtained in the investment markets at the lowest possible rates of interest. These bonds have found high favor with the investing public and now command a premium.

Mr. Speaker, during my long years of service in this body with which the people of my district have so kindly honored me, I have often been considered conservative rather than radical. I believe thoroughly in the fundamental principles of our Government and the institutions built up under them by our fathers. But conditions change with the times. This is no longer the day of the stagecoach and the pony express. Our progress and communications now are by airplane and radio. We must meet the changed conditions as they come; and when I find all private avenues for farm credit dried up and men threatened with the loss of their homes and heritages to become wanderers upon the face of the land, I see no reason why the Federal Government should not be called upon to lend its aid. Home ownership and good citizenship go hand in hand, and together they offer the

best insurance against the spread of socialism and the radical ideas which for a decade have threatened to engulf at least one-half the civilized world. I want to do my part in preserving this Nation of free men, and I believe the Farm Credit Administration is a mighty instrument to that end. The best insurance for good citizenship is to insure the farmer and home owner, preserving his home.

COMPARISON OF FARM COMMODITIES FOR 1933 AND 1934

As the best possible evidence that the Farm Credit Administration and the farm-relief policies of President Roosevelt have borne fruit, I submit the following table of prices of some of the major farm commodities for March 15, 1934, as compared with the low prices for the same commodities March 15, 1933.

These comparisons are as follows:

Commodity	Mar. 15, 1933	Mar. 15, 1934	Increase
	Cents	*Cents*	*Percent*
Cotton, pound	6.1	11.7	91.8
Corn, bushel	20.6	47.1	128.6
Oats, do	13.7	33.9	147.4
Barley, do	18.3	43.7	138.8
Wheat, do	34.5	70.9	105.5
Rye, do	22.8	53.1	132.9
Potatoes, do	39.0	92.0	135.9
Apples, do	70.3	[1] 1.04	47.4
Cottonseed, ton	[1] 9.22	[1] 20.84	126.0
Hogs, hundredweight	[1] 3.22	[1] 3.88	20.5
Beef cattle, do	[1] 3.42	[1] 3.79	10.8
Eggs, dozen	10.1	14.4	42.6
Butter fat, pound	15.1	23.5	55.6
Whole milk, hundredweight	[1] 1.10	[1] 1.50	36.4

[1] Dollars.

All farm commodities advanced, on the average, 52 percent from March 15, 1933, to March 15, 1934. In contrast to this all commodities that farmers buy advanced only 20 percent during the same period and the farmer's purchasing power, therefore, increased 26 percent.

In addition to the increased prices now being received for farm products as compared to the prices that were received a year ago, farmers who cooperate with the Agricultural Adjustment Administration will receive during the years 1933, 1934, 1935, and 1936 rental and benefit payments estimated at $1,003,600,000. (Data from U.S. Department of Agriculture.)

HEAVEN OR HELL IN THE NEW DEAL

Mr. HOEPPEL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. HOEPPEL. Mr. Speaker and Members of the House, as the Congress is about to adjourn without having enacted adequate legislation to provide employment for our millions of distressed citizens, I feel it my duty to call attention to actual conditions existing in my own district and county. Official reports show that more than 431,000 persons in Los Angeles County are on public relief. These figures do not include the hundreds of thousands of other individuals who are on part-time employment and the additional thousands who are being maintained through private charity or who are being assisted by their relatives, who, likewise, find their resources rapidly diminishing.

Pending the determination whether or not the experiments in the new deal will be effective, I suggest that Federal relief appropriations be doubled over the President's recommendation. We cannot afford to permit human misery to continue to exist among our people, inasmuch as we have it within our power to grant them additional relief.

As we are engaged in a war on depression, we owe it to ourselves to expend every farthing of our resources for our own citizens, considering how liberal we were during the World War, from which we emerged with our allies and the war profiteers as the sole beneficiaries. Billions for relief and succor to our own citizens is more important to me than billions, plus hundreds of thousands of lives, sacrificed under the guise of making the world safe for democracy, when the truth is we have made it safe for dictatorships such as are personified in Hitler, Mussolini, and Stalin.

The Secretary of the Interior, Mr. Ickes, in an address before the Presbyterian assembly, is quoted as saying that the new deal is based on the fundamental tenets of Christ, and that "the new deal is an opportunity to the Christian church." He further states that "we can make of this life a veritable hell."

I agree with Mr. Ickes in his statement and here offer a suggestion to free the American people from the "veritable hell" into which the international bankers have cast them, through their control of finance and credit. The Secretary speaks of "fools dwelling in air castles in a fool's paradise", which prompts the question whether or not he himself may not be said to be dwelling in an air castle, indicated by his failure to recognize and quote the tenets of Christ expressed in His condemnation of hypocrites and money changers. The only time that Christ is mentioned as having expressed His anger and resentment in a physical way was when He drove the money changers from the temple.

The new deal will never be a success, except in a transitory and partial way until we, in America, drive the money changers from the temple; that is, until we, through the Congress, exercise the authority granted in our Constitution and coin money, regulate the value thereof, and extend credit direct to the individual. As long as we permit the private monopolistic control and coinage of money, we, as a people, will continue to pay unnecessary tribute to this special, select group which is the exact counterpart of the type Christ drove from the temple. We, as Americans, will not attain complete economic salvation in the new deal or any deal until we are freed from the financial domination of the plutocratic groups which amassed their wealth principally through inheritance, the fruit of exploitation of our natural resources by their forefathers, or through the usurpation of special privileges.

PROGRESS BEING MADE IN THE NEW DEAL

No one can deny that our Nation is marching forward hopefully under Roosevelt, but, in the opinion of many Congressmen who have actively supported the new deal throughout, we have as yet accomplished very little for the permanent rehabilitation of trade and industry in America. We Democrats have as yet not fought a pitched battle. We have won innumerable skirmishes, such as gold devaluation, the reciprocal tariff, and the impending silver legislation, plus other features of a lesser beneficial nature too numerous to mention here, but as yet the basic causes and results of the depression have not been attacked.

While we have made progress with the P.W.A., C.W.A., and F.E.R.A., such progress has been a costly victory because of the fact that we have added approximately $7,000,000,000 of additional indebtedness to the burden of the present and future citizens of America. We cannot borrow our Nation into prosperity. We have, however, within reach every facility to solve our economic problem. Despite the advantages which would accrue to the people, the President has not yet evinced a desire to eliminate the "privately owned" Federal Reserve Banking System by the establishment of Government control of our banking structure for the well being of all Americans.

THE ROOSEVELT SPECIAL

By analogy, the new deal, with its problems, appears to me somewhat on the order of a railroad train. We have thrown out, and that rightly, the tried-and-found-wanting principles of the Republican Party, with its policy of inaction and waiting for prosperity to come around the corner. We have taken aboard as master engineer the courageous, honest, and sincere Roosevelt. Since that auspicious day of March 4, 1933, our railroad train, with Roosevelt as engineer, has moved forward, but because of the inordinate load of public and private debt which has oppressed and which continues to oppress the American people, both as to principal and interest, the journals of our coaches have developed one hot box after another. The two methods available to railroad men in eliminating the hot box have not been adopted. We should either reduce the load of public and private indebtedness and interest which is weighting down the coaches or we should utilize the oil of Government credit through nationalization of banking in

order to eliminate the hot box of depression. Instead of following either of these procedures, we have followed the old-deal methods and are continually pouring the water of high-interest-bearing, tax-exempt securities on the red-hot journals, which only temporarily relieves the overheated bearings. We appear oblivious of the fact that this increased indebtedness adds weight to the vehicle, and the hot box becomes hotter as we proceed.

Traveling with the Roosevelt special as crew is the Congress of the United States which appears to have abrogated its legislative power by permitting the "brain trusters" in the Administration—appointed officials—to write and present legislation of their choice to the Congress for enactment. The new-deal special, despite the handicap of the issuance of tax-exempt securities to cool the bearings, proceeds forward, but not directly along the main line as it should. It is diverted from time to time to a side track, suggested by a "brain trust" experimenter who, through the experience gained in the classrooms of privately endowed schools wherein the capitalistic attitude was continually absorbed, appears to consider that he thoroughly understands the problems of the universe and the method of reaching utopia.

CAPITALISTIC SYSTEM FAULTY

There is no criticism of the capitalistic system, provided it is modified to give the producer, as well as the consumer, a more equitable share of the profits of labor. The "brain trusters", no doubt, are sincere according to their lights, but lacking actual experience and intimate contact with labor and with the problems of the common man, they radiate their influence, perhaps unconscious that the shadow of Wall Street envelops them. We need more practical men rather than theorists to advise the President. Traveling forward, the President's advisers, perhaps innocent of the influence which has contorted their viewpoint, fail to take cognizance of the red lights ahead, which we find indicated in the increasing strikes, the continued unemployment situation, and the criticism of various groups which are dissatisfied with the progress thus far attained.

I have voted for every measure which has been presented as an Administration measure, with the exception of an increased tax on liquor and the granting of authority to the privately owned Federal Reserve banks to coin money on securitites and collateral of questionable value. This latter measure, in my opinion, is in direct contravention to the precepts of the Constitution, as in our democratic form of government no private financial group should have the right to coin money at the mere cost of printing and lend such money to the private citizen at an exorbitant rate of interest.

While I opposed some of the so-called "Administration measures" in the special session, I have had the pleasure of noting that the Administration and the Congress have reversed themselves on at least three fundamental bills which were enacted in the special session, thus vindicating my position in opposing these bills.

It is my sincere hope, in the interest of our distressed citizens, that the President will cast out some of his economic advisers—Baruch and others, with the Wall Street taint—and that he will not permit our vehicle of progress, the new deal, to be side tracked further by additional experimentation.

Having the fullest confidence in the President, I feel that he will exercise the authority granted to him in the reciprocal tariff legislation to advance the interest of the American agriculturalist and manufacturer through barter or trade agreements.

NATIONALIZATION OF BANKING ESSENTIAL

I look forward to a recommendation from the President which will assure to the American people the financial freedom granted them under the Constitution through the absorption by the Government of the private banking structure in the nationalization of banking. If the Government would take over the banking structure and extend credit to the citizens at the rates of interest now charged by the private bankers, there would be practically no necessity for any further Federal taxation except through inheritance, estate, and gift taxes, and, if necessary to keep the Budget continually balanced, an income tax for those in the higher income brackets.

In the event of nationalization of banking and the extension of credit direct to the individual, another tremendous advantage to the citizen would be the extension of such credit at cost, or in no case at more than 1 or 2 percent. The American people today pay approximately from $12,000,000,000 to $15,000,000,000 annually in interest to private bankers and to the money hierarchy. With credit at cost, or even at the low rate of 1 or 2 percent, the citizens would save directly approximately the amount which today they pay as tribute to the financial barons. With this increase of purchasing power saved to the American people, our economic problem would be practically, if not completely, solved.

SILVER REMONETIZATION HELPFUL

While I am an advocate of the remonetization of silver, I am convinced that remonetization of silver is not vitally necessary to our economic rehabilitation, provided the Government will take over and nationalize all banks. The mere fact, however, that the Bank of England and the international bankers of Europe and Wall Street are so much opposed to the remonetization of silver is conclusive evidence to me that remonetization on the part of our Government would be in the interest of the people.

England is today profiting to the tune of hundreds of millions of dollars annually due to our devaluation of the gold dollar, because of the fact that England produces 73 percent of the gold of the world. As the Americas produce 75 percent of the silver of the world, it is self-evident that the remonetization of silver will add to the wealth of the Americas and stimulate trade between them and the 31 silver-standard nations of the world. There is absolutely no danger of inflation in silver remonetization. The total available silver in the world is far less than 12,000,000,000 ounces, which amount, distributed in the channels of international trade, is infinitesimal compared with the bank credit in the United States alone (with no value except the bankers' promise) which, in 1929, approximated $40,000,000,000.

The principal advantage offered by silver monetization is that the private banker cannot manipulate the amount of actual money in circulation if we have a bimetallic standard of gold and silver. Under the single gold standard and with the control of all moneys and credits resting in the hands of the "private" Federal Reserve System, these "banketeers" can expand or contract the volume of currency in circulation at will through the purchase or sale of Government bonds and lately through the purchase or sale of collateral of dubious value, such as the R.F.C. accepted in extending aid to the Dawes bank of Chicago, whereby the defunct Insull securities were accepted at face value for cash from the Treasury.

If we have a circulating medium of both gold and silver instead of gold and paper, as we have today, the private banking groups cannot take this silver out of circulation as they do paper money by destroying it. If they should withdraw silver from circulation, they would lose the interest accruing to them, which any fair-minded man knows the New York banking buccaneers would not forfeit.

We should further consider the fact that the present Government policy of borrowing on its own credit from the "privately owned" Federal Reserve System is making misery for the masses while, at the same time, it is a veritable harvest for the rich. The printing of paper money by the "privately owned" Federal Reserve System creates no values at all. The remonetization of silver will stimulate mining and thus help relieve the unemployment situation. By establishing suitable values for silver, such as we have for gold, we will have tangible assets which are indestructible and thus add to our permanent circulating currency. The Government today has established a standard value for silver bullion. The Administration is to be commended for this pronounced progressive step.

UNIFORM SILVER PRICE ATTAINABLE

Importations of silver bullion could carry an impost tax of sufficient amount so that in no event would the actual price of such silver be less than the price of American-mined silver. Under the present Government standard of 64¼ cents per ounce for domestic silver bullion, the Government could coin silver and establish for such silver dollars a value of $1.29 per ounce, thus giving a 100-percent profit to the Treasury for every ounce of domestic or imported silver bullion.

Foreign silver coins in the international channels of trade should be accepted reciprocally at their face value or by agreement at a value of $1.29 per ounce. This would stimulate trade with the silver countries, and because of the fact that the United States produces at least 25 percent of all silver mined and the Americas produce 75 percent of all silver mined, the control of international currency would pass to the Americas. Under the present gold standard the control of international currency rests with Great Britain, the leading gold-producing country of the world.

Under this procedure, the profits accruing to the Government in the coinage of silver at the value of $1.29 per ounce could be applied wholly in the interest of public works or direct credit to the individual, and thus lubricate the wheels of industry and commerce and start our Nation forward to a permanent prosperity in which all the people would share rather than merely a small banking hierarchy in the Wall Street group.

The threat of uncontrolled inflation would be effectively removed through the nationalization of banking and the adoption of a bimetallic standard. There would be no further necessity for the issuance of tax-exempt bonds which, as the name implies, continue to put the American taxpayer in increasing bondage. Interest on money is a direct tax on industry and should not be permitted to any agency except the Government itself.

It is my sincere hope and belief that our President is striving toward this objective, and I am convinced that if he would suggest this plan either to the Congress or to the American people, he would find an almost spontaneous acceptance of this principle. In history and in the hearts of the American people he would hold a place equal, if not superior, to that of Washington or Lincoln. Lincoln freed the individual from chattel slavery. May we trust and pray that Roosevelt will free the free-born, worthy American from the slavery of the private money ring whose success is dependent entirely upon periodical depressions which it engineers in order to entrench itself more firmly in its ill-gotten wealth at the expense of the unfortunate citizen who is caught in the maelstrom of its machinations.

NEW-DEAL OBJECTIVES

Notwithstanding the fact that the nationalization of banking and the remonetization of silver are the backbone of our economic recovery, there are other features which should be adopted in order to brighten the lives and provide for the future welfare and prosperity of our citizens. The machine age has aggravated the employment problem of the worker in practically every avenue of industry. The profits of the machine are absorbed by the patentee or manufacturer. The number of workers has been reduced to the barest minimum, without a compensating increase in pay, with the result that millions who were heretofore employed have been displaced entirely and are now without employment.

Various socialistic panaceas have been advanced to correct this situation but it is doubted whether any idea yet advanced would measure up in practical importance to the proposed 30-hour week. It is self-evident that any effort on the part of the Government to place the entire industry of America on an arbitrary 30-hour-week basis would disrupt our industrial life and perhaps be a menace to recovery, if it would not entirely defeat the objective. The small business man must be protected against the encroachments of the larger interstate monopolies and chain stores. The N.R.A. has encountered these same difficulties because of being too comprehensive and therefore is being subjected to criticism, notwithstanding that it has some outstanding features which should be retained as basic reform.

I would favor the adoption of a 30-hour week in the basic interstate and international industries, including the railroads, in order that more men may be employed without a diminution of salary which should be maintained at all times at the highest possible standard. The Steel Trust, the railroads, and other basic industries, which are highly overcapitalized and which are endeavoring to pay inordinate profits on their watered valuation, should be submitted to a physical revaluation and their incomes adequately checked to ascertain their ability to pay a saving wage to their employees.

Capital is entitled to a fair return on its real, physical valuation—that is, on the actual cost of duplication of the industry. If profits were predicated on this basis, capital would be in a position to pay a just wage to its employees under a 30-hour week and, at the same time, more men would be absorbed in industry. The taxpayer would thus be relieved of the burden of public relief, abhorred by the worker himself, as is evidenced in his appeals to his Government for remedial legislation which will give him the opportunity of earning his daily bread.

INTERESTS OF YOUTH AND AGED PARAMOUNT

While I am very solicitous in behalf of the aged, I am equally, if not more, solicitous in behalf of the youth of America who, under the present engineered depression, are stunted in their economic and social development. As the future of America rests in the hands of its youth, every facility and encouragement should be extended to them in order that they may take upon themselves the responsibilities of parenthood and become satisfied, useful, prosperous, and optimistic citizens.

Our educated young people are especial victims of the depression, and because of their higher degree of sensibility and understanding, their brave buoyancy of spirit under the adverse conditions which confront them is particularly commendable. While hope may spring eternal, it is my opinion that we owe it to the youth of our Nation to reward their hope and confidence in government by the adoption of laws which, in the most expeditious manner, will relieve them from the unfortunate plight in which they now find themselves.

As the United States today is paying almost $1,000,000,000 every year in interest to the coupon clippers of Wall Street on tax-exempt securities, I can see no reason why we should not expend sufficient funds to pension and brighten the lives of our aged citizens who are unable to provide for themselves. The public records will show that it would actually be an economic asset to our Nation to provide adequate pensions for our aged citizens. Many States have recognized this axiom which is especially applicable in the case of husband and wife who, in too many instances, because they are unable to provide for themselves, are torn from each other in their last days—and we call ourselves civilized!

Many other innovations of a helpful character could be mentioned but my time is too limited. Before concluding, however, I do wish to call attention to another question which demands prompt action. Believe it or not, under the new deal we have 42 additional bureaucracies, each of which is an added weight on the backs of the taxpayers, considering the high salaries paid to many of the Government employees.

Consolidation was on the agenda of the Republican Party, and is also on the agenda of our own party. As yet, however, we Democrats have failed to consolidate various permanent departments in government, and as a consequence the taxpayers continue to suffer. The profiteering politicians and the selfish individuals in government have, up to this time, frustrated consolidations which, with doubt, should save millions upon millions to the taxpayers. I shall merely mention one consolidation of many which could be effected economically and in the interest of increased ef-

ficiency. The Navy, Coast Guard, Coast and Geodetic Survey, Lighthouse Service, and Army Transport Service should be consolidated under one head. These agencies are all within the same category and pertain to shipping and the sea. As a typical instance of losses to the taxpayers, we find in some cities each of these agencies paying rent for or owning docks and other sea appliances, while, if consolidated, all might utilize the same facilities.

As another evidence of the political hold of the profiteer on our Government, we find that the Navy Department, after selecting outstanding young men in America for the Naval Academy and educating them at a cost to the taxpayers of at least $16,000 each, is under present laws retiring many of them in perfect physical condition, with high retired pay for life, merely because they have not been selected for promotion.

We already have 182 of such physically fit officers on the retired list at a cost to the taxpayers of $668,000 annually. Instead of utilizing these educated men as they could be utilized in the Lighthouse Service, Transport Service, or for shore duty, they are retired to civil life with high pay and immediately enter other governmental departments or private pursuits, taking jobs from worthy citizens, and they continue to receive their retired pay plus their Government or civil remuneration.

BUREAUCRACY ABSORBS LIFEBLOOD OF NATION

Washington, D.C., with its myriad of bureaus, many of them absolutely unnecessary because of duplication, is in a sense a sponge which is absorbing the economic life of our Nation. The poor farmer or worker who has a mere pittance of income would be dismayed could he but visit Washington and note the large numbers of individuals receiving fabulous salaries who spend hours at a time in their offices smoking and entertaining, utterly oblivious of the desperate plight of the people on the farms and in the industrial centers of America who are being unduly taxed to support them.

Washington is filled with cheap politicians and lobbyists, who find the new deal a profitable deal for them. Senior Members of Congress have told me that never in their experience have they witnessed anything of the nature which I here only partially describe. The high-class apartments are filled with this easy-money gentry, who cannot visualize, and many of whom do not care to visualize, the desperate plight of our suffering unemployed. Verily, I may say that we also need a new deal in the city of Washington in the various bureaus which are choking the lifeblood of the people through their inordinate extravagance.

Finally, since I have mentioned the new deal, I may say that there is no hope for America in the ghost of republicanism. I am confident that we will march forward to ultimate success in the new deal. This happy solution will be ours with permanency once we utilize the constitutional provision for coining money, regulating the value thereof, and extending credit directly to the citizens without the intermediary of the "private" Federal Reserve System.

MEMORIAL DAY ADDRESS

Mr. LEHR. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by publishing an address by my colleague [Mr. MUSSELWHITE].

The SPEAKER. Is there objection?

There was no objection.

Mr. LEHR. Mr. Speaker, under the leave to extend my remarks in the RECORD, I desire to include the following address delivered by my colleague Mr. MUSSELWHITE at Muskegon yesterday, Memorial Day:

Mr. Chairman, ladies, and gentlemen, permit me first to assure you of my very deep appreciation of the honor shown me by inviting me to participate with you in the observance of this Memorial Day. I am not unmindful of this honor any more than I am aware of the regretted fact that due to the stress and demands upon one's time incident to the gigantic legislative program which is being rushed through the American Congress, I have been unable to give the time and attention to preparation that your courtesy on this occasion justifies.

Today, under auspices of all veterans' organizations of Muskegon, we are assembled to pay homage to our soldier dead. We bow our heads in sorrow for those who have gone on the "great adventure." We mourn the loss of those who, seeking the "bubble reputation at the cannon's mouth", have gone through the valley of the shadow of death. The men of Michigan have earned enviable praise and esteem for gallantry under fire and for bravery under trying conditions. But such bravery and such courage is paid with a terrible toll. The price is dear. When rank upon rank stand their ground with unblanched faces against withering fire, then jealous death spreads its encompassing wings around many a loved lad.

We do well to honor these men who have laid their lives upon the altar of liberty and patriotism. Appomattox, Chancellorsville, Bull Run, Manila Bay, San Juan Hill, Flanders Field, Belleau Woods, St. Mihiel, Argonne, are names written on the hearts of all Americans. Yet the signs and evidences of battle at those historic places may have gone.

The trenches and breastworks that gave our men a measure of protection may now be leveled by plow or tractor. The little streams that were dyed with blood from soldier hearts may now slake the thirst of lowing kine. Wheat or barley may cover the level which battle bathed in blood. The sciences of war have given way to the arts of peace. Where was carnage and destruction and ghastly death is now peaceful industry and quiet husbandry. Thank God that it is so, and pray God that it may remain so.

Though the battle wounds be healed the scars cannot be obliterated. The memories that are ours today of what "our boys" did in the War of the Rebellion and on foreign soil impinge on our very souls. They fought a haughty foe and wiped out their foul footsteps' pollution. As the immortal Lincoln said at Gettysburg: "The world will little note nor long remember what we say here, but it can never forget what they did here."

As a Member of the Congress of the United States, it has often occurred to me that when legislation is being enacted in this present strife, I wonder if, after all, we are as appreciative, as grateful as we should be to those heroes who so valiantly fought the Nation's battle in the recent World War and our other wars. May I digress here to state in passing that the apparent injustices which were threatening to result to our veterans from certain legislation have been to a considerable extent righted? And I am glad to inform you that I voted for every constructive measure designed to benefit deserving war veterans, whether they be of the Grand Old Army of the Republic, the Spanish War men, or the veterans of the World War. I say this as one who in this great crisis in the life of this Nation has steadfastly and consistently as a Member of the Congress supported the President, the Commander in Chief, in his war against the depression. With a love for the cause of the veterans of all wars surpassed only by the love and devotion which I harbor for my own immediate family, I have reason to believe, after discussing these matters with leaders of the House and high officials authorized to speak for the President, the present occupant of the White House, that he has a heart as full of gratitude and sympathetic understanding as it is of courage and devotion to country, and that he will take steps to see that no deserving veteran is slighted or uncared for.

On this Memorial Day I have left my desk in Washington to gather with you to pay tribute to the heroes of 1861 who held our Nation together; to those who gave their lives for us in the Spanish-American War in 1898; and to those who went to the front in 1917 and saved the world for democracy.

Everywhere throughout the Nation our citizens today are voicing their tributes of respect and affection in fond memory of those who in the discharge of duty paid the supreme sacrifice. You citizens who have gathered here today would, were it possible, broadcast throughout the land the deep feeling of honor and reverence which is due every American who dies for his country; but we are here today to pay tributes to our own, to voice our appreciation and devotion to those Michigan boys who went forth in 1861, in 1898, and in 1917.

Possibly some are here today who remember the call to arms in 1861. Many of us recall the mustering of troops in 1898, but all of us remember the call that went flashing over the land in 1917, the declaration that a state of war existed between the Imperial German Government and the peoples of the United States.

Our hearts swell with pride at remembrance of the prompt response of our own Michigan boys. In the ranks of the Army and on ships of the Navy were sons, brothers, husbands, fathers; none were more fearless; none were more loyal; none had a deeper love of country; and none were more loyal or more loved than your own boys of Muskegon. Cheerfully, willingly, they entered the combat against the common foe; manfully and unflinchingly they endured the hardships and rigors of war. These men not only lived for our Nation, they died for it. They were our brothers, our friends, our neighbors when peace prevailed, but when the hour of national peril came these quiet, peace-loving citizens were transformed into heroes. From the sphere of the citizen they rose to the plane of the patriot.

We cannot add to the glory or honor or renown of those whose death saved for us our country. We cannot make sacred the ground wherever they lie. We may adorn with tender, loving tributes the resting places of our beloved dead; the flowers that are strewn over their graves may symbolize the living fragrance of their memory. But we shall honor them most by having their example teach us to love our country more, to prize its manifold blessings more, and to advance its glory and greatness more. These brave men stand in history and in the hearts of a grateful people where you and I may never stand. It was to save the flag

from dishonor, the world and the Nation they loved from destruction that they gave their lives. Of the millions that engaged in the great conflict some lived to see the victory for which they perilled so much, and returned in health and strength to receive honor and praise from a grateful people. Many, too, returned maimed and sick, but living to see the land they loved redeemed, to realize the Nation's gratitude, and to be welcomed once more to the bosoms of loving friends. But those we mourn today passed away before the hour of triumph, in the darkness of the night before the bright rays of the morning came. Some sleep at home beneath the canopy of Heaven in their own beloved land, while others lie in scattered graves in foreign fields, each resting from his fierce toil. It is to them we scatter wreaths and flowers; for their loss we shed our tears.

My deepest sympathy goes out today to the mothers throughout the land whose aching hearts feel the keen pang of the thought of lost sons, to those whose thoughts are of lost brothers, husbands, and fathers who went forth in defense of our honor and did not return. Let us, the survivors, then appreciate our destiny and above all, let us never forget that to these brave defenders in the hour of the Nation's deadly peril and under a Divine Providence we owe the blessings we enjoy today.

And you who reap the benefit of these sacrifices, whether you share them or not, never forget to hold in grateful remembrance the deeds of those who fought and bled in our country's cause.

Because of the courage of these men our honor is unimpeached, and this flag, which I now have the pleasure of presenting to the veterans' organizations of Muskegon, this flag which has flown over the National Capitol, and by special favor over the White House, and which I was fortunately able to secure for you—continues to fly in undisputed supremacy, respected in every land. And may peace, prosperity, and happiness abide with it.

If we are to show our true appreciation of the sacrifices these men made for us, we must with renewed effort uphold the traditions that made ours a Christian Nation. We must remain steadfast and true in upholding the Constitution of our country and the honor of the flag we love so well.

And what lessons we may read in that flag. Its white teaches us purity of purpose; its red typifies the blood which has so often been shed in its defense; and its blue, that its constellation reminds us of the starry canopy of heaven, behind which is the eternal camping ground where the pure and good, when discharged from service here, are mustered into the mighty army of saints who guard the throne of the Most High God.

And thus as we bare and bow our heads to the heroes' honor on this commemorative day, may we appreciate more everywhere those priceless privileges for which they sacrificed all they had—home, happiness, and life.

In conclusion, my friends, I wish I might pay individual tribute to some of your city's highly honored heroes, such as Merritt Lamb, for whom your American Legion Post is named; and to all the venerable gentlemen who survive from the days of the Civil War; the Spanish War veterans, and those of the younger generation who fought for us, suffered for us, and, all too many, died for us in the World War. Time will not permit such digression.

And may I, without impropriety, say a word for that great humanitarian organization, the American Red Cross, which is working so zealously in your interests. Muskegon is fortunate in having a chapter of this organization under the capable administration of Helmer Berg, to whom I pay tribute, and who I particularly wish to thank for extending to me the invitation to speak on this occasion.

This is a day when political lines are forgotten; it is a day when community interests are welded together as one; a day when ancestry fades away, leaving none but Americans; a day when rich and poor alike bow in meek humility; a day when religious differences cease to exist as we pay tribute to those of all bloods and all creeds who, mindful of the supereme sacrifice on Calvary, proved true to His divine idea of patriotism when He proclaimed:

"Greater love hath no man than this, that he lay down his life for his friends."

I thank you, my comrades and friends.

THE PRIVATE CALENDAR

Mr. BYRNS. Will the gentleman from Kansas reserve his point?

Mr. McGUGIN. I reserve it.

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that it be in order tonight to move to take a recess until 7:30 o'clock for the purpose of calling the Private Calendar and considering bills unobjected to, beginning where the House left off the last time.

The SPEAKER. Is there objection?

Mr. BLANTON. Reserving the right to object, that gives us no opportunity whatever to make special preparation for this night session other than the general preparation we have already made. We ought to have at least a day's notice of a night session devoted to the Private Calendar. The Member who has a bill on the calendar does not need notice, but those who work on the calendar to stop bad bills and have to prepare themselves should have at least a day's notice. Does not the gentleman think he should ask this for tomorow night instead of tonight? Some of us have made appointments for tonight in our offices.

Mr. SNELL. The gentleman wishes to keep his social engagements.

Mr. BLANTON. Social engagements have no interest for me. Since I have been here in Congress it has been nothing but hard work, day and night.

Mr. BYRNS. Mr. Speaker, I will change my request for Friday night.

Mr. SABATH. Many of us have engagements for tomorrow night.

Mr. BLANTON. Well, if there is to be objection to that, I withdraw my objection to the request of the gentleman from Tennessee. I am willing to follow my leader, regardless of personal inconvenience.

The SPEAKER. The gentleman from Tennessee asks unanimous consent that it shall be in order to move to take a recess until 7:30 o'clock tonight for consideration of bills on the Private Calendar unobjected to, beginning at the star. Is there objection?

There was no objection.

Mr. McGUGIN. Mr. Speaker, I renew my point of no quorum.

The SPEAKER. Evidently no quorum is present.

On motion of Mr. BYRNS a call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 153]

Abernethy	Clark, N.C.	Kvale	Simpson
Allgood	Cochran, Pa.	Lehlbach	Sisson
Andrew, Mass.	Connery	Lesinski	Smith, W.Va.
Auf der Heide	Cooper, Ohio	Lewis, Md.	Stokes
Bacon	Darden	Lloyd	Strong, Pa.
Bailey	Delaney	McDuffie	Sullivan
Beck	Doutrich	Marland	Sutphin
Black	Drewry	Millard	Sweeney
Boland	Eaton	Moynihan, Ill.	Swick
Boylan	Edmonds	Muldowney	Taylor, S.C.
Brennan	Fernandez	Musselwhite	Thom
Britten	Foulkes	Norton	Thurston
Browning	Gambrill	O'Connell	Truax
Bulwinkle	Gasque	Oliver, N.Y.	Turpin
Burke, Calif.	Green	Peterson	Vinson, Ga.
Burnham	Haines	Prall	Wadsworth
Carley	Hamilton	Randolph	Weaver
Carter, Calif.	Harter	Reid, Ill.	Weideman
Cary	Healey	Richardson	Werner
Cavicchia	Higgins	Rogers, Okla.	Wilcox
Chase	Jeffers	Sears	Wood, Ga.
Church	Jenkins, Ohio	Shannon	Zioncheck
Claiborne	Kniffin	Shoemaker	

The SPEAKER. Three hundred and thirty-nine Members have answered to their names, a quorum.

Mr. BYRNS. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The doors were opened.

SILVER

Mr. MARTIN of Colorado. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. MARTIN of Colorado. Mr. Speaker, due to my occupancy of the chair yesterday in Committee of the Whole, an honor I deeply appreciate, I could not properly participate in the rather acrimonious debate on the silver bill on which we are about to vote. I heard gentlemen whom I know to be sincere friends of genuine silver legislation, and gentlemen who are opposed to such legislation, bitterly assail or deride this bill on the ground that it is an empty gesture or a mere sop to silver. I know other Members who are in doubt as to the benefits of this legislation and as to how it will be administered. I just want to say this, that if this bill becomes a law and the administration of it goes as far as the law, that will be far enough, but if the administration of this law does not go that far, then there will be another Secretary of the Treasury going back to little old New York. [Applause.]

The SPEAKER. The time of the gentleman from Colorado has expired.

Mr. MARTIN of Colorado. Mr. Speaker, I ask unanimous consent to proceed for 10 seconds more.

The SPEAKER. Is there objection?

There was no objection.

Mr. MARTIN of Colorado. Mr. Speaker, I ask all Members who favor a reasonable expansion of the currency on a sound metallic base to vote for this bill, and let us see where we go.

I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. MARTIN of Colorado. Mr. Speaker, due to my occupancy of the chair yesterday in Committee of the Whole, an honor I deeply appreciate, I could not properly participate in the rather acrimonious debate on the silver bill on which we are about to vote. I heard gentlemen whom I know to be sincere friends of genuine silver legislation, and gentlemen who are opposed to such legislation, bitterly assail or deride this bill on the ground that it is an empty gesture or a mere sop to silver. I know other Members who are in doubt as to the benefits of this legislation and as to how it will be administered. I just want to say this, that if this bill becomes a law and the administration of it goes as far as the law, that will be far enough, but if the administration of this law does not go that far, then there will be another Secretary of the Treasury going back to little old New York. I ask all Members who favor a reasonable expansion of the currency on a sound metallic base to vote for this bill, and let us see where we go.

SILVER SPECULATORS AND HOARDERS

Mr. Speaker, if I could have come down out of the chair, I should have liked particularly to answer some of the objections to the bill made by Members in debate on the floor, and I shall take the opportunity now to discuss a few of them. The able gentleman from New York [Mr. TABER] read some names from the list of silver holders furnished to the Senate by the Secretary of the Treasury, and he was followed by a Member who stated that he was for the remonetization of silver until the disclosure of these lists by the Secretary of the Treasury.

The silver survey made by the Secretary of the Treasury to ascertain the quantity of silver holdings in the United States is a surprisingly strong corroboration of the claims made by bimetallists that vast quantities of silver are not available in the event of the passage of a genuine silver remonetization bill.

A tabulation of the lists of silver holdings submitted to the Senate by the Secretary of the Treasury as reported by the Associated Press amounts to less than 100,000,000 ounces. In view of the prospects of major silver legislation by this Congress, three times this amount of accumulated silver holdings would not have disconcerted the supporters of silver. It is only natural that the prospects of such legislation should have attracted silver to this country, just as the gold-purchasing program has attracted gold. The surprising thing is that the quantity of available silver at this time is not very much greater. The investigation of the Secretary of the Treasury may be dismissed as a water haul.

The great question which has revolved around silver has been the silver supply. The greatest handicap to the attempted rehabilitation of silver has been the picture built up in the mind of the country and in the mind of the world that silver is an overly plentiful and cheaply produced metal. I made a radio talk devoted exclusively to this subject on March 9, the result of considerable study of reliable statistics. These statistics show that these great supplies of silver do not exist. When men base their opposition to this legislation on this expressed fear, they shut their eyes to all the facts to be had on this subject. It was stated in a sentence by Mr. F. H. Brownell, chairman of the board of the American Smelting & Refining Co., which handles three-fourths of the silver output of the world, when he stated to the House Committee on Coinage, and I quote his exact words:

At the present time you could not get a billion ounces of silver to save your life—I say, to save your life.

The Secretary of the Treasury will now have in his hands the decisive means of determining the silver supply, its alleged availability and cheapness.

DEATH BLOW TO GOLD STANDARD

The very able gentleman from Pennsylvania [Mr. MCFADDEN] opposes this legislation on the ground that it had its origin in Great Britain. I have here in answer to that charge an item that gives me a lot of satisfaction. It adds to my pleasure in voting for this bill. It is in the shape of an Associated Press cable from London, picturing British financial circles as being thrown into gloom by it. The cable is as follows:

BRITISH FINANCIERS FROWN ON SILVER SUCCESS

LONDON, May 23.—British financial leaders were pictured in well-informed quarters today as being highly alarmed by the prospect that President Roosevelt's silver-monetization program will blast their hopes for the return of Great Britain to the gold standard in the near future.

Despite the nonchalant attitude they assumed toward the American President's message, financial circles were pictured as being thrown into gloom.

"Financial leaders here have been hoping for some time that President Roosevelt would head off the silverites so there would be no further steps in the direction of world-wide bimetallism", said a well-informed observer.

"Roosevelt's capitulation to the silverites will only give new impetus to the two-base currency movement, which the British distinctly do not want. If bimetallism becomes popular it may be good-bye forever to the gold standard."

Opponents of this legislation have indulged in much derogatory speculation as to the origin or authorship of the bill. This cable makes it quite clear where it did not originate, and the same may be said of the entire Roosevelt monetary policy. England is just about as responsible for the Roosevelt monetary policy as it was for the Declaration of Independence, and in the same way.

The British reaction to this legislation is not surprising in view of the fact that the world's first great banking house, established in London, was the author of the single gold standard. Its very origin is enough to condemn it in the minds of thinking people as a standard for the money of the people. Since when was any great banking house concerned in a plentiful, cheap money?

The first great banking system did not invent a monetary system for the benefit of the people, with which it was doing business and out of which it was making money. This is self-evident. Yet this is the system that has spread over the world and which is today strangling it, producing the misery which was predicted by John G. Carlisle on the floor of the House of Representatives on February 21, 1878, when discussing the demonetization of silver in 1873. More than a half century has elapsed since the great Kentuckian delivered the prophecy which is reflected in the condition of the world today, and since the language of the prophecy is a philippic perhaps without equal in the annals of debate on this question, I shall favor the Membership of this House by quoting it here. Mr. Carlisle said:

I know that the world's stock of the precious metals is none too large, and I see no reason to apprehend that it will ever become so. Mankind will be fortunate indeed if the annual production of gold and silver coin shall keep pace with the annual increase of population, commerce, and industry. According to my view of the subject, the conspiracy which seems to have been formed here and in Europe to destroy by legislation and otherwise from three-sevenths to one-half of the metallic money of the world is the most gigantic crime of this or any other age.

The consummation of such a scheme would ultimately entail more misery upon the human race than all the wars, pestilences, and famines that ever occurred in the history of the world. The absolute and instantaneous destruction of half the entire movable property of the world, including houses, ships, railroads, and all other appliances for carrying on commerce, while it would be felt more sensibly at the moment, would not produce anything like the prolonged distress and disorganization of society that must inevitably result from the permanent annihilation of one-half of the metallic money in the world. With an ample currency, an industrious and frugal people will speedily rebuild their works of internal improvement and repair losses of property; but no amount of industry or economy on the part of the people can create money. When the Government creates it or authorizes it, the citizen may acquire it, but he can do nothing more.

FARMER BACKBONE OF SILVER STRENGTH

The next objection to the legislation I wish to note came from the distinguished and very useful Member from Massachusetts, Mr. LUCE, to the effect that the demand for this legislation comes from the mine owners and is for their benefit. This objection might have had some point 40 years ago, but the day of the bonanza king has long since passed. He has faded from the picture. It is nothing short of ridiculous to attribute the movement for the remonetization of silver to the unknown owners of closed mines in a half dozen States, in all of which agriculture has long since surpassed mining as a major industry.

There is no more foundation for the charge that great mining interests are the power behind the remonetization of silver than there is for the equally misleading propaganda that there is available such great stores of cheaply produced silver as to destroy our monetary system if it is admitted to coinage and circulation.

The truth is that the farmer is the backbone of the silver movement. He is not interested in mines or mining. He is not trying, to use the current phrase, "to do something for silver." He wants to use silver to do something for the monetary system of the country, to expand the currency, to put money in circulation, to raise and stabilize the prices of farm products, and to restore the impoverished agriculture of the country. Despite its present low estate, as compared with tax-free interest-bearing Government bonds, the land is still the foundation of the national structure, the one indispensable asset in the inventory of the national wealth, and prosperity can never return with agriculture in bankruptcy.

Considered as an industry, the production of silver, like the production of gold, is a minor industry. In my State, which is a silver State, its annual output does not compare with that of agriculture, and it is the same in other metal-producing States. Without checking the figures, I feel safe in saying that the annual world output of both gold and silver would not buy half the annual output of automobiles in the city of Detroit. These metals are to be measured by no such standard. If the mints were thrown open to the free and unlimited coinage of silver at a ratio of 16 to 1, there are farming counties in my district which would never know it in direct results. Let me repeat, these farmers are not interested in silver from the standpoint of the mining industry. They are interested in silver only from the angle of a sufficient circulating medium which cannot be controlled as gold has been. If it were not for this interest, there would not be one farmer in a thousand in the United States in favor of the remonetization of silver, whereas the great majority of all farmers are in favor of it, and in favor of it as the first of all remedies to restore and maintain prosperity.

BUSINESS SEEING THE LIGHT

Contrary to the views of the distinguished gentleman from Massachusetts, I draw some comfort and reassurance from another objection to this legislation urged by him, to wit, that it is recommended by the Committee of the Nation, made up of 1,000 leading industrialists and business men. This shows that silver is becoming respectable, breaking into society like the Ford car; that in addition to the mine owners and the farmers, even big business men are beginning to see the light and to see that a nation cannot carry on a business turn-over of two to three billion dollars daily and in 1929 as high as $4,000,000,000 a day on a circulating medium of five or six billion dollars. The velocity of the turn-over of money is being considered in connection with the quantity of money in order to determine the necessary volume of money, but such a turn-over as is involved in a money base of five or six billion dollars to handle an annual business volume of twelve hundred billion, would require such a velocity as to make it invisible, and that is just what happened in 1929. I shall go more fully into this in another section of my remarks.

THREAT IN PRESIDENT'S MESSAGE

Another objection to this legislation is that it is not needed; that the President now has plenary powers under the so-called "inflation" amendment to the farm bill to authorize the unlimited coinage of silver at any ratio he may fix. The same was true of gold under the inflation amendment, but the President saw fit to come to Congress for specifications to carry out this general grant of power, and these specifications were given him by an act of this session of the Seventy-third Congress. Now he is doing the same thing in the case of silver. The President, it may be observed in passing, is a unique type of dictator. He is granted plenary powers and then comes to Congress for a bill of particulars. Such a policy should serve to allay the oft-expressed minority fears about dictatorships. And the fact that the President asks for these specifications ought to be an assurance that he contemplates a substantial fulfillment of them.

In this connection I want to point out and stress what to my mind is a very significant paragraph in the message of the President to Congress asking for this legislation, in that portion of the message dealing with the necessity of concerted action by all nations, "if a permanent measure of values, including both gold and silver, is eventually to be made a world standard." The President said:

> To arrive at that point, we must seek every possibility for world agreement, although it may turn out that this Nation will ultimately have to take such independent action on this phase of the matter as its interests require.

Let the world take notice of the not too thinly veiled threat in this highly significant sentence. The United States is no longer a debtor nation and a suppliant to England as it was in 1896. The United States is now the creditor of the world in an amount almost beyond the comprehension of the human mind, an amount now approximating $30,000,000,000 of public and private foreign indebtedness to the United States and its people. In my opinion this country has but to exert its leadership and its power to establish a monetary system which will place something more substantial under the business system of the world than bookkeeping and fictitious credits.

HOW CAN WE SPEND THE MONEY?

Some objections to this legislation border on the ridiculous. One such was, how this new money would be put in circulation. It occurs to my mind that the Treasury could use it in payment of the contribution of the Government to its national roads and public-works program generally, that it could use it to pay its conservation army, that it could use it to pay salaries and expenses of the Government, that it could use it for all these outlays instead of using credits on the books of the Federal Reserve banks in exchange for more billions of tax-free 4-percent bonds. Personally, I should be willing to undergo the sacrifice of a lifetime job on the pay roll and accept silver certificates every pay day. The easiest question the administration should have to answer at this time would be how to spend the money.

LEGISLATION IS MANDATORY AND FAR-REACHING

Mr. Speaker, two viewpoints have been expressed concerning this legislation. One is that it is a gesture, the other that it is the greatest advance for silver since its demonetization in 1873.

If I did not hold the latter view, I would not esteem it a great honor to have presided over the Committee of the Whole during the passage of the bill.

Since demonetization but two silver measures have become law—the Bland-Allison Act and the Sherman Act. These limited silver-purchase acts were foredoomed to failure by their very limitations.

This bill, while limited in words and figures written in the law, is unlimited in practical effect. Silver can be purchased and money issued against it until it reaches $1.29 per ounce, or until the silver reserve reaches 25 percent of gold. The first objective—$1.29 per ounce—will not only restore silver as an industry but will restore price levels as well; and no bimetallist believes the second objective—the 25-percent reserve—calling for something like 1,500,000,000 additional ounces of silver, will be reached in years, if ever. If the Treasury were thrown open tomorrow to silver at $1.29 per ounce, it would not produce 1,500,000,000 ounces. The fallacy of an unlimited and cheap silver supply will be demonstrated under this bill.

This bill is reaching by an oblique movement an objective which could not be taken by frontal attack. Those who fear unlimited silver are reassured by the limits in the law; those who believe in complete bimetallism are confident that that result will arrive before the limitations in the law are reached.

The vital features of this bill are sections 3 and 5. To those who look upon the legislation as a mere gesture, I want to direct brief attention to these sections.

In section 3 the Secretary of the Treasury is not only authorized but directed to purchase silver at home or abroad up to a price not in excess of the monetary value thereof; that is, $1.29 per ounce, or up to the point where the monetary value of the stocks of silver equal 25 percent of the monetary value of the stocks of gold.

This section fixes limitations or objectives both as to the price at which silver may be purchased and the quantity which may be purchased to furnish a fair demonstration as to what silver will do when relieved of the law-made discrimination which has worked continuously against it for the past 60 years.

One cannot study the history of silver since it was stricken down as money by the United States, England, France, and Germany, and at their behest by other nations of the world, without wondering what would have been the result on silver and on the money system of the world if as much had been done to preserve silver as to kill it.

The killing of silver reminds me of the essay of the English schoolboy on the Conquest of Ireland. His essay had the merit of more than brevity. The boy wrote: "The conquest of Ireland began in the year 1066 and is still going on." The killing of silver began in the year 1816, and, like the conquest of Ireland, is still going on. And in the year 1934 its resurrection is not only the livest of issues in the United States, but is an issue among the nations of the world.

WHAT IS PRIMARY MONEY?

In section 5 the Secretary of the Treasury is authorized and directed to issue silver certificates at not less than the cost of all silver purchased under the act, and maintain in the Treasury, as security for the silver certificates, silver bullion, and standard silver dollars of a monetary value equal to the face amount of the silver certificates issued, which certificates are made legal tender for all purposes, and are redeemable in silver.

Under this section silver may purchase itself with silver certificates issued in payment for it, which certificates are redeemable in silver, and the coined dollars and the silver certificates being made full legal tender for all debts, public and private. I say all this could be done under this section. If this is not primary money, what is primary money? Silver will stand on its own bottom. It will not lean upon or be redeemable in gold. It will expand the currency by giving gold a legal competitor. In my opinion, instead of artificially increasing the price of gold from $20.67 per ounce to $35 per ounce and then devaluing the gold dollar 40 percent, gold should have been left where it was and silver moved into the picture as a competitor. This would have been my method of reducing the value and the purchasing power of gold.

However, that is water which has run over the wheel. What we are now undertaking is less experimental and less of a departure from long-fixed standards than the gold policy. If silver, given a fair opportunity, does not accomplish for itself, for our monetary system, and for commerce what we expect of it, it will be the principal sufferer and a great issue will have been settled.

SILVER DEMAND NATION-WIDE

Mr. Speaker, if substantial silver legislation fails in this Congress, not legislation "to do something for silver" but legislation to do something for the monetary system of the country, something to put new life into it, or—if this bill is enacted and fails of administration, it requires no prophet to predict that in the next Congress action may be forced by the obvious Nation-wide demand for such legislation restoring silver as a primary money metal. All these bills were not introduced merely that a Member might get his name on a silver bill. They reflect a back-home sentiment for such action.

Nothing can stop silver in the Seventy-fourth Congress but a return of prosperity in 1934 without it. World-wide gold discoveries stopped it at the close of the last century, thus vindicating the quantitative theory of money held by Bryan. Mining experts, the leaders of the mining world, predict no such discoveries now. Bond issues and credit, the present media of exchange, cannot stop it; rather they accentuate the demand for it. In the minds of millions and in many sections of the country it is the most vital issue now before the Congress, the most potential of major political results.

THE ANVIL CHORUS

Another evidence of the great interest in silver is to be found among its enemies. You may follow the many financial writers whose columns, many of them sent out from Washington, fill the daily papers, and what is the chief burden of their refrains? It is true they swell the anvil chorus—in fact, they are not only the sopranos, but also the tenors, the altos, the bassos, and the fortissimos of the chorus—against N.R.A., A.A.A., the "brain trust", and all the activities of the recovery program. The ring of their hammers and chisels is heard throughout the land and furnishes brain food, or at least vocal food, for the reactionaries in both Houses of Congress.

All this is true, but if you will put a measuring stick on the columns you will find that the theme of "sound money" equals or exceeds in volume all other themes, and that the silver menace is threat no. 1 against sound money. I shall show later, out of the mouth of authority, what this sound money consists of; that it is a myth; that it is an abstraction; that it is a system of bank accounting based on debt and on confidence that the material resources of the country will one day enable the debts to be paid.

These financial columnists, who constitute themselves the watchdogs of the golden bull, although, perhaps, they have collars around their necks, seem to be obsessed with the delusion of an impending deluge of silver. To their distorted vision, silver is the crowning disaster which threatens the future prosperity of the country and the stability of its institutions. They have been having a hectic time of it. They were shell-shocked by the repeal of the gold-payment clause and went into delirium tremens with the devaluation of the gold dollar. But the sum of all villainies would be the remonetization of silver. Their poison pens flood the land. They emit endless columns about the freedom of the press, when what they mean is its freedom to perform the function of a loudspeaker on the cash register of big business. They know better than J. Pierpont Morgan what he wants, because Morgan has to put in a lot of time attending to his own business, while they make a living worrying about his troubles. They run to anticipate his wishes. If I only knew what they do not about money, I would consider myself an authority.

So both the friends and the enemies of silver, by their numbers and their activities, attest the vitality of the issue. Dead issues do not fill the calendars of Congress and the columns of the daily press.

NOW NO MONEY OF REDEMPTION—CREDIT ONLY, BASED ON DEBT

The opponents of silver legislation, as a last resort, claim that silver is not needed as money, and they point to the four and one-half billions of gold locked up in the Treasury and mathematically increased to seven and one-half billions by the devaluation act. They ignore the fact that this gold has been stripped of all monetary functions except its use in settling international trade balances by an act of Congress, not by Executive discretion, and the much more important fact that this gold had to be demonetized and locked up to prevent its flight from the country in the universal scramble to get hold of a wholly insufficient money metal. The demonetization of gold leaves the country without any metallic monetary base or money of redemption.

There is now no money in the sense of a currency having any intrinsic value. Intrinsic value! How that term car-

ries the mind back to the days of the establishment of the gold standard. What a sweet morsel it was under the tongues of the advocates of the gold standard. Our money must have intrinsic value, and that was gold.

Now, a nation with double the population and 10 times the volume of business it then had, functions without any intrinsic-value money whatever. The money of intrinsic value has been demonetized and locked up in the vaults of the Federal Treasury. As a statutory fiction, the gold standard still prevails, because we can have a gold standard without a dollar in gold behind it, but the gold has been legally separated from the standard. Young America does not know what a gold coin looks like. Young America does not know except by hearsay that any such thing exists. All young America knows as money, and all that old America has as money, is a discredited metal called silver and printed paper, based on public debt and irredeemable in any kind of coin, excepting the silver certificates, which are redeemable in silver dollars worth about 40 cents.

THE EXPERT ON THE STAND

A most interesting discussion of money took place recently before the Senate Committee on Agriculture. Mr. A. E. Goldenweiser, director of statistics for the Federal Reserve Board, was a witness before the committee. The committee was following a suppositious transfer of $1,000,000 from the First National Bank of Chicago to the Federal Reserve Bank of Chicago by means of a check or draft on the Chase National Bank, of New York City. When the check or draft finally reaches the Federal Reserve Bank of Chicago, the following colloquy occurs:

Senator THOMAS. When the reserve is finally located definitely in the Federal Reserve Bank of Chicago, where is that $1,000,000?

Mr. GOLDENWEISER. Well, the $1,000,000 never existed except as a credit.

Senator THOMAS. Who carries the credit at that time?

Mr. GOLDENWEISER. It would be the credit of whatever bank—the First National Bank of Chicago, you said? It would be a credit to the First National Bank of Chicago and would count as part of its reserves, and the First National Bank can draw it out if it wants to or it can use it as a reserve in case it desires.

The CHAIRMAN. Where is the actual currency, the actual physical monetary value? Where is it located against that transaction? Who holds it? Where is it?

Mr. GOLDENWEISER. It does not exist, Senator.

The CHAIRMAN. Good Lord. [Laughter.]

Mr. GOLDENWEISER. Because we are doing a business in this country of $600,000,000,000 a year——

The CHAIRMAN (interposing). With no money.

Mr. GOLDENWEISER. With nothing but five billions of currency So that you can see that the great mass——

The CHAIRMAN (interposing). Then suppose that five billions of currency was withdrawn; suppose Senator THOMAS and I, or a group of us, could get hold of that five billions of currency, then what would become of all this credit business you have got?

Mr. GOLDENWEISER. If you took it out and kept on taking it out, the credit system would collapse. No system which is based on credit, the system that is functioning in this country, can exist if everybody wants to have cash.

The CHAIRMAN. Now, you have got exactly to the point that I have been sitting here waiting for you to get to. We have an expanded currency credit system based on such a small amount of actual existing money that if you see fit to withdraw or hold it you have just got to what we had here in this miserable money panic, because in your first chart you show that as the collapse of prices went on your so-called "circulation" increased.

Mr. GOLDENWEISER. Yes, sir.

The CHAIRMAN. That is, at the very peak of what you said was the actual currency in existence held by individuals; when that was at its peak commodity prices were at their very lowest.

Mr. GOLDENWEISER. Correct.

The CHAIRMAN. Showing that confidence was destroyed and those that really owned the currency had withdrawn it; therefore you had no credit. That is as obvious as can be (pp. 77, 78).

Prior to this colloquy it had been pointed out by Mr. Goldenweiser that more than nineteen-twentieths of the business of the country is done by checks and with only about five billions of currency in existence at the time of the panic, but about sixty billion in bank deposits, or $12 on deposit for every dollar in existence. To carry the situation a bit further, the banks had in their vaults at the time of the panic less than $800,000,000—to be exact, 1⅓ cents per dollar. Perhaps the cent and a third is an exaggeration, as shown by the following question and answer:

From page 81 of the hearings I quote the following:

Mr. GOLDENWEISER. If I recall correctly, all of the banks, member banks, and nonmember banks, and all the little banks, I think somewhere around a billion is what their till money usually amounted to.

Senator THOMAS. Two or three years ago the banks altogether had on deposit approximately 60 billions, a little less than 60 billions.

Mr. GOLDENWEISER. Yes, sir.

Senator THOMAS. At that time the banks had in their vaults less than $800,000,000.

Mr. GOLDENWEISER. That is right.

Senator THOMAS. Under our system no depositor has a single penny in any bank in America. Isn't that correct? He has a credit there for money.

Mr. GOLDENWEISER. I think that is essentially true; yes, sir.

He stated, however, that there was at least a billion dollars of excess currency now in the Federal Reserve banks, and that with the enormous money-issuing resources of the banks in the way of Government bonds, tens of billions of dollars in currency could be issued before bringing about an inflation such as they had in Germany and Austria and Russia. The Federal Reserve expert made it clear that Government bonds are money and that drafts and bills of exchange and checks are money; that any piece of paper that passes from hand to hand and is accepted as money, is money; and viewing money in this light the banks of the country are in a position to throw billions of dollars into circulation any day there is a call for it. It reminded me of "pigs is pigs."

Now, here is the fatal flaw in this great superstructure of credit, based on debt, and with such an immense debt base that the superstructure may overtop the Empire State Building. It is all stated by the expert in a seven-word sentence:

In the end it rests on confidence.

So here we have the great national asset, confidence. It is all a matter of promises to pay, whether promises of the Government, the bank, or the individual. When something happens to shake confidence, as it did in 1929, the structure is found to have no foundation. Everybody wants his money at once and nobody can get it. There is vastly too great a reach between cash and credit; 120,000,000 people to whom individually and collectively have been extended a credit estimated at more than $200,000,000,000, carrying on a business even in bad times reaching $600,000,000,000 annually, and in 1929 twelve hundred billion dollars, on a cash account of $5,000,000,000, all of which cash was only printed promises of the Government and of the banks to pay. At this point the credit system collapses, because, as explained by the expert, "no system which is based on credit, the system that is functioning in this country, can exist if everybody wants to have cash."

Just at this moment my eye fell on the following paragraph in a newspaper:

The real-estate-mortgage debt in the United States is $43,000,000,000, Frank C. Walker, director of the National Emergency council, estimated today.

The public debt—National, State, and local—is another $40,000,000,000. The industrial, commercial, and other debts exceed the sum of these fantastic figures. This enormous mass of debts is based on something more than confidence; it is based on mortgages on every tangible asset in the United States. It was explained by the Federal Reserve expert that the Federal Reserve has never turned down any demand for currency. All it wants is good collateral. The astronomical proportion of the debt structure of the United States throws some light on the trouble with the collateral. It is already mortgaged for more than it is worth. Obviously some other method must be devised to put cash in the dried-up arteries of credit. The issue is between the school which proposes a transfusion of new blood in the shape of silver and the school which proposes that the patient shall linger through a long period of convalescence from so-called "natural causes" and subject to the same diseases that brought him low.

ONE HUNDRED BILLIONS OF MONEY

I cannot dismiss this question of credit money, whose intrinsic value is 19 points confidence and 1 point cash, without one more reference to the testimony of the Federal Reserve expert. On page 92 of the hearings is to be found a chart which shows that in 1922, on reserves of $1,780,000,000, the banks were carrying $38,000,000,000 in deposits; that in 1929, on reserves of $2,360,000,000, they were carrying a deposit structure of $55,000,000,000, and that if these reserves were to be increased to $5,000,000,000 they would carry a deposit, meaning purely a book deposit, meaning merely a debt to depositors, in the inconceivable sum of $106,000,000,000, or $21 to $1, and this with no real money whatever under it. When the top blew off of that volcano, it would make the 1929 eruption look like a pinwheel. Like the explosion of Krakatoa, its dust would be settling over the world for a generation.

STUDY OF MONEY HAS JUST BEGUN

Mr. Speaker, for the first time in the history of monetary legislation money and commodity prices are being considered in connection with each other. The monetary policy is being studied and directed toward the goal of raising and stabilizing the commodity price level. It is clearly perceived that we cannot restore prosperity and a normal and healthful economic life with a hundred and fifty-cent dollar and a fifty-cent commodity. On March 4, 1933, the dollar, compared with the normal 1926 commodity price level, was worth $1.67, while the 800 commodities going to make up the price level were worth about 50 cents. It was with the avowed objective of bringing the dollar down and the commodity up to the 1926 price level, that the present gold policy was put into effect. The gold content of the dollar was cut to a fraction under 60 cents; that is, from 23.22 fine grains to 13.71 fine grains of pure gold. In other words, the value of the dollar was cut 40 percent. This had the effect of cheapening the dollar on foreign exchange, but so far as raising the domestic price level is concerned it produced results identical with taking the British pound sterling off the gold standard, which in a period of 2 years reduced the pound sterling 40 percent, but raised domestic commodity prices in England only 50 percent. A somewhat similar experiment in Sweden had the same result.

FROM WALL STREET TO WASHINGTON

The gold policy of the present administration has been a great, daring, and worth-while experiment. This policy, along with the stock-exchange and securities legislation and the rest of the recovery program, is accomplishing something momentous which perhaps many people do not realize. It is in effect removing the Capital of the United States from Wall Street to Washington. Whatever else may be said about the monetary policies and the other policies of the present administration, it cannot be said that they are being dictated from Wall Street. That road to ruin has been abandoned, although at a cost greater than all the wars in our history.

At the same time it must be said that the advocates of an enlarged currency through the remonetization of silver did not anticipate the reaching of the 1926 price level through gold devaluation, and are therefore not disappointed. It is their belief that it would have been less experimental, more susceptible of a return to what lawyers call the "status quo ante" in the event of failure, had gold been left just as it was and silver moved into the picture; that the best way to have cheaper gold was to give it its age-old competitor, silver—silver standing on its own bottom; silver purchasing itself and redeeming itself; silver not tied to or dependent upon gold. If such a plan had been tried and failed, God would still reign and the Government at Washington still live. Silver could be removed from the picture, and one more issue in American politics would be finally settled.

Mr. Speaker, I have injected very little partisanship into my utterances and actions in the Seventy-third Congress. I do not believe that I have once used the word "Republican", and certainly not in a derogatory sense. I have felt repeated irritation over the pettifogging and the piffling partisanship so dear to the hearts of certain Members on both sides of the aisle and so often in evidence in the debates—what I call wash day, when the dirty laundry is brought out and displayed to the galleries. I propose to use the word, however, and use it in a critical sense in connection with the minority report on this bill. The minority report is signed by 8 of the 9 Republican members of the Committee on Ways and Means. Their main complaint is that the bill was not given sufficient consideration by the committee. This complaint was made about all the other major acts on the recovery program. Admitting the complaint to be true, I want to say two things: First, silver legislation has been debated in Congress for 60 years. It has been a subject of consideration throughout this Congress. The Member of Congress who does not know whether he is for or against silver legislation does not know enough to be a Member.

The House of Representatives has passed the Dies bill, the first silver bill to pass either branch of Congress since the Sherman Act 44 years ago, and passed it by an overwhelming majority. The Committee on Coinage favorably reported the Piesinger bill over 2 months ago. The Senate in the special session only defeated the Wheeler complete remonetization bill by a vote of only 44 to 33, and in this session the Wheeler amendment was defeated in the Senate by the slim margin of 45 to 43. Silver legislation has been considered in the House Committees on Foreign Affairs, on Banking and Currency, and on Coinage, and in two or three Senate committees. There is no subject before the Seventy-third Congress which has received more consideration than the rehabilitation of silver.

Secondly, the same objection of want of committee consideration, and indeed of House consideration was made regarding the passage of the legislation repealing the gold-payment clause in $100,000,000,000 of bonds and contract obligations and the legislation demonetizing gold and reducing the value of the dollar 40 percent. Both of these radical departures from the fixed monetary policy of the past was opposed by the Republican minority as destructive of money and of the national credit. They were destructive of neither. All the dire prophesies made against the gold legislation have failed to materialize.

The outstanding comment on the action of the Republican minority on the Ways and Means Committee remains to be made. That comment is that they are opposed to all legislation for the expansion of the currency. They are for the gold standard, established by their party. They struck down silver and they want to keep it down. Their idea of sound money is a piece of paper signed by a bank president, and their idea of fiat money is a piece of paper signed by the Secretary of the Treasury of the United States. They believe the banks should issue and control money instead of the Government. They would have been opposed to this bill no matter how long it was considered, or any other bill seeking to add silver to the monetary system of the country. They dream of a return to normalcy, which was defined by the author of the "New Dealers" as "a return to predatory corporate chicanery on a planetary scale." They yearn for the good old days when these predatory interests financed national campaigns in exchange for the privilege of plundering the people. It is my firm conviction that, in the language of an old cartoon, "Them days is gone forever."

The real issue which should concern the Republican Party is whether it can change its course. It cannot survive as the political agent of a dead order. It is unthinkable that the people of the United States should again suffer the reign of wealth in government. This reign and Republicanism have been synonymous. All things come to an end. Can the Republican Party adapt itself to change as has the Democratic Party? What field will it occupy? Today it stands athwart the unmistakable trend of the times. There is nothing new in its opposition to this legislation. It is opposed to all legislation seeking new ways out. It is a house divided against itself, one half moving toward a field which is already occupied and the other clinging to a position which is already lost. This is the issue of issues confronting the Republican Party.

In conclusion, Mr. Speaker, this Congress left to its own resources would have passed a complete remonetization bill. This fact should be borne in mind in the administration of this law.

ORDER OF BUSINESS

Mr. SNELL. Mr. Speaker, may I ask the majority leader in respect to the program for the remainder of the day?

Mr. SAMUEL B. HILL. Mr. Speaker, will the gentleman yield? The first order of business is the vote on the silver bill.

Mr. SNELL. I just want to ask the majority leader about the program this afternoon after we vote upon the silver bill.

Mr. BYRNS. I understand the conference report on the District of Columbia appropriation bill will be called up, and that after that probably the gentleman from Georgia [Mr. TARVER] will call up the rule upon his bill. After that the rule making in order the bill authorizing the District of Columbia Commissioners to borrow money from the P.W.A. will be called up.

Mr. SNELL. Since the majority leader received unanimous consent for an evening session to call the Private Calendar tonight, Members on this side of the aisle who look after that calendar have informed me that they are not ready to go forward. They did not know that the matter was coming up and they have not prepared the bills for tonight. Under those circumstances I think it would be foolish to have a meeting, because probably we would not get very far.

Mr. BYRNS. Of course, we do not want to meet here and not do business as we did the other night.

Mr. SNELL. These gentlemen have been pushed pretty hard and if the gentleman could put it off 1 night there would be no objection. Of course, the gentleman has already obtained unanimous consent for the session tonight. I did not object at that time, but none of those gentlemen were on the floor at the time. They have since come to me and have told me that they are not ready and cannot proceed tonight.

Mr. SABATH. Mr. Speaker, there are some of those private bills to which there is no objection and they can be disposed of in no time. That will give us that additional time. I think we ought to go on and get these little things out of the way.

Mr. BYRNS. Perhaps we can get together and talk about it later today.

Mr. SNELL. They say they will be ready by tomorrow night.

Mr. BLANTON. Mr. Speaker, the time for the minority leader to have made the observation that he has was when the question was under consideration. The majority leader has arranged for tonight. We who had other engagements tonight have broken them, and we have arranged to be here tonight and have transferred those engagements to tomorrow night.

Mr. SNELL. No one knows better than the minority leader when the time to object is, but I wanted to cooperate, and I am telling the gentleman from Tennessee what the situation is at the present time so that we may cooperate. If the gentleman does not want to do that we can take care of our side all right.

Mr. BLANTON. All right, and we will take care of our side and we will be here tonight.

Mr. SNELL. I have not asked the gentleman from Texas any questions. I was talking to the majority leader.

Mr. BLANTON. And I have not asked the gentleman from New York any questions; I do not have to. I think I know as much about the situation as he does. [Cries of "Regular order!"]

A GOVERNMENT MARKETING CORPORATION FOR AGRICULTURE

Mr. SINCLAIR. Mr. Speaker, I call attention of the Members to a marketing bill which I have introduced, which is of great importance to the farmers and consumers of the country. I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. SINCLAIR. Mr. Speaker, the Agricultural Adjustment Act has now been in operation long enough to indicate how it is going to work. With the National Industrial Recovery Act it forms the major part of the administration's plan in the drive to lift the Nation out of the depression. Under the plan in its simplest terms industry is authorized to fix a reasonable price, based on cost, on all its products by reason of the codes, and is protected in that course from any price-cutting and underselling of competitors. It is a cost-plus proposition under Government supervision.

The effect of this has been that all factory products in the main have been stepped up in price, some 20 to 30 percent, and even higher, during the past year. On the other hand, the farmer has been asked to reduce his acreage in order to wipe out some of his surplus production, and he is paid a rental for these acres taken out of production. The money to pay this rental comes from a fund created by processing taxes on the commodity. This plan will increase prices on the whole that the farmer receives for his crops. It will likewise increase the price of all processed farm products to the consumer. The ultimate object to be attained is to give the farmer a parity price on his crop equal to that which prevailed between the years 1909 to 1914, inclusive.

WHY RECOVERY PLAN HAS FAILED

When this legislation was first proposed over a year ago, it was expected that a billion dollars could thus be transferred in each year from the consumers to the pockets of the producers of all farm crops. This, in fact, is the purpose of the allotment plan. There is no doubt but that this would have been the result had industry stood still during this period. However, the industrial recovery law was also enacted, which made it possible for all business and industry also to increase prices. Since industry is far better organized than agriculture, the effect was immediately felt by higher prices in business 3 months before agriculture could get started under its plan. What happened, as far as agriculture is concerned, was well expressed by a farmer constituent of mine, as follows: "When the whole recovery program was worked out, and got under way about mid-July last year, overalls were selling at the store for $1.05 a pair, and wheat was worth at the elevator 64 cents a bushel. Today overalls are worth $1.49 a pair, and wheat has gone down to 59 cents a bushel." The economic benefit is pretty hard for the farmer to see under these conditions.

The Bureau of Agricultural Economics recently reported that the index of prices received by farmers declined 2 points during the month ending April 15. The index was 74 on April 15, 1934, compared with 55 on April 15, 1933. The index of prices paid by farmers was 120 on April 15, 1934, which was exactly 19 points higher than a year ago. Thus practically every advantage so far obtained by the operation of the crop-reduction laws has been wiped out for the farmer by the workings of the National Industrial Recovery Act.

LIMIT COSTS OF DISTRIBUTION

A second and more important reason for the failure of the program to be of greater aid to the farmer is the fact that no method has been provided to lessen or control the costs of distribution. Instead, costs have been added to this operation. Both producers and consumers have long complained against the charges and commissions of middlemen. The principal incentive for the organization of the cooperative movement among farmers has been the elimination of this cost. Yet, under the administration act, as now enforced, this spread, or cost has grown greater, rather than diminished. Not only does it cut down the total amount paid producers in the aggregate for their products by limiting total production but it also reduces the buying power of their customers by raising the price. In other words, the recovery program, when viewed as a whole, is somewhat of an anomaly, or self-contradictory proposal. Congress has given industry the right to fix prices on its products to include all costs and a reasonable profit—a sort of cost-plus guaranty. On the other hand, it has given agriculture a hoped-for parity price as of the pre-war period without regard to the increased overhead of debts,

interest, taxes, and all other living expenses. Under these circumstances, and unless further steps are taken, the experiment seems bound to fail in the long run.

CREDIT FOR FARMERS

Congress has also set up the Farm Credit Administration, which proposes to refinance all farm debts, both on land and chattel security, and guarantees the payment of interest and principal to the investor. Today, the Government finds itself in this position: Its most productive plant is engaged in a work, farming, which cannot help but operate at a loss under existing laws in the recovery set-up, and it obligates itself to pay those losses insofar as they are represented by farm loans. Of necessity, many of the farmers must default in payments of their interest and principal as it falls due, if they are forced to operate on a restricted parity price for the crops they sell, while everything they must buy in order to produce these crops is sold to them at a profit. The selling and buying prices are upon two different bases, and the farmer is at a constant disadvantage.

There has long been a wide margin between producer and consumer in the prices of farm products. Even before the World War, farmers protested against the low prices paid them for many of the things they raised. They realized that they did not receive a sufficient share of what the consumer paid. At the same time the consumer felt that he was being overcharged. Studies made by economists at various times indicate that the farmer received, on the average, about one-third of the consumer's dollar. Or, putting it another way, for every dollar of food products sold by the farmer, the consumer had to pay about $3. In 1929 the consumers of the United States paid approximately $24,000,000,000 for their food products. The producers received but $9,000,000,000 for those same products, and the difference in price was added by the distributors.

Many people are of the opinion that the largest part of this marketing bill is due to exorbitant transportation charges. This we find is not the case, however, for freight charges are one of the lesser items of distribution costs. They amount to less than $4,000,000,000 annually for the Nation. While the disparity in prices has been noticeable for years, it has grown markedly of late years. It is a fundamental cause for the failure of agriculture to operate on a paying basis.

STUDIES OF CONSUMERS' COUNSEL

A division known as the "Consumers' Counsel" has been created within the Agricultural Adjustment Administration, at the head of which is Dr. Frederick C. Howe. Under his able direction some very valuable work has been done for both consumers and farmers in studies of the marketing problem. Not the least important of the disclosures made is the fact that during all this depression, while both producer and consumer have been suffering, the middlemen, the distributors, and processors have been making substantial profits. Back in the boom days of 1928 and 1929 the distributors and processors were getting 52 cents out of every dollar spent for 14 of the most necessary food products. With the depression, prices and wages fell. The income of laboring men of the United States was $22,000,000,000 less in 1932 than in 1929. This reduced pay roll for labor did not seriously affect the profits of middlemen. They continued to get about the same profit each year. The distributors paid the farmers less money for the food they raised and also took a greater profit from the consumers. In March 1933 the distributors took 69 cents of the consumer's dollar and, in the main, increased their percentage of profits, even at the lowest point of the depression. Prices of food products have gone up slightly since 1933, owing in part to Governmental influences, and we find that the distributor's share of the consumer's dollar in March 1934 was 62 cents, a slight drop in his profits from the previous year. Of course, this amount is out of proportion to the service performed.

In many cases the farmer does not receive the benefit of the processing taxes placed on the basic commodities and paid by the consumer. Too often it is taken out of the farmer's price, while at the same time it is added to that charged the consumer. Some distributors have used it as an excuse for increasing their profits instead of merely passing on the exact amount of the tax to the final consumer.

When we break down the principal food products into classes, we find a wide disparity in the amount the producer receives of the consumer's dollar. For instance, in poultry and eggs 56 percent of the dollar paid is returned to the farmer, probably due to more direct marketing methods. Likewise, on dairy products he gets about 50 percent, but on wheat and other grains we find the greatest disparity. In these commodities the farmer gets as little as 21 cents of the dollar paid by the consumer.

RESTORE AGRICULTURE WITH BETTER PRICES

The Department of Agriculture has submitted figures which show that the processing tax on wheat amounts to the value of about an ordinary slice and a quarter of bread, but that in the larger cities the bakers have increased their prices because of the tax, they say, enough to cover not only the tax but the entire cost of the whole loaf. The effect of the present system of marketing, coupled with low prices, has been to break down all agriculture.

Farmers have been forced to produce crops at a loss, have been forced to go into debt, and have been unable to buy the usual quantity of factory goods. They have almost ceased to be consumers of industry except for the most meager necessities. They have quit building new homes, so are not in the market for lumber, hardware, cement, and other building materials. They are making the old machinery do a few years more, and are wearing the old clothes far beyond the normal length of time. And when we reflect that at least 50,000,000 of our people are directly dependent on agriculture for a livelihood, we can well understand the depressing effect on industry when they have to stop or curtail their buying of factory products. It has a direct effect upon labor and upon manufacturing enterprises. The best customers of industry are taken out of the market because of economic stress. I believe it can be truthfully stated that the greatest cause of this depression is due to the economic losses of farmers, and its continuation is augmented by growing and prolonged losses from year to year. There is no doubt that a restoration of better prices for farm products would immediately lift us out of the depression, return industry to its normal capacity, and put to work most of the men now idle.

PRESENT SYSTEM EFFICIENT IN PRODUCTION

There are those who dolefully say that our present economic system is in complete collapse and beyond all hope of repair. They predict that we are "on the road to Moscow", and every move of the new deal and the so-called "brain trusters" but confirms that view. They insist that it will be impossible for us to lift ourselves out of the depression and that such relief as is being extended is only temporary with a probable bigger collapse later on. I do not agree with these contentions. I fully realize that many serious mistakes have been made and vicious practices have crept into the conduct of our business life. Wild speculation and exorbitant profits have been permitted. The wealth of the Nation has become concentrated in the hands of a few men to a degree never known in the history of the world. Despite all these inequalities and the cruelties of the capitalistic system, as carried on by American business, it has, nevertheless, proved to be one of the most effective productive machines ever devised by civilized man. Our present-day efficiency in production is not equaled anywhere in the world. The idea of profit has been allowed to dominate, and in consequence we have failed to improve our marketing and distributing system in keeping with our superior production. The volume of business done in the United States is almost as great as that done by all the rest of the world. In 1929 it amounted to twelve hundred billion dollars' worth. No other nation even approaches this marvelous and astounding total.

The problem facing our economists—and it is a governmental problem—is to lower costs of distribution of our prod-

ucts and at the same time secure a more equitable distribution of our wealth.

GOVERNMENT EXPORT MARKETING CORPORATION IS THE SOLUTION

I have introduced in the House a bill to correct the abuses of our present marketing system, H.R. 8981. This bill was first introduced in Congress in 1923 and was known as the "Norris-Sinclair bill", having been offered by Senator NORRIS and myself. It formed the basis for the several marketing measures that were subsequently considered following that period of falling prices of farm commodities, which finally culminated in the passage of the McNary-Haugen bill. The Norris-Sinclair bill was favorably reported by the Agricultural Committees of both House and Senate, but failed of enactment.

In a speech in the House on May 22, 1924, just 10 years ago, I said:

Unless this bill is passed or something of this kind is done, we are going to see the worst times that the United States has ever experienced.

I do not claim to be a prophet, but I think that everyone will admit the prediction has been fully verified. I have not changed my views as to the urgent necessity for the legislation, and in an effort to be helpful I have again presented my bill, somewhat revised in form, to supplement the legislation already enacted.

It is the duty of the Government to control the profits of distribution, just as it is the duty of the Government to limit and control the charges of transportation, the costs of public-service utilities, and the rate of interest on money. Farmers of the United States must get a price for their products equal to the cost plus a reasonable profit, and this must be accomplished without raising prices to consumers, who are already paying all and more than they can afford. Both must be protected from the inroads of the middleman. A solution of the distributing problem can be had under the provisions of my bill, which proposes to set up a Government export marketing corporation for the purchase and sale of farm products. Under the terms of the proposed legislation profits can be controlled within reasonable limits, congestion of markets can be prevented, and shipments will be directed to centers where the need for them exists. Thus, a great deal of waste can be avoided, and the benefits accrue to both producers and consumers.

CONCLUSION

It is now about 15 years since I introduced in Congress the first bill to stabilize the price of farm products. I think I may correctly say that I am a pioneer in the fight to restore agriculture to a paying basis, and that during all this period no move which promised any relief for that industry has failed of my active support. Despite every effort that could be put forth, both by farmers themselves and their friends here, for economic justice, their condition has grown steadily worse until we are today confronted by a situation so tragic and desperate as to beggar description. I am absolutely convinced that refinancing loans to farmers, no matter how low the rates, is not the solution of the problem. This will help, of course, but in order to pay any interest at all and to free themselves of the staggering burden of indebtedness, they must have a fair price on their products and an honest money system. My bill, H.R. 8981, will go a long way toward assuring fair prices. A sound money system can be had if Congress will exercise its constitutional authority and stabilize the value of money. Such a program will insure the return of prosperity on a permanent foundation, not only for farmers but also for the rank and file of the American people.

REPUBLICANISM AND DEMOCRACY CONTRASTED

Mr. FISH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. FISH. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered by myself at a luncheon and conference of the Republican Women of Virginia, at the John Marshall Hotel, Richmond, Va., on Tuesday, May 29, 1934:

The Republican Party represents today much more nearly the principles of Thomas Jefferson than does the socialistic Democratic administration at Washington, which stands for a huge centralized bureaucratic government, regimenting and controlling the daily lives and interfering with the business of millions of free Americans.

What has become of the Jeffersonian Democrats of the South, who for more than a century and a quarter have opposed a centralized Federal Government and stood for the rights and liberties of the individual, State rights, and against interference by the Government in the conduct of legitimate business?

I am reminded of the story alleged to have been told by Abraham Lincoln. He said two men started fighting with their overcoats on, and they fought so hard that they fought themselves into each others overcoats. It looks to me as if the Democratic Party has fought itself into the Republican overcoat of centralized government, and, not stopping there, has gone on away beyond that into State socialism, if not actual socialism.

The great State of Virginia gave to the country such fearless and able champions of freedom as Patrick Henry and Thomas Jefferson. It was Patrick Henry who, denouncing the tyranny of the English Government, uttered the immortal words, "Give me liberty or give me death", and it was Thomas Jefferson who wrote the Declaration of Independence, a new Magna Carta of liberty and representative government.

It was James Madison, John Marshall, and George Washington, all native Virginians, who were the strongest advocates of the Federal Constitution. Madison did more in framing the Constitution and securing its adoption than any of the founders of our Government.

Thank heaven, the voice of Virginia in the Halls of Congress is still fearless and outspoken against those who would tear down the Constitution and destroy the constitutional rights and liberties of the American people. I admire the courage and patriotism of Senator CARTER GLASS, who in the great crisis with which our free institutions are threatened does not hesitate to place the welfare of his country above the socialistic doctrines of his party, even though he stands almost alone. There are only a handful of Senators, including his colleague, Senator BYRD, who dare openly to fight the unsound and un-American projects and brainstorms of the "brain trust."

The Representatives in the House from Virginia, while still giving lip service to Thomas Jefferson, have voted on almost every occasion with the "brain trust" to repudiate Jeffersonian principles. I hope that the Republicans of Virginia will nominate their ablest and strongest candidates for Congress, and come out openly in defense of Jeffersonian principles of government, and, above all, for the preservation of the integrity of the Constitution, to the end that the blessings of liberty and our representative form of government shall be safeguarded and passed on to future generations of free Americans.

I do not believe that Virginians, irrespective of partisanship, will compromise with alien ideals or socialism in any form. Socialism was not voted into power in the last Presidential election. If the American people had wanted socialism they would have voted for Norman Thomas, who received less than a million votes.

We are in the midst of a social and economic revolution, call it a new deal or socialism by another name, in which our free institutions and the rights and liberties under the Constitution are being continually scrapped. The right to ownership in private property and the profit system is being challenged and undermined by various socialistic members of the "brain trust", and for the first time in American political life class hatred is being cultivated and broadcasted from Washington.

Soak the rich, and even the people of moderate means, is the order of the day. Socialism is in the process of being tried out by the Democratic administration under the guise of reform and radicalism. It is perhaps just as well to try out some of the unsound theories of socialism under a Democratic administration, as they cannot succeed in a free country without applying compulsion, coercion, and force.

The Democratic Party is rapidly demonstrating its incapacity to govern within the bounds of reason and moderation. As a national party it has actually shown itself unfit and disqualified for future public support on its record of repudiation of practically all of its campaign pledges, including reduction of 25 percent in the running expenses of the Government, balancing the Budget, and the practice of economy.

The Republican national platform of 1908, in contrasting republicanism with democracy is almost prophetic of the events that have developed a quarter of a century later. The following is an extract from the Republican platform at the end of Theodore Roosevelt's administration—and I only wish we had more men in public life of his high degree of courage and steadfast Americanism; he would have never compromised with the "brain trust", socialism, or attacks on the Federal Constitution:

"REPUBLICANISM AND DEMOCRACY CONTRASTED

"Beyond all platform declarations there are fundamental differences between the Republican Party and its chief opponent, which makes one worthy and the other unworthy of public trust. In history the difference between Democracy and Republicanism is

that one stands for debased currency, the other for honest currency; the one for free silver, the other for sound money; the one for free trade, the other for protection; one means doubt and debt, the other confidence and thrift.

"The present tendencies of the two parties are more marked by inherent differences. The trend of democracy is toward Socialism, while the Republican Party stands for a wise and regulated individualism. Socialism would destroy wealth, Republicanism would prevent its abuse. Socialism would give to each an equal right to take, Republicanism would give to each an equal right to earn.

"In line with this tendency the Democratic Party today believes in Government ownership, while the Republican Party believes in Government regulation. Ultimately, Democracy would have the Nation own the people, while Republicanism would have the people own the Nation."

Let us give business a chance, remove the heavy hand of Government control and regimentation. Let the Government encourage business to make reasonable profits instead of placing private enterprise in a strait-jacket. Let the Government say to business, "We are with you and not against you", and stop advocating Government ownership and Socialism. Confidence would be restored overnight and the wheels of industry would begin to hum and provide employment for millions of loyal American wage earners.

The work of the pioneers in our Western States did not spring from regimentation and collectivism but from courage and the indomitable energy of individual Americans. We have already gone too far toward socialism. We should curtail rather than extend the shackles on business, and restore individual effort and incentive which has made our country the greatest, richest, and freest republic in the world.

How shall we regain control of the Nation in 1936? It cannot be done by remaining supine or by looking backward. Times and economic conditions have changed; we must not only look forward, but stand for progressive legislation and for social and industrial justice under the Constitution. We cannot and ought not to succeed on a reactionary record. We should seek a square deal for capital and labor and for all men and women, no matter what their position in life. The public welfare must be our aim and the happiness of the greatest number our goal.

We should recall and welcome to our ranks those millions of voters who, from one cause or another, left us, due to unemployment and financial distress in 1932, and in that way we shall be enabled to restore the Government to a constitutional form based on the traditions, principles, and fundamental ideals as enunciated by Washington, Jefferson, Lincoln, and Theodore Roosevelt.

The sound and constructive principles of the Republican Party are more needed today than ever before to restore business confidence and to start the wheels of industry in order to provide employment for American wage earners, and we shall welcome the support of constitutional Democrats, when they get ready to turn away from state socialism back to the principles of Jefferson and Jackson and the Constitution of the United States.

There are some pussyfooting Republicans who oppose any criticism of the "brain trust" and would adopt a mealy-mouthed, timorous policy on the new deal. The Roosevelt honeymoon cracked up on the Farley air-mail fiasco 3 months ago. It is time that the Republicans exposed the socialistic and unconstitutional features of the new deal. Prominent Democrats are beginning to squirm and to openly protest the radical departure from tried American principle sand ideals of government. Republicans are not the only critics of the administration policies.

In view of the fact that we are in the midst of the baseball season, I submit the following baseball team of heavy-hitting Jeffersonian and constitutional Democrats to stack against the the "brain trust" champions in the new-deal league:

Pitcher—Alfred E. Smith, of New York.
Catcher—John W. Davis, of West Virginia.
First base—William Randolph Hearst, of California.
Second base—Owen D. Young, of New York.
Shortstop—Senator Carter Glass, of Virginia, captain.
Third base—Former Senator James A. Reed, of Missouri.
Left field—Gov. Joseph B. Ely, of Massachusetts.
Center field—Senator Josiah W. Bailey, of North Carolina.
Right field—Senator M. M. Logan, of Kentucky.
Manager—John N. Garner, of Texas.
Assistant manager—Gov. Albert C. Ritchie, of Maryland.
Publicity agents—Walter Lippmann, H. L. Mencken, James P. Warburg.
Coach—Joseph P. Tumulty, of New Jersey.
Substitutes—Representative George B. Terrell, of Texas; Representative James R. Claiborne, of Missouri; Hon. Bainbridge Colby; Hon. Newton D. Baker; Gov. Eugene Talmadge, of Georgia; Senator Royal S. Copeland, of New York; Senator David I. Walsh, of Massachusetts; Senator Millard E. Tydings, of Maryland; Senator Thomas P. Gore, of Oklahoma; and Senator Harry F. Byrd, of Virginia.

SILVER

Mr. PARSONS. Mr. Speaker, I ask unanimous consent to proceed for 3 minutes.

The SPEAKER. Is there objection?

Mr. SAMUEL B. HILL. Does that replace the vote on the silver bill?

The SPEAKER. It does not.

Mr. BLANCHARD. Mr. Speaker, I reserve the right to object. I made a similar request a few days ago and was denied the privilege. I should like to know whether if we make no objection now I might be granted 5 minutes after the close of business today?

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PARSONS. Mr. Speaker, I have asked for this time for the purpose of propounding an inquiry to the Chairman of the Committee on Ways and Means and to the gentleman from Texas [Mr. DIES] as to what will become of the original Dies bill should the bill which we are now considering and which we are about to vote on be passed by the House and be sent to the Senate and become a law?

What will become of the original Dies bill that was passed by this Congress on March 19?

Mr. DOUGHTON. It is within the jurisdiction of the other body. I cannot tell what disposition will be made of it over there. Moreover, I am not prepared to speak for the gentleman from Texas [Mr. DIES], who can usually speak for himself. I have no definite knowledge as to what the Senate may intend to do.

Mr. PARSONS. I should like to make the same inquiry of the gentleman from Texas [Mr. DIES], the author of both these bills.

Mr. DIES. Of course, the original bill was reported favorably by the Senate Committee on Agriculture, with the Thomas amendment, and it is now on the calendar. No one can predict what will happen in the Senate. It is impossible to give the gentleman a definite answer as to what the action of the Senate will be.

Mr. PARSONS. I feel very strongly upon this silver question. In my humble judgment, the original Dies bill was a better bill for the agricultural interests of the country than the bill that is now before the House. I am going to support this bill this morning for one reason only, and that is to give the Secretary of the Treasury an opportunity to carry out the provisions and mandatory legislation that we are placing in his hands. I am going to vote for it with some misgivings, but, as I say, with this in mind, to give him an opportunity to see if he will do something with silver. If he fails to carry out the provisions that are placed in his hands, then I prophesy that in the next Congress the silver question will forge to the front, as the gentleman from Colorado [Mr. MARTIN] stated, or there will be a new Secretary of the Treasury, and there will be different activities as far as silver is concerned, in the next Congress. [Applause.]

Mr. DIES. Will the gentleman yield?

Mr. PARSONS. I yield.

Mr. DIES. The gentleman realizes that the Senate has a choice between the two bills. Both of them will be deposited on their doorstep.

Mr. PARSONS. But if the Senate brings forth the original Dies bill, it can also pass it and send it to the White House if it so chooses.

Mr. DIES. That is true.

Mr. PARSONS. Mr. Speaker, I yield back the balance of my time.

The SPEAKER. The question is on the passage of the bill.

Mr. MOTT. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. MOTT. In its present form, I am.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. MOTT. Yes; I am opposed to the bill.

Mr. O'CONNOR. Mr. Speaker, I believe the question should be, "Does the gentleman intend to vote against the bill?" We have had that thrashed out.

The SPEAKER. The Chair thinks that is true. Is the gentleman opposed to the bill and will he vote against it?

Mr. SNELL. Mr. Speaker, I do not think it has been necessary to ask whether he is going to vote against the bill. The only thing that is required is, "Is he against the bill?"

The SPEAKER. That is one way of finding out.

Mr. SNELL. If the gentleman is not opposed to the bill, I will offer the motion to recommit, because I am against the bill and I intend to vote against it.

Mr. MOTT. I am not particular how the question is asked. If it is necessary in order to offer a motion to recommit to say that I intend to vote against the bill, I will say that I am opposed to the bill and that I intend to vote against it.

Mr. SNELL. It never has been asked in this way in the world.

The SPEAKER. That is the way to find out. Gentlemen of the minority have stated they were against a bill and then have voted for the bill. The Chair is going to find out hereafter whether they are against the bill or not.

The Chair understands the gentleman from Oregon [Mr. MOTT] is opposed to the bill and will vote against it.

The Clerk will report the motion to recommit.

The Clerk read as follows:

Motion by Mr. MOTT: I move to recommit the bill with instructions to report the same back to the House with the following amendments:

On page 1, line 10, after the word and figure "section 3", strike out the section and insert in lieu thereof the following:

"SEC. 3. Whenever and so long as the proportion of silver in the stocks of gold and silver of the United States is less than one-fourth of the monetary value of such stocks, the Secretary of the Treasury is authorized and directed to purchase silver, newly mined in the United States, for present or future delivery, at such rates, at such times, and upon such terms and conditions as he may deem reasonable and most advantageous to the public interest: *Provided*, That all such silver shall be purchased with silver certificates, and not otherwise, and the Secretary of the Treasury is authorized and directed to issue silver certificates for that purpose in such denominations as he may from time to time prescribe in a face amount not less than the cost of all silver purchases under the authority of this section.

"Strike out section 6 and all subsequent sections of the bill."

Mr. COOPER of Tennessee. Mr. Speaker, I make a point of order against the motion to recommit. As I understood it, it does not state to whom the bill is to be recommitted, or whether it is to be reported back or not.

Mr. MOTT. Mr. Speaker, I move to insert, following the word "bill", the words, "to the Ways and Means Committee."

The SPEAKER. Without objection, the words will be inserted.

There was no objection.

The SPEAKER. The Chair overrules the point of order. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. MCGUGIN) there were—ayes 59, noes 163.

Mr. ENGLEBRIGHT. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 71, nays 269, answered "present" 2, not voting 89, as follows:

[Roll No. 154]

YEAS—71

Allen	Dowell	Kinzer	Ransley
Andrews, N.Y.	Eltse, Calif.	Knutson	Rogers, Mass.
Bacharach	Englebright	Kurtz	Seger
Bakewell	Evans	Lambertson	Sinclair
Blanchard	Fiesinger	Lamneck	Snell
Boileau	Fish	Lemke	Stalker
Bolton	Focht	Luce	Taber
Buckbee	Frear	Lundeen	Taylor, Tenn.
Carter, Wyo.	Gifford	McFadden	Thomas
Clarke, N.Y.	Gilchrist	McGugin	Tinkham
Collins, Calif.	Goodwin	McLean	Traeger
Connolly	Griffin	McLeod	Waldron
Corning	Hancock, N.Y.	Marshall	Whitley
Culkin	Hartley	Martin, Mass.	Wigglesworth
Darrow	Holmes	Mott	Withrow
De Priest	James	Peavey	Wolcott
Ditter	Kahn	Perkins	Wolverton
Dondero	Kelly, Pa.	Powers	

NAYS—269

Adair	Berlin	Brown, Mich.	Caldwell
Adams	Biermann	Brunner	Cannon, Mo.
Arens	Bland	Buchanan	Cannon, Wis.
Arnold	Blanton	Buck	Carden, Ky.
Ayers, Mont.	Bloom	Burch	Carmichael
Ayres, Kans.	Boehne	Burke, Nebr.	Carpenter, Kans.
Bankhead	Brooks	Busby	Carpenter, Nebr.
Beam	Brown, Ga.	Byrns	Cartwright
Beiter	Brown, Ky.	Cady	Castellow
Celler	Gillespie	Ludlow	Sabath
Chapman	Gillette	McCarthy	Sadowski
Chavez	Glover	McClintic	Sanders, La.
Christianson	Goldsborough	McCormack	Sanders, Tex.
Cochran, Mo.	Goss	McDuffie	Sandlin
Coffin	Granfield	McFarlane	Schaefer
Colden	Gray	McKeown	Schuetz
Cole	Greenway	McMillan	Schulte
Collins, Miss.	Greenwood	McReynolds	Scrugham
Colmer	Gregory	McSwain	Secrest
Condon	Griswold	Maloney, Conn.	Shallenberger
Connery	Guyer	Maloney, La.	Sirovich
Cooper, Tenn.	Hancock, N.C.	Mansfield	Smith, Va.
Cox	Harlan	Mapes	Smith, Wash.
Cravens	Hart	Martin, Colo.	Snyder
Crosby	Hastings	Martin, Oreg.	Somers, N.Y.
Cross, Tex.	Henney	May	Spence
Crosser, Ohio	Hess	Mead	Steagall
Crowe	Hildebrandt	Meeks	Strong, Tex.
Crowther	Hill, Ala.	Merritt	Stubbs
Crump	Hill, Knute	Miller	Studley
Cullen	Hill, Samuel B.	Milligan	Sumners, Tex.
Cummings	Hoeppel	Mitchell	Swank
Dear	Hoidale	Monaghan, Mont.	Sweeney
Deen	Hollister	Montague	Tarver
DeRouen	Hope	Montet	Taylor, Colo.
Dickinson	Howard	Moran	Terrell, Tex.
Dickstein	Huddleston	Morehead	Terry, Ark.
Dies	Hughes	Murdock	Thomason
Dingell	Imhoff	Nesbit	Thompson, Ill.
Dirksen	Jacobsen	O'Brien	Thompson, Tex.
Disney	Jenckes, Ind.	O'Connor	Tobey
Dobbins	Johnson, Minn.	O'Malley	Treadway
Dockweiler	Johnson, Okla.	Owen	Turner
Doughton	Johnson, Tex.	Palmisano	Umstead
Douglass	Johnson, W.Va.	Parker	Underwood
Doxey	Jones	Parks	Utterback
Driver	Kee	Parsons	Vinson, Ky.
Duffey	Keller	Patman	Wallgren
Duncan, Mo.	Kelly, Ill.	Pettengill	Walter
Dunn	Kennedy, Md.	Peyser	Warren
Durgan, Ind.	Kennedy, N.Y.	Pierce	Wearin
Eagle	Kenney	Plumley	Welch
Edmiston	Kerr	Polk	Werner
Eicher	Kleberg	Ramsay	West, Ohio
Ellenbogen	Kloeb	Ramspeck	West, Tex.
Elizey, Miss.	Kocialkowski	Rankin	White
Faddis	Kopplemann	Rayburn	Whittington
Farley	Kramer	Reece	Williford
Fitzgibbons	Lambeth	Reed, N.Y.	Williams
Fitzpatrick	Lanham	Reilly	Wilson
Flannagan	Lanzetta	Rich	Wood, Ga.
Fletcher	Larrabee	Richards	Wood, Mo.
Ford	Lea, Calif.	Robertson	Woodrum
Foss	Lee, Mo.	Robinson	Young
Frey	Lehr	Rogers, N.H.	The Speaker
Fuller	Lewis, Colo.	Romjue	
Fulmer	Lindsay	Rudd	
Gavagan	Lozier	Ruffin	

ANSWERED "PRESENT"—2

Beedy	Woodruff

NOT VOTING—89

Abernethy	Clark, N.C.	Lehlbach	Simpson
Allgood	Cochran, Pa.	Lesinski	Sisson
Andrew, Mass.	Cooper, Ohio	Lewis, Md.	Smith, W.Va.
Auf der Heide	Darden	Lloyd	Stokes
Bacon	Delaney	McGrath	Strong, Pa.
Bailey	Doutrich	Marland	Sullivan
Beck	Drewry	Millard	Sutphin
Black	Eaton	Moynihan, Ill.	Swick
Boland	Edmonds	Muldowney	Taylor, S.C.
Boylan	Fernandez	Musselwhite	Thom
Brennan	Foulkes	Norton	Thurston
Britten	Gambrill	O'Connell	Truax
Browning	Gasque	Oliver, Ala.	Turpin
Bulwinkle	Green	Oliver, N.Y.	Vinson, Ga.
Burke, Calif.	Haines	Peterson	Wadsworth
Burnham	Hamilton	Prall	Weaver
Carley, N.Y.	Harter	Randolph	Weideman
Carter, Calif.	Healey	Reid, Ill.	Wilcox
Cary	Higgins	Richardson	Wolfenden
Cavicchia	Jeffers	Rogers, Okla.	Zioncheck
Chase	Jenkins, Ohio	Sears	
Church	Kniffin	Shannon	
Claiborne	Kvale	Shoemaker	

The SPEAKER. The Clerk will call my name.

The Clerk called Mr. RAINEY's name, and he voted nay.

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Bacon (for) with Mr. Oliver of New York (against).
Mr. Simpson (for) with Mr. Sullivan (against).
Mr. Lehlbach (for) with Mr. Boylan (against).
Mr. Andrew of Massachusetts (for) with Mr. McGrath (against).
Mr. Jenkins of Ohio (for) with Mr. Truax (against).
Mr. Higgins (for) with Mr. Kniffin (against).
Mr. Beck (for) with Mr. Randolph (against).
Mr. Cooper of Ohio (for) with Mr. Peterson (against).
Mr. Eaton (for) with Mr. Chase (against).
Mr. Swick (for) with Mr. Clark of North Carolina (against).
Mr. Millard (for) with Mr. Brennan (against).

Mr. Stokes (for) with Mr. Delaney (against).
Mr. Wolfenden (for) with Mr. Browning (against).
Mr. Cochran of Pennsylvania (for) with Mr. Taylor of South Carolina (against).
Mr. Muldowney (for) with Mr. Darden (against).
Mr. Cavicchia (for) with Mr. Musselwhite (against).
Mr. Turpin (for) with Mr. Hamilton (against).
Mr. Doutrich (for) with Mr. Black (against).
Mr. Edmonds (for) with Mr. Sisson (against).
Mr. Kvale (for) with Mr. Drewry (against).
Mr. Shoemaker (for) with Mr. Prall (against).

Until further notice:

Mr. Vinson of Georgia with Mr. Britten.
Mr. Lewis of Maryland with Mr. Burnham.
Mr. Abernethy with Mr. Moynihan of Illinois.
Mr. Allgood with Mr. Wadsworth.
Mr. Sears with Mr. Strong of Pennsylvania.
Mr. Weaver with Mr. Thurston.
Mr. Oliver of Alabama with Mr. Reid of Illinois.
Mrs. Norton with Mr. Gregory.
Mr. Bulwinkle with Mr. Lloyd.
Mr. Gambrill with Mr. Thom.
Mr. Sutphin with Mr. Foulkes.
Mr. Smith of West Virginia with Mr. Healey.
Mr. O'Connell with Mr. Wilcox.
Mr. Shannon with Mr. Lesinski.
Mr. Weideman with Mr. Zioncheck.
Mr. Church with Mr. Haines.
Mr. Richardson with Mr. Marland.
Mr. Auf der Heide with Mr. Carley of New York.
Mr. Fernandez with Mr. Green.
Mr. Cary with Mr. Boland.
Mr. Harter with Mr. Bailey.
Mr. Burke of California with Mr. Rogers of Oklahoma.

Mr. RICH and Mr. FOSS changed their vote from "yea" to "nay."

Mr. BEEDY changed his vote from "yea" to "present."

Mr. DONDERO changed his vote from "nay" to "yea."

Mr. BLANCHARD. Mr. Speaker, I had an agreement with the gentleman from South Carolina, Mr. TAYLOR, to pair with him. In order to effectuate that agreement, I now desire to withdraw my vote and pair with the gentleman from South Carolina, Mr. TAYLOR, he to be recorded as "nay" on this vote, and I to be recorded as "yea" on this vote.

Mr. WOODRUFF. Mr. Speaker, I have a pair with my colleague from Michigan, Mr. MUSSELWHITE. Not knowing how he would vote on this question if he were present, I withdraw my vote of "yea" and vote "present."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. DOUGHTON and Mr. SNELL asked for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 263, nays 77, answered "present" 1, not voting 90, as follows:

[Roll No. 155]

YEAS—263

Adair	Cartwright	Douglass	Hancock, N.C.
Adams	Castellow	Dowell	Harlan
Arens	Celler	Doxey	Hart
Arnold	Chapman	Driver	Hastings
Ayers, Mont.	Chavez	Duffey	Henney
Ayres, Kans.	Cochran, Mo.	Duncan, Mo.	Hildebrandt
Bankhead	Coffin	Dunn	Hill, Ala.
Beam	Colden	Durgan, Ind.	Hill, Knute
Beiter	Cole	Eagle	Hill, Samuel B.
Berlin	Collins, Calif.	Edmiston	Hoeppel
Biermann	Collins, Miss.	Eicher	Hoidale
Bland	Colmer	Ellenbogen	Howard
Blanton	Condon	Elizey, Miss.	Huddleston
Bloom	Connery	Faddis	Hughes
Boehne	Cooper, Tenn.	Farley	Imhoff
Boileau	Cox	Fitzgibbons	Jacobsen
Brooks	Cravens	Fitzpatrick	James
Brown, Ga.	Crosby	Flannagan	Jenckes, Ind.
Brown, Ky.	Cross, Tex.	Fletcher	Johnson, Minn.
Brown, Mich.	Crosser, Ohio	Ford	Johnson, Okla.
Brunner	Crowe	Frey	Johnson, Tex.
Buchanan	Crump	Fuller	Johnson, W.Va.
Buck	Cullen	Fulmer	Jones
Burch	Cummings	Gavagan	Kee
Burke, Nebr.	Dear	Gilchrist	Keller
Busby	Deen	Gillespie	Kelly, Ill.
Byrns	DeRouen	Gillette	Kennedy, Md.
Cady	Dickinson	Glover	Kennedy, N.Y.
Caldwell	Dickstein	Goldsborough	Kenney
Cannon, Mo.	Dies	Granfield	Kerr
Cannon, Wis.	Dingell	Gray	Kleberg
Carden, Ky.	Disney	Greenway	Kloeb
Carmichael	Dobbins	Greenwood	Kocialkowski
Carpenter, Kans.	Dockweiler	Gregory	Kopplemann
Carpenter, Nebr.	Doughton	Griswold	Kramer
Lambertson	Miller	Rogers, N.H.	Terrell, Tex.
Lambeth	Milligan	Romjue	Terry, Ark.
Lanham	Mitchell	Rudd	Thomason
Lanzetta	Monaghan, Mont.	Ruffin	Thompson, Ill.
Larrabee	Montet	Sabath	Thompson, Tex.
Lee, Mo.	Moran	Sadowski	Turner
Lehr	Morehead	Sanders, La.	Umstead
Lemke	Murdock	Sanders, Tex.	Underwood
Lewis, Colo.	Nesbit	Sandlin	Utterback
Lindsay	O'Brien	Schaefer	Vinson, Ky.
Lozier	O'Connor	Schuetz	Waldron
Ludlow	O'Malley	Schulte	Wallgren
Lundeen	Oliver, Ala.	Scrugham	Walter
McCarthy	Owen	Secrest	Warren
McClintic	Palmisano	Shallenberger	Wearin
McCormack	Parker	Sinclair	Welch
McDuffie	Parks	Sirovich	Werner
McFarlane	Parsons	Smith, Va.	West, Ohio
McKeown	Patman	Smith, Wash.	West, Tex.
McLeod	Peavey	Snyder	White
McMillan	Pettengill	Somers, N.Y.	Whittington
McReynolds	Pierce	Spence	Williford
McSwain	Polk	Steagall	Williams
Maloney, Conn.	Ramsay	Strong, Tex.	Wilson
Maloney, La.	Ramspeck	Stubbs	Withrow
Mansfield	Rankin	Sumners, Tex.	Wood, Ga.
Martin, Colo.	Rayburn	Swank	Wood, Mo.
Martin, Oreg.	Reilly	Sweeney	Woodrum
May	Richards	Tarver	Young
Mead	Robertson	Taylor, Colo.	The Speaker
Meeks	Robinson	Taylor, Tenn.	

NAYS—77

Allen	Edmonds	Kelly, Pa.	Reed, N.Y.
Andrews, N.Y.	Eltse, Calif.	Kinzer	Rich
Bacharach	Englebright	Knutson	Rogers, Mass.
Bakewell	Evans	Kurtz	Seger
Beedy	Fiesinger	Lamneck	Snell
Blanchard	Fish	Luce	Stalker
Bolton	Focht	McFadden	Studley
Carter, Wyo.	Foss	McGugin	Taber
Cavicchia	Gifford	McLean	Thomas
Christianson	Goodwin	Mapes	Tinkham
Clarke, N.Y.	Goss	Marshall	Tobey
Connolly	Griffin	Martin, Mass.	Traeger
Corning	Guyer	Merritt	Treadway
Crowther	Hancock, N.Y.	Mott	Turpin
Culkin	Hartley	Perkins	Whitley
Darrow	Hess	Peyser	Wigglesworth
De Priest	Hollister	Plumley	Wolcott
Dirksen	Holmes	Powers	
Ditter	Hope	Ransley	
Dondero	Kahn	Reece	

ANSWERED "PRESENT"—1

Woodruff

NOT VOTING—90

Abernethy	Clark, N.C.	Lea, Calif.	Shoemaker
Allgood	Cochran, Pa.	Lehlbach	Simpson
Andrew, Mass.	Cooper, Ohio	Lesinski	Sisson
Auf der Heide	Darden	Lewis, Md.	Smith, W.Va.
Bacon	Delaney	Lloyd	Stokes
Bailey	Doutrich	McGrath	Strong, Pa.
Beck	Drewry	Marland	Sullivan
Black	Eaton	Millard	Sutphin
Boland	Fernandez	Montague	Swick
Boylan	Foulkes	Moynihan, Ill.	Taylor, S.C.
Brennan	Frear	Muldowney	Thom
Britten	Gambrill	Musselwhite	Thurston
Browning	Gasque	Norton	Truax
Buckbee	Green	O'Connell	Vinson, Ga.
Bulwinkle	Haines	Oliver, N.Y.	Wadsworth
Burke, Calif.	Hamilton	Peterson	Weaver
Burnham	Harter	Prall	Weideman
Carley, N.Y.	Healey	Randolph	Wilcox
Carter, Calif.	Higgins	Reid, Ill.	Wolfenden
Cary	Jeffers	Richardson	Wolverton
Chase	Jenkins, Ohio	Rogers, Okla.	Zioncheck
Church	Kniffin	Sears	
Claiborne	Kvale	Shannon	

The SPEAKER. The Clerk will call my name.

The Clerk called Mr. RAINEY's name, and he voted "yea."

So the bill was passed.

The Clerk announced the following additional pairs:

On this vote:

Mr. Oliver of New York (for) with Mr. Bacon (against).
Mr. Sullivan (for) with Mr. Simpson (against).
Mr. Boylan (for) with Mr. Lehlbach (against).
Mr. McGrath (for) with Mr. Andrew of Massachusetts (against).
Mr. Truax (for) with Mr. Jenkins of Ohio (against).
Mr. Kniffin (for) with Mr. Higgins (against).
Mr. Randolph (for) with Mr. Beck (against).
Mr. Peterson (for) with Mr. Cooper of Ohio (against).
Mr. Chase (for) with Mr. Eaton (against).
Mr. Clark of North Carolina (for) with Mr. Swick (against).
Mr. Brennan (for) with Mr. Millard (against).
Mr. Delaney (for) with Mr. Stokes (against).
Mr. Browning (for) with Mr. Wolfenden (against).
Mr. Taylor of South Carolina (for) with Mr. Cochran of Pennsylvania (against).
Mr. Darden (for) with Mr. Muldowney (against).
Mr. Black (for) with Mr. Doutrich (against).

Until further notice:

Mr. Vinson of Georgia with Mr. Britten.
Mr. Drewry with Mr. Kvale.
Mr. Prall with Mr. Shoemaker.
Mr. Musselwhite with Mr. Frear.
Mr. Hamilton with Mr. Buckbee.
Mr. Sisson with Mr. Wolverton.
Mr. Lewis of Maryland with Mr. Burnham.
Mr. Abernethy with Mr. Moynihan of Illinois.
Mr. Allgood with Mr. Wadsworth.
Mr. Sears with Mr. Strong of Pennsylvania.
Mr. Weaver with Mr. Thurston.
Mr. Oliver of Alabama with Mr. Reid of Illinois.
Mrs. Norton with Mr. Claiborne.
Mr. Bulwinkle with Mr. Lloyd.
Mr. Gambrill with Mr. Thom.
Mr. Sutphin with Mr. Foulkes.
Mr. Smith of West Virginia with Mr. Healey.
Mr. O'Connell with Mr. Wilcox.
Mr. Shannon with Mr. Lesinski.
Mr. Weideman with Mr. Zioncheck.
Mr. Church with Mr. Haines.
Mr. Richardson with Mr. Marland.
Mr. Auf der Heide with Mr. Carley.
Mr. Fernandez with Mr. Green.
Mr. Cary with Mr. Boland.
Mr. Harter with Mr. Bailey.
Mr. Burke of California with Mr. Rogers of Oklahoma.
Mr. Lea of California with Mr. Gasque.
Mr. Montague with Mr. Jeffers.

Mr. WOODRUFF. Mr. Speaker, I have a pair with my colleague from Michigan, Mr. MUSSELWHITE. If he were present and voting, he would vote "yea." Consequently I withdraw my vote of "nay" and vote "present."

Mr. BLANCHARD. Mr. Speaker, I have an agreement with the gentleman from South Carolina, Mr. TAYLOR, with reference to a pair. I now ask that my vote be withdrawn and that the RECORD show Mr. TAYLOR paired as voting "yea" and myself as voting "nay."

Mr. MONTAGUE. Mr. Speaker, I cannot qualify; but if permitted to vote, I would vote "yea."

The result of the vote was announced as above recorded.

On motion of Mr. DOUGHTON, a motion to reconsider the vote by which the bill was passed was laid on the table.

Mr. MAY. Mr. Speaker, my colleague the gentleman from Kentucky, Mr. CARY, is absent on official business. If he had been present, he would have voted "no" on the motion to recommit, and on the passage of the bill he would have voted "aye."

My BYRNS. Mr. Speaker, my colleague the gentleman from Tennessee, Mr. BROWNING, is necessarily absent today, and the gentleman from Ohio, Mr. HARTER, has also been excused. If they were here, they would have voted "aye" on the passage of the bill.

Mr. SABATH. Mr. Speaker, my colleague the gentleman from Illinois, Mr. BRENNAN, is necessarily absent. If he had been here, he would have voted "aye" on the passage of the bill.

Mr. SNELL. Mr. Speaker, I shall not object to all this, although it is out of order.

FEDERAL INSURANCE OF DEPOSITS

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 3025) to amend section 12B of the Federal Reserve Act so as to extend for 1 year the temporary plan for deposit insurance, and for other purposes, with House amendment thereto, insist on the House amendment and agree to the conference requested by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Chair appointed the following conferees: Mr. STEAGALL, Mr. GOLDSBOROUGH, and Mr. LUCE.

EVENING SESSION

Mr. BYRNS. Mr. Speaker, this morning the House agreed to the request I submitted that it should be in order for the House to take a recess until 7:30 this evening for consideration of bills on the Private Calendar, unobjected to, beginning at the star. In view of the statement of the minority leader, I now ask unanimous consent that this order be rescinded and that on tomorrow it shall be in order for the House to recess until 7:30 o'clock in the evening for the consideration of bills on the Private Calendar, unobjected to, beginning at the star.

Mr. BLANTON. Mr. Speaker, reserving the right to object, when on short notice the request was made this morning for a session tonight, I called our majority leader's attention to the fact that some of us had made arrangements to work in our offices tonight, and asked him if he would put it off until tomorrow night. The minority leader was present, because he made some facetious statement about social engagements. The minority leader made no objection, and I stated I would go along with the majority leader, regardless of personal inconvenience. We rearranged our program to be here. The agreement was entered into. Later the gentleman from New York intimated that if we were in session this evening there would be no business transacted.

Mr. SNELL. I did not say any such thing.

Mr. BLANTON. Was that intimation made?

Mr. SNELL. I am not going to answer the gentleman's question.

Mr. BLANTON. Well, that is what the majority leader told me, the intimation meant we would not be able to do business this evening, and whenever the majority leader tells me he cannot do business because you will not let him, I am willing to go along with him and help him.

Mr. SNELL. Mr. Speaker, I demand the regular order.

Mr. BLANTON. If the regular order is demanded, I ought to object. I should like to accommodate the gentleman.

Mr. SNELL. Mr. Speaker, I demand the regular order.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. BLANTON. We are going to rearrange our program and we are going along with our majority leader and we are going to see to it that some business is transacted.

Mr. SNELL. Mr. Speaker, I demand the regular order.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

JOHN P. LEONARD

Mr. HILL of Alabama. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 541) for the relief of John P. Leonard, with a Senate amendment thereto, disagree to the Senate amendment and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Chair appointed the following conferees: Mr. HILL of Alabama, Mr. COFFIN, and Mr. GOSS.

WILLIAM G. BURRESS

Mr. HILL of Alabama. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 2439) for the relief of William G. Burress, with a Senate amendment thereto, disagree to the Senate amendment, and ask for a conference with the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Chair appointed the following conferees: Mr. HILL of Alabama, Mr. COFFIN, and Mr. GOSS.

RICHARD A. CHAVIS

Mr. HILL of Alabama. Mr. Speaker, I call up the conference report on the bill (H.R. 2032) for the relief of Richard A. Chavis.

The Clerk read the conference report.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2032) for the relief of Richard A. Chavis having met,

after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment, as follows: In lieu of the language inserted by said amendment insert the following: " : *Provided further*, That the rights, privileges, and benefits conferred upon Richard A. Chavis by reason of the enactment of this act shall be limited to admission to a soldiers' home under the regulations governing such admission: *And provided further*, That he shall be entitled to such medical care as is usually accorded inmates of such home while resident therein."; and the Senate agree to the same.

LISTER HILL,
CHESTER THOMPSON,
VINCENT CARTER,
Managers on the part of the House.
MORRIS SHEPPARD,
MARCUS A. COOLIDGE,
ROSCOE C. PATTERSON,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2032) for the relief of Richard A. Chavis receded and agreed to the Senate amendment with an amendment to the Senate amendment. Under the Senate amendment the beneficiary of the bill would have been entitled only to domiciliary care. The amendment to the Senate amendment insures the beneficiary of the bill not only domiciliary care but medical care as well. In view of the fact that the beneficiary of the bill served only a short time in the Army and was absent without leave at the time his company was mustered out of the service, it is felt that the agreement of the conferees accords the beneficiary full consideration.

LISTER HILL,
CHESTER THOMPSON,
VINCENT CARTER,
Managers on the part of the House.

Mr. HILL of Alabama. Mr. Speaker, I move the previous question on the adoption of the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

CHARLES T. MOLL

Mr. HILL of Alabama. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 3985) for the relief of Charles T. Moll, with Senate amendments thereto, and agree to the Senate amendments.

The Clerk read the title of the bill and the Senate amendments, as follows:

Line 5, after "Charles T. Moll", insert "who served in Company F, Fourteenth Regiment United States Infantry."

Line 7, strike out "9th day of August" and insert "3d day of January."

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Senate amendments were agreed to.

BOARD OF INDETERMINATE SENTENCE AND PAROLE FOR THE DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 3290) to amend an act entitled "An act to establish a Board of Indeterminate Sentence and Parole for the District of Columbia and to determine its functions, and for other purposes", approved July 15, 1932, a similar House bill having been passed by the House.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the bill as follows:

Be it enacted, etc., That the act of Congress entitled "An act to establish a Board of Indeterminate Sentence and Parole for the District of Columbia and to determine its functions, and for other purposes", approved July 15, 1932, be, and the same is hereby, amended by adding a new section to be numbered "10" and to read as follows:

"SEC. 10. The Board of Parole created by the act of Congress entitled 'An act to amend an act providing for the parole of United States prisoners, approved June 25, 1910, as amended', approved May 13, 1930, shall have and exercise the same power and authority over prisoners convicted in the District of Columbia of crimes against the United States and now or hereafter confined in any United States penitentiary or prison (other than the penal institutions of the District of Columbia) as is vested in the Board of Indeterminate Sentence and Parole over prisoners confined in the penal institutions of the District of Columbia."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FIRE ESCAPES IN CERTAIN BUILDINGS IN THE DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 2623) to amend the act entitled "An act to require the erection of fire escapes in certain buildings in the District of Columbia, and for other purposes", approved March 19, 1906, as amended, a similar House bill having been passed by the House.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the act entitled "An act to require the erection of fire escapes in certain buildings in the District of Columbia, and for other purposes", approved March 19, 1906, as amended, is amended to read as follows:

"That it shall be the duty of the owner entitled to the beneficial use, rental, or control of any building three or more stories in height, constructed or used or intended to be used as an apartment house, tenement house, flat, rooming house, lodging house, hotel, hospital, seminary, academy, school, college, institute, dormitory, asylum, sanitarium, hall, place of amusement, office building, or store, or of any building three or more stories in height, or over 30 feet in height, other than a private dwelling, in which sleeping quarters for the accommodation of 10 or more persons are provided above the first floor, to provide and cause to be erected and fixed to every such building one or more suitable fire escapes, connecting with each floor above the first floor by easily accessible and unobstructed openings, in such location and numbers and of such material, type, and construction as the Commissioners of the District of Columbia may determine; except that buildings designed and built as single-family dwellings, and converted to use as apartment houses, in which not more than three families reside, including the owner or lessee, or rooming houses in which sleeping accommodations are provided for less than 10 persons above the first floor, not more than three stories, nor more than 40 feet in height, and having a total floor area not more than 3,000 square feet above the first floor, shall be exempted from the provisions of section 1 of this act; and except that buildings used solely as apartment houses, not more than three stories, nor more than 40 feet in height, so arranged that not more than five apartments per floor open directly, without an intervening hall or corridor, on a fire-resistive stairway, 3 feet or more in width, enclosed with masonry walls in which fire-resistive doors are provided at all openings, shall be exempted from the provisions of this section.

"SEC. 2. It shall be the duty of the owner entitled to the beneficial use, rental, or control of any building already erected, or which may hereafter be erected, in which 10 or more persons are employed at the same time in any of the stories above the second story, except three-story buildings used exclusively as stores or for office purposes, and having at least two stairways from the ground floor each 3 or more feet wide and separated from each other by a distance of at least 30 feet, from one of which stairways shall be easy access to the roof, to provide and cause to be erected and affixed thereto a sufficient number of the aforesaid fire escapes, the location and number of the same to be determined by the Commissioners, and to keep the hallways and stairways in every such building as is used and occupied at night properly lighted, to the satisfaction of the Commissioners, from sunset to sunrise.

"SEC. 3. It shall be the duty of the owner entitled to the beneficial use, rental, or control of any building used or intended to be used as set forth in section 1 of this act where fire escapes are required, or any building in which 10 or more persons are employed, as set forth in section 2 of this act where fire escapes are required, also to provide, install, and maintain therein proper and sufficient guide signs, guide lights, exit lights, hall and stairway lights, standpipes, fire extinguishers, and alarm gongs and striking stations in such locations and numbers and of such type and

character as the Commissioners may determine; except that in buildings less than six stories in height, standpipes will not be required when fire extinguishers are installed in such numbers and of such type and character as the Commissioners may determine.

"SEC. 4. The Commissioners are hereby authorized and directed to issue such orders and to adopt and enforce such regulations not inconsistent with law as may be necessary to accomplish the purposes and carry into effect the provisions of this act, and to require any alterations or changes that may become necessary in buildings now or hereafter erected, in order properly to locate or relocate fire escapes, or to afford access to fire escapes, and to require any changes or alterations in any building that may be necessary in order to provide for the erection of additional fire escapes, or for the installation of other appliances required by this act, when in the judgment of the Commissioners such additional fire escapes or appliances are necessary.

"SEC. 5. Each elevator shaft and stairway extending to the basement of the buildings heretofore mentioned shall terminate in a fireproof compartment or enclosure separating the elevator shaft and stairs from other parts of the basement, and no opening shall be made or maintained in such compartment or enclosure unless the same be provided with fireproof doors.

"Such buildings as are used solely for office buildings above the second floor and defined under the building regulations of the District of Columbia to be fireproof are exempted from the requirements of this act as to fire escapes, guide signs, and alarm gongs; but when the face of a wall of any such fireproof building is within 30 feet of a combustible building or structure, or when the side or sides, front or rear of such building or structure faces within 30 feet of a combustible building, or contains a light or air shaft or similar recess within 30 feet of a combustible building, then each and every window or opening in said wall or walls shall be protected from fire by automatic iron shutters or wire glass in fireproof sash and frames.

"SEC. 6. It shall be unlawful to obstruct any hall, passageway, corridor, or stairway in any building enumerated in this act with baggage, trunks, furniture, cans, or with any other thing whatsoever.

"SEC. 7. No door or window leading to any fire escape shall be covered or obstructed by any fixed grating or barrier, and no person shall at any time place any incumbrance or obstacle upon any fire escape or upon any platform, ladder, or stairway leading to or from any fire escape.

"SEC. 8. Any person failing or neglecting to provide fire escapes, guide signs, guide lights, exit lights, hall and stairway lights, standpipes, fire extinguishers, alarm gongs and striking stations, or other appliances required by this act after notice from the Commissioners so to do, shall, upon conviction thereof, be punished by a fine of not less than $10 nor more than $100, and shall be punished by a further fine of $5 for each day that he fails to comply with such notice. Any person violating any other provision of this act or regulation promulgated hereunder shall be punished, upon conviction thereof, by a fine of not less than $10 nor more than $100 for each offense.

"SEC. 9. The notice from the Commissioners requiring the erection of fire escapes and other appliances enumerated in this act shall specify the character and number of fire escapes or other appliances to be provided, the location of the same, and the time within which said fire escapes or other appliances shall be provided, and in no case shall more than 90 days be allowed for compliance with said notice unless the Commissioners shall, in their discretion, deem it necessary to extend their time.

"SEC. 10. Such notice shall be deemed to have been served if delivered to the person to be notified, or if left with any adult person at the usual residence or place of business of the person to be notified in the District of Columbia, or if no such residence or place of business can be found in said District by reasonable search, if left with any adult person at the office of any agent of the person to be notified, provided such agent has any authority or duty with reference to the building to which said notice relates, or if no such office can be found in said District by reasonable search, if forwarded by registered mail to the last-known address of the person to be notified and not returned by the post-office authorities, or if no address be known or can by reasonable diligence be ascertained, or if any notice forwarded as authorized by the preceding clause of this section be returned by the post-office authorities, if published on 10 consecutive days in a daily newspaper published in the District of Columbia, or if by reason of an outstanding unrecorded transfer of title the name of the owner in fact cannot be ascertained beyond a reasonable doubt, if served on the owner of record in the manner hereinbefore in this section provided, or if delivered to the agent, trustee, executor, or other legal representative of the estate of such person. Any notice to a corporation shall, for the purposes of this act, be deemed to have been served on such corporation if served on the president, secretary, treasurer, general manager, or any principal officer of such corporation in the manner hereinbefore provided for the service of notices on natural persons holding property in their own right, and notice to a foreign corporation shall, for the purposes of this act, be deemed to have been served if served on any agent of such corporation personally, or if left with any person of suitable age and discretion residing at the usual residence or employed at the usual place of business of such agent in the District of Columbia: *Provided*, That in case of failure or refusal of the owner entitled to the beneficial use, rental or control of any buildings specified in this act to comply with the requirements of the notice provided for in section 9, the Commissioners are hereby empowered and it is their duty to cause such erection of fire escapes and other appliances mentioned in the notice provided for, and they are hereby authorized to assess the costs thereof as a tax against the buildings on which they are erected and the ground on which the same stands, and to issue tax-lien certificates against such building and grounds for the amount of such assessments, bearing interest at the rate of 10 percent per annum, which certificates may be turned over by the Commissioners to the contractor for doing the work.

"SEC. 11. The Supreme Court of the District of Columbia, in term time or in vacation, may, upon a petition of the District of Columbia, filed by its said Commissioners, issue an injunction to restrain the use or occupation of any building in the District of Columbia in violation of any of the provisions of this act.

"SEC. 12. As used in this act—

"(a) The terms 'aparment house', 'tenement house', and 'flat' mean a building in which rooms in suites are provided for occupancy by three or more families.

"(b) The term 'rooming house' means a building in which rooms are rented and sleeping quarters provided to accommodate 10 or more persons, not including the family of the owner or lessee.

"(c) The term 'lodging house' means a building in which sleeping quarters are provided to accommodate 10 or more transients.

"(d) The term 'hotel' means a building in which meals are served and rooms are provided for the accommodation of 10 or more transients.

"(e) The term 'elevator shaft' includes a dumbwaiter shaft.

"(f) The term 'fire escape' means an exterior open stairway or arrangement of ladders constructed entirely of incombustible materials and of approved design, or an interior or exterior stairway of fire-resistive construction with enclosing walls of masonry with fire-resistive doors and windows.

"(g) The term 'standpipe' means a vertical iron or steel pipe provided with hose connections and valves, so arranged as to supply water for fire-fighting purposes.

"(h) The terms 'fireproof' and 'fire resistive' have the same meaning as is ascribed to the term 'fire resistive' in the building code of the District of Columbia.

"SEC. 13. All acts or parts of acts inconsistent with this act are hereby repealed."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALFRED HOHENLOHE ET AL.

Mr. PALMISANO. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 1932) for the relief of Alfred Hohenlohe, Alexander Hohenlohe, Konrad Hohenlohe, and Viktor Hohenlohe by removing cloud on title, a similar House bill having been passed by the House.

The Clerk read the title of the bill.

Mr. BLANTON. Mr. Speaker, has this bill been passed by the House?

The SPEAKER. A similar bill has been passed by the House and this is a Senate bill.

Mr. BLANTON. And the Senate bill is identical with the bill passed by the House?

The SPEAKER. It is identical with the House bill which has passed the House.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to convey by appropriate quitclaim deed to Alfred Hohenlohe, for life, with remainder to Alexander, Konrad, and Viktor Hohenlohe, their heirs and assigns, all the right, title, and interest of the United States in and to lots 68 and 69 in Abner B. Kelly, trustee's subdivision of part of square 628, as per plat recorded in liber W.B.M., folio 273, of the records of the office of the surveyor of the District of Columbia. The true intent of this bill is to relinquish and abandon, grant, give, and concede any and all right, interest, and estate, in law or equity, which the United States is, or is supposed to be entitled to in part of said land by escheat because of the death of Catharine B. Hohenlohe, an Austrian citizen, unto her husband, Alfred Hohenlohe, and her minor children, Alexander Hohenlohe, Konrad Hohenlohe, and Viktor Hohenlohe, all Austrian citizens: *Provided, however*, That said Alfred Hohenlohe, Alexander Hohenlohe, Konrad Hohenlohe, and Viktor Hohenlohe, as such aliens, shall sell or otherwise dispose of said interest within 10 years, as provided by the United States Code, title 8, section 73, or such further period as shall be secured to them by any treaty between the United States and the Republic of Austria, or be subject to the same liabilities of escheat proceedings on behalf of the United States as are provided by title 8, of the United States Code or as shall hereafter be provided by law, said period of 10 years to commence to run from the date on which said quitclaim deed shall have been executed by the Secretary of the Interior pursuant hereto.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DISTRICT OF COLUMBIA APPROPRIATION BILL—1935

Mr. CANNON of Missouri. Mr. Speaker, I call up the conference report on the bill (H.R. 9061) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1935, and for other purposes, and ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9061) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1935, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 3, 4, 9, 11, 14, 17, 24, 25, 26, 28, 33, 36, 43, 44, 45, 47, 56, 57, 61, 62, 65, 67, 68, 69, 74, 77, 79, 81, 88, 93, 98, 99, 103, 105, 119, and 121.

That the House recede from its disagreement to the amendments of the Senate numbered 5, 8, 10, 12, 13, 16, 18, 20, 21, 23, 30, 32, 35, 37, 38, 40, 46, 50, 51, 52, 53, 54, 55, 63, 70, 71, 73, 75, 76, 78, 83, 84, 85, 87, 89, 91, 94, 95, 96, 97, 100, 101, 102, 104, 107, 108, 109, 110, 111, and 112, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: In lieu of the sum proposed insert " a sum equal to $5,700,000 less a sum equal to 70 percent of the amounts expended under the allotments from the Public Works Administration of $1,759,500 for sewers and $148,650 for park improvements "; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: In lieu of the sum proposed insert " $37,492 "; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows: In lieu of the sum proposed insert " $40,626 "; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows: In lieu of the sum proposed insert " $83,754 "; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: " $40,000 "; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: In lieu of the sum proposed insert " $22,500 "; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows: " : *Provided further,* that the amount expended hereunder shall not exceed $200,000 "; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: " $120,094 "; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment as follows: In lieu of the sum proposed insert " $716,200 "; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment as follows: In lieu of the sum proposed insert " $768,700 "; and the Senate agree to the same.

Amendment numbered 42: That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment as follows: In lieu of the sum proposed insert " $40,000 "; and the Senate agree to the same.

Amendment numbered 48: That the House recede from its disagreement to the amendment of the Senate numbered 48, and agree to the same with an amendment as follows: Omit the matter inserted by said amendment, and on page 32 of the bill, in line 10, after the word " therewith ", insert " including the Shaw Junior High School,"; and the Senate agree to the same.

Amendment numbered 49: That the House recede from its disagreement to the amendment of the Senate numbered 49, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert " $150,000 "; and the Senate agree to the same.

Amendment numbered 58: That the House recede from its disagreement to the amendment of the Senate numbered 58, and agree to the same with an amendment as follows: In lieu of the sum proposed insert " $1,184,500 "; and the Senate agree to the same.

Amendment numbered 59: That the House recede from its disagreement to the amendment of the Senate numbered 59, and agree to the same with an amendment as follows: At the end of the matter inserted by said amendment insert the following: ": *Provided,* That no part of this amount shall be obligated or expended unless and until the Jefferson Junior High School site shall have been acquired within the sum contained in this act for such purpose "; and the Senate agree to the same.

Amendment numbered 60: That the House recede from its disagreement to the amendment of the Senate numbered 60, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert " $105,000 "; and the Senate agree to the same.

Amendment numbered 64: That the House recede from its disagreement to the amendment of the Senate numbered 64, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

" For two combination hose wagons and one pumping engine, triple combination, all motor driven, $23,500."

And the Senate agree to the same.

Amendment numbered 66: That the House recede from its disagreement to the amendment of the Senate numbered 66, and agree to the same with an amendment as follows: In lieu of the sum proposed insert " $42,998 "; and the Senate agree to the same.

Amendment numbered 72: That the House recede from its disagreement to the amendment of the Senate numbered 72, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows: ", of which not exceeding $750 shall be available for telephone and telegraph service "; and the Senate agree to the same.

Amendment numbered 80: That the House recede from its disagreement to the amendment of the Senate numbered

80, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$240,000"; and the Senate agree to the same.

Amendment numbered 82: That the House recede from its disagreement to the amendment of the Senate numbered 82, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$324,000"; and the Senate agree to the same.

Amendment numbered 90: That the House recede from its disagreement to the amendment of the Senate numbered 90, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$30,000"; and the Senate agree to the same.

Amendment numbered 106: That the House recede from its disagreement to the amendment of the Senate numbered 106, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$2,000,000"; and the Senate agree to the same.

Amendment numbered 113: That the House recede from its disagreement to the amendment of the Senate numbered 113, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment, insert the following: "trucks, and motor vehicles such as are now owned"; and the Senate agree to the same.

Amendment numbered 114: That the House recede from its disagreement to the amendment of the Senate numbered 114, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$310,000"; and the Senate agree to the same.

Amendment numbered 115: That the House recede from its disagreement to the amendment of the Senate numbered 115, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$160,000"; and the Senate agree to the same.

Amendment numbered 116: That the House recede from its disagreement to the amendment of the Senate numbered 116, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$60,000"; and the Senate agree to the same.

Amendment numbered 117: That the House recede from its disagreement to the amendment of the Senate numbered 117, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$90,000"; and the Senate agree to the same.

Amendment numbered 120: That the House recede from its disagreement to the amendment of the Senate numbered 120, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows:

"SEC. 7. No part of the funds appropriated in this act for any activity shall be available for transfer to any other activity or between subheads of the same activity unless specifically authorized by the Director of the Bureau of the Budget."

And the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 39, 41, 86, 92, and 118.

CLARENCE CANNON,
THOMAS L. BLANTON,
B. M. JACOBSEN,
D. LANE POWERS,
Managers on the part of the House.

ELMER THOMAS,
CARTER GLASS,
ROYAL S. COPELAND,
WILLIAM H. KING,
GERALD P. NYE,
HENRY W. KEYES,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9061) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1935, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

On no. 1: Appropriates a lump-sum contribution amounting to a sum equal to $5,700,000 less 70 percent of the amounts expended under allotments from the Public Works Administration for sewers and park improvements.

On nos. 2 and 3: Appropriates $32,121, as proposed by the House, instead of $33,921, as proposed by the Senate, for personal services in the plumbing-inspection division.

On no. 4: Appropriates $84,672, as proposed by the House, instead of $86,130, as proposed by the Senate, for personal services in connection with the care of the District Building.

On nos. 5 and 6: Appropriates $37,492 for the Alcoholic Beverage Control Board, instead of $28,352, as proposed by the House, and $55,900, as proposed by the Senate, of which not exceeding $500 is made available for the purchase of samples, as proposed by the Senate.

On no. 7: Appropriates $40,626, instead of $39,654, as proposed by the House, and $41,760, as proposed by the Senate, for personal services in the office of Superintendent of Weights, Measures, and Markets, the increase over the House figure being for the employment of an additional laborer.

On no. 8: Appropriates $22,500 for the construction of shelters, paving, and other improvements at the Farmers' Produce Market, as proposed by the Senate.

On nos. 9 and 10: Appropriates $50,000, as proposed by the House, instead of $86,823, as proposed by the Senate, for personal services under the Public Utilities Commission; and appropriates $1,500 for general expenses of such commission, as proposed by the Senate, instead of $1,000, as proposed by the House.

On nos. 11 and 12: Appropriates $25,000, as proposed by the House, instead of $32,500, as proposed by the Senate, for maintenance, repairs, fuel, etc., under the Free Public Library; and makes available immediately $4,500 of the appropriation for the Georgetown branch library to be used in the preparation of plans and specifications, as proposed by the Senate.

On nos. 13 and 14: Appropriates $64,827, as proposed by the Senate, instead of $63,531, as proposed by the House, for personal services in the office of the register of wills; and appropriates $9,000, as proposed by the House, instead of $10,000, as proposed by the Senate, for miscellaneous and contingent expenses for the same office.

On nos. 15 and 16: Appropriates $83,754 for personal services in the office of recorder of deeds, instead of $75,754, as proposed by the House, and $100,000, as proposed by the Senate, and appropriates $10,000 for general expenses of such office, as proposed by the Senate, instead of $7,500, as proposed by the House.

On nos. 17 and 18: Appropriates $36,000, as proposed by the Senate, instead of $35,000, as proposed by the House, for contingent and miscellaneous expenses of the District government, and eliminates $250 inserted by the Senate to permit the District of Columbia to accept membership in the American Association of State Highway Officials.

On no. 19: Eliminates language proposed by the Senate authorizing the employment of personal services out of the appropriation for printing and binding; and appropriates $40,000, as proposed by the Senate, instead of $35,000, as proposed by the House, for the item.

On nos. 20 and 21: Appropriates $64,806, as proposed by the Senate, instead of $60,000, as proposed by the House, for operation, maintenance, care, etc., of the central garage.

On no. 22: Appropriates $22,500, instead of $20,000, as proposed by the House, and $25,000, as proposed by the Senate, for postage.

On no. 23: Eliminates the word "all" in connection with the employment of personal services under the gasoline-tax fund for street and road improvement and repair, as proposed by the Senate.

On no. 24: Strikes out the provision inserted by the Senate providing $9,000 for surveys, investigations, preparation of plans and specifications for a viaduct or bridge in line of Franklin Street NE.

On No. 25: Strikes out the item inserted by the Senate appropriating $450,000 for the construction of a viaduct or bridge in line of Michigan Avenue NE.

On no. 26: Corrects a total.

On no. 27: Restores the language stricken out by the Senate and fixes the amount which may be expended thereunder for opening and widening streets at a maximum of $200,000, instead of $50,000, as proposed by the House.

On no. 28: Restores the provision eliminated by the Senate prohibiting the use of funds for the operation of a testing laboratory under the highways department for the testing of materials.

On no. 29: Appropriates $120,094, for assessment and permit work under the sewer department, instead of $20,094, as proposed by the House, and $65,094 and an unexpended balance, as proposed by the Senate.

On no. 30: Appropriates $126,900, as proposed by the Senate, instead of $124,335, as proposed by the House, for personal services in connection with the collection and disposal of refuse.

On no. 31: Appropriates $716,200 for the collection and disposal of garbage, instead of $700,000, as proposed by the House, and $732,460, as proposed by the Senate.

On no. 32: Appropriates $33,600, as proposed by the Senate, instead of $30,000, as proposed by the House, for general maintenance, repairs, and improvements to public playgrounds.

On no. 33: Appropriates $15,000, as proposed by the House, instead of $20,500, as proposed by the Senate, for placing wires of fire-alarm, police-patrol, and telephone services underground.

On no. 34: Appropriates $768,700, for street lighting, instead of $700,000, as proposed by the House, and $837,400, as proposed by the Senate.

On no. 35: Appropriates $28,000 for the purchase and installation of fire-alarm transmitting apparatus, as proposed by the Senate.

On nos. 36, 37, 38, 40, and 47: Strikes out the Senate provision providing for compensation and traveling expenses of educational consultants employed in character-education work and appropriates additional amounts, as proposed by the Senate, for personal services in connection with character education in the schools of the District under the following items: Administrative and supervisory officers, $3,780; clerks and other employees, $18,306; night schools, $5,839; and strikes out $10,000 for contingent expenses inserted by the Senate for such purpose.

On no. 42: Appropriates $40,000 for the community-center department of the public schools, instead of $36,664, as proposed by the House, and $50,000, as proposed by the Senate.

On no. 43: Appropriates $8,000, as proposed by the House, instead of $9,000, as proposed by the Senate, for maintenance of schools for tubercular and crippled pupils.

On nos. 44 and 45: Appropriates $18,500, as proposed by the House, instead of $21,500, as proposed by the Senate, and strikes out language of the Senate intending to make the increase in the appropriation available for transportation of pupils attending sight-saving classes in the public schools.

On no. 46: Appropriates $250,000 for fuel, gas, and light and power for the public schools, as proposed by the Senate, instead of $225,000, as proposed by the House.

On no. 48: Omits the matter inserted by the Senate appropriating $15,000 for reequipping and refinishing equipment of the Shaw Junior High School, and on page 32, line 10, after the word "therewith", inserts the following: "including the Shaw Junior High School."

On no. 49: Appropriates $150,000 for furniture and equipment for the Woodrow Wilson Senior High School, instead of $175,000, as proposed by the Senate.

On no. 50: Strikes out the limitation inserted by the House prohibiting the use of funds for the purchase of books for the free use of nonresident pupils, as proposed by the Senate.

On nos. 51, 52, 53, 54, 55, 56, and 57, relating to buildings and grounds, public schools: Appropriates funds for the construction of new schools in the following amounts, as proposed by the Senate: For the Woodrow Wilson High School (additional amount) $200,000, making $600,000 available; an additional amount for completion of Logan School, $5,500; for completing a junior high school in Anacostia, $180,000; for construction of an addition to the Phelps School, $65,000; for construction of an addition to the Deal Junior High School, $166,000; and strikes out the following items for school construction inserted by the Senate: for extension of the auto repair shop and construction of a gymnasium at the Armstrong High School, $70,000; and the construction of a four-room addition to the Bunker Hill School, $75,000.

On no. 58: Corrects a total.

On nos. 59 and 60: Appropriates $55,000 for the purchase of additional land at the Phelps Vocational School, as proposed by the Senate, and $105,000 as an additional amount for the purchase of a site for the Jefferson Junior High School, instead of $150,000, as proposed by the Senate, with the condition that no part of the sum for the Phelps Vocational School shall be obligated or expended until the site for the Jefferson Junior High School shall have been acquired within the sum recommended in the bill.

On no. 61: Restores the provision inserted by the House prohibiting the use of appropriations for public schools for the instruction of children under 5 years of age, with certain exceptions.

On no. 62: Appropriates $109,980, as proposed by the House instead of $113,400, as proposed by the Senate, in eliminating the appropriation for a microanalyst from the item for personal services under the Metropolitan Police.

On no. 63: Appropriates $23,000, as proposed by the Senate, instead of $21,000, as proposed by the House, for the purchase of uniforms and equipment for members of the fire department.

On no. 64: Appropriates $23,500 for hose wagons and pumping engine for the fire department, instead of $30,000, as proposed by the Senate.

On no. 65 and 66, relating to the dispensaries for tuberculosis and venereal diseases: Strikes out the language proposed by the Senate and appropriates $42,998, instead of $34,398, as proposed by the House, and $91,718, as proposed by the Senate, the increase over the House figure amounting to $8,600, being for the purchase of an X-ray machine, two ultraviolet lamps ,and pneumo-thorax outfit.

On no. 67: Appropriates $84,554 for hygiene and sanitation, public schools, as proposed by the House, instead of $152,096, as proposed by the Senate.

On no. 68: Appropriates $45,834, as proposed by the House, instead of $91,078, as proposed by the Senate, for child welfare and hygiene under the Health Department.

On nos. 69 and 70, relating to the juvenile court: Appropriates $52,938, as proposed by the House, instead of $53,946, as proposed by the Senate, for personal services, and provides $2,750, as proposed by the Senate, instead of $2,000, as proposed by the House, for miscellaneous expenses.

On nos. 71 and 72, relating to the police court: Appropriates $90,000, for personal services, as proposed by the Senate, instead of $85,000, as proposed by the House, and restores the language of the House limiting the amount to be available for telephone and telegraph service amended so as to make $750 available for such purposes.

On nos. 73, 74, and 75, relating to the municipal court: Appropriates $68,166, as proposed by the Senate, instead of $63,000, as proposed by the House, for personal services; makes available $4,000 for compensation of jurors, as proposed by the House, instead of $6,165, as recommended by the Senate; and grants $3,000 for contingent expenses, as proposed by the Senate, instead of $2,750, as proposed by the House.

On nos. 76, 77, and 78, relating to the Supreme Court of the District of Columbia: Appropriates $129,380, as proposed by the Senate, instead of $125,575, as proposed by the

House, for personal services; provides $85,000 for fees of jurors and witnesses, as proposed by the House, instead of $100,000, as proposed by the Senate, and makes available $31,761, as proposed by the Senate, instead of $30,000, as proposed by the House, for care and protection of the courthouse.

On no. 79: Appropriates $96,000 for personal services, Board of Public Welfare, as proposed by the House, instead of $101,646, as proposed by the Senate.

On no. 80: Appropriates $240,000 for board and care of children under the Board of Public Welfare, instead of $230,000, as proposed by the House, and $250,000, as proposed by the Senate.

On no. 81: Appropriates $68,823, as proposed by the House, instead of $77,823, as proposed by the Senate, for personal services at the jail.

On no. 82: Appropriates $324,000 for personal services at the workhouse and reformatory, instead of $280,000, as proposed by the House, and $337,770, as proposed by the Senate.

On no. 83: Appropriates $335,000 for maintenance and support of inmates at the workhouse and reformatory, as proposed by the Senate, instead of $320,000, as proposed by the House.

On nos. 84 and 85: Eliminates the provision of the House restricting the amount expendable for the purchase of land to $500, in connection with the construction of a permanent water-supply system at the workhouse and reformatory, as proposed by the Senate, and appropriates $52,000 for the cost of the project, as proposed by the Senate, instead of $50,000, as proposed by the House.

On nos. 87 and 88, relating to medical charities: Appropriates $30,000 for Children's Hospital, as proposed by the Senate, instead of $10,000, as proposed by the House; and provides $10,000 for the Home for Incurables, as proposed by the House, instead of $25,000, as proposed by the Senate.

On no. 89: Appropriates $81,567, as proposed by the Senate, instead of $77,823, as proposed by the House, for personal services at the Tuberculosis Hospital.

On nos. 90 and 91, relating to the children's tuberculosis sanatorium: Appropriates $30,000 for provisions, fuel, etc., instead of $25,000, as proposed by the House, and $35,000, as proposed by the Senate; and provides $2,000 for repairs and improvements, as proposed by the Senate, instead of $500, as proposed by the House.

On nos. 93 and 94: Appropriates $323,928 for personal services at Gallinger Hospital, as proposed by the House, instead of $372,528, as proposed by the Senate; and provides $290,000 for completing construction of an additional ward building, as proposed by the Senate, instead of $262,000, as proposed by the House.

On nos. 95, 96, and 97, relating to the District Training School: Appropriates $81,486, as proposed by the Senate, instead of $79,272, as proposed by the House, for personal services; provides $80,000, as proposed by the Senate, instead of $75,000, as proposed by the House, for maintenance; and grants $1,000 for one 2-ton truck, as proposed by the Senate, instead of $650 for a 1½-ton truck, as proposed by the House.

On nos. 98, 99, and 100, relating to the Industrial Home School for Colored Children: Appropriates $31,000 for personal services, as proposed by the House, instead of $32,798, as proposed by the Senate; and provides $25,000, as proposed by the Senate, instead of $24,000, as proposed by the House, for maintenance.

On nos. 101, 102, 103, 104, and 105, relating to the Home for Aged and Infirm: Appropriates $54,900, as proposed by the Senate, instead of $53,496, as proposed by the House, for personal services; provides $4,500, as proposed by the House, instead of $6,000, as proposed by the Senate, for repairs and improvements; makes available $750 for the purchase of a station wagon-truck, as proposed by the Senate, instead of $650, as proposed by the House; and eliminates $11,000 inserted by the Senate for the construction of addition to the colored women's ward.

On nos. 106 and 107, relating to emergency relief: Appropriates $2,000,000 for this purpose, instead of $1,300,000, as proposed by the House, and $3,000,000, as proposed by the Senate, and eliminates the limitation of the House on the percent available for personal services, as proposed by the Senate.

On nos. 108, 109, and 110, relating to the militia: Appropriates $33,300 for this purpose, as proposed by the Senate, instead of $32,000, as proposed by the House.

On no. 111: Appropriates $314,880 for personal services, national capital parks, as proposed by the Senate, instead of $300,000, as proposed by the House.

On no. 112: Appropriates $33,096 for the National Capital Park and Planning Commission, as proposed by the Senate, instead of $31,000, as proposed by the House.

On no. 113: Provides for the maintenance of trucks and motor vehicles, such as are now owned by the water department, from the appropriation for maintenance of the distribution system.

On nos. 114, 115, 116, and 117, relating to the water department: Appropriates $310,000 for maintenance of the distribution system, instead of $300,000, as proposed by the House, and $323,950, as proposed by the Senate; provides $160,000 for extension of the distribution system, instead of $142,000, as proposed by the House, and $213,750, as proposed by the Senate; allows $60,000 for installing and repairing water meters, instead of $50,000, as proposed by the House, and $85,500, as proposed by the Senate; and grants $90,000 for replacement of old mains and divide valves, instead of $75,000, as proposed by the House, and $117,900, as proposed by the Senate.

On no. 119: Eliminates the language inserted by the Senate providing for the payment for rental of storage space for materials and supplies belonging to the District government.

On no. 120: Restores the language stricken out by the amendment of the Senate amended so as to permit the transfer of such funds when specifically authorized by the Director of the Bureau of the Budget.

On no. 121: Corrects a section number.

The committee of conference report in disagreement the following amendments of the Senate:

On no. 39, relating to the appropriation for teachers and librarians and the fixing of salaries by the board of education for persons employed in connection with character education.

On no. 41, providing for the education of children between certain ages of those who lost their lives during the World War.

On no. 86, relating to condemnation by the Attorney General of land on the Occoquan Creek and Elkhorn Run, Va., in connection with the construction of a water-supply system.

On no. 92, relating to an appropriation of $500,000 for the construction of additions to the children's unit of the Children's Tuberculosis Sanatorium, and the preparation of plans and specifications for the District of Columbia Tuberculosis Sanatoria at Glenn Dale, Md.

On no. 118, making the assessment rate to take effect on July 1, 1934, for water and sewer mains, applicable to water and sewer mains laid in the Barry Farm subdivision subsequent to January 1, 1923.

CLARENCE CANNON,
THOMAS L. BLANTON,
B. M. JACOBSEN,
D. LANE POWERS,
J. WILLIAM DITTER,
Managers on the part of the House.

Mr. DITTER. Mr. Speaker, I ask unanimous consent that my name may be included with the names of the other managers on the part of the House in this conference.

The SPEAKER pro tempore (Mr. SIROVICH). Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. CANNON of Missouri. Mr. Speaker, I yield 15 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Speaker, the American taxpayers back home are patient and long-suffering. They let things

go along as they have gone on here because they do not know about them. They do not know that the tax rate here for the Washington people this fiscal year is only $1.50 on the $100, with the assessed valuations reduced this year $80,000,000, and that with no bonded indebtedness, this District has a surplus this year of $5,000,000. They do not know that the gasoline tax here is only 2 cents on the gallon. They do not know that there is no income tax, and no inheritance tax, or that the license tax on trucks and fine limousines is only $1 yer year. They do not know that the 79,000 school children here get everything furnished free, including all books and equipment, from the kindergarten to the highest schools here, with no special school tax at all. They do not know that the water rate here per ordinary family is only about $7 per year, with 10,000 cubic feet the allowance. They do not know that after premises are once connected with the sewer system here, there is never any charge for such service thereafter. They do not know that there is no charge to the people for gathering and disposing of trash, ashes, or garbage. They do not know that in the residential sections and elsewhere the owners are not charged for the beautiful trees, but that same are furnished free, planted, nurtured, sprayed, and cared for and pruned and looked after for all time without any direct cost to the people.

The taxpayers of this Nation, Mr. Speaker, do not know that for many years the United States Government with their tax money out of the Federal Treasury paid half of all the civic expenses of Washington, paving streets, building bridges, street lighting, police service, fire service, school buildings, playgrounds, hospitals, school salaries, and school expenses, court expenses, and all other of the growing expenses of this city.

The people of this Nation do not know that this Government at the expense of the American people maintains here a big colored university, Howard University, upon which it has spent millions; that this Government maintains here a number of fine hospitals, for which Washington people pay nothing; that this Government has about 79,000 Federal employees here whom it pays regularly every 2 weeks with new money that when first spent is spent in Washington, and this big Federal pay roll keeps up the merchants, the theaters, the newspapers, the doctors, the lawyers, the dentists, and all the business interests of Washington.

The people of this Nation do not know that this city is constantly filled with hundreds of thousands of tourists who come here sight-seeing, to visit the various Government institutions, and spend large sums of money here, which is a bonanza for the commercial interests of Washington.

Some of these days these people back home are going to wake up and find out who in Congress is responsible, and they are going to require a reckoning. Some of these days they are going to require their Representatives in Congress to tell these high-hat spenders in Washington, who have been living off this Government for a quarter of a century or more, that, if they do not like the 10-mile square that has been set apart here for the Nation's Capital to transact the business of the Government, if they do not like it, let them get up and move out.

This 10-mile square has been dedicated to the Government's business. And it is going to remain so, and Congress is going to continue to control it.

Mr. COX. Will the gentleman yield?

Mr. BLANTON. Yes.

Mr. COX. Has the gentleman ever given thought to ceding the 10-mile square back to the States?

Mr. BLANTON. No; it belongs to the United States. Our Government needs it for a Capital, in which to transact our business. We are going to keep it. Incidentally, we allow the people living here to acquire property and grow rich. They have become so arrogant, however, that the tail is wagging the dog. They have gotten so they think the whole District of Columbia is for their pleasure, profit, and benefit.

Now, I want to call your attention to what has been done. You have not an abler Member of this Congress than your chairman of the subcommittee, or a man who is better posted, or a man who is more fearless, or a man who knows more about the District government business, than our good friend the distinguished gentleman from Missouri [Mr. CANNON]. [Applause.]

I think that he is one of the most valuable men in this Congress. [Applause.] He has brought you a conference report which not a single Member here should vote against.

A few years ago, when the expenses of this District got up to $20,000,000, everybody thought it was outrageous. For the present fiscal year this Congress last session gave to the District government for the fiscal expenses of the District $30,375,000. Congress adjourned after giving them that money.

Just as soon as Members of Congress went home, the Commissioners went down to the P.W.A. and the C.W.A. and altogether got gifts aggregating the huge sum of about $11,000,000 more—a pure gift. Your district or mine did not get that. Your State did not get that. When I say $11,000,000 from the P.W.A. and the C.W.A. that means nothing but public tax money out of the Treasury of the United States. That means the taxpayers' money, for it all comes out of the taxpayer's pocket.

They got $11,000,000 gifts additional to the $30,375,000. Congress did not pass on this $11,000,000; the Budget did not pass on it; the President did not pass on it; they went down here to P.W.A. and C.W.A. and got it.

In addition to that $11,000,000 gift, Secretary Ickes said, "You want $2,000,000 more for improvements, you say. When we let the money out to the States and the municipalities, the Government gives them 30 percent of it, and they have to pay back 70 percent. We will let you have the $2,000,000 more, but you will have to pay 70 percent of it back." Such a notation of having to pay back 70 percent of the $2,000,000 was entered by P.W.A. The P.W.A. expected the Commissioners to fix it up so that Congress would deduct it from the Federal contribution, because they cannot give bonds.

Back in 1878 Congress wisely provided by statute that the District of Columbia could not borrow money, because the District had gotten badly in debt. It was an outrageous debt which they got into, and there were connected with it graft and corruption. As I say, they got into debt and the Government of the United States had to step in and pay off that debt.

Then the Congress passed this law in 1878:

> There shall be no increase in the amount of the total indebtedness of the District of Columbia existing on June 11, 1878, and any officer or person who shall knowingly increase or aid or abet in increasing such total indebtedness shall be deemed guilty of a high misdemeanor and on conviction thereof shall be punished by imprisonment not exceeding 10 years or by fine not exceeding $10,000.

Congress was so incensed about having to take this District out of debt at that time that it provided that if the District Commissioners should ever aid or abet in contracting another debt for this District they should be guilty of an offense and be punished with 10 years' confinement in the penitentiary or a fine of $10,000.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. In a moment. That has been the law since 1878, and this District is a city of less than half a million people. To be exact, the last census gave Washington 486,000 people. A third of that population is colored. They have been drifting in here from everywhere. This is the only city in the United States that has not got an indebtedness. This is the only city in the United States that does not owe a dollar. This is the only city in the United States that since 1878 has not had to provide a sinking fund. This is the only city in the United States that has not got a big tax burden on the people. Since 1878 we have kept the city of Washington and the District of Columbia absolutely out of debt on a cash basis, because your people and mine have been taxed a great big sum to pay for it every year.

Mr. McCANDLESS. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. No; not at present. I am going to get these facts before you, and then I shall yield. After the people of the District had received this $11,000,000 gift, and after they had received the $2,000,000 advancement which Mr. Secretary Ickes expected Congress would take out of the Federal contribution this year to pay back the 70 percent of it, your committee, headed by the distinguished gentleman from Missouri [Mr. CANNON] came here and provided $32,650,657 as an appropriation for this year's budget. The bill went to the Senate, and the Senate committee amended it 120 times. They put 120 amendments on the bill, and each amendment gave more money. If you were not familiar with District business, intimately familiar with it, it would take you 3 months to find out what all those amendments meant to the taxpayers of the District and the United States.

Mr. COX. And in every instance increased the appropriation.

Mr. BLANTON. Yes; increased the appropriation in every instance, and you can see by the hearings that someone asked the Commissioners, in substance, "Now, can you think of anything else that we can do for the District?" The Senate increased the bill to $37,678,459. I quote from the Senate hearings, which were begun on Wednesday, April 25, 1934, at page 371, from the testimony of Mr. Donovan, the District auditor:

> Mr. DONOVAN. Several days ago, Mr. Chairman, you asked the Commissioners to consider what, if any, further needs be provided for in this bill for 1935. The Commissioners have given consideration to that suggestion.

Just as if they had said, "Come on, boys, and hunt up something else that we can put in the bill in addition to this $37,678,459." That is what that means.

Mr. MAY. Mr. Speaker, will the gentleman yield there?

Mr. BLANTON. Yes; to my good friend from Kentucky.

Mr. MAY. The gentleman does not mean to intimate that there is anybody in the District who would go out and hunt up something more that they could get out of the taxpayers of the country?

Mr. BLANTON. The District administration here in the District Building, unfortunately, for years back, would take every dollar of money that you will give them and spent it each fiscal year. That is why we must protect the taxpayers. When the bill passed the House, we provided that 70 percent, not of the $11,000,000, which was a pure gift, but of the extra $2,000,000 advanced should be paid back to the Government out of the Federal contribution. We took it out of the Federal contribution. Immediately the Washington newspapers began to get busy preaching repudiation, and the District officials went over to the Senate and said, "Why, the District has not any power to borrow, there is no law for it, Congress passed a law that the District could not borrow, and, therefore we considered it a pure gift. We don't want to pay it back." And the Senate committee was willing not to make them pay it back.

Mr. RICH. The gentleman says that the House passed a bill of $32,650,657 and that the Senate increased it to $37,678,479. Does not the gentleman think then that the Senate gave it back to them?

Mr. BLANTON. But we managers on the part of the House in behalf of the people of the country forced the Senate to recede and forced the District to pay back this $1,330,000, which would be 70 percent of the approximately $2,000,000 advanced. We took it out of the Federal contribution.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. BLANTON. I will yield in a few moments.

The contention was made that we had passed a law that the District could not borrow money, and therefore when the P.W.A. advanced it $2,000,000 we could not provide for them to pay this back like your municipalities in the States are paying it back.

All the money that St. Louis has gotten from the P.W.A. they have had to give bonds to pay it back 70 percent. Your municipalities back home have not gotten very much from P.W.A. Texas has not gotten much from P.W.A. It is 900 miles from Texarkana, where Mr. PATMAN lives, through my home city on Highway No. 1, to El Paso, where Mr. THOMASON lives, in Texas, and 900 miles from where Mr. JONES lives in Amarillo to where Mr. WEST lives in Brownsville.

The SPEAKER pro tempore. The time of the gentleman from Texas has expired.

Mr. BLANTON. Mr. Speaker, I yield myself 15 additional minutes.

Mr. COCHRAN of Missouri. Will the gentleman yield for me to ask him a question on this amendment no. 1 that he is talking about?

Mr. BLANTON. I could not deny my good friend from Missouri anything. Anything I have he is welcome to. I yield to the gentleman.

Mr. COCHRAN of Missouri. In amendment no. 1 it is provided for a sum equal to $5,700,000 less 70 percent of the amounts expended under allotments from the Public Works Administration for sewers and park improvements. Suppose we pass the other bill that is pending, where a special rule has been provided, to borrow money from the Public Works Administration for the construction of a sewerage system; will this apply?

Mr. BLANTON. Yes.

Mr. COCHRAN of Missouri. I thought so.

Mr. BLANTON. Of course it applies.

Mr. COCHRAN of Missouri. I am glad to have the frank statement from the gentleman from Texas.

Mr. BLANTON. This $2,000,000 is money they have already gotten. The other bill seeking to authorize the District to borrow $20,000,000 is another proposition. This $2,000,000 they have already gotten, of which Mr. Ickes said they must pay 70 percent back. They have spent it. We are making them pay back 70 percent. But they got pure gifts aggregating $11,000,000, none of which is to be paid back.

Mr. BLANCHARD. And they ought to pay it back.

Mr. BLANTON. Of course. And we House managers made them pay it back. Anybody except someone who has a special interest must admit that the District should pay back this $1,330,000.

Mr. COCHRAN of Missouri. Mention me. I am interested.

Mr. BLANTON. I know that when my friend says that he is afraid the people are to be polluted by the Potomac waters, but George Washington was not polluted. He lived down here below Washington at Mount Vernon on the Potomac. The same system is in vogue here now that was in vogue in George Washington's day. We have been quite healthy here in Washington for the past 100 years.

Mr. COCHRAN of Missouri. What was the population of the District when George was around?

Mr. BLANTON. Well, wait, please, just a minute. I have been fair with my friend. I do need my time to discuss these facts.

Mr. COCHRAN of Missouri. What was the population of the District then?

Mr. BLANTON. Mr. Speaker, I ask that for the present I be not interrupted any further, until I present these facts.

The SPEAKER pro tempore. The gentleman from Texas does not yield.

Mr. BLANTON. We had to enter that conference over there with a bunch of our Senator friends sitting around the table, all seeking to uphold their 120 amendments, every one of them increasing this bill, and our problem was to try to get together. You know what we had to do to get together. We had to recede and concur on many amendments.

Mr. MAY. Will the gentleman yield?

Mr. BLANTON. Please let me finish. I do not want to take up too much time. Please let me make a connected statement. The Washington papers said that we were depriving tubercular patients, including little children, of needed facilities to combat tuberculosis. I have here pictures of the new $625,000 tuberculosis hospital that has not yet been opened that we have recently built here. It will be opened next month. I ask you to look at these pictures. We have built it. That is one of the finest tuberculosis hos-

pitals in the country, and it was built at a cost of $625,000. It is brandnew. It will be open next month. It will provide 150 of the most modern beds in the country.

Mr. COX. I hope the gentleman will not forget to tell the House the total of the grant Congress has made to the District of Columbia of the people's money.

Mr. BLANTON. The gentleman from Kentucky, Mr. Ben Johnson, who served here for years, who was the distinguished chairman of the District Committee, who made one of the closest surveys of fiscal affairs any man has ever made, and who was an able man and a fair man, said one evening, "If you would check up all that this District government owes the Federal Government of the United States for funds it has gotten out of the Treasury, it would amount to $581,000,000."

Mr. COX. And that was 10 years ago?

Mr. BLANTON. That was about 10 years ago he made that statement. Do you know how much welfare aid has been given to the city of Washington during the present fiscal year? Eight hundred thousand dollars per month. Your home people do not get $800,000 per month from the Federal Government for relief.

Mr. RICH. Will the gentleman yield?

Mr. BLANTON. No. I am sorry. I will give the gentleman some facts that he should study over, if he will let me finish. They got $800,000 for April. They have gotten $800,000 for May.

Do you get that much back home? No. No; you do not; and I want to read you excerpts from some of the papers that you may know what they say as to who is getting this relief. I quote first from the Washington Post of April 29, 1934:

District of Columbia relief cost is laid to outsiders. Major Gotwals feels third of those drawing aid not natives.

Gotwals is of the opinion that there are 8,000 families receiving aid who are not entitled to it. The average budgetary allowance is $30 a month, which totals $240,000.

That is $240,000 given to persons not entitled to receive it.

I read now an article from the Washington Herald of April 29, 1934:

Major Gotwals claims a relief racket here. Declares third of 25,000 now on the rolls are not entitled to aid; bases assertion on surveys.

At least one-third of the 25,000 persons on the relief rolls are not entitled to aid, Maj. John C. Gotwals, Engineer Commissioner, said yesterday.

Commissioner Gotwals is confident thousands of persons now receiving District aid have come in here from other cities with the express purpose of living off of the District.

Hopkins yesterday allotted the sum of $400,000 to the District government for the relief needs during the first 2 weeks in May. At the same time Hopkins granted $71,432 for transient relief and $5,780 for student relief in the District.

Now, I want to read from the evidence of the Chairman of the Board of Commissioners in Washington; and I quote from our hearings. This is from the testimony of Commissioner Hazen, who said:

In the fiscal year 1934—

That is the year that will end June 30, 1934—

the tax rate of $1.70 which has been in effect during the fiscal years 1929 to 1933 inclusive, has been reduced to $1.50. This reduction represents a saving to the taxpayers in the fiscal year 1934 of $2,445,000.

This is a saving for Washington people. They talk about the assessed value being high. That is the most foolish yarn I have ever heard.

Last year with the reduced tax rate of $1.50 they also reduced the assessed value of the property.

Listen to this, the testimony of the Chairman of the Board of Commissioners, Mr. Hazen:

In the fiscal year 1934 the assessed valuation of real estate has been reduced by $80,000,000, a saving to the property owners here of $1,200,000 per year.

I call attention also to the following statement:

For the next year, 1935, it is also contemplated that a further reduction in the assessed valuation of real estate of approximately $50,000,000 will be made.

They reduced the assessed valuation here for the present fiscal year $80,000,000, and they intend to reduce it again this year another $50,000,000.

Mr. BLOOM. They are not reducing the rents.

Mr. BLANTON. They have not reduced the rents; rents are higher here than in any other place in the country, and Congress is permitting it.

In addition to that Commissioner Hazen calls attention to the fact that the water rate has been reduced 25 percent, and this is in addition to the 10-percent reduction that is given the people of Washington for paying the water bills on time. Down in my State an ordinary family has to pay at least $5 a month for water; that is, $60 a year. Under the present system in the District of Columbia an ordinary family, an ordinary household, pays about $7 a year, or about 50 cents a month.

Let me remind you also that they increased the minimum water allowance to each family at that low rate from 7,500 cubic feet to 10,000 cubic feet, and this for about 50 cents a month per family. Your folks at home are paying for part of it.

Tomorrow a resolution will be presented to the House, adopted by the Committee on Rules by a divided vote of 6 to 5, in the face of that statute which has prevented the District of Columbia from borrowing any money since 1878, that will make in order this $20,000,000 loan bill.

What are you going to do with this bill when it comes up, in the face of all these facts? Here is a tax rate the lowest in the country, but they are fixing to cover up that. The newspapers are trying to arrange it. They are saying that with this Washington tax rate reduced so low the people of the country are going to kick about it; so they have a scheme to take care of it. They say, "We will decrease the assessment; we will cut the assessment in half and raise the rate."

A piece of property worth $20,000 that is now assessed for $10,000 will, under their plan, be assessed for $5,000. Let me show you what the Washington paper said about that. I read from the Washington Daily News.

That is the only other Washington paper, besides the splendid Washington Star, that is a decent publication in Washington. The News, while small, is getting more decent every day. If it were not for the Washington Star and the Washington News, we would not have a dependable paper in the city of Washington. Notice what this News says. In big headlines there is the statement:

Plan offered to end criticism of District of Columbia lump sum.

Senator THOMAS advises cut in assessments and tax rate boost.

Larger annual Federal contributions to District expenses are contemplated in a plan outlined to the Commissioners yesterday by Chairman THOMAS, Democrat, of Oklahoma, of the Senate District Appropriations Committee.

THOMAS' plan would provide for a reassessment of property for tax purposes on a lower scale.

This would mean that in the case of property now valued at $100, on which $1.50 in taxes is paid, the property might be assessed at $50 and the tax rate increased to $3.

That is to do what? That is to keep the people in the States from kicking.

Mr. RICH. What people are kicking?

Mr. BLANTON. The taxpayers back home.

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Speaker, I yield the gentleman 5 additional minutes.

Mr. MAY. Will the gentleman tell us what he wants us to do and when the matter comes up?

Mr. BLANTON. It will come up tomorrow. We must kill this $20,000,000 loan bill tomorrow. This does Senator THOMAS an injustice, I am sure, because I do not believe he is in favor of such a plan. In Oklahoma City, in the Senator's State, they are paying about $7 instead of $1.50 per $100 tax. If he were in favor of a plan like that, how could he go back to Oklahoma and face those people?

Let me tell you something about this loan bill for $20,000,000 that you are going to take up tomorrow. Do you know where some of that money is going? Over in Virginia! I do not blame my friend the gentleman from Virginia [Mr. SMITH], who is a member of the Rules Committee, for getting this rule for his pet measure. He is getting a big handout. There is a lot of money to be spent in Virginia over in his district. I have served here with the man who preceded him in Congress, Hon. Walton Moore,

a splendid fellow, who had the longest arm that I ever saw on any legislator. He reached into the Treasury time after time and took out more money for Virginia and his district than the State of Texas has received together in the history of our country. Mr. SMITH is a member of the Rules Committee. He helped vote out this rule on a divided vote of 6 to 5. I do not blame him. He is getting this for his district. Let me show you now how they will spend some of that $20,000,000.

Our splendid chairman, the gentleman from Missouri [Mr. CANNON], had a fellow before us by the name of Mr. Finnan, who has just been made superintendent of some parks here in Washington. Here is the gentleman's testimony before our committee. He said that back in 1925 out in Colorado he was getting $90 a month. Then in 1931 he was receiving $1,800 a year, which is $150 a month. Then he was raised on up to $3,200, and then finally he was drawing $3,800. He happens to have a friend at court. I quote the following excerpts from what Mr. Finnan testified to:

Mr. BLANTON. Your salary now is $5,600?
Mr. FINNAN. Yes, sir.
Mr. BLANTON. And has been $5,600 since last October?
Mr. FINNAN. It has been $5,600 since last November 1, when I took office here.
Mr. BLANTON. Is there any movement on foot for you to take charge of what is known as the old Klingle House out here in Rock Creek Park?
Mr. FINNAN. Yes, sir; there is.
Mr. BLANTON. Yes; but there is a tentative understanding, is there not, for you to move into the house?
Mr. FINNAN. We are submitting an estimate now, Mr. BLANTON, to the Public Works Administration to give us enough money to restore the house.
Mr. BLANTON. When you first came here you paid $100 rent out in Chevy Chase, did you not?
Mr. FINNAN. Yes, sir; that is correct.
Mr. BLANTON. Now you are living at the Ontario, are you not?
Mr. FINNAN. Yes, sir.
Mr. BLANTON. And you are paying what?
Mr. FINNAN. $62.50.
Mr. BLANTON. You never paid that before since you first came into the service, did you?
Mr. FINNAN. No, sir.
Mr. BLANTON. Well, you have had architects and other people to go out there and look this house over and measure it for purposes of renovation?
Mr. FINNAN. For restoration.
Mr. BLANTON. And to arrange about putting in more bathrooms and things of that kind?
Mr. FINNAN. Yes, sir.
Mr. BLANTON. And you are going to spend $8,000 on it, are you not?
Mr. FINNAN. If the present plans, Mr. BLANTON, are carried out, it would be $11,000.

They brought Finnan here, formerly a little $90-a-month employee back in 1925 in Colorado, and increased his salary from $3,800 to $5,600 over night last November. They are taking this Klingle House away from a good Democrat and his family, who has had it for 15 years, and they are giving it to Mr. Finnan, and they are going to spend $11,000 of this loan money here to put in a bunch of new bathrooms out there for Mr. Finnan. We must kill that $20,000,000 loan bill tomorrow.

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Speaker, I yield 20 minutes to the gentleman from Pennsylvania [Mr. DITTER].

Mr. DITTER. Mr. Speaker, I was indeed surprised when the distinguished gentleman from Texas framed the indictment which he just did against the administration. Of all men who have been defenders of the present administration, to frame an indictment against the administration program for incompetency, laxity, and lack of due care in the administration of P.W.A. funds, so far as the District is concerned, the distinguished gentleman from Texas is the last one I had expected would do so.

Mr. BLANTON. I protect the President at all times, but I will not protect the bureau chiefs when they are wrong.

Mr. DITTER. You cannot blame the District if the administration is so careful as to inquire whether there are other things which they desire here. I venture the suggestion, if Texas came here and if efforts were made by the administration to hand out to Abilene or to Texas generally gifts and gratuities, certainly the distinguished gentleman from Texas would accept all that he could get and still ask for more.

So that any criticism of that which might come to the District as a result of the incompetence or the failure of the administration to properly look into the administration of P.W.A. or C.W.A. funds should not be directed against the Commissioners of the District. It should not be a criticism of the Commissioners of the District. It is a criticism of the administration which has handled the P.W.A. and C.W.A. funds right here in Washington.

When you have a bill with 120 amendments and you have to meet across the counsel table, you have to give and take.

I only express a personal opinion when I express my regret that certain items proposed by the Senate were not included. I defer to the knowledge and wisdom and experience of the chairman of our own committee and have abided by his judgment. I do feel, however, that there are two items which should have been included; certainly they should have been given a greater degree of latitude in the matter of the appropriations: The one the Public Utilities Commission, and the other the Liquor Control Board.

I believe we should have the administration of the liquor business here in the District carefully guarded for law enforcement. This cannot be done if you rob the enforcement board of the necessary personnel.

Secondly, I still contend that until there is actual proof of either incompetence or collusion or carelessness on the part of the Utilities Commission that we should provide a larger appropriation so that its present personnel might be continued.

I do hope that in another year the House will give favorable consideration to these two agencies, at least in the matter of maintaining a sufficient personnel to permit them to carry out their functions.

Mr. Speaker, I yield back the balance of my time after yielding 5 minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN of Missouri. Mr. Speaker, in considering legislation affecting the District of Columbia, I endeavor to approach it in the same way I would consider legislation affecting the city from which I come, and I think this is the attitude that the Membership of this House should take.

In reference to the bill giving the District the power to borrow from the P.W.A., let me say 2 weeks ago my city, by a vote of 5 to 1, appropriated $15,000,000 in bonds for the purpose of carrying on public works and to enable the city to come to the P.W.A. and ask the P.W.A., under the law, to assume a 30-percent obligation for the work it desires to do. On the same day my State, by a vote of 2 to 1, voted $10,000,000 in bonds for identically the same purpose.

The people of the District of Columbia pay taxes to the Government of the United States just the same as the people of Missouri and the people of Texas, and part of the money they pay to the Government of the United States, no doubt, is included in this P.W.A. money. The people of the District of Columbia must assume their part of the burden to take care of the public debt just the same as the people of Missouri and the people of Texas. Therefore, why should they not have the right to borrow money for needed public improvements?

I rose for the purpose of discussing the appropriation for the Public Utilities Commission.

I have talked to the Speaker, the Parliamentarian, and numerous Members who, I think, understand parliamentary law, trying to find some way whereby I can force a record vote in this House upon the paragraph that affects the Public Utilities Commission.

Men stand here on the floor and say they are defending the people of the country. Are you defending the people of Washington when you cut the appropriation of the Public Utilities Commission from $87,000 to $50,000? That is a people's commission. Its every act is supposed to be beneficial to the masses of the people.

I should like to find a way whereby I can move that the House recede and concur in the Senate amendment, which

carried the $87,000 appropriation, but up to this moment I have not been able to find such a way. However, I do hope that someone at the other side of the Capitol, Senator NORRIS, for instance, who has been interested in these matters for years, will see to it that the Senate insists upon its amendment and in this way provide the $87,000 to carry on the work of the Public Utilities Commission of the District of Columbia.

You get gas here, you get electricity here, and you get water here cheaper than anywhere in the country, with a few exceptions. Why? Because of the activities of the Public Utilities Commission. My colleague from my own State challenged this statement when this bill was pending before the House, but I ask every Member to read the Senate hearings, consisting of nearly 400 pages, and find out just what this commission has accomplished.

Let us see what the Senate committee learned with respect to the Public Utilities Commission:

Senator THOMAS of Oklahoma. If this item is retained at $50,000, how many officials and employees would you have to dispense with?

Mr. ELGEN. We will have to dispense with 15 employees, Mr. Chairman. That then would still leave us on a 90-percent basis with about $2,900 more than the House has appropriated which we would have to save some way or other.

Senator THOMAS of Oklahoma. Any questions?

Senator NYE. As to this reduction here and the discontinuance of 15 employees, how much would that delay the valuation work that you are undertaking?

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Speaker, I yield the gentleman 5 additional minutes.

Mr. COCHRAN of Missouri (reading):

Mr. ELGEN. It would very materially delay those valuations. To what extent, I do not know. But it would have a decided effect upon our entire plan, sir. You cannot regulate utilities without the tools to do so; and that has been one of the big difficulties, in my opinion, about regulation in this country—attempting to regulate, passing laws, does not do any good unless you have funds to proceed with. That was quite evident in the case of the old Federal Power Commission. You recall, for many years they had a very inadequate sum of money, and nothing was done. After you began to give them money and a force to go ahead, they began doing some rather remarkable things in the public interest.

Major Gotwals is as fine an Engineer Commissioner as the District of Columbia has ever had. He is going out of office July 1, when he is to be retired. Major Gotwals is a man about whom no one can say anything except praise for his services to the District of Columbia. This is his statement:

Major GOTWALS. But, the embarrassing thing about this matter is the fact that these companies, with the public's money, obtain the best lawyers, the best engineers, that money can get. They carefully buy something with the public's own money, something which will be worth while, as they see it, to beat us, and then we put up a hard fight many times, and this simply knocks our feet from under us. There is a much greater danger in the reduction. It is the danger of the public being thoroughly beaten.

Senator NYE. The public being wholly undefended?

Major GOTWALS. Unprotected, because we are playing with major leaguers, so to speak, and we are a little bit of a bush league, just to use a little slang, because the A. T. & T. bring the best attorneys, the best valuation engineers and lawyers that there are in the United States here, and then we meet them with only one lawyer, and, of course, we put up a pretty good fight, but, when we cannot have any men at all, our "bush league" might be beaten.

Take away the money for the Public Utilities Commission and, in my opinion, the result will be no reduction of rates for light and power, telephone, and so forth, for the people of the District of Columbia.

Mr. RICH. Will the gentleman yield?

Mr. COCHRAN of Missouri. Yes.

Mr. RICH. The statement was made by the gentleman from Texas [Mr. BLANTON] that the tax rate on property was $1.50 per $100, with assessed valuations reduced this year $80,000,000——

Mr. COCHRAN of Missouri. I am not talking about the tax rates, I am talking about the Utilities Commission. I would not care if you raised the taxes if you did not reduce the appropriation for the Utilities Commission.

Mr. BLANTON. The Utilities Commission right now is given $51,000 and, in addition, has the services of all 14 lawyers on the pay roll in the corporation counsel's office. Fourteen lawyers with $51,000 ought to be able to accomplish something worth while.

Mr. COCHRAN of Missouri. Why did you give them $87,000 a year ago? The gentleman from Texas was on the committee.

Mr. BLANTON. Because they had not done anything for the people during the last 4 years. They did far more when we gave them only $46,000 than they have ever done since.

Mr. COCHRAN of Missouri. You got mad at an attorney who attended four or five conventions because he tipped the bellboy or the chambermaid, and the man who carried his grip—you took it out on the Commission.

Mr. BLANTON. No; that had nothing to do with it. When they had $46,000 was the only time they did anything for the people. The telephone rates here are simply outrageous. I predict that our new Commissioner, Mr. Keech, will do more with this $51,000 during the coming year than the former Commission has done during the last 4 years with $87,000 per annum.

Mr. McFARLANE. Will the gentleman yield?

Mr. COCHRAN of Missouri. Yes.

Mr. McFARLANE. What did the Commission do with the $87,000 they give them? What did they do in regard to reducing the rates on telephone, light, and power—the highest rates here on telephones that there are anywhere?

Mr. COCHRAN of Missouri. As far as the telephone is concerned the Interstate Commerce rules supersede the Utilities. That law should be changed and then your telephone bill would be reduced.

Mr. McFARLANE. The service charge of a telephone company here is too high—they charge $3 for installation even though the phone is there and only requires connection. That is entirely too much.

Mr. COCHRAN of Missouri. I paid my bill this morning, $4.75 for the month.

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Speaker, I had not expected to delay the House by further discussion of the conference report, but I must take just a minute to supplement the remarks of the gentleman from Missouri [Mr. COCHRAN]. The gentleman from Missouri is my personal friend and I have the highest regard for him, and I am certain he expects me to reply in kind.

This bill has been considered longer than any other appropriation bill in this session of Congress. The committee began hearings on the bill on March 7 and continued them from day to day until March 23. Members of Congress who were interested in the bill, or any item in the bill, were welcome at the sessions of the committee and were given time on all items on which they desired to be heard. But the gentleman from Missouri [Mr. COCHRAN] gave no intimation that he had the slightest interest in this item. He knew that it had been under fire in 1933 and he knew it would be taken up in these hearings, but he did not so much as call up to inquire about it.

When the bill passed the House he was on the floor and participated in the debate and was present when this figure was fixed by the House. He heard the conferees appointed and knew the item was in disagreement between the two Houses. Other Members interceded with the conferees on items in which they were interested, but the gentleman from Missouri [Mr. COCHRAN] did not mention the subject to any member of the committee of conference for either House. But now, after the item is in the conference report, and every Member of the House knows there is not the slightest opportunity to amend the conference report, my good friend the gentleman from Missouri rushes in and wages a single-handed battle to do what every Member knows positively cannot be done. The futility of his position on this proposal is apparent at a glance. Why, then, is he making this crusade against this saving of $37,000 in the bill? If he really wanted to accomplish anything, why did he not appear before the committee at the hearings on the bill when the item was being considered? If he really wanted to increase the

amount and throw away $37,000 additional of the taxpayers' money, why did he not take it up with the conferees before they went to conference?

The answer is obvious. The gentleman from Missouri is a candidate for the United States Senate. He is waging a campaign back in Missouri for nomination on the Democratic ticket. Publicity is a valuable asset in a campaign for the Senate and candidates are not adverse to having the papers mention their activities on the floor.

But, Mr. Speaker, such mention should be fair to other Members of the House. When this bill was last before the House the gentleman made much the same speech he has made here today, and the St. Louis Post-Dispatch published a version of it, in which it stated the gentleman from Missouri [Mr. COCHRAN], "in opposing the stand of his Missouri colleague, Chairman CLARENCE CANNON, of the subcommittee", charged the subcommittee had "crippled" the Commission, "which has saved the consumers millions of dollars", and had "placed the Commission at the mercy of the private corporations" and asserted "there can be no other conclusion." It further quoted the gentleman from Missouri [Mr. COCHRAN] as saying, "If this vote was being taken before a State legislature, the press would say we had sold out to the public utilities." In reading this newspaper account it is impossible to escape the conclusion that he is intimating that the subcommittee was serving the interests of predatory utilities and under conditions such as to give rise to the suspicion that the members of the committee had "sold out" to the utilities, while the gentleman from Missouri was championing the cause of the common people against them.

None of the proof submitted in the RECORD as to the fallacy of the gentleman's position was printed by the paper, and the effect was as if a case had gone to the jury without giving one of the parties litigant an opportunity to present testimony. I called the article to the attention of my friend from Missouri and pointed out its unfairness, and let it go at that for the reason that the debate as reported in the RECORD was ample reply.

But today the gentleman again implies that the committee's position favors the utilities, while he is opposing them. Again he champions the cause of the common people against a subcommittee "which under similar conditions" in a "State legislature" would be charged with having "sold out." I have never sold out, and I have never supported any utility, public or private. On the contrary, I have declared myself emphatically on the subject in every campaign in which I have participated. I wrote the bill to regulate the utilities which was endorsed by the Governor and passed by the Missouri House of Representatives in the last general assembly without changing a word in it. If the State senate had concurred, the rural towns of Missouri would have received millions of dollars from the Federal Government which other States, notably our neighbor, Illinois, received but which were denied Missouri for lack of this legislation. Did the gentleman from Missouri contribute anything to that fight in the "State legislature"? Not a word.

But here, when everybody knows there is no earthly possibility of changing even a punctuation mark in the conference report, he makes an impassioned speech which will be duly chronicled in tomorrow's Missouri papers.

Mr. COCHRAN of Missouri. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. Now, let us take up the merits of the matter. The House proposed to appropriate $50,000 for personal services under the Public Utilities Commission, and $1,000 for its general expenses. The Senate proposed to increase the amounts to $86,823 and $1,500, respectively, a saving of $37,323, which Mr. COCHRAN ostensibly opposes.

The suggestion that the subcommittee, in making this retrenchment, was actuated by petty personal spite is unworthy of consideration. The truth of the matter is that the Public Utilities Commission has rendered no notable service to the people in the past 4 years. During that time they have not secured a reduction of rates by any utility except by agreement—that is, they have secured nothing except what the utilities wanted to give, and the utility lawyers were willing to agree to.

Mr. COCHRAN of Missouri. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. When we appropriated only $46,000 for this item the Commission functioned. It repeatedly secured reductions of utility rates in the District; and we here propose to give them $50,000—$4,000 more than they received at that time. But, since we have begun to increase the appropriation in excess of $50,000, they have not secured a court order for the deduction of a penny in the rate of any public utility.

There has been no reduction in telephone rates since 1925, although every other utility has granted repeated reductions, and the members of the Commission testified before in the hearings that telephone rates were at least 10 percent too high. In a suit, now pending, when it appeared they were certain to secure a substantial reduction in telephone rates, the Commission voluntarily entered into a stipulation under which they gained nothing but signed away all hope of securing a reduction in any amount. In fact, the whole proceedings smacked strongly of collusion.

Now, the gentleman is a candidate for nomination on the Democratic ticket. But in his excursion here today he has, for the time at least, abandoned his party. This is a Democratic measure. It was reported by a Democratic committee and passed by a Democratic House. The Democratic steering committee approved it and every other Democrat here today is supporting it. The gentleman from Missouri is the one exception. He applied to the Republicans for time to debate, and, although a Democratic Member has control of the hour, he preferred not to accept time from the Democratic side and applied to the Republicans for time to assail the bill, and he is the only Democrat in the House who is attacking the report.

Now, I regret to see the gentleman out of harmony with his party. He would make a good Senator——

Mr. COCHRAN of Missouri. Thanks.

Mr. CANNON of Missouri. I am sorry to see him place himself in such a position. It leaves the impression that he is without influence here in the House. As a matter of fact, he is very influential. He is a man of high character and unusual ability and we as members of the Missouri delegation are proud to be associated with him. It is a matter of regret that he takes this one position on which none of his party can agree with him, and I am afraid it will lead the people back in Missouri to believe that he is not listened to here in the House and so injure the splendid race he is making for the Senate.

Mr. Speaker, we have given the Commission every dollar it is entitled to. The gentleman from Missouri [Mr. COCHRAN] quotes from the Senate hearings a general statement by the Commission that they would like to have more money to spend. But he cannot point to a case in the last 4 years in which the Commission has gone into the courts and forced the utilities to lower their rates. I challenge him now to cite any instance in which any rate of any utility has been reduced by order of the courts at the instance of this Commission. When they report activities justifying larger expenditures we shall be glad to provide larger appropriations.

Now, Mr. Speaker, permit me to turn to a more inspiring subject. In the minute that I have remaining may I refer briefly to two outstanding men who have cooperated with the subcommittee in the hearings on this bill. Out of the many able and conscientious men who appeared before our committee in behalf of the District government two are deserving of special mention.

One is Dr. William G. Fowler, in charge of the Public Health Department, a man eminent in his profession and of great executive ability. Under his administration the Department has made remarkable progress and is today one of the most noteworthy in the United States.

The other is Maj. John C. Gotwals, the Engineer Commissioner, one of the ablest men who has served in that distinguished position, and who in that capacity has rendered invaluable service to the District and the country.

I wish to take advantage of the opportunity to express to these two gentlemen our appreciation of their service and cooperation.

Mr. Speaker, I move the previous question on the adoption of the conference report.

Mr. COCHRAN of Missouri. Mr. Speaker, before yielding to the gentleman from Kansas, I rise to a question of high personal privilege.

Mr. CANNON of Missouri. Mr. Speaker, then I move the previous question.

The SPEAKER. The gentleman will state his question of personal privilege.

Mr. COCHRAN of Missouri. In the course of his remarks the gentleman from Missouri [Mr. CANNON] made a statement reflecting upon me that I desire to answer.

Mr. BLANTON. Mr. Speaker, I make the point of order that a Member cannot rise to a question of privilege at this juncture, when no motion was made to take down words objected to used in debate.

The SPEAKER. The words were not taken down.

Mr. BLANTON. And there was no motion made to take down the gentleman's words. That was necessary.

Mr. RICH. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. RICH. In the course of debate, when trying to explain a bill, is it the proper thing for a Member to make a political speech when he ought to be explaining the bill?

The SPEAKER. That is not a parliamentary inquiry.

Mr. BLANTON. Mr. Speaker, the point of order I made is that the gentleman from Missouri [Mr. COCHRAN] cannot rise to a question of personal privilege at this time, because he made no motion to have the words taken down of the gentleman from Missouri [Mr. CANNON] at the time he used same in debate, which is required under the rules of the House.

The SPEAKER. The point of order is sustained.

Mr. McGUGIN. Mr. Speaker, I make a point of order that there is not a quorum present.

The SPEAKER. The Chair will count. [After counting.] Evidently there is not a quorum present.

CALL OF THE HOUSE

Mr. BYRNS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 156]

Abernethy	Crowther	Jenkins, Ohio	Rogers, N.H.
Allgood	Culkin	Johnson, W.Va.	Rogers, Okla.
Andrew, Mass.	Darden	Kinzer	Sears
Auf der Heide	Delaney	Kniffin	Shannon
Bacon	Dickstein	Kvale	Shoemaker
Bailey	Douglass	Lambertson	Simpson
Beck	Doutrich	Lehlbach	Sisson
Berlin	Drewry	Lesinski	Smith, Va.
Biermann	Duncan, Mo.	Lewis, Md.	Smith, W.Va.
Black	Durgan, Ind.	Lloyd	Spence
Bloom	Eaton	Luce	Stalker
Boland	Edmonds	McGrath	Steagall
Bolton	Evans	McLeod	Stokes
Boylan	Faddis	McMillan	Strong, Pa.
Brennan	Fernandez	McSwain	Stubbs
Britten	Fitzpatrick	Maloney, La.	Sullivan
Brooks	Fletcher	Marland	Sutphin
Browning	Foss	Millard	Swick
Bulwinkle	Foulkes	Milligan	Taylor, S.C.
Burke, Calif.	Frear	Montet	Thom
Burke, Nebr.	Frey	Moran	Thomason
Burnham	Gambrill	Moynihan, Ill.	Thurston
Cannon, Wis.	Gasque	Muldowney	Treadway
Carley, N.Y.	Goldsborough	Murdock	Truax
Carpenter, Nebr.	Goss	Musselwhite	Vinson, Ga.
Carter, Wyo.	Green	Nesbit	Wadsworth
Cary	Griswold	Norton	Weaver
Cavicchia	Haines	O'Connell	Weideman
Celler	Hamilton	O'Malley	White
Chapman	Hancock, N.C.	Oliver, N.Y.	Wilcox
Chase	Harlan	Peavey	Williams
Church	Harter	Peterson	Withrow
Claiborne	Hartley	Pettengill	Wolfenden
Clark, N.C.	Healey	Plumley	Woodruff
Cochran, Pa.	Higgins	Prall	Woodrum
Coffin	Hill, Ala.	Randolph	Zioncheck
Cole	Hollister	Reid, Ill.	
Cooper, Ohio	Hughes	Reilly	
Corning	James	Richards	
Crosby	Jeffers	Richardson	

The SPEAKER. Two hundred and seventy-four Members have answered to their names. A quorum is present.

Mr. BYRNS. Mr. Speaker, I move that further proceedings under the call be dispensed with.

The motion was agreed to.

The SPEAKER. The question is, Shall the previous question be ordered?

The previous question was ordered.

The SPEAKER. The question is on the adoption of the conference report.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Amendment no. 39: On page 30, line 11, strike out "$5,728,500" and insert in lieu thereof "$5,763,960."

Mr. CANNON of Missouri. Mr. Speaker, I move that the House recede from its disagreement to the Senate amendment and agree to the same with an amendment as follows:

In lieu of the sum proposed insert the following: "$5,763,960, of which not exceeding $5,000 may be expended for compensation to be fixed by the board of education and traveling expenses of educational consultants employed in character education."

The SPEAKER. The question is on the motion of the gentleman from Missouri [Mr. CANNON].

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment no. 41. On page 33, after line 9, insert: "For aid in the education of children (between the ages of 16 and 21 years, inclusive, who have had their domicile in the District of Columbia for at least 5 years) of those who lost their lives during the World War as a result of service in the military or naval forces of the United States, including tuition, fees, maintenance, and the purchase of books and supplies, $3,600: *Provided*, That not more than $200 shall be available for any one child during the fiscal year 1935: *Provided further*, That this appropriation shall be expended for such children while attending educational institutions of a secondary or college grade under rules and regulations prescribed by the board of education."

Mr. CANNON of Missouri. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The SPEAKER. The question is on the motion of the gentleman from Missouri.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment no. 86. On page 59, in line 9, insert: "*Provided*, That in case a satisfactory price cannot be agreed upon for the purchase of said land, the Attorney General of the United States, upon the request of the Commissioners of the District of Columbia, is directed to acquire said land by condemnation, title to be taken directly to and in the name of the United States, and the expenses of condemnation shall be paid out of the appropriation herein made."

Mr. CANNON of Missouri. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment no. 92. On page 62, after line 12, insert:

"DISTRICT OF COLUMBIA TUBERCULOSIS SANATORIA

"For the construction of additions to the Children's Unit, and the preparation of plans and specifications for the District of Columbia Tuberculosis Sanatoria at Glenn Dale, Md., including not to exceed $100,000 for the employment of professional and other personal services without reference to the Classification Act of 1923, as amended, and section 3709 of the Revised Statutes of the United States, $500,000."

Mr. CANNON of Missouri. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment no. 118. On page 78, after line 5, insert: ": *Provided*, That the assessment rate herein prescribed shall be applicable to assessments for sewer and water mains constructed

and laid subsequent to January 1, 1923, in the subdivision of Barry Farm, as said subdivision appears on the records of the Surveyor of the District of Columbia."

Mr. CANNON of Missouri. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

On motion by Mr. CANNON of Missouri, a motion to reconsider the votes by which the conference report and the several motions on the several amendments were agreed to was laid on the table.

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. GREENWOOD. Mr. Speaker, I ask unanimous consent to proceed for 1 minute to make an announcement.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. GREENWOOD. Mr. Speaker, the House has created a special committee for the investigation of the purchase of War Department property, and the members of this committee have been given permission to sit during the sessions of the House. For this reason they were not able to answer the roll call to establish a quorum. The members of this committee are Messrs. MCSWAIN, FITZPATRICK, DUNCAN, CARTER of Wyoming, FADDIS, ROGERS of New Hampshire, JAMES, GOSS, PLUMLEY, and HILL of Alabama.

FOREIGN-TRADE ZONES

Mr. CULLEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 9322) to provide for the establishment, operation, and maintenance of foreign-trade zones in ports of entry of the United States, to expedite and encourage foreign commerce, and for other purposes, with Senate amendments, disagree with the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from New York? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. CULLEN, MCCORMACK, VINSON of Kentucky, TREADWAY, and BACHARACH.

DIVERSIFICATION OF PRISON INDUSTRY

Mr. COX. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 369.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H.R. 9404, a bill to authorize the formation of a body corporate to insure the more effective diversification of prison industries, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. COX. Mr. Speaker, the resolution provides for 2 hours of general debate on the bill. I have consulted the minority members of the Committee on Rules and they agree that I may offer a motion to amend the resolution striking out the word "two" where it appears in line 8, of page 1, of the resolution, and insert in lieu thereof the word "one"; in other words, reducing the time of general debate to 1 hour.

Mr. MARTIN of Massachusets. Mr. Speaker, will the gentleman yield?

Mr. COX. I yield.

Mr. MARTIN of Massachusetts. Mr. Speaker, I concur in what the gentleman from Georgia has said with regard to his consultation with the minority members of the Rules Committee on the matter of amending the resolution to reduce the time of general debate from 2 hours to 1 hour.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. COX. I yield.

Mr. BLANTON. What provision is made in the rule for those who are against the bill, and what arrangement is proposed to take care of those who are against the rule?

Mr. COX. I may say to the gentleman that, of course, I shall yield one-half the time to the gentleman from Massachusetts.

Mr. BLANTON. Is the gentleman from Massachusetts against both the bill and the rule?

Mr. COX. I presume so.

Mr. MARTIN of Massachusetts. Mr. Speaker, I advised the gentleman from Texas [Mr. BLANTON] yesterday that I would yield him 5 minutes.

Mr. BLANTON. I am wondering if there might not be others who are against both the rule and the bill who would want time. Should there not be an equal division of time between those who are for and those who are against this proposition? That has always been the rule here in this House and in all parliamentary bodies.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. COX. I yield.

Mr. TABER. Mr. Speaker, I had hoped that I might have a few minutes on the bill.

Mr. COX. Mr. Speaker, so far as I am concerned I shall be liberal in yielding the time under my control.

Mr. BLANTON. Mr. Speaker, there should be an equal division of the time.

Mr. COX. I can make no such allotment.

Mr. BLANTON. It should be divided equally, and hereafter I am going to contend for all rules to provide for an equal division of time.

Mr. COX. I have no objection; I shall be fair.

Mr. RICH. Mr. Speaker, if the gentleman will yield, I should like some time.

Mr. BLANTON. Have we changed the rules of the House so that those who are opposed to the resolution and the bill are not to have half of the time in their own control?

Mr. COX. Mr. Speaker, the gentleman knows what the practice is on these questions.

Mr. BLANTON. The practice since I have been here has been for the time to be equally divided between those for and those against all propositions. That is the only fair, just way to conduct debates. This is a bad habit for the Rules Committee to get into, and a bad precedent for it to set. I hope that all future rules will provide for a fair, equal division of time between those for and those against the main proposition.

Mr. COX. Mr. Speaker, I move to amend the resolution.

The Clerk read as follows:

Amendment offered by Mr. Cox: Line 8, page 1, after the word "exceed", strike out the word "two" and insert the word "one."

Mr. COX. I move the previous question on the amendment.

Mr. RICH. Mr. Speaker, reserving the right to object, I think we who are opposed to the resolution and to the bill ought to have time in which to express our views.

The SPEAKER. The gentleman cannot object, because the gentleman from Florida has moved the previous question on the adoption of the amendment.

The amendment was agreed to.

Mr. COX. Mr. Speaker, I yield 30 minutes to the gentleman from Massachusetts [Mr. MARTIN] to be yielded as he sees fit.

Mr. Speaker, this resolution proposes to make in order the consideration of the Tarver bill referred to in the resolution as H.R. 9404, which is a bill to authorize the formation of a body corporate to insure the more effective diversification of prison industries.

The bill, Mr. Speaker, has the endorsement of the Attorney General, the Director of Prisons, the American Federation of Women's Clubs; and there is a very strong letter from Mr. Green, President of the American Federation of Labor, embodied in the report that accompanies the bill in which official endorsement is given to the bill.

I had not until this moment learned that there was any opposition coming from any source to the adoption of the measure.

The whole purpose of the bill is to make effective the act of May 27, 1930, which provided for the diversification of prison activities in order that work in prisons might not be concentrated in any one line, giving too great competition to private industry.

Mr. Speaker, I reserve the balance of my time.

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield 10 minutes to the gentleman from Michigan [Mr. MAPES].

Mr. MAPES. Mr. Speaker, this bill perhaps is innocent enough on its face, but it is one of those pieces of legislation which does not show on its face what is aimed at. It creates a prison industries board and clothes it with unlimited discretion in establishing industries in the prisons of our country except that the products must be used by the Government.

It transfers the power, among other things, now lodged in the Attorney General in that respect to this prison industries board.

I should like to call the attention of the Members of the House especially to the language in section 3 of the bill which says that the President shall transfer to said corporation the duty of determining in what manner and to what extent industrial operations shall be carried on in Federal penal and correctional institutions. In other words, this board is given unlimited power to determine in what manner and to what extent industrial operations shall be carried on in Federal penal and correctional institutions.

Mr. TARVER. Will the gentleman yield?

Mr. MAPES. In just a minute. In addition to that, the powers and duties now vested in the Attorney General or any other officer or employee of the United States as conferred by the act of May 27, 1930, are conferred upon this prison industries board. I now yield to the gentleman from Georgia.

Mr. TARVER. The gentleman is not of the opinion that the bill transfers to the Board any greater power than is now exercised by the Attorney General? The bill does not create any additional power. It simply provides for the transfer of existing powers from the Attorney General to this Board.

Mr. MAPES. May I ask the distinguished gentleman from Georgia if that is his interpretation of the act?

Mr. TARVER. Oh, unquestionably. I do not think there is any question about that.

Mr. MAPES. I am unable to hear the response of the gentleman from Georgia.

Mr. TARVER. Undoubtedly that is the correct interpretation of the bill.

Mr. MAPES. I may say to the gentleman that I have been a little doubtful about that and I am glad to hear the gentleman from Georgia make that statement and to get his interpretation of the bill in that respect. The reason for the doubt in my mind was due to the language in the first part of the sentence in section 3, to which I have called attention, and which says that the President shall transfer to said corporation the duty of determining in what manner and to what extent the industrial operations shall be carried on in Federal penal and correctional institutions. As the gentleman from Georgia knows, that is new language not in the act of May 27, 1930, and for this reason I was fearful it was intended to confer upon this Prison Industries Board greater power than is now conferred upon the Attorney General. I am glad to get the gentleman's statement.

Mr. TARVER. The very idea of transfer is that the authority must now be vested somewhere. Where? Under the terms of the act of May 27, 1930, unquestionably in the Attorney General. This is merely a power of transfer of existing power and not a proposal to create additional powers.

Mr. COX. And may I say it is a transfer to a board of which the Attorney General is a member. You will find in the report that the Attorney General endorses the bill.

Mr. MAPES. I call the attention of the members of the Committee on Appropriations to the fact that the bill also provides for an indefinite, continuing appropriation to be used by this Prison Industries Board. I do not know how that will conflict with the legislation which we have recently passed, but it seems to me that is a matter to which the Committee on Appropriations should give some attention.

Mr. Speaker, the Members of the House will remember that we have had up this general subject matter in one form or another several times during this session of Congress. It is well known that the Superintendent of Prisons wants to start the manufacture of metal furniture in the Lewisburg (Pa.) Penitentiary, and we put upon the appropriation bill in this Congress a limitation prohibiting that being done. If it is proposed to go behind the action of the Congress—and I am afraid it is—and to do indirectly by the establishment of this Prison Industries Board what Congress has refused to do directly, namely, to start the manufacture of furniture at the penitentiary at Lewisburg, then those of us who supported that limitation upon the appropriation bill must necessarily oppose this legislation. I take this opportunity in the discussion of the rule to call the attention of the House to the possibilities of this legislation. I think it is the function of Congress to determine what industries should be established in our penal institutions.

Mr. Speaker, I yield back the balance of my time.

REGULATION OF SECURITIES EXCHANGES

Mr. RAYBURN submitted a conference report upon the bill (H.R. 9323) to provide for the regulation of securities exchanges and of over-the-counter markets operating in interstate and foreign commerce and through the mails, to prevent inequitable and unfair practices on such exchanges and markets, and for other purposes.

PRISON INDUSTRIES BOARD

Mr. COX. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. CONNERY].

Mr. CONNERY. Mr. Speaker, I listened to the remarks of the gentleman from Michigan, who I believe comes from Grand Rapids, a great furniture city. I come from a great shoe city, the city of Lynn. I think the gentleman from Grand Rapids ought to be willing to allow a certain amount of furniture to be manufactured in the prisons if I am willing that a certain amount of shoes may be made in the various penitentiaries.

The purpose of this bill is to arrange matters so that no particular industry will be driven out of business and that the manufacture of prison-made goods will not bring about serious competition with free labor. The American Federation of Labor is absolutely in favor of this bill. They do not want the furniture industry in Grand Rapids, Mich., or the shoe industry in Lynn, Mass., the textile industry in Lawrence, Mass., or southern cities to be penalized, or any other industry located in Kansas, California, or any other place to be discriminated against.

Mr. MAPES. Will the gentleman yield?

Mr. CONNERY. I yield to the gentleman from Michigan.

Mr. MAPES. Does not the gentleman think that ought to be determined by the Congress and not create a board to determine the matter?

Mr. CONNERY. I think a board is all right on this proposition. The entire situation has been carefully studied. Sanford Bates, who is greatly interested in the prisons, and who is head of the Federal prisons, has studied the situation from A to Z. This bill will stop competition with any one particular industry. We have realized from the hearings which we had before the Committee on Labor enough to forbid prison-made goods of the various States being sold in interstate commerce. When we had the hearings we had the wardens of almost every penitentiary in the United States there. They said, "You must give these men work. They cannot walk around at their leisure. They must work or many of them will go insane."

I should like to see nothing made in the penitentiaries at all to compete with free labor, but these men must work. They must have something to do. We have a situa-

tion facing us, and the only thing to do is to permit them to make a little of this and a little of that, so that we will not have competition with free labor.

Mr. RICH. Will the gentleman yield?

Mr. CONNERY. I yield to the gentleman from Pennsylvania.

Mr. RICH. The gentleman has just made a statement that he would rather have free labor do the work. Since Sanford Bates has charge of these prisons, why can we not permit him to have the continued direction of the prisons? He is an honest man. Why is it that this commission of five men is to be under the supervision of the President at a time like this, when the expenses of the Government are so heavy that the taxpayers cannot stand the burden? I agree with the gentleman that we should let free labor do this work now.

Mr. CONNERY. If Congress wanted to lay out certain rules and regulations for Mr. Bates and let him run the job, I would not have any objection to that; but I think a board with a labor, farmer, and consumer representative can do a much better job than Mr. Bates can do alone. Mr. Bates has plenty to do; and do not forget that you have an employer and an employee on this board, which leaves Mr. Bates out of it, and they cannot say that he has dicriminated against Grand Rapids or Topeka or any other place, because on this board will be a representative of the employers and a representative of labor, and they will see that justice is done to all industries.

Mr. RICH. May I answer the gentleman by stating that if Congress functions along with the Superintendent of Prisons, then we will not have to create this board and increase our national debt by paying more salaries and creating more unnecessary jobs.

Mr. CONNERY. This board, as I have said, will have an employer and a labor man, a farmer and consumer representative, as well as a representative of the Attorney General; and they will see that justice is done to industry in all these cases.

Mr. DUNN. Mr. Speaker, will the gentleman yield?

Mr. CONNERY. I yield.

Mr. DUNN. Did I understand the gentleman to say that the American Federation of Labor is for this bill?

Mr. CONNERY. Yes; Mr. Green, president of the American Federation of Labor, has sent a letter to every Member of Congress, saying that the federation is in favor of this measure.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. CONNERY. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. Has the gentleman talked with the labor representatives of Massachusetts and do they think this is a fairer way of handling the work problem in the prisons and that it is fairer to the industries in Massachusetts, which are now most affected by competition with prison-made goods?

Mr. CONNERY. Yes; and I may say to the gentlewoman from Massachusetts that the shoe business has suffered more than any other industry by prison-labor competition; but we are willing for them to make a certain amount of shoes, if they do not put the whole burden on the shoe industry, but will let them make a little furniture, some shoes, some furniture, or anything at all so long as they keep it down so that it will not seriously compete with free labor.

Mr. RICH. Mr. Speaker, will the gentleman yield for a further question?

Mr. CONNERY. I yield.

Mr. RICH. Does not the gentleman believe that in times like the present, in doing work at Federal prisons, they should, as far as possible, eliminate mass production?

Mr. CONNERY. Yes; I do; and I may say to the gentleman that he will notice that there is a provision in the bill that will take care of prisoners and their dependents in case of injuries suffered in line of work. This should have been done long ago.

[Here the gavel fell.]

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. FOCHT].

Mr. FOCHT. Mr. Speaker, the location of a certain Federal prison was referred to a moment ago and I believe that at this particular Federal prison located in my home town of Lewisburg, Pa., has been woven the fabric of this whole proposition.

It has been stated that there is no change of policy involved in this new proposal. If there is no change desired, why is the bill here? There is a change desired and it is desired for this reason. They have already constructed on this territory—I call it territory, because they have preempted there 1,500 acres of land, occupied by the buildings of this prison and also used for farming purposes—a factory in which they propose to make steel furniture for the equipment of the post offices and other public buildings throughout the country.

It seems to me that under the law as it now exists they cannot compete with the manufacturers of this material throughout the country and consequently they desire this legislation.

We have there an institution that is supposed to represent a wonderful advancement and a mighty step forward in the matter of confinement and personal reconstruction, physicaliy and morally.

If you go there, you will find wonderful architecture, at the same time you will notice that there is in charge a wonderful gentleman, a genial man of manners and heart, who came there from Joliet—Major Hill—who won his rank in the World War and who is serving as warden. The institution is also under the supervision of the Director of Prisons of the United States, Mr. Bates, who has conceived the idea of having here something that he calls an "elite prison", where the prisoners are to be handled with kid gloves, so to speak. However, when you go there you will find in addition to the cells in which these men are ordinarily confined, a dungeon in the depths of the prison. You will also find something that is hardly believable. It is smoke-screened in some way so as to mislead you in regard to the protection the guards have to have. This is protection in the shape of large dogs, larger than a young calf, running around the corridors.

While we are on this subject, it seems to me if Mr. Bates is going to conquer these men by kind treatment instead of the abuse that prevails in some of the prisons of this country, he could do this through some mental ingenuity or personal magnetism he may have which would give him power over these men instead of using dogs as assistants. I hope they will soon dispense with these dogs; and I know Mr. Bates will do it, for I believe he is a man of high purpose and conscientious in his ideals.

With regard to the question of labor, within a mile of the location of this penitentiary is a furniture factory and, sad it is to contemplate, because these men are my neighbors and are all good, competent men, and skilled artisans who were employed in this furniture factory there up until this depression hit the country, for 4 years out of 400 men who were once employed in this institution, they do not have more than 100 men so employed now.

And it does seem to me that we should not expand the sale of goods from the penitentiary, manufactured by these men who have violated the laws of the country, and work for nothing, to compete with free and honest labor of America.

I think there ought to be some other way. I should say the better way would be to improve this wonderful civilization of ours, which in 2,000 years of known history has not done away with prisons. [Applause.]

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Speaker and Members of the House, the bill H.R. 9404 is before us, and I should like to make this statement: I have in the past discussed the affairs of the Federal prisons with Sanford Bates. I think Sanford Bates, Superintendent of Prisons, is doing the best he can for the inmates of those institutions. If he would not do that, he would not be well qualified to administer the affairs of the prisons of this country. I congratulate him. The

great question is, Are we going to try our best to take care of the men incarcerated in the penal institutions because they have disobeyed some law of the land or are we going to try and take care of the men on the outside who are desirous of securing a position where they can earn their bread and butter for themselves and their families? That is the great question we have confronting us at the present time.

Now, let us grant that we want to regulate the prisons so that we do not have to carry on the manufacture in Atlanta of the duck industry in such a great proportion of the country's need of cotton duck. I sympathize with the men from Atlanta. I admit that the industry produced last year 5,921,000 pounds of duck, while on the outside there were produced 15,111,450 pounds of cotton-duck material—over one-third of the needs of the country produced by prison labor. Entirely too great a proportion made in the Federal prison, I admit.

And, gentlemen, I think that Congress has the right and power to tell Sanford Bates that we do not want the prison labor to do that great amount of work at this time at least. Let the men in the prisons suffer, if someone has to suffer, because they are there through the violation on their part of the laws of this country, and the punishment is theirs for disobedience to our laws.

If you—Congress—instruct the Attorney General, or Sanford Bates, that you do not want him to make so much cotton-duck material, he would carry out those instructions.

If you adopt this bill, you set up a board of 5 men who will get a hundred dollars a day for the 5, or $20 individually, and you and I know that the cost of maintaining that board will be large—that it will have a secretary and officers, and it is going to cost the Federal Government five times as much as we expend for the commission.

I think that is the wrong thing for us to do when so many Federal employees are supported by the taxpayers of the country. I think that we Members of Congress should try our best to economize in the affairs of the Federal Government and stop setting up these commissions and increasing our Government costs on such a foolish bill as this, when the Attorney General now has the power under the law to do what this bill suggests. Set up this commission or board and you will never get rid of it in your day and mine. Once a commission, always a commission, and the expenses of Government continually go on unabated. I do not know for the life of me how we are going to make ends meet in the payment of these superfluous commissions. The taxpayers of the country today are burdened, your people in your district are burdened, and my people in my district are burdened. And yet we say, because somebody who advocates this bill, who says a certain commission must be set up, we must set up another commission. Let us think twice before we go on with a proposal of this kind. It is all wrong.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. RICH. Yes.

Mr. COX. Remembering the fine work which the gentleman did as a member of the Shannon committee in investigating the question of Government in business, and refreshing the gentleman's recollection by reminding him of the testimony of the shoemakers, of the duckmakers, and others, does not the gentleman feel that the bill here is in line with what the gentleman was seeking to do at that particular time.

Mr. RICH. Mr. Speaker, I am certainly in sympathy with the things advocated by the Shannon committee, but I feel that I want to protect the men upon the outside of prisons rather than those on the inside of prisons. I feel we should not do more for the men on the inside of prisons, who have been incarcerated because they have committed a crime and should be punished than for the men outside of prisons.

Mr. COX. Does not the gentleman interpret this bill to mean that it is an effort to protect those on the outside?

Mr. RICH. No; I do not think so. I think if Congress would give Sanford Bates instructions, he will carry out any orders of Congress in that respect that we ought to give, and we will thus save the expense of this commission and accomplish the same results.

Mr. COX. Mr. Speaker, I yield 10 minutes to the gentleman from Georgia [Mr. TARVER].

Mr. TARVER. Mr. Speaker, quite a lot of misunderstanding seems to exist with regard to this bill, its provisions, and what it is hoped to accomplish by it. May I say to my colleagues from Pennsylvania, who have been disturbed by the Lewisburg Penitentiary proposition, that there is not the remotest connection between this proposed legislation and the manufacture of metal furniture at Lewisburg in the Northeastern Penitentiary. This bill was introduced in its original form long before the controversy about Lewisburg arose. It was introduced by me in an effort to aid labor engaged in the textile industry, because of the operations of the Atlanta Penitentiary cotton mill, which, as the gentleman from Pennsylvania [Mr. RICH] has pointed out, manufactures a tremendous proportion of the wide duck consumed in this country. In fact, in 1 year it manufactured an amount of wide duck which equaled 38 percent of the total manufactured in free industry of that particular material. My bill as it was originally proposed sought to place a limitation on the amount of cotton which could be manufactured in the Atlanta Penitentiary. The Committee on the Judiciary went into the matter and held extensive hearings. They heard representatives of the manufacturers and after going into it decided that the legislation ought not to deal with only one penitentiary, but that it ought to be such as to take care of the situation generally throughout the country, and after quite a great deal of discussion that committee proposed a bill which in another form I subsequently introduced, but which is not the bill before you for consideration this afternoon.

There were some objections to that bill on the part of the American Federation of Labor. The bill was subsequently redrafted in order to meet those objections which seemed to the committee to be good, and in its present form it has the approval of the entire Committee on the Judiciary so far as I am advised. I know that no member of the committee voted against its being favorably reported to the House. It has the approval of the American Federation of Labor. It has the approval of the Department of Justice. It has the approvel of the President of the United States, who, I am informed, has indicated his interest in it and desires it to be enacted, and it has the approval of the American Federation of Women's Clubs. In that connection perhaps I should read to you, if I may have the time in which to do it, an expression by the president of the American Federation of Women's Clubs. It is dated May 17, 1934, and is addressed to the President. I quote:

> The general Federation of Women's Clubs has been deeply interested in the problem of prison labor for more than 26 years. Several years ago the general federation adopted a resolution in support of the Federal Board of Prison Industries. We are happy to say this principle is embodied in the bill authorizing the formation of a body corporate to insure the more effective diversification of prison industries, H.R. 9404. We know this bill has the approval of the American Federation of Labor, groups of manufacturers, as well as the Department of Justice. We know that a rule has been asked for in the House of Representatives, and that if this request is granted in time for Senate action, very probably the bill will pass this year. We are writing to assure you of our keen interest in this legislation and our hope for speedy passage.
>
> Respectfully yours,
>
> GRACE MORRISON POOLE,
> *President of the American Federation of Women's Clubs.*

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. TARVER. I prefer not to yield at this time unless there is something the gentleman considers of unusual importance, because I should like to proceed with some further discussion of the matter.

Mr. RICH. I am interested in trying to help the gentleman. I am wondering if the Congress should prohibit the manufacture of duck down to 10 percent or 15 percent at the most, whether that would not suffice for the cotton-duck industry. I believe we can get enough support in Congress to prohibit the manufacture of more than 10 percent of cotton duck at this time.

Mr. TARVER. That is what I undertook to do in my original bill, but the Committee on the Judiciary, in its wisdom, decided that the entire question ought to be dealt with instead of merely as it relates to one penitentiary. May I say this to my colleagues from Pennsylvania: They are undertaking to speak in the interest of laboring men, and yet the laboring men who are affected are the men who are engaged in the textile and shoe industries, those being practically the only two industries in which the labor of prisoners has been actively engaged. You have not any Federal manufacture going on in the Lewisburg prison, as far as I am advised.

Mr. FOCHT. Oh, yes.

Mr. TARVER. Will the gentleman state what it is?

Mr. FOCHT. The gentleman made a statement a while ago that it had no relation to this new penitentiary at Lewisburg. The gentleman, of course, having attended the hearings, I should think would have the same knowledge that I have. Does he not know they have already erected a building and they were about to proceed in the manufacture of metal furniture when they were interfered with by this law? Hence, the appeal is made to extend this law and create a commission so that they may go on.

Mr. TARVER. Oh, my friend did not understand me. I did not say that they had not attempted to manufacture furniture at Lewisburg. I said that they did not have anybody at this time in the Lewisburg Penitentiary engaged in manufacture.

Mr. FOCHT. Exactly; in full confirmation of what I said.

Mr. TARVER. I hope the gentleman will not take up my time.

Mr. FOCHT. Well, I think the House will agree with me that I know what I said, regardless of what the gentleman says. I know they have a building there and are ready to go as soon as this bill is passed. That is my statement to the House, and I do not want to take any more time.

Mr. TARVER. The gentleman simply misunderstood what I said. I simply said that you did not at this time have in the Federal penitentiary at Lewisburg prisoners engaged in any prison industry. I did not say that there has not been an attempt made to install a prison industry there.

Mr. FOCHT. I will have to correct the gentleman again. They are engaged constantly. I would not want to enumerate the things they manufacture because of the great variety, but there are 1,200 prisoners there, and most of them have daily tasks to perform in the manufacture of goods.

Mr. TARVER. What sort of goods?

Mr. FOCHT. I have stated that I could not enumerate them. I am not around the prison, but I know they are working.

Mr. TARVER. My information is that as late as 1932——

Mr. FOCHT. Oh, this new building was not even built then nor in operation.

The SPEAKER. The time of the gentleman from Georgia [Mr. TARVER] has expired.

Mr. COX. I yield the gentleman 2 additional minutes.

Mr. TARVER. Of course, it is not possible to conclude the discussion in the short time allowed, but I appreciate the difficulties that my colleague has in satisfying all those who want to talk, and I hope to be able to discuss the matter further upon the consideration of the bill. However, I simply want to say that there is very little manufacturing done in the Federal penitentiaries outside of the Leavenworth (Kans.) penitentiary and the penitentiary at Atlanta. There is some broom manufacture of a minor character. There is a little printing done and perhaps one or two other things in a minor way, but it may startle you to know that 70 percent of the value of all goods manufactured in Federal penitentiaries is manufactured in the Federal penitentiary at Atlanta, Ga.

The SPEAKER. The time of the gentleman from Georgia [Mr. TARVER] has again expired.

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield 8 minutes to the gentleman from Kansas [Mr. McGUGIN].

Mr. McGUGIN. Mr. Speaker, there are two questions involved in this bill: First, Does this bill confer more authority upon some executive department? Second, Is it wise to transfer authority which is now vested in the Attorney General to another bureau or commission?

In the first place, it seems to me that section 3 transfers additional authority from Congress to some executive department. Please observe the first three lines of section 3:

> The President shall transfer to said corporation the duty of determining in what manner and to what extent industrial operations shall be carried in Federal penal and correctional institutions and may transfer to said corporation any part or all of the other powers and duties now vested in the Attorney General.

It seems to me it is very unwise to be conferring any more authority. If that is a wise thing to do, then we must concede that we are incapable of meeting our responsibility as legislators.

Now, let us take this bill, aside from the controversial features, and take it as it is conceded to be, namely, that it is simply transferring this authority from the Attorney General to the new board. Now, why set up another board or commission? It will cost the people of this country $20 a day extra, every day those five members of this board convene for the purpose of carrying out the duties that are now performed by the Attorney General.

Mr. BLANTON. Twenty dollars a day each?

Mr. McGUGIN. Twenty dollars a day for each member. If that is a wise thing to do, then it can only be upon the theory that bureaucracy is a better form of government than the form of government set up under the Constitution. If a board can handle these duties better than the Attorney General, then it can only be upon the theory that bureaucracy is a better form of government.

I want to say something to the Democratic Members of this House, because you are responsible for the legislation that is passed here. You have the votes. You are the ones who pass the legislation. It does not make much difference how we vote on the Republican side. We do not have the votes. We cannot stop bad legislation; but let me read what your last Democratic platform states on this subject:

> We advocate an immediate and drastic reduction of governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance to accomplish a saving of not less than 25 percent in the cost of Federal Government.

Now, you run directly in face of that solemn pledge and set up a new bureau and new commission here today.

It would appear as if it is an irresistible impulse, an obsession, for this administration and you Democratic Members to violate your platform pledges, particularly the one pertaining to the abolition of bureaus and commissions. You and your admistration have set up so many new commissions that you no longer designate them by name but resort to mere alphabetic abbreviations. So today you come along and set up this new board instead of abolishing some existing commission, and it is indeed fitting that the gentleman from Texas [Mr. BLANTON] will stand here in a few moments and denounce this useless bill which we are considering today to set up another useless bureau.

Every time you set up a new bureau not only do you break your platform pledge to reduce the number of bureaus, but you break your platform pledge wherein you pledge yourselves to keep your platform pledges. I read to you what the Democratic platform says about that:

> We believe a party platform is a covenant with the people to be faithfully kept by the party when entrusted with power, and that the people are entitled to know in plain words the terms of the contract to which they are asked to subscribe.

So I appeal to you today to keep your first pledge not to set up more useless bureaus; and, indeed, this is a useless bureau unless you are willing to take the position that your Attorney General is incompetent and incapable of carrying out the duties now entrusted to him. If you will not keep that pledge, then keep your platform pledge whereby you pledge yourselves to keep your platform pledges. I trust you will keep faith with one or the other of your pledges, either your pledge to abolish bureaus or your pledge to keep your platform pledges.

I realize when we have reached that stage when it seems to be the order of the day to repudiate most anything which is sacred. Keeping faith with a platform pledge is a sacred thing. Something else is sacred in this country of ours, and that is having reasonable respect and reverence for Memorial Day, yet yesterday this House was in session longer hours than usual, and we were told that the reason for it was the need for the consideration of important business. Let us see how important was the business considered.

Mr. TARVER. Mr. Speaker, I rise to a point of order.

The SPEAKER pro tempore (Mr. DEROUEN). The gentleman will state it.

Mr. TARVER. Mr. Speaker, I make the point of order that the gentleman is not discussing the resolution.

Mr. McGUGIN. Oh, anything regarding Memorial Day would not appeal to the gentleman from Georgia.

Mr. TARVER. Mr. Speaker, the gentleman knows he is out of order. In my judgment he is purposely violating the rules of the House.

Mr. McGUGIN. Now, let us see how serious was the business considered yesterday that it had to be transacted yesterday instead of being put over until today.

Mr. TARVER. Mr. Speaker, may we have a ruling on the point of order?

Mr. McGUGIN. I inquire, What we are doing today? I answer, Wasting valuable time on this frivolous bill which breaks a pledge of the Democratic platform.

Mr. TARVER. Mr. Speaker, if the gentleman has any regard for the rules of the House he will suspend until the Chair rules on the point of order.

The SPEAKER pro tempore. The gentleman will confine his remarks to the resolution.

Mr. McGUGIN. Mr. Speaker, I want to say to the Members of the House that the business transacted yesterday, the silver bill, was considered because of the pressure of important business; yet today we find ourselves considering this frivolous bill, which breaks the pledge of the Democratic platform. [Applause.]

This bill transfers power from Congress to an executive agency. That is always a dangerous policy. The coal industry is now suffering because Congress transferred its authority to designate the things for which public money may be spent to the President, who in turn vested such power in the hands of Secretary Ickes, Public Works Administrator. Secretary Ickes has used such power to the injury of the coal industry.

The coal industry, one of the largest industries in the country, is one of the greatest employers of labor. In more ways than one, the so-called "recovery program" is being administered in a manner so as to destroy the coal industry rather than to help it.

At this time, there are thousands of men out of work in this great industry, yet, the Public Works Administrator, Mr. Ickes, is spending Public Works money in a manner so as to create more unemployment in the coal industry. He is using Public Works money to build hydroelectric plants to be owned and operated by the Federal Government. When these hydroelectric plants are completed, they drive out of existence steam plants, which are now making electricity and are large consumers of coal. This policy is wrong. It is an outrage upon the coal miners of this country. Secretary Ickes is carrying out this policy with Public Works money. He is brazenly repudiating the will of Congress and the people in two respects; first, he is taking money which Congress appropriated for the purpose of taking care of unemployment and is using this money to build projects which when completed will cause more unemployment; and second, he is developing projects which time without number Congress has voted down.

This increased unemployment will be in the coal fields which have been producing coal to supply steam-generating plants. This increased unemployment will also be in the railroad industry where men have been employed to haul coal from the coal mines to these steam-generating plants. Thus, public money is actually being used by Secretary Ickes for the purpose of throwing coal miners and railway trainmen out of work.

Congress appropriated this Public Works money for the purpose of helping the unemployed; not for the purpose of permitting Secretary Ickes to carry out his personal hobbies. When Congress appropriated this Public Works money to take care of the unemployed it gave to the President the power to spend this money in the manner which would furnish the most employment. The President designated Mr. Ickes as his personal representative to expend this money and to designate the projects. The President is directly responsible for the conduct of Mr. Ickes because he appointed him and is now permitting him to expend this money in a manner which is making more unemployment.

I am not only opposed to this program because it is wrong but I have a deep personal interest in the coal industry in Kansas. Two of the large counties in the congressional district which I have the honor to represent depend upon the coal industry. I refer to Crawford and Cherokee Counties. Thousands of men in these counties, who have formerly been employed in the coal mines, are having a hard time at best to obtain employment. The Kansas coal industry has suffered from vicious unfair competition of large gas pipe lines from Texas. The administration through its control of the N.R.A. has the power to stop this unfair competition from these monopolistic gas companies, which are bringing gas from Texas into the Kansas territory. The administration should exercise this power and protect Kansas coal from the vicious unfair competition of Texas gas; however, it has not done so, and it has refused to do so. This is true notwithstanding the fact that Kansas coal operators, Kansas coal miners, Kansas gas companies, and I have time without number appealed to the N.R.A. to stop the unfair competition of Texas gas that is being dumped into the Kansas territory which is the market for Kansas coal.

These two Kansas counties—Crawford and Cherokee—particularly their coal miners and operators, have suffered enough from competing fuels, oils and Texas gas, without now being hurt by hydroelectric projects financed by the Government of the United States. I insist that Crawford and Cherokee Counties have a right to operate their coal mines and sell all the coal which they can produce before the Government of the United States uses public money, a part of which has been collected from the taxpayers of these two counties, to build hydroelectric projects which will destroy a part of the coal market which these counties now have.

Frequently, when one takes the position which I am taking on this subject, he is wrongfully humiliated and criticized with the false and vicious charge that he is the tool of the Power Trust or Wall Street.

These charges are made by those with the ideas of Ickes because they cannot and will not answer our statements with any honest answer. They choose to try to besmirch us; however, there are some people who have long records as labor leaders and as enemies of concentrated wealth who take the same position on this matter as I do. In support of this statement, I am going to quote an article from the Labor World, which is one of the outstanding labor papers in the United States. This article in the Labor World quotes from a speech of John L. Lewis, president of the United Mine Workers. I am going to quote this article and then let Mr. Ickes and his kind see how far they get by answering Mr. Lewis and the Labor World with slander rather than facts. The article in the Labor World is as follows:

John L. Lewis, president of the United Mine Workers of America, attacked all hydroelectric projects, and particularly the Missouri River Valley Authority, proposed by Senator NORRIS, and the Loup River project, in the interior of Nebraska, which has already been approved by Secretary of the Interior Ickes.

Lewis said that not one of the hydroelectric projects will produce electricity cheaper than the same electricity can be produced by steam-generating plants from coal.

"The outstanding fact in connection with hydroelectric development is that the development of hydroelectric plants to generate power to displace coal is no longer considered upon a basis of cost", said Lewis. "The Tennessee Valley Authority was not authorized by Congress because electric power would displace coal upon any basis of cost. The Loup River project, in Nebraska, is not being promoted because the power thus generated will be cheaper for industry than power produced by coal.

"The Loup River project is being promoted by a group of about 150 individuals out in Nebraska who have hired a man to repre-

sent them in getting the Government money to finance the project, and from all reports, he is to get either 10 percent or 5 percent of the gross amount that the Government allocated to the Loup River project, and he is working hard at the task. His interest in developing the Loup River project is to get his commission, and the 150 people who are promoting the project in Nebraska are willing to pay him a commission if the Government will give them the money with which to pay his commission.

"Certainly such a policy is destructive of the interests of the coal industry. Certainly it will restrict the productive capacity of the industry. Certainly it will increase unemployment. Certainly it is not a sound policy, from our viewpoint, to destroy permanent jobs in America and substitute for them only an equal number of temporary jobs, and that is about what the hydroelectric-power propositions amount to in their final analysis.

"The Loup River project will create for a limited length of time just about the same number of jobs that it eliminates in the coal industry and the railroad and distribution industries. We protest the policy.

"The coal industry is a unit in thinking it an unsound, uneconomic policy during a period when our country is struggling with the overwhelming and almost overpowering question of trying to provide employment for our wage-earning population."

So spoke John L. Lewis, president of the United Mine Workers of America, as reported in the Labor World, one of the outstanding labor papers in the country. The remarks of Mr. Lewis present one of the principal reasons why I voted against and spoke against the Tennessee Valley Authority, the so-called "Muscle Shoals project", also why I am opposed to the Missouri Valley project.

So long as I am in Congress I am going to try to protect the just interests of the people in southeast Kansas who are engaged in the coal business and who depend upon the coal business for a livelihood. They have a right to a square deal from their Government. They are not getting a square deal so long as Secretary Ickes takes money which Congress appropriated for the purpose of taking care of the unemployed and uses that money to build hydroelectric projects which destroy the coal industry of southeast Kansas, thereby throwing coal miners and railroad labor of southeast Kansas out of work. If a Member of Congress from southeast Kansas is to serve faithfully the interests of the people of his district, he must stand up and oppose these hydroelectric projects of Mr. Ickes and the administration. He must do so even if someone, for political reasons, charges him with not supporting the President or the administration. The first duty of a Member of Congress is to serve the true interests of the people who elected him rather than be a rubber stamp of any President or administration.

[Here the gavel fell.]

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield the balance of my time, 5 minutes, to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Will not the gentleman from Georgia yield me 5 minutes also?

Mr. COX. I am sorry, but I have not the time at my disposal.

Mr. BLANTON. Mr. Speaker, I am against this rule for two reasons. The law says that when the Government sentences a man to the penitentiary it shall be to hard labor. What kind of labor are we going to have left for them? Congress has stopped them from spending Federal money to use convicts on highways down in Alabama. Congress said: "You must not make the poor felons break rocks on roads."

Now, convicts made a few of our mail sacks, just a few. They make a few of the shoes for the Army and the Navy. They make a pair of shoes and furnish same to the Army and Navy for $2.70 which would cost the Government $10 in any commercial shop. It gives the convicts something to do and enables them to send a little money to their dependents; it keeps them from mutiny.

The convicts make some of the paint brushes used to paint Government penitentiaries, not to compete with commercial brush factories in regular trade. The convicts make some of the duck material used for certain clothing for the Army and the Navy. They started to make some steel files for the Government offices, but you stopped them.

This bill creates a board the members of which draw $20 a day each while engaged in the performance of their duties, and this will turn out to be for 365 days in a year. Their other expenses also are paid. I am against the creation of this new, unnecessary board. I am doing my part to carry out the pledge of the Democratic platform by trying to stop every new board I can and to abolish every one I can and to consolidate every one I can. Our Democratic platform pledges us to that program, and I cannot vote for this expensive new board.

But another question presents itself: The underlying principle of this bill is to do away altogether with convict-made goods and to eliminate all convict labor from penitentiaries. The gentleman from Georgia on the evening of day before yesterday said—and it appears in the RECORD—that the purpose of this bill was to reduce to the minimum convict-made goods, and that it was endorsed by the American Federation of Labor. Since the American Federation of Labor was for it, then all of us jack-in-the-boxes must vote for it, to be in accord with the American Federation of Labor. I am not a jack-in-the-box for the American Federation of Labor, the National Association of Manufacturers, or any other special class any more than I am for anybody else. I am for the American Federation of Labor and will fight for it when it is right; but I am against it when it is wrong. I do not take orders from it, and I do not take orders from the employers of labor.

This bill is stacked on its face. Why, 3 of the 5 members of the board, who by majority vote are to determine all issues, are to be picked 1 from industry, 1 from labor, and 1 from agriculture. These are the branches that are pinched and especially affected by convict labor. Industry is pinched somewhat because the prison-made products come in competition with the products of industry. It wants to stop all convicts from working. Labor is pinched somewhat because the convict labor comes in competition with outside labor. It wants to stop all convicts from working. Agriculture is pinched somewhat because all the farm produce grown on the prison farms comes in competition with the produce raised by the farmers in the United States. They want to stop all convicts from working. Yet representatives from these activities are to be board members, and will have a majority vote. Suppose the President should pick our good friend from Massachusetts, Mr. CONNERY, as the representative of labor as one member of the board; suppose he should pick our good friend from Georgia, Mr. TARVER, as the representative of agriculture as the second member of the board; and suppose he should pick our good friend from Pennsylvania, Mr. RICH, as the representative of industry as a third member of this board; do you not know that they would stop all convicts from doing any work that manufactured any article that competed with free labor, for they would have the controlling vote on said board, and they are not in favor of convicts working in penitentiaries.

[Here the gavel fell.]

Mr. BLANTON. Mr. Speaker, surely my time has not expired. The gentleman from Massachusetts yielded me 5 minutes, Mr. Speaker.

The SPEAKER pro tempore. The gentleman from Texas was recognized for 4 minutes.

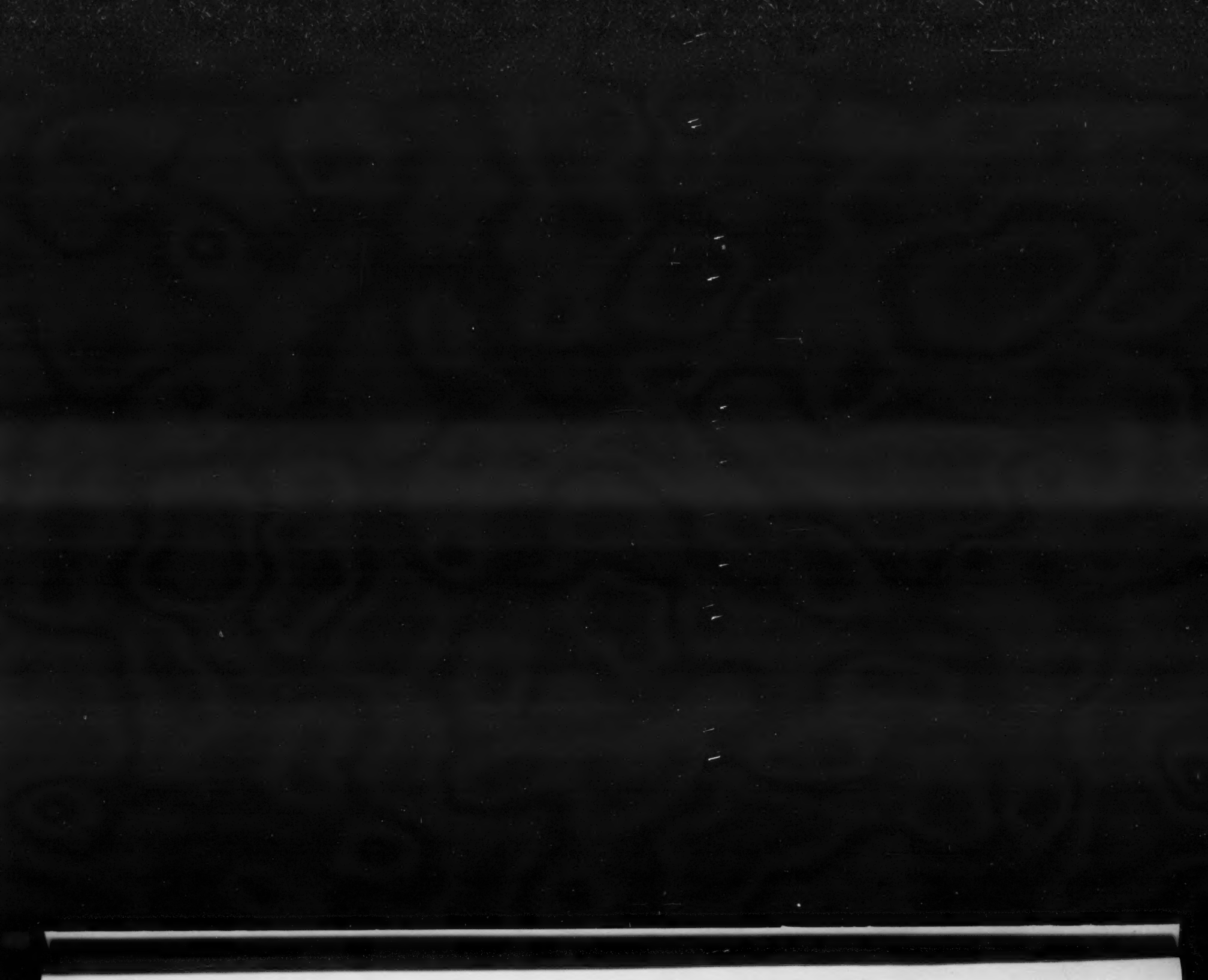
Mr. MARTIN of Massachusetts. Mr. Speaker, I think a recapitulation of the time will show that I had 5 minutes left.

Mr. BLANTON. That is just the way this rule is stacked, 4 minutes against the rule and all the balance of the hour's time for it. When the Rules Committee grants a rule, it ought to provide that the time shall be equally divided, half to those favoring the rule, and half to those opposing it. This unfair control of all time by those favoring a proposition must stop. I shall wage a fight to stop it.

Mr. COX. The statement of the gentleman, of course, is inaccurate.

Mr. BLANTON. Who has spoken against the rule except myself?

Mr. COX. The greater portion of the time consumed was used in opposition to the rule. This is a resolution that the Rules Committee has brought in with the recommendation that the House accept it and make in order the consideration of this Tarver bill, which deals with prison-made goods. The committee hopes the House will accept the rule and enter upon a consideration of the bill.



Mr. TARVER. Will the gentleman yield?

Mr. COX. I yield to the gentleman from Georgia.

Mr. TARVER. Is it not a fact that the rule provides for reading of the bill under the 5-minute rule, so that the House may adopt any amendment it deems proper?

Mr. COX. It is an open rule.

Mr. Speaker, I offer an amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. Cox: Page 1, line 7, after the word "purposes", strike out the comma and insert the words "and all points of order against said bill are hereby waived."

Mr. BLANTON. Mr. Speaker, I make a point of order against the amendment because it is not germane to the resolution. It would have been in order for the Rules Committee itself to have brought in the resolution embracing the language of this amendment, but, offered from the floor it is not germane to the resolution.

The SPEAKER. The Chair thinks the amendment is germane.

Mr. COX. Mr. Speaker, this amendment is offered because of the language contained in the first sentence of section 4 of the bill, which may be construed to be an appropriation.

Mr. MAPES. Will the gentleman yield?

Mr. COX. I yield to the gentleman from Michigan.

Mr. MAPES. I was going to ask the gentleman a question, and I do not know but that he has answered it already. What is the purpose of the amendment that the gentleman has offered?

Mr. COX. This is to save the bill against a possible point of order on section 4, which possibly might be construed as an appropriation.

Mr. MAPES. Is it intended to make in order the provision which provides for a continuing appropriation?

Mr. COX. No. This is the language:

The Secretary of the Treasury is hereby authorized and directed, upon the information of the corporation to transfer to the credit of the corporation upon the books of the Treasury all balances then standing to the credit of the prisons' industries working-capital fund.

Mr. MAPES. The provision in the bill which apparently makes a continuing appropriation is in conflict with legislation which Congress recently passed?

Mr. COX. I think not. The purpose of the amendment is simply to take care of a point of order which may be raised to the section of the bill to which I directed attention.

Mr. MAPES. I would not have any objection to the amendment which the gentleman proposes, insofar as it applies to the particular language to which he refers, but I think there is some question in the minds of other Members of the House as to whether or not the continuing-appropriation provision does not conflict with a law recently passed by the House.

Mr. BLANTON. It would repeal that Griffin bill so far as it applies to this particular item.

Mr. COX. May I make the statement that I had no intention of affecting that section of the bill in offering the amendment, but to save it against a point of order which might be made because of the language quoted.

Mr. MAPES. Let me say that I am sure the gentleman from Georgia had no such intention, but I am wondering if the language of his amendment does not do just that.

Mr. TABER. Will the gentleman yield to me?

Mr. COX. I yield to the gentleman from New York.

Mr. TABER. Is not the effect of this amendment to make in order the transfer of the funds from the working capital fund now on the books of the Treasury, which is in effect an appropriation and in violation of the rules of the House, and also to make in order a repeal of the permanent appropriations bill which we passed a couple of weeks ago insofar as it requires annual appropriations for the operation of the Government?

Mr. COX. I do not have in mind the repeal of any provision of law, but simply to protect the bill against a point of order which I anticipated the gentleman himself would make because of this language.

Mr. TABER. I certainly would make the point of order.

Mr. BLANTON. Will the gentleman yield?

Mr. COX. The rule is an open rule and any amendment to the bill is in order.

Mr. BLANTON. Will the gentleman yield for a suggestion?

Mr. COX. I yield to the gentleman from Texas.

Mr. BLANTON. The gentleman, of course, does not intend to do it, but if we pass this amendment to the rule we will repeal and undo what we did the other day when we passed the Griffin bill to stop these permanent appropriations, and to stop these back-door Treasury handouts, so far as same applies to this item. You will undo all that good work because you will make this a permanent appropriation.

Mr. COX. There is no intention on the part of the Rules Committee to do other than to keep within the rules of the House.

Mr. TARVER. May I point out that the proposal made in the bill is that this prisons industries board or corporation, as you may desire to call it, shall use this prison industries working capital fund, which has been used year after year from time immemorial, you might say, and shall pay into the Treasury any proceeds it might have above the necessary expenditures which may be authorized by the board.

Mr. BLANTON. But the funds it does not see fit to pay in will remain to its permanent credit, and become a permanent appropriation.

Mr. TARVER. It shall make annual reports to the Congress of its accounts. If this is not a wise provision, the House in its judgment will amend or eliminate it. It is not a question that the House ought to bar itself from considering by refusing to adopt the amendment offered by the gentleman from Georgia.

Mr. COX. Mr. Speaker, I trust the House will accept the amendment I have offered.

Mr. Speaker, I move the previous question on the amendment.

The previous question was ordered.

The SPEAKER. The question is on the amendment to the rule.

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 35, noes 32.

Mr. TABER. Mr. Speaker, I object to the vote on the ground there is not a quorum present.

The SPEAKER. Evidently there is not a quorum present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify the absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 185, nays 98, not voting 147, as follows:

[Roll No. 157]

YEAS—185

Adams	Cochran, Mo.	Dunn	Harlan
Arens	Coffin	Durgan, Ind.	Hastings
Arnold	Colden	Eagle	Henney
Ayers, Mont.	Cole	Edmiston	Hildebrandt
Ayres, Kans.	Collins, Miss.	Eicher	Hill, Ala.
Belter	Colmer	Ellenbogen	Hill, Knute.
Bland	Condon	Elizey, Miss.	Hill, Samuel B.
Bloom	Connery	Faddis	Howard
Brooks	Cooper, Tenn.	Farley	Huddleston
Brown, Ga.	Cox	Fiesinger	Hughes
Brown, Ky.	Cravens	Fitzgibbons	Imhoff
Brown, Mich.	Crosby	Fitzpatrick	Jacobsen
Brunner	Cross, Tex.	Fletcher	Johnson, Minn.
Buck	Crosser, Ohio	Fuller	Johnson, Okla.
Burch	Crowe	Gavagan	Johnson, W.Va.
Busby	Cullen	Gillespie	Jones
Byrns	Deen	Gillette	Kee
Caldwell	DeRouen	Glover	Keller
Cannon, Mo.	Dies	Goldsborough	Kennedy, Md.
Cannon, Wis.	Dingell	Granfield	Kenney
Carden, Ky.	Dobbins	Gray	Kerr
Carmichael	Dockweiler	Greenway	Kocialkowski
Carpenter, Kans.	Doughton	Greenwood	Kramer
Cartwright	Doxey	Gregory	Lambeth
Castellow	Driver	Griswold	Lanham
Chapman	Duncan, Mo.	Hancock, N.C.	Lanzetta

Larrabee	Miller	Ruffin	Thomason
Lea, Calif.	Moran	Sabath	Turner
Lee, Mo.	Nesbit	Sanders, La.	Umstead
Lewis, Colo.	O'Connor	Sanders, Tex.	Utterback
Lindsay	Oliver, Ala.	Sandlin	Vinson, Ky.
Lozier	Owen	Schulte	Wallgren
Ludlow	Palmisano	Secrest	Warren
Lundeen	Parker	Shallenberger	Wearin
McCarthy	Parks	Sirovich	Werner
McClintic	Parsons	Smith, Va.	West, Ohio.
McCormack	Patman	Smith, Wash.	West, Tex.
McDuffie	Peyser	Snyder	Whittington
McFarlane	Polk	Somers, N.Y.	Williford
McKeown	Ramsay	Spence	Williams
McReynolds	Ramspeck	Steagall	Wilson
McSwain	Rankin	Strong, Tex.	Wood, Ga.
Maloney, Conn.	Rayburn	Stubbs	Wood, Mo.
Mansfield	Richards	Sumners, Tex.	Young
Martin, Colo.	Robertson	Swank	
Martin, Oreg.	Romjue	Tarver	
Meeks	Rudd	Terry, Ark.	

NAYS—98

Adair	Ditter	Kloeb	Reed, N.Y.
Allen	Dondero	Knutson	Rich
Bacharach	Dowell	Kurtz	Rogers, Mass.
Bakewell	Edmonds	Lambertson	Schaefer
Beam	Eltse, Calif.	Lehr	Schuetz
Blanchard	Englebright	Lemke	Seger
Blanton	Fish	Luce	Sinclair
Boehne	Focht	McFadden	Snell
Boileau	Gilchrist	McGugin	Taber
Bolton	Goodwin	McLean	Taylor, Tenn.
Buchanan	Goss	Mapes	Terrell, Tex.
Buckbee	Guyer	Marshall	Thomas
Cady	Haines	Martin, Mass.	Tinkham
Carter, Calif.	Hancock, N.Y.	May	Tobey
Carter, Wyo.	Hart	Merritt	Traeger
Christianson	Hartley	Mitchell	Turpin
Clarke, N.Y.	Hess	Morehead	Waldron
Cochran, Pa.	Hollister	Mott	Welch
Collins, Calif.	Holmes	O'Brien	Whitley
Connolly	Hope	Perkins	Wigglesworth
Crowther	Johnson, Tex.	Pierce	Wolcott
Culkin	Kahn	Plumley	Wolverton
Darrow	Kelly, Ill.	Powers	Woodruff
De Priest	Kelly, Pa.	Ransley	
Dirksen	Kinzer	Reece	

NOT VOTING—147

Abernethy	Dear	Kopplemann	Sadowski
Allgood	Delaney	Kvale	Scrugham
Andrew, Mass.	Dickinson	Lamneck	Sears
Andrews, N.Y.	Dickstein	Lehlbach	Shannon
Auf der Heide	Disney	Lesinski	Shoemaker
Bacon	Douglass	Lewis, Md.	Simpson
Bailey	Doutrich	Lloyd	Sisson
Bankhead	Drewry	McGrath	Smith, W.Va.
Beck	Duffey	McLeod	Stalker
Beedy	Eaton	McMillan	Stokes
Berlin	Evans	Maloney, La.	Strong, Pa.
Biermann	Fernandez	Marland	Studley
Black	Flannagan	Mead	Sullivan
Boland	Ford	Millard	Sutphin
Boylan	Foss	Milligan	Sweeney
Brennan	Foulkes	Monaghan, Mont.	Swick
Britten	Frear	Montague	Taylor, Colo.
Browning	Frey	Montet	Taylor, S.C.
Bulwinkle	Fulmer	Moynihan, Ill.	Thom
Burke, Calif.	Gambrill	Muldowney	Thompson, Ill.
Burke, Nebr.	Gasque	Murdock	Thompson, Tex.
Burnham	Gifford	Musselwhite	Thurston
Carley, N.Y.	Green	Norton	Treadway
Carpenter, Nebr.	Griffin	O'Connell	Truax
Cary	Hamilton	O'Malley	Underwood
Cavicchia	Harter	Oliver, N.Y.	Vinson, Ga.
Celler	Healey	Peavey	Wadsworth
Chase	Higgins	Peterson	Walter
Chavez	Hoeppel	Pettengill	Weaver
Church	Hoidale	Prall	Weideman
Claiborne	James	Randolph	White
Clark, N.C.	Jeffers	Reid, Ill.	Wilcox
Cooper, Ohio	Jenckes, Ind.	Reilly	Withrow
Corning	Jenkins, Ohio	Richardson	Wolfenden
Crump	Kennedy, N.Y.	Robinson	Woodrum
Cummings	Kleberg	Rogers, N.H.	Zioncheck
Darden	Kniffin	Rogers, Okla.	

So the amendment was agreed to.

The Clerk announced the following additional pairs:

Until further notice:

Mr. Vinson of Georgia with Mr. Britten.
Mr. Oliver of New York with Mr. Bacon.
Mr. Sullivan with Mr. Simpson.
Mr. Boylan with Mr. Lehlbach.
Mr. McGrath with Mr. Andrew of Massachusetts.
Mr. Truax with Mr. Jenkins of Ohio.
Mr. Kniffin with Mr. Higgins.
Mr. Randolph with Mr. Beck.
Mr. Peterson with Mr. Cooper of Ohio.
Mr. Clark of North Carolina with Mr. Swick.
Mr. Brennan with Mr. Millard.
Mr. Delaney with Mr. Stokes.
Mr. Browning with Mr. Wolfenden.
Mr. Taylor of South Carolina with Mr. Eaton.
Mr. Darden with Mr. Muldowney.
Mr. Black with Mr. Doutrich.
Mr. Drewry with Mr. Kvale.
Mr. Prall with Mr. Shoemaker.
Mr. Musselwhite with Mr. Frear.
Mr. Hamilton with Mr. Chase.
Mr. Sisson with Mr. McLeod.
Mr. Lewis of Maryland with Mr. Burnham.
Mr. Abernethy with Mr. Moynihan of Illinois.
Mr. Allgood with Mr. Wadsworth.
Mr. Sears with Mr. Strong of Pennsylvania.
Mr. Weaver with Mr. Thurston.
Mr. Monaghan of Montana with Mr. Foulkes.
Mr. Griffin with Mr. Cary.
Mr. Kennedy of New York with Mr. Duffy.
Mr. Berlin with Mr. Frey.
Mr. Hoidale with Mr. Boland.
Mr. Corning with Mr. Church.
Mr. Fernandez with Mr. Burke of California.
Mr. Bailey with Mr. Ford.
Mr. Biermann with Mr. Carpenter of Nebraska.
Mr. Cummings with Mr. Pettengill.
Mr. Dear with Mr. Wilcox.
Mr. Thompson of Illinois with Mr. Murdock.
Mr. White with Mr. Thompson of Texas.
Mr. Claiborne with Mr. Zioncheck.
Mr. Auf der Heide with Mr. Chavez.
Mr. Jeffers with Mr. Rogers of Oklahoma.
Mr. Richardson with Mr. Scrugham.
Mrs. Norton with Mr. Andrews of New York.
Mr. Bulwinkle with Mr. Evans.
Mr. Bankhead with Mr. Beedy.
Mr. Kleberg with Mr. Cavicchia.
Mr. Sutphin with Mr. James.
Mr. Taylor of Colorado with Mr. Gifford.
Mr. Underwood with Mr. Peavey.
Mr. Montague with Mr. Foss.
Mr. Mead with Mr. Treadway.
Mr. Flannagan with Mr. Withrow.
Mr. Douglass with Mr. Stalker.
Mr. Weideman with Mr. Healey.
Mr. Woodrum with Mr. Celler.
Mr. McMillan with Mr. Studley.
Mr. Disney with Mr. Burke of Nebraska.
Mr. Reilly with Mr. Robinson.
Mr. Smith of West Virginia with Mr. Montet.
Mr. Green with Mr. Harter.
Mr. Marland with Mr. Carley of New York.
Mr. Fulmer with Mr. Shannon.
Mr. Gasque with Mr. Maloney of Louisiana.
Mr. Walter with Mr. Thom.
Mrs. Jenckes of Indiana with Mr. Crump.
Mr. Lloyd with Mr. O'Connell.
Mr. Dickinson with Mr. Rogers of New Hampshire.

Mr. HANCOCK of North Carolina, Mr. LUDLOW, Mr. DURGAN, Mr. LUNDEEN changed their votes from "no" to "aye."

Mr. BUCHANAN and Mr. MITCHELL changed their votes from "aye" to "no."

The result of the vote was announced as above recorded.

Mr. GOSS. Mr. Speaker, the gentleman from Michigan, Mr. JAMES, and the gentleman from New Hampshire, Mr. ROGERS, are unavoidably detained in a meeting of a subcommittee of the Committee on Military Affairs and asked me to make this announcement and have it stand for the rest of the day.

Mr. COX. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The question was taken; and there were on a division (demanded by Mr. TABER)—ayes 97, noes 47.

Mr. TABER. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 190, nays 80, not voting 160, as follows:

[Roll No. 158]

YEAS—190

Adair	Byrns	Connery	Dowell
Adams	Caldwell	Cooper, Tenn.	Doxey
Arnold	Cannon, Mo.	Cox	Driver
Ayers, Mont.	Cannon, Wis	Cravens	Duncan, Mo.
Ayres, Kans.	Carden, Ky.	Crosby	Dunn
Beam	Carmichael	Cross, Tex.	Durgan, Ind.
Beiter	Carpenter, Kans.	Crosser, Ohio	Eagle
Bland	Cartwright	Crowe	Edmiston
Blanton	Castellow	Crump	Eicher
Bloom	Chapman	Cullen	Ellenbogen
Boileau	Chavez	Deen	Ellzey, Miss.
Brooks	Cochran, Mo.	DeRouen	Faddis
Brown, Ga.	Coffin	Dickinson	Farley
Brown, Ky.	Colden	Dies	Fiesinger
Brown, Mich.	Cole	Dingell	Fitzgibbons
Brunner	Collins, Miss.	Dobbins	Fitzpatrick
Buck	Colmer	Dockweiler	Flannagan
Burch	Condon	Doughton	Fletcher

Gavagan	Keller	Nesbit	Sirovich
Gilchrist	Kennedy, Md.	O'Brien	Smith, Va.
Gillespie	Kenney	O'Connor	Smith, Wash.
Gillette	Kerr	Owen	Snyder
Glover	Kocialkowski	Palmisano	Somers, N.Y.
Goldsborough	Kramer	Parker	Spence
Granfield	Lambeth	Parsons	Steagall
Gray	Lanham	Patman	Strong, Tex.
Greenway	Lanzetta	Polk	Sumners, Tex.
Greenwood	Larrabee	Ramsay	Swank
Gregory	Lee, Mo.	Ramspeck	Tarver
Griswold	Lemke	Rankin	Terry, Ark.
Haines	Lewis, Colo.	Rayburn	Thomason
Hancock, N.C.	Lindsay	Reilly	Umstead
Harlan	Lozier	Richards	Utterback
Hastings	Ludlow	Robertson	Vinson, Ky.
Henney	Lundeen	Romjue	Wallgren
Hildebrandt	McCarthy	Rudd	Warren
Hill, Ala.	McClintic	Ruffin	Wearin
Hill, Knute	McCormack	Sabath	Welch
Hill, Samuel B.	McFarlane	Sadowski	Werner
Howard	McReynolds	Sanders, La.	West, Ohio
Huddleston	McSwain	Sanders, Tex.	West, Tex.
Imhoff	Maloney, Conn.	Sandlin	Whittington
Jacobsen	Martin, Colo.	Schaefer	Williford
Johnson, Minn.	Martin, Oreg.	Schuetz	Williams
Johnson, Tex.	Meeks	Schulte	Wood, Ga.
Johnson, W.Va.	Mitchell	Secrest	Young
Jones	Monaghan, Mont.	Shallenberger	
Kee	Moran	Sinclair	

NAYS—80

Allen	Dondero	Kloeb	Reed, N.Y.
Bakewell	Edmonds	Knutson	Rich
Blanchard	Eltse, Calif.	Kurtz	Rogers, Mass.
Bolton	Englebright	Lehr	Seger
Buchanan	Evans	Luce	Snell
Buckbee	Fish	McFadden	Taber
Cady	Focht	McGugin	Terrell, Tex.
Carter, Calif.	Goodwin	McLean	Thomas
Carter, Wyo.	Goss	McLeod	Tinkham
Christianson	Guyer	Mapes	Tobey
Clarke, N.Y.	Hancock, N.Y.	Martin, Mass.	Traeger
Cochran, Pa.	Hartley	May	Treadway
Collins, Calif.	Hess	Morehead	Turner
Connolly	Hollister	Mott	Turpin
Crowther	Holmes	Perkins	Waldron
Culkin	Hope	Pierce	Whitley
Darrow	Kahn	Plumley	Wigglesworth
De Priest	Kelly, Ill.	Powers	Wolcott
Dirksen	Kelly, Pa.	Ransley	Wolverton
Ditter	Kinzer	Reece	Woodruff

NOT VOTING—160

Abernethy	Delaney	Lamneck	Rogers, N.H.
Allgood	Dickstein	Lea, Calif.	Rogers, Okla.
Andrew, Mass.	Disney	Lehlbach	Scrugham
Andrews, N.Y.	Douglass	Lesinski	Sears
Arens	Doutrich	Lewis, Md.	Shannon
Auf der Heide	Drewry	Lloyd	Shoemaker
Bacharach	Duffey	McDuffie	Simpson
Bacon	Eaton	McGrath	Sisson
Bailey	Fernandez	McKeown	Smith, W.Va.
Bankhead	Ford	McMillan	Stalker
Beck	Foss	Maloney, La.	Stokes
Beedy	Foulkes	Mansfield	Strong, Pa.
Berlin	Frear	Mariand	Stubbs
Bierm[illegible]	Frey	Marshall	Studley
Black	Fuller	Mead	Sullivan
Boehne	Fulmer	Merritt	Sutphin
Boland	Gambrill	Millard	Sweeney
Boylan	Gasque	Miller	Swick
Brennan	Gifford	Milligan	Taylor, Colo.
Britten	Green	Montague	Taylor, S.C.
Browning	Griffin	Montet	Taylor, Tenn.
Bulwinkle	Hamilton	Moynihan, Ill.	Thom
Burke, Calif.	Hart	Muldowney	Thompson, Ill.
Burke, Nebr.	Harter	Murdock	Thompson, Tex.
Burnham	Healey	Musselwhite	Thurston
Busby	Higgins	Norton	Truax
Carley, N.Y.	Hoeppel	O'Connell	Underwood
Carpenter, Nebr.	Hoidale	O'Malley	Vinson, Ga.
Cary	Hughes	Oliver, Ala.	Wadsworth
Cavicchia	James	Oliver, N.Y.	Walter
Celler	Jeffers	Parks	Weaver
Chase	Jenckes, Ind.	Peavey	Weideman
Church	Jenkins, Ohio	Peterson	White
Claiborne	Johnson, Okla.	Pettengill	Wilcox
Clark, N.C.	Kennedy, N.Y.	Peyser	Wilson
Cooper, Ohio	Kleberg	Prall	Withrow
Corning	Kniffin	Randolph	Wolfenden
Cummings	Kopplemann	Reid, Ill.	Wood, Mo.
Darden	Kvale	Richardson	Woodrum
Dear	Lambertson	Robinson	Zioncheck

So the resolution was agreed to.

The following pairs were announced:

Until further notice:

Mr. Mansfield with Mr. Bacharach.
Mr. Milligan with Mr. Marshall.
Mr. McDuffie with Mr. Taylor of Tennessee.
Mr. Mead with Mr. Arens.
Mr. McKeown with Mr. Lambertson.
Mr. Fuller with Mr. Merritt.
Mr. Oliver of Alabama with Mr. Reid of Illinois.
Mr. Parks with Mr. Withrow.
Mr. Miller with Mr. Hoeppel.
Mr. Wilson with Mr. Boehne.
Mr. Johnson of Oklahoma with Mr. Lamneck.
Mr. Wood of Missouri with Mr. Foulkes.
Mr. Auf der Heide with Mr. Lea of California.
Mr. Peyser with Mr. Sweeney.
Mr. Dickstein with Mr. Rogers of New Hampshire.
Mrs. Jenckes of Indiana with Mr. Robinson.
Mr. Busby with Mr. Hughes.
Mr. Bulwinkle with Mr. Sisson.
Mr. Gambrill with Mr. Lesinski.
Mr. Hart with Mr. Carley of New York.

Mr. BLANTON. Mr. Speaker, how am I recorded?

The SPEAKER. The gentleman is recorded as voting "no."

Mr. BLANTON. The committee is going to eliminate the salaries and expense, by amending the bill, and I change my vote from "no" to "aye."

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection?

Mr. McGUGIN. I object.

Mr. McLEAN. Mr. Speaker, I rise to make a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. McLEAN. A few moments ago I went to the Clerk's desk for the purpose of signing the petition to discharge the committee in the further consideration of the so-called "McLeod banking bill." My pen was on the paper when the the petition was snatched from beneath my hand, and I was informed that I could not sign, as 145 Members had already signed it.

The SPEAKER. The gentleman was correctly informed.

Mr. McLEAN. I understand that one of the signers was the late Representative Brumm, of Pennsylvania, who died a few days ago. There is a question as to the effectiveness of his signature, and the question of the effectiveness of his signature is proper for consideration at this time.

The SPEAKER. Under the rule no signature can be withdrawn except by the Member himself.

Mr. McLEAN. Does the Chair rule that the signature of Mr. Brumm must stand?

The SPEAKER. The signature can only be removed by the Member, by Mr. Brumm himself, as a Representative of the Thirteenth District of Pennsylvania. When his successor is elected, in all probability his successor would have that right.

Mr. McLEAN. Then, Mr. Speaker, I understand that without my signature the petition is effective?

The SPEAKER. The gentleman is correct, 145 names being now properly on it.

Mr. BYRNS. Mr. Speaker, I renew my request that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection?

Mr. SCHULTE. I object.

Mr. KNUTSON. That objection came from the gentleman's own side.

Mr. BYRNS. I want to say to my friend from Minnesota that there has been a plain filibuster on his side of the House. A filibuster has been conducted by the Republican Party both on yesterday and today, and has delayed the consideration of the District loan from the P.W.A. for the purpose of taking care of the sewage in the Potomac River.

Mr. SNELL. Let me say a word about this. We have a legitimate right to oppose the passage of some of these bills and we have done it in a legitimate way, and, so far as I know, there has been no real filibuster on this side. We have used legitimate means to oppose the passage of this bill.

Mr. BYRNS. I do not question the right of the Republicans to demand a roll call on any proposition that comes before the House, and if they get the required number of Members asking for a roll call, they are entitled to it, but I deny the right of any party to filibuster.

Mr. TARVER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H.R.

9404) to authorize the formation of a body corporate to insure the more effective diversification of prison industries, and for other purposes.

The question was taken.

Mr. McGUGIN. Mr. Speaker, I demand a division.

The SPEAKER. A division is demanded. Those in favor of the motion of the gentleman from Georgia will rise and remain standing until counted. [After counting.] One hundred and fifteen Members.

Mr. McGUGIN. Mr. Speaker, I make a preferential motion that the House do now adjourn.

The SPEAKER. Those opposing the motion will rise and remain standing until counted. [After counting.] Thirty-three Members have risen. On this question the ayes are 115, and the noes 33.

Mr. McGUGIN. Mr. Speaker, I challenge the vote for lack of a quorum.

Mr. KNUTSON. Mr. Speaker, I move that the House do now adjourn.

The SPEAKER. The ayes have it, and the House resolves itself into the Committee of the Whole House for the consideration of the bill H.R. 9404, and the gentleman from North Carolina [Mr. KERR] will take the chair.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H.R. 9404, with Mr. KERR in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Without objection, the first reading of the bill will be dispensed with.

Mr. McGUGIN. Mr. Chairman, I object.

The CHAIRMAN. The Clerk will read the bill.

The Clerk read the bill, as follows:

Be it enacted, etc., That in order more effectively to carry out the policy and purposes of the act of May 27, 1930 (46 Stat. 391; U.S.C., title 18, sec. 711), entitled "An act to provide for the diversification of employment of Federal prisoners, for their training and schooling in trades and occupations, and for other purposes", the President is hereby authorized and empowered, in his discretion, to create a body corporate of the District of Columbia to be known as "Federal Prison Industries."

SEC. 2. The President shall appoint a board of directors of said corporation which shall consist of 5 persons, 1 of whom shall be a representative of industry, 1 a representative of labor, 1 a representative of agriculture, 1 a representative of consumers, and 1 a representative of the Attorney General. The board of directors shall serve at the will of the President, who may fix their compensation at not to exceed a sum of $20 per day while such directors are actually engaged in the performance of their duties.

SEC. 3. The President shall transfer to said corporation the duty of determining in what manner and to what extent industrial operations shall be carried on in Federal penal and correctional institutions, and may transfer to said corporation any part of all of the other powers and duties now vested in the Attorney General or any other officer or employee of the United States by said act of May 27, 1930. It shall be the duty of the board of directors to diversify so far as practicable prison industrial operations and so operate the prison shops that no single private industry shall be forced to bear an undue burden of competition from the products of the prison workshops.

SEC. 4. The Secretary of the Treasury is hereby authorized and directed, upon the formation of the corporation, to transfer to the credit of the corporation upon the books of the Treasury all balances then standing to the credit of the prison industries working capital fund. All valid claims and obligations payable out of said fund shall be assumed by the corporation. The corporation is hereby authorized to employ the aforesaid fund, and any earnings that may hereafter accrue to the corporation, as operating capital and for the purposes enumerated in the said act of May 27, 1930, and also for the payment of compensation in such amounts as the Attorney General may authorize to inmates of penal institutions or their dependents for injuries suffered in any industry: *Provided*, That in no event shall compensation be paid in a greater amount than that provided in the Federal Employees' Compensation Act of September 7, 1916, as amended. The corporation shall from time to time deposit with the Treasurer of the United States to the credit of miscellaneous receipts so much of its earnings as shall, in the judgment of its board of directors, exceed the amount needed for a reasonable operating capital and surplus. All accounts of the corporation shall be subject to audit by the Comptroller General of the United States.

SEC. 5. The board of directors shall make an annual report to Congress on the conduct of the business of the corporation and on the condition of its funds.

SEC. 6. This act is supplemental to the act of Congress approved May 27, 1930, and in the event of the failure of the corporation to act as herein authorized the Attorney General shall not be limited in carrying out the duties conferred upon him by the act approved May 27, 1930.

Mr. SUMNERS of Texas. Mr. Chairman, I am going to submit a unanimous-consent request in a few moments. If I could find out how long our friends are going to filibuster—and I do not blame you for filibustering at all—I should like to come to some sort of an agreement about it. If we could find out what time you aim to end the filibuster we could then come back and vote on the bill.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. Yes.

Mr. SNELL. When the Speaker of the House makes a ruling such as he did a few moments ago you may expect anything, and I shall contest this clear along down the line. The Speaker himself announced that there were 148 Members present and a point of order was raised, and the point of no quorum was made. Yet, the Speaker decided that we should go into the Committee of the Whole. That was absolutely against the rules of this House. [Cries of "Regular order!"]

Mr. BYRNS. Mr. Chairman, I make the point of order that debate under the rule must be confined to the bill.

Mr. RICH. Mr. Chairman, will the gentleman from Texas yield for a question?

Mr. SUMNERS of Texas. For a question.

Mr. RICH. I think the question is, Does the gentleman think that we should set up another commission, when the section of the law states that the Attorney General has the power to do what they are trying to do now by setting up this commission, to make more jobs to compel the taxpayers of this country to do something that they are unable to do at the present time?

Mr. SUMNERS of Texas. I am sure I cannot yield any more. Let me make this statement.

Mr. RICH. That is a thing that is on our minds.

Mr. SUMNERS of Texas. Of course, you will have to reflect your views in your votes naturally. Mr. Chairman, I can quite appreciate the reaction of my friends on the Republican side. It is getting toward the shank of the session and everybody is more or less in a bad humor. It is the kind of time when everybody gets mad and fusses at another and then wishes that he had not done it the next morning, and feels as if he were getting foolish in dealing with Government matters. It is not local as to the sides of the House; it is due to the atmosphere. We get tired and fuss and do things, but after all we have a job now of passing on a piece of legislation that is pretty important. I do not blame the gentleman from New York [Mr. SNELL] and his crowd one bit, but I did wish that we might have some sort of an understanding about how long the filibuster would last, so that our folks who do not care much about filibusters could go out and get some supper and maybe get a nap and then come back here about 2 or 3 o'clock in the morning and vote on the bill. Of course, if we cannot do that, we cannot do it, so let us see about this bill.

This is a very difficult thing to deal with—this matter of prison labor. The members of the Committee on the Judiciary will recall that this has been one of the most troublesome things that we had to deal with. There are two or three propositions that we have to recognize. I think everybody recognizes that these prisoners have to have some sort of employment. That is proposition no. 1. I do not suppose that anybody has ever been able to figure out any sort of plan to rehabilitate the prisoners and have any chance of turning them back to society fit to be a part of society again where they are kept in prison in utter idleness. That is proposition no. 1. Proposition no. 2 is that we do not want these prisoners to interfere any more than possible with free labor. The third proposition is that it is impossible to prevent them entirely interfering with free labor, because everything they do somebody else on the outside can do.

Those are the three propositions. What are you going to do about it? This is the way we have tried to handle it.

We have tried to have the Attorney General make these determinations. What have we done? We have gone into the district of my friend from Pennsylvania, for instance, and we have erected a furniture factory. We have spent $100,000 or $200,000. Then Congress came along and, by a bill enacted at this session, prevents its use. That is the way we have been handling the thing—spending the people's money building factories, coming down here and organizing opposition, and closing up the factories and preventing their use.

Mr. RICH. Will the gentleman yield?

Mr. SUMNERS of Texas. Not just now. In a moment I will yield.

Now, in trying to work out a plan we had as well understand we are not going to evolve any plan that is free from objection. Do not get the notion that we are going to work out a plan of handling prison labor that is free of serious difficulty. It is like the situation where you have to go down one of two or three roads. You cannot refuse because there are some ruts or there are some culverts out of a given road. You have to go down one of those roads, each of which has some culverts or some ruts in it. It is a matter of selecting the one that seems to have the least difficulty. That is all there is to it. In trying to work the thing out, we considered all these objections in the Committee on the Judiciary. We do not have any partisanship in that committee. We have differences in views, but when that committee comes to deal with a question of public interest we sit around the committee table as legislators, as members of the committee, and not as Democrats and Republicans.

The best thing we have been able to do, the best plan we have been able to work out, is a plan worked out by Republicans and Democrats alike, is that embodied in this bill. That is the best we have been able to do. The gentlemen who are opposed to this bill can easily point out objections to it, but they probably are not able to suggest a better method. If they are, they are wiser than the Attorney General's Office; they are wiser than Mr. Green and his crowd; they are wiser than anybody else who has come before us; they are certainly wiser than the Committee on the Judiciary.

I hope that this feeling, temporarily stirred up, will not interfere with the judgment of the Members of Congress in dealing with a very important question, namely, What are we to do with, and how are we to handle these thousands of people who are in the penitentiary and who some day must come back into organized society as a part of the citizenship of the country?

Mr. RICH. Will the gentleman yield right there?

Mr. SUMNERS of Texas. I yield for a question, because I think that is all I want to say. I think I have put the proposition up to the House. Will the gentleman please be brief with his question?

Mr. RICH. If the Attorney General has the power today to do what this commission is intended to do, then why have a commission? Will the gentleman kindly answer that question?

Mr. SUMNERS of Texas. Yes. I undertook to answer it a moment ago. I pointed out one concrete case in my friend's district where the Government has spent $150,000, perhaps, and the Congress came along and interfered with the arrangement. You have a divided responsibility. You have the power of the Attorney General to establish these various activities and locate the service, and then the Congress comes along and interferes with the arrangements. We figured we would have a better chance of having a workable plan agreed to by all these people representing all the interests most directly concerned sitting in on the first determinations than we have here under the arrangement we have now.

I think that is all I can say about it.

Mr. CANNON of Wisconsin. Will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. CANNON of Wisconsin. Is the American Federation of Labor and Mr. Green back of this?

Mr. SUMNERS of Texas. Yes. The Committee on the Judiciary has had before it, as nearly as it could get, all diversities of opinion and differences of judgment, and they have ironed out the best plan they could. It is not free from difficulties, but it is the freest from difficulty of any plan the committee could devise.

When this vote is taken I hope to see no partisan division with reference to this question of public policy, which does not enter at all into party politics. [Applause.]

Mr. KURTZ. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Chairman, I realize just as well as anybody that this is not a very appropriate time, perhaps, to consider legislation of this importance. I realize, too, that as a result of perhaps fatigue, as much as anything else, the temper of the House is not what it should be to consider legislation of this importance. I wish I might feel, speaking to you as man to man representing your districts, that you would give the same consideration to this legislation that you would if conditions here tonight were just a little different.

Now, I am deeply concerned in this bill. I know that many of you are. You came here representing constituents who sent you here to vote for their interests. You men recognize that this administration is exerting every possible effort, through legislation, through the machinery of government, to stop a wave of crime that is sweeping over the country. If this drive is successful, many desperadoes, crooks of all kinds and character, are going into Federal penitentiaries. I am in sympathy with the poor fellow who perhaps, because of his early environment, has been incarcerated in prison. For many years I served as trustee to the George Junior Republic, a school for boys, not strictly a penal institution, but an institution that has been most successful in directing the energies of boys into useful channels.

I spent some time in connection with this institution when I could give attention to it. I know something about the problems you are seeking to solve; I know the type of people with whom you have to deal; but the thing I want to impress upon your mind is that we do owe some responsibility to the law-abiding citizen who works for his daily bread. I know that in my district articles are manufactured which will have to compete with the products proposed to be made in Federal prisons equipped as they are with high-speed machinery, at a time too, when my constituents and your constituents, self-respecting persons who are now walking the streets seeking work. What do you propose to do?

There is a prison in western Pennsylvania that proposes to make metal furniture to compete with the product of law-abiding labor. In one of my towns the manufacture of metal furniture is the only labor market for a large number of men. It supports their families and sends their children to school. They are law-abiding people. The only reason on earth that machinery, recently installed in the Federal prison at Lewisburg, Pa., is now standing idle is because this Congress intervened to protect free labor.

The machinery was installed because a Bureau to which you intrusted power, notwithstanding it knew the sentiment of Congress, deliberately spent the taxpayers' money, rode rough-shod over what it knew to be the sentiment of the representatives of the people and invested the taxpayers' money in high-speed machinery. When you install high-speed machinery you multiply man power. These prisoners, men who have violated the law, are kept under ideal conditions. They are given work to do; they are fed and clothed and entertained. When you install high-speed machinery you multiply many times the man power of these 2,000 men; and the output of their machines comes into competition with the products of free, law-abiding labor. You put free labor in competition not with 2,000 men but with the machine power of 10,000 men.

In handling this question let us lay all partisan lines aside. I doubt if this is strictly an administration measure. I know that the men who brought it in here are sincere. Let us consider this question in its broader aspects, in its relationship to free labor.

I ask: Is it fair to turn over anything as responsible as this subject to a commission knowing that its membership has an interest which is quite contrary to the sentiment of the people of your districts?

[Here the gavel fell.]

Mr. KURTZ. Mr. Chairman, I yield 3 additional minutes to the gentleman from New York.

Mr. REED of New York. Every one of you gentlemen knows that if you were to go back to your districts and call together the laboring men in your districts, and you were to tell them what has been done, what it is now proposed to do, and the proposals that have been constantly coming before Congress, 99 percent of the laboring men would be against the proposition, notwithstanding what the representatives of the American Federation of Labor may have said. Your laboring men do not want to be thrown into competition with prison labor, and it is not fair to throw them into competition with it. We have voted on this question time and again, and I hope the Members tonight will vote their convictions.

It is proposed by this bill to create a commission, yet the commission is to be dominated by a type of social reformer who is going to equip Federal prisons with high-speed machinery, and it will not be long before they will want to buy thousands of acres of land to go into general farming and into every conceivable kind of industrial activity.

The time to stop this bureaucratic type of government and control is right now; and the place to stop it is right here; and if the Members who voted against this plan heretofore will stand their ground now and vote this proposition down, it will be greatly to the benefit of free labor. Let us give more study to this question, and let us work it out in the interest of labor. At this time let us give the benefit of the doubt to the law-abiding citizen, who today is looking for work, honest work, and not put these free people into competition with the convicts in the prisons, men who have violated the laws, men who have already subjected the taxpayers of the country to great expense in the maintenance of large police forces and drives against crime. Let us give the benefit of the doubt to the honest, upright man who wants to work and sell the product of his labor, free from the competition of convict-made goods. [Applause.]

Mr. SUMNERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I am glad to yield to my friend. I know how sincere he is, I know he is practical, I know his heart is in whatever he does or proposes.

Mr. SUMNERS of Texas. I thank the gentleman. We had hoped—and I know how sincere the gentleman from New York is—that this plan might work out better than have the things of which the gentleman from New York complains; but does not the gentleman have some hope that we might, under this plan, with labor represented on this board, work out something which would be better than the plan we have had?

Mr. REED of New York. I say to the gentleman simply this, that if I did not feel as sincerely about my point of view as does the gentleman on his attitude, I would not stand here and oppose this bill.

Mr. SUMNERS of Texas. I should assume that, too.

Mr. REED of New York. I just do not agree with the gentleman.

[Here the gavel fell.]

Mr. SUMNERS of Texas. Mr. Chairman, I yield the remainder of my time, if I may be permitted to under the rule, to the gentleman from Georgia [Mr. TARVER], to be disposed of as he sees fit.

Mr. TARVER. Mr. Chairman, I yield myself 7 minutes.

Mr. Chairman, I hope the Members will give me their attention, for I trust I may not say anything which is not adjusted to the issue under discussion. Having studied it very carefully for a number of years, I hope that I may be able to give you some information concerning it.

In the first place, permit me to say that no lawyer, if he is a competent lawyer, can examine this bill and say that it proposes to add anything to the powers which now exist in the Attorney General. The bill clearly merely proposes to transfer those powers to the body corporate the creation of which is provided for in the bill.

I was interested to hear my friend the gentleman from New York [Mr. REED] criticize the authority which now has control of this subject matter—the Attorney General's Office or the Bureau of Prisons, coming under the authority of the Attorney General—for the efforts which have been made in the northeastern penitentiary at Lewisburg to begin the manufacture there of metal furniture.

Yet, strange to say, the gentleman used that argument as a basis for concluding that these powers ought not to be taken away from the authority which he says has misused it in the instance to which he referred. We are trying by this bill to take away the authority from the Office of the Attorney General or the Bureau of Prisons under his direction, which the gentleman from New York [Mr. REED] insists has been abused in the Lewisburg transaction. We are trying to place this authority in a board on which industry will have a representative, labor will have a representative, agriculture will have a representative, vocational education a representative, and the general public interests a representative. We are trying to do this with the approval of the manufacturing interests in the country that are concerned, and who have frequently manifested their approval of this proposition. We are trying to do this with the approval of labor, and we are trying to do it, I feel justified in saying, with the approval of agriculture. It seems to me, in view of the gentleman's feeling as to the conduct of this work under the Office of the Attorney General, that he ought to use the facts that he advances here as a basis for insisting that the bill become a law.

Quite a lot has been said in opposition to the bill to the effect that the Congress should not create any new commission which would necessitate additional expenditures of public money. Permit me to say that when the bill was originally offered it did not provide, as I drew it, for payment of any compensation to the members of this board. I felt then that there were plenty of people in the country competent to serve who would be glad to serve in that capacity as a matter of public and patriotic duty without compensation. I so provided in the measure as originally introduced. It was upon the suggestion of the Department of Justice that the bill was changed in order to provide for payment of compensation to be fixed by the President, not to exceed $20 per day.

I have communicated with the officials of the Department of Justice about this matter today and they are willing, and certainly I am willing in view of the form of the bill as originally introduced, that an amendment may be offered to provide that the membership of this board shall serve without compensation. This amendment, as I understand it, is to be offered by the gentleman from Pennsylvania. So far as I am concerned, it is an acceptable amendment, and I trust it may be agreed to by the committee. In view of the fact that this substantially meets the major objection raised, it does not occur to me that I would be justified in talking to the members of the committee at length, considering the lateness of the hour, with regard to this proposed legislation.

Mr. Chairman, I ask unanimous consent to insert in the RECORD in connection with my remarks a statement showing the extent of prison industry as carried on at present in this country.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The statement is as follows:

IS THIS DIVERSIFICATION?

Of Federal prisoners engaged in manufacturing, 56 percent are making cotton textiles.

Seventy percent of value of all manufactures of Federal prisoners is cotton textiles.

Eighty-seven and seven-tenths percent of all cotton goods made at Atlanta Penitentiary is numbered duck.

The numbered duck made in Atlanta in last 4 years equals 23.4 percent of numbered duck made by free mills.

Facts regarding the production of cotton fabrics at the Atlanta Penitentiary

COMPARISON OF AVERAGE NUMBER OF PRISONERS EMPLOYED IN MANUFACTURING IN THE 5 LARGEST PRISON INDUSTRIES

[NOTE.—The Atlanta Penitentiary mill has 516 looms, of which 440 are duck looms, making it the largest duck unit in the country.]

Year	Atlanta cotton mill	Leavenworth shoe factory	Leavenworth brush factory	Leavenworth broom factory	Print shop	Total
1929	826	410	----------	46	36	1,318
1930	813	505	119	51	41	1,529
1931	753	401	105	46	50	1,355
1932	851	477	127	52	53	1,560
Total	3,243	1,793	351	195	180	[1] 5,762

COMPARISON OF VALUE OF PRODUCTS MANUFACTURED IN FEDERAL PRISON PLANTS

Year	Atlanta cotton mill	Leavenworth shoe factory	Leavenworth brush factory	Leavenworth broom factory	Print shop	Total value [4]
1929	$2,073,925.51	$346,472.04	(3)	$68,443.03	(3)	----------
1930	1,948,480.17	475,995.69	$9,675.66	120,601.55	(3)	----------
1931	1,476,938.48	575,651.62	121,704.39	107,331.63	(3)	----------
1932	708,941.10	614,662.35	132,429.65	79,236.65	$31,931.27	----------
Total	6,208,285.26	2,012,781.70	263,809.70	375,612.86	31,931.27	[3] $8,892,420.81

[1] For the last 4 years the number of prisoners employed in the Atlanta mill has averaged 56 percent of the total number of all Federal prisoners employed in manufacturing.
[2] Not operating.
[3] No record.
[4] But because of the high degree of mechanization the value of the Atlanta cotton-mill production has averaged 70 percent of the total value of products manufactured in Federal prisons.

Production, in pounds, of numbered duck—Atlanta Penitentiary
(Classified, by width, according to Department of Commerce simplified practice, Bulletin No. 27)

Year	Narrow duck (3–20 inches)	Sail duck (22–24 inches)	Wide duck (over 24 inches)	Total numbered duck
1929	12,421	682,018	4,446,926	5,141,365
1930	14,298	814,952	4,138,950	4,968,200
1931	3,466	425,705	4,784,446	5,213,617
1932	62,073	533,043	2,752,442	3,347,558

Atlanta Penitentiary—percent of numbered duck to total fabric produced (pounds)

Year	Total	Numbered duck	Percent numbered duck to total
1929	5,650,929	5,141,365	91
1930	5,728,086	4,968,200	87
1931	5,921,087	5,213,617	88
1932	3,947,513	3,347,558	85
Total	21,247,615	18,670,740	[1] 87.7

[1] That the Atlanta prison will concentrate on numbered duck is proved by the 4-year average, showing that numbered duck constituted 87.7 percent of the total production in pounds.

COMPARISON OF PRODUCTION OF NUMBERED DUCK

	Atlanta Penitentiary	Free mills	Percent Atlanta to free mills
1929	5,141,365	24,630,331	21.0
1930	4,968,200	25,333,506	19.5
1931	5,213,617	17,748,381	29.4
1932	3,347,558	14,012,295	24.0
Total	18,670,740	81,724,513	[1] 23.4

[1] Finally, this production of numbered duck by the Atlanta mill equaled 23.4 percent of the production of numbered duck by the free mills.

[These figures were furnished at the request of Walter R. Staub, secretary of the Cotton Duck Association, by J. V. Bennett, Assistant Director of the Bureau of Prisons, Department of Justice, Washington, D.C.]

Production of the United States Cotton Duck Mill (Atlanta Penitentiary) since it started operation in September 1919

Fiscal year	Total pounds	Total yards	Total value
1920	----------	315,600	$246,493.41
1921	----------	698,485	298,388.55
1922	----------	3,153,994	1,191,797.85
1923	3,699,101	3,894,456	1,721,287.27
1924	2,454,080	2,630,681	1,251,656.14
1925	3,246,538	3,507,929	1,665,187.66
1926	2,716,747	3,111,924	1,210,057.63
1927	3,858,613	4,552,214	1,289,074.61
1928	5,059,015	5,824,680	1,739,444.24
1929	5,650,929	6,538,597	2,078,925.51
1930	5,728,086	6,856,021	1,948,480.17
1931	5,921,087	6,705,087	1,476,938.48
1932	3,947,513	4,495,554	708,941.10

Mr. TARVER. Mr. Chairman, if there is anyone who desires to ask any questions which are pertinent to this bill, I shall be glad to answer them.

Mr. GLOVER. Will the gentleman yield?

Mr. TARVER. I yield to the gentleman from Arkansas.

Mr. GLOVER. As I understand this bill, it is left purely in the discretion of the President of the United States, if the bill passes, whether or not he appoints this commission.

Mr. TARVER. Yes. He must appoint the board of directors. It is left in his discretion as to whom he shall appoint on the board, and he is required to transfer to the corporation certain duties now resting in the Attorney General, and other duties may be transferred in his discretion.

Mr. GLOVER. Here is the language of the bill to which I refer: "The President is hereby authorized and empowered in his discretion to create this body corporate." I refer particularly to the language "in his discretion." If he did not want to do it, he would not be compelled to do it.

Mr. TARVER. I think the language used is almost if not quite equivalent to a mandate. However, that would be a question of construction, as to which the gentleman would be entitled to his opinion as well as I.

[Here the gavel fell.]

Mr. TARVER. Mr. Chairman, I yield myself 3 additional minutes.

Mr. Chairman, what I was undertaking to discuss in reply to the gentleman's question was section 3, regarding whether or not the President should transfer to the corporation, when created, the powers now exercised by the Attorney General. That is what I thought the gentleman had reference to.

Mr. GLOVER. I had reference to section 1, line 8.

Mr. TARVER. In that connection I direct attention to the fact that the section requires that the President shall transfer to said corporation the duty of determining in what manner and to what extent industrial operations shall be carried on in Federal penal and correctional institutions, and may transfer at his discretion certain other duties.

Mr. McFARLANE. Will the gentleman yield?

Mr. TARVER. I yield to the gentleman from Texas.

Mr. McFARLANE. I am wondering if the information the gentleman is inserting in the RECORD covers the varied activities carried on in the different penal institutions?

Mr. TARVER. Yes; the information will disclose that matter.

Mr. McFARLANE. Will it show as to the Federal institutions anything as to their activities?

Mr. TARVER. It will show all about the Federal institutions, not State institutions, because this bill relates wholly to Federal institutions.

Mr. McFARLANE. Does it show anything as to the receipts and disbursements and also as to how much it is costing the Government?

Mr. TARVER. It shows as of certain years information with reference to the goods manufactured in the Federal penal institutions of various sorts. Incidentally in that connection it shows that practically all these goods were goods manufactured in the cotton-duck line and in the shoe business. These two industries alone have been made to

bear almost all the burden of prison competition with free industry.

Mr. ELTSE of California. Will the gentleman yield?

Mr. TARVER. I yield to the gentleman from California.

Mr. ELTSE of California. The President is authorized in his discretion to create a body corporate in the District of Columbia. What is meant by the District of Columbia?

Mr. TARVER. It is meant that the site of the corporation will be in the District of Columbia. The home office of the corporation would be in the District of Columbia. It would be a corporation of the District, although it would have jurisdiction and control of the work in Federal penal institutions throughout the United States.

Mr. UMSTEAD. Will the gentleman yield?

Mr. TARVER. I yield to the gentleman from North Carolina.

Mr. UMSTEAD. May I inquire of the gentleman if the Attorney General of the United States now has the power which this bill would vest in the board to be created?

Mr. TRAVER. Yes. I tried to make that clear at the opening. This bill does not create any additional powers, but merely provides for the transfer of the powers now of the body corporate created by this bill of the powers now possessed by the Attorney General to the board of directors of the body corporate created by this bill, part of the powers to be transferred in the discretion of the President.

Mr. UMSTEAD. May I ask the gentleman the further question: If the Attorney General of the United States now has all the power that this bill gives the board created under it, why does not the Attorney General exercise that power?

Mr. TARVER. The gentleman's question, I think, has been answered by the gentleman from Texas [Mr. SUMNERS] in his admirable address in the beginning of the debate. Whenever the Attorney General undertakes to diversify the activities of the prison inmates so as not to burden unjustly one particular industry, some limitation, as in the Lewisburg case, is placed upon his authority by some amendment to an appropriation bill forbidding the diversification contemplated. Thus it has been impossible for him to diversify. This legislation will insure proper diversification by placing power in an impartial board free from interference to carry out the act of May 27, 1930.

Furthermore, with regard to the question of whether or not we should be satisfied to leave the powers in the hands of the Attorney General, it seems to me this answer should be conclusive. The exercise of this authority by the Attorney General has not only been unsatisfactory to him but has also been very unsatisfactory to industry and very unsatisfactory to labor, and these interests are anxious that the authority shall be transferred to a board upon which they shall have representation, in the hope that the whole subject matter may be handled in a way that will accord justice to everybody concerned. Why have a lawyer, the Attorney General, handling alone a matter which directly affects industry, labor, and agriculture? Why not let these interests have representation upon the authority handling the question? [Applause.]

[Here the gavel fell.]

Mr. FISH. Mr. Chairman, I reluctantly and regretfully feel constrained to make a point of no quorum.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and five Members present, a quorum.

Mr. KURTZ. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Chairman, I am just as much in sympathy with the regulation of the cotton-duck industry in the Atlanta Federal Penitentiary as my friend the gentleman from Georgia [Mr. TARVER]. I think we ought to have it regulated. I can see no reason why one-third of the cotton duck of this country should be made in the Atlanta Penitentiary. I believe this is wrong.

The important point I am trying to stress here this evening is the fact that we now have set up by law the power in the Attorney General of the United States to do exactly the things we are trying to do under this bill. When we complicate our laws to the extent that we have dual authority, then we are not trying to make our laws simpler so that the ordinary man may know just what is the law of the land.

I think if the Attorney General of the United States now has this authority, it is the duty of the Congress to tell the Attorney General just what we should like to have done. It is the duty of this Congress to tell the Attorney General that we should not have over 10 percent of the cotton duck manufactured in the Atlanta Penitentiary, if that is the will of my friend, the gentleman from Georgia [Mr. TARVER]. He will then issue orders to that effect. I would be with him and would do anything I can to see that this is accomplished; but why should we go ahead now and set up another board or another organization?

It is almost unbelievable that this Congress should be in favor of this bill, especially under the administration we have at the present time, which says we are going to unify the various departments and that we are going to try to get away from the complications and many bureaus we now have. This is not in accordance with the ideas that have been expressed here to the effect that we are going to eliminate various boards or that we are going to eliminate various bureaus. We are doing the very thing the administration promised we would not do, and that is, to set up additional boards and add to our national expenditures.

Why you men of this House want to support a measure of this kind I cannot understand. I know my friend, the gentleman from Georgia [Mr. TARVER], is not in sympathy with this manner of accomplishing the end. I feel confident he is not. I believe that someone has advised him we must set up this board and he is trying to carry out orders, and I do not blame him for that, but I think the Congress should stop it. Why we should go ahead and do this I cannot for the life of me understand.

I want to say to my friend from Georgia [Mr. TARVER], let us put through a resolution in this House to limit the manufacture of cotton duck to 10 percent of the requirements of the people of this country at this time, and I shall support him in every way I know how.

Mr. RAMSPECK and Mr. KELLER rose.

Mr. RICH. I yield first to the gentleman from Georgia [Mr. RAMSPECK].

Mr. RAMSPECK. Does not the gentleman realize that Congress recently kept the Attorney General from carrying out the law by putting a limitation on the appropriation bill applying to the Eastern Penitentiary?

Mr. RICH. I may say to the gentleman from Georgia that at the present time, when people on the outside are crying for work, we should not make favorites of the men who are in the penitentiaries and try to give them work which we should give to the men who are on the outside. When the time comes that we can properly give production work to the men in penitentiaries after men in our industries are cared for, then I would agree that the rules that are to be carried out by Sanford Bates would be all right because he is interested in doing what he can for men in penal institutions.

Mr. RAMSPECK. Did not the gentleman support a limitation on the appropriation bill to keep him from carrying out the present law?

Mr. RICH. At the present time; yes. I say we do not want anything made in the penitentiaries while men on the outside are crying for work.

Mr. RAMSPECK. Then let us provide a plan that Congress will let him carry out.

Mr. RICH. I am not in favor of that while men on the outside need work, and I want to stress this all I can. I think there are many men on the gentleman's side of the House who agree with me on this particular point, but in times when we can afford to have these various things made in such institutions in order to keep such people busy, I would say let us give them a job and give them something to do, but I do hope that those in authority and in control of penal institutions will certainly prohibit mass production. We ought not to permit that now, because it is certainly our duty to stop mass production, and care for free labor.

I hope we will make that so clear that Mr. Bates will discontinue the use of machines all he possibly can.

Mr. KELLER. Will the gentleman yield?

Mr. RICH. I yield.

Mr. KELLER. How does the gentleman know that 10 percent will be correct?

Mr. RICH. If they are making 38 percent now, as given in the report—and that is the idea of the gentleman from Georgia and people who are interested in the production of cotton duck—I am for the people who are outside laboring in the cotton-duck industry. I want to help them. I do not want to help the people in the penal institutions in preference to those on the outside. I would say cut out the manufacture of duck in penal institutions altogether, if necessary to accomplish the best for free labor.

Mr. KELLER. Would the gentleman be willing to pass on this matter without studying it further?

Mr. RICH. We have all the information we need. If you will look at the record, you will see that we have all the data and all the information as to the manufacture of goods in penal institutions and how much is manufactured on the outside. We have the information now.

Mr. KELLER. Does the gentleman, before the House and as a business man, say that he is ready to pass on this without further study?

Mr. RICH. I say "yes." We have the information; we have it in the hearings. We know all that we want to know on that subject.

Mr. KELLER. I should like to have the gentleman show it to me now.

Mr. RICH. The gentleman knows that I have not the data on the floor of the House but can secure it for him in a short time if he so desires.

Mr. HENNEY. Will the gentleman yield?

Mr. RICH. I yield.

Mr. HENNEY. Would the gentleman be in favor of the prisoners' making clothing for their individual use?

Mr. RICH. Well, I think we ought to do something to employ them if possible, but I want to give preference at this time to men on the outside. I do not say that we should not give the prisoners a job.

Mr. HENNEY. The gentleman does not want to keep them in luxury and make Dillingers out of them?

Mr. RICH. No; I think we ought to do all we can to help them; but the point I am making is that we ought to give consideration to the laborers on the outside who never committed a crime in preference to a convict.

[Here the gavel fell.]

Mr. MARTIN of Massachusetts. Mr. Chairman, I make the point of order that there is no quorum present.

The CHAIRMAN. The gentleman makes the point that there is no quorum present. The Chair will count. [After counting.] One hundred and one Members are present.

Mr. MARTIN of Massachusetts. Mr. Chairman, I move that the Committee do now rise.

The question was taken; and on a division (demanded by Mr. MARTIN of Massachusetts) there were 12 ayes and 87 noes.

Mr. MARTIN of Massachusetts. Mr. Chairman, I demand tellers. That vote does not show a quorum.

Mr. SNELL. Mr. Chairman, I make the point of order that there is not a quorum present.

The CHAIRMAN. The Chair will count. [After counting.] Eighty-five Members are present; not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 159]

Abernethy	Boehne	Cannon, Wis.	Corning
Allgood	Boland	Carley	Crowe
Andrew, Mass.	Boylan	Cary	Culkin
Andrews, N.Y.	Brennan	Cavicchia	Cummings
Auf der Heide	Britten	Celler	Darden
Bacharach	Brown, Mich.	Chapman	Dear
Bacon	Browning	Chase	Delaney
Bailey	Buckbee	Chavez	De Priest
Bankhead	Bulwinkle	Church	DeRouen
Beck	Burch	Claiborne	Dickstein
Beedy	Burke, Calif.	Clark, N.C.	Dies
Berlin	Burke, Nebr.	Condon	Ditter
Biermann	Burnham	Connolly	Dockweiler
Black	Busby	Cooper, Ohio	Douglass
Doutrich	Jenkins, Ohio	O'Connell	Studley
Doxey	Kelly, Pa.	O'Malley	Sullivan
Drewry	Kennedy, N.Y.	Oliver, N.Y.	Sutphin
Eaton	Kleberg	Palmisano	Sweeney
Evans	Kniffin	Parks	Swick
Fernandez	Kvale	Peavey	Taylor, Colo.
Flannagan	Lambertson	Peterson	Taylor, S.C.
Focht	Lamneck	Pettengill	Taylor, Tenn.
Ford	Lea, Calif.	Peyser	Terrell, Tex.
Foulkes	Lee, Mo.	Prall	Thom
Frear	Lehlbach	Randolph	Thompson, Ill.
Fulmer	Lesinski	Ransley	Thompson, Tex.
Gambrill	Lewis, Md.	Rayburn	Thurston
Gasque	Lloyd	Reece	Tinkham
Goodwin	Luce	Reed, N.Y.	Tobey
Green	McClintic	Reid, Ill.	Treadway
Greenway	McDuffie	Richards	Truax
Gregory	McGrath	Richardson	Underwood
Griffin	McLeod	Robinson	Utterback
Guyer	McMillan	Rogers, N.H.	Vinson, Ga.
Haines	Maloney, La.	Rogers, Okla.	Wadsworth
Hamilton	Mansfield	Sabath	Wallgren
Hancock, N.C.	Marland	Sadowski	Walter
Harlan	Marshall	Scrugham	Weaver
Hart	May	Sears	Weideman
Harter	Mead	Shannon	White
Healey	Merritt	Shoemaker	Whitley
Hess	Millard	Simpson	Wilcox
Higgins	Milligan	Sinclair	Wilson
Hoeppel	Monaghan, Mont.	Sisson	Withrow
Holdale	Montague	Smith, Wash.	Wolfenden
Hollister	Montet	Smith, W.Va.	Wood, Ga.
Hope	Moynihan, Ill.	Spence	Woodruff
Huddleston	Muldowney	Stalker	Woodrum
Hughes	Murdock	Steagall	Young
James	Musselwhite	Stokes	Zioncheck
Jeffers	Nesbit	Strong, Pa.	
Jenckes, Ind.	Norton	Stubbs	

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. KERR, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H.R. 9404) to authorize the formation of a body corporate to insure the more effective diversification of prison industries, and for other purposes, and finding itself without a quorum, he had directed the roll to be called, when 224 Members answered to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The SPEAKER. The names of the absentees will be spread upon the Journal pursuant to the rule. The Committee will resume its session.

The Committee resumed its session.

Mr. TARVER. Mr. Chairman, in view of the situation into which we seem to have fallen, I do not believe it is advisable for this side to consume time further, and it is not my purpose to yield time further for debate unless something transpires which has not yet been called to our attention. So I suggest that the gentleman from Pennsylvania, if he desires to consume time further at this hour of the night, yield the remainder of his time to whomsoever he pleases.

Mr. KURTZ. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, I am sorry that things have reached such a pass in the House of Representatives that no one can present his objections to a measure that is pending or ask for a vote upon it without being accused of conducting a filibuster. I am sorry that the majority feel called upon to resort to the allegation that a filibuster is being conducted as the only argument it is able to present in favor of legislation.

I want to tell the House something of the situation with reference to this prison business. It is the duty of the Congress of the United States, in my opinion, to legislate with reference to what industries shall be conducted in our Federal prisons and as to how they shall be conducted. During the time of my service in this House I have seen bills brought in here prescribing that certain industries may be conducted in the Federal prisons. I have seen those bills debated, after careful consideration by the Committee on the Judiciary, and I have seen those bills passed, and I have seen them become law.

I believe our present Committee on the Judiciary is competent to go into that situation and to lay out a program for industries in our Federal prisons, and to bring it before the House. I do not believe the Membership of the House

is so barren of common sense that it will, when given such a program, fail to give it fair and honest consideration and fail to come to a legitimate and fair and honest conclusion on that subject.

We did pass a bill creating the prison industries' capital fund, and we delegated to the Superintendent of Prisons the power to decide what industries should be started in the prisons. He went ahead and spent a lot of money building a factory, as has been stated here. Then the Congress felt that that was not the kind of a factory that it wanted and it ruled it out.

Now, what is the effect of this bill? I think the Congress ought to understand what the effect of this bill is, so that it can pass fairly and intelligently upon the bill that is before the committee. The effect of the bill is to take that jurisdiction out of the hands of the Attorney General and place it in a corporation to be created, and turn over to that corporation the working capital of the prison industries' fund. It also provides that that corporation can use the income or interest upon that fund that shall accrue. Now, what is the effect of that?

[Here the gavel fell.]

Mr. KURTZ. Mr. Chairman, I yield the gentleman from New York 5 additional minutes.

Mr. TABER. The effect of that operation is that the Congress loses control over that situation entirely which it has heretofore had in the Attorney General, because the appropriation of money will not be asked for by this corporation from year to year, and it can go ahead and run just as wild as it feels in the program of industries in the prisons. Frankly, that is what I do not like about this bill.

I feel that Congress should meet its responsibility; that it should not delegate its responsibility beyond the possibility of control, except on a bill which is brought to the floor from the committee and fought through every time a mistake is made by that kind of an operation. I feel that we should meet our responsibility and not delegate it to some corporation, the directors of which are to be appointed by the President.

Now, there are some other features of this bill that I do not like.

Frankly, unless the rule had been modified, I should have made a point of order against section 4 because section 4 turns over from the Secretary of the Treasury all balances standing to the credit of the prison industries working capital funds. That is, in effect, an appropriation, and it is an appropriation on a bill that comes from a committee other than the Appropriations Committee. I do not believe we ought to do such a thing; I think we should keep away from it.

Mr. DUNN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. DUNN. If this legislation is not good why would the American Federation of Labor support it?

Mr. TABER. I think the American Federation of Labor has been very much deceived, because the American Federation of Labor was opposed to the action of the Attorney General in starting the industry at Lewisburg; they fought it. Now, this corporation can do the same thing, and there is absolutely no recourse in the annual appropriation bills such as we had against the action of the Attorney General. The American Federation of Labor has been misled and deceived as to the effect of this proposition.

Mr. DUNN. Mr. Chairman, if the gentleman will yield further, I understand that the features of the bill objectionable to the American Federation of Labor were taken out.

Mr. TABER. They have not studied the bill sufficiently to understand it; they have been deceived on the question.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. BLANTON. Suppose the American Federation of Labor had not been deceived; our friend over here seems to think that it is omniscient, omnipotent, omnipresent, can do no wrong, and greater than God Almighty.

Mr. TABER. Well, we ought to be able to pass a bill in the House without having to be told what to do.

Mr. BLANTON. I do not take my orders from the American Federation of Labor any more than I do from the American Federation of Capital. When they are right, I am for them. When they are wrong, I am against them. And I do not worship at the feet of either of them.

Mr. TABER. I am in hopes that the Members will vote on this legislation as they have before, upon its merit, because by turning down this bill we shall give the Judiciary Committee an opportunity to bring us a program for prison industries which is well laid out after careful consideration by that committee which I believe is one of the ablest committees in the House. I believe it is fully competent to do it; and I think if the matter is left to them appropriate legislation will be brought out.

I do not think we ought to delegate our authority to somebody else.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. BLANTON. The committee has agreed to amend this bill and to take out a very objectionable feature of this bill by eliminating the $20-per-day salaries and requiring the members of the board to work without pay. One of the greatest objections I had to the bill, that of creating a new, expensive, unnecessary board, thus has been eliminated by this action of the committee; and with that eliminated I intend to vote for the bill.

[Here the gavel fell.]

Mr. KURTZ. Mr. Chairman, I yield 2 additional minutes to the gentleman from New York.

Mr. BLANCHARD. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. BLANCHARD. I assume the provision still remains in the bill providing for the payment of office expenses?

Mr. TABER. These expenses will go on if this commission is established and they will get paid somehow, I expect. I do not believe we can have a commission of this kind, the members of which are not paid.

I say we ought not to delegate our authority to somebody over whom we have no control, giving them authority to do something with prison industries that we will regret every year as we come back here.

I do not think we ought to pass this bill. I think we ought to beat it.

[Here the gavel fell.]

Mr. TARVER. Mr. Chairman, in view of the argument of the gentleman from New York, I yield 5 minutes to the gentleman from Missouri [Mr. Wood], president of the Federation of Labor of the State of Missouri.

Mr. WOOD of Missouri. Mr. Chairman, I did not intend to say anything on this legislation, but certain remarks have been made in connection with the discussion of this bill about the American Federation of Labor and a great many other remarks have been made about how much some people love free labor.

The fact of the matter is that the American Federation of Labor has been attempting for the past 30 years to establish diversified industries in various State prisons throughout the country; and this bill, in my opinion, gives us the opportunity to decide whether we want mass production in our prisons or diversified industry.

The passage of this bill by Congress will have a great effect upon the action of the various States with respect to the State penitentiaries.

I care not whether the proposed commission be appointed by the Attorney General or by the President of the United States. I do not believe in the establishment of any more boards and bureaus than are necessary to carry out the functions of the Government. If this bill is passed, I prefer, as the bill provides, that the President of the United States appoint this commission.

This commission must not be appointed temporarily. If we are going to have diversified industries in the Federal prisons, the commission must be a permanent one. I do not know how to pick a board of representatives better qualified to carry out the provisions of the bill than to have

on that board a representative of industry, a representative of labor, and a representative of agriculture.

Mr. Chairman, it is not a question of whether one is in favor of free labor or more work being done in penitentiaries, for everybody knows that we are going to continue to employ the inmates of our State and Federal prisons.

May I say that the greater part of the population of our prisons today ranges in age from 18 to 30 years. Anyone who advocates sending a young man who has made a slip and is convicted and goes to prison for the first time, who advocates a condition where he will be compelled to sit down and do nothing, compelled to remain idle during his incarceration, does not know anything about prison management. [Applause.] Those individuals are not only committing a crime against the prisoner, but they are committing a crime against society.

I should also say a word as to the diversification of prison industry. The Missouri State Penitentiary has for many years been carrying on three or four industries—clothing, shoes, brooms, saddlery. Ninety percent of the output of the Missouri Penitentiary comes under those four industries, and a great majority of the entire output has been garments. When you realize that 90 percent of the workers in the garment industry are women you can readily realize what a crime has been committed against a young man who happens to get 2, 3, or 4 years in the penitentiary when you teach him a woman's trade. He usually comes out a mental, physical, and moral wreck.

[Here the gavel fell.]

Mr. TARVER. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. WOOD of Missouri. Mr. Chairman, I hope you will not confuse this bill with the question as to whether organized labor or someone else wants the bill. The industries who have been most affected by prison labor in this country have for 25 years to my knowledge been in favor of and battling for a system of diversification of prison industry. These industries I have mentioned, together with a number of others, have cooperated with us for all these years trying to diversify prison industry.

The gentleman from Pennsylvania [Mr. RICH] mentioned a minute ago that he was for free labor. The gentleman, as I understand it, is the manager of a large woolen factory. The gentleman from Pennsylvania opposes a 6-hour day. If he is so much in favor of giving free labor employment he ought to reduce the hours of the two or three industries he is connected with and give some of the unemployed a chance to work and not try to deprive these unfortunate prisoners of doing some kind of useful work.

[Here the gavel fell.]

Mr. RICH. If the gentleman would do something about employing labor he would be doing more for his country.

Mr. WOOD of Missouri. The gentleman should reduce his hours of labor to 6 a day.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That in order more effectively to carry out the policy and purposes of the act of May 27, 1930 (46 Stat. 391; U.S.C., title 18, sec. 711), entitled "An act to provide for the diversification of employment of Federal prisoners, for their training and schooling in trades and occupations, and for other purposes", the President is hereby authorized and empowered, in his discretion, to create a body corporate of the District of Columbia to be known as "Federal Prison Industries."

Mr. McGUGIN. Mr. Chairman, I offer a motion to strike out the enacting clause, which I send to the desk.

The Clerk read as follows:

Mr. McGUGIN moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. McGUGIN. Mr. Chairman, we talk about labor being for this bill. So far as organized labor is concerned, it has been "stood up" in connection with this bill. I grant the first Tarver bill worked a greater wrong on free labor than this bill. The first bill found the American Federation of Labor unalterably opposed to it, and none other than President Green wrote me a letter to that effect. I take it that the American Federation of Labor regards this bill as the best compromise it could obtain under the circumstances, believing that Congress would pass the other bill if they did not reach some sort of a compromise.

Mr. TARVER. Will the gentleman yield?

Mr. McGUGIN. I yield to the gentleman from Georgia.

Mr. TARVER. The gentleman, I know, does not want to make an error. In connection with the first bill may I say that the American Federation of Labor expressed no opinion. The gentleman undoubtedly has in mind a bill immediately prior to this bill.

Mr. McGUGIN. I refer to the former Tarver bill that has been before this House.

Mr. TARVER. We have had three or four bills.

Mr. McGUGIN. So far as this bill is concerned, it still leaves unlimited power in this board to make and manufacture goods with convict labor. In section 3 it is stated:

It shall be the duty of the board of directors to diversify so far as practicable prison industrial operations and so operate the prison shops that no single private industry shall be forced to bear an undue burden of competition from the products of the prison workshops.

Of course, if the Congress wants to go ahead boldly and enact this legislation, taking the power out of the Congress and leaving it in the hands of an appointive board to control the conduct of these prison factories, well and good, but when that time comes we shall find that the control over prison-made goods is removed a long ways from any influence of free labor. Free labor stands a better chance of being protected so long as that power rests in the Congress, which is composed of Members who are elected every 2 years. When this power is placed in a board which is not to be voted upon, then labor is "stood up", and that is all you can make out of the matter.

Furthermore, so far as this bill is concerned, and as it is being considered here in Committee of the Whole, I take the position that the Committee should rise and report the bill back to the House with the recommendation that the enacting clause be stricken out. [Further remarks expunged.]

Mr. BYRNS. Mr. Chairman, I make the point of order that the gentleman is not addressing himself to his motion.

The CHAIRMAN. The gentleman will proceed in order.

Mr. McGUGIN. I take the position I am in order. [Further remarks expunged.]

Mr. BYRNS. Mr. Chairman, I make the point of order the gentleman should confine himself to the motion.

Mr. McGUGIN. I am, and I ask for a ruling of the Chair.

Mr. BLANTON. Mr. Chairman, I ask that the gentleman's words be taken down, because they impugn the integrity of the Speaker, and for this reason I ask that the words be taken down. The Speaker of this House is not only the Speaker of the Democrats, he is the Speaker of the Republicans——

Mr. McGUGIN. Take them down—no words I can say can impugn the Speaker of this House. [Further remarks expunged.]

Mr. BLANTON. I ask that these words be taken down—all of them, Mr. Chairman.

The CHAIRMAN. The gentleman from Kansas will take his seat.

Mr. RICH. Mr. Chairman, what are the clerks here for if they are not taking down his words? There is no use for the gentleman from Texas to make that statement.

Mr. BLANTON. The gentleman from Pennsylvania [Mr. RICH] is out of order and the gentleman knows it.

The CHAIRMAN. The gentleman from Pennsylvania will take his seat.

Mr. BYRNS. Mr. Chairman, I ask that the gentleman from Kansas take his seat, under the rules of the House.

Mr. RICH. Mr. Chairman, I rise in opposition to the motion.

The CHAIRMAN. The gentleman will take his seat.

The Clerk will report the language objected to.

The Clerk read certain words used.

Mr. BLANTON. Mr. Chairman, they are not all of the words objected to. I ask that the reference be taken down

where the gentleman referred to the Speaker. I ask that those words be taken down in addition to these words.

The CHAIRMAN. The words referred to will be taken down.

Mr. BLANTON. It was the reference to the Speaker that caused me to ask that the words be taken down.

The CHAIRMAN. The Clerk will report the language objected to.

The Clerk read the words used to which objection was lodged.

Mr. BLANTON. Mr. Chairman, I move that those words taken down be stricken from the RECORD.

Mr. SNELL. The words will have to be first reported to the House.

The CHAIRMAN. The Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. KERR, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H.R. 9404, certain words used in debate were objected to, and on request were taken down and read at the Clerk's desk, and he herewith reported the same to the House

The SPEAKER. The Clerk will report the words taken down.

The Clerk read the words that were taken down.

(The House voted to expunge the words from the RECORD.)

Mr. BLANTON. Mr. Speaker, I make the point of order that this language is against the rules of this House in that it imputes dishonesty to the Speaker in his rulings and in ignoring the rules of the House, and I move that the words be stricken from the RECORD.

The SPEAKER. Inasmuch as the Speaker is directly concerned, the Chair will ask the majority leader, the gentleman from Tennessee [Mr. BYRNS] to take the chair.

Mr. BYRNS assumed the chair as Speaker pro tempore.

Mr. BLANTON. Mr. Speaker, I make the point of order that the language used by the gentleman from Kansas [Mr. MCGUGIN] in debate in Committee of the Whole House on the state of the Union is against the rules of the House in that they impute dishonesty to the Speaker of this House and wrongful motives in ignoring the rules of this House, and I move that the words be stricken from the RECORD and upon that I move the previous question.

Mr. SNELL. Mr. Speaker, I desire to be heard upon this.

Mr. BLANTON. Mr. Speaker, I move the previous question upon my motion.

Mr. MAPES. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. MAPES. My understanding of the rule is that that is a matter for the Speaker to decide, and until decided the motion of the gentleman from Texas is not in order.

The SPEAKER pro tempore. The Chair will decide the matter at the proper time.

Mr. MAPES. I make the point of order that the motion of the gentleman from Texas is not in order; that that is a function of the Speaker.

Mr. BLANTON. And I make the further point of order that it is not debatable.

The SPEAKER pro tempore. It is necessary for the Chair first to pass upon the words and decide whether they are out of order before the motion of the gentleman from Texas to strike them out can be entertained.

Mr. SNELL. Mr. Speaker, I ask that the proceedings which occurred just before we went into the Committee of the Whole and which caused this discussion be read first.

Mr. BLANTON. I make the point of order that this is not debatable.

The SPEAKER pro tempore. The Chair does not think it necessary to read the proceedings to which the gentleman from New York refers. Of course, they could be read by unanimous consent, but only by unanimous consent.

Mr. SNELL. Mr. Speaker, I make that request.

Mr. MCFARLANE. Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard. The gentleman from Kansas [Mr. MCGUGIN] is reported to have used the following language in the course of his discussion:

> I take the position I am in order because I am charging that the House is not lawfully or honestly, under the rules of this House, in Committee of the Whole * * * for the good and sufficient reason that this House is not now honestly, fairly, truthfully, and, within the rules of the House, in the Committee of the Whole, for the good and sufficient reason that the Speaker completely repudiated and ignored the rules of this House.

The Chair thinks, when the entire statement of the gentleman from Kansas is considered, that these words are clearly out of order.

Mr. BLANTON. Mr. Speaker, I move that they be expunged from the RECORD, and upon that I move the previous question.

Mr. BLANCHARD. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER pro tempore. The gentleman from Texas [Mr. BLANTON] moves that the language read be expunged from the RECORD, and upon that he moves the previous question.

Mr. SNELL. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER pro tempore. The gentleman from Wisconsin and the gentleman from New York make the point of order that there is no quorum present. The Chair will count. [After counting.] Two hundred and twenty-one Members present, a quorum. The question is on ordering the previous question.

The question was taken.

Mr. SNELL. Mr. Speaker, I demand the yeas and nays.

The SPEAKER pro tempore. The gentleman from New York demands the yeas and nays. Those in favor of taking this vote by the yeas and nays will rise and stand until counted.

Mr. O'CONNOR. Mr. Speaker, I make a point of order, and I want to have it ruled upon. The gentleman from Kansas [Mr. MCGUGIN] was compelled to take his seat when the words were taken down, and to remain in his seat. He is now standing and voting.

The SPEAKER pro tempore. The Chair thinks that he has a right to vote. [After counting.] Forty-one Members have risen, not a sufficient number, and the yeas and nays are refused. The previous question is ordered. The question now is on the motion of the gentleman from Texas [Mr. BLANTON] that the language be expunged from the RECORD.

Mr. SNELL. Mr. Speaker, upon that I demand the yeas and nays.

The SPEAKER pro tempore. The gentleman from New York demands the yeas and nays. Those who favor taking the vote by the yeas and nays will rise and stand until counted. [After counting.] Forty-six Members have risen, a sufficient number, and the yeas and nays are ordered. The Clerk will call the roll.

The question was taken; and there were—yeas 176, nays 54, answered "present" 1, not voting 199, as follows:

[Roll No. 160]

YEAS—176

Adair	Colden	Fiesinger	Keller
Adams	Colmer	Fitzgibbons	Kelly, Ill.
Arens	Condon	Fitzpatrick	Kennedy, Md.
Arnold	Connery	Flannagan	Kenney
Ayers, Mont.	Cooper, Tenn.	Fletcher	Kerr
Ayres, Kans.	Cox	Fuller	Kleberg
Beam	Cravens	Gavagan	Kloeb
Beiter	Crosby	Gillespie	Kocialkowski
Bland	Cross, Tex.	Glover	Kopplemann
Blanton	Crosser, Ohio	Goldsborough	Kramer
Bloom	Crump	Granfield	Lambeth
Brooks	Cullen	Gray	Lamneck
Brown, Ga.	Deen	Greenwood	Lanham
Brown, Ky.	Dies	Gregory	Lanzetta
Brunner	Dingell	Hastings	Larrabee
Buchanan	Dobbins	Henney	Lehr
Buck	Doughton	Hildebrandt	Lemke
Byrns	Driver	Hill, Ala.	Lewis, Colo.
Cady	Duffey	Hill, Knute	Lewis, Md.
Caldwell	Duncan, Mo.	Hill, Samuel B.	Lindsay
Cannon, Mo.	Dunn	Howard	Lozier
Cannon, Wis.	Durgan, Ind.	Imhoff	Ludlow
Carden, Ky.	Eagle	Jacobsen	Lundeen
Carmichael	Edmiston	Johnson, Minn.	McCarthy
Carpenter, Kans.	Eicher	Johnson, Okla.	McCormack
Cartwright	Ellenbogen	Johnson, Tex.	McFarlane
Castellow	Elizey, Miss.	Johnson, W.Va.	McKeown
Cochran, Mo.	Faddis	Jones	McMillan
Coffin	Farley	Kee	McReynolds

McSwain	Parsons	Schaefer	Thomason
Maloney, Conn.	Patman	Schuetz	Thompson, Ill.
Martin, Colo.	Pierce	Schulte	Turner
Martin, Oreg.	Polk	Secrest	Umstead
Mead	Ramsay	Shallenberger	Vinson, Ky.
Meeks	Ramspeck	Smith, Va.	Wearin
Milligan	Rankin	Somers, N.Y.	Welch
Mitchell	Reilly	Spence	Werner
Morehead	Romjue	Steagall	West, Ohio
O'Brien	Rudd	Strong, Tex.	West, Tex.
O'Connor	Ruffin	Stubbs	White
Oliver, Ala.	Sabath	Sumners, Tex.	Whittington
Owen	Sanders, La.	Swank	Williford
Palmisano	Sanders, Tex.	Tarver	Williams
Parker	Sandlin	Terry, Ark.	Wood, Mo.

NAYS—54

Allen	Dowell	Kahn	Rogers, Mass.
Bakewell	Edmonds	Kinzer	Seger
Blanchard	Eltse, Calif.	Knutson	Snell
Boileau	Englebright	Kurtz	Taber
Bolton	Fish	McFadden	Thomas
Carter, Calif.	Focht	McLean	Tobey
Carter, Wyo.	Foss	McLeod	Traeger
Clarke, N.Y.	Gilchrist	Mapes	Turpin
Cochran, Pa.	Goss	Martin, Mass.	Waldron
Collins, Calif.	Guyer	Mott	Wigglesworth
Crowther	Hancock, N.Y.	Perkins	Wolcott
Darrow	Hartley	Plumley	Wolverton
Ditter	Holmes	Powers	
Dondero	Hope	Rich	

ANSWERED "PRESENT"—1

McGugin

NOT VOTING—199

Abernethy	Delaney	Kvale	Sadowski
Allgood	De Priest	Lambertson	Scrugham
Andrew, Mass.	DeRouen	Lea, Calif.	Sears
Andrews, N.Y.	Dickinson	Lee, Mo.	Shannon
Auf der Heide	Dickstein	Lehlbach	Shoemaker
Bacharach	Dirksen	Lesinski	Simpson
Bacon	Disney	Lloyd	Sinclair
Bailey	Dockweiler	Luce	Sirovich
Bankhead	Douglass	McClintic	Sisson
Beck	Doutrich	McDuffie	Smith, Wash.
Beedy	Doxey	McGrath	Smith, W.Va.
Berlin	Drewry	Maloney, La.	Snyder
Biermann	Eaton	Mansfield	Stalker
Black	Evans	Marland	Stokes
Boehne	Fernandez	Marshall	Strong, Pa.
Boland	Ford	May	Studley
Boylan	Foulkes	Merritt	Sullivan
Brennan	Frear	Millard	Sutphin
Britten	Frey	Miller	Sweeney
Brown, Mich.	Fulmer	Monaghan, Mont.	Swick
Browning	Gambrill	Montague	Taylor, Colo.
Buckbee	Gasque	Montet	Taylor, S.C.
Bulwinkle	Gifford	Moran	Taylor, Tenn.
Burch	Gillette	Moynihan, Ill.	Terrell, Tex.
Burke, Calif.	Goodwin	Muldowney	Thom
Burke, Nebr.	Green	Murdock	Thompson, Tex.
Burnham	Greenway	Musselwhite	Thurston
Busby	Griffin	Nesbit	Tinkham
Carley, N.Y.	Griswold	Norton	Treadway
Carpenter, Nebr.	Haines	O'Connell	Truax
Cary	Hamilton	O'Malley	Underwood
Cavicchia	Hancock, N.C.	Oliver, N.Y.	Utterback
Celler	Harlan	Parks	Vinson, Ga.
Chapman	Hart	Peavey	Wadsworth
Chase	Harter	Peterson	Wallgren
Chavez	Healey	Pettengill	Walter
Christianson	Hess	Peyser	Warren
Church	Higgins	Prall	Weaver
Claiborne	Hoeppel	Randolph	Weideman
Clark, N.C.	Holdale	Ransley	Whitley
Cole	Hollister	Rayburn	Wilcox
Collins, Miss.	Huddleston	Reece	Wilson
Connolly	Hughes	Reed, N.Y.	Withrow
Cooper, Ohio	James	Reid, Ill.	Wolfenden
Corning	Jeffers	Richards	Wood, Ga.
Crowe	Jenckes, Ind.	Richardson	Woodruff
Culkin	Jenkins, Ohio	Robertson	Woodrum
Cummings	Kelly, Pa.	Robinson	Young
Darden	Kennedy, N.Y.	Rogers, N.H.	Zioncheck
Dear	Kniffin	Rogers, Okla.	

So the motion was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Warren (for) with Mr. Merritt (against).
Mr. Drewry (for) with Mr. Treadway (against).
Mr. Harlan (for) with Mr. Tinkham (against).
Mr. Bankhead (for) with Mr. Culkin (against).
Mr. Young (for) with Mr. Reed of New York (against).
Mr. Prall (for) with Mr. Luce (against).
Mr. Musselwhite (for) with Mr. Whitley (against).
Mr. Richards (for) with Mr. Goodwin (against).
Mr. Hamilton (for) with Mr. Bacharach (against).
Mr. Sears (for) with Mr. Hollister (against).
Mr. Miller (for) with Mr. Ransley (against).
Mr. Truax (for) with Mr. Jenkins of Ohio (against).
Mr. Oliver of New York (for) with Mr. Bacon (against).
Mr. Sullivan (for) with Mr. Simpson (against).
Mr. Boylan (for) with Mr. Lehlbach (against).
Mr. McGrath (for) with Mr. Andrew of Massachusetts (against).
Mr. Kniffin (for) with Mr. Higgins (against).
Mr. Randolph (for) with Mr. Beck (against).
Mr. Peterson (for) with Mr. Cooper of Ohio (against).
Mr. Taylor of South Carolina (for) with Mr. Eaton (against).
Mr. Clark of North Carolina (for) with Mr. Swick (against).
Mr. Brennan (for) with Mr. Millard (against).
Mr. Delaney (for) with Mr. Stokes (against).
Mr. Browning (for) with Mr. Wolfenden (against).
Mr. Darden (for) with Mr. Muldowney (against).
Mr. Black (for) with Mr. Doutrich (against).
Mr. Weaver (for) with Mr. Connolly (against).
Mr. Woodrum (for) with Mr. Reece (against).
Mr. Abernethy (for) with Mr. Dirksen (against).
Mr. Boehne (for) with Mr. Buckbee (against).
Mr. Bulwinkle (for) with Mr. Cavicchia (against).
Mr. Collins of Mississippi (for) with Mr. Gifford (against).
Mr. McClintic (for) with Mr. Marshall (against).
Mr. Underwood (for) with Mr. Woodruff (against).
Mr. Corning (for) with Mr. Taylor of Tennessee (against).
Mr. Wilson (for) with Mr. Stalker (against).
Mr. Burch (for) with Mr. Wadsworth (against).
Mr. McDuffie (for) with Mr. Reid of Illinois (against).
Mr. Huddleston (for) with Mr. Evans (against).
Mr. Lea of California (for) with Mr. Beedy (against).
Mr. Mansfield (for) with Mr. Burnham (against).
Mr. Carley of New York (for) with Mr. De Priest (against).
Mr. Taylor of Colorado (for) with Mr. Hess (against).
Mr. Busby (for) with Mr. James (against).
Mr. Parks (for) with Mr. Moynihan of Illinois (against).
Mr. Green (for) with Mr. Strong of Pennsylvania (against).
Mr. Dickinson (for) with Mr. Withrow (against).
Mr. Celler (for) with Mr. Chase (against).

General pairs:

Mr. Vinson of Georgia with Mr. Britten.
Mr. Cole with Mr. Frear.
Mr. Chapman with Mr. Kelly of Pennsylvania.
Mr. Fernandez with Mr. Peavey.
Mr. Douglass with Mr. Sinclair.
Mr. Disney with Mr. Thurston.
Mr. Allgood with Mr. Kvale.
Mr. Biermann with Mr. Shoemaker.
Mr. Doxey with Mr. Lee of Missouri.
Mr. Berlin with Mr. Robertson.
Mr. Lloyd with Mr. Scrugham.
Mr. Foulkes with Mr. Burke of Nebraska.
Mr. Gasque with Mr. Cary.
Mrs. Greenway with Mr. Montague.
Mr. Wallgren with Mr. Thom.
Mr. O'Malley with Mr. Hoeppel.
Mr. Church with Mr. Haines.
Mr. Sisson with Mr. Bailey.
Mr. Dickstein with Mr. Dockweiler.
Mr. Lesinski with Mr. Rogers of New Hampshire.
Mr. Shannon with Mr. Maloney of Louisiana.
Mr. Gillette with Mr. Fulmer.
Mr. Celler with Mr. Griswold.
Mrs. Norton with Mr. Utterback.
Mr. Weideman with Mr. Peyser.
Mrs. Jenckes of Indiana with Mr. Healey.
Mr. Crowe with Mr. Montet.
Mr. Smith of Washington with Mr. Frey.
Mr. Carpenter of Nebraska with Mr. Hughes.
Mr. Thompson of Texas with Mr. O'Connell.
Mr. Harter with Mr. Studley.
Mr. Smith of West Virginia with Mr. Kennedy of Maryland.
Mr. Rayburn with Mr. Sadowski.
Mr. Marland with Mr. Holdale.
Mr. Cummings with Mr. DeRouen.
Mr. Hart with Mr. Murdock.
Mr. Sutphin with Mr. Walter.
Mr. Wilcox with Mr. May.
Mr. Wood of Georgia with Mr. Sweeney.
Mr. Richardson with Mr. Monaghan of Montana.
Mr. Pettengill with Mr. Moran.
Mr. Ford with Mr. Auf der Heide.
Mr. Dear with Mr. Jeffers.
Mr. Zioncheck with Mr. Gambrill.
Mr. Robinson with Mr. Sirovich.

The result of the vote was announced as above recorded.

Mr. KNUTSON. Mr. Speaker, I object to the vote on the ground there is not a quorum present.

The SPEAKER pro tempore (Mr. BYRNS). The point of order is overruled. The Committee will resume its session.

The Committee resumed its session.

Mr. SNELL. Mr. Chairman, I move the gentleman from Kansas [Mr. McGUGIN] be allowed to proceed in order.

Mr. BLANTON. Mr. Chairman, I make a point of order against that motion being in order, but, to be fair and just, I ask unanimous consent that the gentleman from Kansas [Mr. McGUGIN] be allowed to proceed in order. I do not think he intended to violate the rules, or is as much responsible as somebody else over there.

Mr. O'BRIEN. Mr. Chairman, I object.

Mr. SNELL. Mr. Chairman, I move the previous question on the motion.

Mr. BYRNS. Mr. Chairman, I make the point of order that the previous question is not in order.

Mr. SNELL. It certainly is. The previous question is in order any time.

The CHAIRMAN. The gentleman from Kansas [Mr. McGUGIN], is recognized for 1 minute.

Mr. SNELL. Mr. Chairman, I ask that the motion be put.

Mr. O'CONNOR. If the Chair has ruled that the gentleman from Kansas has 1 minute more, he has not yet been given the privilege to proceed in order. A motion is pending.

Mr. SNELL. I made a motion, Mr. Chairman, and I ask for a vote.

The CHAIRMAN. The Chair put the unanimous-consent request.

Mr. O'CONNOR. And it was objected to.

The CHAIRMAN. The Chair heard no objection.

Mr. O'CONNOR. Oh, there were a half dozen objections.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas [Mr. BLANTON]?

Mr. O'BRIEN. I object.

The CHAIRMAN. The question is, Shall the previous question be ordered?

Mr. SNELL. Mr. Chairman, I demand the yeas and nays on that motion.

The CHAIRMAN. The Chair rules that the yeas and nays cannot be ordered in Committee of the Whole.

Mr. SNELL. I ask for a division.

The previous question was ordered.

The CHAIRMAN. The question is on the motion of the gentleman from New York [Mr. SNELL].

The question was taken; and on a division (demanded by Mr. SNELL) there were—ayes 40, noes 103.

Mr. SNELL. Mr. Chairman, I demand tellers.

Tellers were ordered and the Chair appointed Mr. SNELL and Mr. BYRNS to act as tellers.

The committee again divided; and the tellers reported there were—ayes 49, and noes 114.

So the motion was rejected.

Mr. TARVER. Mr. Chairman, I move that all debate on this section and all amendments thereto, including the motion of the gentleman from Kansas [Mr. McGUGIN], do now close.

The motion was agreed to.

The CHAIRMAN. The question is on the motion of the gentleman from Kansas [Mr. McGUGIN].

The question was taken and on a division (demanded by Mr. McGUGIN) there were—ayes 38, and noes 93.

Mr. McGUGIN. Mr. Chairman, I demand tellers.

Mr. O'CONNOR. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. O'CONNOR. Under the rule a Member who has been compelled to take his seat after his words have been taken down can vote, and he can demand the yeas and nays. I wish the Chair to rule whether or not he can go further than that and demand divisions and demand tellers.

Mr. SNELL. Oh, he is not out of Congress yet. That does not preclude him from doing anything the rest of the session, does it?

The CHAIRMAN. The Chair holds that the gentleman has a right to demand a division and to demand tellers.

Mr. SNELL. I thought the Chair would so rule.

Mr. McGUGIN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. McGUGIN and Mr. TARVER to act as tellers.

The Committee again divided; and the tellers reported that there were—ayes 41, noes 121.

So the amendment was rejected.

The Clerk read as follows:

SEC. 2. The President shall appoint a board of directors of said corporation which shall consist of 5 persons, one of whom shall be a representative of industry, 1 a representative of labor, 1 a representative of agriculture, 1 a representative of consumers, and 1 a representative of the Attorney General. The board of directors shall serve at the will of the President, who may fix their compensation at not to exceed a sum of $20 per day, while such directors are actually engaged in the performance of their duties.

Mr. KURTZ. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KURTZ: Page 2, line 9, after the word "President", strike out the remainder of line 9, all of lines 10 and 11, and insert in lieu thereof the words "and without compensation."

Mr. KURTZ. Mr. Chairman, the real controversy between the Members of the House concerning this bill, as I understand it, revolves around the question of the compensation that is to be paid the members of the board. Some of the Members believe it would cost at least $20,000 a year.

Mr. TARVER. Mr. Chairman, will the gentleman yield?

Mr. KURTZ. I yield.

Mr. TARVER. In view of the fact that the committee has accepted the gentleman's amendment, will not the gentleman forego argument? I think there is no question about the adoption of his amendment.

Mr. KURTZ. I will.

Mr. TARVER. Mr. Chairman, I move that all debate on this section and all amendments thereto do now close.

The question was taken; and on a division (demanded by Mr. BLANCHARD) there were—ayes 115, noes 1.

So the motion was agreed to.

The CHAIRMAN. The question is on the amendment of the gentleman from Pennsylvania.

The amendment was agreed to.

The Clerk read as follows:

SEC. 3. The President shall transfer to said corporation the duty of determining in what manner and to what extent industrial operations shall be carried on in Federal penal and correctional institutions and may transfer to said corporation any part or all of the other powers and duties now vested in the Attorney General or any other officer or employee of the United States by said act of May 27, 1930. It shall be the duty of the board of directors to diversify so far as practicable prison industrial operations and so operate the prison shops that no single private industry shall be forced to bear an undue burden of competition from the products of the prison workshops.

Mr. BLANCHARD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I ask unanimous consent that I may proceed out of order.

Mr. O'BRIEN. Mr. Chairman, I object.

Mr. TARVER. Mr. Chairman, I move that all debate on this section and all amendments thereto do now close.

The motion was agreed to.

The Clerk read as follows:

SEC. 4. The Secretary of the Treasury is hereby authorized and directed, upon the formation of the corporation to transfer to the credit of the corporation upon the books of the Treasury, all balances then standing to the credit of the prison industries working capital fund. All valid claims and obligations payable out of said fund shall be assumed by the corporation. The corporation is hereby authorized to employ the aforesaid fund, and any earnings that may hereafter accrue to the corporation, as operating capital and for the purposes enumerated in the said act of May 27, 1930, and also for the payment of compensation in such amounts as the Attorney General may authorize to inmates of penal institutions or their dependents for injuries suffered in any industry: *Provided*, That in no event shall compensation be paid in a greater amount than that provided in the Federal Employees' Compensation Act of September 7, 1916, as amended. The corporation shall from time to time deposit with the Treasurer of the United States to the credit of miscellaneous receipts, so much of its earnings as shall, in the judgment of its board of directors, exceed the amount needed for a reasonable operating capital and surplus. All accounts of the corporation shall be subject to audit by the Comptroller General of the United States.

Mr. TABER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TABER: Page 3, line 5, after the word "authorized" insert "pursuant to annual appropriation."

Mr. TABER. Mr. Chairman, this amendment is offered for the purpose of preserving the integrity of the bill repealing permanent appropriations which was passed by this House unanimously about 2 weeks ago. Unless this amendment is adopted, Congress will have no control whatever over the operations of this corporation created by the bill.

I hope the Committee will adopt the amendment.

Mr. TARVER. Mr. Chairman, I move that all debate on this section and all amendments thereto do now close.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment of the gentleman from New York?

The question was taken and on a division [demanded by Mr. TABER] there were—ayes 55, noes 107.

So the amendment was rejected.

The Clerk concluded the reading of the bill.

The CHAIRMAN. The Committee rises under the rule.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. KERR, Chairman of the Committee of the Whole House on the state of the Union, reported that the Committee having had under consideration the bill (H.R. 9404) to authorize the formation of a body corporate to insure the more effective diversification of prison industries, and for other purposes, pursuant to House Resolution 369, he reported the bill back to the House with sundry amendments adopted by the Committee.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time.

Mr. McGUGIN demanded the reading of the engrossed bill.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9061) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1935, and for other purposes.

The message also announced that the Senate agrees to the amendment of the House to the amendment of the Senate to said bill numbered 39.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. TAYLOR, of South Carolina, for balance of week, on account of official business.

To Mr. SISSON, for today, on account of important business.

To Mr. PLUMLEY, for Friday, June 1, on account of official business.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills and an enrolled joint resolution of the Senate of the following titles:

S. 85. An act for the relief of Paul J. Sisk;

S. 177. An act for the relief of Woodhouse Chain Works;

S. 256. An act for the relief of Milburn Knapp;

S. 308. An act to authorize the award of a decoration for distinguished service to Harry H. Horton;

S. 512. An act for the relief of Peter Pierre;

S. 785. An act for the relief of Elizabeth Bolger;

S. 1073. An act for the relief of E. Walter Edwards;

S. 1031. An act for the relief of McKimmon & McKee, Inc.;

S. 1429. An act for the relief of Anthony J. Lynn;

S. 1460. An act for the relief of Edgar Stivers;

S. 1772. An act for the relief of the Western Montana Clinic, Missoula, Mont.;

S. 2002. An act for the relief of R. S. Howard Co., Inc.;

S. 2342. An act for the relief of I. T. McRee;

S. 2745. An act to provide for changing the time of the meeting of Congress, the beginning of the terms of Members of Congress, and the time when the electoral votes shall be counted, and for other purposes;

S. 2748. An act to authorize an appropriation for the reimbursement of Stelio Vassiliadis;

S. 2798. An act for the relief of Nephew K. Clark;

S. 2839. An act for the relief of certain Indians of the Fort Peck Reservation, Mont.;

S. 2969. An act for the relief of the Mary Black Memorial Hospital;

S. 2980. An act to modify the effect of certain Chippewa Indian treaties on areas in Minnesota;

S. 3128. An act to pay certain fees to Maude G. Nicholson, widow of George A. Nicholson, late a United States Commissioner;

S. 3307. An act for the relief of W. H. Le Duc; and

S.J.Res. 123. A joint resolution empowering certain agents authorized by the Secretary of Agriculture to administer oaths to applicants for tax-exemption certificates under the Cotton Act of 1934.

ADJOURNMENT

Mr. BYRNS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

Accordingly, at 9 o'clock and 1 minute p.m., the House adjourned until tomorrow, Friday, June 1, 1934, at 12 o'clock noon.

MOTION TO DISCHARGE COMMITTEE

APRIL 23, 1934.

To the Clerk of the House of Representatives:

Pursuant to clause 4 of rule XXVII, I, CARL M. WEIDEMAN, move to discharge the Committee on Rules from the consideration of the resolution (H.Res. 332) entitled "A resolution providing for the consideration of H.R. 8479 to promote resumption of industrial activity, increase employment, and restore confidence by fulfillment of the implied guaranty by the United States Government of deposit safety in national banks", which was referred to said committee April 13, 1934, in support of which motion the undersigned Members of the House of Representatives affix their signatures, to wit:

1. Carl M. Weideman
2. James J. Lanzetta
3. John D. Dingell
4. Martin L. Sweeney
5. George R. Durgan
6. M. J. Muldowney
7. Charles V. Truax
8. Fred C. Gilchrist
9. C. C. Dowell
10. Clarence J. McLeod
11. M. A. Dunn
12. Loring M. Black
13. Thomas O'Malley
14. Henry Ellenbogen
15. Wm. Lemke
16. William P. Connery, Jr.
17. Geo. A. Dondero
18. John Lesinski
19. Jesse P. Wolcott
20. Fred A. Britten
21. Oscar De Priest
22. P. H. Moynihan
23. E. W. Goss
24. Paul John Kvale
25. Martin F. Smith
26. Gale H. Stalker
27. Magnus Johnson
28. Roy O. Woodruff
29. Isaac Bacharach
30. Richard J. Welch
31. N. L. Strong
32. Gardner R. Withrow
33. Hubert H. Peavey
34. Fred H. Hildebrandt
35. James J. Connolly
36. Florence P. Kahn
37. Ernest Lundeen
38. Clyde Kelly
39. Geo. F. Brumm
40. Geo. Blanchard
41. J. Will Taylor
42. J. Banks Kurtz
43. James Wolfenden
44. Jennings Randolph
45. W. E. Evans
46. D. Lane Powers
47. Henry Arens
48. Carroll L. Beedy
49. Harry L. Englebright
50. Elmer E. Studley
51. G. J. Boileau
52. Chas. A. Wolverton
53. H. P. Beam
54. J. H. Hoeppel
55. L. T. Marshall
56. Wm. I. Traeger
57. J. W. Ditter
58. W. F. Brunner
59. George G. Sadowski
60. M. A. Zioncheck
61. Edward A. Kelly
62. Wm. H. Sutphin
63. W. Frank James
64. Ray P. Chase
65. Peter A. Cavicchia
66. F. H. Shoemaker
67. Harold Knutson
68. Chas. J. Colden
69. J. H. Sinclair
70. John F. Dockweiler
71. Everett M. Dirksen
72. B. K. Focht
73. Carroll Reece
74. James Simpson
75. George N. Seger
76. C. Murray Turpin
77. Vincent Carter
78. Stephen A. Rudd
79. W. P. Lambertson
80. U. S. Guyer
81. G. W. Edmonds
82. Arthur D. Healey
83. Charles Kramer
84. Raymond J. Cannon
85. Harry W. Musselwhite
86. John W. McCormack
87. J. Howard Swick
88. Martin J. Kennedy
89. G. Foulkes
90. Knute Hill
91. J. C. Lehr
92. Prentiss M. Brown
93. John J. Douglass
94. Edgar Howard
95. John T. Buckbee
96. Isabella Greenway
97. Frank R. Reid
98. Leo E. Allen
99. George W. Lindsay
100. Jas. L. Whitley

101. Chester C. Bolton
102. Lloyd Thurston
103. Wm. L. Fiesinger
104. Stephen M. Young
105. O. L. Auf der Heide
106. Terry Carpenter
107. A. H. Gasque
108. Charles N. Crosby
109. J. O. Fernandez
110. James W. Mott
111. Thomas J. O'Brien
112. Wesley Lloyd
113. Sam L. Collins
114. Thomas C. Cochran
115. John J. Delaney
116. Joseph P. Monaghan
117. Finly H. Gray
118. William I. Sirovich
119. Sterling P. Strong
120. Dow W. Harter
121. Walter Nesbit
122. M. J. Hart
123. John H. Burke
124. Alfred M. Waldron
125. Kent E. Keller
126. Virginia E. Jenckes
127. Compton I. White
128. Wm. T. Schulte
129. Anthony J. Griffin
130. John J. McGrath
131. Lawrence E. Imhoff
132. John Fitzgibbons
133. William J. Granfield
134. J. A. Frear
135. Frank C. Kniffin
136. L. T. McFadden
137. Edward A. Kenney
138. T. A. Jenkins
139. Martin A. Brennan
140. Ross A. Collins
141. Paul H. Maloney
142. Sol Bloom
143. C. W. Tobey
144. Harry C. Ransley
145. Joseph A. Gavagan

This motion was entered upon the Journal, entered in the CONGRESSIONAL RECORD with signatures thereto, and referred to the Calendar of Motions to Discharge Committees, May 31, 1934.

COMMITTEE HEARING

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(Friday, June 1, 10 a.m.)

Continuation of the hearings on the oil bill H.R. 9676.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. KENNEDY of Maryland: Committee on Disposition of Useless Executive Papers. House Report No. 1836. Report on the disposition of useless papers in the War Department. Ordered to be printed.

Mr. COLLINS of California: Committee on Indian Affairs. H.R. 7095. A bill to amend the act entitled "An act authorizing the attorney general of the State of California to bring suit in the Court of Claims on behalf of the Indians of California", approved May 18, 1928 (45 Stat.L. 602), by adding a new section thereto, to be known and designated as "section 8"; with amendment (Rept. No. 1837). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the Library. H.R. 8835. A bill authorizing the establishment of a filing and indexing service for useful Government publications; with amendment (Rept. No. 1843). Referred to the Committee of the Whole House on the state of the Union.

Mr. McKEOWN: Committee on the Judiciary. H.R. 9566. A bill to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto; with amendment (Rept. No. 1844). Referred to the House Calendar.

Mr. GLOVER: Committee on Agriculture. S. 2934. An act to facilitate the acquisition of migratory-bird refuges, and for other purposes; with amendment (Rept. No. 1845). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. WALTER: Committee on Claims. H.R. 8258. A bill for the relief of the New Amsterdam Casualty Co.; with amendment (Rept. No. 1839). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on Claims. H.R. 8257. A bill for the relief of William Lyons; with amendment (Rept. No. 1840). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on Claims. H.R. 8552. A bill for the relief of Henry W. Bibus, Annie Ulrick, Samuel Henry, Charles W. Hensor, Headley Woolston, John Henry, Laura B. Margerum, and George H. Custer, of Falls Township and borough of Tullytown, Bucks County, Commonwealth of Pennsylvania; with amendment (Rept. No. 1841). Referred to the Committee of the Whole House.

Mr. ELLZEY of Mississippi: Committee on Claims. H.R. 8594. A bill for the relief of the Otto Misch Co; without amendment (Rept. No. 1842). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Military Affairs was discharged from the consideration of the joint resolution (H.J.Res. 359) for the relief of W. K. Richardson, and the same was referred to the Committee on War Claims.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. STEAGALL: A bill (H.R. 9814) to amend section 19 of the Federal Reserve Act, as amended, and for other purposes; to the Committee on Banking and Currency.

By Mr. SUMNERS of Texas: A bill (H.R. 9815) to provide that failure to testify at congressional investigations shall be reported to the President of the Senate or the Speaker of the House; to the Committee on the Judiciary.

By Mr. COLLINS of Mississippi: A bill (H.R. 9816) to construct a through multiple national highway system; to the Committee on Roads.

By Mr. SIROVICH: Resolution (H.Res. 403) to examine into and investigate the results achieved by the National Recovery Administration under the terms of the National Industrial Recovery Act; to the Committee on Rules.

By Mr. CALDWELL: Resolution (H.Res. 404) to authorize an investigation on the extent to which the United States is dependent upon foreign nations for its supply of tin, and for other purposes; to the Committee on Rules.

By Mr. KELLER: Resolution (H.Res. 405) authorizing the Committee on the Library to make a study of the United States Botanic Garden in comparison with other botanic gardens, and for other purposes; to the Committee on Rules.

By Mr. KELLER: Resolution (H.Res. 406) to provide for the expenses of an investigation authorized by House Resolution 405; to the Committee on Accounts.

By Mr. McKEOWN: Resolution (H.Res. 407) for the consideration of H.R. 9566, a bill to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto; to the Committee on Rules.

By Mr. RANKIN: Resolution (H.Res. 408) providing for the appointment of a committee to investigate all phases of guardianship matters pertaining to beneficiaries of the Veterans' Administration whose estates are being administered by fiduciaries; to the Committee on Rules.

By Mr. FISH: Joint resolution (H.J.Res. 362) for the designation and observation of the week of June 10 to June 16, 1934, as United States flag week throughout the Nation; to the Committee on the Judiciary.

By Mr. JOHNSON of Minnesota: Concurrent resolution (H.Con.Res. 41) for the relief of farmers in the drought-stricken area of the United States; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FULMER: A bill (H.R. 9817) to correct the naval record of Decatur M. Bronson; to the Committee on Naval Affairs.

By Mr. IMHOFF: A bill (H.R. 9818) granting an increase of pension to Mary J. Morrow; to the Committee on Invalid Pensions.

By Mrs. McCARTHY: A bill (H.R. 9819) granting a pension to Bertha A. Kendall; to the Committee on Pensions.

By Mr. SHALLENBERGER: A bill (H.R. 9820) for the relief of the State of Nebraska; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

4863. By Mr. BOYLAN: Resolution unanimously adopted at the Forty-second Annual Convention of the National-American Wholesale Lumber Association, held at Washington, D.C., favoring the immediate passage of Senate bill 3606 and House bill 9620, to improve Nation-wide housing standards, and so forth; to the Committee on Banking and Currency.

4864. Also, resolution unanimously adopted by the Supreme Council Catholic Benevolent Legion, Brooklyn, N.Y., favoring the amendment to section 301 of the Radio Act; to the Committee on Merchant Marine, Radio, and Fisheries.

4865. By Mr. CONDON: Petition of the Rhode Island Development Conference urging the passage of House bill 9177, a bill authorizing the Reconstruction Finance Corporation to loan $12,000,000 to the Respess Aeronautical Corporation for the construction and operation of two suspension-bridge-type airships in trans-Atlantic service; to the Committee on Banking and Currency.

4866. By Mr. LEHR: Petition of the United Brotherhood of Carpenters and Joiners of America, Union No. 512, of Ann Arbor, Mich., urging passage of the Wagner-Lewis bill; to the Committee on Labor.

4867. By Mr. LINDSAY: Petition of the L. J. Cullen Co., Chicago, Ill., urging support of the amendment to House bill 9528; to the Committee on Agriculture.

4868. Also, petition of the National Association of Manufacturers, Washington, D.C., concerning the Wagner labor-disputes bill (S. 2926); to the Committee on Labor.

4869. By Mr. THOMAS: Petition of 24 citizens of Fort Edward, Washington County, N.Y., urging support of bills pending to protect the rights of the American Indians; to the Committee on Indian Affairs.

4870. By the SPEAKER: Petition of the City Council of the City of Chicago, regarding amendment to the loans-to-industry bill, authorizing the Reconstruction Finance Corporation to make loans up to $75,000,000 to school districts; to the Committee on Banking and Currency.

4871. Also, petition of the Texas Bankers' Association, favoring Federal assistance in cooperation with State authorities in the enforcement of laws regulating the movement of oil in commerce; to the Committee on Interstate and Foreign Commerce.

4872. Also, petition of D. O. Tenney and numerous other citizens of Sacramento, Calif., endorsing House bill 9596; to the Committee on Interstate and Foreign Commerce.

4873. Also, petition of the American Technotax Society, Whittier, Calif., requesting an appropriation of $100,000, or as much as may be required, to conduct a comprehensive survey of the man power or man displacement of machines and equipment used in mass production; to the Committee on Ways and Means.

4874. Also, petition of Local Union No. 96, Washington, D.C., of the Journeymen Plasterers (International Association), endorsing the Walsh resolution providing an appropriation of $25,000 for an investigation of the so-called "kick-back racket" by plastering contractors; to the Committee on Labor.

4875. Also, petition of the Ohio State Association of the Improved Benevolent Order of Elks of the World, office of the Civil Liberties Commission, Cleveland, Ohio, endorsing all antilynching bills; to the Committee on the Judiciary.

4876. Also, Cragin State Bank Depositors Organization, Chicago, Ill., urging the passage of the bill to pay off all depositors of all banks closed since January 1, 1930; to the Committee on Banking and Currency.

4877. Also, petition of D. O. Tenney, Sacramento, Calif., urging passage of the rail pension bill H.R. 9596, the petition being signed by numerous persons, and a statement attached thereto that 2,700 railroad employees had been contacted; to the Committee on Interstate and Foreign Commerce.

4878. Also, petition of the Board of Trustees of the Village of Bellwood, Ill., making a plea for aid of distressed municipalities; to the Committee on Coinage, Weights, and Measures.

4879. Also, petition of a community mass meeting held in the Radnor High School, Wayne, Pa., backing the McLeod banking bill; to the Committee on Banking and Currency.

4880. Also, petition of C. A. Compton and numerous others, of Tucson, Ariz., urging legislation, this Congress, for the laboring people; to the Committee on Ways and Means.

4881. Also, petition of Caroline B. Butler and numerous other citizens of Cambridge and other Massachusetts cities, supporting the amendment to section 301 of Senate bill 2910, providing for the insurance of equity of opportunity for non-profit-making associations seeking licenses for radio broadcasting; to the Committee on Merchant Marine, Radio, and Fisheries.

4882. Also, petition of the Catholic Benevolent Legion, Brooklyn, N.Y., supporting the amendment to section 301 of Senate bill 2910, providing for the insurance of equity of opportunity for non-profit-making associations seeking licenses for radio broadcasting; to the Committee on Merchant Marine, Radio, and Fisheries.

4883. Also, petition of the Independent Petroleum Association, Los Angeles, Calif., urging Congress to reject the proposed Federal oil-control legislation; to the Committee on Interstate and Foreign Commerce.

4884. Also, petition of numerous persons, of Baylis, Ill., urging passage of the Railroad Retirement Act (S. 3231 and H.R. 9596); to the Committee on Interstate and Foreign Commerce.

4885. Also, petition of the Independent Petroleum Jobbers' Association of Pennsylvania, Mount Joy, Pa., disapproving and opposing the enactment of the Federal Petroleum Act (S. 3495) and the Disney bill (H.R. 9676); to the Committee on Interstate and Foreign Commerce.

4886. Also, petition of the National-American Wholesale Lumber Association, Inc., New York City, favoring the passage of Senate bill 3603 and House bill 9620; to the Committee on Banking and Currency.

4887. Also, petition of Gran Logia Soberana de L. y A. M. de Puerto Rico, San Juan, P.R., favoring the bill of Mr. LANZETTA which excludes the Island of Puerto Rico from coastwise-shipping laws; to the Committee on Merchant Marine, Radio, and Fisheries.

4888. Also, petition of the Wisconsin Conference of the Evangelical Church, renouncing war; to the Committee on Military Affairs.

4889. Also, petition of numerous employees, of the Chicago, Milwaukee & St. Paul Railroad, urging the passage of Senate bill 3231; to the Committee on Interstate and Foreign Commerce.

SENATE

FRIDAY, JUNE 1, 1934

(Legislative day of Monday, May 28, 1934)

The Senate met at 10:30 a.m., on the expiration of the recess.

THE JOURNAL

On motion of Mr. ROBINSON of Arkansas, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, May 31, was dispensed with, and the Journal was approved.

DISPOSITION OF CERTAIN LIGHTHOUSE RESERVATIONS

The VICE PRESIDENT laid before the Senate a letter from the Secretary of Commerce, transmitting a draft of proposed legislation authorizing the Secretary of Commerce to dispose of certain lighthouse reservations, and for other purposes, which, with the accompanying paper, was referred to the Committee on Commerce.

DISPOSITION OF USELESS PAPERS—SMITHSONIAN INSTITUTION

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Smithsonian Institution, reporting, pursuant to law, relative to certain papers and documents on the files of the National Museum which are not needed in the transaction of business and have no permanent value or historical interest, and asking for action looking toward their disposition, which was referred to a Joint Select Committee on the Disposition of Useless Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. BARKLEY and Mr. FESS members of the committee on the part of the Senate.

COUNCIL OF NATIONAL DEFENSE

Mr. ROBINSON of Arkansas. Mr. President, there are here presented the volumes containing a digest of the proceedings during the World War of the Council of National Defense and the Advisory Commission, based on personal attendance at meetings of the Advisory Commission, joint meetings of the Council of National Defense and the Advisory Commission, the General Munitions Board, the War Industries Board, the General Medical Board and its executive committee and subcommittees, and other commissions and committees, minutes of meetings, and other data of very great importance.

This information has been compiled by Dr. Franklin H. Martin, of Chicago, Ill., who was a member of the Advisory Commission, and who is, and for many years has been, one of the outstanding surgeons of the country.

I ask that the volumes mentioned may be referred to the Committee on Printing with a view to having an estimate made of the cost of publication of the records.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

PETITION

Mr. CAPPER presented a letter in the nature of a petition from sundry citizens, being members and friends of Neelands Chapel of the Methodist Episcopal Church of Stafford County, Kans., praying for the passage of the bill (S. 3015) prohibiting the advertising of intoxicating liquors through the medium of radio broadcast, which was referred to the Committee on Interstate Commerce.

REPORTS OF COMMITTEES

Mr. McCARRAN, from the Committee on the Judiciary, to which was referred the bill (S. 3580) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto, reported it with an amendment and submitted a report (No. 1215) thereon.

He also, from the Committee on the District of Columbia, to which was referred the bill (H.R. 9184) to authorize the Commissioners of the District of Columbia to sell the old Tenley School to the duly authorized representative of St. Ann's Church of the District of Columbia, reported it without amendment and submitted a report (No. 1224) thereon.

Mr. FLETCHER, from the Committee on Military Affairs, to which was referred the joint resolution (S.J.Res. 128) to authorize the acceptance on behalf of the United States of the bequest of the late Charlotte Taylor, of the city of St. Petersburg, State of Florida, for the benefit of Walter Reed General Hospital, reported it without amendment and submitted a report (No. 1216) thereon.

Mr. SHEPPARD, from the Committee on Military Affairs, to which was referred the bill (H.R. 387) donating bronze trophy guns to the Cohoes Historical Society, Cohoes, N.Y., reported it without amendment and submitted a report (No. 1217) thereon.

Mr. BACHMAN, from the Committee on Military Affairs, to which was referred the bill (S. 3627) for the relief of Felix Griego, reported it with an amendment and submitted a report (No. 1230) thereon.

He also, from the same committee, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 2452. An act authorizing the President of the United States to appoint Sgt. Alvin C. York as a major in the United States Army and then place him on the retired list (Rept. No. 1231); and

H.R. 5809. An act to provide compensation for Robert Rayford Wilcoxson for injuries received in citizens' military training camp (Rept. No. 1232).

Mr. BARKLEY, from the Committee on Finance, to which was referred the bill (S. 2156) for the relief of the American-La France & Foamite Corporation of New York, reported it without amendment and submitted a report (No. 1218) thereon.

Mr. GEORGE, from the Committee on Finance, to which was referred the bill (S. 852) to amend section 24 of the Trading with the Enemy Act, as amended, reported it with an amendment and submitted a report (No. 1219) thereon.

Mr. LA FOLLETTE, from the Committee on Finance, to which was referred the bill (H.R. 9234) to amend section 601 (c) (2) of the Revenue Act of 1932, reported it without amendment and submitted a report (No. 1226) thereon.

Mr. COPELAND, from the Committee on the District of Columbia, to which was referred the bill (H.R. 6037) to exempt from taxation certain property of the National Society of the Sons of the American Revolution, reported it without amendment and submitted a report (No. 1220) thereon.

Mr. CAREY, from the Committee on the District of Columbia, to which was referred the bill (H.R. 6130) to prevent misrepresentation and deception in the sale of milk and cream in the District of Columbia, reported it without amendment and submitted a report (No. 1221) thereon.

Mr. DAVIS, from the Committee on the District of Columbia, to which was referred the bill (H.R. 8517) to provide for needy blind persons of the District of Columbia, reported it without amendment and submitted a report (No. 1222) thereon.

Mr. KING, from the Committee on the District of Columbia, to which was referred the bill (H.R. 9007) to amend section 11 of the District of Columbia Alcoholic Beverage Control Act, reported it without amendment and submitted a report (No. 1223) thereon.

Mr. KEAN, from the Committee on the District of Columbia, to which was referred the bill (H.R. 9622) to amend subsection (a) of section 23 of the District Alcoholic Beverage Control Act, reported it without amendment and submitted a report (No. 1225) thereon.

Mr. BONE, from the Committee on Territories and Insular Affairs, to which were referred the following bill and joint resolution, reported them each without amendment and submitted reports thereon:

H.R. 8639. An act to repeal certain laws providing for the protection of sea lions in Alaska waters (Rept. No. 1227); and

S.J.Res. 119. Joint resolution authorizing a preliminary examination or survey of a ship canal across Prince of Wales Island, Alaska (Rept. No. 1228).

Mr. WALCOTT, from the Committee on Banking and Currency, to which was referred the bill (H.R. 8833) to authorize the coinage of 50-cent pieces in commemoration of the three hundredth anniversary of the founding of the Colony of Connecticut, reported it without amendment.

Mr. DILL, from the Committee on Interstate Commerce, to which was referred the joint resolution (S.J.Res. 115) to provide for the continuation of the investigation authorized by Senate Resolution 83, Seventieth Congress, first session, reported it with an amendment and submitted a report (No. 1233) thereon.

Mr. THOMAS of Utah, from the Committee on Military Affairs, to which was referred the joint resolution (S.J.Res. 101) authorizing the publication as a public document of America Secure Analytical Register of Regular Army Officers and Security Statistics, with graphs, 1775–1934, reported it with an amendment and submitted a report (No. 1234) thereon.

Mr. BAILEY, from the Committee on Finance, to which was referred the bill (S. 3224) authorizing the Secretary of the Treasury to execute a certain indemnity agreement, reported it with an amendment and submitted a report (No. 1235) thereon.

Mr. WAGNER, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 3562) for the relief of Robert Rayl, reported it without amendment and submitted a report (No. 1236) thereon.

Mr. PITTMAN, from the Committee on Foreign Relations, to which was referred the joint resolution (S.J.Res. 81) to provide for defraying the expenses of the American Section, International Boundary Commission, United States and Mexico, reported it without amendment and submitted a report (No. 1237) thereon.

Mr. ASHURST, from the Committee on Public Lands and Surveys, to which was referred the resolution (S.Res. 198) creating a select committee to investigate charges against the superintendent of the Shiloh National Park, Tenn., reported it without amendment.

FINANCING OF MAYFLOWER HOTEL CORPORATION IN THE DISTRICT

Mr. KEAN, from the Committee on the District of Columbia, to which was referred the resolution (S.Res. 231) providing for an investigation of the financing and proposed reorganization of the Mayflower Hotel Co., reported it with amendments, and moved that the resolution be referred to the Committee to Audit and Control the Contingent Expenses of the Senate, which motion was agreed to.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BONE:

A bill (S. 3715) for the relief of Harry J. Tucker; to the Committee on Civil Service.

By Mr. WHEELER:

A bill (S. 3716) granting a pension to Clara Stuart; to the Committee on Pensions.

By Mr. BYRD:

A bill (S. 3717) for the relief of Linda Wright Ward; and

A bill (S. 3718) to extend the benefits of the Employees' Compensation Act of September 7, 1916, to Emma A. Quillin; to the Committee on Claims.

By Mr. STEPHENS:

A bill (S. 3719) to provide a preliminary examination of the Big Black River in the State of Mississippi with a view to the control of its floods; to the Committee on Commerce.

CHANGE OF REFERENCE

On motion of Mr. McKELLAR, the Committee on Finance was discharged from the further consideration of the bill (H.R. 6379) to amend title II, section 203 (a) (2), chapter 90, Public Acts of Seventy-third Congress, and it was referred to the Committee on Banking and Currency.

RECIPROCAL TARIFF AGREEMENTS—AMENDMENTS

Mr. DAVIS submitted an amendment and Mr. STEIWER submitted two amendments intended to be proposed by them, respectively, to the bill (H.R. 8687) to amend the Tariff Act of 1930, which were ordered to lie on the table and to be printed.

JOHN HOWARD PAYNE AND HIS SONG—ADDRESS BY SENATOR DILL

Mr. ASHURST. Mr. President, on Memorial Day last the senior Senator from Washington [Mr. DILL] delivered a notable oratorical address at Oak Hill Cemetery, Washington, D.C., on John Howard Payne and his song, Home, Sweet Home. The address is so beautiful and the subject, "home", is so precious and so dear, that I ask unanimous consent to have the speech of the Senator from Washington printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

We meet today to pay tribute and to gain inspiration. We pay tribute to the memory of John Howard Payne, because he wrote the most universal song that human tongue has ever sung. We gain inspiration from the lesson which the endless popularity of this song teaches, namely, that simple things are mightiest and that the heart rules our lives as the head never can.

John Howard Payne was born in 1791. That was 2 years after the Constitution became effective as our form of government. He was born in New York, just a few blocks from the place where George Washington took the oath as our first President.

As a boy of 17 he left college to go on the stage. He made a great success as a young actor. He played in New York, in Baltimore, and, in the summer of 1809, he played for a week at the old Theater Comique here in Washington.

Among those who saw him there was William A. Corcoran, then a boy of 11 years. He went every night to see Payne play. This would not be important except for the fact that 74 years later this same Corcoran had Payne's body brought from Tunis, where he had died while serving as American consul 30 years before. He was buried here in Oak Hill Cemetery June 9, 1883. The President, the Cabinet, the Supreme Court, and Members of Congress, along with a great outpouring of citizens, attended the burial ceremonies.

Payne's years as a wandering actor, playwright, and producer abounded in all the misfortunes and tribulations of such a life. His troubles seemed greatest during the 10 years immediately before he wrote Home, Sweet Home, while he was wandering over Europe.

Those were checkered days—days of dreams and disappointments, high hopes, and deep despair; sometimes in jail as in Liverpool in 1813 because he was a citizen of a country with which England was at war; sometimes winning great success by playing leading roles in Paris and London theaters; sometimes wandering through Italy and Sicily, a troubadour of the stage; sometimes in a debtor's prison because of financial failure as a theatrical producer; sometimes amazing even his friends by such brilliant accomplishments as translating a French play while in prison and selling it for enough to pay his debts and win his freedom. Then back to Paris, where he met Washington Irving, who assisted him in translating French plays and writing musical productions, until in 1823 he wrote Clari, the Maid of Milan, with Home, Sweet Home as the theme song, and sold it to an English producer for £50.

It is a simple song. Written by an American while in France, set to the music of an old Sicilian air, and first sung at Covent Gardens in London, it soon became and still is the world's most popular song. It was in truth the expression of Payne's concentrated longings for a place of peace and rest such as all mankind has always loved.

Payne describes the song in the play as follows: Just after the heroine sings the song, her maid asks: "Bless me, ma'am, what a pretty song that was! Where might you have learned that song, ma'am?"

To this the heorine replied: "Where I learned other lessons I ought never to have forgotten. It is the song of my native village, the hymn of the lowly heart which dwells upon every lip there, and, like a spellword, brings back to its home the affection which e'er has been betrayed to wander from it. It is the first music heard by infancy in its cradle; and all cottagers, blending it with all their earliest and tenderest recollections, never cease to feel its magic till they cease to live."

To speak worthily of John Howard Payne and his song, one should know all about the science of music. Not knowing one note from another, I cannot analyze this song. Like most other people, all I know about music is what I like, even if I can't tell why.

Music is the invention of man, by which common air is changed to melody. Music lifts our lives above the humdrum of daily tasks, gives wings to thoughts, opens the golden gate to the heart, and frees the soul to rove the world of memories, dreams, and hopes.

Somebody has said there are three kinds of music. First is the music of simple time; it is music of the heels; we call it "jazz." Second is the music of varied time, the fast and slow, like our motions; that is the music of the heart; we call it popular music. Third is the music that involves emphasis and something more; it produces not only states of feeling but states of thought; this is the music of the brain; we call it classical music.

Payne's Home, Sweet Home had a little of all three kinds of music in it, but it is primarily music of the heart. When this music of the heart was combined with the memories, dreams, and hopes of all the human family that center about the place we call "home", there was created a song that will live as long as men and women teach the songs they love to their posterity.

It is a striking fact that, having left home when a boy of 15 and never having married, Payne never experienced the joys and sorrows of a real home, yet he wrote the most popular song about home the world has ever known. His travels, his associations, and his own heart's longings all taught him to believe that the love of home is the most universal love on earth.

Payne was right. Those who have studied the subject of languages tell us that in all the 836 languages which have been discovered no language has ever been found that did not have a word for God and a word for home. Some languages have had no word for love, some no word for hate, and some no word for liberty. But no people have ever been able to communicate their thoughts without some word to express their idea of a divine power and some word to express their love of home.

History tells us that in the days of this song's greatest popularity practically every English-speaking person in the world could hum the tune. Choirs sang it in churches, mothers in their homes, travelers along the road, and soldiers at the front.

Somebody has said, "It placed a sermon on every lip, a prayer in every heart. Nothing ever written, outside the Bible, had a wider influence for good."

"Mid pleasures and palaces though we may roam,
Be it ever so humble, there's no place like home."

There's always love in a happy home. There's always hope in a happy home. Each depends upon the other, and both are within the reach of all the poor.

Modern science and invention make it possible to equip modern homes so they provide so much more of pleasure than in the past. We have electricity. Electricity is the magic master of darkness and distance, of heat and cold, of back-breaking toil and lonely ignorance. By the use of electric devices we can make the modern home a paradise for rest and joy, such as those who lived in the ages gone could not even conceive.

The greatest problem of our time here in America is the abolition of poverty and the prevention of profiteering in the sale of electricity so that the millions of plain people can own their own homes and make use of electricity for their own happiness.

Of food and clothing and shelter we can easily produce more than we can use. Our most pressing need, therefore, is an economic and industrial plan whereby each may secure his share of the good things of life. Then and not till then will Payne's song tell of homes of joy and peace for all our people everywhere.

This place of privacy and peace which we call home is as old as history. Whether men and women have made their homes in the cliffs or in the mountains or in caves underground; whether in igloos of ice or tepees of poles and skins; whether in log cabins, shacks, or cottages; whether in tenements, apartments, or palaces, their homes have ever been the refuge, the haven, the altar of their lives.

A home may be grand or humble, but there is no other place just like it or just as good. Storms may damage it, sickness, hunger, and death may stalk through it, but only to make it more beloved. It satisfies our dreams. It quiets our longings. It gives us rest.

That is why the love of home is invulnerable. That is why the love of home is immortal. That is why Payne's song can never die.

THE N.R.A. AND SOCIAL JUSTICE—ADDRESS BY MONSIGNOR WILLIAM J. KERBY

Mr. MURPHY. Mr. President, I ask unanimous consent to have inserted in the RECORD an address delivered last night over the Columbia Broadcasting System by Rt. Rev. Monsignor William J. Kerby, professor of sociology at the Catholic University of America, on The N.R.A. and Social Justice.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I have been asked by your committee to suggest within the limits of 15 minutes some kind of contrast between what may be laconically called the "old deal" and the "new deal." The phrase "old deal" may be taken to indicate the background of the present condition. It refers to the basic principles upon which the social system rested, the conditions that resulted under it, the disappointments that followed, and the hitherto uncertain efforts at reform. The new deal reminds us of the almost universal distress from which we have suffered of the practical policies that have been adopted in our national emergency and of the objectives that have prompted new efforts to save real democracy for the Nation.

It is, of course, out of the question to take up details. One can do little other than suggest elementary concepts. The distinguished speaker who follows will deal more concretely with the actual situation.

The old deal, out of which we are emerging, did not aim directly at social justice. It did aim at the removal of historical obstacles to personal freedom and opportunity. Our democracy developed largely in this way. The Bill of Rights with which we are familiar was a glorious achievement. They were guaranties to the individual around which political constitutions were organized in relation to less complex historical conditions. To borrow a happy statement from an American thinker, Roscoe Pound, I believe, society endeavored to guarantee abstract liberty to abstract persons in abstract conditions. The inequalities among men, women, and children that are due to nature, training, opportunity, and social conditions were disregarded. Action by the State was reduced to a minimum. Trust in the moral, spiritual, and social forces of life led men to expect that these forces would supplement the power of the State in the maintenance of the social order and the service of social justice. The belief prevailed, I think, that democracy was primarily social, moral, and spiritual, and, secondarily, political. It was thought that a maximum of social order would be achieved by a minimum of legal coercion through law and by the free play of moral and social forces due to intelligent good will, personal idealism, and true social values. These forces were expected to have a major role in realizing the common aspirations of humanity.

A system of private property had been devised that guaranteed no property to anyone, that placed no limits on the property that one might accumulate. It promised to protect property legally acquired. It did not guarantee that anyone would acquire property, although it did forbid undue methods in hindering one from acquisition or, perhaps, the opportunity for it.

The old deal included a system of competition which corroborated the deepest impulses of selfishness. Unequals competed for a living. Reasonable participation in the blessings of normal life was conditioned on income, and income was determined by capacity in the competitive struggle. The prizes of life went to the strong and the penalties of the social system were assembled on the bent shoulders of the weak. Moral, spiritual, and social forces were unequal to their colossal task. All forms of economic strength were like-minded and they were gradually consolidated. The social result of this consolidation created an economic order within the political and social order that defeated the larger aspirations of true democracy. The philosophy of strength was in large measure triumphant. They who had been the victors in the competitive struggle developed a working philosophy of selfishness and lived by its compelling direction. They adjusted in large measure their views of religion, of morality, of personal responsibility, of education, and of the state in a way that paid ready homage to economic superiority, and they were little impressed by the wider and more gentle philosophy that would interpret the brotherhood of man in the terms of concrete living.

The inevitable happened. All forms of strength were assembled in the lives of the relatively few whose natural ability, acquired power, and social reenforcement encouraged them to aspire to the domination of the world. Neither public opinion nor deep concern for human life nor religious ideals nor moral interpretations succeeded in disciplining economic strength in relation to true human culture.

Industrial usurpation placed power in the hands of those whose authority, wishes, and interests were in conflict with the welfare of the industrial classes. Political usurpation enabled amalgamated capital to prevent the State from dealing promptly and effectively in the interest of the common welfare. The press that was theoretically free yielded to the influence of the powerful and we witnessed a journalistic usurpation that interferred with the development of a normal public opinion. The way was cleared for an economic domination that was surprisingly at variance with the aspirations of humanity for justice, reasonable security, and happiness.

By force of circumstances that developed and of aspirations for true democracy and for the opportunity to live normally, the weaker classes gradually discovered their only form of strength, that of numbers. They attempted to upbuild collective strength by the organization of labor and they found to their dismay that the individualistic State hampered them at every step in their search for justice. Their aspirations to live, to be happy, to enjoy normal home life, to take their dignified place in the composition of social life were baffled. The political constitution, the philosophy that shaped our laws and determined their execution in the maintenance of social order presented obstacle after obstacle that had to be overcome by painful and costly struggle. Whenever a grave social abuse clamored for remedy, economic strength with its inexhaustible resources made the enactment of relieving laws extremely difficult, when not impossible. When the weaker classes described the conditions under which they suffered, the stronger class denied the facts. When facts were established beyond dispute the stronger class challenged the interpretation of them.

When weakness, made strong, succeeded in reaching the halls of legislatures and bills were introduced the combat was transferred to the halls of legislatures and the vicissitudes of debate were met. When public opinion was won to the cause of the weak, laws that promised comfort were enacted. They still had to face courts who had the power as well as the duty to declare that they were unconstitutional or constitutional. Sometimes the courts were reasonably suspected of a discouraging bias in their decisions. When it was found that constitutions actually prevented remedial measures that were called for, the necessity of amending a constitution appeared. And the same weary struggle was undertaken with increased disadvantages at this point.

The theoretical political emancipation that had gladdened many hearts in the past was accompanied by an economic servitude against which the weaker classes rebelled. Thus the consciousness of contradiction between political emancipation and economic dependence became the very heart of the labor question.

Notwithstanding these heart-breaking difficulties, undeniable progress had been made. The moral, spiritual, and social forces of society were gradually enabled to make some of their expected contribution to a reasonable social order to which, in fact, the State had been unequal. The frequently unashamed influence of wealth and power was gradually diminished in the halls of legislatures. The welfare of the laboring class and of the poor had taken hold of the conscience of the world. Effective reforms followed and some touch of the vision of true democracy became much more effective as a working social force. The spurious sanctity of natural economic laws was diminished and the Christian democratic sanctities of human life gained respect slowly and were brought within the range of effective assertion throughout all social life.

There is no need to underrate the tremendous contribution made by the old deal to what we may call "human progress" for the moment. The old deal takes on an aspect of grandeur when we view it in an isolated way and recognize its tremendous one-sided achievements. But when we study the enormous concentration of power, on the one hand, and the baffled lives and otherwise useless struggles of the weak from the standpoint of a complete philosophy of social life and an ideal of true personal culture, the grandeur of economic achievement takes on a moral and social ugliness from which any gentle view of humanity recoils. One

cannot refuse to consider the alarming dependence of the masses, their inadequacy to meet the ordinary demands of worthy living, indifference to distress, baffled hope and defeated life, and perverted values that misdirected the genius of the world. And when one takes these things into account a normal man inspired by a normal social vision could not but be touched to tears.

One pathetic feature of this economic process should be mentioned. There were many among the strong who were high-minded, who honestly wished for better things, who would gladly share their advantages with those who had been less successful, but they had little choice. The tyranny of the economic system respected neither their nobility nor their worthy aspirations. It went its way with unrelenting step. We have been told many times that in a competing group the morals tend toward the lowest level in the group. The methods of unfair competition that became so significant were merely aspects of a ferocious struggle that had little in common with the ideals of human brotherhood.

The powerful man who incorporates into his working philosophy of life all of the assumptions, attitudes, standards, methods, and valuations that are actually incorporated in the old deal shows us in one detail the inevitable outcome of the social order under which we have suffered so grievously. What does the new deal say to such a man?

It tells him that life is more sacred than property and that the dignity of man is a social axiom that must be respected in the structure of any social system. Both democracy and Christianity hold that property is a stewardship for humanity rather than for greater accumulation. It tells him that the welfare of the weak is a first lien on the surplus strength of the powerful. It tells him that dividends in the form of health, leisure, security, happy home life, and cultural education are more honorable to him and more noble in themselves than are dividends in the terms of money. It tells him that the savagery of competition has no rights that one must respect and that only a chastened competition that respects the sanctities of life can contribute to the upbuilding of true civilization. Unfair and immoral forms of competition degrade the beneficiary of it no less than the victim.

The new deal tells such a representative of the old deal that the functions of the State must expand under the imperial orders of truth, morality, and justice, until the facts of historical democracy are corrected and life enters upon the pathway toward democracy in fact. To quote again the thinker whom I mentioned a moment ago, the new deal aspires to insure concrete liberty for concrete men, women, and children in concrete conditions. It tells us that this established social system that has disappointed us so deeply must be wrenched out of its settled adjustment and reconstructed into one that will take wise care of the weaker classes who must have protection. The new deal tells us that we have less occasion to fear codes, even planned production, State paternalism, and a diminishing return on capital than we have to fear economic slavery, broken health, constant worry, disrupted homes, massive poverty, and insecurity for millions of lives that know no peace.

I am not unmindful of the staggering task that the new deal has undertaken. Much of its difficulty is due to our inability to cope with colossal complicated social problems that concern social justice and social order. Normally a social system must grow gradually. Social changes are gravely disturbing. One cannot easily foresee the problems of readjustment involved in any social change. The new deal has labored under the terrific disadvantage of having to work in a hurry. It acquired the courage to do so because of the incredible collapse from which we have suffered and the insistent cries of the distressed as they looked to a new leadership for relief.

But I think our greatest problem lies in the stubborn personal philosophy of the beneficiaries of the old deal, a philosophy that must be regarded as an archaic survival when brought face to face with the facts of life, and when the ideals of life are looked upon with adequate reverence.

It was inevitable and it is perhaps providential that the new deal is creating new problems and meeting temporary set-backs in winning public opinion. There is in this situation a promise of practical wisdom and effective statesmanship that perhaps it had otherwise not achieved. Whatever the objectives of the new deal and whatever its difficulties, there is so much to commend it in the name of humanity that it deserves the confidence and the patience upon which its success depends. The new deal is asking the strength of the world to be more thoughtful of the weakness of the world. For in the Christian dispensation strength is sanctified by serving weakness, and the growth of civilization depends upon the impersonal generosities of surplus strength as we grope toward the high goal of social life. Little as we may like it, we must ask the State to do more in a positive way for social justice than we have asked it to do in the past. And we must call the moral, spiritual, and social forces to their appointed task in conjunction with the State as we undertake the duties that the evident plans of God impose upon us.

We must seek to humanize competition, to outlaw by prompt action all unfair methods of competition and thus to preserve its contribution to our common welfare with enlightened determination. We must aim to inject fundamental moral principles into economic processes and to return to a cultural concept of the deep relations of all social interests around a scale of true values that has the high sanction of God.

SEATTLE CITY LIGHT AND POWER

Mr. NORRIS. Mr. President, I hold in my hand a copy of the magazine Public Ownership of Public Utilities, in the May edition of which appears an article written by Mr. J. D. Ross, one of the eminent engineers of the country, giving a history of the Seattle municipal power plant. I ask unanimous consent that the article be printed in the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Public Ownership of Public Utilities, May 1934]

SEATTLE CITY LIGHT AND POWER—A $60,000,000 PROJECT; 92,000 CUSTOMERS; $11,000,000 SURPLUS IN 30 YEARS; RATES REDUCED FROM 20 TO 5½ CENTS PER KILOWATT-HOUR; AVERAGE, 2.8 CENTS; SAVING CUSTOMERS $8,600,000 ANNUALLY

(By J. D. Ross, LL.D., Fellow American Institute Electrical Engineers, superintendent Seattle Municipal Light and Power System)

Thirty years ago the people of Seattle were paying 20 cents per kilowatt-hour for electricity; today they pay 5½ cents per kilowatt-hour.

Thirty years ago the city owned nothing in the way of electric light and power equipment; today the city owns a $54,000,000 power system.

Thirty years ago the city earned nothing on electric light and power; today the annual surplus earnings amount to $4,940,000.

Due to the repeated reduction in rates the people of Seattle pay on the average 2.8 cents per kilowatt-hour, which is just one-half the national average.

The total annual savings to the people of Seattle, due to the lower rates paid for electric service as compared to the average paid throughout the Nation, amounts to $8,600,000, a sum over a million dollars greater than the entire tax levy of the city.

With a public power system comprising four water-power plants aggregating 130,000 horsepower, and a steam plant of 50,000 horsepower, making a total of 180,000 horsepower capacity, already developed, the city is going forward with additional huge hydroelectric developments which, when completed, will bring the total capacity of this single municipal system up to 1,120,000 horsepower—one of the two largest municipal light and power projects on the continent.

The estimated cost of the ultimate development of this 1,120,000 horsepower is $74,500,000 with transmission lines, or $66.65 per horsepower delivered, which will be the cheapest unit cost of any large hydroelectric development in America.

In Diablo power house, to be built on the Skagit River, two monster turbines are to be installed, of 95,000 horsepower capacity each, which are the largest turbines ever built in the world—larger than those of the great Russian plant on the Dnieper River, which are rated as 83,000 horsepower; and much larger than those of the Queenston plant of the Ontario system, which are rated at 65,000 horsepower.

THE PRESENT LIGHT AND POWER SYSTEM

City light customers are supplied with current from 4 water-power plants aggregating 130,000 horsepower and a steam plant of 50,000 horsepower, in addition to the interconnection with the city of Tacoma, which has 3 water plants and 2 steam plants. The Seattle generating plants are (1) Cedar Falls station, 40,000 kilowatts; (2) Gorge plant of the Skagit River development, 54,000 kilowatts; (3) Lake Union water auxiliary plant, 1,500 kilowatts, and the Newhalem plant, 2,500 kilowatts; and (4) Lake Union steam plant, 30,000 kilowatts, giving a total rated capacity in water power of 98,000 kilowatts (130,000 horsepower) and in steam of 30,000 kilowatts (40,000 horsepower) with an overload capacity in steam of 50,000 horsepower.

DESCRIPTION OF PLANTS

The Cedar Falls generating station is located 40 miles southeast of Seattle. This was the first source of power and was started in 1903. The waters of Cedar Lake were raised from the original elevation of 1,530 feet above sea level to 1,548 feet by means of a timber-crib dam, rock filled, across the Cedar River at the lake outlet. From the dam a 49-inch wood-stave pipe line was built along the river bank downstream about 15,000 feet, where it joined onto a 48-inch steel pipe which carried the water 1,008 feet down the slope to the power house. This plant was completed in 1904 and began serving the city early in 1905.

In 1907 work was begun on a second unit at Cedar Falls, and an installation of two Westinghouse generators were installed rated at 8,000 horsepower under a 600-foot head at 600 revolutions per minute. These were the highest head reaction turbines then in existence. Later a second transmission line was built from the Cedar Falls plant with other equipment. The installed capacity at Cedar Falls is now 40,000 kilowatts, and the plant is operated on a comparatively low load factor, so as to save its full capacity for use on the system peak.

LAKE UNION WATER AND STEAM PLANTS

A second source of power for the Seattle system was the Lake Union water-power auxiliary. Here a Westinghouse-Pelton reaction turbine was installed, rated at 1,500 kilowatts on a 420-foot head at 720 revolutions per minute. This unit is housed in a reinforced-concrete building on the east shore of Lake Union, and

was placed in service in 1912 as an auxiliary or emergency source of power to supplement the Cedar Falls plant.

STEAM STAND-BY PLANT

At Lake Union the city has also established a steam stand-by plant very near the geographic center of the city. It is a reinforced-concrete building of modern design containing three steam turbogenerators of Allis-Chalmers-Parsons make. These units are supplied with steam by 14 Sterling boilers rated at 823 boiler horsepower each, 4 at 200 pounds, and 10 at 250-pound pressure, all operating at 125 degrees superheat. They are equipped with oil-burning furnaces with settings designed to change to coal burning with little cost.

This steam plant is designed primarily as a stand-by or peak-load plant, with emphasis on reliability and quick starting. The capacity of the Lake Union plant is 30,000 kilowatts or 40,000 horsepower with an overload capacity of 50,000 horsepower.

EARLY HISTORY OF THE SEATTLE SYSTEM

The citizens of Seattle from the beginning of the city have been favorably inclined to municipal ownership of public utilities and especially that of lighting.

Back in 1902 an ordinance was passed by the city authorizing the issue of $590,000 in bonds for the construction of a generating station on the Cedar River. This was the first municipal water-power station in America. The plant was put in operation on October 14, 1904, with R. H. Thompson as city engineer and J. D. Ross as electrical engineer. The transmission line to Seattle, 37 miles long, and built for 45,000 volts, was the highest transmission pressure in the world at that time. It was placed in service and the street-lighting circuits were taken over from the private company and served by the municipal plant in January 1905.

The support given the municipal plant by Seattle citizens was so enthusiastic that it became necessary to plan extensions almost as soon as the service began. There followed the gradual development of the system into the four units or plants above described. As the city lighting business developed, the necessity of a separate department became evident, and in 1910 a charter amendment was adopted creating the department of lighting separate and distinct from the water department. The first superintendent was R. M. Arms who resigned in March 1911 and was succeeded by J. D. Ross, who had been electrical engineer in charge of the design and construction of the plant from its beginning. From that time on down to the present Mr. Ross has been in charge as superintendent and chief engineer of the Seattle system.

THE GREAT SKAGIT RIVER DEVELOPMENT

With a rapid development of industry in Seattle incident to the World War, increased generating capacity became an acute necessity. The Lake Union water auxiliary and steam plants mentioned above were rushed to completion. But still the demand for additional current and service grew.

The light department recognized that in the richest water-power district of the Nation, with millions of horsepower running to waste within transmission distance of Seattle, the logical source of energy to meet the growing demand would be from falling water. Investigations were made of every possible water site within 150 miles of Seattle, and in 1912 the citizens authorized the purchase of two sites, one being the Lake Cushman site, which was later developed by the city of Tacoma. The opposition of the private company delayed proceedings, blocked the city in its hydroelectric development in 1917, and resulted in the loss of the Cushman site. The city then turned its attention to the possibilities of development on the Skagit River.

The Skagit River has long been recognized as the most favorable for large development in the Northwest. This site lies wholly within the Mount Baker National Forest but was held by the private power company under a temporary permit from the Federal Government. This permit was held by the company on condition that certain developments would be made within a limited time, and because of failure to make this development Superintendent Ross made application for the site in July 1917 and pointed out to the Government at Washington that the Stone and Webster interests were buying up other sites while attempting to hold the Skagit without developing it.

Mr. Ross went to Washington to present the city's claim directly to David F. Houston, then Secretary of Agriculture, who had jurisdiction over the forest reserves under the law. On January 18, 1918, the city was given permission by the Government to call for bonds on a plant to be built on the Skagit River, and the city's priority rights were protected until May 1918, pending the acceptance of the application for a preliminary permit. The city made good on its development plans and thus acquired the rights to the development of the power sites on the Skagit River. By the purchase of other power sites in the attempt to block the city, Stone and Webster had indicated their intention to develop power elsewhere, and since no actual construction work had been done on the Skagit and the company was behind in payments to the Federal Government under the Water Power Act, the Skagit was officially taken from Stone and Webster and given to the city.

THE SKAGIT PLANTS

The city began work at once upon the development of its plants on the Skagit River. The Gorge power house was officially placed in service on September 27, 1924. A rather spectacular phase of this occasion was the fact that President Coolidge started these generators by means of a special wire connection from the White House in Washington, D.C. From 1924 on the energy developed by the department continued to increase at such rate as to double every 5 years. The Gorge power house is located on the Skagit River 2 miles above Rockport, Wash., and 100 miles by transmission line northeast of Seattle.

In the course of the development of this Gorge plant and plans for further development of the Skagit River later, the city constructed a standard-gage railroad 26 miles long from Rockport to the Gorge intake. This line was later extended 4½ miles to Diablo Canyon in 1927 for the construction of that unit.

THE GREAT DIABLO PLANT

The second unit to be developed in this great municipal system was the Diablo plant, which was begun in 1927 and finished in 1930. This plant lies some 7 miles upstream from the Gorge power house and is one of the great municipal undertakings of the country. The dam was an arch structure, in Diablo Canyon, 389 feet high, 1,180 feet long on the crest, and 140 feet thick at the base. A power tunnel 19 feet 6 inches inside diameter and 2,000 feet long, through solid granite, with differential type surge tank and two steel penstocks 15 feet in diameter and 500 feet long, carried water to the Diablo power house located on Reflector Bar, about 7 miles upstream from the Gorge power house.

It is for this power house of the Diablo plant that the two largest turbine units in the world have been built, each unit having a capacity of 95,000 horsepower.

The total development by the Seattle municipal plant will, it is assumed, amount to 1,120,000 horsepower in the Skagit plants. The Gorge plant already described will develop 320,000 horsepower, the Diablo plant an additional 320,000 horsepower, and the contemplated development later on at Ruby Dam will add another 450,000 horsepower. This latter development is located in the Skagit Canyon about 6 miles upstream from the Diablo plant. Each of the upper two plants deliver the water into the reservoir for the plant below, so that in this way the water is used three times.

RUBY DEVELOPMENT THE NEXT STEP

Beyond the present two plants built and in operation at the Gorge and Diablo, the city is planning a third and still larger development, in fact, the largest of all, at Ruby Creek. This latter development will be the key to the entire system. The Ruby Dam is necessary to equalize the flow of the stream and conserve flood waters until they are needed for power. Without the Ruby Dam the output of the Skagit is limited to the flow of the river, and in extremely dry seasons the present Gorge and Diablo installations will have more capacity than the flow will carry. With Ruby Dam each of these plants may be increased to 320,000 horsepower, and 480,000 horsepower may be installed at Ruby. The 75,000 horsepower Gorge plant represents an investment of about $200 per horsepower. The entire project when completed will produce 1,120,000 horsepower at a cost of $67 per horsepower, which is lower than the cost of any large project yet built or proposed.

It is planned to raise the crest of the Ruby Dam at least 15 feet higher than is required for power purposes in order to use the additional storage capacity to control flood waters for the protection of the valley below.

FEDERAL AID FAILS SEATTLE

At the time the city was undertaking the development at the Diablo Dam and planning for the additional construction of the Ruby Dam the present financial depression came on, making it very difficult for the city to finance the project. About that time the Federal Government announced its plan to aid municipalities by the extension of loans and grants to self-liquidating projects and especially those that would aid in reemploying the unemployed. Application was, therefore, made to the R.F.C. for loans and grants amounting to $25,792,000 for the completion of the Diablo plant, the construction of an additional transmission line to Seattle, and for the Ruby Dam and Reservoir work.

Mr. Ross went personally to Washington and spent several months there in the preparation and presentation of the application of the city for this loan, pointing out that there was over $1,750,000 worth of machinery ready for installation that could not be utilized for the lack of money; that if the Federal loan were granted over 2,000 men could be put to work at once and indirectly many thousands of others in clearing of the reservoir site as well as in construction work; that the loan would have the very best of security due to the fact that the city system had some 92,000 regular customers and a steadily increasing demand and the financial conditions of the city were in the very best of shape. And yet, in spite of all of these considerations, the Federal Government finally turned down the application of the city for a loan, giving as the reason that too much money had already been allocated to the State of Washington. Some $60,000,000 had been allocated for the construction of the public power system at the Grand Coulee site on the Columbia River and some $30,000,000 more for the Bonneville project, although the latter was really a purely Oregon venture.

Failing to secure the promised assistance from the Federal Government in the matter of financing the Diablo and Ruby projects, the city was compelled to turn again to private financing agencies, and due to the especially favorable conditions the city, under date of April 12, secured a loan of $4,500,000 on good terms, which enables it to take up its warrants and finish the Diablo power house, build the city lighting building, and leave a half million for city extensions. With these resources the city will now be able to go forward with its development as indicated and later will undoubtedly complete the system.

FINANCIAL OPERATIONS

The financial results and operations of the Seattle municipal light and power system have been very satisfactory from the be-

ginning. At the end of 1932 the fixed assets of the department of lighting, after deducting $10,161,993 accrued depreciation, stand at $43,871,786. Against this value, the outstanding debt, all in the form of bonds, is $32,153,000. The difference between these two figures, over $11,700,000, represents a contribution to the city as a whole made by its department of lighting during the career of the plant.

The entire investment in city light, approximately $54,000,000, has been made without costing the taxpayers a single cent.

The total operating revenue of the system for the year ending December 31, 1932, was $5,261,643. The total operating expenses were $3,123,037; and after interest charges are paid, amortization, city taxes, etc., the net annual income was $594,939.68.

During 1933 operating expenses were rigidly reduced some 48 percent. The department has maintained a cash balance in its operating fund of from $55,000 to $199,000, so that the employees are saved the inconvenience and expense suffered by those of some other departments of having to depend upon banks to cash their pay checks. All city light bills are paid promptly when due, and bond interest and redemption charges for 1933 amounted to $2,761,977. And, besides, while keeping its own funds on a cash basis the city light system has taken in and cashed over $400,000 worth of warrants drawn against the city general fund, the municipal street-railway fund, and various other county and city funds. These warrants will require from 6 weeks to 2 years to mature and they add materially to the burden carried by the lighting department because interest and redemption payments must be met in cash.

NOT A SINGLE EMPLOYEE LAID OFF

The city is especially proud of the fact that by rotating work during the period of the depression it has been able to maintain its personnel without laying off a single employee. When the depression came on it was evident that expenses must be cut but it was determined not to cut anyone off the pay roll unless they were able to find employment elsewhere. This was to prevent swelling the ranks of the unemployed who must be cared for by the taxpayers' money.

The work in each division has been rotated among the men. Pole crews are now working 1 week out of 3. Line crews are working approximately half time, while maintenance men are working three-fourths time and the operating force and office workers are on a 5-day, 40-hour week.

THE CITY PAYS TAXES

Opponents of municipal ownership have made much of the argument that public plants do not pay taxes. For the last half of 1932 the Seattle municipal light plant paid $65,066 as a direct tax to the city. The real answer to the tax argument, however, is that city light is furnishing efficient electric service to Seattle at rates that save consumers more than they pay in city taxes, and at the same time is carrying all its obligations and paying off its bonded debt progressively as the bonds become due.

LOW RATES—AVERAGE 2.8 CENTS

The above splendid financial results of the operating of the municipal plant and power system of Seattle are accomplished on the basis of extremely low rates.

Before the city light was started, in 1902, consumers were paying 20 cents per kilowatt-hour for current. When it became evident that the city was actually going to build a municipal plant the private companies reduced their rates to 12 cents per kilowatt-hour. In 1905 the city reduced the residence rates as follows: 8½ cents for the first 20 kilowatt-hours; 7½ cents for the second 20 kilowatt-hours; 6½ cents for the third 20 kilowatt-hours; 4½ cents for all over 60 kilowatt-hours per month.

Some weeks later the private corporations reduced their rates to 10 cents for the first 20 kilowatt-hours; 9 cents for the second 20 kilowatt-hours; 8 cents for the third 20 kilowatt-hours; 5 cents for all over 60 kilowatt-hours per month, with a 10 percent discount for prompt payment, making the company's rate approximately one-half cent higher than the city rate. Early in 1911, when the municipal plant had become a serious competitor, the company reduced this differential and made its rates the same as the city rates.

In 1911 the city reduced its rates slightly and the company made a reduction a few months later. Some other slight changes were made, but since June 1, 1933, the residence rates have been as follows: 5½ cents for the first 40 kilowatt-hours; 2 cents for the next 200 kilowatt-hours; 1 cent for all over 240 kilowatt-hours.

The complete rate schedule for all classes of business is published in the annual reports of the system and cover six printed pages; and are, of course, too elaborate for reproduction here.

It is interesting to note that every reduction in rates that has been made by the municipal plant has been followed by its competitor.

The average rate for current in Seattle shows a steady downward trend; and as bond redemption reduces interest charges, and as further development on the Skagit lowers the unit cost per horsepower, rates can be made much lower. As it stands now, the average rate for domestic service in Seattle is 2.8 cents, whereas the average rate for such service in the United States as a whole in 1932 was 5.6 cents, or just twice as much.

The city customers in Seattle used $5,261,643 worth of current during 1932. The customers of the private company in Seattle paid approximately $3,700,000 for current at rates that are controlled by the city's competition. Electricity which cost Seattle's consumers $8,961,000 would have cost just twice as much at the average rate obtaining in the country at large. The total saving to the people of Seattle as a result of these low rates is approximately $8,600,000 per year, a sum over a million dollars greater than the entire tax levy for the city.

COOKING BY ELECTRICITY

As a result of the especially low rates offered for domestic service cooking by electricity has become very general in Seattle. There are now more than 40,000 electric ranges in the city, of which city light serves 26,416. There are more electric ranges in Seattle than in any other city in the world.

STREET LIGHTING AT 2.2 CENTS

The general fund paid the lighting department for street lighting in 1933 is $438,750, which is at the rate of 2.2 cents per kilowatt-hour. The average charge for this service in similar cities is approximately 5 cents per kilowatt-hour. For instance, in San Francisco the city pays $780,000 for 20,000 lamps, or approximately two and one-fourth times as much per lamp as Seattle.

For the year 1934, the cost of street lighting has been cut to $375,000, or only 1.88 cents per kilowatt-hour, for all current and maintenance replacement and operation.

Not only has the municipal plant helped in keeping the unemployed at work, paid taxes to the city and made other savings, as indicated above; it has also assisted the poor and unfortunate. When it became clear that a considerable number of the city customers would not be able to pay for electric service the city recommended that relief agencies recognize the need of electricity in the home and agreed to furnish the service at a flat rate of 2 cents per kilowatt-hour, which in the case of many consumers is less than cost of serving. At the end of the year 4,180 customers were being served under this arrangement.

OVER ELEVEN MILLIONS PROFIT

With rates low, as indicated above, and services rendered, the Seattle municipal plant has shown a revenue balance of profit above all operating expenses, including liberal depreciation charge and bond issue, for each year since 1906. Its yearly income has increased each year through good times and bad at an average rate of 15.8 percent per annum. During the 28 years ending with 1932 the light department has taken in as revenue from sales of current $63,693,623, of which $11,470,493 is profit. From its surpluses and reserves the plant has returned more than $22,000,000 into plant extensions and bond redemption. At the end of 1932 the plant represents fixed assets of $54,033,779, against which $32,153,000 in bonds is outstanding. And this record has been made while serving all classes of consumers at rates that have been reduced again and again.

OTHER INTERESTING FEATURES OF THE SYSTEM

Among the interesting features of the Seattle municipal system may be mentioned the following:

The city very early changed the current from direct to alternating for all lighting purposes, using direct current for elevators only.

The distributing system has been very thoroughly developed and the city has followed a definite program for placing all electric wires underground within the business district. All poles have been removed in these sections.

In addition to metallic circuit telephone lines paralleling each transmission line the city has built and extended a system of dispatching telephones serving each substation in the city. The telephone line from Seattle to the Skagit, 107 miles, is also supplemented by a radiotelephone set designed and built especially for the department. This set is of the long-wave broadcasting type, not depending on the transmission wires, and is equipped with automatic ringing, so that the act of lifting the receiver starts the apparatus and sends the call to the distant station.

SPECIAL STREET LIGHTING

The street-lighting system consists of the most expensive, decorative white-way lighting system in the country. The new ornamental posts are of cast bronze, each carrying two or three 500-watt, 950-candlepower lamps. The city used from the first metal-filament incandescent lamps and was the first to use gas-filled lamps and to discard the old arc lights. There are more than 64 miles of streets improved with this special class of lighting.

SHOPS, STOREROOM, ETC.

The lighting department maintains a modern warehouse and shops housed in a reinforced-concrete building, with 3½ acres of floor space. The warehouse is equipped with material-handling facilities, steel bins, and shelves, and arranged for the economical storing and handling of the vast variety of material and supplies used in the plant's construction and maintenance work. A railway spur ends in the craneway running through the center of the building and the shops are equipped for machine work, coil winding, carpenter work, welding, forging, and the many operations necessary for the repair and maintenance of the equipment.

TACOMA INTERCONNECTION

The Seattle municipal plant is connected with the Tacoma municipal system through a 60,000-volt, 33-mile transmission line. This tie line has been of great value to both cities, giving the reliability of service and economy of operation only possible when a wide diversity of power sources is connected to a single system. The surplus at Skagit is used to carry part of the summer load of both systems, while Lake Cushman (of the Tacoma system) fills up and the current is returned in the winter when the loads are heavy and the Skagit is lower. The electric interconnection on the two sites presents a striking example of the benefits of cooperation and has done much to replace the ancient spirit of rivalry between them with one of harmony and mutual help.

DO THEY EARN THEIR PAY?—ARTICLE BY ROBERT EICHBERG

Mr. DILL. Mr. President, I ask unanimous consent to have printed in the RECORD an article appearing in the publication Radio Stars entitled "Do They Earn Their Pay?" by Robert Eichberg.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

Every penny the sponsors spend on radio programs, and the cost runs into millions of dollars a year, must come back and show a profit. Yet stars are hired at salaries which are stated to range from $1,000 to $7,500 for a single broadcast, and time on a major network costs as high as $15,000 an hour. Add these together, then add the cost of an orchestra and other artists in the show. Put the broadcast on two networks instead of one, and it can run into as much as $50,000 a performance, more than it costs to stage many Broadway shows for an entire run.

How can the sponsors afford it? Salaries paid radio artists are said to be $100,000 a year for "Amos 'n' Andy", $3,500 a performance for Rudy Vallee, $7,500 each for Eddie Cantor, Ed Wynn, and Will Rogers, $5,000 for Al Jolson, and equally astounding fees for other stars.

Surely these entertainers must be supersalesmen of the air if their broadcasts are to pay for themselves. Of course, they make us listeners more familiar with the names of the products they advertise, but do they bring new customers into the sponsors' retail outlets?

Let's look at some confidential figures and find out. Here, for example, is Ed Wynn, who heads a show on 54 stations of the red network at 9:30 E.D.S.T. Tuesday nights. Wynn is said to get $7,500 for his appearance, to which must be added the fees paid to Graham McNamee, the Fire Chief Band, Don Vorhees, and the male quartet. Then, on top of that add about $7,700, the cost of time on the network for one-half hour. Texaco has to sell quite a few gallons of gasoline to write off the weekly cost of that show which runs into about $20,000.

Well, what results do they get?

Remember the silly little fireman's hat Wynn wears when he poses for publicity pictures? That "kady" gives the key to an analysis of Texaco gas sales which are directly attributable to Wynn's broadcast, for during his program it was announced that you could get a copy of the foolish fedora by going to any Texaco filling station and asking for it.

Optimistically the sponsors ordered 1,000,000 hats for sale to their dealers. Bango! In a few days the hats were all gone, and they ordered that many more to satisfy the demand; 2,000,000 hats, surely that was enough. But was it? Not on your life. They had to buy 1,000,000 more.

Three million—count 'em, 3,000,000—hats costing the service stations 7 cents each were demanded by auto-owning, gasoline-buying radio listeners. And each hat given away meant a sale of Fire Chief gas, many to new customers at least some of whom, it is hoped, remain users.

Ed Wynn himself says, "I spent 29 years plugging the name 'The Perfect Fool.' Now, in a few short weeks, it's of no use. I am now 'The Fire Chief' and not even my best friends will call me anything else."

Why, he is so popular that when ex-President Hoover overlapped Wynn's time with a campaign talk in one of the hottest political battles in the history of the United States, some 6,000 people telephoned the network and complained about it.

That'll do for the Chief. Let's look back a year of two at the Stebbins Boys, who, as aerial representatives of Swift & Co., put on a sketch in which they were supposed to be editors of a small-town newspaper. On three nights they announced that anyone writing to them would be given a free copy of the paper.

Then the fun began. The first day there were only about 2,000 letters and everybody was disappointed. The next day 28,000 were received and the third day an additional 35,000. Then came the week-end, and Monday found 157,000 more letters from subscribers until finally at the end of a week their paper had a circulation of nearly 350,000 which is bigger than that of most newspapers in the large cities, or of the national magazines.

John and Esley Stebbins, in case you have forgotten, were the characters played by Arthur Allen and Parker Fennelly, both veterans of the legitimate stage. Allen jumped from stock to Broadway where he played character parts; Fennelly played Hamlet on the road, touring and playing New York alternately for some 15 years. Their radio acting, however, won them more fame on the legitimate stage than did all the years they trod the boards, for the acme was reached when the curtain line of a melodramic hit was, "Now, my dear sir, you may go home to your radio and listen to the Stebbins Boys."

Was Swift & Co.'s advertising manager pleased with their work? He said, "In 8 weeks they made Brookfield Butter over 50 percent better known in 28 major cities."

That's a bold comment, but now let's see some figures on a proved check-up of directly traceable sales as made by that pair of supersalesmen, Freeman Gosden and Charles J. Correll, better known as "Amos 'n' Andy"—so much better, in fact, that I could not recall their real names. When I phoned N.B.C., neither could the man who answered the phone in the press department; he had to look them up.

But you can bet the Pepsodent people know those names, know them with a touch of awe and reverence, for they sold 2,000,000 tubes of tooth paste through a single brief campaign. Before and after the darky dialogue sketch, the announcer said that any listener sending in two cartons in which Pepsodent tooth paste was packed would be given a free bottle of mouth wash. The announcement was continued for a limited time or until 1,000,000 bottles of mouth wash had been requested. These requests were accompanied by cartons representing $500,000 worth of tooth paste.

In a recent magazine article a writer "kids" radio advertisers who say that your purchases of a product make their programs possible, urge you to continue buying. The effectiveness of such appeal was demonstrated by another Pepsodent show, The Rise of the Goldbergs.

You may recall when an announcement was once made during their program to the effect that "Although this program is presented for your entertainment, we cannot continue it unless it is making new users for Pepsodent tooth paste and antiseptic. If you want it continued, write us a note on the back of a Pepsodent carton." As an added inducement a bathroom tumbler was offered to all carton senders.

The Goldbergs are still on the air. The sponsors counted 820,000 cartons, and decided it was well worth continuing, for that represented nearly $250,000 worth of business.

Incidentally, Harlow P. Roberts, advertising manager of Pepsodent says that about 90 percent of the Goldbergs' listeners are Gentiles and it is true that a great majority of the 820,000 appeals for their retention came from Gentiles, although the Goldberg sketches deal with the doings of an extremely Jewish family.

Again, "Amos 'n' Andy" offered to swap photos of themselves for Pepsodent cartons and got 75,000 takers in the first week.

Add it up. Right here we have a total of 2,895,000 cartons, not letters, but cartons, each representing a 25-cent sale, sent in by listeners replying to only three ideas. Do a little multiplication and then decide whether or not the Pepsodent programs earn their pay.

Then take the Kraft Musical Revue which featured Al Jolson and Paul Whiteman in a presentation running for 2 hours in New York and 1 hour in New England. We are told that each of these stars rates $5,000 a show and, with the station time and all, it cost Miracle Whip Salad Dressing a pretty penny. Well, was it worth the money?

Let John H. Platt, Kraft's advertising manager, tell you, as he told Sales Management, "Inside of 3 weeks from the first announcement, 85 percent of the distributors in the territory stocked Miracle Whip. In 6 weeks it was in first place in sales throughout New York and New England." True, newspapers and other media were used in this campaign, but radio gets a big share of the credit.

Ireene Wicker—that's not a mistake in her first name, a numerologist told her to spell it that way—is one of radio's best saleswomen. As "Kellogg's Singing Lady", heard over the blue network late every afternoon except Saturday and Sunday, she has been directly responsible for 38 women getting steady jobs. No, Ireene didn't hire them, but their work is to take care of her fan mail, and it keeps them mighty busy. You see, the Singing Lady offered to send her songbook to people mailing her tops from Kellogg packages, and about 14,000 a day take advantage of the offer. So Ireene is responsible for nearly 100,000 sales of Kellogg products every week.

Cities Service spends about $300,000 a year on broadcasting and has been on N.B.C. over 7 years. Its program features Jessica Dragonette. Now, $300,000 is a lot of money, but through radio broadcast advertising in 1 month they sold over 20,000 shares of common stock and one order for 50,000 barrels of oil. Down in Dallas, Tex., a salesman closed a contract for 9,000 gallons of Koolmotor gasoline, monthly, as a result of radio; these are only a few examples. So, you see, they get their $300,000 back.

The Carnation Milk Co. put on a contest for a slogan during their weekly half hour over 37 N.B.C. stations, and, during the 13 weeks the contest lasted, received 659,270 slogans, most of them written on labels taken from the cans.

Graham-Paige motor cars once put the Detroit Symphony Orchestra on the C.B.S. chain in a series of weekly half hours. A copy of a poem by Edgar A. Guest was offered anyone visiting the showrooms. About 50,000 people a week took advantage of the offer, and Graham-Paige had to increase their factory production schedules about 50 percent to meet the resulting demand for their cars.

Walter Winchell clicked big on the same network when he broadcast for La Gerardine, a hair lotion selling for one and two dollars a bottle in competition with other products, many at 10 cents. Before Winchell took the air, "Gerry" wasn't sold in drug stores. When he finished not only did they have complete distribution but also sales had increased 250 percent before the broadcast had been running 2 months. He's doing another grand job on Jergen's Lotion right now.

The networks always point with pride to sponsors who have been on the air continuously over a long period of time. "Would they", station officials ask, "have stayed on so long if their programs didn't pay?" To which we can only answer, "No one can fathom the mind of a radio sponsor. Let's see some figures."

In reply they trotted out a handsome set of statistics on the A. & P. Gypsies, whom Harry Horlick had on N.B.C. continuously since 1924, save for a 2 months' vacation in 1927. They've played 66 solid months on the air since 1927, which is a longer run than even Abie's Irish Rose. They're credited with increasing the chain stores' sales 173 percent.

And now to take a peek at an inexpensive broadcast. Ida Bailey Allen, as you know, broadcasts at a time of day when charges for time are low. Likewise, she appears under the joint sponsorship

of several trade-marked brands, which further reduces the cost for each of her sponsors.

One of them, who makes a product retailing for 15 cents, had 7,000 handy little kitchen appliances left over from a former premium stunt and asked Mrs. Allen to give them away over the air. So she offered one to anybody sending in 10 flaps torn from the product, thus proving actual sales of $1.50 for each request. Suddenly the advertiser found that all the appliances had been given away. Still package tops poured in, until more than 200,000 had been received. The cash return, as proved by package tops, was $304,500 from just that two-line announcement, which is quite a feather in the C.B.S. chapeau.

That network also made an exhaustive survey of the sales of various products—soaps, cigarettes, cleansers, etc.—to find the relation between their sales in centers where they were advertised on the air, as compared with places where no stations carried the programs, and to find out whether they were more popular in homes that had radios than in those which hadn't.

The results, far too long and complex to be given in this article, were overwhelmingly in favor of broadcasting.

Enough figures have been given, however, to prove conclusively that no matter how high a radio entertainer's salary is he brings a profit to the sponsor. So, a toast to the supersalesman of the air and to the advertising agents who are the brains of broadcasting.

And you, the next time you hear of the fabulous salary paid to some radio comedian, don't say to yourself, "Huh! I could be as funny as he is! Why can't I get into radio and make that much money?"

Just ask yourself if you could give away a dozen foolish little firemen's hats, let alone 3,000,000 of the "doggone" things.

Could you?

REGULATION OF SECURITIES EXCHANGES—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9323) to provide for the regulation of securities exchanges and of over-the-counter markets operating in interstate and foreign commerce and through the mails, to prevent inequitable and unfair practices on such exchanges and markets, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the conference report.

Mr. ROBINSON of Arkansas. Mr. President, I think it would be fair and proper to suggest the absence of a quorum. I therefore do so.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	Johnson	Pope
Ashurst	Couzens	Kean	Reynolds
Austin	Davis	Keyes	Robinson, Ark.
Bachman	Dickinson	King	Russell
Bailey	Dieterich	La Follette	Schall
Bankhead	Dill	Lewis	Sheppard
Barbour	Duffy	Logan	Shipstead
Barkley	Erickson	Lonergan	Smith
Black	Fess	Long	Steiwer
Bone	Fletcher	McCarran	Stephens
Borah	Frazier	McGill	Thomas, Okla.
Brown	George	McKellar	Thomas, Utah
Bulkley	Gibson	McNary	Thompson
Bulow	Glass	Metcalf	Townsend
Byrd	Goldsborough	Murphy	Tydings
Byrnes	Gore	Neely	Vandenberg
Capper	Hale	Norbeck	Van Nuys
Caraway	Harrison	Norris	Wagner
Carey	Hastings	Nye	Walcott
Clark	Hatch	O'Mahoney	Walsh
Connally	Hatfield	Overton	Wheeler
Coolidge	Hayden	Patterson	White
Copeland	Hebert	Pittman	

Mr. HEBERT. I desire to announce that the Senator from New Mexico [Mr. CUTTING], the Senator from Pennsylvania [Mr. REED], and the Senator from Indiana [Mr. ROBINSON] are necessarily absent.

Mr. LEWIS. I desire to announce that the Senator from Florida [Mr. TRAMMELL] is necessarily detained from the Senate, and I regret to announce that the Senator from California [Mr. MCADOO] is detained from the Senate on account of illness.

I ask that these announcements may stand for the day.

The VICE PRESIDENT. Ninety-one Senators having answered to their names, there is a quorum present.

The question is on agreeing to the conference report.

Mr. HASTINGS. Mr. President, on yesterday I urged upon the Senate that this conference report go over until today in order that I might at least have an opportunity to read it.

It will be borne in mind that the Senate made some important amendments to the Securities Act of 1933, which amendments were attached to a bill which had passed the House, so that at the time the bill came to the Senate it was not possible to get any idea as to what the House might do with respect to the Securities Act of 1933. That was left solely to the conference committee.

On the day when the bill passed the Senate I offered several amendments to the stock-exchange portion of the bill and one amendment to the securities-act feature. The Chairman of the Committee on Banking and Currency said he saw no objection to the amendment to the securities act which I proposed, and it was therefore accepted by the Senate.

The amendment proposed by me may not to many Senators seem of much importance. Certainly, at the time I offered it, I could not see how there could be any reasonable objection to it, and I assumed the chairman of the committee, and those with whom he consulted, saw no objection. From my point of view it is a very important amendment.

The draft of the bill as passed by the Senate contained this provision, beginning on page 123:

SEC. 203 (a). Paragraph (1) of section 4 of such act is amended (1) by striking out "not with or through an underwriter and"; and (2) by striking out "last" and inserting in lieu thereof "first."

That was an amendment proposed by the committee. Then I suggested that the committee amendment be amended by the addition of the following words—

and (3) by adding after the word "underwriter" the following words "As used in this paragraph, the term 'public offering' shall not be deemed to include an offering made solely to employees of an issuer or of its affiliates in connection with a bona fide plan for the payment of extra compensation or stock-investment plan for the exclusive benefit of such employees."

I do not see why the Federal Government should insist upon having anything to do with the plan of a corporation which decides that, as a part of its policy, it will give certain additional compensation or bonus to its employees. I think that is a matter with which the Government ought not to have anything to do, and there is no public interest involved in the policy of a corporation in adopting such a plan.

For years and years there have been discussions all over this country as to the best method of permitting employees of corporations to share in the profits of the corporations.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield.

Mr. COUZENS. I may say, in behalf of the conference, that that matter was given a very great deal of consideration, and one of the controlling factors which caused the elimination of the amendment was the Insull transactions. As a matter of fact, the record shows that literally millions of shares of stock of Insull corporations were sold to their employees merely upon representations of the corporations themselves. We could not find that there was any reason for failing to register those shares, just as any other shares are registered. It would be in no sense governmental interference with a mere plan. It would simply give to the employees of the corporations the same right to have registered the shares which they bought as an outsider would have a right to have the shares he bought registered.

Mr. HASTINGS. The Senator does not mean to intimate to the Senate, does he, that the conferees on the part of the Senate made that argument to the conference?

Mr. COUZENS. No; I am not saying that. I am saying that that was the argument which took place in the committee, and the House conferees were very insistent upon pointing out the evils which have occurred where employees of a number of corporations have been induced to buy shares of the stock of the corporations.

Mr. HASTINGS. Of course, the downfall of the Insull companies. I have no doubt, will result in doing many things which will be of great injury to responsible corporations which are conducting a valid business in a valid way. What is now being done is just another illustration of trying to find some means of curbing every kind of fraud which may have been practiced by any and every person and which can be pointed out as having imposed upon

someone. We never can pass laws of any kind that will take care of all the evils that are bound to occur. I admit that it is the duty of the Congress and any legislative body to do what they can to protect the innocent people of the country, but I do insist that when that is done it ought to be done with such care as not to destroy the rights and the opportunities which may be offered to other business corporations.

Mr. President, there is nothing that I can do about it. I can cite more than one instance of the great hardship which will result from this legislation, not to the corporation but to the employees of the corporation. This provision of the Securities Act destroys the plan of at least one corporation which has worked perfectly for years and which has never had a word of protest registered against it by any stockholder. The corporation had to abandon its plan when the Securities Act of 1933 was passed. I made an effort here—an honest effort—to relieve that situation by offering what I believed to be a harmless amendment to anybody else but a very helpful amendment to a corporation which desired to carry out that kind of a plan.

Mr. FLETCHER. Mr. President——

The VICE PRESIDENT. Does the Senator from Delaware yield to the Senator from Florida?

Mr. HASTINGS. I yield.

Mr. FLETCHER. I agree that when the Senator submitted his proposed amendment it struck me as being entirely reasonable, fair, and just. I took it that way. And I can see what he proposes in a favorable light. But when the bill went to conference the House conferees insisted that there was, first, no reason for the amendment. If the Senator will refer to section 4 of the Securities Act, he will find that it provides:

> Transactions by any person other than an issuer, underwriter, or dealer; transactions by an issuer—

And so forth—

> not involving any public offering.

The contention was, and it seems to me it is almost unanswerable, that an offering to employees solely, as provided in the Senator's amendment, is not a public offering. The argument was made that there was no occasion for this amendment, because under the law there would not be a public offering when the stock was offered simply and solely to employees. That was the effect of the Senator's amendment. His amendment is limited, as will be seen by its language, which is—

> The term "public offering" shall not be deemed to include an offering made solely to the employees—

I do not believe under the law it really does.

Mr. HASTINGS. May I inquire—and I make this inquiry because it may be helpful in the future—whether the Senator can say that that was the judgment of the conference itself, or is he speaking only for himself?

Mr. FLETCHER. Yes; that is the judgment of the conference itself; that there is no reason why employees should not subscribe for stock, and stock be subscribed for by employees under the law as it is. And certainly there is no question in the world that the Commission has the authority to declare that such an offering would not be a public one.

Mr. HASTINGS. May I be certain that the RECORD is clear upon this point, and may I have the RECORD show that in rejecting the amendment which I had offered and which under the present administration of the law it was necessary to offer the conference was unanimously of the opinion that the amendment was not necessary, because under section 4 of the Securities Act such an offering as that referred to was not believed to be a public offering? Have I overstated it?

Mr. FLETCHER. I think not. I do not know that I could be authorized to say that the opinion was unanimous, but certainly a majority thought that way, and there was no objection to that view, as I understood. That was the view. And then there was mention in the argument that there was some danger of abuses arising under the broad language of the Senator's amendment; that some corporations might impose on their employees, might exploit them, and that sort of thing. That was the argument used. But the opinion of the conferees was that there really was no need for this amendment, because the Senator could accomplish what he desired under the law as it stands now, and that there is no public offering when it is limited solely to employees.

Mr. HASTINGS. Mr. President, I desire to thank the Senator from Florida for that contribution, because I think it will be very helpful, and I think, in addition to that, if I may be permitted to say so, it justifies the position I took yesterday in asking that this matter might go over long enough to find out just what was in the conference report.

Mr. COUZENS. Mr. President——

The VICE PRESIDENT. Does the Senator from Delaware yield to the Senator from Michigan?

Mr. HASTINGS. I yield.

Mr. COUZENS. I desire to add to what the chairman said—that the definition of an employee may vary. In other words, in many pyramidings of corporations by the Insull people there were employees of subsidiaries of a holding company, and vice versa. I may differ with the chairman as to the interpretation of what an employee is. In other words, if a holding company sells shares to a subsidiary employee, it does not necessarily follow that that employee is an employee of the company which issues the shares.

Mr. HASTINGS. Mr. President, I shall not detain the Senate longer in the discussion of this matter; but I think what the Senator from Florida has just said will have very much to do with the success of this bill. I am very much opposed to it, because while I think it does very many things and will cure many evils that ought to be cured, I believe that in the net result it will do more harm than it will do good. But, at the same time, I want to say that whether that shall or shall not be true will depend very largely upon the administration of this law. I think there are some provisions in it with which it will be particularly hard for corporations to comply. I think there are so many things of that kind in it that many corporations will feel the necessity of having their stock stricken from the Stock Exchange Board. But the proper administration of this law, with the interest of the country at heart, and at the same time without an effort to put the corporations of the country under the control of this particular Commission, is, in my judgment, the only hope we have for any success under this bill.

Mr. STEIWER. Mr. President, I will detain the Senate just long enough to make some inquiry concerning the provisions providing exceptions for certain of the interstate carriers. I am referring to section 13, subsection (b) of the stock exchange bill as it passed the Senate. I think that is the same section and subsection in which the language with respect to carriers is found in the substitute agreed upon in conference. It is contained on page 95 of the bill and on page 15 of the conference report.

Mr. President, when this matter was before the Senate consideration was given to the proposition of exempting rail carriers from the requirements of registration of their securities contained in section 12 and the exemption of certain other carriers from the report requirements of section 13.

The action of the Senate was exemplified by the amendment in subsection (b) of section 13, which reads as follows:

> *Provided*, That carriers subject to the provisions of section 20a of the Interstate Commerce Act, as amended, shall not be subject to the provisions of sections 12 and 13 of this title, except that the Commission may require that such carriers file with it duplicate copies of reports or other documents filed with the Interstate Commerce Commission: *Provided further*, That carriers not subject to the provisions of section 20a of the Interstate Commerce Act, as amended, but subject to section 20 of such act, shall be exempt from the provisions of this section, except that the Commission may require that such carriers file with it duplicate copies of reports or other documents filed with the Interstate Commerce Commission.

The effect of the two provisos just read was to eliminate the railroads entirely from the requirements of section 12 and section 13, and to eliminate the other carriers named in the Interstate Commerce Act, namely, the sleeping-car companies, the telegraph and telephone companies, pipe lines and express companies, from the requirements of section 13 with respect to the filing of periodical reports.

I will not restate the argument upon which that action was taken by the Senate, except to say that the act under which the carriers are controlled already requires more of the railroads with respect to accountancy and with respect to reports than this new Commission under any reasonable conditions conceivably could require of those carriers, both before the issuance of securities and after the issuance of securities. As the Senators know, not only does the Interstate Commerce Commission exercise control over the railroads with respect to the filing of their reports but it also controls the issuance of their securities; it has a veto power under the law, under which no carrier may issue securities except with the consent and approval of the Commission.

The conferees in their treatment of this matter, at page 15, modified the language which I read a minute ago so that the exemption is now stated in this language:

And, in the case of carriers subject to the provisions of section 20 of the Interstate Commerce Act, as amended, or carriers required pursuant to any other act of Congress to make reports of the same general character as those required under such section 20, shall permit such carriers to file with the Commission and the exchange duplicate copies of the reports and other documents filed with the Interstate Commerce Commission, or with the governmental authority administering such other act of Congress, in lieu of the reports, information, and documents required under this section and section 12 in respect of the same subject matter.

The amended language just read to the Senate places the railroads on the same basis as the other carriers mentioned in section 20 of the Interstate Commerce Act. It makes no distinction in favor of the railroads by reason of the unusual and far-reaching requirements of section 20 (a). The effect will be that the railroad carriers, which are already under the control of the Interstate Commerce Commission with respect to the issuance of securities, will be required to register under section 12 of this proposed act, and, although it would appear that the reports which the railroads file with the Interstate Commerce Commission may be filed with the new commission in lieu of the filing of other reports, and that they shall be accepted so far as they go, it still appears that they are required to register.

I merely want to ask the chairman of the committee or some other member of the conference if that was the purpose of the conferees in making that amendment.

Mr. BYRNES. Mr. President, if I may answer the question of the Senator from Oregon, it was the thought of the conferees that the railroads should not be required to file reports inconsistent with those required by the Interstate Commerce Commission, but, inasmuch as their securities were dealt in by the public, just as are all other securities, that they should be required to register. The amendment of the Senator from Oregon would have exempted the securities of railroads from registration.

Mr. STEIWER. That is true.

Mr. BYRNES. I think, as the Senator states, that is the purpose. However, it does not require of them any report differing in any way from those filed with the Interstate Commerce Commission. They are saved the duplication of reports, but are required to register.

Mr. STEIWER. On the question suggested by the observation last made, how do the conferees construe the language in the last portion of the section as follows—

Information and documents required under this section and section 12 in respect of the same subject matter.

Does the Senator believe that that will relieve the railroads from the necessity of filing such additional reports as the new commission, in its judgment, may require?

Mr. BYRNES. Certainly the intent of the conferees, according to my understanding, was that the railroads should not be required to file reports differing from those which are now filed by them with the Interstate Commerce Commission.

Mr. STEIWER. But would they be required to file additional reports?

Mr. FLETCHER. Mr. President, the purpose was to avoid duplicating their work. We did not want them to be required to do the things that are required elsewhere, and if they filed reports pursuant to the Interstate Commerce Act or any other act we did not want to require them to duplicate such reports with the new commission, but merely to file copies.

Mr. BYRNES. Mr. President, there is no prohibition against the requirement of information in addition to that which is submitted to the Interstate Commerce Commission. So, answering the question specifically, in this language there is nothing which would prevent a requirement as to supplemental information.

Mr. STEIWER. I can only express my deep regret, Mr. President, at that attitude and at that interpretation of the language. I believe the interpretation is justified by the language. I am not quarreling with the Senator from South Carolina in the interpretation he places upon the language. I had most sincerely hoped for a different result from the conference. The language of the House bill with respect to the same subject, found in the House bill in section 12 of its enactment, under subsection (b), was as follows:

Provided, That no additional requirement shall be imposed upon carriers subject to the provisions of section 20–a of the Interstate Commerce Act, as amended.

The effect of that language, of course, would be to leave the entire control and jurisdiction over railroad securities with the Interstate Commerce Commission. I had thought there was abundant reason for doing that, and had hoped that in the final enactment of the bill an effect of that kind could be given to the legislation.

We ought to bear in mind that the Interstate Commerce Commission has more than the power to exact reports; it absolutely controls the accountancy of the railroad carriers; it prescribes the form in which they shall keep their books. It not only does that, but it may, and does, examine their books. It has the power to enforce a complete system of auditing those books. It examines the reports. It sends its field agents to the offices of the railroad companies. But, above that, Mr. President, in many cases it even goes to the extent of requiring monthly reports of the railroad carriers. There is, I think, in the whole country no supervision that is as meticulously detailed as the supervision which the Interstate Commerce Commission exercises over the railroads of this country. That supervision, of course, is costly to the railroad carriers, and the expense is paid by the shippers; it is paid by the people, because those costs are proper items to be taken into consideration in the making of rates which the people must pay. It seems to me that nothing can be gained by increasing that cost or increasing the bill which the people must pay; no advantage possibly can come to the purchaser of securities, because it is inconceivable to me that the Commission can accomplish anything of value which is over and above the requirements presently made by the Interstate Commerce Commission.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. STEIWER. I yield.

Mr. BYRNES. It was our thought, in view of the facts referred to by the Senator, that it would be very difficult to conceive of supplemental information which could be required by the commission appointed under this proposed act.

Mr. STEIWER. I do not think so at all, Mr. President.

Mr. BYRNES. As I think the Senator will see, the language of the conference report is that as to any reports, to which the Senator has referred in detail, that the regulations of the new commission with respect to such reports shall not be inconsistent with the requirements imposed by law, rule, or regulation in respect to the same subject matter. The Senator has said that the reports of the railroads to the Interstate Commerce Commission cover practically every phase of the carrier's business, and there can be no duplication of any of that information.

Mr. STEIWER. Oh, Mr. President, I think the requirements that may be made of the railroads will be limited only by the imagination of the clerks who submit the program to this new commission for its approval. There is not any question but that this authority, if it is construed as the Senator construes it—and I regret that I feel he is correct in his construction—will enable the new com-

mission to make very exacting and very expensive requirements of the rail carriers.

To understand fully the effect and consequence of the action taken by the conferees, it must be borne in mind that the Senate amendment not only prohibited additional requirements being made of the railroads but the Senate amendment, in the language which I read a little while ago, provided—

That carriers subject to section 20a—

Namely, the rail carriers—and I again quote—

shall not be subject to the provisions of sections 12 and 13 of this title, except that the commission may require that such carriers file with it duplicate copies of reports or other documents filed with the Interstate Commerce Commission.

Therefore, it would seem to me, if the purpose of the conferees is as stated by the Senator from South Carolina, that the obtaining of the duplicate statements and reports could have been had under the Senate amendment, and the information which he says is all that conceivably could be asked could have been available to the new commission and to all the investors in the land under the provisions of the Senate amendment, and that, therefore, what the conferees must have had in mind, when they changed the language to permit the new commission to exact other information and to prescribe additional requirements of the rail carriers, was that something other or different might be done.

It would be comforting to me if I could know what the conferees had in mind. The only member of the conference committee who expressed himself was content to say merely that he could not conceive of any additional requirement that might be exacted from the rail carriers. To me it is most regrettable, almost pathetic, that our conferees should have permitted a great piece of legislation of this kind to be written in a way that would permit oppressive requirements to be made of the rail carriers at a time when all of them are confronted with financial exactions beyond their ability to meet, at a time when they are barred from borrowing from the Reconstruction Finance Corporation. At a time when we are wondering what we will do with the rail carriers and whether we can leave them in private ownership at all, we find them confronted with these new exactions which, I think, are wholly unnecessary.

This provision in the conference report not only makes the carriers subject to section 12 of the bill requiring registration of securities which are entirely under the control of another Federal agency, but it requires the additional reports to which I have referred. There now remains this consideration: If it was the purpose of the conferees, in placing the railroads back under the registration requirement, to subject the railroads of the country in the issuance of their securities to the requirements of the Exchange Commission, we have an anomalous situation indeed.

I appreciate there is no express requirement here that the issuance of securities shall be subject to the jurisdiction of the Exchange Commission, and yet I can conceive of many circumstances and various ways under and by which the new Commission may absolutely block the issuance of securities, may control, or thwart the effort of a railroad company with respect to the issuance of securities.

I can conceive, moreover, that the Interstate Commerce Commission in the exercise of its jurisdiction may take one attitude with respect to the issuance of securities, and the Exchange Commission take another. In the conflict of authority I am not prepared to say which agency of the Government would be supreme, but it rather seemed to me, because the Exchange Commission actually controls the sale of issues on the exchanges, that the power of the Exchange Commission would become supreme and paramount to the power and jurisdiction of the Interstate Commerce Commission. I very much doubt if Congress, in the enactment of this legislation, intended any such result to follow.

RELIEF OF FARM INDEBTEDNESS

Mr. LONG. Mr. President, I have here a bill which I want to bring to the attention of the Senate, which was reported this morning, being Senate bill 3580, the Frazier bill, which was offered as an amendment the other day. There were such misgivings as to the constitutionality of the proposed amendment that most of the Senate voted against it, probably, as I understood, on constitutional grounds.

However, the bill was then referred to the Committee on the Judiciary. That committee referred the matter to a subcommittee. The subcommittee studied the question and reported back to the main committee. The report of the subcommittee to the main committee and the report of the main committee to the Senate both hold that this is a very good measure and that it is constitutional.

I should not have time, when the tariff bill is before us for consideration, to discuss the Frazier bill at length, and I am necessarily forced to say now what I have to say about it, so that I may have the time to bring it to the attention of the Senate as I desire. I do not know just when the Congress is expected to adjourn.

This bill has also been reported favorably in the House. I had hoped that it would be possible to have the bill laid before the Senate before proceeding with any further controversial legislation. This is not a piece of controversial legislation, in my opinion. In the Judiciary Committee there was practically no objection to it. If the party leaders have not had an opportunity to study it, I wish they would get copies of it and look at it while I am proceeding for a few minutes.

We have added a section to the original measure which was here the other day. The original bill as introduced by the Senator from North Dakota [Mr. FRAZIER] provided, first, that there should be a bankruptcy proceeding for the farmer and the agriculturalist, and that when bankruptcy was applied for by a creditor, after going through certain procedure, the United States court should appoint appraisers. Those appraisers then would value the property; that is, they would value the farm which was affected by the mortgage or by any other lien or encumbrance.

After they had appraised it on the basis of its present value, not necessarily its cash value but on what would be a fair value at the present time, that appraisement would be submitted to the court, and then the court would allow a period of 5 or 5½ years in which the amount fixed by that appraisement might be paid and discharged by the original debtor.

If I may explain it further, we will say that in the year 1926 or 1927 or 1928 a farm might have been worth $10,000, on the basis of the 60-cent dollar. Today that farm would be worth probably around $4,500. Manifestly a mortgage of $10,000 on that farm cannot be paid in that way. The dollar is not of the same value. The Frazier bill, reported by the Judiciary Committee, practically with no opposition at all—if there were any opposition, it was not expressed—would do this: The farm which was worth $10,000 would be appraised by the court through competent appraisers at, we will say, a present value of $4,500. The original debtor would be given 5 or 5½ years in which to discharge that amount which had been fixed as the present value of the property according to the appraisement.

Another provision has been added in addition to that, section 7, which reads as follows:

(7) In case a majority in number and amount of all the secured and unsecured creditors of the debtor file written objections, at the first hearing, to the manner of payments and distribution of debtor's property as herein provided for, then the court, after having set aside the debtor's homestead and exemptions, shall stay all proceedings for a period of 6 years, during which 6 years the debtor shall retain possession of all or any part of his property, under the control of the court, provided he pays a reasonable rental annually for that part of the property of which he retains possession. The first payment of such rental to be made within 6 months of the date of the order staying proceedings, such rental to be divided and distributed among the secured and unsecured creditors, as their interests may appear, under the provisions of this act. At the end of 6 years, or prior thereto, the debtor may pay into court the appraised price of the property of which he retains possession, less rentals paid, provided that upon request of any lienholder on real estate the court shall cause a reappraisal of such real estate and the debtor may then pay the reappraised price, less rentals paid, into the court, and thereupon

the court shall, by an order, turn over full possession and title of said property to the debtor and he shall be discharged from all his debts, both private and public, as hereinbefore provided.

This amendment simply means that if the property owner is not granted by a majority of the creditors the right to pay out the property in 5 or 5½ years' time, then a majority of the creditors can simply say, "We do not care to have this done, but we will grant a moratorium."

Paragraph 7, which I have been trying to get my friends to notice, is a provision that if the debtor is not allowed to buy out the property in 5½ years, a majority of the creditors can simply prescribe a moratorium. In other words, when the court decides to take over the property of an adjudicated bankrupt, the creditors have one of two alternatives relative to disposing of the mortgaged farm. First, they may say that the man may have 5½ years in which to discharge the debt; second, if they do not want that done, they can grant a moratorium for a period of 6 years, at the end of which he would be required to pay out the debt in full. That is the section which we have added.

What I want to do is to try to get unanimous consent—because this bill must be carried out of here pretty soon if it is to do any good—to place this bill on the calendar at the conclusion of the pending bill; I do not mean the pending conference report. I think perhaps it will be acted on in the other House before it is acted on here. I do not think it will consume much time, but unless we can get it through the Senate in pretty much of a hurry it will not be of any value to us. The constitutional questions have been studied by two committees, and the bill has been reported out by the committees of both Houses. It is a form of relief similar to that which we have granted to all other industries except agriculture.

I should like to ask unanimous consent to make this bill the unfinished business following the disposition of the tariff bill.

Mr. ROBINSON of Arkansas. Mr. President——

The VICE PRESIDENT. Does the Senator from Louisiana propound a unanimous-consent agreement?

Mr. LONG. I will yield to the Senator from Arkansas first.

Mr. ROBINSON of Arkansas. No; if the Senator wishes to submit the request, I myself desire to make a brief statement.

Mr. LONG. Then, I ask unanimous consent that Senate bill 3580 be made the unfinished business following the disposition of the tariff bill.

The VICE PRESIDENT. Is there objection?

Mr. ROBINSON of Arkansas. Mr. President, the statement made by the Senator from Louisiana indicates that the Committee on the Judiciary has attempted, at least, to bring the bill within the rule of the Minnesota mortgage case. I have had no opportunity to examine the measure, and therefore cannot consent at this time to giving it a preferential status. I shall be glad to make a study of the bill as soon as time is afforded me, and will then indicate further my view regarding it. For the present, I object to the request.

The VICE PRESIDENT. Objection is heard.

Mr. LONG. Mr. President, I may say to the Senator from Arkansas that there has been practically no important change made in the bill. The bill as originally drawn was within the Minnesota mortgage case. However, to my surprise a very splendid brief was submitted to the Judiciary Committee, of which I am a member, by Representative LEMKE, and the authorities were so clear and convincing that even if no Minnesota case had been decided recently the constitutionality of the bill would be almost beyond any question.

In other words, it seems that the courts have quite frequently, in these adjudicated cases, referred the creditor to the proceeds of the property rather than to the property itself. That has been done a number of times; and it seems that the courts have also exercised the right to postpone payments. It has been held a number of times by the courts that they can sell the property on terms. The court does not have to sell the property, even though there is a mortgage which gives the creditor a right to foreclose; yet the courts quite frequently have asserted their right to extend the payments in a way that will benefit the bankrupt property or the creditor or even the debtor. It has been decided time after time by the courts that they can postpone the time. Then, again, the courts have also held that instead of the creditor having his recourse to the property, he can have his recourse to the lien; so that there really is not anything of any serious purport in the bill.

I am not going to pursue the matter further at this time. I ask the Senator from Arkansas to look into it a little more closely within the next few hours, and I shall try to renew my request at a later time in the day.

The VICE PRESIDENT. The question is on agreeing to the conference report.

The report was agreed to.

Mr. BYRNES. Mr. President, I desire to make a short statement with reference to the amendments to the Securities Act of 1933 which are contained in the conference report just adopted.

I think it is a fair statement that under the conference report the provisions as to the civil liability of underwriters and of the officers and directors of a corporation are so amended that no honest man need have any fear of the law so long as he is willing to give to the corporation of which he is an officer, and in which he has invested his money, the same reasonable care that he gives to the management of his own property.

Every section of title 2, containing the so-called "Fletcher amendment", liberalizes the provisions of the Securities Act of 1933. The modifications have grown out of the administration of the act during the past 12 months. Some of them seem to be merely administrative changes, but in each case they will be found to liberalize the existing requirements.

The provisions of the Securities Act of 1933 which have caused the greatest complaint are those as to the civil liability of underwriters and of the officers and directors of corporations on account of false statements in the registration statements filed by corporations. Under the existing law, where the registration statement contains a false statement of a material fact, or omits to state a material fact necessary to make the statement not misleading, any person who suffers a loss can sue the underwriters, the officers and the directors of the corporation. The existing law provides, however, among other things, that as regards any part of the statement purporting to be made on the authority of an expert, or to be an extract from the report or valuation of an expert, the defendant shall not be liable if he had reasonable ground to believe and did believe that the statements therein were true. It also provides that a director is not liable if he can establish the same defense as to the statement of an officer.

There can be no doubt that the provisions of the existing law caused many men who were serving as directors of corporations to fear that they might be subjected to so-called "strike suits" as the result of the administration of that law. The existing law defined what constituted reasonable investigation and reasonable ground for belief, and set forth the standard as the care required of a person occupying a fiduciary relationship. That phrase was greatly misunderstood by many officers and directors of corporations.

The amendments which have just been adopted by the Senate change the law in very important and material particulars. These amendments provide that a defendant shall not be liable for any false statement made on the authority of an expert, or purporting to be an extract from the report of an expert, if the defendant can show that he had no reasonable ground to believe, and did not believe, that the statements were untrue; and the law is changed to provide that in determining what constitutes a reasonable investigation and reasonable ground for belief, the standard shall be that required of a prudent man in the management of his own property. No honest man will contend that anything less should be demanded either of an underwriter or of an officer or director of a corporation offering securities for sale to the public.

However, the amendments adopted today give greater assurance to the honest officials of a corporation. Whereas the existing law permits a suit to be brought at any time within 10 years after the filing of the registration, the new law will permit such a suit to be brought only within 3 years. It has been argued heretofore that a director would be uncertain as to the settlement of his estate in case of death because of the liability that would exist for a period of 10 years. Under the new law, a suit must be brought within 3 years.

Under the existing law, the plaintiff is entitled to recover the amount of the loss suffered by him as a result of the purchase and sale of the security. Under the new law, the defendant will have the right to show whether a part of the plaintiff's loss is due to some cause other than the untrue statement, and to such extent will be able to reduce the amount of the recovery by the plaintiff.

Another change in the amendments is as to the requirement that the plaintiff allege or prove that in purchasing the securities he relied upon the statement which was afterward discovered to be false. The new law modifies this requirement. It provides that the plaintiff will not have to allege or prove reliance until the corporation has made available to security holders an earning statement for at least 12 months subsequent to the filing of the registration statement.

After such an earning statement shall be made available, the plaintiff will be required to allege and prove that he relied upon the false statement.

There is justification for the provision that reliance be not required until a 12 months' earning statement is made public. When an issue of securities is proposed, a banking house will investigate the financial statement of the corporation. Based upon the statements contained in the registration statement of the corporation, a banking house will offer the securities at a certain price. Therefore, the market value is fixed by the false statement of the corporation. The individual investor relies upon the investigation made by the banker. It is fair to assume that this situation continues until such time as the corporation makes available a statement showing its earnings for 12 months. Then, the market value is influenced by the statement of actual earnings and not by the statements contained in the registration statement, which deceived the underwriter or banker and the investor. It is entirely different from trading in stocks upon the exchanges, where those who trade have access to statements of earnings constantly filed and published.

An additional assurance to the officers of a corporation is given by the provisions in the new bill aimed at so-called "strike suits." Under the new law, the court will have authority to assess costs against the plaintiff; and because it is recognized that the plaintiff who will resort to bringing nuisance suits has, as a rule, no financial responsibility, the court, on motion, can require such plaintiff to give bond to cover the costs of the suit before proceeding with a suit.

I repeat, it is a fair statement to make that when the provisions of the so-called "Fletcher amendments" are analyzed, they give assurance to every honest man who is an official of a corporation that he need have no fear of the Securities Act of 1933 as amended, provided he is willing to give to the corporation in which he has invested his money the same reasonable care that he gives to the management of his own property.

MESSAGE FROM THE HOUSE—ENROLLED BILLS AND JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 85. An act for the relief of Paul J. Sisk;

S. 177. An act for the relief of Woodhouse Chain Works;

S. 256. An act for the relief of Milburn Knapp;

S. 308. An act to authorize the award of a decoration for distinguished service to Harry H. Horton;

S. 512. An act for the relief of Peter Pierre;

S. 785. An act for the relief of Elizabeth Bolger;

S. 1073. An act for the relief of E. Walter Edwards;

S. 1081. An act for the relief of McKimmon & McKee, Inc.;

S. 1429. An act for the relief of Anthony J. Lynn;

S. 1460. An act for the relief of Edgar Stivers;

S. 1772. An act for relief of the Western Montana Clinic, Missoula, Mont.;

S. 2002. An act for the relief of R. S. Howard Co., Inc.;

S. 2342. An act for the relief of I. T. McRee;

S. 2745. An act to provide for changing the time of the meeting of Congress, the beginning of the terms of Members of Congress, and the time when the electoral votes shall be counted, and for other purposes;

S. 2748. An act to authorize an appropriation for the reimbursement of Stelio Vassiliadis;

S. 2798. An act for the relief of Nephew K. Clark;

S. 2889. An act for the relief of certain Indians of the Fort Peck Reservation, Mont.;

S. 2969. An act for the relief of the Mary Black Memorial Hospital;

S. 2980. An act to modify the effect of certain Chippewa Indian treaties on areas in Minnesota;

S. 3128. An act to pay certain fees to Maude G. Nicholson, widow of George A. Nicholson, late a United States commissioner;

S. 3307. An act for the relief of W. H. Le Duc; and

S.J.Res. 123. Joint resolution empowering certain agents authorized by the Secretary of Agriculture to administer oaths to applicants for tax-exemption certificates under the Cotton Act of 1934.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who announced that on May 28, 1934, the President had approved and signed the following acts:

S. 258. An act for the relief of Wallace E. Ordway;

S. 1882. An act to authorize the Secretary of the Interior to issue patents for lots to Indians within the Indian village of Taholah, on the Quinaielt Indian Reservation, Wash.;

S. 1328. An act to provide for the donation of certain Army equipment to posts of the American Legion; and

S. 3397. An act to amend the laws relating to the length of tours of duty in the Tropics and certain foreign stations in the case of officers and enlisted men of the Army, Navy, and Marine Corps, and for other purposes.

RECIPROCAL TARIFF AGREEMENTS

The Senate resumed the consideration of the bill (H.R. 8687) to amend the Tariff Act of 1930.

Mr. WALSH. Mr. President, as a member of the Committee on Finance and as a representative here of an important industrial State, I feel that I ought to take this occasion to present my views not only on the pending amendment but also on the bill itself.

I can understand Senators opposing this measure on the ground that the bill is unconstitutional.

I can understand the opposition to the measure on the ground that it is a dangerous public policy and contrary to the public welfare to entrust tariff revision through international agreements to the President.

For those of us, however, who are willing to grant this extraordinary power for a limited period of 3 years as an emergency measure, and because the President bases his request for this measure on the fact that it is a necessary link in his recovery program, there can be no claim reasonably advanced in favor of eliminating agricultural products and confining the President's tariff-adjustment authority merely to manufactured articles.

A vote for this measure must be based primarily on faith and confidence in the President to do the just thing, to act cautiously, prudently, and for the best interest of the entire country in executing these trade agreements.

This does not mean that the President is infallible or that he may not make mistakes. It is to be assumed, however, that if he does make mistakes, they will be no more numerous nor more injurious to our domestic and foreign trade than those the Congress may make in enacting a tariff bill.

Since the basis of this legislation is necessarily confidence that the President will wisely exercise the power which we propose to delegate to him, there is no validity to the proposition to exclude the products of agriculture from the scope of the President's tariff discretion. Instead it is sectionalism; indeed, it is selfishness. Any Member of the Senate who votes for this amendment, and, in the event of its adoption, then votes for the bill, is taking the position that he is quite willing to delegate to the President authority to enter into trade treaties, and in that connection to change tariff rates on some other State's products, but not on the chief products of his own State. He trusts the President with the industrial tariff rates, but not with agricultural tariff rates.

Of course, if this amendment shall prevail, the bill will be dead. Doubtless there will be some votes for the amendment for the express purpose of killing the bill by an oblique attack instead of by direct attack.

The exclusion of agricultural products from the President's authority would hamstring his trade-pact negotiations, assuming the enactment of the bill so restricted. But the bill would not reach enactment. No Member of Congress from an industrial constituency like my own could support a measure which proposed to limit the President's authority to industrial tariffs and which served notice in advance that tariff rates on industry and industry alone would be subject to revision.

I shall vote against the amendment—and I expect to see it rejected—but I give notice now that if the amendment shall be adopted I shall offer an amendment to exclude similarly from the operations of the President's trade-agreement authority all industrial tariffs. I shall offer such an amendment simply to demonstrate the utter inconsistency of the proponents of this agricultural-exclusion amendment. Then, upon the rejection of a similar exclusion for industry, I shall vote against the whole bill and urge its defeat.

In this matter, what is sauce for the goose is sauce for the gander. My position is, let us give the President authority over all tariff rates or else over none. Let us either trust him entirely in this matter or not at all.

The proposal to exclude tariffs on agriculture has the further irony that it is agriculture rather than industry which is to be the primary beneficiary of such trade agreements as the President may undertake to negotiate.

Let us prove this. We must assume that the objective of this bill is not to impair foreign trade but at least to retain our present export business; and, if possible, to expand it. If that is not the objective, then the bill is useless.

The very first fact that any study of our export trade reveals is that the retreat from world markets of American products in recent years has borne more heavily on agriculture than on industry. We are now talking about the preliminary facts which must be taken into consideration by those negotiating these proposed agreements. First of all, agriculture has suffered more in our export trade than has industry.

The next fact is that any program of economic recovery which does not take into account the surpluses of agricultural products produced in this country is doomed to fail.

We have been spending 3 years of legislative effort in trying to dispose of the surpluses of agricultural products. Everyone has conceded that that was the basis of recovery. Senators are familiar with the innumerable measures we have passed for that purpose. Now, an effort is being made to help take care of agricultural surpluses by negotiating with foreign countries to take them through trade agreements which we may make with those countries. Agriculture is to be the principal beneficiary of such agreements, yet the position of agriculture, insofar as the proposed amendment expresses its position, is that it will take any and all the benefits but is unwilling to make any contribution.

The third fact is that our principal markets for surplus agricultural products are in Europe, and that in European countries today there is a tendency, indeed, a successful effort, to exclude from their markets both agricultural and industrial products of the United States.

Mr. President, that cannot be denied. I now inquire, What are we going to do about it? Shall we pass a tariff bill? No one presents such a proposal. No such proposal is before us.

There is only one of two courses for us to follow; that is, do nothing or else permit the President of the United States to attempt by negotiations to revive our foreign trade through reciprocal-trade agreements.

There is no alternative, no other way to take care of our agricultural surpluses insofar as they may be disposed of through foreign trade. And bear in mind that the record shows that there has been a greater decline in the export of agricultural products than of industrial products.

Mr. LONG. Mr. President——

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from Louisiana?

Mr. WALSH. I would rather not yield until after I have finished my general statement, because it covers my views on the subject; and when I shall have finished, I shall be glad to yield to the Senator from Louisiana.

Mr. LONG. Mr. President, will the Senator answer one question?

Mr. WALSH. I prefer not to yield until I have finished my statement. I shall be glad to yield to the Senator afterward. If this amendment to the pending bill should be adopted, it would put the Executive in the position that when he sought to break down European barriers against American agricultural products, he would be met by the contention that agricultural products, according to the position which we ourselves have taken, should be outside the scope of the proposed agreements and that discussions must be confined to industrial products.

Thus one of the main objects of the bill, which is to find markets for agricultural surpluses, would be defeated.

The list of agricultural products of which surpluses are produced and for which foreign markets must be found or at least maintained at their present level, if agriculture is really to prosper, is appallingly large.

They are, first and foremost, cotton, tobacco, lard, and wheat.

Other agricultural products, whose dependence upon export trade is of vital importance, are canned vegetables, dried fruits, and canned fruits. Exports of fresh fruits also are large. Exports of fresh apples averaged in 1929 and 1932 approximately 20 percent of the total commercial production. Exports of fresh pears in 1932 represented 10 percent of the production. In the case of all dried fruits, the exports from 1929 to 1932 represented approximately 45 percent of the total production.

Let me repeat that. In the case of all dried fruits, the exports from 1929 to 1932 represented approximately 45 percent of the total production.

The injury that would result to producers and growers of raisins, dried apples, apricots, and prunes, if their tremendous export market should be taken away, would be very substantial.

While there are some imports of rice, it is essentially on export basis, some States, such as Louisiana, depending upon foreign markets for disposal of a considerable portion of their production.

We have been exporting more than 50 percent of the production of our prunes.

We have been exporting about 25 percent of our total production of canned fruits.

In some instances foreign countries have adopted sanitary and tariff barriers which have greatly impaired this export trade, with the result that distressing conditions have arisen among these producers, and prices paid to farmers have declined materially.

I inquire, How is that condition to be met? How are the barriers set up by foreign countries under the name of sanitation to be broken down to permit their markets to be kept open to us except by negotiation? Whether the negotiations succeed or not may be another question, but there is no alternative left but to make the attempt.

Mr. President, both agriculture and industry have a common interest in finding profitable foreign markets for their surplus products.

What I have been urging, however, is that the very first study of this matter of trade agreements leads to the conclusion that the Executive will fail unless he succeeds at least in retaining our present agricultural export markets, and that his primary objectives must be to take care of our agricultural surpluses. The adoption of this amendment, if my contention is sound, means that the very first objective of the bill will be defeated.

Mr. President, let me add a general statement relative to the bill as a whole. In my opinion tariff-protected industries are unduly alarmed about the proposed grant to the President of authority to negotiate reciprocal-trade agreements. Their fears are exaggerated.

Under existing law the President may by Executive order increase or decrease existing import duties not more than 50 percent of the existing rate, upon the recommendation of the Tariff Commission. Under this bill the President's authority to modify existing tariff rates is similarly limited to 50 percent, and by the terms of an amendment to the present bill, which our committee has added, it will be incumbent upon the President to seek advice and information from the Tariff Commission and from other official channels.

Under existing law the President is not required to follow the recommendation of the Tariff Commission, but may not act affirmatively without the Commission's recommendation. Under the pending bill the President may disregard the Tariff Commission's advice if he sees fit, as in the past, but, more than that, may change a rate for purposes of a trade agreement within the prescribed limit without any recommendation from the Commission.

Neither under the existing law nor under the pending bill is the President permitted to transfer any article from the free list to the dutiable list, or vice versa.

Concededly, Congress is proposing to broaden the authority of the Executive to change tariff rates, but not so broadly as has been so generally assumed. We admit that this is a broader power than has heretofore been possessed by the Executive. Furthermore, this extension of the President's authority is only for the express purpose of permitting the negotiation of reciprocal-trade agreements, and is in the nature of a temporary and experimental grant of authority for the purpose of stimulating our economic recovery.

By the terms of the bill the President's new authority is limited to 3 years.

We have the President's pledge, contained in his message to Congress on this present bill, that "no sound and important American interest will be injuriously disturbed." We have the requirement, contained in the Senate committee amendment, for public notice of intention to negotiate a trade agreement, and an opportunity to all interested parties to be heard, and to protest, if there be basis for protest.

No one contends that extension and expansion of our own foreign trade, if it may be secured without prejudice to our domestic trade, is other than desirable. The controversy turns on whether it is going to be possible to make reciprocal-trade agreements which will promote our foreign trade without prejudice to or sacrifice of our home markets. I entertain serious doubts on that score. But that can only be determined by negotiation.

We are proposing to authorize the President to negotiate trade agreements. I see no basis for the assumption that the President will abuse this authority or will actually conclude any trade agreement unless it is actually beneficial to our own Nation. We must concede that. Nor do I assume that any of our own industries are going to be sacrificed or one preferred over another.

Such an assumption presupposes a policy the exact reverse of the policies of the President.

Mr. President, in view of the increasing restrictions and obstacles placed in the way of normal movement of trade between the nations, this Congress is faced with the problem of either passing such a measure as this—which provides the only method at the present time for regaining some share of the trade of the world—or of watching the continued distress of agriculture and of such other industry which must have a foreign market to prosper.

This is what no action at this time means. Mr. President, no action at this time means laissez faire—doing nothing. The only hope, the only promise of improved conditions in our export trade is in permitting the President for the limited period named in this measure, as an emergency measure and as a part of his recovery program, to enter into negotiations, make an effort, if possible, to improve our domestic trade and our foreign trade by entering into agreements, if it is possible by so doing, to improve agricultural and industrial conditions in this country.

I now yield to the Senator from Louisiana.

Mr. LONG. The Senator sat in the Democratic convention, did he not?

Mr. WALSH. Yes, sir.

Mr. LONG. Does the Senator remember our platform pledge on the tariff there?

Mr. WALSH. Yes, sir.

Mr. LONG. We were going to leave it to a fact-finding commission to adjudicate the difference in the cost of production.

Mr. WALSH. I recall that.

Mr. LONG. I wonder if the Senator would have any objection to the Fletcher amendment, which simply provides that the farmer will be guaranteed on whatever is imported to this country that there will be a rate equal to the difference between the cost of production at home and abroad? Would the Senator object to supporting that kind of an amendment?

Mr. WALSH. I would object to supporting that kind of an amendment or any amendment that restricts the opportunity for negotiating on any basis other than improving our export trade.

Mr. LONG. I will ask the Senator one more question. The Senator has made a marvelous speech. The Senator lives in Boston, Mass.?

Mr. WALSH. Unfortunately, perhaps, I do not live in Boston; but I live 35 miles away from Boston, in a manufacturing community surrounded by agricultural communities.

Mr. LONG. I was wondering if the manufacturing interests of the Senator's State were more interested in swapping farm commodities against manufactures or in swapping manufactures against farm commodities?

Mr. WALSH. I believe the thinking, intelligent people of Massachusetts and of New England realize there can be no permanent industrial or economic recovery in this country until the agricultural problem shall be satisfactorily settled, until the agriculturist receives more for what he produces than he receives today, until the excessive difference between what the producer receives and what the consumer pays is in some way adjusted.

I represent an industrial State. I have taken occasion to point out that, in my judgment, the undertaking of the President to negotiate trade agreements will fail, and fail completely, unless, first and foremost, he shall find means and ways of taking care of the agricultural surpluses of the country. I think that is the very crux of this whole proposition. Before he enters into negotiations as to industrial products, he has got to find a way to do that, as we have been trying in the Congress to find a way to do it. We have passed bill after bill. What for? To see if the agricultural surpluses could be taken care of, because we have made that the basis for any effort toward permanent recovery.

Mr. LONG. Mr. President——

Mr. WALSH. I yield further to the Senator from Louisiana.

Mr. LONG. I think it was either in Boston or just before the President reached Boston—the Senator will remember—that the President said:

> Of course, it is absurd to talk of lowering tariff duties on farm products.

I have wondered if the Senator had been apprized of that statement.

Mr. WALSH. I assume that the President had in mind that it was absurd to reduce duties on agricultural products where the duties were effective. It is my judgment, and I assume it is the President's judgment, that there are many agricultural products the duties on which are not effective.

Mr. LONG. The Senator would not want to do one of these absurd things, would he? He would not want to do the absurd thing of reducing tariff rates on agricultural products? The Senator is a reasonable man, and a strong supporter of the administration, and the President said it would be an absurdity to talk about reducing the tariff on agricultural products. I am just wondering if the Senator would have any objection to having the bill perfected along that line?

Mr. WALSH. I would object to any amendment of that kind, because I believe the President should have authority, if he is going to negotiate trade agreements, to negotiate for a reduction of duties on manufactured products where the duties are ineffective and too high, and also for a reduction of duties upon agricultural products where they are ineffective and too high, if it will lead to an increase in the export business of the United States and help increase our domestic production.

Mr. LONG. I will ask the Senator one more question, and then I will ask no more. I understood that it was the Senator from Georgia and the Senator from Massachusetts who drew the document for the Democrats of the Finance Committee calling on the people of the Nation to rise up in opposition to prevent the encroachment of bureaucratic power. I was wondering if the Senator has had reason to change those views.

Mr. WALSH. Mr. President, I anticipated such a question. I have always been, and am today, unalterably opposed to a permanent policy being adopted in this country giving to the Chief Executive control over tariff duties. I have voted against such a proposal and have spoken against it, and when this bill was first proposed to the Finance Committee, when I left the room of that committee, the first statement I made to the press was to the effect that unless the bill was restricted to a limited period of time, covering the period of the depression, say 3 years, I would oppose it. I find nothing in my present attitude inconsistent with the position which I have repeatedly taken, that it is an unsound policy to deliver over as a permanent power the control of tariff rates and duties to the Chief Executive of this country. I think, however, he ought to have more control than he now has. I have advocated on this floor limiting tariff discussions and votes in this Chamber to single commodities. I have advocated also the right of the President to veto a single item in a tariff bill.

Mr. BARKLEY. Mr. President——

Mr. WALSH. I will yield to the Senator in a moment, when I shall have finished this thought. So I say there is nothing inconsistent between my position in the past and that which I now assume, that with the President's seeking to bring about recovery in this country by means which he believes will be helpful, he should be intrusted temporarily, in view of the conditions in the world, in view of the trade barriers that have been erected all over the world, in view of the discrimination against our products, in view of the decline in exports, with the power proposed to be given to him by the pending bill. I see nothing inconsistent with a position in opposition to a general policy of Executive control of tariffs and favoring a temporary policy, during this period of distress, during this period of depression, intrusting him with the authority by negotiation to improve, if he can, conditions and giving him an opportunity to undertake negotiations, designed to improve by this method our declining export business. I repeat, I see nothing inconsistent in that course.

I do not mean to withdraw one iota from the position I have always taken, that I am unalterably opposed to the Executive's, as a national policy, having complete and final control over tariff making; but the present situation is different. I have changed my position on measures radically changing our permanent policies, such as the economy law. Would any of us ever think of voting for such an act under normal conditions? Would any of us think of voting billions of dollars to the Reconstruction Finance Corporation for the purposes for which we have given it to them? Would any of us think of appropriating large sums of money such as we have appropriated to protect the farm owners and home owners? Dozens of measures have been passed in the Congress which are inconsistent with all the policies which we have stood for and advocated as Democrats and United States Senators; but we are in the midst of unusual, exceptional, and extraordinary conditions. That these new measures will succeed no man can predict with certainty; that there has been a measure of success to this hour no man can question. What we are doing is trying, as best we may, in this hour of darkness and depression, to find some way, to grip some lifesaver, which will relieve the distress from which we are suffering, and thus bring about the dawn of a better day.

After serious consideration of this measure and realizing that it has been given exceptional and serious study by the President of the United States and his advisers, I have reached the conclusion that no harm can come—and I hope and pray some good may come—from intrusting the President with this extraordinary power; power which we would not yield, as we would not have yielded other powers we have granted, except for the economic war, a war not so bloody as military war but just as destructive and harmful in the suffering involved, in its danger, in its misery, in its poverty, and in its curtailment of the prosperity which our people have enjoyed for more than a century under the benign guidance of the Supreme Being.

I beg pardon of the Senator from Kentucky, and I yield to him.

Mr. BARKLEY. Mr. President, I wanted to make an inquiry of the Senator, in connection with the interruption of the Senator from Louisiana [Mr. LONG], who evidently had in mind to create the impression of some inconsistency on the part of the Senator from Massachusetts, as well as others, relative to the attitude we took in 1931 when the Smoot-Hawley tariff bill was under consideration. My name, as have the names of other Senators, has been bandied about here during this debate because we took a position against the amendment that was adopted in the Smoot-Hawley tariff bill; but is there not a wide difference between a bald delegation on the part of Congress to the President of the power to fix tariff rates and a law making the President the negotiating agency of Congress to bring about agreements by which we hope to sell more of our exportable products?

Mr. WALSH. There is no doubt about it.

Mr. BARKLEY. And so there is no inconsistency whatever?

Mr. WALSH. Further, there is an entire difference between a permanent policy and a temporary policy. Of course, conditions determine all policies. We would not permit the President of the United States in peace times to exercise the power he does in war, and we would not permit the President of the United States under normal conditions and circumstances to enjoy the power we propose to give him here.

Mr. BARKLEY. Mr. President, one more question. Would it not be an act of folly for Congress to authorize the President to enter into agreements designed to bring about a larger sale of our commodities in the markets of the world and by the same act tie his hands and hitch him to a post so that he could not actually negotiate any such agreements without laying all his cards and all our cards on the table, whereby our negotiating opponents might see exactly what we proposed to do or what our limitations of authority might be?

Mr. WALSH. The Senator is correct.

Mr. CLARK. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Missouri?

Mr. WALSH. I yield to the Senator from Missouri.

Mr. CLARK. I should like to ask the Senator from Massachusetts a question. When the document to which so much reference has been made was signed by the Democratic members of the Finance Committee, is it not a fact that the essential controversy involved in the tariff bill of 1930 was whether the flexible provisions of the tariff were to be made the permanent policy of the Government or a temporary policy?

Mr. WALSH. Yes.

Mr. CLARK. There is no essential difference between section 415 of the Fordney-McCumber Act and section 336 of the Hawley-Smoot Tariff Act. The controversy was whether the power which had been granted the President in the Fordney-McCumber Act should become a permanent policy of the Government. Is not that true?

Mr. WALSH. Yes; that is true.

Mr. President, I want to say a word to Senators who, like myself, represent manufacturing or industrial communities. Of course, if they are opposed to the bill, and they have a right to be, as I have already pointed out, I could respect the opposition based upon certain grounds; but it does not seem to me they have any right to vote for the Johnson amendment for the purpose of restricting and limiting the trade negotiations simply to industrial products. It seems to me they are discriminating against their own industries in so doing. They are taking the chance that if harm comes it will come only to those industries which are the basis of the prosperity of their own States. I do not assume that harm is going to come.

Those who oppose the measure, many of them at least, base their opposition upon the ground that it is unsound public policy, and that they do not feel they can trust the protection of the particular industries to the investigation and authority and power of the Executive of our country. I take the position that if we are going to give the power to make agreements, the President ought to have the power to make agreements as to all American products, or none. I take the position that the prosperity of the country depends upon the prosperity of agriculture and industry alike, and I go further—a little bit more upon agriculture than industry, because it is fatal to the prosperity of any people to have agriculture prostrate.

Mr. President, I have held the floor longer than I intended and I now yield the floor.

DEBTS OWED THE UNITED STATES BY FOREIGN GOVERNMENTS

The PRESIDING OFFICER (Mr. ADAMS in the chair) laid before the Senate a message from the President of the United States, which was read, as follows:

To the Congress of the United States:

In my address to the Congress January 3 I stated that I expected to report later in regard to debts owed the Government and people of this country by the governments and people of other countries. There has been no formal communication on the subject from the Executive since President Hoover's message of December 19, 1932.

The developments are well known, having been announced to the press as they occurred. Correspondence with debtor governments has been made public promptly and is available in the annual report of the Secretary of the Treasury. It is, however, timely to review the situation.

Payments on the indebtedness of foreign governments to the United States which fell due in the fiscal year ended June 30, 1932, were postponed on the proposal of President Hoover announced June 20, 1931, and authorized by the joint resolution of Congress approved December 23, 1931. Yugoslavia alone suspended payment while rejecting President Hoover's offer of postponement.

In the 6 months of July to December 1932, which followed the end of the Hoover moratorium year, payments of $125,000,000 from 12 governments fell due. Requests to postpone the payments due December 15, 1932, were received from Great Britain, France, Belgium, Czechoslovakia, Estonia, Latvia, Lithuania, and Poland. The replies made on behalf of President Hoover through the Department of State declined these requests, generally stating that it was not in the power of the Executive to grant them, and expressing a willingness to cooperate with the debtor government in surveying the entire situation. After such correspondence, Czechoslovakia, Finland, Great Britain, Italy, Latvia, and Lithuania met their contractual obligations, while Belgium, Estonia, France, and Poland made no payment.

In a note of December 11, 1932, after the United States had declined to sanction postponement of the payment due December 15, the British Government, in announcing its decision to make payment of the amount due on December 15, made the following important statement:

For reasons which have already been placed on record His Majesty's Government are convinced that the system of intergovernmental payments in respect of the war debts, as it existed prior to Mr. Hoover's initiative on June 20, 1931, cannot be revived without disaster. Since it is agreed that the whole subject should be reexamined between the United States and the United Kingdom this fundamental point need not be further stressed here.

In the view of His Majesty's Government therefore the payment to be made on December 15 is not to be regarded as a resumption of the annual payments contemplated by the existing agreement. It is made because there has not been time for discussion with regard to that agreement to take place and because the United States Government have stated that in their opinion such a payment would greatly increase the prospects of a satisfactory approach to the whole question.

His Majesty's Government propose accordingly to treat the payment on December 15 as a capital payment of which account should be taken in any final settlement and they are making arrangements to effect this payment in gold as being in the circumstances the least prejudicial of the methods open to them.

This procedure must obviously be exceptional and abnormal and His Majesty's Government desire to urge upon the United States Government the importance of an early exchange of views with the object of concluding the proposed discussion before June 15 next in order to obviate a general break-down of the existing intergovernmental agreements.

The Secretary of State, Mr. Stimson, replied to this note on the same day that acceptance by the Secretary of the Treasury of funds tendered in payment of the December 15 installment cannot constitute approval of or agreement to any condition or declaration of policy inconsistent with the terms of the agreement inasmuch as the Executive has no power to amend or to alter those terms either directly or by implied commitment.

No payment was made by France December 15, 1932, as the French Chamber of Deputies by a vote on the morning of December 14 refused authorization to make the payment. The resolution voted by the French Chamber at that time invited the French Government to convoke as soon as possible, in agreement with Great Britain and other debtors, a general conference for the purpose of adjusting all international obligations and putting an end to all international transfers for which there is no compensating transaction. The resolution stated that the Chamber, despite legal and economic considerations, would have authorized settlement had the United States been willing to agree in advance to the convening of the conference for these purposes.

This resolution of the French Chamber is to be read in relation with the public statements of policy made by President Hoover and by myself on November 23, 1932. President Hoover said:

The United States Government from the beginning has taken the position that it would deal with each of the debtor governments separately, as separate and distinct circumstances surrounded each case. Both in the making of the loans and in the subsequent settlements with the different debtors, this policy has been rigidly made clear to every foreign government concerned.

I said:

I find myself in complete accord with the four principles discussed in the conference between the President and myself yesterday and set forth in a statement which the President has issued today.

These debts were actual loans made under distinct understanding and with the intention that they would be repaid.

In dealing with the debts each government has been and is to be considered individually, and all dealings with each government are independent of dealings with any other debtor government. In no case should we deal with the debtor governments collectively.

Debt settlements made in each case take into consideration the capacity to pay of the individual debtor nations.

The indebtedness of the various European nations to our Government has no relation whatsoever to reparations payments made or owed to them.

Of the $125,000,000 due and payable December 15, 1932, the Treasury received $98,750,000, of which $95,550,000 was the British payment made subsequent to the above correspondence, and the other $3,000,000 represented payments by five other debtor nations. The amounts due from Belgium, Estonia, France, Hungary, and Poland which were not received amounted to $25,000,000, of which $19,260,000 was due and payable by France.

In my statement issued November 23, 1932, I had said:

> I firmly believe in the principle that an individual debtor should at all times have access to the creditor; that he should have opportunity to lay facts and representations before the creditor and that the creditor always should give courteous, sympathetic, and thoughtful consideration to such facts and representations.
>
> This is a rule essential to the preservation of the ordinary relationships of life. It is a basic obligation of civilization. It applies to nations as well as to individuals.
>
> The principle calls for a free access by the debtor to the creditor. Each case should be considered in the light of the conditions and necessities peculiar to the case of each nation concerned.

On January 20, 1933, President Hoover and I agreed upon the following statement:

> The British Government has asked for a discussion of the debts. The incoming administration will be glad to receive their representative early in March for this purpose. It is, of course, necessary to discuss at the same time the world economic problems in which the United States and Great Britain are mutually interested and therefore that representatives should also be sent to discuss ways and means for improving the world situation.

On March 4, 1933, the situation with regard to the indebtedness of other governments to the United States was, in brief, as follows:

France: The French Parliament had refused to permit payment of $19,261,432.50 interest due on the $3,863,650,000 bonds of France owned by the United States.

Great Britain: With respect to the British bonded debt held by the Treasury in the principal amount of $4,368,000,000, Great Britain in meeting a due payment of $30,000,000 principal and $65,550,000 interest had stated that the payment was not to be regarded as a resumption of the annual payments contemplated under the funding agreement of June 19, 1923, but was to be treated, so far as the British Government was concerned, as a capital payment of which account should be taken in any final settlement.

Italy: With respect to the $2,004,900,000 principal amount of bonds of the Italian Government held by the United States Treasury, the Italian Government had paid the sum of $1,245,437 interest due December 15, 1932; but in doing so it referred to a resolution of the Grand Council of Fascism, adopted December 5, 1932, in which "a radical solution of the 'sponging of the slate' type was declared to be necessary for the world's economic recovery."

Czechoslovakia in making a payment of $1,500,000 principal due December 15, 1932, on its debt of $165,000,000 had stated that "this payment constitutes in the utmost self-denial of the Czechoslovak people their final effort to meet the obligation under such extremely unfavorable circumstances."

Belgium had declined to pay $2,125,000 interest due December 15, 1932, on its bonds of $400,680,000 held by the Treasury of the United States, and in doing so had recited circumstances which it stated "prevent it from resuming on December 15 the payments which were suspended by virtue of the agreements made in July 1931", adding, "Belgium is still disposed to collaborate fully in seeking a general settlement of intergovernmental debts and of the other problems arising from the depression."

Poland had not paid the $232,000 principal and $3,070,980 interest due December 15, 1932, on its bond in the principal amount of $206,057,000 held by the Treasury of the United States.

Of the nine other governments whose bonds are held by the Treasury of the United States, Estonia and Hungary had not met payments due December 15, 1932.

Austria is availing itself of a contractual right to postpone payments.

Greece was making only partial payments on its foreign bonded indebtedness, including that held by the United States.

Yugoslavia had declined to sign any Hoover moratorium agreement and had stopped paying.

No payment by Rumania had fallen due since the close of the Hoover moratorium.

Finland, Latvia, and Lithuania were current in their payments.

Although I had informal discussions concerning the British debt with the British Ambassador even before March 4, 1933, and in April there was further discussion of the subject with the Prime Minister of Great Britain and between experts of the two Governments, it was not possible to reach definitive conclusions. On June 13 the British Government gave notice that in the then existing circumstances it was not prepared to make the payment due June 15, 1933, but would make an immediate payment of $10,000,000 as an acknowledgment of the debt pending a final settlement. To this notice reply was made by the Acting Secretary of State, pointing out that it is not within the discretion of the President to reduce or cancel the existing debt owed to the United States nor to alter the schedule of debt payments contained in the existing settlement. At the same time I took occasion to announce that in view of the representations of the British Government, the accompanying acknowledgment of the debt itself and the payment made, I had no personal hesitation in saying that I would not characterize the resultant situation as a default. In view of the suggestion of the expressed desire of the British Government to make representations concerning the debt, I suggested that such representations be made in Washington as soon as convenient.

The Agricultural Adjustment Act, approved May 12, 1933, had authorized the President for a period of 6 months from that date to accept silver in payment of installments due from any foreign government, such silver to be accepted at not to exceed a price of 50 cents an ounce. In the payments due June 15, 1933, the Governments of Great Britain, Czechoslovakia, Finland, Italy, Lithuania, and Rumania took advantage of this offer.

On June 15, 1933, payments of about $144,000,000 were due from foreign governments, the larger amounts being $76,000,000 from Great Britain, almost $41,000,000 from France, and $13,500,000 from Italy. The amounts actually paid into the Treasury were $11,374,000, of which $10,000,000 was paid by Great Britain and $1,000,000 by Italy. Communications were received from most of the debtor governments asking a discussion of the debt question with the United States Government.

In October 1933 representatives of the British Government arrived in Washington and conferred for some weeks with representatives of this Government. These discussions made clear the existing difficulties and the discussions were adjourned.

The British Government then stated that it continued to acknowledge the debt without prejudicing its right again to present the matter of readjustment and that it would express this acknowledgment tangibly by a payment of $7,500,000 on December 15. In announcing this I stated that in view of the representations, of the payment, and of the impossibility of accepting at that time any of the proposals for a readjustment of the debt, I had no personal hesitation in saying that I should not regard the British Government as in default.

On December 15, 1933, there was due and payable by foreign governments on their debt-funding agreements and the Hoover moratorium agreements a total of about $153,000,000. The payments actually received were slightly less than $9,000,000, including $7,500,000 paid by Great Britain, $1,000,000 by Italy, and about $230,000 by Finland.

At the present time Finland remains the only foreign government which has met all payments on its indebtedness to the United States punctually and in full.

It is a simple fact that this matter of the repayment of debts contracted to the United States during and after the World War has gravely complicated our trade and financial relationships with the borrowing nations for many years.

These obligations furnished vital means for the successful conclusion of a war which involved the national existence

of the borrowers, and later for a quicker restoration of their normal life after the war ended.

The money loaned by the United States Government was in turn borrowed by the United States Government from the people of the United States, and our Government in the absence of payment from foreign governments is compelled to raise the shortage by general taxation of its own people in order to pay off the original Liberty bonds and the later refunding bonds.

It is for these reasons that the American people have felt that their debtors were called upon to make a determined effort to discharge these obligations. The American people would not be disposed to place an impossible burden upon their debtors, but are nevertheless in a just position to ask that substantial sacrifices be made to meet these debts.

We shall continue to expect the debtors on their part to show full understanding of the American attitude on this debt question. The people of the debtor nations will also bear in mind the fact that the American people are certain to be swayed by the use which debtor countries make of their available resources—whether such resources would be applied for the purposes of recovery as well as for reasonable payment on the debt owed to the citizens of the United States, or for purposes of unproductive nationalistic expenditure or like purposes.

In presenting this report to you I suggest that, in view of all existing circumstances, no legislation at this session of the Congress is either necessary or advisable.

I can only repeat that I have made it clear to the debtor nations again and again that "the indebtedness to our Government has no relation whatsoever to reparations payments made or owed to them", and that each individual nation has full and free opportunity individually to discuss its problem with the United States.

We are using every means to persuade each debtor nation as to the sacredness of the obligation and also to assure them of our willingness, if they should so request, to discuss frankly and fully the special circumstances relating to means and method of payment.

Recognizing that the final power lies with the Congress, I shall keep the Congress informed from time to time and make such new recommendations as may later seem advisable.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *June 1, 1934.*

The PRESIDING OFFICER. The question before the Senate is as to the reference of the message from the President of the United States, which has been read.

Mr. HARRISON. I think that the message ought to be referred to the Committee on Finance.

Mr. JOHNSON. The Senator refers to the President's debt message?

Mr. HARRISON. Yes.

Mr. JOHNSON. I think it ought to be referred to the Committee on Foreign Relations. Does not the Senator from Mississippi think so?

Mr. HARRISON. Let the message rest on the table for the present. All matters with relation to the foreign debts, however, went to the Finance Committee.

Mr. JOHNSON. I think the Senator is right as to that. The Finance Committee did have charge of matters with reference to the foreign debts.

Mr. HARRISON. The Committee on Finance had charge of the debt-funding agreements.

Mr. JOHNSON. Let us talk of it for a moment subsequently and let it remain in abeyance for the time being.

Mr. HARRISON. Let the message remain on the table.

The PRESIDING OFFICER. The message will lie on the table.

RECIPROCAL TARIFF AGREEMENTS

The Senate resumed the consideration of the bill (H.R. 8687) to amend the Tariff Act of 1930.

Mr. ROBINSON of Arkansas. Mr. President, the reciprocal tariff bill has been before the Senate for more than 2 weeks. It has been fully discussed. We are proceeding now under a limitation on debate, entered into by unanimous consent, which many Senators hope will bring the issues involved in the bill to a speedy conclusion.

It is thought that there is a possibility of voting on the passage of the bill before the close of the present day, although in order to do that it may be necessary to remain in session much later than usual. Certainly if that cannot be done the Senate will be asked to stay in session tomorrow and proceed with the measure.

It does not seem to me either necessary or desirable that I should enter into a full discussion of the bill, for the reason that others have presented clearly and forcefully, both of the primary controversies, that relating to constitutionality and that relating to public policy.

In the hearings, which are available for use of Senators, is a statement and a brief submitted by the Assistant Secretary of State, Mr. Sayre, which, in my opinion, foreclose all questions which have been raised or which are likely to be raised touching the power of the Congress under the Constitution to pass the pending legislation.

The statement and the brief referred to embrace the precedents, from the act of 1794, in which the Executive was given authority to place an embargo on all commerce and to rescind it, down through all the successive years. In many of the decades authority was given for the execution of Executive agreements affecting the commerce of the United States in nowise distinguishable, from a legal standpoint, from those which are authorized to be entered into under the terms of the pending bill.

In the cases which are cited in the statement and brief to which I have referred in support of the constitutionality of the measure, it is made to appear that every question involving the legality of the act, or the power of the Congress to pass it, has been resolved, and has been resolved in cases so closely analogous to that now before the bar of the Senate that it would be presuming upon the time and upon the patience of Senators to extend the discussion on that phase of the subject.

I recall that one of the great lawyers in this body, one whom we all love and respect, the Senator from Idaho [Mr. BORAH], in a speech which rang with earnestness and eloquence, a speech which was quoted in the press and which has been referred to here since as authority, took the position that, since the Constitution gives to the President the power to enter into treaties with foreign nations by and with the advice and consent of the Senate, and since a treaty is a contract or a compact, there exists no other constitutional way in which the Government of the United States may make a contract with a foreign government.

The statement, at the time it was made, was uttered with such fervor and enthusiasm that it was misleading. As a matter of fact, Mr. President, in the arguments of the Senator from Mississippi [Mr. HARRISON] and the Senator from Georgia [Mr. GEORGE] made yesterday, and in other addresses to which the Senate has listened, it has been pointed out that there are at least two ways in which the United States may contract with a foreign government or with foreign governments. One is by the exercise of the treaty-making power; the other is by the exercise of the power to enter into executive agreements.

It has been made clear here, and need not be reaffirmed, that the basis of an executive agreement is authority of law; that no executive agreement may be entered into unless such agreement has been authorized by act of the Congress. I lay down the proposition of law, which has not heretofore been asserted, but which, in my judgment, follows from the authorities which have been cited, that when an executive agreement is entered into by the President under a valid act of the Congress, it is just as much an exercise of the legislative power as any legislation Congress can pass, and it is no more in violation of the legislative power than is the enactment of a joint resolution or the adoption of a concurrent resolution within the jurisdiction of the Congress.

So that it is unsound in law to assert that the United States cannot make a contract with a foreign government except by the exercise of the treaty-making power, and the complete legal answer to the assertion that the pending bill constitutes an unwarranted delegation of the treaty-making power is that it does not presume or assume to exercise the treaty-making power in any particular. It does involve the exercise of the legislative power, and only the legislative power.

The Government has the choice of making reciprocal trade agreements through the employment of the treaty-making power, and it has also the choice of authorizing the Executive to enter into reciprocal trade agreements under the authority of an act of Congress.

In my judgment, that statement of the legal proposition is so clear that it need not be elaborated. There are two ways recognized in the Constitution of the United States, and by the precedents in which contracts may be made with foreign governments, and one of them is just as valid as the other, and no one can correctly say that the employment of the one constitutes a violation of the other.

I proceed now to a discussion of some of the questions which are involved in the policy of the legislation.

Senators have chided those on this side of the Chamber who opposed the enactment of the flexible tariff provision of the act of 1922, and of subsequent acts, on the theory that there is an inconsistency in opposing that act and in favoring the pending bill. In other addresses it has been stated with aggressive earnestness that the enactment of the pending bill would be a violation of the Democratic platform of 1932. I propose to answer both those assertions.

The flexible-tariff provision, as has been ably stated by the Senator from Massachusetts [Mr. WALSH], was an effort permanently to change the policy, under the Constitution, of enacting tariff laws. It was an effort to give the Executive, when advised by an Executive commission, the right to make rates within certain limitations. It did not involve in any sense the primary purpose carried in the pending legislation. This proposed legislation does not contemplate a permanent policy in tariff making different from that which has prevailed throughout the past. Anyone who is able to read must have enough intelligence to know that fact. What the pending legislation does—and I assert it confidently and with great earnestness—is to provide a method by which the foreign commerce of the United States may be revived and extended.

The flexible-tariff provision of the law is not adapted to that end, was not devised for that purpose, has no application to the objects contemplated by this measure. I have made that so plain that even the opponents of this proposed legislation will recognize the conclusion to be unassailable.

The purpose of the pending measure, its outstanding, dominating, and controlling purpose, is to revive the failing commerce of the United States. It is not to destroy or to injure agriculture, and I say to those who sit on the other side of the Chamber who are making every possible effort to discredit the purpose of the proponents of the pending legislation that if the farmers of the country and the people of the country generally are to be compelled to rely for a revival of commerce on the policies which the opponents of the pending legislation have put into force respecting the tariff, then we will go on down, down, down into a bottomless pit. Disaster is threatened, is imminent.

Mr. President, what has been the effect of the tariff policy, of the commercial policy, which has prevailed in the United States and which those on the other side are so anxious to perpetuate? The effect has been to destroy or threaten the destruction of agriculture and other forms of industry.

Time and again during this debate the Senator from Mississippi and others have placed in the RECORD the figures showing that during the last few years—certainly since 1928—the foreign commerce of the United States has been diminished out of proportion to the reduction which has taken place in the foreign commerce of the principal competing nations.

Senators who are so anxious to adopt an amendment which will prevent the President from entering into reciprocal trade agreements affecting any agricultural or horticultural commodity should remember that the tariff has never been effective for the protection of commodities which are produced in large quantities for export. I challenge any Senator here to dispute the statement. We all know that after very high tariff rates were placed on certain agricultural commodities, including wheat, that wheat in the United States sold at times for less than the amount of the tariff. Under the law of economics which has prevailed from the beginning of time, commodities which are produced for foreign export, produced in large surpluses that cannot be disposed of in the domestic markets, do not derive great benefit from any form of protection that has ever been devised.

It was in recognition of this fact, while high tariffs were in the law and prevailed, that we adopted a policy of attempting by automatic and somewhat arbitrary means to raise the domestic prices, prices to our own consumers, of agricultural products, recognizing that the high tariffs imposed by the tariff law on those commodities are not effective for the protection of the commodities.

Mr. COSTIGAN. Mr. President——

The PRESIDING OFFICER (Mr. POPE in the chair). Does the Senator from Arkansas yield to the Senator from Colorado?

Mr. ROBINSON of Arkansas. I yield.

Mr. COSTIGAN. In confirmation of what the distinguished Senator from Arkansas has just stated about wheat, I recall that in the fall of 1931, in Chicago, wheat was selling for from 47 to 50 cents a bushel and Colorado farmers were receiving less than 40 cents a bushel, with a tariff duty on wheat of 42 cents a bushel.

Mr. ROBINSON of Arkansas. The instance cited by the Senator confirms the statement I have just made, and I thank him.

At my request I have been supplied with certain figures which I think are further illustrative of this proposition. I am going to place in the RECORD a table which shows the index numbers of farm prices by groups. This table includes grains, fruits and vegetables, meat animals, dairy products, poultry products, cotton and cottonseed. I shall not take the time, Mr. President, to review the table in complete detail. It shows, assuming the base of 100 in 1923 to 1925, that for all groups comprised the lowest point reached was in February 1933, when the index figure was only 35—a little more than one-third of what it was at the end of 1925.

As to grains, beginning again in 1925 at the base figure 100, the price in December 1932 was 25, or one-fourth of what it was in 1925.

With respect to fruits and vegetables, the price, 100 in 1925, fell to 41 in November 1932 and February 1933.

With respect to meat animals, the price has constantly declined from 100 to the lowest figure in January 1933.

Dairy products have declined from 100 to 42. They have been declining constantly through the intervening years down to 42 in March and October 1933.

Poultry products had a similar decline, except that they fell to the low index number of 36 in 1933.

Cotton and cottonseed beginning at 100 in 1925 fell to 18 in June 1932.

Mr. President, the unanswerable conclusion from these figures is that the tariffs which have been imposed have not been effective in maintaining the prices of the commodities referred to.

Mr. President, I ask unanimous consent to have placed in the RECORD the table of index numbers of farm prices by groups to which I have referred.

The PRESIDING OFFICER. Without objection, it is so ordered.

The table is as follows:

Index numbers of farm prices, by groups

(1923–25=100)

Yearly average	All groups combined	Grains	Fruits and vegetables	Meat animals	Dairy products	Poultry products	Cotton and cottonseed
1923–25	100	100	100	100	100	100	100
1926–30	95	92	112	123	96	97	65
1931	58	47	70	79	67	64	31
1932	41	33	51	53	50	53	23
1933	46	48	57	50	49	49	32
Lowest month	35	[1] 25	[2] 41	43	[4] 42	[5] 36	[7] 18

[1] February 1933.
[2] December 1932.
[3] November 1932 and February 1933.
[4] January 1933.
[5] March and April 1933.
[6] March 1933.
[7] June 1932.

Source: U.S. Department of Agriculture (original). Secondary: Statistical Abstract, 1933. Last 2 rows of table computed from data in Survey of Current Business.

Mr. WALSH. Mr. President, will the Senator yield?

Mr. ROBINSON of Arkansas. I yield.

Mr. WALSH. The table which the Senator has presented proves conclusively two things: First, that during this depression the exportations of agricultural products have decreased in volume more than have the exportations of manufactured articles and, secondly, that the prices of agricultural products have declined in a greater percentage than have the prices of manufactured products.

Mr. ROBINSON of Arkansas. Mr. President, that is the next thought I am coming to. Not only had the prices of the agricultural products gone down through these years to a very low point, only beginning to rise after the administration price-restoration measures or increased-purchasing-power measures were enacted and put into effect, but it is also shown by the record which I am presenting to the Senate that the prices received for farm products have declined more than have prices paid by farmers for commodities used in production or for personal needs.

In 1932 the farmer's products brought only 41 percent as much as they did on the average in 1923 to 1925. The farmer continued to pay 70 percent of the previous level for the commodities which he had to purchase. And wages which he had to pay in order to hire farm labor had fallen to 51 percent. The commodities which he had to buy for use in farm production had fallen in comparison to only 74 percent.

I ask unanimous consent to have printed in the RECORD a table which I believe is illuminating as to these assertions of the index numbers of prices received and paid by farmers, 1923 to 1925 being taken as the base period at 100. These figures are taken from the Statistical Abstract of the United States, 1933.

The PRESIDING OFFICER. Without objection, it is so ordered.

The table is as follows:

Index numbers of prices received and paid by farmers

(1923–25=100)

Yearly average	Prices received for farm products	Prices paid by farmers for commodities bought			Wages paid to hired farm labor
		Total	For living	For production	
1923–25	100	100	100	100	100
1929	99	100	98	101	102
1931	58	81	79	84	69
1932	41	70	67	74	51
December 1932	37	68	64	72	44

Mr. ROBINSON of Arkansas. The trend of agriculture is further shown by the drastic decline in the export of agricultural commodities between 1928 and 1933. Mark you now, while these prices were going down at an astonishing rate, and while the prices of manufactured products necessary for production and for living necessities among farmers were going down slower than the agricultural products, we find a most astonishing and illuminating comparison. Between the years 1928 to 1933 exports of wheat declined 96 percent in value and 91.7 percent in volume.

Barley declined 92.5 percent in value and 85.7 percent in quantity.

Exports of corn declined 90 percent in value and 79.2 percent in volume.

Wheat exports declined 81.3 percent in value and 66.6 percent in quantity.

Condensed, evaporated, and dried milk declined 79.5 percent in value and 67.5 percent in quantity.

Lard fell to less than one-third of its former value and to less than one-fourth of its former volume in our export trade, while hams and shoulders declined five-eighths in value and three-eighths in volume.

At the same time exports of manufactured cotton were declining from $920,000,000 per annum to less than $400,000,000.

Exports of leaf tobacco declined from $164,000,000 to $18,000,000.

Yet Senators have the nerve to stand on the floor of the Senate and ask to perpetuate a system that has not only wrecked industry but has destroyed or threatened the destruction of agriculture.

Another statement which has been made is that in espousing this bill Members on this side of the aisle repudiate the Democratic platform of 1932. I propose to read that platform and to show that only in the distorted imagination of the visionary can such a contention be made. The language of the platform is:

> We advocate a competitive tariff for revenue, with a fact-finding tariff commission free from Executive interference.

During the course of this debate, Senators, ignorant of the history or willfully perverting the meaning of that language, have given it an application which intelligence will not justify. It will be remembered that the principal criticism of the way in which the flexible-tariff provision worked was that the President attempted to control the investigations and findings of the Tariff Commission, and when a commissioner refused to subordinate his judgment to that of the Executive who appointed him, the then President required him to place in his hands a resignation, to be held as a threat over the commissioner, to be accepted whenever the President became offended at the decision of the Commission. It was to repudiate influences such as that, forces which came from the appointing power, that the provision of the platform quoted was adopted. I justify that statement not only in the history of the Tariff Commission itself but I justify it also in the following language from the platform of 1932. Listen—

> reciprocal tariff agreements with other nations.

Not only is this proposed legislation not discountenanced by the Democratic platform but it is expressly approved and commended by that platform in the language just cited. It is entirely true that the platform does not state how the reciprocal trade agreements are to be entered into. It does not say that they shall be entered into by the Executive under an act of Congress. Neither does it say that they shall be entered into through the treaty-making process. It leaves that subject entirely open; and the Congress, in the passage of this bill, has just as much right under that platform to employ the agency of the Chief Executive to bring about such agreements as it has to employ the treaty-making power. No intelligent man will hereafter take the floor and say that the Democratic platform committed the members of the Democratic Party against the enactment of this proposed legislation. It not only did not do that but it committed them in favor of such legislation.

Mr. BARKLEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from Kentucky?

Mr. ROBINSON of Arkansas. I yield to the Senator.

Mr. BARKLEY. How else could the Democratic Party carry out its platform except by setting up an agency by which such trade agreements might be negotiated?

Mr. ROBINSON of Arkansas. I was just coming to that point. I thank the Senator. His mind is logical, and evidently he is following my argument with close attention.

If trade agreements are to be entered into and made effective in the early future they must be negotiated in some way similar to that provided for in this bill. I challenge denial of that assertion.

What is the history of the cases in which the treaty-making power has been resorted to for the making of trade agreements? I do not recall more than a single instance in which such trade agreements were ever carried into effect through ratification. In all other cases, in numerous cases, they have failed of any practical result because not ratified; and now, in a time of national emergency, when the trade and commerce of the United States have been practically destroyed by an unjust policy, when there is necessity for reviving that trade and commerce, we are told that we must resort to a process of doing it which we know can rarely succeed. I ask you, as intelligent men, does that argument appeal to you? No. If you want the United States, its merchants and its shippers, to have a fair chance with those who compete with them in foreign trade, you must employ some practical means of negotiating and giving effect to these agreements; and if you require that all of them shall be brought here to the Senate for ratification, the emergency will have passed, our commerce will have disappeared from the seas, and the suffering of our people will have been intensified by reason of our own foolish policy before ratification can be forced.

We take advantage, I trust, from the lessons of history in delegating this lawful authority, shown to be lawful by all the authority and precedents. We are not doing an act detrimental to the commerce of this country, detrimental to the industries of the country. On the contrary, we are, in good faith, attempting to do something to revive them, and when those who criticize this bill say they will not vote for it, I ask them, are they going on pursuing the same policy that has wrecked the commerce and the safety and the prosperity of our people?

There is not any power in this bill that is granted except for a temporary period. There is not any power in this bill that the Congress cannot quickly take back if the Executive should mistake or abuse his authority.

If you enter into negotiations in any way, you must trust someone to make the negotiations. You cannot make them. I believe that there is none better than the agency that this bill chooses, the President, who has great responsibility for the enforcement of the laws of the country and for the success of the policies which his administration puts into effect.

Gentlemen of the Senate, when we shall pass this bill we will not have put behind us all the serious problems and difficulties which this Nation must meet, but in passing this bill we are doing a practical thing: we are placing him who is in charge, under the Constitution, of our foreign relations, on a footing of equality with the diplomats of other powers, who are authorized, in most instances, to enter into arrangements similar to those provided for in this bill. I feel that the history of our time, the conditions which surround us, and the results which have been obtained by other nations which have increased their commerce by the exercise of power similar to that which we propose to confer on the Executive under this legislation, all justify us in passing this measure. I thank the Senate.

FARMERS' TARIFF RIGHTS

Mr. LONG. Mr. President, I shall speak on several amendments before we get through. I want to discuss all these amendments.

Mr. President, I was not aware of the exact purport of the Johnson amendment. I was familiar with the Overton amendment. I had understood the Johnson amendment and the Overton amendment were about the same, but I understand now that they are not. Upon a careful reading of them my attention was called to the difference between the two amendments, and there is rather a striking difference. The Johnson amendment provides:

> No foreign-trade agreement shall be entered into under the provisions of this act with respect to any agricultural or horticultural product, including the commercial articles or materials made therefrom by usual first processings.

There is a contention made—and I can well see how it could be a valid contention—that this would prevent agreements with regard to agricultural commodities at all. That is satisfactory from my point of view, being against the bill and all its provisions; but, of course, I can well see that those inclined to vote for some of the provisions of the bill would not want to have it that stringent.

The Fletcher amendment is as follows:

> On page 3, lines 13 and 14, after the word "proclamation", insert a colon and the following:
> "*Provided further*, That no agreement shall be made with any foreign government whereby tariffs or import duties on products of agriculture or horticulture shall be reduced below an amount necessary to equalize the difference in cost of production of such products in the United States with the cost of production in such foreign countries."

In other words, the Fletcher amendment would allow agricultural products to be the subject of negotiation, but in arriving at a basis of trade, under the Fletcher amendment there could not be any foreign imports of agricultural or horticultural products unless there were a tariff to represent the difference in the cost of producing those commodities in the foreign countries and in this country.

We have had many theories about agriculture. We have had a lot of talk here from Senators representing the manufacturing States about agriculture and its need to be restored. But the first thing with which we are faced here is a proposal to take away from the agricultural element the little tariff benefits they have fought for 50 years to get. We have had protective tariffs on manufactured articles since 1789. The first tariff, I believe, was signed July 4, 1789 or 1790, by President George Washington. But agricultural commodities had not been included in any tariff until recently.

For instance, only a few days ago we conducted a fight here, lasting over nearly a week's time, to give protection to the vegetable oil raised in America as against the foreign vegetable oil raised in the Philippine Islands and tropical countries. Over the opposition of the President of the United States, over the opposition of a letter read by the Senator from Mississippi [Mr. HARRISON] from the President of the United States, we proceeded here to adopt a tariff against the vegetable oil coming from the Philippine Islands, and the copra out of which it is made. Now we have before us a declaration made by the party, and by the candidate of the party, on vegetable commodities and agricultural commodities.

President Roosevelt said on October 26, 1932:

> Of course it is absurd to talk of lowering tariff duties on farm products. I declared that all prosperity in the broader sense springs from the soil.

There is not any question that the chief drive made in this tariff bill, just as my friend from Tennessee [Mr. MCKELLAR] said the other day, is against sugar. Sugar is the entering wedge of all the free-trade and supposed-to-be tariff-for-revenue-only Democrats.

As my friend from Tennessee says, one of the main things he hopes will be accomplished by the passage of this bill is the lowering of the tariff on sugar; and the Senator from Kentucky joins in and says that sugar is the chief commodity that they intend to attack.

Let it be understood that when the Senators from the beet-growing States like Utah and Colorado and Michigan, and all the Middle Western States that are growing beets, vote for this bill, giving the right, as the Senator from Tennessee says, to wipe out the differential existing on sugar, they have been warned in advance of what the purpose is. They know now, unless somebody here is wrong, that this drive is being made in order to take the tariff off sugar. I say it because no one would object to an amendment taking the President of the United States at his word, and at least guaranteeing to the farmers of this country, to the growers of vegetable products out of which vegetable oils are made and to the growers of beets and cane out of which sugar is made, a tariff representing the difference in cost of producing those articles in the foreign countries and in this country,

unless he wanted to blind his eyes and stand for a consequence which the people have been assured would not follow.

I read again from the President's words. He said:

My distinguished opponent—

He was talking about Mr. Hoover at the time—

is declaring in his speeches that I have proposed to injure or destroy the farmer's markets by reducing the tariff on products of the farm. That is silly.

This is Mr. Roosevelt talking. He says it is silly to talk about reducing the tariff on products of the farm.

Reading further:

Of course, I have made no such proposal, nor can any speech or statement I have made be so construed. * * * Of course, it is absurd to talk of lowering tariff duties on farm products. * * * I promised to endeavor to restore the purchasing power of the farm dollar by making the tariff effective for agriculture and raising the price of farmer's products.

Said the President of the United States, "I promised not to reduce the tariff duties on farm products. I promised to raise them." That is what we were promised.

What does the promise mean? We have here a farm amendment undertaking not to do all that has been promised by the party, not to keep all the word of the President, because that would be against the sense of the Senate. Maybe the Senate would not want to have anything put in here that would make somebody keep his word. Maybe that would not be right. After having listened to the splendid speeches made here today, I am thoroughly converted to the doctrine that United States Senators certainly ought to be allowed not to keep their same viewpoint if moonlight has passed over the country between the time they made the promise and the time they come to perform it. I desire to announce my conversion to that principle for the rest of my colleagues. They have convinced me that when they promise something, and say they will do something, they ought not to be held to their word, if they see matters to change. The Senator from Illinois [Mr. LEWIS] has convinced me of that; the Senator from Massachusetts [Mr. WALSH] has convinced me of that; and the Senators from Georgia [Mr. GEORGE] and from Tennessee [Mr. MCKELLAR] have driven the nail up to the hilt, that nobody ought to be made to keep his word on campaign promises if he does not want to do it, if something happens in the meantime.

So I do not want to be understood as advocating the radical doctrine that United States Senators and members of the Democratic Party ought to be made to be consistent on what they said last year as compared with this year, or last month with what they say this month; but what I am trying to get done under this amendment is that if we cannot do what the President said, and if we cannot adhere to what the party said, at least we can permit the poor American farmer to retain what little advantage he has so far been able to get from the agricultural tariffs in his favor. At least we will not take away from the cotton farmer and from the beet farmer and from the cane farmer and from various other farmers, such as the apple farmers, the grape farmers, and all of those, the benefits they have managed to get, which we not only told them they were going to retain, but which we told them were going to be increased in their favor.

We said to the farmer of this country, "We are not going to take away the tariff that you have. It would be silly to do it. It would be absurd to do it." We said to the farmer, "It is ridiculous, it is preposterous, it is false, to assert that the Democratic Party will reduce one single tariff item that protects an agricultural product in America today." Now we are asking, if that promise means anything at all, that we shall write into this bill the Fletcher amendment, at least, if the Senate shall not adopt the Johnson amendment, stipulating—

That no agreement shall be made with any foreign government whereby tariffs or import duties on products of agriculture or horticulture shall be reduced below an amount necessary to equalize the difference in cost of production of such products in the United States with the cost of production in such foreign countries.

That is all the Fletcher amendment provides.

Mr. DAVIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Pennsylvania?

Mr. LONG. I yield to the Senator from Pennsylvania.

Mr. DAVIS. Why not apply the same principle to industry as to agriculture?

Mr. LONG. If the Senator will offer such an amendment for industry, I shall vote for it.

Mr. DAVIS. The Senator from Pennsylvania has such an amendment pending.

Mr. LONG. I am going to vote for the Senator's amendment, and I think we promised that. However, I represent an agricultural State. My people are farmers, and it is only natural that I should try to speak from the standpoint of something that I know something about. True, it has been the custom lately to hire somebody to run agriculture who never saw a farm, but in this particular instance I am varying the custom; and as a farm product, since I come from the farm, I am undertaking to espouse the promises made to the farmer. I have no doubt that my friend from Pennsylvania will be able to find where we made just as many promises, perhaps, to some of the industries of the country. I have no doubt that we did make some such promises in generalities, at least; but I am now talking as a man representing a farming State, representing a State that had promises, representing a State that had promises in absolute farm words that the farmers of Louisiana and the farmers of Mississippi and the farmers of Arkansas and the farmers of Colorado and of Michigan and of California should not have one single tariff benefit taken away from them, but that, on the contrary, the tariff should be made effective, and the prices of these farm products raised rather than lowered as a result of the manipulations of the tariff.

Now we come here today faced with the little, simple proposition that we are going to restore prosperity—I do not know what the word "prosperity" means—we are going to bring prosperity back to the farmer. My friend from Illinois [Mr. LEWIS] the other day on the floor invited us to look at all the beneficial measures that had been enacted, that we said were unconstitutional, that had to be passed for the benefit of the farmer. I call on anybody now to tell me anything that has been done by this Congress or by the Agricultural Adjustment Association, or whatever that name is—I only know them by the letters—I call on anyone to tell me anything that has been done that has helped the cotton farmer or the cane farmer or the beet farmer. You may show that his price went up, but I can show you that the purchasing power of that crop was less than the purchasing power of the same crop the year before. You may take the cotton crop and show that the price of cotton went up, and yet I can show you that a bale of cotton will buy only one-half as many pairs of overalls as the same bale of cotton would have bought before these letters were put on top of it. I can prove that before you went into the first reader and took the alphabet out of it and loaded it on top of everything else, the cotton and cane and beet farmers got more for the products they raised, and paid less for the products they had to consume, than is the case under these pretensions.

What are these things that have done so much for anybody—the N.R.A.'s, and the A.A.A.'s, and various and sundry other lettered codes? I do not know of them. We are told that they have been held to be constitutional. Who held them to be constitutional? The Supreme Court of the United States has not yet held the A.A.A. to be constitutional. The Supreme Court of the United States has not yet held the N.R.A. to be constitutional. The Supreme Court of the United States has not yet held most of this other business to be constitutional. The Supreme Court of the United States might do it, and it has the power to hold anything it wants to hold constitutional; but be it said to its credit that as yet it has not finally done so.

Let us get away from the Court, however. Let us deal with promises.

Somebody said the other day—I believe it was the Senator from Arkansas [Mr. ROBINSON]—that, as he understood, the reciprocal tariff agreements were not so closely bound under the President's promises and the promises of the party.

Let us read it. I read from a speech by Mr. Roosevelt on September 15, 1932, and I read from another speech on September 30, 1932. Let us take the last first. Said Mr. Roosevelt:

> What does the Democratic Party propose to do in the premises? The platform declares in favor of a competitive tariff, which means one which will put the American producers on a market equality with their foreign competitors—one that equalizes the difference in the cost of production—not a prohibitory tariff back of which domestic producers may combine to practice extortion of the American public.
>
> But how is reduction to be accomplished? By international negotiation as the first and most desirable method, in view of present world conditions, by consenting to reduce to some extent some of our duties in order to secure a lowering of foreign walls that a larger measure of our surplus may be admitted abroad.
>
> Next the Democrats propose to accomplish the necessary reductions through the agency of the Tariff Commission.

"Through the agency of the Tariff Commission" these reciprocal trade agreements were to be made, and through that agency of the Tariff Commission, by which it was promised these reciprocal trade agreements should be made, there was assurance that the tariff would be so adjusted as to equalize the difference between the costs of production at home and abroad.

Said the Democratic tariff plank of 1932:

> We advocate a competitive tariff for revenue, with a fact-finding tariff commission free from Executive interference.

Now let us get back to the farmer. I do not care how anyone votes on the industrial part of the bill. So far as my people are concerned, I will vote to protect those people because the party promised it. I will vote for every promise the party made, because I was in the convention which wrote the platform, and I will vote for the party promises. I will vote to keep the word of the Democratic Party.

I understand that someone has said that those of us over here who are fighting for the Democratic platform ought to move over to the Republican side. Actually, some of my colleagues on this side of the Chamber have said to me that I was in league with the Republicans in this tariff fight. In other words, because I still advocate the carrying out of the promises made by the Democratic Party in 1932, because I still stand by the words the President uttered to the people of this country, I ought to move over to the other side and be with the Republicans, according to some of my colleagues on this side.

If that is so, what is the definition of a Democrat? If those of us over here who are still fighting for what we promised the people, still fighting for carrying out the words the President uttered to the people, are to be pronounced changed, what is the definition of these Democrats who are to be left over here when we go over on the other side? A Democrat would be defined something like this in the dictionary:

> Democrat: One who can go before the people and raise hell about something, and say that it is all wrong, and then come back 1 year later and say that it is all right; that he is going to do it, and whoever does not change over from right to wrong and go with him ought to move out of the family.

That will be about how "Democrat" would be defined if those of us over here have to move over to the other side of the Chamber.

Let us read the words of the President's addresses a little. It is amusing to notice just how gentlemen get away from these statements made during the campaign. My friend from over in Massachusetts made a fine farm speech today. The leading speech here against the farmer being given the protection he was promised was made by the distinguished senior Senator from Massachusetts [Mr. WALSH]. This gentleman from the shoe-manufacturing center of Boston made a remarkable speech as to why the farmer would be hurt if he were protected.

Beware of the Greeks bringing gifts in this particular case. I think I can imagine them bringing in the sugars from the South Sea; I think I can see the copra and the oils from the Orient going into terms of shoes made in Boston, Mass.; and it does not look good to me. I do not seem to get any particular benefit out of this kind of guaranties made by my friend from Boston, Mass.

My friend from Boston says that this promise was made, but that an emergency has arisen which causes us to change the promise. When did the emergency arise? Did we not write this platform in 1932, and did not the depression come on in 1929, and was it not on us in 1932? If it had not been on in 1932, we might not have elected a Democratic President. But the reason why we elected a Democratic President in 1932 was that there was a depression, and we had prescribed a platform which we said would get the people out of the depression. So we said to the people, "We will give you a tariff which will protect you to the extent of the difference in the cost of production at home and abroad."

We said to the farmer, "Fear not", like the old song we used to hear; "fear not; nothing is going to happen to you. We guarantee you farmers—because you have a large percent of the votes of the United States—fear not", said we to the farmers; "fear not, Mr. Farmer; you have the votes, and we are not going to cut any tariffs on you, because with that vote we can win whether we get any of the balance of the vote or not. Fear not; we are not only not going to cut the Republican tariffs you enjoy, but we are going to go the Republicans one better, and increase the tariffs on farm products."

Mr. President, that was the promise uttered from the lips of the candidate of the Democratic Party in the latter part of 1932.

Now it is said that an emergency has arisen. In just a moment I shall take up this great document that was signed by the 9 or 10 Democrats who were members of the Finance Committee and show what a great emergency arose to justify them in getting off the dotted line and crawling over on the other side of the field.

If these gentlemen are still in the Senate, they belong over on the other side of the aisle. They have no business over here any longer, so far as concerns this tariff question, or the flexible-tariff provision enacted into the law at least as late as 1930. No Senator who signed that document which came out of the Democratic Finance Committe membership has any right now to say that he is any longer a Democrat on the tariff question. Any man who has his name on that dotted line, warning the country and calling upon the people to engage in a general uprising against the encroachment of the Executive in legislative government, has any right ever to argue the tariff or any other fundamental question with a Democrat.

To get back to these promises that were made, said President Roosevelt on September 15, 1932:

> I seek to give to that portion of the crop consumed in the United States a benefit equivalent to a tariff sufficient to give your farmers an adequate price.

Said the President of the United States, "I seek to give to you farmers a differential sufficient to make up the difference so as to give the farmers a reasonable price."

Listen to this. Said Mr. Franklin D. Roosevelt:

> I want now to state what seems to be the specifications upon which most of the reasonable leaders of agriculture have agreed, and to express here and now my whole-hearted accord with these specifications.
>
> First, the plan must provide for the producer of staple surplus commodities, such as wheat, cotton, corn (in the form of hogs), and tobacco, a tariff benefit over world prices which is equivalent to the benefit given by the tariff to industrial products.

If that is true, Mr. President, we would receive a material increase in the tariffs prevailing at this time on agricultural commodities, as was shown by the Senator from Idaho the other day.

One week later Mr. Roosevelt said:

I have called for genuine governmental efforts to devise means by which the farmer may get the benefit of the equivalent of a tariff protection similar to that which industry has.

Said he a day or two later:

The platform declares in favor of a competitive tariff, which means one which will put the American producers on a market equality with their foreign competitors—one that equalizes the difference in the cost of production.

Those were the words of the President; not a prohibitive tariff, he said, but one which equalizes the difference in the costs of production.

Mr. President, perhaps some people would feel that this promise having been made by the Democratic Party, this amendment ought to come from the Democratic Party in order to keep its word, and for that reason I shall be glad to vote for the Fletcher amendment.

The Senator from Florida [Mr. FLETCHER] is one of the two senior Senators on this side of the Chamber. I mean by "senior" that he is in point of service the oldest Member on this side of the Chamber, with the exception of the Senator from South Carolina [Mr. SMITH], who has been here the same number of years. The Senator from South Carolina and the Senator from Florida both represent agricultural States. If we are allowed an amendment which has been proposed here, which proposes to protect agriculture, not in keeping entirely with the promises but half in keeping, we will have no further objection to the provisions of this bill so far as they affect our communities alone.

I will read again from the platform:

We believe that a party platform is a covenant with the people, to be faithfully kept by the party when intrusted with power, and that the people are entitled to know in plain words the terms of the contract to which they are asked to subscribe.

Had they been asked to subscribe to anything? I have here, Mr. President, something else with which we went before the people and we got them to act upon. I have here a substitute bill which I have offered. I have offered as a substitute to this pending monstrosity the bill which was introduced here in 1932 by the Senator from Mississippi [Mr. HARRISON] and reported out of the Finance Committee, passed by the Senate, passed by the House, and vetoed by the President of the United States. I have here in the form of a substitute the bill offered by the Senator from Mississippi.

Here is what we went to the people on. Do not let any one beguile you. Here is what the Democratic membership of the Finance Committee meant, and here is what that Democratic membership of the Finance Committee proposed. I have some respect for the opinion of every man who stands out and says, "I blew hot last year, and I am blowing cold this year, and may blow hot again this year." I have respect for the man who says, "Oh, I said it, and I am not going to do it," or "I am going to do just exactly the opposite." I can understand that kind of a man. That is why I understand some of my colleagues so well. I have respect for them. That is why I like them so well.

Ninety-five percent of the Membership who voted for this bill which I have here in my hand simply say now: "Well, that is what I stood for, and that is what I said we ought to do, and that is what I voted we ought to do, but now I am voting for something else, and I am not going to open my mouth and say anything about it."

Of course, we have our linguists, we have our swordsmen of language, we have our swordsmen of party discipline. I mean by "swordsmen" the men who can make so tender a cleavage as to make a thing fall on one side one time and fall on the other side the next time.

Take my distinguished friend from Illinois [Mr. LEWIS], who spoke here the other day. I am not responsible for the fact that he is not here now. Perhaps if he cares to, he can read what I say. Let us take what he said here the other day. He undertook to say that there was not any violation of the promise of the party at all. I think he did not know any better than that. I think that is what he believes, because it is not very hard in this political life to get to believe one thing and then try to convince everyone that you believe that way. And the Senator from Illinois convinced me that he does believe that way.

Yet here, standing and staring in the face of the Senate is the solemn declaration made by the Democratic Party, made by the President of the United States, and made by the membership of the Democratic Senate itself—and the Senator from Illinois was one of the men who voted for it, and I was one of those who voted for it right along with him—that we were going to take out of the hands of the Executive any such thing as the power to negotiate a trade agreement unless that agreement was brought back to the United States Senate to be ratified.

Here is the amendment introduced by the Senator from Mississippi. If the Democratic membership of the Finance Committee meant what it said, here is what they brought back to the United States Senate as the result of that protest. They brought back a recommendation for an adjustment, and they provided this, Mr. President:

Upon the request of the President of the United States, or upon its own motion, or upon application of any interested party showing good and sufficient reason therefor, the Commission—

Meaning the Tariff Commission—

shall investigate and ascertain the differences in the cost of production of any domestic article and of any like or similar foreign article.

And that is the Democratic Party platform, and that is President Roosevelt's promise, too. What else?—

If the Commission finds it shown by the investigation that the duty imposed by law upon the foreign article does not equalize the differences in the cost of production, when efficiently and economically produced, of the domestic article and of the foreign article when produced in the principal competing country or countries, then the Commission shall report to the President and to the Congress its findings and its order with respect to such increases or decreases in the duty upon the foreign article as the Commission finds to be necessary in order to equalize such differences in the cost of production. Any such increased or decreased duty may include the transfer of the article from the dutiable list to the free list or from the free list to the dutiable list, a change in the form of duty, or a change in classification. The report shall be accompanied by a statement of the Commission setting forth the findings of the Commission with respect to the differences in cost of production, the elements of cost included in the cost of production of the respective articles as ascertained by the Commission, and any other matter deemed pertinent by the Commission. Sixty days after the date of the report to Congress of such order by said Commission, such changes in classification shall take effect, and such increased or decreased duties shall be levied, collected, and paid on such articles when imported from any foreign country into the United States or into any of its possessions (except the Philippine Islands, the Virgin Islands, and the islands of Guam and Tutuila): *Provided*, That if before the expiration of such period of 60 days the Congress then in session shall have by joint resolution declared said order of said Commission rejected, then the changes in classification, forms of rate, or increases or decreases in rates of duty specified in such order of said Commission shall not go into effect.

The President, upon receipt of any such report of the Commission, shall promptly transmit the report to the Congress with his recommendations, if any, with respect to the increase or decrease in duty proposed by the Commission.

So, Mr. President, the Democratic membership of the Senate Finance Committee presented here to the Senate following the election in the fall of 1932 its statement or gist of principle that we could not allow any flexible provision of the tariff law to go into effect, even when it was based upon the difference in the cost of production abroad and at home, except and unless such a thing was reported to Congress, and Congress was given 60 days' time in which to express its disapproval of a flexible change made in that manner through the Tariff Commission by order of the President.

In other words, they could not even make a decrease in one rate, they could not make an increase in the tariff on one commodity, unless and except they reported their findings of fact to Congress and, based upon those findings of fact, an order was made by the Congress within 60 days to disapprove, in case it did not want it, and inaction meant consent.

What was the vote on this amendment? Here is the vote: Yeas, Democrats 36, Republicans 6; nays, Democrats none, Republicans 30. Thirty-six Democrats out of 36 came into this Congress, and I was one of them, and said that we

ought to change the present existing law so that there could not be a decrease nor increase made except by the approval of Congress, even though it were based upon the difference in the cost of producing it abroad and at home; and today where are the 36 Democrats? Where are the 36 Democrats who pervaded the entire length and breadth of the United States and extolled the virtues of this bill?

Here is the resolution in the party platform. I was not in the resolutions committee of the Chicago convention, but I understood who it was who wrote the tariff plank in the platform we adopted at Chicago. I understood and was told at the time that the tariff plank in the platform was being drafted by Mr. Cordell Hull, at that time a Member of the United States Senate and one of the men to stand out for this principle of the Senate Finance Committee and one of the sponsors of this act which we passed in 1932.

So, Mr. President, Mr. Hull goes to Chicago. I was watching for this tariff plank. It was one of the few things in which I was interested. I wanted to see what they were going to do. Lo and behold, they came out, and I was handed a memorandum one afternoon as to what was going to go into the Democratic platform. I said, "That is O.K. with us; that is fine; we will stand back of that." What did that plank say?

> We advocate a competitive tariff for revenue, with a fact-finding tariff commission free from Executive interference,—

Comma; no period—

> reciprocal-tariff agreements with other nations, and an international economic conference designed to restore international trade and facilitate exchange.

Does anybody mean to say that the part referring to reciprocal-tariff agreements separated merely by a comma from what precedes it, meant that they were going to abolish the fact-finding Tariff Commission in arriving at the basis for reciprocal-tariff agreements? If he does, I will turn him back to the remarks of the President of the United States in which the President of the United States said in his speech that he intended to use the Tariff Commission to arrive at the difference in the cost in order to make these reciprocal-tariff agreements. If he cannot read that, I will turn him over to the book that has been written by the President of the United States called "Looking Forward", in which he again said:

> I propose to accomplish the necessary reductions through the agency of the Tariff Commission.

Both by word of mouth in speeches and in the book, before the election and after the election, the President's mind was running in that order; and no one at the Chicago convention, whom I ever saw, had any different interpretation to make of it. Now, we are here saying this to you, "If you do not want to keep your word all the way, keep your word as far as you can."

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. BARKLEY. Is there anything in this proposed legislation that will prevent the President from using all the information and facilities of the Tariff Commission in arriving at a trade agreement into which he might enter?

Mr. LONG. No; there is not. Would the Senator from Kentucky be willing to let us write in the bill a provision requiring him to do it?

Mr. BARKLEY. No; I would not.

Mr. LONG. That is the trouble.

Mr. BARKLEY. Because I think that he ought to be left free to take advantage of whatever governmental facilities there are; but it is inconceivable that he would arrive at any agreement without taking advantage of all the information of all the departments of the Government of the United States.

Mr. LONG. Yes; and it is inconceivable that they would send a man to jail for pressing a pair of pants for 35 cents instead of 45 cents, but they did it. [Laughter.] There are a whole lot of inconceivable things going on in this country and always will be. At the time we had the N.I.R.A. before us I told Senators what would happen under that thing, and they said it was inconceivable, but it did occur. It is inconceivable that the President of the United States would not keep his word; but I ask, if the United States Senate will not keep its word, how are we going to expect the President to keep his? I do not expect a whole lot more of the President than I expect of Senators. He is no bigger man than the collective Senate is. One is about the same as the other. I have been looking around for all these big men all my life, and I have not found one yet. They look about the same to me. We find one who knows a little bit more about government than another does about farming; but when they are averaged one side up and the other side down, they show up with an average of about 50; you do not get much more than that out of anybody at this time or any other time.

I believe the President is as great a man as any we have had in that office in my recollection, and I believe we can rely upon the President as well as we can upon any other man; but if Senators from sovereign States cannot keep their Democratic campaign pledges, how can we expect the President of the United States to keep his?

In other words, do not set up one yardstick for the President of the United States and another one for yourself. It was stated in the declaration of the Democratic members of the Senate Finance Committee that this thing was contrary to democratic government. We said in our platform that we were going to have a fact-finding commission, and we would ascertain nothing but the difference in costs. I will compromise on the matter; I am willing to make a compromise. It is true that we said in the Democratic platform that we were telling the truth; but I am willing to take half the truth, and be satisfied with it, so far as I am concerned; if we cannot get all the truth, I will take part of the truth. I will just ask that we keep that part of our pledge made to the farmers, and I will not even ask for all of that. All in the world I am asking to be done now, and I will be satisfied with that, is that if they cannot vote for the Johnson amendment—and I am going to vote for that amendment, and I am then going to vote for the Fletcher amendment if the Johnson amendment shall be defeated—all in the world I ask to be done by my good friend from Kentucky and my good friends from the other States is to put in the bill these words which the Senator from Florida proposes:

> *Provided further*, That no agreement shall be made with any foreign government whereby tariffs or import duties on products of agriculture or horticulture shall be reduced below an amount necessary to equalize the difference in cost of production of such products in the United States with the cost of production in such foreign countries.

Can you refuse us this, when the President of the United States said "Of course, it is absurd to talk of lowering tariff duties on farm products"? Can you refuse us this and tell us in one breath that the farmer is not being discriminated against when he has this plighted word of the Democratic Party on the one hand and an amendment here merely to carry that out which is offered by a Senator sitting on this side of the Chamber?

That is all we are asking. We are asking you to help us keep the word the party made to the farmers of this country; that is all. All in the world we are asking is that that word to the farmer be kept, that the farmer be guaranteed that his products will not be put into competition with the products the cost of which may be 50 to 75 percent below that of his own products.

Take the case of cottonseed oil. The Filipinos did not know anything on God's earth about vegetable oil. I remember when I first had a job as a traveling man on the road I was introducing vegetable oils to be used for frying and for shortening in the preparation of foods which were cooked. Nobody ever heard about vegetable oil up to that time, until the cottonseed-oil people of the South experimented and refined cottonseed oil so that it could be used for cooking purposes. After that has all been developed by the American southern cotton farmers, you went over to the Philippine Islands, 10,000 miles away, and brought in an article that can be grown on the same land for 20 years and

produced at a cost so low that it is impossible for the American cottonseed oil to compete with it.

Now, we ask you to protect the cotton farmer. All right. I know you think we have a one-party system in the South. I know you think you can treat us any way you want and we will still have to vote the Democratic ticket. You think that, do you? Well, break your word a few times more and see whether we have got to do it or not. We are going to expect your word to be kept; and if you think the Democrats of the South have got to stand for any kind of sandbagging of the Democratic farmers because they have got to vote the Democratic ticket, we can forget about the period from 1861 to 1865 in the South before we will let you do this kind of thing to the southern farmer. We are not going to stand for it. Remember that. We are not going to stand for it. There are those here from doubtful States who cannot keep their States in the Democratic Party half the time, while we keep ours there. They are not going to rape the State of Louisiana. We are not going to stand for it. Now, remember what I am telling you; we are not going to stand for you to come down there and promise us one thing and then run the plow through us and destroy the farmers of that section. We are not going to stand for it. We are going to try to see that the Democratic Party keeps its word. We are going to stand only for Democrats who do keep their word to the southern farmers.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed a bill (H.R. 9404) to authorize the formation of a body corporate to insure the more effective diversification of prison industries, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 9404) to authorize the formation of a body corporate to insure the more effective diversification of prison industries, and for other purposes, was read twice by its title and referred to the Committee on the Judiciary.

RECIPROCAL-TARIFF AGREEMENTS

The Senate resumed the consideration of the bill (H.R. 8687) to amend the Tariff Act of 1930.

Mr. JOHNSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	Johnson	Pope
Ashurst	Couzens	Kean	Reynolds
Austin	Davis	Keyes	Robinson, Ark.
Bachman	Dickinson	King	Russell
Bailey	Dieterich	La Follette	Schall
Bankhead	Dill	Lewis	Sheppard
Barbour	Duffy	Logan	Shipstead
Barkley	Erickson	Lonergan	Smith
Black	Fess	Long	Steiwer
Bone	Fletcher	McCarran	Stephens
Borah	Frazier	McGill	Thomas, Okla.
Brown	George	McKellar	Thomas, Utah
Bulkley	Gibson	McNary	Thompson
Bulow	Glass	Metcalf	Townsend
Byrd	Goldsborough	Murphy	Tydings
Byrnes	Gore	Neely	Vandenberg
Capper	Hale	Norbeck	Van Nuys
Caraway	Harrison	Norris	Wagner
Carey	Hastings	Nye	Walcott
Clark	Hatch	O'Mahoney	Walsh
Connally	Hatfield	Overton	Wheeler
Coolidge	Hayden	Patterson	White
Copeland	Hebert	Pittman	

The PRESIDING OFFICER. Ninety-one Senators have answered to their names. A quorum is present.

Mr. STEIWER. Mr. President, the opponents of the pending legislation have charged that it constitutes an unconstitutional delegation to the Executive of the powers of Congress. Specifically, the charge is that the bill would delegate to the Executive certain of the treaty-making powers and certain phases of the taxing powers which by the Constitution are lodged in the Congress and which cannot be delegated.

Against this serious charge the proponents of the measure were almost silent for a period of approximately 2 weeks. In the last 2 or 3 days, however, a number of the proponents of the measure have sought to justify the bill against the criticism that it constitutes an unconstitutional delegation to the Executive of the legislative power. I have in mind particularly the argument made by the Senator from Kentucky [Mr. LOGAN] and the argument made yesterday by the Senator from Illinois [Mr. LEWIS].

I am grateful to those Senators and to other Senators for presenting the proponents' side of the controversy. They have not only joined issue upon an important constitutional question which is involved but they have also done another thing in that they have avoided the appearance of contemptuous disregard of views expressed thoughtfully and earnestly by the minority. I believe it will be a relief to the country when the Nation knows that the overwhelming Democratic majority is not so contemptuous of the opinion of the minority and of the people of the Nation that they would pass the bill without making due reference to fundamental constitutional objections which have been raised against it.

What is the argument these Senators present in behalf of the bill? Summarized in a few words, it is that the bill, after all, is not a revenue measure; that in the main it is merely the exercise by the Congress of the powers under the commerce clause of the Constitution to regulate our trade with foreign nations.

In connection with that argument they offer the contention that the taxing provisions of the bill are purely incidental, and that because they are incidental they come within certain precedents established by the courts, and therefore that the making of revenue rates by the Executive constitutes proper Executive action; that the power delegated to the President to make the rates contemplated under the bill and under the treaties authorized to be made by the bill is a power exercised properly by the Executive; and that there is therefore no sound criticism against the delegation.

In this behalf, the Senator from Illinois [Mr. LEWIS] cited two cases—one, the case of the United States against Norton and, the other, a certain banking case. If time permits, I shall refer to both of them as I proceed. Before I attempt to do that, I want to deal with the bill itself and to show, if I may, in the plainest language which I am capable of using, whether or not the bill falls in the category of commercial regulation and whether or not the revenue features of the bill are purely incidental to the dominant purpose of the legislation.

The bill before us, Mr. President, does not present a case of the collection of fees incidental to the performance of a service. The bill by its terms, in its form and in substance, is a bill not only to make treaties but also to levy taxes. Let us examine first the form of the bill.

It is provided in the title that it is "An act to amend the Tariff Act of 1930." To know what that means requires only a reference to the Tariff Act of 1930. There we find that act, as stated in its title, is "an act to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, to protect American labor, and for other purposes."

Not only is the form of the bill a revenue measure, but let me call attention to certain provisions contained in it which I feel justify the assertion just made that the bill is, in its substance, a revenue bill.

I omit some language as I proceed, in order clearly to state the summarized purpose of the measure.

It provides, in substance, that—

> For the purpose of expanding foreign markets for the products of the United States * * * by regulating the admission of foreign goods into the United States * * * the President * * * is authorized from time to time—

To do two things. The first is:

> To enter into foreign trade agreements.

The second is:

> To proclaim such modifications of existing duties and other import restrictions, or such additional import restrictions, or such continuance, and for such minimum periods, of existing customs or excise treatment of any article covered by foreign-trade

agreements as are required or appropriate to carry out any foreign-trade agreement that the President has entered into hereunder.

I wonder if Senators catch the full significance of these two great powers. The revenue features are not of the character of fees collected for the performance of a service. They are the two great authorities which are written into this bill to enable the President to perform acts which he cannot perform under existing law; to do things pursuant to this measure which heretofore have never been done by the Chief Executive of our country, and on what terms. In terms, first, of making foreign-trade agreements with foreign powers and, second, in terms of adjusting tariff duties and in making such additional import restrictions as he may think are necessary or appropriate to carry out the trade agreements.

Analysis of these propositions discloses that the power delegated is far more than the power merely to scale down tariff duties. The President has that power almost without limit, as has been pointed out heretofore in this debate. He may first exercise the power under the flexible provision of the Tariff Act of 1930, and upon the recommendation of the Tariff Commission he may reduce any duty 50 percent. After he shall have done so, he may then enter into a foreign-trade agreement, and under that agreement he may cut the duty upon that article another 50 percent. So that, disregarding the powers that are given to him under subsection (c), found at page 4 of the bill—powers to change the form of a duty and powers to change the classification, both of which will enable him to reduce the duty below the amount it otherwise would have been—there exists plainly in the act of 1930 as amended by this bill the power to make a total reduction of 75 percent; and I say, Mr. President, that the exercise of the further power to change the classification and the form of the duty enables the President to reduce a duty substantially more than 75 percent of the amount provided by the Tariff Act of 1930. Whether the ultimate maximum reduction be in the aggregate 80 percent or 85 percent or 90 percent, the plain fact remains that the great powers conferred upon the President by this bill are in reality powers to reduce the duties to some amount in excess of 75 percent of the existing rates.

Duty decreases constitute only the beginning. Not only may the President wipe out substantially all the duty in amount but he may also do another thing: In furtherance of the treaty he may establish such additional import restrictions as he may think appropriate.

To comprehend the possibilities of the bill, let us measure the extent of that power.

Is it assumed by anyone that the President is to make bilateral agreements between the United States and some other nation of the world, one at a time? If that assumption has been indulged in here, let me say that it is wholly unwarranted.

The language is that the President may—

Enter into foreign trade agreements with foreign governments.

Therefore, he may, if he chooses, enter into one agreement with one government; he may enter into two agreements with two governments; he may enter into one agreement with many governments; he may enter into a number of agreements with governments in combination. There is no restraint upon the President with respect to that matter; and when he exercises the authority conferred upon him by this bill, and enters into the various kinds of agreements that he is permitted to enter into, is it assumed by anyone that the restrictions under which our commerce is to flow thereafter are restrictions that are applicable only to the trade of this Government and of the government with which the President deals? That assumption is not justified by the language, for the President, in making these restrictions, may make such additional restrictions as he thinks appropriate for the purpose of carrying out the foreign-trade treaty. He may enter into an agreement with one nation; he may reduce the duties existing between this country and that nation in furtherance of that agreement; and then, to make the treaty effective, or possibly to induce other nations to enter into a treaty, he may, if he desires, set up trade barriers against other nations of the world.

I leave out of consideration for the moment the favored-nation treaties. Except for the restraint of these treaties, I repeat the assertion already made, which I make with the greatest confidence, that the President may make his foreign-trade agreement with any nation; and then, in furtherance of that agreement, he may establish additional import restrictions against the trade of every other nation.

So, Mr. President, under the manifold powers delegated by this bill, the President may make as many or as few trade agreements as he may desire; he may reduce as many duties as he may think proper, including agricultural duties, and then he may make trade restrictions against the trade of any nation that he may see fit, and he may put it all into one trade agreement or in many, or he may proclaim the reductions in duty all in one proclamation, if he cares to do so.

I should be comforted if some Senator with faithful regard for the meaning of these provisions would tell me that I am wrong in my construction of this language. No Senator has yet even suggested that I am wrong. No Senator, in my opinion, who will give careful attention to the plain language of the bill, will dare say that there is any other construction to be put upon the bill save the one which I now seek to apply to it. If it be true that the President may make as many treaties as he wants to make, reduce as many duties as he pleases, and make as many additional import restrictions as he may think appropriate in connection with his treaty, I ask, What is the limitation upon the power delegated to the President under this bill?

Mr. President, I have said that so far as reduction in the amount of duty is concerned, there is a limitation which prohibits the President to reduce below 25 percent of the existing rates, except for the matter of changes in form or classification. This limitation might prevent him from wiping out duties, even though he exercised the power to change form, and the power to change classification, and the flexible power under the act of 1930, and the additional powers under this bill. It may be that he can only reduce duties 75 or 80 or 85 or 90 percent in amount. I concede that; but, so far as the scope of his authority is concerned in the matter of making import restrictions, and setting up artificial barriers to control the commerce of this country and the commerce of all the nations of the world whose nationals deal with us, I submit that there is absolutely no restriction at all; there is no boundary upon the President's power, save that the restrictions shall be appropriate to the treaty; but he makes the treaty and determines its purpose and effect. Will the President resort to quotas of imports? Will he provide exchange restrictions? Will he prefer to license importers or imports? Will our policy favor the free flow of goods in order to expand our foreign trade or will we adopt a policy of expanding trade by erecting barriers against those who limit importation of American goods into foreign markets? Under the bill Congress does not decide. The authority to decide is delegated to the President.

I repeat that it would be comforting to me if some Senator with faithful attention to the language of this bill would tell me that my construction is wrong.

Mr. WALCOTT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Connecticut?

Mr. STEIWER. I yield to the Senator.

Mr. WALCOTT. I ask permission to insert in the RECORD a brief editorial bearing precisely upon the point which the distinguished Senator is making. It is an editorial in the current number of the Manufacturers Record, entitled "Protect American Business."

Mr. STEIWER. I have no objection. I suggest, however, that it appear at the end of my remarks.

The PRESIDING OFFICER (Mr. MCGILL in the chair). Without objection, it is so ordered.

(The editorial referred to is printed at the end of Mr. STEIWER's remarks.)

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Idaho?

Mr. STEIWER. I do.

Mr. BORAH. I desire to say that it seems to me the position which the Senator takes is an entirely sound position, and I cannot help but believe that what the Senator indicates was the design of the framers of the bill. Otherwise the President would be greatly embarrassed in dealing with the subject. I think it was the design to give the President complete power over the subject.

Mr. STEIWER. I thank the Senator, and I am entirely in accord with what he says. This bill was not drawn by novices. Its very structure indicates that it was carefully formulated by somebody who knew what he was doing; and it is difficult to attribute to the authors of this bill anything other than the deliberate design to accomplish that which is so clearly provided in the terms of the bill.

I now come to the phase which I wish to impress upon this body, if I may.

Under the construction which I am outlining to the Senate as to the scope and purpose and possibilities of the bill, I desire to ask, What is there, under the authority of this bill, that the President may not do, save for the restraint of the existing favored-nation treaties and for this mathematical restraint in the amount of the reduction of duty? I have examined the bill just as carefully as I could in an effort to answer that question, and I have reached the conclusion that there is nothing that the President may not do in terms of rewriting the administrative features of the tariff law. There is nothing in terms of reclassification that the President may not do. There is nothing with respect to the change of form of duties in which the President may not indulge; and because he may heap import restriction upon import restriction if he desires to do so there is no limit to the artificial barriers he may erect affecting the trade of the entire world as well as the trade of the United States, because, after all, most of the trade channels lead to our own ports.

This bill in plain language is a bill to authorize the President of the United States to rewrite the Tariff Act of 1930, both with respect to rates and with respect to administrative provisions, and, if he desires, in very substantial respects to wipe out existing statutes and to make a new law.

I ask, as seriously as I can ask, what is the policy the President is to follow in prescribing the new tariff system of this country? Is it to be free trade, tariff for revenue only, is it protection, is it a degree of protection which measures the difference between the costs of production at home and abroad, or is it something else? The policy to be followed is not defined by the bill.

The nearest definition to a policy, I think, is the announced statement that the President may exercise these great powers for the purpose of expanding the foreign markets for the products of the United States.

If the Court is to reach a sensible conclusion as to the purpose of Congress in conferring upon the President the extraordinary powers contemplated in the bill, apparently it will be obliged to say that the Congress has authorized the abandonment of every theory that has ever been adhered to by either great political party in this country; that the Congress has authorized the President to change the American tariff policy, and to embark upon a new and undefined policy which has for its purpose and object the expansion of foreign markets. If that be the test, then what is the procedure? What is the problem of the President? How far will he go, and in what direction?

Mr. President, the quest for an answer to these important questions suggests one thing which determines beyond doubt that this bill does constitute an unconstitutional delegation of the legislative powers to the President, and that is that there is no definition in the bill; it involves so great a scope of undefined authority with respect to the making of rates, the taxation of the people, the making of treaties, and the creation of policy legislative in its character, the delegation cannot be sustained.

Let us examine briefly some of the authorities which have been referred to in connection with this matter. I shall not detain the Senate long to deal with matters which are purely legalistic and technical.

The Senator from Illinois [Mr. LEWIS], invoking his brilliant gifts and talents into this discussion, assured us that this was not a revenue bill at all. He says it is a bill for the regulation of foreign commerce; that the revenue features are purely incidental, and that, because they are incidental, the bill is not within the constitutional provision requiring that revenue bills shall originate in the House of Representatives.

On that proposition the Senator cited two cases. The first was the case of Twin City Bank against Nebeker, which is found in One Hundred and Sixty-seventh United States Reports, page 196. That was a case which dealt with an act affecting the national currency, requiring, as I remember, the security of the currency by a pledge of bonds of the United States. The act required a tax for the purpose of carrying out the main object of providing a national currency. The Court said:

> The tax was a means for effectually accomplishing the great object of giving to the people a currency that would rest, primarily, upon the honor of the United States and be available in every part of the country. There was no purpose by the act or by any of its provisions to raise revenue to be applied in meeting the expenses or obligations of the Government.

I call attention to the very last part of the quoted language. The Court justified the legislation upon the distinction that there was no purpose of raising revenue. Now we are dealing with a measure which has for its primary purpose the raising of revenue. The Tariff Act of 1930 would be amended with respect to the important matter of changing rates of duty under which taxes are levied and collected by our Government.

The Court also said, in sustaining the act against objections then made:

> It is sufficient in the present case to say that an act of Congress providing a national currency secured by a pledge of bonds of the United States, and which, in the furtherance of that object, and also to meet the expenses attending the execution of the act, imposed a tax on the notes in circulation of the banking association organized under the statute, is clearly not a revenue bill which the Constitution declares must originate in the House of Representatives.

Mr. President, the other case upon which the Senator from Illinois placed emphasis was the Norton case, to which I referred earlier in my remarks. That was the case reported in Ninety-first United States Reports, page 566. In the Norton case the Court was dealing with a question arising under the act of May 17, 1864. I read from the decision of the Court. Referring to the act, the Court said:

> Its object, as expressly declared at the outset of the first section, was to promote public convenience and to insure greater security in the transmission of money through the United States mails. All moneys received from the sale of money orders, all fees received for selling them, and all moneys transferred in administering the act, are "to be deemed and taken to be money in the Treasury of the United States."

How different is the pending proposal from the two acts referred to in these two cases. One is a great revenue act, which applies in every port, which lays its duties at every customhouse, and which has for its express object, among other things, the raising of revenue, and which, in fact, does raise revenue to the extent of hundreds of millions of dollars each year. The two acts referred to in these two cases are acts in which the raising of revenue was purely, completely, and admittedly, incidental to other purposes. They were not revenue acts.

What is the force and effect of the argument made by the Senator from Illinois? I contend that the only effect, if he were correct in his contention, would be that the pending bill would of necessity have to originate in the House of Representatives, for the only difference between the exercise of the different powers of the Congress enumerated in section 8 of article I, like the power to regulate commerce, and the exercise of the taxing power, is that the taxing power must be availed of by legislation which originates in the House of Representatives. That condition is not imposed with respect to the exercise of the other powers; but with any of these powers, whether the bill must originate in the

House or whether it may originate in the Senate, the requirement still exists that such powers cannot be delegated to someone else.

Even if the Senators from Illinois and Kentucky are right that the bill is a bill to regulate commerce with foreign nations, in either case the power is a constitutional power of the Congress. It cannot be delegated to the President except for acts of execution.

The Senator from Illinois disposed of the case of Clark against Field merely by saying that in that case the Court had denied the contention that the powers delegated were legislative powers. In his wisdom he seemed to believe that that determined the question.

Permit me to analyze the case briefly, because I think it affords illumination which we need if we are to arrive at a correct conclusion in this matter.

The case of Clark against Field dealt with the Revenue Act of 1890. That act conferred a certain authority upon the President in connection with our foreign trade. I find on page 680 the provision of the act which was before the Court in its decision. I read from the statement of the Court:

> The third section of the act of October 1, 1890, chapter 1244, section 3, is in these words:
>
> "SEC. 3. That with a view to secure reciprocal trade with countries producing the following articles, and for this purpose, on and after the 1st day of January 1892, whenever and so often as the President shall be satisfied that the government of any country producing and exporting sugars, molasses, coffee, tea, and hides (raw and uncured), or any of such articles, imposes duties or other exactions upon the agricultural or other products of the United States, which in view of the free introduction of such sugar, molasses, coffee, tea, and hides into the United States he may deem to be reciprocally unequal and unreasonable, he shall have the power, and it shall be his duty, to suspend, by proclamation to that effect, the provisions of this act relating to the free introduction of such sugar, molasses, coffee, tea, and hides, the production of such country for such time as he shall deem just, and in such case and during such suspension duties shall be levied, collected, and paid upon sugar, molasses, coffee, tea, and hides, the product of or exported from such designated country as follows, namely"—

And there follows the rates of duties, which I shall not read.

What is the effect of that legislation? It is merely this, that Congress in advance fixed definitely the rates of duties, and then suspended those rates and authorized the President to determine whether the action of the other country had operated unequally against our commerce on account of duties or other exactions upon our products which the President deemed to be reciprocally unequal and unreasonable. Do Senators know the question that distressed the Court in its consideration of that language? Let me call attention to the fact that when the Court considered it, it dealt with the words "he may deem." I quote:

> The words "he may deem", in the third section, of course, implied that the President would examine the commercial regulations of other countries producing and exporting sugar, molasses, coffee, tea, and hides, and form a judgment as to whether they were reciprocally equal and reasonable, or the contrary, in their effect upon American products.

That language is most significant and arrests the attention of every lawyer who comes in contact with this case, because the plain fact of the matter is that the Court construed the phrase "he may deem" to mean he may find. And the significant reason for that is found in other language used by the Court, because the decision declared that although Congress may write tariff laws, fix the amount of duties, suspend their application, and direct the President to apply or not to apply those rates to the articles enumerated, the Court said that the President must act upon a finding of fact, and evidently the phrase "he may deem" was regarded by the Court as trespassing upon the legislative domain of Congress, because it purported to give to the President the authority to exercise discretion, and it is the exercise of discretion by the Executive which condemns delegation of power as unconstitutional.

To withhold from the Executive the legislative discretion, to limit him merely to the finding of a fact within a formula, as was done in the flexible provision of the Tariff Act of 1922, and in the act of 1930, is merely to leave to him an administrative authority. The delegation of this authority is not an unconstitutional delegation, but the delegation of authority to exercise discretion as to policy is the thing that characterizes the legislation as unconstitutional.

I will now read from the decision an important paragraph which makes this argument perfectly clear. The Court said:

> That Congress cannot delegate legislative power to the President is a principle universally recognized as vital to the integrity and maintenance of the system of government ordained by the Constitution. The act of October 1, 1890, in the particular under consideration, is not inconsistent with that principle. It does not, in any real sense, invest the President with the power of legislation. For the purpose of securing reciprocal trade with countries producing and exporting sugar, molasses, coffee, tea, and hides, Congress itself determined that the provisions of the act of October 1, 1890, permitting the free introduction of such articles, should be suspended as to any country producing and exporting them, that imposed exactions and duties on the agricultural and other products of the United States, which the President deemed, that is, which he found to be, reciprocally unequal and unreasonable. Congress itself prescribed, in advance, the duties to be levied, collected, and paid, on sugar, molasses, coffee, tea, or hides, produced by or exported from such designated country, while the suspension lasted. Nothing involving the expediency or the just operation of such legislation was left to the determination of the President. The words, "he may deem" in the third section, of course, implied that the President would examine the commercial regulations of other countries producing and exporting sugar, molasses, coffee, tea, and hides, and form a judgment as to whether they were reciprocally equal and reasonable, or the contrary, in their effect upon American products. But when he ascertained the fact that duties and exactions, reciprocally unequal and unreasonable, were imposed upon the agricultural or other products of the United States by a country producing and exporting sugar, molasses, coffee, tea, or hides, it became his duty to issue a proclamation declaring the suspension, as to that country, which Congress had determined should occur. He had no discretion in the premises except in respect to the duration of the suspension so ordered. But that related only to the enforcement of the policy established by Congress. As the suspension was absolutely required when the President ascertained the existence of a particular fact, it cannot be said that in ascertaining that fact and in issuing his proclamation, in obedience to the legislative will, he exercised the function of making laws. Legislative power was exercised when Congress declared that the suspension should take effect upon a named contingency. What the President was required to do was simply in execution of the act of Congress. It was not the making of law. He was the mere agent of the lawmaking department to ascertain and declare the event upon which its expressed will was to take effect. It was a part of the law itself as it left the hands of Congress that the provisions, full and complete in themselves, permitting the free introduction of sugars, molasses, coffee, tea, and hides, from particular countries, should be suspended, in a given contingency, and that in case of such suspensions certain duties should be imposed.

Comment on language of the character to which I have just called attention would seem almost unnecessary.

The Court, in sustaining the act of 1890, expressed views which condemn this act. The Court there pointed out that the President was to perform merely an administrative duty; that he was to do it upon a named contingency, and that when he proclaimed the fact contemplated within the act certain prescribed duties were to go into effect.

Let us now consider the pending bill. What is required of the President? Where is there something equivalent to the mandatory requirements of the act of 1890? What defines when and how he is to exercise his authority? Where is there a determination as to what rates of duty he shall apply in the event that he deems it expedient under this law to change tariff duties and to make treaties with foreign nations?

I desire to emphasize, if I can, in the plainest language which I am capable of using, that the act of 1890, as well as the acts of 1922 and 1930, did provide a formula for the guidance of the President. These acts were sustained because they provided such a formula. They and all of them were sustained because the Congress defined the President's authority. They did not say to him, as is said in this bill, that "you may in your judgment from time to time when you see fit", or "you may not in your judgment from time to time as you see fit enter into a trade agreement." They did not say, as this act says, "If you enter into a trade agreement you may change duties, you may modify them up or down substantially to such extent as you may think proper."

Those acts did not say to the President, "In case you enter into a trade agreement, you may impose import restrictions

upon the trade of all the nations of the world that deal with the United States." None of those acts said in effect to the President, "You may use your discretion, whatever it may be, to enter into treaties wherever you may desire, and to fix duties at whatever rate you may please." There is not an act in the history of our country that even approaches the extent of this bill. There is not an act that has been sustained by the courts that would go even 10 percent as far as this act goes in conferring extraordinary and unusual powers upon the President.

I am bound to conclude, in faithful adherence to the plain language of the bill, that for want of legislative formula in controlling the action of the President it does, in fact, delegate to him powers which are highly legislative in character, and the delegation is, therefore, invalid.

Mr. FESS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Ohio?

Mr. STEIWER. I yield.

Mr. FESS. Does the Senator think the authority written in this proposal extends to permitting the President to establish a policy in reference to the rates of duties?

Mr. STEIWER. There cannot be any possible doubt about it. The President's function is to expand American markets for the products of the United States by the means which are afforded under the bill, but when he seeks to accomplish the chief object of the act, namely, to expand our foreign trade, he is just the same as the first man who stood naked and alone upon this earth. There is not any restraint from any point of the compass save the mathematical restraints which are quite nebulous and uncertain and which I have attempted to define but which I confess I do not quite comprehend. But so far as policy is concerned in the making of these import restrictions, it is for the President to determine. I assume that in the performance of his duty he will determine what the policy of our country shall be as to whether we will engage in commercial trade entanglements or whether we will not. It is for him to say. There is not a word or a syllable here by which Congress indicates what his important duty may be.

Mr. FESS. That is my interpretation of the power written in this proposed legislation, and it is such a radical departure from anything that has ever been proposed. The policy-determining function is always legislative, never executive. There is not a case in our history where the policy-determining power has been given to the Executive. That is a legislative prerogative, while the Executive function is to administer that policy. If this measure goes to the extent of allowing the Executive to declare a policy, it is certainly in contravention to all principles of a government such as ours.

Mr. STEIWER. I should feel very comforted, Mr. President, if I could find in the bill one line that tells the President what he shall do with respect to imposing import restrictions.

Mr. FESS. That is my view of it.

Mr. McCARRAN. Mr. President——

Mr. STEIWER. I yield to the Senator from Nevada.

Mr. McCARRAN. I hope the Senator's reference to the first man contemplates that period before he lost his rib. [Laughter.]

Mr. STEIWER. Mr. President, I hope the Senator will excuse me from dealing further with the "first man." The matters before this body, including the pending bill, are so grave in their implications that I know Senators will permit me to treat them with the serious purpose I should like to accord to them.

I wish for a few moments to refer to the pending amendment. One-third of our Nation is suffering from drought. In the entire Nation the agricultural elements are suffering from economic distress. Speaking largely, they have been in trouble since the first deflation following the World War. In only limited areas and in special lines have our agricultural groups enjoyed real prosperity since 1921. Their situation was so serious that both political parties declared that they were entitled to special consideration as far back as 1924. In the great campaign of 1928 the Republican Party took the position that the American farmer was entitled to the American market to the extent of his ability to supply that market, and, to some extent, the Democratic Party took the same position. There was almost complete agreement in this body in providing agricultural tariffs in the Tariff Act of 1930. I think such tariffs received more votes, on the whole, than any of the industrial tariffs which were written into that act, and nearly everyone was in accord with the idea that there could be no sustained, dependable prosperity in America until the buying power of the American farmer had been restored.

Those of us who come from the agricultural areas of the West are thoroughly convinced of the correctness of this conclusion. We cannot look with favor upon legislation which even admits the possibility of a blow being struck at agriculture. In my judgment, there is every reason why we should not subject any part of our economic structure to the so-called "bargaining deals" that are contemplated under this proposed legislation. I think there is a special reason why we should not subject agriculture to the hazards that would come from legislation of this kind.

Let me make very plain, if I can, some reasons why agriculture will suffer from the mere enactment of this bill, even though the President, in his wisdom, would never exercise one of the powers conferred upon him by its enactment. Some months ago the wool price had been stabilized at a fairly satisfactory figure; it was not as high as some of us would have liked, but it was a fairly satisfactory figure. When this bill came before the Congress, I think it was not 2 weeks until there was a sharp decline in the price of wool. The growers felt that they were threatened by this proposed legislation, the wool trade sought to profit by the pendency of the legislation, and the forces in every direction crowded the price down.

I asked a gentleman who is interested in the wool business to verify certain facts for me. He has supplied me with two or three telegrams, from which I wish to read.

Mr. HARRISON. Mr. President, will the Senator yield for a question?

Mr. STEIWER. Yes.

Mr. HARRISON. In the clipping season does not the price of wool go down, as a general rule?

Mr. STEIWER. No, Mr. President.

Mr. HARRISON. Do not the records and statistics show that to be the fact?

Mr. STEIWER. No; it sometimes is true, but very often in the spring of the year there is a brisk demand for wool, and it is also true that the period prior to the clipping season is very often a very satisfactory contract period for the sale of the wool clip.

Mr. HARRISON. I did not mean that there is not a demand, but I mean does not the clipping of the wool have an effect upon the price which usually is apparent in some slight decline in the price of wool?

Mr. STEIWER. The Senator might find instances where that has happened; but, generally speaking, it is not true. There is no better wool market ordinarily than the spring market. I have some knowledge of the subject. At one time I was engaged in the sheep business, but I practiced law in order to get money to pay the losses from my farming and livestock operations. My painful experiences I will not recount, but I think I am reasonably well qualified to answer the Senator's question. There is no reason why the spring market should not be a good market. This spring the market was good until tariff tinkering was heralded to the country, and then the price broke, not a little, not the slight amount that it might have done under old conditions, but it broke very substantially; and not only that, but the whole market became stagnant, and for weeks in the State of Oregon I think it is true that not a clip was sold, that it was not possible to make a transaction of any kind in connection with the moving of the 1934 clip.

Mr. LONG. Mr. President——

Mr. STEIWER. I yield to the Senator from Louisiana.

Mr. LONG. Has that condition improved in the last week? I know it was very bad last week.

Mr. STEIWER. It improved, I think, 2 or 3 weeks ago after certain reassuring statements had been made by the Senator from Wyoming [Mr. O'MAHONEY] and others. Those statements were printed in the intermountain region, and I have clippings from newspapers in Wyoming, Texas, and other States. Momentarily the market improved, but I think now it has subsided again and the market is very unsatisfactory. The intermediate credit bank has cut down its loaning ratio within the last 2 or 3 weeks by reason of the deliberate judgment of the executives of that agency that the market is unstable.

Mr. LONG. I was just going to ask the Senator if it was not a fact that it subsided, as I understood, about 7 or 8 days ago, when the Government itself, who ought to know what the Government is fixing to do to the woolgrower—and if the Government does not know what it is fixing to do to the woolgrower, who does?—cut the margin upon which the woolgrower was allowed to figure?

Mr. STEIWER. I think the Senator does not mean "the Government", but I think he means the intermediate credit bank.

Mr. LONG. That is true; but it is practically the Government; there is very little difference.

Mr. McCARRAN. The subject now being discussed by the Senator from Oregon is exceedingly interesting. It is interesting to me from two standpoints. I hope I correctly construe the expression of the learned Senator from Mississippi [Mr. HARRISON] some days ago when he stated, and I quote him rather in substance than literally, that there had been an understanding or agreement that wool should not be subject to the terms of the bill. If I misquote the substance of his statement, I wish to be corrected.

Mr. HARRISON. Mr. President, I stated it as my opinion that wool would not be affected by the entering into these trade agreements. Then I placed in the RECORD a letter which the Secretary of the Treasury had written to the Senator from Wyoming [Mr. O'MAHONEY].

Mr. McCARRAN. If the Senator from Oregon will permit the further interruption, I have in my office, and I hope to produce here either tomorrow or when the discussion of the subject is continued, an excerpt from a statement by the Secretary of Agriculture to the effect, or at least leading to the conclusion that wool would be one of the commodities that would have to suffer by reason of conditions prevailing. I have not that statement with me, neither do I assume to quote its substance, but I have it in my office and shall produce it at a later hour.

Mr. STEIWER. I thank the Senator for his contribution. The Senator from Mississippi has suggested his hope and understanding that wool will not be disturbed. We know that one of the agencies to be consulted under the terms of the bill is the Department of Agriculture. We know the views of the Secretary of Agriculture and the expressions he has made. He has said that his policy might cause pain to woolgrowers and that they would howl continuously to high heaven.

There is only one way to safeguard a great industry, an industry staggering under a load of debts and depression and drought. The only way we can protect that industry is to write into the bill that the rates may not be disturbed.

Mr. LONG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Louisiana?

Mr. STEIWER. I yield.

Mr. LONG. We have just as good assurance on agricultural commodities as the wool people have. We were told the authorities were not going to do anything about agricultural commodities. Mr. Hull said that. The President said that. Every time we mention a commodity we can find assurance that they are not going to disturb it, but are going to leave the competitive difference existing, and yet we cannot get them to let us write it in the law. They are not going to hurt anybody; everybody is going to be all right, but we are not going to except you. It is said that they are taking into consideration "the other man." Who is the other man? Who is the "nigger in the woodpile" that is going to get burned in this matter? I have never been able to find anyone who has not received an assurance in writing. Every man has an assurance from somebody that he is not going to be hurt, and still they will not let us write it in the bill.

The PRESIDING OFFICER. The time of the Senator from Oregon on the amendment has expired.

Mr. STEIWER. I will proceed on the bill.

The PRESIDING OFFICER. The Senator has 20 minutes on the bill.

Mr. LONG. Why is it that they stand up and say they will protect the woolman, and yet at the same time they are letting him lose everything he has, and will not let us write in the bill a provision to protect him? That is what I want to know. Why should they let the wool people lose everything they have today when they say they are not going to hurt him, and still they will not let us write it in the bill? We cannot get them to write it in the bill, and yet they say they will not hurt the woolman, who is losing everything he has.

Mr. HARRISON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Mississippi?

Mr. STEIWER. I yield.

Mr. HARRISON. Does the Senator think the tariff on wool is an effective tariff?

Mr. STEIWER. Yes. It is not always equally effective, it is not always 100-percent effective, but there have been times when it was 100-percent effective, and all the time it has been partially effective. The best-informed minds in the wool industry feel they cannot live without protection, and I agree with their conclusion.

Mr. HARRISON. The reason why I asked the Senator the question is that he expressed some doubt about the Secretary of Agriculture and what he had stated. Of course, the President of the United States is more in authority than the Secretary of Agriculture. Will the Senator permit me to read just a sentence or two?

Of course, it is absurd to talk of lowering tariff duties on farm products—

Said the President in his Baltimore address—

I declared that all prosperity in the broader sense springs from the soil. I promised to endeavor to restore the purchasing power of the farmer's dollar by making the tariff effective for agriculture and raising the price of his products. I know of no effective excessively high tariff duties on farm products. I do not intend that such duties shall be lowered. To do so would be inconsistent with my entire farm program, and every farmer knows it and will not be deceived.

Is not that strong enough language to give the Senator assurance and to give the woolgrowers assurance?

Mr. STEIWER. I agree that is strong language, and I claim it is strong enough to justify the Congress in excluding agricultural products from the scope of this bill. It would seem to me if there is one single argument which justifies the exclusion of agricultural products, it is the language just read by the Senator from Mississippi from the speech which the President made at Baltimore during the 1932 campaign. That is the statement upon which the President carried great areas in the West in that campaign. That is the assurance which gave him his votes. Certainly the President is not going to deny his own statement, and certainly he could not or should not complain if we should write into the bill in plain, simple language the provision that he may not have the power to do that which he has said he does not propose to do.

Mr. HARRISON. Is not the price today over 80 cents a pound for clean wool?

Mr. STEIWER. In 1930 we enacted a new tariff law.

Mr. HARRISON. I am not talking about 1930. I am talking about now. There is quite a difference between what it is now and what it was 3 years ago when the Senator's party controlled the Government.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. STEIWER. I yield.

Mr. HATCH. Is it not a fact that the price of grease wool after the passage of the act of 1930 went down as low as 4 or 5 cents a pound?

Mr. STEIWER. I do not know the price in the Senator's area. Of course we all know the value of grease wool depends upon its clean content. I am told that New Mexico has very inferior and very dirty wool, but I do not like to state that in answer to the Senator's question.

Mr. HATCH. There were seasons when it could not be sold at all.

Mr. HARRISON. Is it not a fact that in 1929 the price of wool was very low? What was the lowest price?

Mr. STEIWER. I cannot tell the Senator the lowest price in 1929.

Mr. HARRISON. I understood the Senator was at that time engaged in the wool business.

Mr. STEIWER. Not at that time. My experience was prior to that time. Wool was very low. I think the lowest price was 3 years ago.

Mr. HARRISON. What was the price then?

Mr. STEIWER. In the West we figure prices on wool in the grease. There was a grease price in the Pacific coast area as low as 8 or 9 cents a pound.

Mr. HARRISON. What was the price on clean wool?

Mr. STEIWER. Substantially three times that or a little more.

Of course, that was due to a variety of causes and due to many other things, including the condition of the textile industry.

In that connection I want to add one more observation and that is that although the President stated in his Baltimore speech that he did not propose to reduce the duties upon agricultural products, everyone who knows even the beginning of the theory of protection for wool knows that there must be compensatories upon the manufactured articles, and the President has made no assurance to the country that he will not reduce the duty upon yarns and upon cloth and upon woolen garments or other products of wool.

Mr. McCARRAN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Nevada?

Mr. STEIWER. I yield.

Mr. McCARRAN. May I, with the permission of the Senator from Oregon, refer to the learned Senator from New Mexico [Mr. HATCH] to say that American wool can never be considered as on a basis with the wool which comes across the Mexican line. That is an answer to the 4-cent wool which existed, perchance, in southern New Mexico.

Let me answer the learned Senator from Mississippi [Mr. HARRISON]—and I am answering his position in a spirit entirely friendly to the administration, entirely fair to it, entirely desirous of following it. Since the speech was made to which he referred, an excerpt from which was read by the learned Senator from Mississippi, there has been an intervening agency, to wit, the Secretary of Agriculture, whose precepts and teachings have gone forth to the country to merit condemnation from the agricultural communities of the country.

Mr. STEIWER. There has been another intervening agency. There has been an apparent surrender upon the part of our Government to a new philosophy, to a belief that we must serve the world, that we must better the world, that we must improve the trade and economic conditions of foreign countries. The record is written at large. Numerous statements have been presented to this body, made by advisers of this administration, indicating that we are to embark upon a new policy, and not a man in this body knows exactly what that policy may be, and yet we feel it in the very air. We know that under the trade agreements, when we start to engage in entangling commercial alliances with all the nations of the world, to pile import restriction upon import restriction, and then possibly trade them off again, the new advisers under the new deal, the new policy, may intervene even more effectually than the Secretary of Agriculture.

Mr. LEWIS. Mr. President——

Mr. STEIWER. I must hurry on, Mr. President. I hope the Senator will not be offended if I decline to yield. I have only 5 minutes more.

Mr. LEWIS. Oh, no, Mr. President; I was only going to ask the Senator from Oregon if he would let me know, for information, to what he refers. The matter he related is new to me.

Mr. STEIWER. I did not understand the Senator's question.

Mr. LEWIS. I will ask the question, and if it takes too much time to answer it, I pray the Senator will feel free not to do so. What did the able Senator mean in his allusion, in response to the Senator from Louisiana, to some banking establishment which the Senator from Oregon felt was influencing the price of wool?

Mr. STEIWER. I did not mean that, Mr. President. This bill is influencing the price of wool; but the intermediate credit bank, for fear of the lack of stability in the market, has cut down its loan ratio within very recent times, 2 or 3 weeks ago. That is a significant thing; and not only that, but here is the kind of material we find:

Mr. O'MAHONEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Wyoming?

Mr. STEIWER. I am sorry, but I cannot yield. I cannot finish my statement for lack of time.

Mr. O'MAHONEY. I should like the authority for the Senator's latter statement regarding the intermediate credit bank.

Mr. McCARRAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Nevada?

Mr. STEIWER. I am sorry, but I cannot yield. I desire to proceed. I wish to give an illustration of why we know so definitely that agriculture is being hurt by the mere pendency of this bill, and that it will be injured by the proposed delegation of powers in the Executive.

Here is a telegram referring to a transaction in Utah, sent to Mr. F. R. Marshall, who is the secretary of the National Wool Growers' Association. It says:

Following is statement of Sevy Bros. on sale of their wool: "Howard Candland offered 17 cents on consignment, 21½ cents outright sale, and if tariff is not lowered would add 5 cents to above prices."

I have, from another gentleman, a telegram which relates to some of the same transactions. It is to this effect:

Understanding is that Candland agreed to raise offered prices 5 cents if pending tariff bill was not passed at time wool was received in Boston.

Mr. CLARK. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Missouri?

Mr. STEIWER. I am sorry, but I cannot yield.

It is inevitably true that when uncertainty is introduced into business life, stability is destroyed. There is no power that depends upon ipse dixit that can be employed by any executive of any nation without enabling the purchaser to take advantage of the seller. It will always be a "bear" influence. It is now, and it will be, a "bear" influence, injurious to the agricultural elements of our country; and I submit that they ought not to be required to meet a condition of that kind.

Mr. President, I have about exhausted my time. I desire to read a summarized statement as a conclusion of the remarks I am making. This statement was prepared by another, but it exemplifies my thought so well that I will read it.

If the Democratic leaders today deny that their reciprocal tariff program will injure the American farmer, let them explain now what will happen when around the table of that international conference Denmark and other Scandinavian countries demand a lowering of the duties on dairy products, particularly butter, and Argentina demands a lowering of our agricultural rates on corn and wheat and beef, and Australia and New Zealand demand a lowering of our rates on dairy products and wool and lamb, and

Canada demands a lowering of our agricultural rates on wheat and dairy products, livestock, and lumber? Practically all of Canada's protest against our tariff is due to our agricultural rates. The same is true of the protests of all South American countries, of Australia and New Zealand, of Italy and Spain, of the Scandinavian countries, of Russia, of Cuba, and Mexico. None of these countries are manufacturing countries. Their exports are agricultural almost exclusively. Their protests against the present tariff are against its agricultural schedules.

There could be no possible reciprocable tariff agreement between the United States and any of those countries which did not open American markets to the agricultural exports of those countries.

The American producer may be given access to foreign markets under a reciprocal tariff, but he will not be given orders for goods; he will not be given any special privileges in those markets, and he will be able to extend his sales in those foreign markets only if he meets the competitive prices of Soviet Russia, the Argentine, New Zealand, and Australia in food products, and Czechoslovakia, Germany, Hungary, Australia, Japan, Italy, and France in the manufactured products. And if he meets their prices in order to extend his sales, wherein does he profit?

We will be trading a good market for a bad one, a profitable market for a bankrupt one.

Mr. President, I conclude with the expression of the thought that there is no possible gain in this bill which can compensate the inevitable losses that will occur under it; and there is especially no hope for the American farmer in this bill. Nothing but injury can come to him if we hang this sword over his head.

There is only one course by which we can assure agriculture that the threat implied in this legislation will not be carried into effect, and that is by the adoption of the amendment of the Senator from California [Mr. JOHNSON], thus writing into the bill definite legislative exemptions so that all will know that agriculture in this country is not to be doomed by instability, uncertainty, and fear, all caused by reposing in the Executive a power to injure industry by taking away the protection which it now enjoys, and subjecting it to the competition of the world.

(The editorial from the Manufacturers Record submitted by Mr. WALCOTT and ordered printed in the RECORD at the conclusion of Mr. STEIWER's remarks, is as follows:)

PROTECT AMERICAN BUSINESS

Last year we bought $1,449,000,000 worth of goods from foreign countries. This was $126,000,000 more than in 1932. Of our total imports in 1933, more than $1,113,000,000, or 76 percent, was expended for foreign farm and forest products, manufactured and unmanufactured, the balance of $336,100,000 was for minerals, metals, machinery, chemicals, etc.

We are now told we must lower our tariff and buy more from abroad in order to sell more. The cotton growing sections of the South which export about half of its cotton crop is particularly interested in this movement, but what other industrial group is to share its domestic market with foreign producers and what is to happen to the workers in the affected groups when increased foreign competition curtails their sales? Surely general farmers, now overburdened with surplus crops, should not be made to suffer additional import competition. With our industrial capacity in many lines now beyond our domestic requirements the jobs of industrial workers should not further be jeopardized by opening wide our home markets to foreign producers. Employed American factory workers create wealth and buying power in the United States. They are the best customers of our farmers.

Let us not forget that over 60 percent of our import values in 1933 entered this country free of duty. Ninety percent of the imported crude foodstuffs, 38 percent of the manufactured foodstuffs, 71 percent of the crude materials, 60 percent of the semimanufactures and 41 percent of the finished manufactures pay no duty and directly compete with American producers.

With the rise in the price of commodities under N.R.A., with the increased cost of farm products under the A.A.A. and the processing tax, it is all the more vital that American producers and labor's jobs be protected against cheap foreign goods. It is more important to protect our domestic business, which is about 95 percent of our total trade, than to make doubtful concessions to the remaining 5 percent done with foreign countries. With the exception of certain tropical products and manufactured specialties not produced in this country, there is nothing that we need to import and nothing that can be imported without direct competition with American producers and labor.

With the amount of import business now being done, we are paying a high proportion of our ocean shipping costs to foreign carriers; foreign investors in American enterprises are still receiving millions in dividends and interest from this country, and American tourists spend abroad hundreds of millions of dollars a year, all of which must be taken into account in considering foreign capacity to buy American products.

General imports, 1933

Classified	Total value	Percent of total	Entered free of duty	
			Value	Percent
Crude materials	$418,155,000	28.9	$298,241,000	71.3
Crude foodstuffs	211,817,000	14.6	190,202,000	90.0
Manufactured foodstuffs	205,042,000	14.1	78,448,000	38.0
Semimanufactures	292,000,000	20.2	177,946,000	60.9
Finished manufactures	322,194,000	22.2	133,163,000	41.3
Grand total	1,449,208,000	100.0	878,000,000	60.6

General imports, 1933, by commodity groups

	Total value	Percent all imports
Animals and animal products	$140,029,000	9.7
Vegetable products, except fibers and wood	532,440,000	36.7
Textiles	270,452,000	18.6
Wood and paper	170,179,000	11.7
Total farm and forest products unmanufactured and manufactured	1,113,100,000	76.7
Fish and fish products	22,140,000	1.5
Nonmetallic minerals	66,026,000	4.6
Metals and manufactures, except machinery and vehicles	116,001,000	8.0
Machinery and vehicles	8,558,000	0.6
Chemicals and related products	59,938,000	4.1
Miscellaneous, including sport goods, books, art works, novelties, etc	63,445,000	4.5
Grand total imports	1,449,208,000	100.0

There always will be a certain amount of trade between the United States and foreign countries but since many foreign countries have rapidly developed their own manufactures and have improved their agricultural situation to the point where many are raising their food supply, they do not require as much of our goods as formerly and unless another war disorganizes production and distribution facilities they will not buy on the scale of former years. Certainly with our own productive capacity and possibilities of development of industries we do not require so much of foreign goods. Foreigners only buy from us or other countries when they can do so at a saving or because of superior quality. They have bought our cotton because of its better quality in the past and they have bought more of it when prices were comparatively low.

It has been said that we cannot sell cotton abroad except on a reciprocal trade basis and that means tariff revision downward. We have not lowered the tariff and yet in the calendar year 1933 we shipped 8,354,000 bales of cotton abroad. In the past 2 years of the worst of the depression we shipped abroad more than 17,400,000 bales of cotton. In the two most prosperous years, 1928–29, when we were lending billions to foreign countries, we shipped abroad only 14,314,000 bales. In the 5 years, 1921–25, our average of cotton exports were only 6,629,000 bales when presumably Europe was replenishing its textile supplies. In the 5 years, 1929–33, since the beginning of the world depression our average cotton exports have been 7,309,000 bales.

It is not conceivable that we would have sold any more cotton had we been buying twice as much from foreign producers. They would not have bought more cotton at prevailing American prices than their capacity to consume. They would not have bought more wheat or any other commodity that they were endeavoring to produce and which they have been protecting against competitive imports.

As more than 76 percent of our import values represent unmanufactured and manufactured products of the farm, any general lowering of the tariff would adversely affect the American farmer in opening his own home market to cheap foreign farm competition.

Foreign growers have been increasing their acreage and production while we have been curtailing acreage. In 1933 we cut off 6,000,000 acres, foreign countries added 4,000,000 acres. Many foreign countries have been increasing industrial capacity while we have taken a short-sighted policy of limiting new construction even in the establishment of pulp and paper plants that would enable us to supply our own requirements. Are we now to open the way for foreign producers to enter our home markets, causing further unemployment in our factories?

What we need to do is—

To concentrate on the development of our home market by producing the things we use in the United States, giving employment to American workers, instead of trying to see how much employment we can create abroad by buying more from foreign producers.

To increase the buying power of American industrial workers so they can buy more manufactured cotton and other products of American producers.

To protect American sugar producers and American sugar workers.

To protect American clay workers and our ceramic industries, our lumber and steel, as well as our farmers against foreign imports produced by cheap labor.

To produce our own wood pulp and paper requirements. If we produced in the United the pulpwood products now imported we could give year-round jobs to 70,000 American workmen. The South can supply the raw material needed. We paid $143,000,000 for pulp and paper imports in 1933, including free of duty $5,362,000 of pulpwood and $57,398,000 of manufactured wood pulp.

The existence of thousands of local industries, and all that we have been trying to accomplish through the recovery movement in creating employment, raising wages, and reducing working hours will be at stake if we allow foreign goods to undermine our domestic trade.

RELIEF OF DEBTORS IN BANKRUPTCY PROCEEDINGS—CONFERENCE REPORT

Mr. McCARRAN submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5884) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows: That the House recede from its disagreement to the amendments of the Senate numbered 2, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 29, 32, and 34, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: Strike out the Senate amendment numbered 1 and insert in lieu thereof the following: "whether filed before or after this section becomes effective, provided the present operations of such corporation do not exclude it hereunder, and whether or not the corporation has been adjudicated a bankrupt"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows: Strike out the Senate amendment numbered 3 and insert in lieu thereof the following: "or in any territorial jurisdiction in the State in which it was incorporated. The court shall upon petition transfer such proceedings to the territorial jurisdiction where the interests of all the parties will be best subserved"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows: Strike out the Senate amendment numbered 14 and insert in lieu thereof the following:

"In case an executory contract or unexpired lease of real estate shall be rejected pursuant to direction of the judge given in a proceeding instituted under this section, or shall have been rejected by a trustee or receiver in bankruptcy or receiver in equity in a proceeding pending prior to the institution of a proceeding under this section, any person injured by such rejection shall, for all purposes of this section and of the reorganization plan, its acceptance and confirmation, be deemed to be a creditor. The claim of a landlord for injury resulting from the rejection of an unexpired lease of real estate or for damages or indemnity under a covenant contained in such lease shall be treated as a claim ranking on a parity with debts which would be provable under section 63 (a) of this act, but shall be limited to an amount not to exceed the rent, without acceleration, reserved by said lease for the 3 years next succeeding the date of surrender of the premises to the landlord or the date of reentry of the landlord, whichever first occurs, whether before or after the filing of the petition, plus unpaid rent accrued up to such date of surrender or reentry: *Provided*, That the court shall scrutinize the circumstances of an assignment of future rent claims and the amount of the consideration paid for such assignment in determining the amount of damages allowed assignee hereunder."

And the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows: On page 10, line 23, of the House engrossed copy of the bill, after the word "committee", insert a colon and the following: "*Provided*, That the judge shall scrutinize and may disregard any limitations or provisions of any depositary agreements, trust indentures, committee or other authorizations affecting any creditor acting under this section and may enforce an accounting thereunder or restrain the exercise of any power which he finds to be unfair or not consistent with public policy and may limit any claims filed by such committee member or agent, to the actual consideration paid therefor"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment as follows: At the end of the Senate amendment strike out the period and insert a colon and the following: "*Provided, however*, That such personal representative shall first obtain the consent and authority of the court which has assumed jurisdiction of said estate, to invoke the relief provided by said act of March 3, 1933. The first sentence of subdivision (m) of said section 74 is amended to read as follows: 'The filing of a debtor's petition or answer seeking relief under this section shall subject the debtor and his property, wherever located, to the exclusive jurisdiction of the court in which the order approving the petition or answer as provided in subdivision (a) is filed, and this shall include property of the debtor in the possession of a trustee under a trust deed or a mortgage, or a receiver, custodian or other officer of any court in a pending cause, irrespective of the date of appointment of such receiver or other officer, or the date of the institution of such proceedings: *Provided*, That it shall not affect any proceeding in any court in which a final decree has been entered.'"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment as follows: Strike out the Senate amendment numbered 28 and insert in lieu thereof the following:

"SEC. 3. In the administration of the act of July 1, 1898, entitled 'An act to establish a uniform system of bankruptcy throughout the United States', approved July 1, 1898, as amended, the district court or any judge thereof shall, in its or his discretion, so apportion appointments of receivers and trustees among persons, firms, or corporations, or attorneys therefor, within the district, eligible thereto, as to prevent any person, firm, or corporation from having a monopoly of such appointments within such district. No person shall be appointed as a receiver or trustee who is a near relative of the judge of the court making such appointment. The compensation allowed a receiver or trustee or an attorney for a receiver or trustee shall in no case be excessive or exorbitant, and the court in fixing such compensation shall have in mind the conservation and preservation of the estate of the bankrupt and the interests of the creditors therein."

And the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment as follows: Strike out the Senate amendment numbered 30 and insert in lieu thereof the following: "but the claim of a landlord for injury resulting from the rejection by the trustee of an unexpired lease of real estate or for damages or indemnity under a covenant contained in such lease shall in no event be allowed in an amount exceeding the rent reserved by the lease, without acceleration, for the year next succeeding the date of the surrender of the premises plus an amount equal to the unpaid rent accrued up to said date: *Provided*, That the court shall scrutinize the circumstances of an assignment of future rent claims and the amount of the consideration paid for such assignment in determining the amount of damages allowed assignee hereunder: *Provided further*, That the provisions of this clause (7) shall apply to estates pending at the time of the enactment of this amendatory act"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment as follows: Strike out the Senate amendment numbered 31 and insert in lieu thereof the following:

"SEC. 7. Proceedings under section 77 of chapter 8, amendment to the act of July 1, 1898, entitled 'An act to establish a uniform system of bankruptcy throughout the United States', as amended, approved March 3, 1933, shall not be grounds for the removal of any cause of action to the United States District Court which was not removable before the passage and approval of this section, and any cause of action heretofore removed from a State court on account of this section shall be remanded to the court from which it was removed, and such order of removal vacated."

And the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment as follows: Strike out the Senate amendment numbered 33 and insert in lieu thereof the following:

"SEC. 9. That the second sentence of subdivision (b) of section 75 of the act of July 1, 1898, entitled 'An act to establish a uniform system of bankruptcy throughout the United States', as amended, is amended to read as follows: 'The conciliation commissioner shall receive as compensation for his services, including all expenses, a fee of $25 for each case docketed and submitted to him, to be paid out of the Treasury.'"

And the Senate agree to the same.

FREDERICK VAN NUYS,
PAT MCCARRAN,
DANIEL O. HASTINGS,
Managers on the part of the Senate.

HATTON W. SUMNERS,
A. J. MONTAGUE,
TOM D. MCKEOWN,
FRANK OLIVER,
RANDOLPH PERKINS,
Managers on the part of the House.

Mr. McCARRAN. Mr. President, this is a unanimous report on the corporate bankruptcy bill; and I ask for its adoption at this time.

The PRESIDING OFFICER (Mr. MCGILL in the chair). The question is on agreeing to the conference report.

The report was agreed to.

CORRECTION IN ENROLLMENT OF HOUSE BILL 5884

Mr. McCARRAN. Mr. President, I ask that the Chair lay House Concurrent Resolution 40 before the Senate.

The PRESIDING OFFICER laid before the Senate the concurent resolution (H.Con.Res. 40), which was read as follows:

Resolved by the House of Representatives (the Senate concurring), That the Clerk of the House is authorized and directed, in the enrollment of the bill, H.R. 5884, entitled "An act to amend an act entitled 'An act to establish a uniform system of bankruptcy throughout the United States', approved July 1, 1898, and acts amendatory thereof and supplementary thereto", to strike out in the first section of said bill "Sec. 78" and insert in lieu thereof "Sec. 77A", and in said section to strike out "section 79" wherever it appears and insert in lieu thereof "section 77B", and in said section to strike out "Sec. 70" and insert in lieu thereof "Sec. 77B."

Mr. McCARRAN. I ask unanimous consent for the present consideration of the concurrent resolution, which makes certain corrections in the conference report I have just filed, and I ask for its adoption.

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the concurrent resolution was considered and agreed to.

RECIPROCAL-TARIFF AGREEMENTS

The Senate resumed the consideration of the bill (H.R. 8687) to amend the Tariff Act of 1930.

Mr. AUSTIN obtained the floor.

Mr. FESS. Mr. President, will the Senator yield to me to suggest the absence of a quorum?

Mr. AUSTIN. I yield.

Mr. HARRISON. Mr. President, will the Senator withhold that suggestion for just a moment?

Mr. FESS. I withhold it.

Mr. HARRISON. If the Senator from Vermont will permit me to make an observation, I desire to say that if it is humanly possible to stay in session tonight and reach a conclusion as to this bill, I hope we may do it, and that the Senate will remain in session as long as possible.

Mr. JOHNSON. Mr. President, may I ask the Senator, merely for information, and perhaps out of curiosity, whether he said "all night"?

Mr. HARRISON. I did not say "all night", but I said I hoped we could stay here and try to finish the bill tonight.

Mr. AUSTIN. Mr. President, I ought to observe that I do not intend to delay the progress of the bill by what I have to say. I think it will not take me long.

Mr. HARRISON. If the Senator will permit me, I was not leveling my remarks at the Senator. A great many Senators have inquired whether we intended to remain in session late. We do hope to finish the bill tonight if it is possible; so I did not direct my remark to the Senator at all.

Mr. FESS. Mr. President, did the Senator direct his remark to me?

Mr. HARRISON. Not a bit in the world. The Senator from Ohio was about to make the point of no quorum, and I was thankful to the Senator for withholding the point of no quorum until we could get a quorum, if the Senator still insists on having a quorum.

Mr. FESS. Mr. President, if it is desirable to make speeches, a night session would be a splendid time for doing so. I do not object to the suggestion of a night session; but I did desire to get a quorum for my friend from Vermont, who has something worth while to say.

Mr. HARRISON. I can appreciate that; but I thought it was well to make the observation that I did at this time.

Mr. FESS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum having been suggested, the clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	Johnson	Pope
Ashurst	Couzens	Kean	Reynolds
Austin	Davis	Keyes	Robinson, Ark.
Bachman	Dickinson	King	Russell
Bailey	Dieterich	La Follette	Schall
Bankhead	Dill	Lewis	Sheppard
Barbour	Duffy	Logan	Shipstead
Barkley	Erickson	Lonergan	Smith
Black	Fess	Long	Steiwer
Bone	Fletcher	McCarran	Stephens
Borah	Frazier	McGill	Thomas, Okla.
Brown	George	McKellar	Thomas, Utah
Bulkley	Gibson	McNary	Thompson
Bulow	Glass	Metcalf	Townsend
Byrd	Goldsborough	Murphy	Tydings
Byrnes	Gore	Neely	Vandenberg
Capper	Hale	Norbeck	Van Nuys
Caraway	Harrison	Norris	Wagner
Carey	Hastings	Nye	Walcott
Clark	Hatch	O'Mahoney	Walsh
Connally	Hatfield	Overton	Wheeler
Coolidge	Hayden	Patterson	White
Copeland	Hebert	Pittman	

The PRESIDING OFFICER. Ninety-one Senators having answered to their names, there is a quorum present.

Mr. AUSTIN. Mr. President, I favor the agricultural amendment, and shall vote for it. I shall do so partly because if it should become the law some of the principal products of the State of Vermont, as well as the United States generally, would be removed from under the baneful shadow of the pending bill, for, regardless of what choice the Executive may make of articles to pay the cost of the trades he negotiates, regardless of the fact that he may omit therefrom the principal products of Vermont, notwithstanding that, there is always the shadow of that power overhanging the State. So, if these commodities should be removed from the bill, and the bill should thereupon be enacted, I would feel that a great benefit to the State of Vermont and to the United States generally had been ac-

complished by the Senator from California in the presentation of his amendment, and by the Senate in adopting it.

I intend to discuss only two points, and very briefly. During the course of the debate I have heard Senators who are very distinguished lawyers make the observation that authority has heretofore been given to commercial attachés to negotiate trade agreements, and being somewhat surprised by that claim, I made a very thorough search of the statutes to see whether or not the claim was accurate. I believe it to be true that the only authority granted to commercial attachés is contained in the law which I read from Supplement 7 to the Code of Laws of the United States of America, title 15, "Commerce and Trade", sections 197 and 197a entitled "Foreign Commerce Service." I read section 197:

Establishment; officers; grades: There is hereby established in the Bureau of Foreign and Domestic Commerce of the Department of Commerce the Foreign Commerce Service of the United States (hereinafter referred to as the Foreign Commerce Service), consisting of officers to be graded in the following order, and to be known as "commercial attachés, assistant commercial attachés, trade commissioners, and assistant trade commissioners."

197a. Duties of officers: Under the direction of the Secretary of Commerce (hereinafter referred to as the Secretary) the officers of the Foreign Commerce Service shall—

(a) Promote the Foreign Service of the United States;

(b) Investigate and report upon commercial and industrial conditions and activities in foreign countries which may be of interest to the United States;

(c) Perform such other duties as the Secretary may direct in connection with the promotion of the industries, trade, or commerce of the United States;

(d) Make such inspections of the foreign commerce service as the Secretary may direct.

I submit that unless, owing to human frailties, in the efforts employed by me in this search I have overlooked some provision in the statutes, there is no authority for any official of the United States or any representative of the United States to make any trade agreement whatever, save only the President of the United States, who has always exercised the power of entering into Executive agreements which did not have that scope and effect which come within the purview of the constitutional provision requiring that all treaties must be ratified by a two-thirds vote of the Senate before becoming effective, although they have been negotiated by the President.

There seems to me to have been a lack of precision, a lack of certainty regarding Executive agreements. No definition of trade agreements as used in the bill upon which anyone in the Senate has agreed, has been put into the RECORD. To be sure, the Senator from Georgia [Mr. GEORGE] stated, and I quote from page 10072 of the RECORD of May 31, 1934, as follows:

The well-recognized distinction between an Executive agreement and a treaty is that the former cannot alter the existing law and must conform to all prior statutory enactments, whereas a treaty, if ratified by and with the advice and consent of two-thirds of the Senate, itself becomes the supreme law of the land and takes precedence over any prior statutory enactments.

Mr. President, I suggest that that is not a definition; that it lacks two qualities, namely, inclusion and exclusion. It is a mere statement of a truth. It may be admitted to be entirely accurate so far as it goes, but it does not comprehend the connotation of the words "trade agreement"; it does not exclude those things which constitute a treaty, and therefore it does not distinguish at all between "trade agreement" and "treaty."

Mr. BORAH. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. BORAH. From what page did the Senator read?

Mr. AUSTIN. Ten thousand three hundred and sixty-five.

Mr. BORAH. If I understood correctly the Senator's quotation from the Senator from Georgia, even the definition given by the Senator from Georgia, would clearly bring this proposed law within the prohibition of the Constitution.

Mr. AUSTIN. Mr. President, that is my understanding also; that if we were to adopt that as a definition of "trade agreement", then the proposed law would be unconstitutional, because it undertakes to give the Executive the power to negotiate what must be construed only as a treaty when put into effect.

Mr. BORAH. Exactly. But the quotation was:

The well-recognized distinction between an Executive agreement and a treaty is that the former cannot alter the existing law.

Whereas these agreements would alter existing law.

Mr. AUSTIN. Oh, yes; they must alter the law, or there is no use for this particular bill. This measure seeks an alteration of the law in respect to rates and other exactions, to import restrictions, limitations, and all sorts of things; in fact, every aspect of tariff making.

Mr. LONG. Mr. President, may I ask the Senator, does he have any doubt that with this authority the President can go right over the quotas which we have established? Is there not sufficient authority given to the Agricultural Department and everyone else; so that, with this power given to the President, he would not be bound by the quotas we have established?

Mr. AUSTIN. Mr. President, I think this being the most recent utterance of the Congress on the subject, it would repeal or amend to the necessary extent any prior statute in pari materia, and therefore that he could do so.

I now wish to refer to such authorities as are available, touching the distinction between a trade agreement or Executive agreement and a treaty; and I make this point in advance in order that what I read from the authorities may be applied to the point as I proceed, and that is that no Executive agreement, no trade agreement was ever authorized by Congress to be made, or was ever made heretofore, which authorized the following things: Created a rate, created the form of an import duty, wrote the classification of an article, fixed charges and exactions other than duties for imports, and thereupon applied them to articles of manufacture or produce of all foreign countries. That is a strong statement, which, if true, makes absolutely unanswerable the proposition that there is no precedent for this proposed law, there is no precedent for a construction of this bill as constitutional. There is absolutely no importance or effect to all these pages from page 82 and following, found in the hearings before the Committee on Finance of the United States Senate, where the Assistant Secretary of State, Dr. Sayre, has undertaken to set forth in detail the history of Executive agreements and reciprocal treaties relating to commerce. If we recognize as correct the statement I have just made, then all that history goes for naught, because it does not apply to the present situation in any way at all. In other words, every page in that hearing may be scanned, every statement made by the learned doctor there about our history may be examined, and it will be found that not one single example exists in the history of this country of an Executive agreement or a foreign trade agreement that comprehends the points to which I have called attention and which are included in this bill.

So I should like now to refer to the authorities in order to show, if possible, experience, construction by others, practical application, and all those things that may be dug out of history from which we may provide a rule or a definition or a distinction, for it is my opinion, after much study, that no author, no lawyer, no judge, has undertaken to crystallize into any definite form the distinction between a trade agreement and a treaty, or between an Executive agreement and a treaty. I shall use those terms interchangeably. When I speak of trade agreements I mean to comprehend Executive agreements.

I first call attention to the work by Dr. Quincy Wright, professor of international law in the University of Minnesota, entitled "The Control of American Foreign Relations", which was published in 1922, and I refer to page 234:

With respect to such Presidential agreements, the questions arise: (1) What subject matter may they cover? (2) What sort of an application do they impose? No general answer can be given to the latter question. An Executive agreement may impose an absolute obligation, as would be true of the Executive settlement of a claim by an American citizen against a foreign govern-

ment. After the President has agreed to a settlement, the claim becomes res judicata, and if against the American citizen it cannot be raised by a subsequent administration against the foreign government. If injustice has been done the American citizen, it is a moral duty of the United States itself to compensate him. On the other hand, an Executive agreement may impose an obligation strictly binding only the President, who makes it, as would be true of an exchange of notes over foreign policy, such as the Root-Takahira agreement or the Lansing-Ishii agreement.

In general, the President can bind only himself and his successors in office by Executive agreements, but in certain cases Executive agreements may impose a strong moral obligation upon the treaty-making power and Congress, and they may even be cognizable in the courts. The form of the obligation does not affect its obligatory character. Executive agreements may be by exchange of notes, protocols, cartels, modi videndi, etc., but in any case the obligation depends upon the subject matter.

The last few words constitute the meat of this particular authority—

The obligation depends upon the subject matter.

In other words, he might have said, "Every tub rests upon its own bottom." We have to examine every bill that is presented to us on the basis of its own subject matter in order to ascertain whether its scope and effect are of sufficient importance to the public welfare in order to come within those safeguards which the people require of the Congress and of the Chief Executive with respect to international agreements which affect them.

Mr. President, I turn to volume 20 of the Political Science Quarterly, page 388, where is found a discussion by such a great authority as John Bassett Moore. I do not need to introduce him to the Senate of the United States. In this article, entitled "Treaties and Executive Agreements", a very comprehensive discussion takes place. Of course, I cannot weary the Senate or take the space in the RECORD to do more than extract from it what seems to me pertinent in connection with the objective of ascertaining a dividing line between Executive agreements and treatis and applying that distinction to this measure, in order to ascertain whether or not this measure undertakes to violate the terms of the Constitution. Now I read that portion of this article entitled "The terms 'treaty', 'convention', 'protocol'":

In diplomatic literature, the words "treaty", "convention", and "protocol" are applied, more or less indiscriminately, to international agreements. The words "convention" and "protocol" are indeed usually reserved for agreements of lesser dignity, but not necessarily so. In the jurisprudence of the United States, however, the term "treaty" is properly to be limited, although the Federal statutes and the courts do not always so confine it, to agreements approved by the Senate. Such an agreement may be and often is denominated a "convention", and perchance might be called a "protocol", but it is also, by reason of its approval by the Senate, in the strict sense a "treaty", and possesses, as the product of the treaty-making process, a specific legal character. By the Constitution of the United States a "treaty" is a "supreme law of the land", having the force of an act of congressional legislation and overriding any inconsistent provisions not only in the constitutions and laws of the various States, but also in prior national statutes.

Here is another characteristic that helps to identify a treaty from one of these agreements that may be manufactured by mere act of Congress, authorizing the Executive or anyone else, it matters not who, to make an agreement. In the one case the action is taken by a mere majority vote of the two Houses; the other requires a two-thirds vote of the Senate in the nature of ratification. In the one the solemnity and dignity of the result is such that it overrides prior statutes; it has the effect of the supreme law of the land; and if a law undertakes to occupy the same ground with the treaty the law goes down and the treaty stands, whereas in the case of a mere executive agreement, it may be changed and it must be and is changed if Congress acts upon it and changes it. Does that not lead us somewhere with respect to this bill? If a trade agreement is subject to a subsequent act of the legislature to the degree that it is changed by it, if a trade agreement is also subject to all the statutes that have preceded it, then we observe a characteristic which is entirely inconsistent with this measure, for this measure gives time and effect to these contracts which cannot be shortened and cannot be affected. It gives legal operation to them which cannot be changed and cannot be cut off by an act of Congress.

These agreements contemplated by the pending bill may endure for 3 years, and until due notice has been given of not more than 6 months. Congress may come and go and do what it pleases, but it cannot change that obligation during the period of the contract. Therefore, is it not obvious that this agreement, this contract, this convention, this protocol, or whatever name it may be called by, has the attribute of permanency, of supremacy, of being supreme over the laws; and therefore we have one identifying characteristic, have we not, of a treaty as opposed to a simple executive agreement?

Some examples are given of purely executive agreements, which throw light upon the pursuit of truth here. Under the title, "Examples of Purely Executive Agreements", found at page 389 of the same book——

Mr. HATFIELD. Mr. President——

The PRESIDING OFFICER (Mr. LOGAN in the chair). Does the Senator from Vermont yield to the Senator from West Virginia?

Mr. AUSTIN. I yield.

Mr. HATFIELD. The argument has been made here, as I understand, that on notice for a period of 6 months the 3-year contract shall be terminated.

Mr. AUSTIN. Within 3 years?

Mr. HATFIELD. Within 3 years, upon 6 months' notice.

Mr. AUSTIN. Let us examine that.

Mr. HATFIELD. I may say that that was pointed out by an argument presented to the Senate.

Mr. AUSTIN. Let me read the bill. I read from page 5 of the bill, after line 11:

(b) Every foreign trade agreement concluded pursuant to this act shall be subject to termination, upon due notice to the foreign government concerned, at the end of not more than 3 years from the date on which the agreement comes into force, and, if not then terminated, shall be subject to termination thereafter upon not more than 6 months' notice.

I do not think that is obscure in its meaning. It seems perfectly clear that that means that the agreement when entered upon for 3 years will endure for 3 years; that it may not be terminated by due notice within 3 years; and that only after 3 years have gone by, if it shall not be terminated at the end of 3 years by due notice referred to therein, it may then be terminated, although it may run for 20 years or more, provided a similar due notice of not exceeding 6 months shall not be given. But in order to terminate it at the end of 3 years, and not have it hold over, it is necessary to give a notice looking to the end of the term before the 3 years have arrived. Due notice must be given at the end of the term it is intended to conclude the agreement in order to accomplish that result.

Mr. HATFIELD. Mr. President, will the Senator yield further?

Mr. AUSTIN. I yield.

Mr. HATFIELD. Then, unless at the end of 3 years notice shall be given, which must extend over a period of 6 months, the treaty may run over for an indefinite period of time, as the Senator has pointed out.

Mr. AUSTIN. The bill so provides.

I now will read what I was about to read when interrupted, as follows:

Such being the nature and meaning of the term "treaty" in the jurisprudence of the United States, we find that the Government has been in the habit of entering into various kinds of agreements with foreign powers without going through the process of treaty making. The conclusion of agreements between governments with more or less formality, is in reality a matter of constant practice, without which current diplomatic business could not be carried on. A question arises as to the rights of an individual, the treatment of a vessel, a matter of ceremonial, or any of the thousand and one things that daily occupy the attention of foreign offices without attracting public notice: The governments directly concerned exchange views and reach a conclusion by which the difference is disposed of. They have entered into an international "agreement"; and to assert that the Secretary of State of the United States, when he has engaged in routine transactions of this kind, as he has constantly done since the foundation of the Government, has violated the Constitution because he did not make a treaty, would be to invite ridicule. Without the exercise of such power it would be impossible to conduct the business of his office.

But, in addition to agreements made in the transaction of current business, we find that the Executive has entered into international agreements of a more formal kind without resorting to the treaty-making process.

From this point I do not quote exactly, but merely point out examples such as, for instance, the agreement of 1817 for limitation of naval armaments on the Great Lakes; the cession to the United States of Horseshoe Reef in Lake Erie and its acceptance by the United States.

To be sure, in the latter instance the United States Congress did act upon the matter by making an appropriation for the erection of a lighthouse, and other acts in connection with that cession; but, so far as the question before us is concerned, we ought not to let these facts confuse us at all. It had more than a mere routine effect. It had more importance than the routine affairs to which I first called attention.

In 1882 an agreement was made between the United States and Mexico for the reciprocal passage of troops of the two countries across the border when in pursuit of hostile Indians.

In 1898 the protocol with Spain in settlement of the Spanish-American War. Of course there was after that a treaty of peace.

This marks a certain class of executive agreements which is well defined, namely, the type of agreement which contemplates a treaty that is to be entered into in the future.

I wish to pass over some pages to page 393, in order to point out in a general way the types of agreements which have been made under authority of an act of Congress passed in advance, for certainly there is a definite class of those executive agreements which are made under acts of Congress. The author, Judge Moore, states as follows, quoting from page 393:

It is a peculiarity of these agreements that, so long as the statute under which they are concluded stands unrepealed—

Please note that word "unrepealed", showing the temporary duration of these agreements.

So long as the statute under which they are concluded stands unrepealed, they have precisely the same municipal force as treaties, being in effect laws of the land. And sometimes they relate to subjects which might be and perhaps have been dealt with by the treaty-making power.

I am going hastily through this article in order to point out some of the types. The first type is postal treaties, which have already been called to the attention of the Senate by the learned Senator from Illinois [Mr. LEWIS]; reciprocity arrangements, discriminating duties, copyrights, and trade marks, Indian treaties, the modus vivendi, the settlement of pecuniary claims. Those are the general types to which Judge Moore refers in this excellent article by him.

I wish to recur only to the reciprocity arrangements, because they are the nearest type to the arrangements suggested in the pending bill. This is what Judge Moore said about that, quoting from page 394:

Another class of international agreements, concluded by the Government of the United States under the authority of an act of Congress, is that of arrangements with foreign powers in relation to commercial reciprocity. Such were the agreements made by the United States under section 3 of the act of October 1, 1890, commonly called the "McKinley Act." By section 3 of this act the President was authorized to impose duties at certain rates—

"Certain rates!" That is the point—

on specified articles—

There is another direction and rule of measure and conduct—

whenever, in his judgment, the duties imposed by the country of exportation on goods imported from the United States were, in view of the free admission of such specified articles into the United States, "reciprocally unequal or unreasonable." This retaliatory provision was used for the purpose of securing reciprocal commercial agreements with other powers; and 10 such agreements were in fact concluded, with Austria-Hungary, Brazil, the Dominican Republic, Germany, Great Britain, Guatemala, Honduras, Nicaragua, Salvador, and Spain. These agreements remained in force till they were terminated by section 71 of the tariff of August 27, 1894, generally known as the "Wilson-Gorman Act."

The subject of commercial arrangements is also provided for by the act of July 24, 1897, called the "Dingley Act."

He discusses that and says, among other things:

Whenever an agreement is made by which the products and manufactures of the United States are, in his judgment, admitted on reciprocal and equivalent terms, he is authorized—

Of course, this is the milk of the coconut:

He is authorized to suspend by proclamation the imposition and collection of duties on the article in question.

That is a vastly different power from legislating the rate of duty or legislating import restrictions or doing any of the other things which are provided for in this bill, such as writing the classification of articles or fixing the charges and exactions other than duties on imports. There was a definite rule. He took it or left it. It was so much per article or so much percent ad valorem, or it was nothing. The condition upon which and when the law should apply to it was the only matter upon which the Executive had to pass. That is well-known authority within the Constitution—the right to determine when the law shall be applied to the subject.

Mr. LEWIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Illinois?

Mr. AUSTIN. I yield to the Senator.

Mr. LEWIS. I ask the able Senator if he has not noted that in many of the agreements to which he has alluded, which his industry clearly has developed after much research, there has been no submission of them to the Senate, the word "treaty" being really taken as a mere expression of a compact? And may I take the liberty of inviting the attention of the Senator to the fact that in the case of the bill to which he has just referred—as the eminent Senator from Maine [Mr. WHITE], who sits near him, will recall in his official relation at that time—I cast my first vote in the House of Representatives, where, being a Democrat, as I am if I understand the definition, I nevertheless voted for a measure of tariff, because of my conception that tariff is an economic adjustment of business, and voted for the very measure which the able Senator from Vermont is now reading.

I ask the Senator, has he not, in the very careful research which his industry indicates he has given, disclosed the fact that none of the particular agreements referred to by Judge Moore in his treatise was ever submitted to the Senate for ratification?

Mr. AUSTIN. That is just what I myself observed, and what I am trying to show to the Senate. I am undertaking to give as thorough a history of executive agreements not submitted to the Senate for ratification as I can give in the time at my disposal, in order to have it made clear that the entire story of executive agreements and trade arrangements made by the President under authority given in advance by Congress shows that they are limited in their scope, and that never before in the entire history of the United States has a single agreement been made or authorized which had the effect of giving the President the power to create the duty, to create the form of the import duty, to write the classification of the article, to fix the charges and other exactions—that is, the exactions other than duties—for imports, and to apply the rates determined upon to articles produced in all foreign countries. Never before in the history of this country was such a thing attempted. Heretofore, in every one of the instances to which I have referred—and I have not finished the recital—there has been a rule more definite than the rule contained in the pending bill, which would guide the President, or the other officer who executed the duties, in applying the law. That is the point. That was the sole principle which supported these laws against the attack that they were unconstitutional when they reached the Supreme Court for consideration.

Now I call attention to another eminent authority, Edward S. Corwin, professor of politics at Princeton University, author of The President's Control of Foreign Relations. This book was published in 1917. At page 117 this learned doctor says:

Turning now to the class of agreements which rests on the power of the President alone, we may first consider certain ones

which he has entered into by virtue of his powers as Commander in Chief of the Army and Navy.

Then he goes on and tells about the early conventions which are set forth in rather informal notes between various countries—Great Britain and the United States, Mexico and the United States—and finally he refers to a very interesting episode, the action of President Theodore Roosevelt with reference to Santo Domingo. This is spoken of at page 120, as follows:

The question that suggests itself at this point is: How, in the face of all these devices, is the Senate to be assured its due participation in treaty-making? Whenever it is desirable that an agreement have the force of domestic law, the Senate must, ordinarily, certainly be resorted to.

This is the same distinction, expressed in another way, to which I alluded some time ago.

Yet again, what executive authority has called into existence the same authority may also abate. For the rest, however, the criteria seem lacking for a nice differentiation of the prerogative under discussion from the treaty-making power, with the result that its curtailment, like that of the power of the President in appointing "special agents", is a problem of practical statesmanship rather than of constitutional law.

This was proved most strikingly in the case of the agreement which President Roosevelt made in 1905 with Santo Domingo, for putting the customs houses of that island under American control. Mr. Roosevelt tells the story of this agreement in his autobiography, as follows:

"The Constitution did not explicitly give me power to bring about the necessary agreement with Santo Domingo. But the Constitution did not forbid my doing what I did. I put the agreement into effect, and I continued its execution for 2 years before the Senate acted; and I would have continued it until the end of my term, if necessary, without any action by Congress. But it was far preferable that there should be action by Congress, so that we might be proceeding under a treaty which was the law of the land and not merely by a direction of the Chief Executive which would lapse when that particular Executive left office. I therefore did my best to get the Senate to ratify what I had done. There was a good deal of difficulty about it. * * * Enough Republicans were absent to prevent the securing of a two-thirds vote for the treaty, and the Senate adjourned without any action at all, and with the feeling of entire self-satisfaction at having left the country in the position of assuming a responsibility and then failing to fulfill it. Apparently the Senators in question felt that in some way they had upheld their dignity. All that they had really done was to shirk their duty. Somebody had to do that duty, and accordingly I did it. I went ahead and administered the proposed treaty anyhow, considering it as a simple agreement on the part of the Executive which would be converted into a treaty whenever the Senate acted. After a couple of years the Senate did act, having previously made some utterly unimportant changes which I ratified and persuaded Santo Domingo to ratify. In all its history Santo Domingo has had nothing happen to it as fortunate as this treaty, and the passing of it saved the United States from having to face serious difficulties with one or more foreign powers."

Now we pass on to what the doctor says:

In other words, the only important difference between the President's "agreement" and the "treaty" which supersaded it is to be found in the fact that the latter was ratified by the Senate, with the result, however, of putting affairs on a durable basis.

Do we not get something out of this? Is there not in the heart of this extract this principle, to add to those which we have extracted from the others, namely, the durability?

But it was far preferable that there should be action by Congress, so that we might be proceeding under a treaty which was the law of the land and not merely by a direction of the Chief Executive which would lapse when that particular Executive left office.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield to the Senator from Maine.

Mr. WHITE. It occurs to me that the action of President Roosevelt in the instance just cited was almost identical with the action of President McKinley in the protocol which anticipated or was preliminary to the treaty of peace with Spain. In each instance the act was what might be called "preliminary" to an anticipated treaty which was to be ratified by the duly constituted ratifying agency of the Government.

Mr. AUSTIN. Mr. President, I thank the Senator from Maine for his comment. I am in hearty agreement with him about it. I think, crystalized into the form of principle, that what we gather from this particular citation is that an executive agreement is one which lapses with the end of the term of the Executive.

Apply that to this bill, and what do we find? This bill is intended and designed to endure after the lapse of the term of the Chief Executive which is now pending. We have to assume no politics in this to get the point. It is a question of the term. The term of his office will expire before the term of these agreements. Therefore, are these agreements executive agreements, as tested by the principle that an executive agreement is one which lapses with the end of the term of the Executive? They are not. The agreements provided for by this bill are treaties because of that distinction.

Now I pass to Samuel B. Crandall, of the bar of New York and the District of Columbia, and his work entitled "Treaties, Their Making and Enforcement", published in 1916. At page 122 and following, Mr. Crandall discusses agreements reached by the Executive in virtue of acts of Congress, and particularizes respecting reciprocal agreements. All the treaties following 1890 to which allusion has been made heretofore in the debate are referred to in this discussion, and the author says as follows:

Speaking for the Court—

That is, the Court in the case of Field against Clark, referring to these powers—

Mr. Justice Harlan said: "As the suspension was absolutely required when the President ascertained the existence of a particular fact, it cannot be said that in ascertaining that fact and in issuing his proclamation, in obedience to the legislative will, he exercised the function of making laws. Legislative power was exercised when Congress declared that the suspension should take effect upon a named contingency. What the President was required to do was simply in execution of the act of Congress. It was not the making of law"—

As it is in this case. He was a mere agent of the law-making department to ascertain and declare the event upon which its expressed will was to take effect. I omit some, and read further:

"It further authorized the President, when such concessions were in his judgment reciprocal and equivalent, to suspend by proclamation the collection on these articles of the regular duties imposed by the act, and to subject them to special rates as provided for in the section."

There is nothing in the pending bill which establishes a rate or provides for special rates. The bill authorizes the President to legislate upon that point.

I now refer to Fifteen Yale Law Journal, an article by James T. Barrett, of the Michigan bar, on International Agreements Without the Advice and Consent of the Senate. I read at page 18, only a short extract, because my time is passing:

It might be supposed that an agreement with a foreign state, to which the approbation of the Senate has not been given, is a thing unknown to our constitutional practice. This is, however, not the fact, and it will be the purpose of this article to point out that there are certain classes of international agreements in the making of which the Senate does not have a share.

Turning to page 19, this author refers to some pertinent comment by Judge Story, written in 1833, saying:

Judge Story, writing in 1833, considered that the precise distinction between the words, "treaty", "agreement", and "compact" was not clear. He seemed inclined, however, to assign to the first term engagements of a political character. The other two, he thought, might apply to "what might be deemed mere private rights of sovereignty", such as questions of boundary, interests in land, situated in the territory of each other, and other internal regulations for the mutual comfort and convenience of states bordering on each other.

That is the end of what he quotes from Judge Story on the Constitution. The author states:

The meaning of the words "treaty", "agreement", and "compact", as applied in international relations was discussed by Chief Justice Taney in the case of Holmes against Jennison in the year 1840.

That case was reported in 14 Peters, 540.

The question here involved was the right of a State (Vermont) to surrender a fugitive from justice, on the request of a foreign government (Lower Canada), and it was there held that the surrender might not lawfully be made, because it necessarily involved an agreement between a State and a foreign power to which the assent of Congress had not been given. In considering the meaning of the words "treaty", "agreement", and "compact" as used

in article I, section 10 of the Constitution, Chief Justice Taney observed that "the words 'agreement' and 'compact' cannot be construed as synonymous with one another."

That is an important thing. That is one of the principles to be taken from this particular citation. They cannot be regarded as synonymous.

The PRESIDING OFFICER. The Senator's time on the amendment has expired.

Mr. AUSTIN. I will continue on the bill. The quotation concludes:

And still less can either of them be held to mean the same thing with the word "treaty" in the preceding clause.

I now refer to page 63 of the Yale Law Journal, being a second chapter of this article by Mr. Barrett, of the Michigan bar, in which he gives us certain information, as follows:

International agreements entered into by the President, and which become binding, without the concurrence of the Senate, may be classified as follows: (1) Agreements authorized by act of Congress; (2) agreements entered into by virtue of the military powers of the President; (3) modi vivendi and other provisional agreements; (4) agreements for the adjustment of claims of American citizens against foreign governments.

He discusses that first classification as follows:

1. Agreements entered into by virtue of an act of Congress differ from ordinary treaty arrangements, in that they have the sanction of a majority of both Houses of Congress, instead of the vote of two-thirds of the Senators present in executive session. They also are usually entered into subsequent to the passing of the enabling act of Congress, whereas with treaties the negotiations, in theory at least, precedes action by the Senate.

As illustrative of these agreements, this author refers to the same agreements to which I have already referred as succeeding the Tariff Act of 1890 and the Tariff Act of 1897.

Referring to page 70, we get at what the author's understanding of the reason of this power is. He says:

In the United States, as we have seen, the participation of Congress has manifested itself chiefly in relation to regulations of commerce, and as to trade marks, copyright, and postal regulations. In all of these cases there has been a general law, in pursuance of which the President has made agreements. In all, except the case of postal conventions, the theory on which the President acts, is that he is merely putting into execution a law whose operation is contingent upon the existence of certain facts—reciprocal legislation or practice in a foreign state.

The author reaches the following conclusion on page 82:

From the foregoing facts and precedents we may derive the following conclusions:

That an arrangement with a foreign power, whether made by a State, with the consent of Congress, or by the President with or without that consent, is not a contract included under the term "treaty" as used in the Federal Constitution.

That an agreement, if so made by a State, comes within this category if—

Here is the point—

if it relates to local or temporary matters, and especially, if it relates to property rights rather than to political objects.

That the President, under an act or resolution of Congress, and by virtue of his duty to see that the laws are faithfully executed, may make agreements to carry such legislation into effect.

That the President alone may enter into an agreement where it (a) involves an exercise of the military power, (b) regulates temporarily a matter to be ultimately adjusted by formal treaty, (c) relates to private claims against foreign governments.

That the President, by virtue of a general arbitration treaty, specifically enumerating certain causes to be referred to arbitration, may lawfully make the agreements necessary for that purpose, without submitting the same to the Senate for its approval.

These conclusions, as well as the facts stated by this author, show that never in the history of the exercise of this power by the President, when given power by Congress, has it ever been employed in a case which undertook what is undertaken in this instance, namely, to invest the President with the power to create a rate, to establish a form of import duties, to write a classification of articles, to fix charges and exactions other than duties for imposts, and to make them applicable to commodities from every nation on earth. That one power to create import restrictions without any limitations upon him whatever is obviously legislative, and is a power which never before has been granted to the President. That is a political power; that is a power which affects the public welfare generally; and that is a distinguishing feature which we dig out of this particular author.

I refer now to Charles Cheney Hyde, who is probably well known to the Senate. He has published an important work on international law, chiefly as interpreted and applied by the United States. I read now, however, from an article by him in Seventeenth Greenbag, page 229, where he discusses the exercise of power, under the tariff acts of 1890 and of other years, to make executive agreements, and he refers to the exercise of power in detail.

I consider this comment very important. I believe it should have influence with the Senate, because it is the judgment and opinion of an expert upon this subject, a man who had special knowledge and special experience. He said of the reciprocity agreements made under these several tariff acts as follows:

It is to be observed that these reciprocity arrangements, although expressed in the form of contract, imposed no restriction on the United States or other parties thereto to alter their tariff schedules and thus terminate their obligations to exact reduced or limited duties on articles brought into their territory.

Is that not a test of the character of this proposed act? This measure is to be so effective in time and in scope and in objective as to bind the Congress of the United States when once the power under it is exercised so that it may not within 3 years, in any event, change the rate of duty that is so established by the Chief Executive under this authority and power. Worse than that; it binds the hands of Congress so that Congress may not change these limitations, prohibitions, classifications, forms of import duty, charges, and exactions other than duties, imposed on importations or imposed for the regulation of imports. We, the United States, become bound to every country on earth by one agreement made with one small country anywhere on earth with respect to such article or articles as are comprehended in that agreement and the duties thereon fixed or as to any of the other classifications or limitations made. We become bound for at least 3 years, and we cannot during that period alter the tariff schedules, we cannot exact, reduce, or limit duties on those articles during the whole period of time. That is the test which determines the fact that these agreements will not be trade agreements, according to precedents or according to theory, but will have such power and scope and effect that they should have the solemnity of ratification by the Senate.

Mr. FESS. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. FESS. In case we wish to repeal the particular authority which we are about to grant, and the President should not look with favor upon it, it would take two-thirds of both Houses to do it.

Mr. AUSTIN. That is true. That question was asked me when I was previously discussing the subject. At that time I did not understand its scope, but it is apparent that if we should undertake to repeal this bill when it shall become a law the same rules that affect the veto would affect such an attempt, and the degree of vote indicated would be required.

I do not undertake, Mr. President, to formulate the rule. I do not undertake to write a definition on my feet. I think I am not qualified to make a definition that is general in its scope, that is exclusive and inclusive enough to fit all cases and to be an accurate test in every case. What I do think is that whenever a bill is presented for enactment by Congress, that particular bill must be tested not with reference to probabilities but with reference to every possibility under that bill. We should test this bill on that basis, and so doing, applying the principles which have come up differently in every instance, and been discussed by so many different authorities, applying the precedents—and they are numerous—it is seen that there is nothing in the history of this subject which justifies any other conclusion save that the power granted to the President to fix rates, the power granted to the President with respect to rate and form of import duties, the power granted to the President to write the very terms which shall characterize the classification of articles, the power to fix limitations, prohibitions, charges, and exactions other than duties, have such scope, have such political effect, have such duration

in time, and become so far the supreme law of the land, if the conception of the bill shall be carried out, that they are entitled to have validity only if they have been passed upon by a two-thirds vote of the Senate and are therefore treaty powers.

Mr. HEBERT. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. HEBERT. I think the Senator discussed the effect of paragraph (b) on page 5 of the bill, regarding the termination of the agreements; but I was not quite clear in my mind, especially as I read that provision in connection with the statement made by the Senator from Mississippi [Mr. HARRISON] in his speech appearing at page 8989 of the CONGRESSIONAL RECORD of May 17. The Senator will observe that paragraph (b) reads:

(b) Every foreign-trade agreement concluded pursuant to this act shall be subject to termination, upon due notice to the foreign government concerned, at the end of not more than 3 years from the date on which the agreement comes into force, and, if not then terminated, shall be subject to termination thereafter upon not more than 6 months' notice.

I suppose that the effect of that provision would be to make such trade agreements continue in effect 3 years from and after their date, during which time they could not be terminated. They could be terminated after the expiration of 3 years upon due notice, and if not terminated at the end of 3 years, then they would be subject to termination on not more than 6 months' notice.

In that connection, let me read the statement of the Senator from Mississippi to which I have alluded. It is on page 8989.

The PRESIDING OFFICER. The time of the Senator from Vermont [Mr. AUSTIN] has expired. It is now 4 o'clock.

Mr. HEBERT. I am sorry to take up the Senator's time. I wanted to have his view on this one point.

I quote from the statement of the Senator from Mississippi:

In other words, after 3 years from the enactment of the law the President will have no more authority to enter into these trade agreements, and if trade agreements are made, say two and a half years from now, they might run along for 3 years, but they can be terminated at any time after that time upon 6 months' notice.

And then in the preceding paragraph, referring again to the terms of these agreements:

These terms must provide for opportunity to terminate the agreements on not exceeding 6 months' notice at any time under 3 years from the date on which the agreements come into force.

Mr. AUSTIN. Mr. President, if that were intended by the bill I cannot imagine phrasing the bill in a way to confuse it any more than its present phraseology does. This bill expressly says the agreement may be terminated at the end of 3 years if due notice is given. The implication is that the agreement will continue in effect, subject to termination upon a notice to be made within 6 months of the operation of the notice, after that time of 3 years. There is absolutely nothing in clause (b) providing for the termination of agreement within 3 years or which enables anyone to terminate the agreement within 3 years. It makes the agreements operative for 3 years without termination by anyone.

My opinion is, Mr. President, that if the bill shall be passed, and agreements shall be attempted to be made under its provisions, they will not be good for 3 minutes. They will not get by the first test made in the Supreme Court of the United States, because I think it is perfectly absurd to undertake to give to the Chief Executive power to place an obligation to this effect upon the United States without submitting it to the Senate for ratification by two-thirds vote.

Mr. HEBERT. Mr. President, I have already discussed what I consider the practical effect of the enactment of the bill. On a previous occasion I tried to show what I believe would be the result in the industrial sections of the country if the measure should be enacted into law. At that time I made no reference to the constitutional provision involved, nor did I consider the question from the standpoint of the treaty-making power. I now want to address myself to that phase of the question. It has already been discussed here at some length, but I find my views are not quite in accord with those expressed by Senators on the other side of the Chamber in relation to that particular phase of the question under debate.

I think we are all agreed that the treaty-making power under the Constitution resides in the Chief Executive and the Senate. Where we come to the parting of the ways is in our conception of what is a treaty and whether there is any difference in point of fact between a treaty and an executive agreement, to which reference has repeatedly been made.

The first question which I wish to propound is, What is a treaty? Answering the question I bring to the attention of the Senate the observations of some of the most distinguished writers on international law. I shall not quote from them at great length, but sufficiently for the Senate to know what their views are in relation to treaties, what constitutes a treaty, and how treaties are to be entered into and ratified.

First I quote from Woolsey's Introduction to the Study of International Law, and I read from section 101, "Of the right of contract and especially of treaties." He said:

SEC. 101. Of the right of contract and especially of treaties: A contract is one of the highest acts of human free will; it is the will binding itself in regard to the future, and surrendering its right to change a certain expressed intention, so that it becomes morally and jurally a wrong to act otherwise; it is the act of two parties in which each or one of the two conveys power over himself to the other in consideration of something done or to be done by the other. The binding force of contracts is to be deduced from the freedom and foresight of man, which would have almost no sphere in society or power of cooperation unless trust could be excited. Trust lies at the basis of society; society is essential for the development of the individual; the individual could not develop his free forethought, unless an acknowledged obligation made him sure in regard to the actions of others. That nations, as well as individuals, are bound by contract, will not be doubted when we remember that they have the same properties of free will and forecast; that they could have no safe intercourse otherwise, and could scarcely be sure of any settled relations toward one another except a state of war, and that thus a state of society, to which the different needs and aptitudes of the parts of the world invite men would be impossible. We have already seen, that without this power a positive law of nations could not exist, which needs for its establishment the consent of all who are bound by its provisions. National contracts are even more solemn and sacred than private ones, on account of the great interests involved of the deliberateness with which the obligations are assumed, of the permanence and generality of the obligations—measured by the national life, and including thousands of particular cases—and of each nation's calling, under God, to be a teacher of right to all within and without its borders.

Contracts can be made by states with individuals or bodies of individuals, or with other states. Contracts between states may be called "conventions" or "treaties." Among the species of treaties those which put an end to a war and introduce a new state of intercourse, or treaties of peace, will be considered here, only so far as they partake of the general character of treaties; their relations to war will be considered in the chapter devoted to that subject.

SEC. 102. Treaties allowed under the law of nations are unconstrained acts of independent powers, placing them under an obligation to do something which is not wrong, or—

"1. Treaties can be made only by the constituted authorities of nations, or by persons specially deputed by them for that purpose. An unauthorised agreement, or a sponsio, like that of the consul Postumius at the Caudine Forks, does not bind the sovereign, it is held, for the engager had no power to convey rights belonging to another. And yet it may be morally wrong in a high degree for the sovereign to violate such an engagement of a subordinate; for it might be an act of extreme necessity, to which the usual forms of governmental proceedings would not apply. Moreover the actions of military or naval commanders must be to a certain extent left without positive restrictions, and usage might be pleaded for many transactions of this nature. Again, from the nature of the case, a faction, a province, or an integral part of a close confederation has no treaty-making power, although a loose confederation, like the Germanic, might exist, while conceding such a prerogative to its members."

I quote now from Anson's Law of the Constitution, as follows:

This much appears to be certain: that where a treaty involves either a charge on the people or a change in the law of the land it may be made, but cannot be carried into effect, without the sanction of Parliament. Such treaties are therefore made subject to the approval of Parliament and are submitted for its approval before ratification, or ratified under condition.

Such are treaties of commerce which might require a change in the character or the amount of duties charged on exported or

imported goods; or extradition treaties which confer on the executive a power to seize, take up, and hand over to a foreign state persons who have committed crime there and taken refuge here.

It will be observed that the writer in the article from which I have quoted refers to the necessity of parliamentary sanction before a treaty may be made effective. There has been very serious question in the minds of writers on international law whether that is really so, for example, under the form of government that obtains in England. Of course, we know that in our own country treaties can be made in no way other than that provided in our fundamental law; that is, they must be negotiated by the Chief Executive and must be ratified by two-thirds of the Senate. In England it has been held that the sovereign might of his own volition and without the concurrence of Parliament enter into treaties; but, of course, the conditions in this country are not as they are there.

It seems to me we have gone far afield in our definition, and I repeat we have come to the parting of the ways because the so-called "Executive agreements" are held, on the part of those who argue in favor of the bill, not to be treaties within the meaning of our Constitution and not required to be ratified by the Senate.

I desire to quote now from an article by Butler on The Treaty-Making Power of the United States. I read section 122, page 212, of volume 1 of that work, as follows:

A treaty negotiated by the Secretary of State of the United States and the British Ambassador relating to Canadian matters might be ratified by the Senate and by the foreign office in London; if it were unacceptable to the Canadian Parliament, the necessary legislation or appropriations to carry it into effect might not be passed; in that manner the final effect of an unsatisfactory treaty might be defeated; and, therefore, as a matter of practice and policy the treaty-making power is not now, as a general rule, exercised by the British Crown except through the agency of commissioners representing the colonies whose interests are to be affected; the final exchange of ratifications of negotiated treaties is also generally withheld until the parliaments of the colonies affected have expressed their approval. Notwithstanding this practice, however, the principle remains unaffected that the treaty is concluded by the highest sovereign power and not through the colonial government. The negotiating commissioners always hold their powers from the Crown, and not from any colonial authority; in fact, if negotiations in regard to a treaty affecting only colonial interests were commenced by any nation with persons claiming to represent any colony of Great Britain, the first step would be the examination of the powers of the plenipotentiaries, and only such commissions, or as they are called in diplomatic terms, "full powers", as emanated from the foreign office at London with the royal approval, and so certified by the Secretary of Foreign Affairs of the Imperial Government, would be accepted as authority for the continuance of the negotiations.

Precisely that condition obtained in the efforts of the United States some years ago to effect reciprocal trade agreements with the Dominion of Canada.

The views of William Rawle, on the subject of treaties, were expressed by him away back in 1825. He says (par. 261, p. 396):

In its general sense we can be at no loss to understand the meaning of the word "treaty." It is a compact entered into with a foreign power, and it extends to all those matters which are generally the subjects of compact between independent nations. Such subjects are peace, alliance, commerce, neutrality, and others of a similar nature. To make treaties is an essential attribute of a nation. One which disabled itself from the power of making, and the capacity of observing and enforcing them when made, would exclude itself from the international equality which its own interests require it to preserve, and thus in many respects commit an injury on itself. In modern times and among civilized nations we have no instances of such absurdity. The power must, then, reside somewhere. Under the Articles of Confederation it was given with some restrictions, proceeding from the nature of that imperfect compact, to Congress, which then nominally exercised both the legislative and executive powers of general government. In our present Constitution no limitations were held necessary. The only question was where to deposit it. Now, this must be either in Congress generally, in the two Houses exclusive of the President, in the President conjunctly with them, or one of them, or in the President alone. * * *

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Mr. Tucker's views as to limitations, however, are here quoted at length in regard to the effect of treaties upon the essential liberties of the people. In that respect he says:

"A treaty, therefore, cannot take away essential liberties secured by the Constitution to the people. A treaty cannot bind the United States to do what their Constitution forbids them to do. We may suggest a further limitation. A treaty cannot compel any department of the Government to do what the Constitution submits to its exclusive and absolute will. On these questions the true canon of construction, that the treaty-making power, in its seeming absoluteness and unconditional extent, is confronted with equally absolute and unconditional authority vested in the judiciary. Therefore, neither must be construed as absolute and unconditioned, but each must be construed and conditioned upon the equally clear power vested in the others. For example, Congress has power to lay and collect duties; the President and Senate have power to make and contract with a foreign nation in respect to such duties. Can any other construction be given to these two apparently contradictory powers than that the general power to make treaties must yield to the specific power of Congress to lay and collect all duties; and while the treaty may propose a contract as to duties on articles coming from a foreign nation, such an executory contract cannot be valid and binding unless Congress, which has supreme authority to lay and collect duties, consents to it. If it is then asked, how are you to reconcile these two powers which appear to be antagonistic, the answer is clear. Congress has no capacity to negotiate a treaty with a foreign power. The extent of its Membership makes this impracticable. The Constitution, therefore, left the House of Representatives out of all consideration in negotiating treaties. The executory contract between the United States and a foreign nation is therefore confided to the one man who can conduct the negotiations, and to a select body who can advise and consent to the treaty he has negotiated. But this executory contract must depend for its execution upon the supreme power vested in Congress 'to lay and collect duties.' It is therefore a contract not completed, but inchoate, and can only be completed and binding when Congress shall by legislation consent thereto, and lay duties in accordance with the executory contract or treaty. The same reasoning may apply to all of the great powers vested in Congress, such as to 'borrow money, regulate commerce, coin money, raise armies and provide a navy, make laws as to naturalization, bankruptcies, and exercise exclusive legislation' in the District of Columbia and Territories of the country. If these are sought by treaty to be regulated by the President and Senate, it can only be done when the Congress, vested with these great powers, shall give it unconditional consent."

Mr. Cyrus King, who at one time was a Member of the House of Representatives, said, in the course of a debate in that body on the subject of treaty-making (par. 301):

The result of my investigation on this subject is that whenever a treaty or convention does, by any of its provisions, encroach upon any of the enumerated powers vested by the Constitution in the Congress of the United States, or any of the laws by them enacted in execution of those powers, such treaty or convention, after being ratified, must be laid before Congress, and such provisions cannot be carried into effect without an act of Congress. For instance, whenever a treaty affected duties on imposts, enlarging or diminishing them, as the present one did to diminish; whenever a treaty went to regulate commerce with foreign nations, as that expressly did with one, as the power to lay duties and the power to regulate commerce are expressly given to Congress, such provisions of such treaty must receive the sanction of Congress before they can be considered as obligatory and as part of the municipal law of this country. And this construction is strengthened by a part of the general power given to Congress, following the enumerated powers, "to make all laws which shall be necessary and proper for carrying into execution the foregoing powers, and all other powers vested by the Constitution in the Government of the United States, or in any department or office thereof."

President Jackson in 1834 had under consideration the French Treaty of 1831. In a message to Congress he said, in effect, that a treaty involving commercial regulations had to be submitted to Congress in order to be carried into full execution.

I have quoted from these authors at some length in order that we may have clearly in mind the extent of the meaning of the word "treaty," and to show, as I think those authorities show, that any agreement with a foreign nation entered into by the Government of the United States, whether in relation to tariff duties or in relation to commercial transactions of any kind, is in all essentials a treaty within the meaning of international law, and is subject to ratification by the Senate.

Of course, there is a limitation of the powers of the Chief Executive in tariff laws heretofore enacted, including that enacted in 1930; and, as the authorities point out, the power conferred upon the Chief Executive in those laws is purely ministerial. In other words, the law fixes a limitation upon the power which the Executive may exercise. The law goes on to say, "If, under such and such conditions, the government of the country of A or of B or of C extends some liberal treatment to the nationals of our country, then to the same extent, but within the limits of the rates of duty fixed in the law, the Executive is hereby directed or empowered to

grant to those nationals the same treatment that is granted to our nationals."

The bill now before us, however, is nothing of that kind. There is no limitation upon the action which may be taken by the Executive in pursuance of its provisions. We find on page 2, paragraph (1), that the President under this bill would be authorized—

To enter into foreign-trade agreements with foreign governments or instrumentalities thereof.

What is the meaning of that? There is no limitation there. He is not bound by any tariff duties that may be fixed by law. He may change the existing law as it affects the nationals of other countries. He may grant special privileges to tradesmen in other countries exporting their goods to the United States. It seems to me that is about as broad as the Congress could make a piece of legislation.

There is no limitation in that provision. It can be read separately, because it is not contingent upon any other part of the bill. It does provide that if the President finds as a fact that existing duties or restrictions imposed upon our country are disadvantageous, and so forth, then what can he do? He can enter into foreign-trade agreements with foreign governments or instrumentalities thereof. Does that mean that he is limited in the scope of the agreements into which he may enter? There is no limitation fixed in the bill. It seems to me that if there ever was a provision in law authorizing the Chief Executive to enter into treaties with foreign nations without getting the sanction of the Senate of the United States, this is a provision of that kind.

Mr. President, much has been made of agreements heretofore entered into in pursuance of tariff legislation enacted through the years. The Senator from Arkansas [Mr. ROBINSON] in his argument this morning, referred to a very considerable number of instances to be found in the statement of the Assistant Secretary of State, Mr. Sayre, when he appeared before the Committee on Ways and Means of the House of Representatives last March. But I wish to point out that in every one of the instances to which Mr. Sayre referred there was a limitation upon the extent to which the Chief Executive might go in entering into these so-called "Executive agreements."

I wish to refer to some of them, as I do not want to take up the time of the Senate in calling attention to all. They are available to Senators. They are printed in the report of the hearings.

Mr. Sayre referred to an incident where, in the case of a treaty with Great Britain, the President was to give effect to it after receiving satisfactory evidence of certain facts. He goes on to say in his memorandum:

By an act of Congress approved August 5, 1854, to carry into effect the treaty aforesaid, the President was given power after he "shall receive satisfactory evidence that the Imperial Parliament of Great Britain", etc., had passed laws on their part, to give full effect to the provisions of the treaty.

That did not confer upon the Chief Executive the power to make a treaty with Great Britain. It merely fixed the limitations within which the President might act upon the happening of a given contingency. The measure of the power is fixed by the legislative authority in that instance. In other words, when the President should receive satisfactory evidence that certain things had taken place, then and in that event he should declare the treaty to be in effect a purely ministerial duty, as I view it, carrying out the will of Congress.

Congress had expressed itself upon the question. It had consented to a treaty with Great Britain, but it said that before the treaty should become effective it must be shown to the satisfaction of the Chief Executive that certain treatment was accorded to the people of the United States, and thereupon, when that fact was established, the President might declare the treaty to be in full force and effect.

Again, Mr. Sayre referred to the McKinley Act of 1890:

McKinley Rates Applicable When President Ascertained That There Was a Failure Reciprocally To Grant Free Introduction of Articles.

That is the heading. He says:

The Tariff Act of 1890, "to reduce the revenue and equalize duties on imports", made provision for the imposition of penalty duties upon imports from countries discriminating in their tariff treatment against goods from the United States. This was apparently the first act under which the President entered upon a comprehensive program of tariff bargaining by Executive agreements.

Section 3 of this act provided that, with a view to securing reciprocal trade with countries producing certain specified articles (sugar, molasses, coffee, tea, and hides), the President, when he was satisfied that the government of any country producing and exporting these articles, or any of them, imposed duties or other exactions upon the agricultural or other products of the United States which, in view of the free introduction of such articles into the United States he might regard as reciprocally unequal and unreasonable, should have the power to suspend by proclamation the provisions of the act relating to the free introduction of the above-mentioned articles.

No power was conferred by Congress upon the Chief Executive to enter into a trade agreement with any foreign nation in that bill. It provided that when the President had ascertained the existence of a given fact, then he should apply a certain formula set forth clearly and definitely and distinctly in the enactment of Congress.

I call attention to the difference between the provision in the McKinley Act, to which I have just referred, and the provisions contained in paragraph 1, on page 2, of the bill under discussion. There is no limitation in the bill now before us. There is no yardstick with which to measure the extent to which the President may go in formulating so-called "Executive agreements." It provides, the President is authorized—

To enter into foreign trade agreements with foreign governments or instrumentalities thereof.

That is unlike the provision in the McKinley Act, which sets forth clearly what might be done under a given state of circumstances; namely, Congress says in effect, "We shall collect duties of so much on certain articles, but because of the imposition of higher duties upon those articles exported from this country, the same rate of duty shall apply to articles coming from those countries to us until such time as equal treatment shall be accorded to our people."

Mr. HATFIELD. Mr. President, does the Senator take the position that when once a treaty has been entered into for a period of 3 years it can be terminated within that period of 3 years? There seems to be some difference of opinion in the Senate with respect to that question. The able Senator from Mississippi, in his opening statement, took the position that it could be terminated within the period of 3 years provided 6 months' notice was given.

Mr. HEBERT. Mr. President, I do not so read the provision in the bill in relation to termination of treaties. The Senator has reference, I assume, to paragraph (b) on page 5 of the bill.

Mr. HATFIELD. That is true, Mr. President.

Mr. HEBERT. It reads:

Every foreign-trade agreement concluded pursuant to this act shall be subject to termination, upon due notice to the foreign government concerned, at the end of not more than 3 years from the date on which the agreement comes into force—

Up to that point it is my opinion that an agreement of this nature could not be terminated within the period of 3 years, if it were made for that length of time, and then only upon notice could it be terminated. I quote the remainder of the paragraph:

and, if not then terminated—

That is, if not terminated at the end of 3 years—

shall be subject to termination thereafter upon not more than 6 months' notice.

Mr. HATFIELD. I think the Senator will agree with me that the able Senator from Mississippi took the position that a 6 months' notice would terminate the treaty agreement within the 3-year period.

Mr. KING. Mr. President, will the Senator yield?

Mr. HEBERT. I yield.

Mr. KING. It seems to me the construction just contended for is not the accurate one no matter by whom contended. As I read the provision just referred to, it would seem that the agreement might be terminated at any time, according to its terms, within 3 years. If at the end of the 3 years it were to continue longer, then the 6 months' notice would be required. But it is subject to termination by the terms of the agreement at any time, within a week or a month.

Mr. HATFIELD. Within the 3 years.

Mr. KING. Yes.

Mr. HEBERT. If the treaty provided by its terms that it should continue for 1 year, of course, it would terminate in that time. But if there were no provision for its termination, then it would continue for 3 years from its date, as I read the wording of the statute.

Mr. KING. Probably that is correct. But it depends upon the terms of the treaty itself.

Mr. HEBERT. Of course that would be controlling, I believe.

I come now to a reference to the 1890 Tariff Act in the memorandum submitted by the Assistant Secretary of State, Mr. Sayre.

Mr. FESS. Mr. President, will the Senator yield?

Mr. HEBERT. I yield.

Mr. FESS. Is the Senator about to deal with the present law touching the same subject?

Mr. HEBERT. I am.

Mr. FESS. I thought there was a retaliatory feature written into the law, which evidently is being misused as a justification for what is now proposed. I thought the Senator would deal with that subject, because it has been referred to heretofore. We have already authorized retaliatory action.

Mr. HEBERT. Mr. President, I do not know that I understand very clearly what the Senator has in mind. I have not considered the retaliatory feature of the 1930 Tariff Act, if there is such a provision in it.

Mr. FESS. I am referring to section 338, wherein the act says:

> The President, when he finds that the public interest will be served thereby, shall by proclamation specify and declare new or additional duties as hereinafter provided upon articles wholly or in part the growth or product of, or imported in a vessel of, any foreign country whenever he shall find as a fact that such country—

Is doing certain things; but that would be in pursuance of what is thereinafter written.

Mr. HEBERT. Mr. President, that is in line with what I have tried to bring to the attention of the Senate in my discussion of the agreements that have been entered into in pursuance of all these laws, and references made to them by the Assistant Secretary of State, that in no instance has any broad power or treaty-making power been conferred upon or been intended to be conferred upon the Chief Executive. The legislative branch of the Government in every instance has placed limitations upon what the Chief Executive may do. It has said to him, in effect, "When you find certain conditions to exist, here is your line of conduct. You may go to this extent, but you may not go beyond it." All sorts of limitations have been placed upon the Chief Executive in what he may do in making these agreements, but in no case has unlimited power been conferred upon the Chief Executive in making the agreements.

Mr. FESS. Precisely. The law says, "You may go to this extent, but only in pursuance of the authority given and the limitations prescribed."

Mr. HEBERT. The Congress simply says, "The authority to legislate is ours, and not that of the Chief Executive. We will fix the rules of conduct, and you must abide by them, because it is your duty to execute them."

Mr. Sayre goes on to say, in relation to the reciprocity agreement for the free introduction of articles named in the 1890 act:

> Following the passage of the act, Secretary Blaine began the negotiation of a series of agreements, and between January 31, 1891, and May 26, 1892, 10 reciprocity agreements were concluded, all but 2 of which were with countries of the Western Hemisphere. In each of the agreements the United States undertook to admit free of duty, when coming from the other country, the five articles—sugar, molasses, coffee, tea, and hides—enumerated in the penalizing provision of the act. In the majority of these agreements the other contracting parties undertook to admit free or at substantially reduced tariff rates the bulk of its imports from the United States. The penalty duties were imposed on Colombia, Venezuela, and Haiti after they had failed to respond to requests of this Government to negotiate agreements.

Again, there were penalties fixed by the act of 1890; and in pursuance of the authority conferred by Congress on the Chief Executive, 10 reciprocity agreements were entered into. They were mere understandings fixed upon the conditions set out in the tariff bill itself. In other words, again in this instance Congress said, "We will fix certain penalties upon the importations from certain countries; but when the Chief Executive finds that those countries are not imposing obligations upon us in the case of our exportations to them, he may enter into agreements absolving them from the penalties fixed in the law." It is always "fixed in the law."

Then Mr. Sayre refers to the case of Field against Clark, which has been discussed here at very considerable length, and says:

> The constitutionality of this provision of the tariff act was attacked in the case of *Field* v. *Clark* (1892) (143 U.S. 649, 681) on the ground that, in authorizing the President to suspend the free importation of certain products, the Congress had delegated to him both legislative and treaty-making powers. The claimants, therefore, sought to obtain the refund of certain duties claimed to have been illegally exacted on imported merchandise under this act.

Of course the Supreme Court held that the plaintiff in that case was not entitled to recover. No treaty-making power was intended to be conferred upon the Chief Executive by the act of 1890, and none was conferred. The Chief Executive merely carried out the mandate of the legislative branch of the Government in fixing certain penalties upon importations to this country under conditions fixed in the law itself.

As the Senator from Maine [Mr. WHITE] very aptly remarked, the Chief Executive in this case merely acts as a legislative agent to carry out the will of Congress in execution of the law enacted by Congress. He has no power to go beyond the limit fixed in the legislation enacted by the Congress.

The court very aptly said in *Field* v. *Clark* (143 U.S. 649):

> That Congress cannot delegate legislative power to the President is a principle universally recognized as vital to the integrity and maintenance of the system of government ordained by the Constitution.

Of course, that is the utterance of a truism under our form of government. It could not be otherwise. Yet as I read the provisions of the bill now under consideration, I am forced to the conclusion that if we shall pass the bill we will confer upon the Chief Executive the power to enter into treaty agreements with foreign nations. Paragraph 1, page 2 of the bill, provides:

> To enter into foreign-trade agreements with foreign governments or instrumentalities thereof.

Under what conditions? None are fixed. Subject to what limitations? There are no limitations stated. How much shall we concede to foreign nations of those provisions of our laws now in force in the making of such agreements? No yardstick is furnished by which it can be measured. How far may the President go in making trade agreements and binding our country to them? No one can tell. No one has attempted to tell the Senate up to the present time to what extent the President could go under the provisions of the bill. If he can go beyond the provisions of existing law, in other words, if Congress is attempting to confer upon the Chief Executive the power to enter into treaty agreements with foreign nations, then manifestly the bill is unconstitutional, because it violates the provisions regarding the making of treaties. It must be conceded on all hands that the Senate may not delegate the treaty-making power to the Chief Executive any more than it can delegate any other of its legislative powers to the Chief Executive.

Mr. FESS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Rhode Island yield to the Senator from Ohio?

Mr. HEBERT. I yield.

Mr. FESS. On page 2 of the bill, where the authority is given to the President, this language is used:

The President, whenever he finds as a fact that any existing duties or other import restrictions of the United States or any foreign country are unduly burdening and restricting the foreign trade of the United States—

And so forth; and then follows what he may do. Is that language broad enough that within the limits of 50 percent the President could eliminate the duties upon all the goods which are now upon the dutiable list?

Mr. HEBERT. Not only could he do that, Mr. President, but he could also enter into foreign-trade agreements of any kind within the limits of 50 percent of such duties and, in addition to that, any agreements that would remove the burdensome restrictions upon the foreign trade of the United States. I confess I do not know what is intended by the language. It is so broad that almost anything could be done under it. Bear in mind that paragraph 1 does not apply alone to a reduction of 50 percent in duties, but it relates back to the premise from which it proceeds, namely—

The President, whenever he finds as a fact that any existing duties or other import restrictions of the United States or any foreign country are unduly burdening or restricting.

That goes for our entire trade with other countries. It seems to me that it is so broad that it amounts to a treaty-making power, which we may not delegate to the Chief Executive.

Mr. FESS. Assuming we did have constitutional authority to do it—which I do not assume—but for argument's sake assuming there is such authority, suppose the person in charge of carrying out the provisions of the bill should be one who does not believe at all in the principle of protection and wants to limit all duties to revenue purposes, could he not entirely eliminate the protective system on all the articles on the dutiable list, if he thought they were interfering with our foreign trade?

Mr. HEBERT. It seems to me he would have ample power to do so. He could go farther and remove all restrictions, all embargoes, all countervailing duties, all those provisions now in existing tariff laws set up for the protection of American industry, American commerce, and American agriculture. There is no limit to which he might not go under this provision, as I read it.

Mr. FESS. I think that is true, and I do not believe there is a Senator on either side of the aisle who would dispute that that power is written into the bill.

Mr. HEBERT. It seems to me that it is so plain that it cannot be gainsaid.

Mr. President, I should like, if time permitted and if it could be done without taxing the patience of Senators, to discuss all the instances to which Mr. Sayre referred in his memorandum submitted to the Ways and Means Committee on the occasion of his appearance before that body.

He refers to the Dingley Act of 1897 and the fact that in pursuance of the provisions of that law certain trade agreements were entered into, but again with all the limitations contained in it.

Again, he refers to the Payne-Aldrich Act of 1909. That act provided maximum and minimum duties. I think it was one of the few instances where Congress provided for both maximum and minimum duties.

Under the provisions of the act the Chief Executive was authorized to apply either the maximum or the minimum duties upon certain contingencies very definitely set out in the act. Again, that is not the treaty-making power. All the President was authorized to do was to ascertain the facts and, once the facts had been ascertained, to proceed to apply the provisions of law as enacted by Congress—a purely ministerial act. The only requirement on the President was to ascertain the existence of certain facts; and once the President had ascertained the existence of those facts, he was to apply the provisions of the law as previously set out and clearly defined by Congress.

Mr. FESS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Rhode Island yield to the Senator from Ohio?

Mr. HEBERT. I yield.

Mr. FESS. The Senator is making a very impressive argument on the legal and constitutional phase of the matter. I am sure he does not overlook the fact, however, that all these treaties and all these agreements, without a single exception, after trial were repealed. In other words, even if we should assume that the policy originally tried out, with its limitations, was within the Constitution, as I fear this proposal is not, yet all the reciprocal arrangements were discontinued. Every treaty on the reciprocal plan that we have had with any country has been tried, found wanting, and repealed.

Mr. HEBERT. I come now to the observations of Mr. Sayre in relation to the Fordney-McCumber Act:

Section 315 of the 1922 Tariff Act, which, together with other sections, contains the so-called "flexible provisions" of the act—

I am not certain that that was the first tariff act which contained a flexible provision, but I think it was—

provided for the lowering or raising of the duty by proclamations of the President—

By proclamations of the President—

to equalize the cost of production of articles in the United States and the like or similar articles of competing foreign countries.

What did Congress do in relation to authorizing the President, by proclamation, to equalize the cost of production here and abroad?

These proclamations were to be issued after investigation by the Tariff Commission to ascertain the facts necessary to enable the President to determine whether increases or decreases in the rates of duty should be made. The section provided that the total increase or decrease should not exceed 50 percent of the rates specified in title I of the act.

Section 316 gave the President power, whenever the existence of methods of unfair competition and unfair acts in the importation of articles into the United States or in their sale therein should tend to destroy or substantially injure an industry, or to prevent the establishment of such an industry, or to restrain and monopolize trade and commerce in the United States, had been established to his satisfaction, to cause additional import duties to be imposed, or, in extreme cases, to cause such articles to be excluded from the United States.

There was no delegation of treaty-making power in that act. Congress merely said to the President, in effect, "Here is a pattern which you are to follow. Upon the happening of certain contingencies you are to impose this duty and that duty, and this obligation and that obligation, and this restriction and that restriction upon importations from abroad. You cannot go beyond those limitations which we have fixed in the law, but you are directed by proclamation to put those rates into effect." Again, that clearly is not the treaty-making power.

Mr. FESS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Rhode Island yield to the Senator from Ohio?

Mr. HEBERT. I yield to the Senator.

Mr. FESS. I desire to bring to the Senator's attention a suggestion which was made to me by the Senator from Maine [Mr. WHITE], that even in that case there was not one kind of agreement with one country and a different kind of agreement with another country, but the agreements were uniform with all countries. Not only that, but whatever flexibility was to be exercised had to be exercised upon a rule of action laid down by Congress, making up the difference between the cost of production in another country and in ours.

Mr. HEBERT. That was absolutely so, and necessarily so, because of the universality of the legislation and of its effects. Congress did not single out any one country to which the President might apply the provisions of the law. It said, "In every instance where different treatment is accorded by a country to our people than we accord to the people of that country, such provisions shall be applied to them."

Mr. HARRISON. Mr. President, will the Senator yield? I hope what I am about to say will not be taken out of his time.

Mr. HEBERT. I yield.

Mr. HARRISON. I desire to see if we cannot enter into a unanimous-consent agreement which I am about to propose. If there seems to be no objection to the proposal I shall then necessarily have to call for a quorum under the rule.

I send to the desk a proposed unanimous-consent agreement which I ask to have read.

The PRESIDING OFFICER. The proposed unanimous-consent agreement will be read.

The Chief Clerk read as follows:

I ask unanimous consent that when the Senate concludes its labors today it take a recess until 10 o'clock a.m. tomorrow; that not later than 12 o'clock meridian on tomorrow the Senate proceed to vote without further debate upon the pending amendment or any other agricultural amendment that may be proposed, and that thereafter no Senator shall speak more than once nor longer than 5 minutes upon the pending bill or any amendment that may be pending or that may be offered thereto; and that on tomorrow, not later than 4 o'clock p.m., the Senate proceed to vote without further debate upon any amendment that may be pending or any amendment or motion that may be offered and upon the passage of the bill itself.

The PRESIDING OFFICER. Is there objection to the proposed unanimous-consent agreement?

Mr. McNARY. Mr. President, I desire to have the privilege of expressing my view before a quorum is called.

For obvious reasons I cannot consent to have the vote occur tomorrow or that we shall hold a session tomorrow. We have been in session from early morning until late in the afternoon during the week, and there is a great accumulation of work in the offices of the various Senators. I shall consent to the proposal with the modification that at the conclusion of the remarks of the Senator from Rhode Island we shall recess until 10 o'clock a.m. Monday; that at 12 o'clock we shall proceed to vote on the pending amendment offered by the Senator from California [Mr. JOHNSON]; that thereafter debate on amendments shall be limited to 5 minutes; and that not later than 5 o'clock on Monday we shall vote upon the pending amendments and the bill without further debate.

On that proposal I think I can speak for those on this side of the aisle.

Mr. WHITE. Mr. President, may I ask whether the limitation of debate to 5 minutes on Monday applies to amendments of which notice has been given and which are now on the table?

Mr. McNARY. Mr. President, it would apply to all amendments pending, or which may be offered in the meantime, of course.

Mr. WHITE. Mr. President, I had given notice of a proposed amendment to the bill, and I had expected to discuss it for a very reasonable length of time. I have no such consuming desire, however, to talk to the Senate as to lead me to interpose any objection to the proposal. I do feel that the 5-minute limitation is a little severe, though personally I shall not interpose objection.

Mr. JOHNSON. Mr. President, may I suggest that as to at least one amendment, in various forms presented by different Members of the Senate, relating to the return to the Congress and the approval by the Congress of the particular agreements which might be made, there should be a 10-minute limitation. I would not ask any more than that, but a 5-minute limitation on an amendment of that character, which to me is quite as important as the amendment we are now considering, if not more important, is rather severe.

Mr. ROBINSON of Arkansas. Mr. President, would the Senator be willing to fix a time for a vote on the bill at 5 o'clock?

Mr. JOHNSON. Yes. My viewpoint is this: If we cannot get through with the amendments by 5 o'clock, that is just too bad, and those of us who have amendments which are not presented will have to take the consequences.

Mr. HARRISON. Mr. President, if I may ask the Senator from Oregon a question, of course the way the unanimous-consent request is submitted, it carries out the agreement already entered into, that when we shall have voted on the so-called "Johnson amendment", we will immediately begin to vote on the other agricultural amendments. The way the Senator stated the proposal we would not do that; Senators could have 5 minutes on the other amendments. Was that the intention of the Senator from Oregon?

Mr. McNARY. I thought I made myself quite definite. My intention, at least, was to suggest that at the conclusion of the debate and the vote upon the Johnson amendment the limitation of 5 minutes should apply to any other amendment offered, and that at 5 o'clock we should proceed to vote upon all the amendments and on the bill to its final passage.

Mr. HARRISON. Mr. President, I had very much hoped we could conclude this matter tomorrow, and that is why I presented the request for unanimous consent, but the proposal offered by the Senator from Oregon would assure us a vote beginning at 5 o'clock on Monday, and I am willing to modify my request to that extent.

Mr. HEBERT. Mr. President, I have an amendment lying on the table which I very much desire to take up at the proper time. It is important, I consider, to the industries of my State, and I question whether I can say very much about it in 5 minutes. Yet, under the proposed agreement I would be limited to that length of time to give the Senate the reasons why I think the amendment should be agreed to.

Mr. HARRISON. I thought the Senator had already been discussing his amendment.

Mr. HEBERT. I have not, Mr. President; I have been discussing the amendment of the Senator from California.

Mr. JOHNSON. Could the Senator discuss the amendment in 10 minutes?

Mr. HEBERT. I will agree to do it in 10 minutes.

Mr. McNARY. Mr. President, since it would not extend the length of time for debate, I would be willing to modify the request so that the limitation on debate would be 10 minutes instead of 5.

Mr. HARRISON. I am willing to modify my proposal so as to make the limitation not more than 10 minutes.

Mr. ROBINSON of Arkansas. Provided the vote comes at 5 o'clock.

Mr. HARRISON. Yes; I do not modify my request in that regard. It would mean a Senator would have 10 minutes on each amendment.

Mr. McNARY. I adhere to the proposition originally submitted, that the vote shall commence at 5 o'clock Monday afternoon.

Mr. BORAH. Mr. President, is it the understanding now that if the unanimous-consent proposal shall go into effect we will meet at 10 o'clock on Monday and that the voting will not begin until 12?

Mr. HARRISON. The voting on the so-called "Johnson amendment" will begin at 12 o'clock.

Mr. JOHNSON. And thereafter we will have 10 minutes on each amendment, but with the distinct understanding that at 5 o'clock we shall begin voting and close the transaction.

Mr. HARRISON. I have modified my request accordingly. Now I ask that the clerk read the modified request.

The PRESIDING OFFICER. The clerk will report the unanimous-consent agreement.

Mr. HARRISON. Mr. President, while the clerk is getting the request in shape, I suggest the absence of a quorum.

Mr. HEBERT. Mr. President, I was about to ask the Senator a question. It is my understanding that in the proposal made by the Senator that we proceed to vote at 5 o'clock he does not exclude the offering of amendments after that time, though they may not be debated?

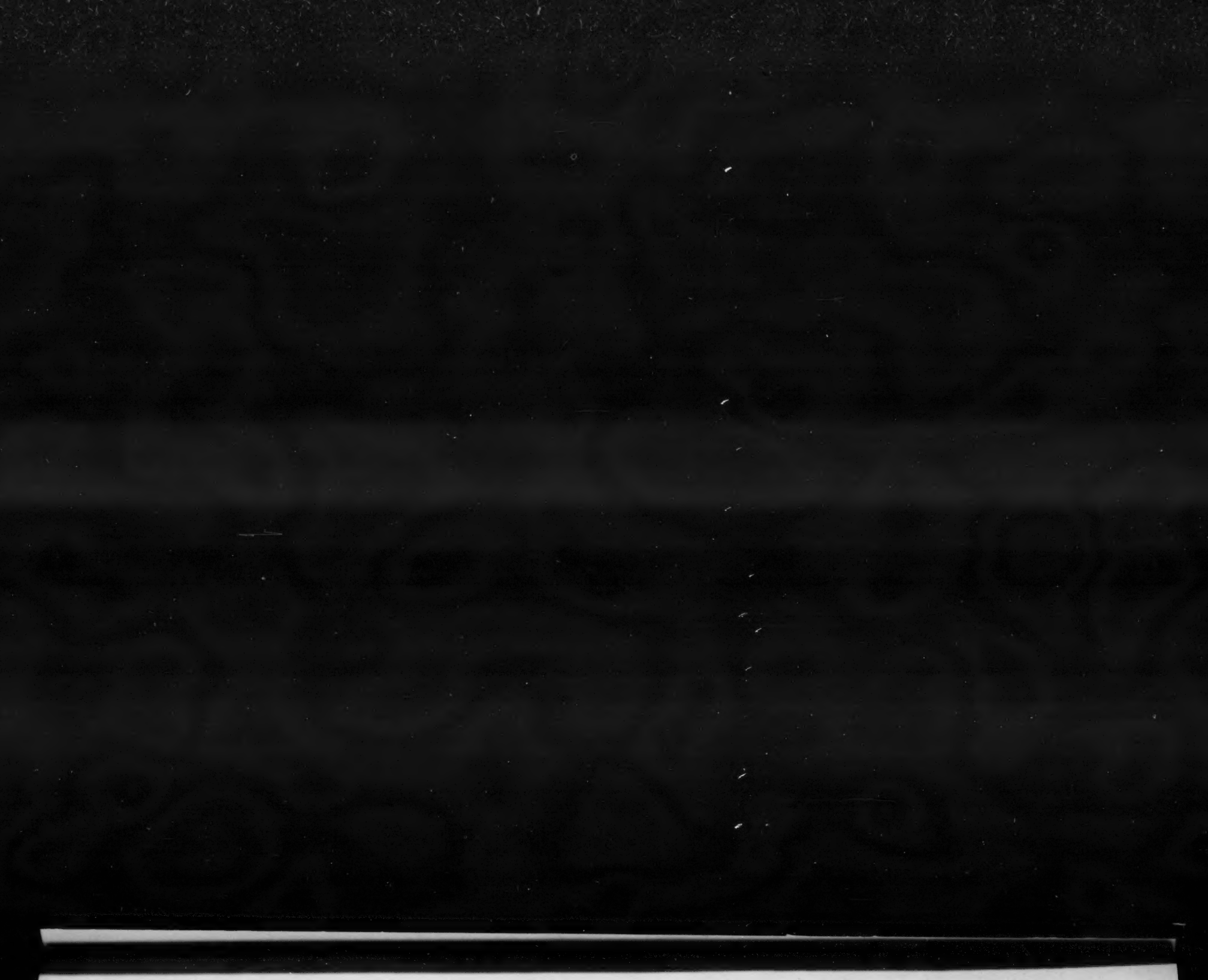
Mr. HARRISON. All amendments ought to be offered, and if they are pending at 5 o'clock they will be voted on.

Mr. HEBERT. That is all right.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Black	Capper	Couzens
Ashurst	Bone	Caraway	Davis
Austin	Borah	Carey	Dickinson
Bachman	Brown	Clark	Dieterich
Bailey	Bulkley	Connally	Dill
Bankhead	Bulow	Coolidge	Duffy
Barbour	Byrd	Copeland	Erickson
Barkley	Byrnes	Costigan	Fess



Fletcher	Kean	Norbeck	Steiwer
Frazier	Keyes	Norris	Stephens
George	King	Nye	Thomas, Okla.
Gibson	La Follette	O'Mahoney	Thomas, Utah
Glass	Lewis	Overton	Thompson
Goldsborough	Logan	Patterson	Townsend
Gore	Lonergan	Pittman	Tydings
Hale	Long	Pope	Vandenberg
Harrison	McCarran	Reynolds	Van Nuys
Hastings	McGill	Robinson, Ark.	Wagner
Hatch	McKellar	Russell	Walcott
Hatfield	McNary	Schall	Walsh
Hayden	Metcalf	Sheppard	Wheeler
Hebert	Murphy	Shipstead	White
Johnson	Neely	Smith	

The VICE PRESIDENT. Ninety-one Senators have answered to their names. There is a quorum present.

Mr. HARRISON. Mr. President, the request for unanimous consent has now been reduced to writing, and I send it to the desk and ask to have it read.

The VICE PRESIDENT. The proposed agreement will be read.

The Chief Clerk read as follows:

Ordered, by unanimous consent, that when the Senate concludes its labors today it take a recess until 10 o'clock a.m. Monday and that not later than 12 o'clock m. on Monday next the Senate proceed to vote without further debate upon the pending amendment or any other agricultural amendment that may be proposed, and that thereafter no Senator shall speak more than once nor longer than 10 minutes upon the pending bill or any amendment that may be pending or that may be offered thereto, and that on Monday at not later than 5 o'clock p.m. the Senate proceed to vote, without further debate, upon any amendment that may be pending or any amendment or motion that may be offered and upon the passage of the bill itself.

The VICE PRESIDENT. Is there objection to the request for unanimous consent?

Mr. DILL. Mr. President, does that mean that a Senator may have a total of 20 minutes?

Mr. HARRISON. It means 10 minutes on any amendment, after 12 o'clock.

Mr. DILL. And 10 minutes on the bill.

Mr. GORE. Mr. President, I should like to inquire if we could fix the hour for limiting the debate at 1 o'clock. I myself may make a few remarks. I do not desire to exclude anyone else.

Mr. HARRISON. I think that between 10 and 12 o'clock the Senator should be able to find time to make his remarks.

The VICE PRESIDENT. Is there objection to the unanimous-consent request?

Mr. GORE. I shall seek recognition when we meet on Monday. I give notice to that effect.

The VICE PRESIDENT. The Chair will hope to recognize the Senator from Oklahoma.

Is there objection to the request for unanimous consent? The Chair hears none, and it is so ordered.

Mr. HEBERT. Mr. President, I had intended to refer to a very considerable number of instances adverted to by the Assistant Secretary of State in the statement which he filed with the Committee on Ways and Means, but I shall not detain the Senate unduly at this late hour; so I pass to some observations on the provisions of section 336 of the Tariff Act of 1930. I shall not take time to read that in its entirety, Mr. President, though I shall ask to have the entire section appear in the RECORD at this point in my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

The section referred to is as follows:

SEC. 336. Equalization of costs of production: (a) Change of classification or duties: In order to put into force and effect the policy of Congress by this act intended, the Commission (1) upon request of the President, or (2) upon resolution of either or both Houses of Congress, or (3) upon its own motion, or (4) when in the judgment of the Commission there is good and sufficient reason therefor, upon application of any interested party, shall investigate the differences in the costs of production of any domestic article and of any like or similar foreign article. In the course of the investigation the Commission shall hold hearings and give reasonable public notice thereof, and shall afford reasonable opportunity for parties interested to be present, to produce evidence, and to be heard at such hearings. The Commission is authorized to adopt such reasonable procedure and rules and regulations as it deems necessary to execute its functions under this section. The Commission shall report to the President the results of the investigation and its findings with respect to such differences in costs of production. If the Commission finds it shown by the investigation that the duties expressly fixed by statute do not equalize the differences in the costs of production of the domestic article and the like or similar foreign article when produced in the principal competing country, the Commission shall specify in its report such increases or decreases in rates of duty expressly fixed by statute (including any necessary change in classification) as it finds shown by the investigation to be necessary to equalize such differences. In no case shall the total increase or decrease of such rates of duty exceed 50 percent of the rates expressly fixed by statute.

(b) Change to American selling price: If the Commission finds upon any such investigation that such differences cannot be equalized by proceeding as hereinbefore provided, it shall so state in its report to the President and shall specify therein such ad valorem rates of duty based upon the American selling price (as defined in section 402 (g)) of the domestic article, as it finds shown by the investigation to be necessary to equalize such differences. In no case shall the total decrease of such rates of duty exceed 50 percent of the rates expressly fixed by statute, and no such rate shall be increased.

(c) Proclamation by the President: The President shall by proclamation approve the rates of duty and changes in classification and in basis of value specified in any report of the Commission under this section, if in his judgment such rates of duty and changes are shown by such investigation of the Commission to be necessary to equalize such differences in costs of production.

(d) Effective date of rates and changes: Commencing 30 days after the date of any Presidential proclamation of approval, the increased or decreased rates of duty and changes in classification or in basis of value specified in the report of the Commission shall take effect.

(e) Ascertainment of differences in costs of production: In ascertaining under this section the differences in cost of production, the Commission shall take into consideration, insofar as it finds it practicable:

(1) In the case of a domestic article: (A) The cost of production as hereinafter in this section defined; (B) transportation costs and other costs incident to delivery to the principal market or markets of the United States for the article; and (C) other relevant factors that constitute an advantage or disadvantage in competition.

(2) In the case of a foreign article: (A) The cost of production as hereinafter in this section defined, or, if the Commission finds that such cost is not readily ascertainable, the Commission may accept as evidence thereof, or as supplemental thereto, the weighted average of the invoice prices or values for a representative period and/or the average wholesale selling price for a representative period (which price shall be that at which the article is freely offered for sale to all purchasers in the principal market or markets of the principal competing country or countries in the ordinary course of trade and in the usual wholesale quantities in such market or markets); (B) transportation costs and other costs incident to delivery to the principal market or markets of the United States for the article; (C) other relevant factors that constitute an advantage or disadvantage in competition, including advantages granted to the foreign producers by a government, person, partnership, corporation, or association in a foreign country.

(f) Modification of changes in duty: Any increased or decreased rate of duty or change in classification or in basis of value which has taken effect as above provided may be modified or terminated in the same manner and subject to the same conditions and limitations (including time of taking effect) as is provided in this section in the case of original increases, decreases, or changes.

(g) Prohibition against transfers from the free list to the dutiable list or from the dutiable list to the free list: Nothing in this section shall be construed to authorize a transfer of an article from the dutiable list to the free list or from the free list to the dutiable list, nor a change in form of duty. Whenever it is provided in any paragraph of title I of this act, or in any amendatory act, that the duty or duties shall not exceed a specified ad valorem rate upon the articles provided for in such paragraph, no rate determined under the provisions of this section upon such articles shall exceed the maximum ad valorem rate so specified.

(h) Definitions: For the purpose of this section—

(1) The term "domestic article" means an article wholly or in part the growth or product of the United States; and the term "foreign article" means an article wholly or in part the growth or product of a foreign country.

(2) The term "United States" includes the several States and Territories and the District of Columbia.

(3) The term "foreign country" means any empire, country, dominion, colony, or protectorate, or any subdivision or subdivisions thereof (other than the United States and its possessions).

(4) The term "cost of production", when applied with respect to either a domestic article or a foreign article, includes for a period which is representative of conditions in production of the article: (A) The price or cost of materials, labor costs, and other direct charges incurred in the production of the article and in the processes or methods employed in its production; (B) the usual general expenses, including charges for depreciation or depletion which are representative of the equipment and property employed in the production of the article and charges for rent or interest which are representative of the cost of obtaining capital or instruments of production; and (C) the cost of containers and

coverings of whatever nature, and other costs, charges, and expenses incident to placing the article in condition packed ready for delivery.

(i) Rules and regulations of President: The President is authorized to make all needful rules and regulations for carrying out his functions under the provisions of this section.

(j) Rules and regulations of Secretary of Treasury: The Secretary of the Treasury is authorized to make such rules and regulations as he may deem necessary for the entry and declaration of foreign articles of the class or kind of articles with respect to which a change in basis of value has been made under the provisions of subdivision (b) of this section, and for the form of invoice required at time of entry.

(k) Investigations prior to enactment of act: All uncompleted investigations instituted prior to the approval of this act under the provisions of section 315 of the Tariff Act of 1922, including investigations in which the President has not proclaimed changes in classification or in basis of value or increases or decreases in rates of duty, shall be dismissed without prejudice; but the information and evidence secured by the Commission in any such investigation may be given due consideration in any investigation instituted under the provisions of this section.

Mr. HEBERT. Section 336 is entitled "Equalization of Costs of Production." It provides:

In order to put into force and effect the policy of Congress by this act intended, the Commission—

That is, the Tariff Commission—

(1) Upon request of the President, or (2) upon resolution of either or both Houses of Congress, or (3) upon its own motion, or (4) when in the judgment of the Commission there is good and sufficient reason therefor, upon application of any interested party, shall investigate the differences in the cost of production of any domestic article and of any like or similar foreign article.

They have to report to the President, and the President has the authority conferred by the provisions of this section to increase or decrease to the extent of 50 percent the tariff provided in this act.

The provisions of section 336, as the Senators will observe if they will take the time to study them, are sufficiently broad to encompass all that the Chief Executive might wish to do in aid of our foreign commerce. They were intentionally made so by Congress at the time it enacted this law.

My only conclusion, as I have read section 336 and compared it with the bill now under consideration, is that the Chief Executive must be seeking legislative powers. If that were not so, he could find all necessary power to carry into effect these trade agreements under the provisions of section 336. He has full power to modify existing tariffs to the extent of 50 percent; so why the need of this legislation, unless he wants legislative power?

If, as I believe, the pending bill attempts to confer legislative power upon the Chief Executive, I return to my original proposal that the bill is without the Constitution, because Congress may not delegate to the Chief Executive the treaty-making power, or the power to legislate. I cannot reach any other conclusion, Mr. President, because of the breadth of the provisions of section 336 of the Tariff Act of 1930, under which we have operated now for 3 years. We have made certain changes when the need appears to have existed. There is no constraint upon the Chief Executive to make changes within the limit of 50 percent. It seems to me that unless the Chief Executive were seeking to have conferred upon him some of the legislative powers existing in the Congress, there would be no need for this legislation.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 1932. An act for the relief of Alfred Hohenlohe, Alexander Hohenlohe, Konrad Hohenlohe, and Viktor Hohenlohe by removing cloud on title;

S. 2623. An act to amend the act entitled "An act to require the erection of fire escapes in certain buildings in the District of Columbia, and for other purposes", approved March 19, 1906, as amended;

S. 3290. An act to amend an act entitled "An act to establish a Board of Indeterminate Sentence and Parole for the District of Columbia and to determine its functions, and for other purposes", approved July 15, 1932;

H.R. 2032. An act for the relief of Richard A. Chavis;

H.R. 3985. An act for the relief of Charles T. Moll; and

H.R. 9061. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1935, and for other purposes.

COOPERATION OF STATES IN PREVENTION OF CRIME

Mr. LOGAN. Mr. President, I ask for the present consideration of House bill 7353, granting the consent of Congress to any two or more States to enter into agreements or compacts for cooperative effort and mutual assistance in the prevention of crime, and for other purposes.

Mr. JOHNSON. Mr. President, what is the bill?

Mr. ROBINSON of Arkansas. It merely authorizes the States to enter into agreements or compacts for cooperative effort and mutual assistance in the prevention of crime and in the enforcement of criminal law.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which was ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the consent of Congress is hereby given to any two or more States to enter into agreements or compacts for cooperative effort and mutual assistance in the prevention of crime and in the enforcement of their respective criminal laws and policies, and to establish such agencies, joint or otherwise, as they may deem desirable for making effective such agreements and compacts.

APPREHENSION OF CRIMINALS

Mr. LOGAN. I also ask the present consideration of House bill (9370), to authorize an appropriation of money to facilitate the apprehension of certain persons charged with crime.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with amendments, on page 1, line 5, after the words "for the", to strike out "capture, dead or alive" and insert "capture"; in line 8, after the word "Columbia", to strike out "who is designated by the Attorney General of the United States as a public enemy"; on page 2, line 4, after the word "person", to strike out "who has been designated by the Attorney General of the United States as a public enemy"; and at the end of the bill to strike out "*Provided further*, That no person shall be designated as a public enemy within the purview of this act who has not theretofore been convicted in a court of competent jurisdiction of a felony involving violence", so as to make the bill read:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, as a reward or rewards for the capture of anyone who is charged with violation of criminal laws of the United States or any State or of the District of Columbia, the sum of $25,000, to be apportioned and expended in the discretion of, and upon such conditions as may be imposed by, the Attorney General of the United States. That there is also hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, as a reward or rewards for information leading to the arrest of any such person, the sum of $25,000 to be apportioned and expended in the discretion of, and upon such conditions as may be imposed by, the Attorney General of the United States: *Provided*, That not more than $25,000 shall be expended for information or capture of any one person.

If the said persons or any of them shall be killed in resisting lawful arrests, the Attorney General may pay any part of the reward or rewards in his discretion to the person or persons whom he shall adjudge to be entitled thereto: *Provided*, That no part of the money authorized to be appropriated by this act shall be paid to any official or employee of the Department of Justice of the United States.

Mr. McNARY. Mr. President, was there any division in the committee regarding this bill?

Mr. LOGAN. Not at all. The committee amended the bill, which authorizes an appropriation of $25,000, and allows the Attorney General to determine a sum not exceeding $25,000 to be offered for the apprehension of a criminal. That is all it is.

The VICE PRESIDENT. The question is on agreeing to the amendments.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

INVESTIGATION OF SO-CALLED "BOOK TRUST"

Mr. CLARK. Mr. President, I ask unanimous consent for the present consideration of Senate Resolution 243.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution (S.Res. 243) appointing a special committee to investigate certain charges against text-book concerns in connection with the obtaining of contracts for the sale of school books, which had been reported from the Committee to Audit and Control the Contingent Expenses of the Senate with an amendment, on page 2, line 21, after the word "exceed", to strike out "$20,000" and to insert in lieu thereof "$10,000", so as to make the resolution read:

Whereas it has been openly published and charged for a period of years that the American Book Co. and other textbook concerns, commonly known as the "Book Trust", all dealing in textbooks and school books, throughout the country have been engaged in unlawful practices in obtaining of contracts for furnishing school books through State legislation, and from public officials in States, and that, in the obtention of these contracts to furnish textbooks, it is charged that they have used large sums of money for entertainment and use of various officials; and

Whereas it was published in the newspapers on Saturday, May 5, 1934, that, in a secret N.R.A. code hearing held in Washington, D.C., in April 1934, it was disclosed that $500,000 had been paid out by the textbook manufacturers for meals and other gratuities to public officials having to do with the purchase of school textbooks for the children and the youth of our country; and

Whereas these books are sold in interstate commerce: Now, therefore, be it

Resolved, That the President of the Senate be, and he is hereby, authorized and directed to appoint a committee of 5 Members of the Senate, not more than 3 Members of any one political party, which committee is authorized and directed, during the session of the Senate and during the recess of the Congress, to examine into such charges made concerning the book manufacturers selling books in interstate commerce and report its findings to the next Congress.

For the purpose of this resolution the committee, or any subcommittee thereof, is authorized to hold hearings, to sit and act at such times and places during the sessions and recesses of the Congress until the final report is submitted, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $10,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

Mr. McNARY. Mr. President, what is the purpose of the investigation?

Mr. CLARK. The school-book monopoly, as the Senator well knows, has for many years been the most vicious monopoly in the United States. It has been brought out in recent N.R.A. hearings that the various school-textbook companies have spent as much as $500,000 in gratuities to public officials. The purpose of the investigation is to break up the practice, if possible.

Mr. McNARY. Is this a special committee to be appointed by the Vice President?

Mr. CLARK. Yes.

Mr. McNARY. What is the emergency that calls up the resolution at this late hour, just as we are about to recess?

Mr. CLARK. There is no emergency. The resolution has been considered by the Committee on Education and Labor and again by the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. McNARY. I appreciate that, but we have a calendar. I have always thought it bad practice to take any order of business off the calendar unless there is some emergency.

Mr. CLARK. If the Senator desires to object he has undoubtedly the right to do so.

Mr. McNARY. I think I shall object under the circumstances.

The VICE PRESIDENT. Objection is heard.

AMENDMENT OF DISTRICT OF COLUMBIA CODE

The PRESIDING OFFICER (Mr. McGILL in the chair) laid before the Senate the amendment of the House of Representatives to the bill (S. 2714) to amend section 895 of the Code of Law of the District of Columbia, which was, on page 1, line 7, to strike out all after "necessary" down to and including "both", in line 10.

Mr. KING. Mr. President, this bill was sent to the House of Representatives by the Senate, and the House passed the bill with an unimportant amendment. The committee yesterday agreed to accept the amendment, and I now move that the Senate concur in the amendment of the House.

The motion was agreed to.

DISCONTINUANCE OF ALLEY DWELLINGS

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1780) to provide for the discontinuance of the use as dwellings of buildings situated in alleys in the District of Columbia, and for the replatting and development of squares containing inhabited alleys, in the interest of public health, comfort, morals, safety, and welfare, and for other purposes, which was, on pages 5 and 6, to strike out all of section 3 and to insert:

SEC. 3. (a) The President is hereby authorized, in his discretion, to make immediately available to the authority for its lawful uses and as needed, from the allocation made from the appropriation to carry out the purposes of the National Industrial Recovery Act, contained in the Fourth Deficiency Act, fiscal year 1933, now carried under the title "National Industrial Recovery, Federal Emergency Administration of Public Works, Housing, 1933–35", symbol 03/5666, not to exceed $500,000 of any amount thereof dedicated for low-cost housing and slum-clearance projects in the District of Columbia, to be set aside in the Treasury and be known as "Conversion of inhabited alleys fund" (hereinafter referred to as the "fund").

(b) The authority is hereby authorized and empowered to borrow such moneys from individuals or private corporations as may be secured by the property and assets acquired under the provisions of this act, and such moneys, together with all receipts from sales, leases, or other sources shall be deposited in the fund and shall be available for the purposes of this act.

(c) The fund shall remain available until June 30, 1935, and thereafter shall be available annually in such amount as may be specified in the annual appropriation acts.

(d) The total amount paid for property or properties acquired in any square shall not exceed 30 percent over and above the present assessed value of all the property or properties acquired in any square to carry out the provisions of this act.

Mr. KING. Mr. President, this bill passed the Senate several days ago, went to the House, and passed the House with an amendment, to which the Senate committee agreed yesterday, and as to which I was instructed to move concurrence by the Senate.

The PRESIDING OFFICER. Without objection, the amendment of the House of Representatives is concurred in.

ALFRED HOHENLOHE AND OTHERS

Mr. KING. I move to postpone indefinitely the consideration of House bill 6099, for the relief of Alfred Hohenlohe, Alexander Hohenlohe, Konrad Hohenlohe, and Viktor Hohenlohe by removing cloud on title.

The PRESIDING OFFICER. Without objection, the bill will be indefinitely postponed.

ERECTION OF FIRE ESCAPES IN THE DISTRICT OF COLUMBIA

Mr. KING. I move to postpone indefinitely the consideration of House bill 7208, to amend an act entitled "An act to require the erection of fire escapes in certain buildings in the District of Columbia, and for other purposes", approved March 19, 1906 (34 Stat. 70), as amended by the act of March 2, 1907 (34 Stat. 1247).

The PRESIDING OFFICER. Without objection, the bill will be indefinitely postponed.

BOARD OF INDETERMINATE SENTENCE AND PAROLE FOR THE DISTRICT

Mr. KING. I move to postpone indefinitely the consideration of House bill 8987, to amend an act entitled "An act to establish a Board of Indeterminate Sentence and Parole for the District of Columbia and to determine its functions, and for other purposes", approved July 15, 1932.

The PRESIDING OFFICER. Without objection, the bill will be indefinitely postponed.

USE OF ALCOHOLIC BEVERAGES IN CANAL ZONE

Mr. GORE. From the Committee on Interoceanic Canals I report back favorably Senate bill 3696, authorizing the President to make rules and regulations in respect to alcoholic beverages in the Canal Zone, and for other purposes; and I submit a report (No. 1229) thereon.

This bill ought to pass before the adjournment of Congress and I ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oklahoma?

There being no objection, the Senate proceeded to consider the bill, which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the President is hereby authorized to make rules and regulations in respect to the sale and manufacture of alcoholic beverages within, and the importation thereof into and exportation thereof from, the Canal Zone, including the authority to prescribe licenses and fees for the sale and manufacture of such beverages.

SEC. 2. Any person violating any provision of such rules and regulations shall be punished by a fine of not more than $500 or imprisoned in jail for not more than 6 months, or by both, and in addition the license of such person may be revoked or suspended, as the President may by such rules and regulations prescribe.

SEC. 3. All laws, rules, regulations, and orders in force prior to the date this act takes effect, insofar as they apply to the sale, manufacture, possession, transportation, importation, and exportation of alcoholic beverages in the Canal Zone, are repealed.

SEC. 4. This act shall take effect on the thirtieth day after the date of its enactment.

EXECUTIVE SESSION

Mr. ROBINSON of Arkansas. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

ENOCH E. LUNQUIST—WITHDRAWAL OF NOMINATION

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read and ordered to lie on the table, as follows:

To the Senate of the United States:

I withdraw the nomination sent to the Senate on May 23, 1934, of Enoch E. Lunquist to be postmaster at Sheffield, in the State of Pennsylvania.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE,
Washington, D.C., June 1, 1934.

EXECUTIVE REPORTS OF COMMITTEES

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the nominations of sundry officers in the Regular Army and of several general officers in the Officers' Reserve Corps of the Army.

Mr. HARRISON, from the Committee on Finance, reported favorably the nomination of Thomas C. Kasper, of Aberdeen, S.Dak., to be collector of internal revenue for the district of South Dakota, in place of Leslie Jensen.

Mr. LONERGAN, from the Committee on Finance, reported adversely the nomination of Edward G. Dolan, of Connecticut, to be collector of internal revenue for the district of Connecticut, in place of Robert O. Eaton, resigned.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. PITTMAN, from the Committee on Foreign Relations, reported favorably, without reservation, Executive I, Seventy-third Congress, second session, a convention between the United States of America and the United Mexican States, signed at Mexico City on April 24, 1934, providing for the en bloc settlement of the claims presented by the Government of the United States to the commission established by the special claims convention concluded September 10, 1923, instead of by international adjudication in each case as provided in that convention, and submitted a report (Exec. Rept. No. 5) thereon.

The VICE PRESIDENT. The reports will be placed on the calendar.

EDWARD G. DOLAN

Mr. LONERGAN. Mr. President, there has just been reported adversely from the Committee on Finance the nomination of Edward G. Dolan, of Connecticut, to be collector of internal revenue for the district of Connecticut. I ask unanimous consent for the present consideration of the nomination. It is an adverse report, made unanimously by the Committee on Finance.

Mr. McNARY. Mr. President, is this an effort upon the part of the able Senator from Connecticut to adopt an unfavorable report made by the committee?

Mr. LONERGAN. It is.

Mr. ROBINSON of Arkansas. The report of the committee is unanimous?

Mr. LONERGAN. That is correct.

The VICE PRESIDENT. The nomination will be reported.

The Legislative Clerk read the nomination of Edward G. Dolan, of Connecticut, to be collector of internal revenue for the district of Connecticut.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to the nomination?

Mr. LONERGAN. I ask the Senate to reject the nomination.

The nomination was rejected.

THE CALENDAR—POSTMASTERS

The Legislative Clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that nominations of postmasters be confirmed en bloc.

The VICE PRESIDENT. Without objection, it is so ordered. That completes the calendar.

RECESS

The Senate resumed legislative session.

Mr. ROBINSON of Arkansas. Mr. President, pursuant to the unanimous-consent agreement heretofore entered into, I move that the Senate take a recess until 10 o'clock a.m. Monday next.

The motion was agreed to; and (at 6 o'clock and 25 minutes p.m.) the Senate, under the unanimous-consent agreement previously entered into, took a recess until Monday, June 4, 1934, at 10 o'clock a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 1 (legislative day of May 28), 1934

POSTMASTERS

ARKANSAS

Otis H. Parham, Bald Knob.
Joseph T. Whillock, Clinton.
Ray Jones, Dardanelle.
James W. Burton, Marvell.
Guy Stephenson, Monticello.
Jennings Bryan Lancaster, Mountain View.
Lola B. Gregory, Portland.
Maude Simpkins, Shirley.

CALIFORNIA

Harold E. Rogers, Chowchilla.
Leonard E. Whitener, Coalinga.
Everard M. Hiatt, El Cerrito.
Lena M. Preston, Harbor City.
Wood I. Glasgow, Le Grand.
Paul W. McGrorty, McCloud.
Merle H. Wiswell, Roseville.
Richard T. Ambrose, Santa Barbara.

FLORIDA

John W. Barrs, South Miami.

KANSAS

Gertrude R. Seitz, Bunkerhill.
Margaret M. Hanlon, Caney.
Benjamin F. Hemphill, Clay Center.
Mae S. Hodgson, Downs.

Walter S. Davis, Florence.
William A. Harris, Le Roy.
William R. Jones, Reading.
George F. Riley, Soldier.
Esta S. Riseley, Stockton.
George Harman, Valley Falls.
Arthur A. LeBeau, Zurich.

KENTUCKY

Ralph E. Vaughn, Greensburg.

LOUISIANA

James R. Wooten, Monroe.
Jerome A. Gilbert, Tallulah.
Neil D. Womble, Winnsboro.

MARYLAND

Elizabeth H. S. Boss, Laurel.

MICHIGAN

Edward L. Kenny, Onekama.
James S. O'Rourke, Richmond.

MISSISSIPPI

John T. Miller, Myrtle.
James F. Howry, Sardis.
Hermine D. Walker, Senatobia.

NORTH DAKOTA

William E. Ravely, Edgeley.
Altha B. Waddell, Forbes.
James R. Turner, Fort Yates.
Max A. Wipperman, Hankinson.
James R. Brown, Heaton.
Richard J. Leahy, McHenry.
John F. Swanston, McVille.
Margaret E. Wirtzfeld, Martin.
Caroline Lipinski, Minto.
Peter M. Schmitz, Ray.
John D. Prindiville, Rutland.
Arthur W. Hendrickson, Walcott.

OREGON

Anona Rae Hodgen, Freewater.

TEXAS

Tom Calhoon, Liberty.

WITHDRAWAL

Executive nomination withdrawn from the Senate June 1 (legislative day of May 28), 1934

POSTMASTER

Enoch E. Lunquist to be postmaster at Sheffield, Pa.

REJECTION

Executive nomination rejected by the Senate June 1 (legislative day of May 28), 1934

COLLECTOR OF INTERNAL REVENUE

Edward G. Dolan, of Connecticut, to be collector of internal revenue for the district of Connecticut.

HOUSE OF REPRESENTATIVES

FRIDAY, JUNE 1, 1934

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D.D., offered the following prayer:

Blessed God, our Father, we thank Thee that by our yearnings and longings and manifold needs we wait at the altar of prayer with grateful hearts. Thou merciful One, by Thy wise guidance, make it easier for us to be good, virtuous, true, and generous. Life, with its unmatched conditions and circumstances, is filled with perplexities, whose history lies within the soul, never to be read until they are read in the Book of God. When success is turned into misfortune, our Father, may it not embitter us. Having done all, help us to stand. In the school of experience enable us to be patient, believe in Thee, and be trustful to the end. Gracious Lord, let Thy grace ripen all of us to peace, hope, and joy, and that with outward liberty there may come the more abundant liberty of the soul. Through Christ our Savior. Amen.

Mr. McGUGIN. Mr. Speaker, before the reading of the Journal, I make the point of no quorum.

The SPEAKER. Evidently, there is not a quorum present.

Mr. BYRNS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, when the following Members failed to answer to their names:

[Roll No. 161]

Abernethy	Connolly	Kniffin	Shannon
Allgood	Corning	Kvale	Shoemaker
Andrew, Mass.	Dear	Lea, Calif.	Simpson
Auf der Heide	Delaney	Lee, Mo.	Sinclair
Bailey	Dickstein	Lehlbach	Smith, W.Va.
Beck	Doutrich	Lesinski	Stokes
Black	Doxey	Lloyd	Strong, Pa.
Boland	Eaton	McGrath	Sullivan
Bolton	Fernandes	Mariand	Sweeney
Boylan	Fish	Moynihan, Ill.	Taylor, S.C.
Brennan	Fitzgibbons	Muldowney	Thom
Britten	Foulkes	Murdock	Thurston
Brooks	Gambrill	Norton	Truax
Browning	Green	O'Connell	Underwood
Buckbee	Griffin	O'Malley	Vinson, Ga.
Bulwinkle	Hamilton	Oliver, N.Y.	Wadsworth
Cannon, Wis.	Harter	Peterson	Warren
Carley, N.Y.	Healey	Pettengill	Weaver
Cavicchia	Higgins	Plumley	Weideman
Celler	Hoeppel	Randolph	Wilcox
Chase	Hollister	Reid, Ill.	Wolfenden
Church	Jeffers	Richards	Wood, Ga.
Claiborne	Jenkins, Ohio	Rogers, Okla.	Zioncheck
Clark, N.C.	Kennedy, N.Y.	Sadowski	

The SPEAKER. Three hundred and thirty-five have answered to their names; a quorum is present.

On motion of Mr. BYRNS, further proceedings under the call were dispensed with.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On May 29, 1934:

H.R. 6803. An act to regulate the distribution, promotion, retirement, and discharge of commissioned officers of the Marine Corps, and for other purposes; and

H.R. 9068. An act to provide for promotion by selection in the line of the Navy in the grades of lieutenant commander and lieutenant, to authorize appointment as ensigns in the line of the Navy all midshipmen who hereafter graduate from the Naval Academy, and for other purposes.

On May 30, 1934:

H.R. 2837. An act to provide for the establishment of the Everglades National Park in the State of Florida, and for other purposes; and

H.R. 8617. An act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1935, and for other purposes.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed with an amendment, in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 4460. An act to provide for the payment of compensation to George E. Q. Johnson.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 3533. An act to amend the act entitled "An act creating the Mount Rushmore National Memorial Commission and defining its powers and purposes", approved February 25, 1929, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5884) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout

the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto.

The message also announced that the Senate had agreed without amendment to a concurrent resolution of the House of the following title:

H.Con.Res. 40. Concurrent resolution authorizing and directing the Clerk of the House of Representatives to make certain corrections in the enrolling of the bill H.R. 5884, "An act to amend and act entitled 'An act to establish a uniform system of bankruptcy throughout the United States', approved July 1, 1898, and acts amendatory thereof and supplementary thereto."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 9323) entitled "An act to provide for the regulation of securities exchanges and of over-the-counter markets operating in interstate and foreign commerce and through the mails, to prevent inequitable and unfair practices on such exchanges and markets, and for other purposes."

The message also announced that the Senate had passed the following resolution:

Senate Resolution 253

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. GEORGE F. BRUMM, late a Representative from the State of Pennsylvania.

Resolved, That a committee of two Senators be appointed by the Presiding Officer to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased Representative the Senate do now take a recess until 10:30 a.m. tomorrow.

The message also announced that the Vice President had appointed Mr. BARKLEY and Mr. FESS members of the joint select committee on the part of the Senate, as provided for in the act of February 16, 1889, as amended by the act of March 2, 1895, entitled "An act to authorize and provide for the disposition of useless papers in the executive departments", for the disposition of useless papers in the Smithsonian Institution.

THE JOURNAL

Mr. SNELL. Mr. Speaker, I demand the reading of the complete Journal as provided under the rule.

The SPEAKER. The Clerk will read the complete Journal.

Mr. BYRNS. Mr. Speaker, I make the point that is always done and it is not necessary for the gentleman to make such a demand.

Mr. SNELL. I make the point, Mr. Speaker, it is not always done, and I demand the reading of the complete Journal.

The SPEAKER. The Chair has heard the gentleman's demand, and the Clerk will read the complete Journal.

The Journal of the proceedings of yesterday was read.

During the reading of the Journal the following occurred:

Mr. SNELL. Mr. Speaker, the Clerk did not read the next motion.

The SPEAKER. The Clerk is now reading the next motion appearing on the Journal.

The Clerk resumed the reading of the Journal.

Mr. SNELL. Mr. Speaker, I ask that the names of those who failed to answer be read.

Mr. BLANTON. Mr. Speaker, I make the point of order the Speaker ought not to pay any attention to this mescalpeyote mode of procedure on the Republican side.

The SPEAKER. The Chair will say to the gentleman from New York that the Journal is going to be read, and the Chair may state that it will aid the Chair and the House if the gentlemen will remain quiet while the Journal is being read.

Mr. BLANTON. In view of the gentleman's demand, let him listen to it read from top to bottom.

Mr. SNELL. If the Journal is read all the way through according to the rule, I shall not object.

The SPEAKER. The Clerk will resume the reading of the Journal.

Mr. BLANTON. The gentleman wants to hear his name read.

The SPEAKER. The gentleman will hear it.

The Clerk resumed the reading of the Journal.

Mr. MOTT. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MOTT. Is it proper at this time to ask that the RECORD be corrected?

The SPEAKER. It is not at this time.

The Clerk resumed the reading of the Journal.

Mr. BLANTON. Mr. Speaker, will the Chair permit me to submit a parliamentary inquiry?

The SPEAKER. The gentleman will state it.

Mr. BLANTON. In the 35 or 36 years of the Speaker's connection with the Congress, has he ever known of any requirement under the rule for reading every name of every roll call that occurred and every single word of every proceeding in the Journal?

The SPEAKER. The rule provides for that.

Mr. SNELL. Mr. Speaker, I make the point of order that is not a parliamentary inquiry.

The SPEAKER. The rule provides for that, but the Speaker has never known it to be done.

Mr. BLANTON. I want to know from the Speaker whether, in his own experience, he has known of this being done before?

The SPEAKER. It can be done, but the Chair has never known of its being done.

Mr. BLANTON. Mr. Speaker, I want to submit one more parliamentary inquiry.

Does the Speaker, in his 35 years of experience in Congress, know of any good reason for taking up the time of the Congress with such foolishness?

Mr. SNELL. Mr. Speaker, I make the point of order that is not a parliamentary inquiry.

Mr. BLANTON. I should like for the Speaker to answer that inquiry.

The SPEAKER. The Chair knows of none.

The Clerk completed the reading of the Journal.

Mr. BYRNS. Mr. Speaker, I move that the Journal be approved, and on that I move the previous question.

Mr. SNELL. Mr. Speaker, I move to amend the Journal.

Mr. BYRNS. A motion to amend cannot be had after the previous question is moved.

Mr. BANKHEAD. There is a direct decision on that.

Mr. SNELL. A motion to amend has preference over the motion to approve.

Mr. BYRNS. Mr. Speaker, I call the attention of the Chair to the ruling made by Speaker Clark, January 23, 1913, in which he said:

> The contention of the gentleman from Illinois [Mr. Mann], for whose parliamentary knowledge the Chair has a great deal of respect, would, if sustained, absolutely nullify the previous question, and the previous question is intended to put an end to things.

That ruling was made on the identical contention the gentleman from New York is making now.

Mr. SNELL. I make the point of order that the motion to amend has preference.

Mr. O'CONNOR. In addition to that there are previous decisions on which Speaker Clark based his decision.

The SPEAKER. The Chair is ready to rule. The Chair is familiar with the decisions mentioned. Speaker Reed, in a decision in 1897, held that a motion to amend the Journal may not be had after the moving of the previous question on a motion to approve the Journal.

The previous question was ordered.

The SPEAKER. The question is on the approval of the Journal.

Mr. SNELL. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 248, nays 76, answered "present" 1, not voting 105, as follows:

[Roll No. 162]

YEAS—248

Adair	Disney	Kenney	Rayburn
Adams	Dobbins	Kloeb	Reilly
Arens	Doughton	Kniffin	Richardson
Arnold	Douglass	Kocialkowski	Robertson
Ayers, Mont.	Doxey	Kopplemann	Robinson
Ayres, Kans.	Drewry	Kramer	Romjue
Bankhead	Driver	Lambeth	Rudd
Beam	Duncan, Mo.	Lamneck	Ruffin
Beiter	Dunn	Lanham	Sabath
Berlin	Durgan, Ind.	Lanzetta	Sanders, La.
Biermann	Eagle	Larrabee	Sanders, Tex.
Bland	Edmiston	Lehr	Sandlin
Blanton	Eicher	Lemke	Schaefer
Bloom	Ellenbogen	Lesinski	Schuetz
Boehne	Elizey, Miss.	Lewis, Colo.	Schulte
Boileau	Faddis	Lindsay	Scrugham
Brown, Ga.	Farley	Lozier	Sears
Brown, Ky.	Fernandez	Ludlow	Secrest
Brown, Mich.	Fiesinger	Lundeen	Shallenberger
Brunner	Fitzgibbons	McCarthy	Sirovich
Buchanan	Fitzpatrick	McClintic	Sisson
Buck	Flannagan	McCormack	Smith, Va.
Burch	Fletcher	McDuffie	Smith, Wash.
Burke, Calif.	Ford	McFarlane	Snyder
Burke, Nebr.	Frey	McKeown	Somers, N.Y.
Busby	Fuller	McMillan	Spence
Byrns	Fulmer	McReynolds	Steagall
Cady	Gasque	Maloney, Conn.	Strong, Tex.
Caldwell	Gavagan	Maloney, La.	Stubbs
Cannon, Mo.	Gillespie	Mansfield	Studley
Carden, Ky.	Gillette	Martin, Colo.	Sumners, Tex.
Carmichael	Glover	Martin, Oreg.	Sutphin
Carpenter, Kans.	Granfield	May	Swank
Carpenter, Nebr.	Gray	Mead	Sweeney
Cartwright	Greenway	Meeks	Tarver
Cary	Greenwood	Miller	Taylor, Colo.
Castellow	Gregory	Mitchell	Terrell, Tex.
Chapman	Griffin	Monaghan, Mont.	Terry, Ark.
Chavez	Griswold	Montague	Thomason
Cochran, Mo.	Harlan	Montet	Thompson, Ill.
Coffin	Hart	Moran	Thompson, Tex.
Colden	Hastings	Morehead	Turner
Cole	Henney	Murdock	Umstead
Collins, Miss.	Hildebrandt	Musselwhite	Utterback
Colmer	Hill, Knute	Nesbit	Vinson, Ga.
Condon	Hill, Samuel B.	O'Brien	Vinson, Ky.
Connery	Hoeppel	O'Connell	Wallgren
Cooper, Tenn.	Howard	O'Connor	Walter
Cox	Huddleston	Oliver, Ala.	Wearin
Cravens	Hughes	Owen	Welch
Crosby	Imhoff	Palmisano	Werner
Cross, Tex.	Jacobsen	Parker	West, Tex.
Crosser, Ohio	Jenckes, Ind.	Parks	White
Crowe	Johnson, Minn.	Parsons	Whittington
Crump	Johnson, Okla.	Patman	Williford
Cullen	Johnson, Tex.	Peavey	Williams
Cummings	Johnson, W.Va.	Peyser	Wilson
Darden	Jones	Pierce	Withrow
Dear	Kee	Polk	Wood, Ga.
Deen	Keller	Ramsay	Wood, Mo.
Dickinson	Kelly, Ill.	Ramspeck	Woodrum
Dies	Kennedy, Md.	Rankin	Young

NAYS—76

Allen	Ditter	Kelly, Pa.	Fleece
Andrews, N.Y.	Dondero	Kinzer	Reed, N.Y.
Bacharach	Dowell	Knutson	Rogers, Mass.
Bacon	Edmonds	Kurtz	Seger
Bakewell	Eltse, Calif.	Lambertson	Sinclair
Beedy	Englebright	Luce	Snell
Blanchard	Evans	McFadden	Swick
Bolton	Focht	McGugin	Taber
Burnham	Foss	McLean	Taylor, Tenn.
Carter, Calif.	Frear	McLeod	Thomas
Carter, Wyo.	Gifford	Mapes	Traeger
Clarke, N.Y.	Gilchrist	Marshall	Treadway
Cochran, Pa.	Goodwin	Martin, Mass.	Turpin
Collins, Calif.	Guyer	Merritt	Waldron
Cooper, Ohio	Hancock, N.Y.	Millard	Whitley
Culkin	Hess	Mott	Wigglesworth
Darrow	Holmes	Perkins	Wolcott
De Priest	Hope	Powers	Wolverton
Dirksen	Kahn	Ransley	Woodruff

ANSWERED "PRESENT"—1

Christianson

NOT VOTING—105

Abernethy	Browning	Corning	Gambrill
Allgood	Buckbee	Crowther	Goldsborough
Andrew, Mass.	Bulwinkle	Delaney	Goss
Auf der Heide	Cannon, Wis.	DeRouen	Green
Bailey	Carley, N.Y.	Dickstein	Haines
Beck	Cavicchia	Dingell	Hamilton
Black	Celler	Dockweiler	Hancock, N.C.
Boland	Chase	Doutrich	Harter
Boylan	Church	Duffey	Hartley
Brennan	Claiborne	Eaton	Healey
Britten	Clark, N.C.	Fish	Higgins
Brooks	Connolly	Foulkes	Hill, Ala.
Holdale	McSwain	Richards	Tinkham
Hollister	Marland	Rogers, N.H.	Tobey
James	Milligan	Rogers, Okla.	Truax
Jeffers	Moynihan, Ill.	Sadowski	Underwood
Jenkins, Ohio	Muldowney	Shannon	Wadsworth
Kennedy, N.Y.	Norton	Shoemaker	Warren
Kerr	O'Malley	Simpson	Weaver
Kleberg	Oliver, N.Y.	Smith, W.Va.	Weideman
Kvale	Peterson	Stalker	West, Ohio
Lea, Calif.	Pettengill	Stokes	Wilcox
Lee, Mo.	Plumley	Strong, Pa.	Wolfenden
Lehlbach	Prall	Sullivan	Zioncheck
Lewis, Md.	Randolph	Taylor, S.C.	
Lloyd	Reid, Ill.	Thom	
McGrath	Rich	Thurston	

So the Journal was approved.

The following pairs were announced:

On this vote:

Mr. Black (for) with Mr. Jenkins of Ohio (against).
Mr. McGrath (for) with Mr. Wolfenden (against).
Mr. Randolph (for) with Mr. Plumley (against).
Mr. Kleberg (for) with Mr. Higgins (against).
Mr. Allgood (for) with Mr. Connolly (against).
Mr. McSwain (for) with Mr. Hartley (against).
Mr. Sullivan (for) with Mr. Cavicchia (against).
Mr. Truax (for) with Mr. Simpson (against).
Mr. Warren (for) with Mr. Beck (against).
Mr. Prall (for) with Mr. Fish (against).
Mr. Healey (for) with Mr. Doutrich (against).
Mr. Boylan (for) with Mr. Lehlbach (against).
Mr. Oliver of New York (for) with Mr. Stokes (against).
Mr. Milligan (for) with Mr. Andrew of Massachusetts (against).
Mr. Richards (for) with Mr. Britten (against).
Mr. Underwood (for) with Mr. Hollister (against).
Mr. Hill of Alabama (for) with Mr. Crowther (against).
Mr. Dingell (for) with Mr. Tinkham (against).
Mr. Lee of Missouri (for) with Mr. Goss (against).
Mr. Taylor of South Carolina (for) with Mr. Buckbee (against).
Mr. Peterson (for) with Mr. Moynihan of Illinois (against).
Mr. Delaney (for) with Mr. Rich (against).
Mr. Corning (for) with Mr. Reid of Illinois (against).
Mr. Clark of North Carolina (for) with Mr. Muldowney (against).
Mr. Green (for) with Mr. Tobey (against).
Mr. Hancock of North Carolina (for) with Mr. Stalker (against).

Until further notice:

Mrs. Norton with Mr. Chase.
Mr. Bulwinkle with Mr. James.
Mr. Lea of California Mr. Wadsworth.
Mr. Browning with Mr. Thurston.
Mr. Kennedy of New York with Mr. Kvale.
Mr. Lewis of Maryland with Mr. Shoemaker.
Mr. Smith of West Virginia with Mr. Thom.
Mr. West of Ohio with Mr. Pettengill.
Mr. Claiborne with Mr. Holdale.
Mr. Haines with Mr. Cannon of Wisconsin.
Mr. Gambrill with Mr. Lloyd.
Mr. Shannon with Mr. Rogers of New Hampshire.
Mr. Kerr with Mr. Dockweiler.
Mr. Bailey with Mr. Duffey.
Mr. Abernethy with Mr. Marland.
Mr. Carley of New York with Mr. Hamilton.
Mr. Harter with Mr. Church.
Mr. Weaver with Mr. O'Malley.
Mr. Wilcox with Mr. Boland.
Mr. Dickstein with Mr. Sadowski.
Mr. Auf der Heide with Mr. Goldsborough.
Mr. Weideman with Mr. Zioncheck.
Mr. DeRouen with Mr. Celler.
Mr. Brennan with Mr. Foulkes.
Mr. Brooks with Mr. Jeffers.

Mr. COOPER of Ohio. Mr. Speaker, I desire to change my vote from "aye" to "nay."

Mr. KNUTSON. Mr. Speaker, unintentionally I voted for the gentleman from Illinois [Mr. DIRKSEN]. I wish to withdraw that vote.

The result of the vote was announced as above recorded.

On motion of Mr. BYRNS, a motion to reconsider the vote was laid on the table.

Mr. BYRNS. Mr. Speaker, is it not now in order to vote on the bill that came over from yesterday?

Mr. SNELL. The question is on the third reading of the bill.

Mr. BLANTON. The engrossed copy is here now.

Mr. BYRNS. Mr. Speaker, I ask unanimous consent to make a brief announcement.

The SPEAKER. Without objection, it is so ordered.

Mr. BYRNS. Mr. Speaker, the gentleman from Connecticut [Mr. Goss], the gentleman from Michigan [Mr. JAMES], and the gentleman from New Hampshire [Mr. ROGERS] are holding hearings as a subcommittee for the Committee on Military Affairs, and for that reason were not present.

APPROPRIATIONS TO THE PUBLIC WORKS ADMINISTRATION FOR NONFEDERAL PROJECTS

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a short letter written by me to the Administrator of Public Works, together with his reply thereto.

The SPEAKER. Is there objection?

There was no objection.

Mr. MANSFIELD. Mr. Speaker, I desire to call attention to the applications pending before the Public Works Administration for loans and grants on non-Federal projects. It will require an appropriation of at least $1,250,000,000, earmarked for this purpose, to satisfy this class of applications. These projects are just as meritorious as those of a like nature which have been granted. They meet the requirements as to legal validity, financial security, and engineering soundness.

If Congress should fail to provide this money, after having provided it for the many thousands whose applications have been granted, then it occurs to me that it would have been better never to have commenced such a program.

Applicants for these loans and grants have gone to great trouble and expense in the prosecution of their claims. They have met all the requirements prescribed, and many of them have been notified that their applications are now dependent solely upon the amount of money to be appropriated by Congress. If sufficient funds are not appropriated, then the Administrator of Public Works will be compelled to reject many of the pending applications, notwithstanding the fact that the applicants may have been notified that all conditions had been satisfactorily met and that nothing remained but providing the funds. Such a dilemma would certainly prove very unsatisfactory, especially after hundreds of millions have been granted to others on applications of like merit.

I include as a part of my remarks a letter written by me to the Administrator of Public Works on May 25, and his reply on May 29, 1934. They are as follows:

WASHINGTON, D.C., *May 25, 1934.*

Hon. HAROLD L. ICKES,
Federal Emergency Administration of Public Works,
Washington, D.C.

DEAR MR. ICKES: In view of the fact that the deficiency appropriation bill, carrying the appropriations for the Public Works Administration, is soon to be considered by Congress, I am requesting that you please give me the following information:

What is the approximate total amount in dollars of applications for loans with or without grants, or grants without loans, now pending before the Public Works Administration, and on which no final action has been taken?

I am judging the rest of the country by conditions in my own district. A number of applications for loans and grants have been made, and many other applications are pending upon which final action has not yet been taken. Many of these projects are beyond question just as meritorious as those which have been granted, and if funds are available, a very large percent of them will, of course, be approved in due time. It occurs to me that if sufficient funds are not to be provided, after having gone so far with this program, it would certainly be a great disappointment to the many thousands interested in projects of merit which may not reach the stage of approval for want of sufficient funds.

If you will give me the information here called for, I assure you it will be highly appreciated. I am,

Yours very truly,

J. J. MANSFIELD, M.C.

WASHINGTON, D.C., *May 29, 1934.*

Hon. J. J. MANSFIELD,
House of Representatives, Washington, D.C.

MY DEAR CONGRESSMAN: I have your letter of May 25 inquiring as to the approximate amount in dollars of non-Federal applications now pending with the Public Works Administration on which no final action has been taken.

As of May 26 we had pending in Washington 5,827 non-Federal projects, aggregating $3,122,000,000, on which no final action had been taken. My staff estimates that about 40 to 50 percent of this amount will be able to meet our requirements as to legal validity, financial security, and engineering soundness.

So far as the amount of new appropriations, if any, is concerned, that is a question which is for the Congress to decide, and as to which I am foreclosed by the President's Budget message. I may say, however, that, in line with the thought expressed in your letter, we have received a number of letters charging us with bad faith in soliciting municipalities to file applications, for which we now have not sufficient funds.

Sincerely yours,

HAROLD L. ICKES,
Federal Emergency Administrator of Public Works,
Washington, D.C.

ADDRESSES AT GETTYSBURG, PA., MEMORIAL DAY, 1934

Mr. HAINES. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein the memorial address of the President of the United States at Gettysburg on May 30 and also an address delivered by the Governor of Pennsylvania upon the same occasion.

The SPEAKER. Is there objection?

There was no objection.

Mr. HAINES. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following Memorial Day addresses delivered at Gettysburg, Pa., May 30, 1934:

ADDRESS OF THE PRESIDENT OF THE UNITED STATES

My friends, on these hills of Gettysburg two brave armies of Americans once met in combat. Not far from here, in a valley likewise consecrated to American valor, a ragged Continental Army survived a bitter winter to keep alive the expiring hope of a new nation; and near to this battlefield and that valley stands that invincible city where the Declaration of Independence was born and the Constitution of the United States was written by the fathers. Surely, all this is holy ground.

It was in Philadelphia, too, that Washington spoke his solemn, tender, wise words of farewell—a farewell not alone to his generation but to the generation of those who laid down their lives here and to our generation and to the America of tomorrow. Perhaps if our fathers and grandfathers had truly heeded those words we should have had no family quarrel, no Battle of Gettysburg, no Appomattox.

As a Virginian, President Washington had a natural pride in Virginia; but as an American, in his stately phrase, "the name of American, which belongs to you, in your national capacity, must always exalt the just pride of patriotism, more than any appellation derived from local discrimination."

Recognizing the strength of local and State and sectional prejudices and how strong they might grow to be, and how they might take from the National Government some of the loyalty the citizens owed to it, he made three historic tours during his Presidency. One was through New England in 1789, another through the Northern States in 1790, and still another through the Southern States in 1791. He did this, as he said, "in order to become better acquainted with their principal characters and internal circumstances, as well as to be more accessible to numbers of well-informed persons who might give him useful advices on political subjects."

But he did more to stimulate patriotism than merely to travel and mingle with the people. He knew that nations grow as their commerce and manufactures and agriculture grow, and that all of these grow as the means of transportation are extended. He sought to knit the sections together by their common interest in these great enterprises; and he projected highways and canals as aids not to sectional, but to national development.

But the Nation expanded geographically after the death of Washington far more rapidly than the Nation's means of intercommunication. The small national area of 1789 grew to the great expanse of the Nation of 1860. Even in terms of the crude transportation of that day, the Thirteen States were but within "driving distance" of each other.

With the settling and the peopling of the continent to the shores of the Pacific there developed the problem of self-contained territories because the Nation's expansion exceeded its development of means of transportation. The early building of railroads did not proceed on national lines.

Contrary to belief, the South and the West were not laggard in developing this new form of transportation; but there, as in the East, most of the railroads were local and sectional. It was a chartless procedure: people were not thinking in terms of national transportation or national communication. In the days before the brothers' war not a single line of railroad was projected from the South to the North; not even one from the South reached to the National Capital itself.

It was an inspired prophet of the South who said: "My brethren, if we know one another we will love one another." The tragedy of the Nation was that the people did not know one another because they had not the necessary means of visiting one another.

Two subsequent wars, both with foreign nations, measurably allayed and softened the ancient passions. It has been left to us of this generation to see the healing made permanent.

We are all brothers now in a new understanding. The grain farmers of the West do not set themselves up for preference if we seek at the same time to help the cotton farmers of the South; nor do the tobacco growers complain of discrimination if, at the same time, we help the cattlemen of the plains and mountains.

In our planning to lift industry to normal prosperity the farmer upholds our efforts. And as we give the farmer a long-sought equality the city worker understands and helps. All of us share

in whatever good comes to the average man. We know that we all have a stake—a partnership in the government of our country.

Today we have many means of knowing each other—means that have sounded the doom of sectionalism. It is, I think, as I survey the picture from every angle, a simple fact that the chief hindrance to progress comes from three elements which, thank God, grow less in importance with the growth of a clearer understanding of our purposes on the part of the overwhelming majority. These groups are those who seek to stir up political animosity or to build political advantage by the distortion of facts; those who, by declining to follow the rules of the game, seek to gain an unfair advantage over those who live up to the rules; and those few who still, because they have never been willing to take an interest in their fellow Americans, dwell inside of their own narrow spheres and still represent the selfishness of sectionalism which has no place in our national life.

Washington and Jefferson and Jackson and Lincoln and Theodore Roosevelt and Woodrow Wilson sought and worked for a consolidated nation. You and I have it in our power to attain that great ideal. We can do this by following the peaceful methods prescribed under the broad and resilient provisions of the Constitution of the United States.

Here, in the presence of the spirits of those who fell on this ground, we give renewed assurance that the passions of war are moldering in the tombs of time and the purposes of peace are flowing in the hearts of a united people.

ADDRESS OF HON. GIFFORD PINCHOT, GOVERNOR OF PENNSYLVANIA

Until a little more than a year ago the people of the United States faced the great depression without hope, leaderless, and without a plan.

In the Civil War, whose decisive battle we commemorate today, division of council brought suffering, waste, and loss beyond counting, both to the South and to the North. Just so divided councils were leading the people of the United States deeper and deeper into the slough of despond.

The men who brought the depression upon us had but one idea, which was to do nothing and pass the buck. Despair covered the Nation like a blanket.

Then at the darkest moment was heard a clear and confident voice. It said: "I accept the responsibility. I assume unhesitatingly the leadership of this great army of our people dedicated to a disciplined attack upon our common problems."

From that moment every man's hope was stronger, every man's head was lifted up, because here at last was a leader who was a man—a man whose daring rose to the high level of his great task.

Here at last was a figure large enough to fill the common eye, human enough to keep the common touch, brave enough to tell the truth, and strong enough to lead the Nation from a needless depression to a planned and general prosperity—from failure to success.

From that moment our recovery began. From that moment our people turned their faces from the darkness to the light. From that moment they had a common purpose and a common road.

Discord and division did nothing for us. They can do nothing now. We may still differ in details. We may differ in party. But in the one great object of relief from the depression we must stand as one.

This is no time to look backward. The profit of a few must not bar the road to the welfare of the people. The special interests which would re-create the causes of the depression must be thrust aside. The fleshpots of Egypt must not hinder us in our march to the promised land. There is but one way out, and that is to follow the President.

Today, a Nation united, and united behind one leader, we commemorate the battle and the victory at Gettysburg because of which the United States has become the greatest Nation the world has ever seen. So hereafter may the people, having followed their leader out of the depression, look back upon dark days which are no more and thank God for their deliverance.

It is my great honor, here in this valley of a great decision, to present to you a maker of decisions, a leader fit to be followed, the first citizen of the world, Franklin Delano Roosevelt, the President of the United States.

ADDRESS OF HON. HARRY L. HAINES, OF PENNSYLVANIA

The Nation approaches no ceremony with such universal sanction as that which is held in commemoration over the graves of those who have performed military duty. America has demonstrated that she is not ungrateful, and, again on this day set apart to pay our tribute of respect, we gather in this sacred spot to pay this tribute to the sons of a great nation who made the supreme sacrifice for a cause that they believed to be right. As we gather here today we cannot help but exclaim as did the prophet of old, "Take off thy shoes from off thy feet, for the ground whereon thou standest is holy ground." We are meeting here today for an hour of sacrament and consecration. Wherever our flag flies today, within the boundaries of the Republic, it is over lands whose freedom and security have been wrought through the sacrifices of our fellow citizens. It is a great privilege, my fellow citizens, that you and I have to offer our tribute of love and gratitude to those who made this supreme sacrifice. In our respect for the living and our reverence for our heroic dead, in the unbounded treasure which we have poured out in bounties, in the continual requiem services which we have held, we are showing to the world the soul of America. Today the sons and daughters of other lands, to which they gave their all, are placing with loving hands their laurels upon American graves, not less reverently than we are doing here.

This then is not a day of weakening memory, but a day of stimulation. To me no thought comes with more of inspiration than this: That now our Memorial Day is become an international occasion, that it calls upon the fortunate free of many lands and countries to help in its observance; and that equally to them and to us it is a reminder of our common faith to civilization, humanity, and everlasting justice.

Let us be true to the ideals that have made us a great nation and thus continue to bless mankind.

The valor of the fine men, who rest in this holy place, still lives and will continue to live in the hearts and minds of our people so long as we remain true to the ideals for which they died. Let us look to God for continued guidance and wisdom and pray that He may strengthen us, that He may keep our great Executive, the President of the United States, in these trying days of unrest, give him continued good health and strength to lead and direct us in the paths that God would have us go.

Let us pray.

NEW-DEAL REVIEW SHOWS BIG RESULTS

Mr. BEITER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. BEITER. Mr. Speaker, when the people of the United States gave Franklin D. Roosevelt the job of replacing our worn-out economic machine, they did not suggest the type of vehicle he was to use. Their one hope was that he would not start predicting that prosperity was just around the corner, but that he would employ a plan that could be set into action so that it could turn out aid for the millions who were in dire need of assistance.

The President called on probably the greatest authorities in the various fields of social and economic life and requested that each of them submit plans for building up a certain part of his machine. As the plans came in, he selected those most likely to succeed and assembled them with hundreds of others into one large model. After he had his large draft completed, he called in the numerous Democratic leaders in the House and Senate and requested that they furnish him with the necessary power and money to carry out its construction. After a session of 100 days, the most fearless Congress in the history of a nation made it possible for him to erect the foundation upon which his new machine was to operate. When exposed to public view, the people found that this new machine was unlike anything that had ever before been created.

The first function of the new economic machine was to furnish relief. Tremendous achievements of recovery so far are shown in a new-deal balance sheet.

Favorable developments brighten many fronts as the Nation enters the sixteenth month of further business improvements. Continued progress depends upon the soundness of the administration's judgment, and the people alone can insure success if they are not misled by Wall Street.

High lights of the recovery accounting are:

First. Approximately 6,000,000 persons have been reemployed, either privately or directly, by the Government.

Second. The fiscal-year deficit may be less than President Roosevelt said he expected.

Third. Federal revenue is meeting Budget expenditures.

Fourth. Reopened banks appear to be safe and sound.

Fifth. Agricultural crop and mortgage loans and A.A.A. benefits exceed $1,172,000,000.

Sixth. The 10-percent wage-increase plan is spreading through industry.

Emergency loans, gifts, and benefits have been distributed by the administration from coast to coast through the multiplicity of agencies to revive industry, agriculture, and commerce.

President Roosevelt's recovery schedule provides that purely emergency aid shall cease 14 months hence, on June 30, 1935. Thereafter the country is to live within its income. One month of the current fiscal year remains.

The Treasury balance sheet for the first 11 months of the fiscal year shows:

1. Income	$2,701,436,596.95
2. Expenditures	6,328,892,261.60
3. Deficit to date	3,627,455,664.65

President Roosevelt budgeted for fiscal year expenditures of $10,569,006,967 and a deficit of $7,309,068,211. It is unlikely so much can or will be spent between now and June 30.

The principal job-making organizations of the new deal have furnished me with data from the Division of Research and Planning and from the office of the Chief Clerk.

EMPLOYMENT

More than 560,000 men and women went back to work in industry and agriculture in March, according to Federation estimates. The total number out of work decreased from 11,467,000 in February to 10,905,000 in March.

This gain in employment is an important mark of progress toward recovery.

Of the 10,905,000 who had no work in industry in March, nearly 253,000 were in Emergency Conservation Work, and 300,000 had work under P.W.A. At the end of March, C.W.A. was terminated, except for a few workers kept on the pay rolls to finish Federal projects. On April 12, only 92,000 were left of the 4,000,000 who had work at the peak of C.W.A. activity. Those in need were given work under the works division of the Emergency Relief Administration or received help through State and local relief channels. In February, 2,610,000 families, with 11,610,000 individuals were receiving relief, and from 1,500,000 to 2,000,000 had been taken from relief rolls and were working under C.W.A. This compares to 4,140,000 families on relief in February a year ago. In March, with the termination of C.W.A., the number of straight relief increased, and thousands were also given work under the Relief Administration. By the third week in April the number at work under relief was about 750,000.

Continued increases during April in employment and pay rolls, which usually decline in that month following seasonal expansions in February and March, were shown May 17 by Secretary Perkins.

The Bureau of Labor Statistics estimated that more than 224,000 workers were returned to employment in manufacturing and nonmanufacturing industries, with an estimated increase of $7,700,000 in weekly pay rolls.

The factory-employment index rose 1.9 percent, and factory pay rolls 3.9 percent.

Thirteen of the fifteen nonmanufacturing industries surveyed monthly by the Bureau reported gains in employment from March to April, and 11 industries reported increased pay rolls over the month interval.

In addition to the gains reported by private industry, there was an increase in April of 85,000 workers employed on Public Works projects, and a gain of nearly 13,000 workers reported by the Interstate Commerce Commission for class I railroads.

THE BUSINESS TREND

The Federal Reserve Board business-activity index takes the average of 1923–25 business as an arbitrary 100. On that basis, business hit a bottom index of 60 in March 1933, rose to 100 in July 1933, and declined to 72 in November 1933.

It is rising now from a beginning of 75 in December 1933 and a mark of 78 in January.

AGRICULTURE

Under the Agricultural Adjustment Administration approximately 46,621,000 acres of corn, wheat, cotton, and tobacco lands have been withdrawn from production since March 4, 1932, as follows:

Corn	acres	12,000,000
Wheat	do	7,500,000
Cotton (under 1933 adjustment program)	do	10,304,000
Cotton (under 1934 adjustment program)	do	15,317,000
Tobacco, estimated	do	1,500,000
Disbursements for administrative purposes to and including Apr. 30, 1934, the latest figure available, totaled	dollars	13,833,187.20
Commodity Credit Corporation loans on corn to May 16, 1934, totaled	dollars	90,035,981.47
Commodity Credit Corporation loans on cotton to May 16, 1934, totaled	dolars	61,114,410.45

Rental and benefit payments and payments for removal of surplus agricultural commodities to close of Apr. 30, 1934

Commodity	Number of checks issued	Total	Rental and benefit payments	Removal of surplus
Cotton	1,062,017	$112,515,866.07	$112,515,866.07	
Tobacco	141,592	5,206,778.25	5,206,778.25	
Corn, hogs	792	40,380.25	40,380.25	
Wheat, acreage reduction	824,228	67,617,486.54	67,617,486.54	
Wheat, export marketing		3,988,399.31		$3,988,399.31
Hogs, emergency marketing		34,227,951.22		34,227,951.22
Butter		9,418,379.06		9,418,379.06
Cheese (F.S.R.C.)		517,932.45		517,932.45
Butter (F.S.R.C.)		597,146.94		597,146.94
Hogs (F.S.R.C.)		6,242,272.93		6,242,272.93
Total	2,028,624	240,372,593.02	186,380,511.11	54,992,081.91

FARMS TAKE MORE WORKERS

Reports on agricultural employment indicated a seasonal increase in that field.

Computed on the former series of the Bureau of Labor Statistics which was based on the 12-month average of 1926 as 100 and was not adjusted to census trends, the index of factory employment in April rose from 76.4 to 77.8, and the index of pay rolls rose from 59.4 to 61.9.

INDUSTRY

Recovery Administrator Johnson estimates at least 3,000,000 persons have received employment through the efforts of N.R.A. Manufacturing alone shows the following increase: The new index issued by the Bureau of Labor Statistics stood at 80.8 in March of this year, compared with 66.9 in June of last year, just before the Recovery Act became effective. In terms of actual numbers, these indexes indicate 5,640,000 employed in June and 6,810,000 in March. Not only is this increase of 1,170,000 between the two dates quite significant but so also is the difference between employment last year and the probable employment in March of this year had N.R.A. not intervened.

When N.R.A. came into existence, the average work week in manufacturing was 42.5 hours. Through the codes it has been cut to 36 or less. If the 42.5-hour work week had obtained in March, 5,765,000 men would have sufficed to do what 6,810,000 did with a 36-hour average work week. The difference is 1,045,000 men who would not have been at work without the N.R.A. program.

Manufacturing accounts for only one-third of the employees working under N.R.A. codes. While our statistics on the other two-thirds of our field are very scanty, it is reasonable to assume that relatively reemployment is just as great as in the field of manufacturing.

As for manufacturing pay rolls, when N.R.A. was set up the index of the Bureau of Labor Statistics was 47.2 and average hourly earnings about 42 cents. In March 1934 it was 64.8 and average earnings 53 cents. In terms of dollars the June index represents an annual pay roll of about $5,030,000,000, while the March 1934 index represents $6,900,000,000, a gain of $1,870,000,000. If the March hourly earning had been at 42 cents, as in June—and there is good reason for believing it would have been lower—the annual rate of pay would have been $4,320,000,000. The difference is $2,580,000,000 and represents the combined effect of getting more men on the pay roll and raising their hourly pay. The nonmanufacturing industries show results of a similar order.

To date 430 codes have been approved, exclusive of supplements. In every industry where child labor or sweatshops were a pressing evil, they have been eliminated. Almost all codes have child-labor clauses. The minimum-wage provision plus vigorous enforcement make sweatshops impossible.

About 91.6 percent of the employees eventually to come under N.R.A. or combined N.R.A.-A.A.A. codes are now working under codes of fair competition.

The total expenditures of the National Recovery Administration from July 1, 1933, to May 1, 1934, amounted to $5,287,325.42.

FACTORY JOBS AND PAY ROLLS UP

Continued increase in employment and pay rolls and in the volume of manufacturing production during April and the first 3 weeks of May was reported recently by the Federal Reserve Board.

The general level of commodity prices remained substantially unchanged, but there was a considerable shift in the level of individual commodity prices.

The advance in manufacturing reflected increases in iron and steel, automobiles, and meat packing. Lumber production declined in April. Activity at wool and silk mills was considerably reduced, while cotton consumption by mills showed little change.

Production of crude petroleum continued to increase, but there was more than a seasonal decline at the beginning of April in the mining of coal.

During the first 2 weeks of May steel operations increased substantially, but there was a decline in the third week. The output of automobiles decreased.

CIVIL WORKS ADMINISTRATION

The Civil Works Administration itself is no longer operating. The work program now being carried on is administered by the State emergency relief administrations, which have power to approve or disapprove projects subject to restrictions of the Administrator.

The first Civil Works pay roll for a complete week covered the week ending November 23, when a total of 863,506 persons were employed and earned a total of $7,861,736.

At the peak of the Civil Works program 4,093,369 men were employed during the week ending January 18, 1934. The total amount of wages paid from Federal funds during the entire program was approximately $735,000,000.

PUBLIC WORKS ADMINISTRATION

Administrator Ickes has alloted all the $3,300,000,000 appropriated by Congress. It is estimated unofficially that 1,000,000 persons have been employed through projects financed by P.W.A.

Ickes says $1,382,000,000 of the Public Works fund actually will go into the people's pockets this year. He expects expenditures to reach their peak in June.

EMERGENCY CONSERVATION UNIT

The Office of the Chief of Finance has advised that the total cost of the Civilian Conservation Corps camps to January 31, 1934, based on the reports of accrued obligations as of that date was $281,454,470.34. The amount actually expended to January 31, 1934, was $207,782,328.68. Hearings have been held before the House Appropriations Committee with regard to Emergency Conservation Work, and when these proceedings are made public, figures will be available showing total expenditures for the year.

Altogether, around 600,000 men have been enrolled in the Emergency Conservation Work camps since the beginning. This figure includes approximately 58,000 war veterans and 50,000 experienced woodsmen. In addition, about 25,000 men have been employed in supervisory positions and 40,000 carpenters and skilled laborers given employment for short periods of time in the construction of the camps.

At the present time there are 1,468 C.C.C. camps and 75 Indian conservation camps in operation.

BANKS

Thirty-six national banks, with frozen deposits of $31,893,000, were licensed and opened, or reopened, during April, J. F. T. O'Connor, Comptroller of the Currency, stated.

This brought the number of national banks licensed during the first 4 months of 1934 to 223, involving frozen deposits of $198,551,000.

By the close of business April 30, 1934, unlicensed national banks in the United States had been reduced to 185, or only 13 percent of the 1,417 which remained unlicensed on March 16, 1933, the first day after termination of the general banking holiday.

The 185 unlicensed national banks at the termination of business April 30 last were segregated as follows: 156 banks, with $146,305,000 frozen deposits, had approved reorganization plans; 29 banks, with $16,281,000 frozen deposits, had disapproved reorganization plans.

HOME OWNERS' LOAN UNIT

This Corporation, refinancing mortgages for hard-pressed home owners, has made 218,505 loans, aggregating $636,301,962.

FARM CREDIT ADMINISTRATION

Indebted farmers have borrowed in excess of $1,100,876,274 from this organization. Loans average $358,354 for each of the 3,072 counties in the United States. The Administration has resources of $2,000,000,000.

FEDERAL SURPLUS RELIEF CORPORATION

Through this Corporation foodstuffs, bedding, and fuel have been distributed to feed and warm the needy unemployed from October 1933 to April 30, 1934, in total value, $69,000,000. Of this amount, surplus farm commodities valued at $27,000,000 were donated by the Agricultural Adjustment Administration. The balance, $42,000,000, has been expended from relief funds allocated to this Corporation by the individual States and Territories.

The Federal Surplus Relief Corporation has not received any money from the Public Works Administration.

Other commodities supplied to the needy unemployed have been financed entirely by the individual States and Territories through their respective emergency relief administrations. The funds so used represented combined Federal, State, and local moneys.

FEDERAL SUBSISTANCE HOMESTEAD CORPORATION

Public announcement has been made of the allocation of $10,600,000 for subsistence homestead projects. In addition, however, a tentative allocation of the remainder of the $25,000,000, appropriated for the work of this division, has been made, and a public announcement will be given out concerning the additional plans as the forthcoming projects are finally approved. Some of the future allocations have been made for areas rather than specific projects, and the projects themselves still remain to be developed.

Thirty-six projects have been approved to date in 20 States. Their costs will vary considerably, but the individual homesteads will as a rule be priced between $2,000 and $3,000.

A definite statement concerning the number of families to be affected cannot be made, but it is expected that approximately 10,000 families will be aided in the purchase of subsistence homesteads. Allowing an average of 5 persons to a family, this would mean that approximately 50,000 will be directly affected. In addition, of course, there will be a large number of persons indirectly aided by the subsistence homestead program through the expenditure of $25,000,000 on the purchase and improvement of land and other operations incidental to the development of homestead projects.

CREDIT

Loan authorizations of the Reconstruction Finance Corporation, Feb. 2, 1932, to May 1, 1934

Banks and trust companies (including receivers, conservators, and liquidating agents, but excluding $67,500 of industry loans)	$1,994,994,438.17
Industry (N.R.A. loans)	10,122,750.00
Railroads (including receivers and a trustee of a railroad)	420,699,930.00
All other	3,147,828,165.82
Total	5,574,645,283.99

In addition, upon certification of grants by the Federal Emergency Relief Administrator, the Corporation disbursed $486,717,731 under the Federal Emergency Relief Act of 1933.

Conditional agreements outstanding on April 30, amounting to $301,380,290.64 are not included in this total.

The average daily disbursement of the Corporation for the first 4 months of 1934 was $6,618,503.14, and the average daily repayment for such period was $2,833,962.05.

In general, loan demands have decreased recently.

To date two export-import banks have been organized, namely, the Export-Import Bank of Washington, organized

to deal with Russia, and the Second Export-Import Bank of Washington, organized to deal with Cuba.

In addition a third Export-Import Bank of Washington is in the process of being organized to deal with all countries other than Russia and Cuba.

MONEY

The dollar is devalued to 59.06 in terms of the old gold dollar. Prior to the decrease in the weight of the gold dollar, silver constituted about 16 percent of our monetary stocks of silver and gold, but by the devaluation of the dollar this percentage was reduced to about 10 percent.

The President has recommended a proportion of 25 percent silver and 75 percent gold. With the proper proportion of silver in our monetary stocks, we may look toward a coordinated use of that silver to check changes in the purchasing power of the dollar.

The new deal has brought home to business a truth that the wisest and most sensitive people in business know already. That truth is that the control of big business, since it affects so many people, is a public charge. It is greater in spirit than mere money making. In this sense it is like all the professions. They have their codes of honor, and business must perfect its own. That, for the big business man, is the moral significance of the new deal.

It is well that Americans at present should achieve the poise and balance needed to insure these things, for, as the French Minister of Finance has said, "There is no future for civilization unless America remains great."

TOBACCO TAXES

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing the report of the subcommittee of the Committee on Ways and Means on the tobacco question.

The SPEAKER. Is there objection?

There was no objection.

Mr. DOUGHTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

TOBACCO TAXES

Hon. ROBERT L. DOUGHTON,
Chairman Ways and Means Committee,
House of Representatives, Washington, D.C.:

We beg to report to the Ways and Means Committee of the House the proceedings and conclusions of the subcommittee which you appointed to consider taxes on tobacco and tobacco products. We transmit herewith, the hearings before our subcommittee which were held on March 27, 28, 29, 30, 31, and April 10. We heard 56 witnesses. There were 18 briefs filed and 22 petitions setting forth views. The hearings cover 440 pages.

These hearings were attended by veritably hundreds of growers of various types of tobacco from the States of Kentucky, North Carolina, Virginia, Tennessee, South Carolina, West Virginia, Ohio, Pennsylvania, and Georgia. Representatives of all the principal manufacturers of cigarettes, manufacturers of chewing and smoking tobacco, and cigar manufacturers appeared and testified. In addition to the personal testimony presented to the committee, we offered the opportunity of those who attended and did not testify to present their views and the views of their delegations, in writing, for the purposes of the record. Much valuable information came to the committee from this source.

While there was some difference of opinion as to the method of the reduction at this time, there was complete unanimity among all those appearing that the tobacco taxes were unreasonable, unfair, and unjust. No voice in these hearings expressed contrary views. The witnesses who advocated a 10-percent reduction upon the cheaper cigarettes very quickly admitted that the present taxes were too high and strongly favored a material reduction, including therein the principle of a graduated tax. So, it can be truly said that from the evidence of all witnesses for the growers, the consumers, and the manufacturers there was complete accord that the taxes on tobacco were outrageously high. Some of the witnesses even termed the tax "unconscionable."

THE PRESENT TAX IS A PROHIBITION TAX

It is well to refresh our minds as to the history of the rate of tax on tobacco. The pre-war tax on cigarettes was $1.35 per thousand cigarettes, which, translated to a pack of 20, meant 2½ cents per pack. This was increased twice during the war. On October 4, 1917, it was increased to $1.65 per thousand cigarettes, or about 3½ cents per pack. Then, in less than a month thereafter, on November 2, 1917, it was increased to $2.05 per thousand cigarettes, which was a little more than 4 cents per pack. This was the maximum war rate, and was in effect until February 25, 1919, after the ratification of the eighteenth amendment, when it was raised to $3 per thousand or 6 cents per pack. The ratification of the eighteenth amendment was declared January 29, 1919. This rate has remained unchanged in season and out of season from that date to this. The pre-war tax on chewing and smoking tobacco was 8 cents per pound. On October 4, 1917, it was increased to 10½ cents per pound; on November 2, 1917, it was increased to 13 cents per pound. After the war and on February 25, 1919, it was increased to 18 cents per pound.

It is patent that the present tobacco taxes are not merely war taxes. The present rates were not conceived until the ratification of the eighteenth amendment. It is obviously patent that this 50-percent increase to taxes on cigarettes and the 40-percent increase on chewing and smoking tobacco reached the statute books to replace revenues theretofore received from beer and distilled spirits. Now that the taxes on beer and distilled spirits are adding revenues to the Treasury at the rate of more than $450,000,000 per year, the tobacco taxes should be materially reduced. This is the Treasury estimate for fiscal year 1935.

During the depression years, tobacco taxes have poured more than $2,000,000,000 in the Treasury. Total tobacco-tax receipts for those fiscal years are as follows:

1929	$434,444,543.21
1930	450,339,060.50
1931	444,276,502.62
1932	398,578,618.56
1933	402,739,059.26

The total tobacco-tax receipts for January and February 1934 for cigarettes alone exceeds the revenues from such sources in January and February 1933, by $12,600,000. Assuming that under the present tax, this increase would continue through the year, there would be an increase in tax of $75,000,000 for cigarettes alone in 1934 over 1933. This would mean practically $475,000,000 in tobacco taxes for calendar year 1934, as against the total tobacco tax received for fiscal year 1918 (which was just prior to the prohibition era) of $156,188,659.60.

TOBACCO TAXES AND THE GROWER

Your committee is of the opinion that the tobacco-tax burden is without reason and unconscionable. This subject to date has been viewed by your committee from the viewpoint of the tobacco grower and the consuming public. Many hasten to conclude that a reduction in the tobacco tax would primarily benefit the manufacturers of the product. Immediately there comes into their minds a picture of the enormous profits that the cigarette manufacturers have made during the depression years at a time when the farmer has not received cost of production for the raw material. A resentment that is perfectly natural to those interested in the welfare of the tobacco farmers develops when he learns that in 1932, the total profits of 52 leading tobacco manufacturers were $146,000,000, as compared to $134,000,000 in 1929 and $75,000,000 in 1923.

The net profits of this handful of manufacturers in 1932 were nearly 50 percent greater than the gross returns of all the tobacco growers in the United States in the same year. We do not have the complete figures for 1933, but the Big Four, the American Tobacco Co., R. J. Reynolds Tobacco Co., Liggett & Myers Tobacco Co., and P. Lorillard Co., had aggregate net earnings from manufacturing and sale of tobacco products of $42,678,366.04. These four concerns paid for tobacco purchased in 1933, including processing tax thereon, the sum of $105,635,250.34.

We frankly state that the reduction of the tax proposed is without any thought or purpose that the tobacco manufacturers will retain any part of the taxes reduced. The representatives of all the major manufacturers stated that in their sponsoring tax reduction they would not use any portion of the reduced tax as extra profits; that the whole of the tax reduction would be passed on. Some may conclude that this will not occur, but we are of the opinion that the popular price desired for particular commercial advantage will compel the manufacturers to do that which they agreed to do in this record.

As heretofore stated, this committee gave special attention to the viewpoint of the grower and the consumer. The evidence presented was overwhelming and practically unanimous that a material reduction in the tax would mean an increased consumption of the manufactured product. It must be conceded that the increased consumption would mean an increased demand for tobacco and higher prices for the grower. This condition will be materially improved in respect of price to the farmer through the curtailment of acreage program that is under way in the tobacco areas.

The tobacco tax is the only war tax and prohibition tax that remained unchanged during the prosperous years that followed their levy. It is the only excise tax levied upon agricultural products with the exception of the tax on oleomargarine which is placed thereon to benefit other farm products. In addition to the excise tax, tobacco bears the processing tax. Tobacco is the only commodity now paying a processing tax that likewise bears the burden of any excise tax. Actually, some so-called "economists" in former years had the idea that the amount of this tax, with the resultant increased price for the manufactured product, had no effect whatever upon the consumption of the product. Of course, this is the face of age-old economic laws. The years of depression, with the decreased consumption of tobacco demonstrated conclusively that this philosophy was fallacious. The law of the pocketbook in respect of consumption was and is as applicable to tobacco as any other article sold.

It is the thought of the tobacco grower expressed in this record that if the heavy hand of Federal taxation is lifted in part from his back, that the consumption of his product will increase ma-

terially, and the general economic law of supply and demand will give him a living price for his tobacco without the necessity of having any artificial stimuli.

THE CONSUMER

The tobacco user is rarely considered in any discussion of this problem. The burden on him is indirect and has been endured for such a period of time that many of them do not know the extent of the burden. Those who do know that there is a 6-cent tax upon a pack of 20 cigarettes either pay it, go into the roll-your-own class of smoker, or quit smoking entirely. The tobacco-consuming public, as other classes of consumers, are unorganized and generally speaking, inarticulate when taxes and tariffs are concerned. It has long been the philosophy of some that an indirect charge upon the public is painless and less troublesome to lawmakers. Without entering into discussion of such philosophy, the fact remains that the man who consumes one pack of cigarettes per day, pays into the Federal Treasury $21.90 per year. He pays a tax of 6 cents for an article that could sell for 4 cents with the same profits to all, if it were a 10-cent brand, or would sell for 6½ cents per pack if it were the so-called "standard brand."

We suggest that this tax of $21.90 per year is a sales tax of monstrous proportions. To illustrate the enormity of it, we suggest that a person who consumes one pack of cigarettes per day throughout the year, pays $21.90. This is the same amount of income tax that the same man, if married with four dependents, would pay upon net income of $5,108.61 (all earned income).

In the fiscal year of 1933, there were 109,400,000,000 (plus) cigarettes consumed. With a tax reduction that would permit the so-called "10-cent" cigarettes to sell two for 15 cents and the so-called "standard brands" to sell at 10 cents per pack there would have been saved to the cigarette smokers alone of this country, in 1933, $136,750,000. That is a considerable saving.

THE FISCAL SITUATION

It was our original purpose to hear the representatives of agriculture and the Treasury before the subcommittee. Conditions over which we had no control prevents such hearing by the subcommittee if our conclusions are to reach the full committee before the tax bill is finally considered. Then, we recognize the fact that the question of revenues would, in any event, be finally determined by the full committee, so we present our views upon the evidence which has been presented. In the event that no action can be taken in the present revenue bill, we will await your determination as to the manner in which you wish to procure the further evidence desired.

However, in the course of the hearings, certain indisputable facts and data have been presented which may be helpful to the committee with reference to the revenues involved.

There was little, if any, testimony that a material reduction in tax and thereby in price would not materially increase the units of tobacco products consumed. It was difficult to lay down any absolute figure as to this increase. One very experienced gentleman adhered to the statement that he had made to another congressional committee sometime ago, that a reduction of 50 percent in the tax would bring about an increase in the consumption of 100 percent, which would leave the revenue status unchanged. The witness was Hon. J. C. Stone, of Lexington, Ky., formerly general manager of the Burley Pool and formerly chairman of the Farm Board under the preceding administration. His statement was as follows:

"I believe that if the tax on cigarettes could be reduced from $3 per thousand to $1.50 per thousand, and on smoking and chewing tobacco from 18 cents to 9 cents a pound, the consumption would increase to such an extent that the Government would get as much revenue from it as it does today, and at the same time give the producer a much greater demand for his product."

It is difficult to state the increased use of tobacco products that would flow from the decreased prices. But that such increase would come is unquestioned in the mind of your committee.

Since the beginning of the war, there has been an increase in the consumption of cigarettes in every fiscal year up to 1931, save the fiscal year 1921, when business showed marked decline. In the fiscal year 1916, there were 21,000,000,000 cigarettes consumed. In the fiscal year 1930, there were almost 120,000,000,000 cigarettes consumed. This last year is the peak year in cigarette consumption. The consumption of cigarettes declined in 1931 and again in 1932, with an increase for 1933 to 109,400,000,000 plus. The war is responsible for a portion of the increased use of cigarettes. Without question, smoking among women has contributed a large part of this increase. A different viewpoint is had with reference to their use. There must be an additional 10,000,000,000 cigarette consumption before we return to the peak year, or before we return to the figures of the first full fiscal year in the depression. The record before us strongly indicates that the calendar year of 1934 will more than reach former peak consumption. The months of January and February 1934 show an increase in cigarettes tax paid of 4,200,000,000 above the cigarettes tax paid in January and February 1933.

That increase comes in large part from the increased buying power of the American public under the new deal. Assuming that this ratio will continue, there would be at least an increased consumption in the calendar year of 1934 of 25,000,000,000 cigarettes over the calendar year 1933. This increase comes without any reduction in the price to the consumer. Under the present tax, this increased consumption would mean another $75,000,000 in the Treasury of the United States above the revenues derived in the calendar year 1933. In the calendar year of 1933 total tobacco-tax receipts were $419,300,000 plus; in the calendar year of 1932 the total tobacco-tax receipts were $387,270,000 plus. In other words, the increase in revenues for the calendar year 1933 was $32,000,000 plus in excess of the revenues received for the calendar year 1932. If the continued gain in the consumption of cigarettes will continue through 1934 at the ratio above stated, under the present tax there would be recovered into the Treasury on cigarettes alone an additional $75,000,000 above the receipts for 1933 calendar year, or $107,000,000 plus in excess of the total receipts for the calendar year 1932. In other words, if the receipts for the calendar year 1932 be taken as a fair base for the fair amount to be received from tobacco taxes—to which view your subcommittee does not subscribe, as it thinks that such sum is excessive—it looks very probable that the receipts for the calendar year 1934 will be more than $100,000,000 in excess of such base. This is without any reduced price.

We believe that a 10-cent selling price to the consumer of the so-called "standard brand" of cigarettes and a selling price of two for 15 cents for the present 10-cent brand in itself will bring a material increase in cigarette consumption. Its increase will come for several reasons and from several sources. Many smokers in the roll-your-own class will prefer the manufactured cigarettes. It is well to remember that this conversion carries with it an increase of 1 pound of tobacco for each 1,000 cigarettes, which is an added benefit to the grower, in that there is an increase of 50 percent of tobacco in such conversion. More liberality will be seen in the disposition of cigarettes. There would naturally follow, in our opinion, a substantial increase due to added waste. The present tax on smoking tobacco, roll-your-own class, is 18 cents per pound, as compared with the present tax on tobacco in manufactured cigarettes of approximately $1.08 per pound. Under existing rates, every billion cigarettes that comes from roll-your-own smokers means an added revenue of $2,700,000.

To show conclusively the effect of the depression upon the manufactured-cigarette use, we submit that in 1929 there were approximately 8,000,000,000 non-tax-paid cigarette papers. In 1933 there were 48,000,000,000 non-tax-paid cigarette papers; in other words, six times as many non-tax-paid cigarette papers in 1933 as in 1929. It is a difficult matter to estimate the increased consumption of manufactured cigarettes from this source, but it unquestionably would be a substantial amount, and for every billion of manufactured cigarettes which replaced roll-your-own, under the present tax rate, there would be an addition of $2,700,000 to the Treasury.

So, the increased revenues under present prices, and the greatly increased revenues that would come from the reduced prices, will make up in large degree the apparent loss to the Treasury from a plain arithmetical calculation of decreased revenues.

For anyone to turn his conclusion of this problem upon the dollars and cents end of it, that is, to make his conclusion solely from the Treasury or revenue end of this, he must be utterly unmindful of the social problems involved. Such person to conclude that the tobacco tax as it presently exists is fair, just, and proper forgets, if he ever knew, the human side of the equation. If there is one thing demonstrated in these hearings, it is that the tobacco farmer for many years has sold his tobacco below cost of production. If there be one thing demonstrated in these hearings, it is that there is no work harder, more painstaking, and more time-consuming than the growing of tobacco. The tax on cigarettes is eight times the value of the tobacco content of 20 cigarettes based upon the 1932 burley average of 12.6 cents per pound, or the flue-cured average for same year of 11.9 cents.

CONCLUSIONS

The committee has reached the conclusion that there should be a real reduction of the taxes on all manufactured tobacco products. While most of the discussion and data submitted centered around cigarettes, your committee feels that all tobacco products should be relieved, to a large degree, of this enormous tax.

There was a proposal for a 10-percent reduction of the taxes on the so-called "10-cent cigarettes" alone. Representatives of the two manufacturers of the 10-cent cigarettes, and several witnesses appeared favoring graduation in the tobacco tax in principle. No suggestion was offered with reference to a graduated tax, except the 10-percent reduction affecting the 10-cent cigarettes. No other tobacco product would have been affected under such proposal.

Your committee feels that such reduction does not meet the needs of the present situation. The representatives of the manufacturers of the 10-cent cigarettes, in sponsoring this proposal, specifically stated in their testimony that their proposal was not presented as a real tax-reduction measure; that they felt that such reduction might be all that could be presently obtained. They testified that, in their opinion, a graduated tax was proper in principle to be applied upon tobacco products. Each of these witnesses frankly admitted that there should be a material substantial reduction in the taxes, insisting that the graduated principle should be applied. However, some of them frankly admitted they had not sought this particular reduction when they were manufacturing cigarettes which were to be sold at the same price as standard brands, and that if they had continued to manufacture such cigarettes alone, they would not now be requesting this innovation in cigarette taxes. It might be well to state that the so-called "10-cent cigarettes" constitute less than one-tenth of the cigarettes consumed.

Your committee does not feel that this 10-percent reduction for a particular manufactured product is sufficient to meet the needs of the occasion. Such reduction would not permit of any substantial benefit to the tobacco grower. Many tobacco growers were

emphatic in their statements that they preferred no reduction in taxes to this proposed 10-percent cut.

The basis for such position as stated by them was that such reduction in taxes through this differential or preferential treatment for the so-called "10-cent cigarettes" would immediately attract 10-cent brands manufactured by those selling the so-called "standard brand." They stated that the companies manufacturing the standard brands gave them a market for higher grades of tobacco than that purchased by the so-called "10-cent cigarette" manufacturers; that they would lose this market for the higher grades of tobacco and that such higher grades would immediately enter into competition with lower grades, thereby forcing these lower grades into still cheaper grades. There was almost complete unanimity of opinion among the growers testifying that there would be a material reduction in the average for the tobacco crop if such plan were adopted.

The committee concludes that this 10-percent reduction would not bring about a reduced price to the consumer for cigarettes purchased. We see no benefits whatever to the consumer, nor any benefits to the Treasury by way of increased consumption, nor do we believe there would be any noticeable benefit to the grower.

It is the conclusion of your subcommittee that a reduction of 40 percent of all tobacco taxes should be made. It is this reduction that will permit the so-called "10-cent pack" to be sold for two for 15 cents and will permit the standard brand to be sold for a dime. As we see it, this will bring a genuine benefit to the grower and the consumer. The manufacturer will make no more profit per unit than at present, since the representatives of the manufacturers stated that all the tax reductions would be passed on and no part of it retained by the manufacturers.

A 40-percent horizontal reduction on all tobacco taxes would bring the tax on cigarettes to $1.80 per thousand, which is more than the pre-war tax and more than the first war tax, but not quite as much as the second war increase to $2.05 per thousand, which prevailed until the prohibition increase occurred. On smoking and chewing tobacco, this would decrease the present tax of 18 cents per pound to 10.8 cents per pound. This is more than the pre-war tax and the first war increase, but 2.2 cents per pound less than the second war-tax increase which prevailed until the prohibition tax went into effect. This reduction, in our opinion, would meet the problem presented by representatives of cheap cigars. We feel that this reduction on all tobacco products will have direct beneficient effect upon at least 3,000,000 American citizens, occupying 432,000 American farms, who are dependent upon the price which they receive for their tobacco for a living for themselves and families.

A substantial reason for our arriving at a 40-percent reduction is on account of the sale price that can be secured by the consumer if this reduction be effected. We finish as we started, that our purpose was to benefit the tobacco grower and the consuming public without any material hurt to the Treasury of the United States. The use of cold mathematical calculation shows us that a 40-percent reduction in taxes will permit the so-called "standard brand" of cigarettes to be sold for 10 cents, with the same percentage of profit made by the distributors as they make now, with a less price to the manufacturer per unit than he now receives. Representatives of the so-called "standard brands" state that such brands can and will be sold at retail with this reduction for 10 cents per pack, and that all tax reductions would be passed on and no part of it retained by the manufacturers. No reduction in taxes at this time could be considered if there was doubt that the full reduction would be immediately and fully reflected in the price of the manufactured product and its resultant benefits to the growers and consumers. This reduction, according to cold mathematical calculation, will permit the so-called "10-cent cigarettes" to be retailed at two for 15 cents. This price of two packs of cigarettes for 15 cents should be a popular price, and in our opinion will add greatly to the volume of the so-called "cheaper" cigarette. The 40-percent reduction will permit the sale of such cigarettes at this popular figure, two for 15 cents, with the same profit to the manufacturers and substantially the same percentage of profit to the distributors per pack.

Our mature conclusion is that with any less reduction, the cheaper cigarettes might not be sold two for 15 cents and the standard brands might not be sold for a dime; and that if such sale price did not reach these popular figures that are of such known value in the sale of commodities, there would be no material increase in consumption, which is the essential to the Treasury and the grower. Then, too, under a lesser reduction, there is the danger that the tobacco manufacturers might take advantage and retain part of such tax reduction for their own benefit, or that which is desired to be avoided in all events, make up any loss it sustains in reaching the peculiarly popular sale price aforesaid by giving the farmer a decreased price for his tobacco.

We feel that this proposed horizontal reduction of 40 percent of the taxes on tobacco products will protect best the interest of the farmer, will save untold millions of dollars annually to the wage earners and the tobacco consumers of this country, will provide a proper and just return of revenues to the Treasury, ultimately making up for temporary decrease, all without any added profit per unit to the manufacturers.

Wherefore, we submit for your consideration these our views and recommendations.

FRED M. VINSON, *Chairman.*
JOHN W. MCCORMACK.
ASHTON C. SHALLENBERGER.
ISAAC BACHARACH.

LEAVE TO ADDRESS THE HOUSE

Mr. FIESINGER. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. The first business is to vote on the pending bill. The Chair will recognize the gentleman later.

PRESS PUBLICATION OF REMARKS OF MEMBERS

Mr. CANNON of Missouri. Mr. Speaker, I rise to a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. CANNON of Missouri. Mr. Speaker, I was somewhat delayed last night in receiving a transcript of remarks I had made during the day and, on inquiry, was told that they had been submitted to the press, although I had not been consulted and had been given no opportunity to look them over. I desire to inquire if this is the custom and if it is sanctioned by the accepted procedure of the House. It has always been my impression that under the rules not even a Member of the House has a right to see the transcript of another Member's remarks unless they personally reflect on the Member making the request; and it hardly seems consistent that members of the press—as anxious as we are to accord them every legitimate privilege—should exercise a right denied to Members of the House.

Mr. Speaker Crisp, the father of our former beloved colleague, Mr. Charles Crisp, rendered a decision on this point during his Speakership in which he held that a transcript of the remarks of a Member could not be submitted even to another Member unless they reflected on the Member desiring to see them.

And, Mr. Speaker, there is an excellent reason for that ruling. I have often wondered at the remarkable accuracy of the reporters who report the debates of the House. The skill with which they take down the hurried debate on the floor is almost uncanny, but even the most expert find themselves at times unable to catch everything when a number of Members are participating in a rapid-fire colloquy. The result is that all Members of the House now and then receive copy which is not an accurate transcript of their remarks. I have seen copy, for example, in which the word "not" was omitted or in which it was inadvertently added, which completely changed the statement made by the Member on the floor, and which reported him as saying directly the contrary to what he actually had said. I am certain all will agree that a Member of the House ought at least to have the opportunity to look at the copy of his remarks, to know whether or not it is accurate, before submission to the press or anyone else by the Official Reporter of the House.

I am submitting a parliamentary inquiry to know what is the rule and whether it conforms to our practice as to the submission of transcripts of remarks of Members to the press, without their consent, either before or after Members have had an opportunity to examine them.

The SPEAKER. The Chair is informed that Mr. Speaker Longworth advised the reporters of debates that they could submit to the press copies of the remarks of Members of Congress before those remarks appeared in the RECORD and even without the consent of a Member making the remarks. The practice has been since that time to follow that method. The Chair thinks it is improper, and the gentleman from Missouri [Mr. CANNON] has just given an excellent reason why it is improper. The Chair now instructs the reporters hereafter not to submit to the press the remarks of Members of Congress in advance of their appearing in the RECORD unless the consent of the Member making the remarks is first obtained. [Applause.]

PUBLIC RECORD OF HON. ROSS A. COLLINS

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting therein an address recently delivered by my colleague the gentleman from Mississippi [Mr. COLLINS].

The SPEAKER. Is there objection?

There was no objection.

Mr. CANNON of Missouri. Mr. Speaker, under leave to extend my remarks I am placing in the RECORD a speech recently delivered by Hon. ROSS A. COLLINS, of Mississippi.

For many years Mr. COLLINS and I have been members of the same political party and have served the cause of progressive Democracy. He is now about to leave this body of which he has been a Member for the past 14 years.

In placing the speech of Mr. COLLINS in the RECORD, I desire to pay tribute to his high character, his marked ability, and his record of devoted and useful service. He has earned the respect and esteem of his fellow Members. He has served his district, State, and country faithfully and ably. As a hard student, an energetic worker, a clear thinker, and a conscientious public servant he has made a place for himself of which he may be justly proud. We shall miss him greatly.

The speech is as follows:

I was first honored with public office in 1911, when I was elected attorney general of the State and reelected in 1915 for another 4 years. It is the duty of this official to advise State, district, and county officials, boards of supervisors, and municipal officials, and to give opinions to the legislature and members thereof; to represent the State in all of its litigations and act as counsel to the railroad commission, tax commission, and other State agencies. I did all of this and more. I brought suits to keep freight rates reasonable, to provide adequate train service, to keep telephone rates, both long distance and local, reasonable. I prevented gas and electric-light rates from being raised. I kept down the price of schoolbooks, thereby saving thousands of dollars annually to the parents of the school children. I fought for laws to prevent child labor and defended in the courts the laws after they were enacted. I fought to secure the enactment of a law to limit the hours of labor for adults and successfully defended the law in the courts after it was passed. I caused the officials and the directors in two closed banks to pay the depositors in these banks. I upheld, as attorney general, practically all acts affecting the welfare of the people when attacked in court, and the law was enforced with equal vigor against the rich and powerful.

I brought the antitrust suit to divorce the Southern Railway in its ownership of the M. & O. R.R., the Alabama & Vicksburg, the Vicksburg, Shreveport & Pacific, and the Southern Railway in Mississippi. The suit resulted in the sale by the Southern of the Alabama & Vicksburg Railway, the Vicksburg, Shreveport & Pacific, and the Southern in Mississippi. The Mobile & Ohio now operates as an independent line. The people of east Mississippi now enjoy competition in railroad rates and service as a result of this litigation.

I brought an antitrust suit against the Standard Oil Co. and forced this concern to pay a fine of $60,000 to the State because of violation of our antitrust statutes.

I brought a similar suit against the Bell Telephone Co. and forced it to dispose of its ownership of the Western Union Telegraph Co. and to pay a fine of $60,000.

I brought an antitrust suit against the Cottonseed Oil Trust because of monopolistic practice in the purchase of seed from farmers. A sum in excess of $125,000 in fines was collected out of this litigation, and this fine was trivial compared with the millions paid to farmers through increases in the price of seed. The very filing of this suit caused oil mills in the State immediately to increase the price of seed.

I strove to make the office of attorney general one of influence, dignity, and real service to every citizen of the State, and succeeded in my efforts. My friends have been generous enough to say that I was a faithful public servant and made the State one of its best public officials.

After 8 years in this office I voluntarily left it to make the race in 1919 for Governor. Had I had 2 weeks longer I would have been elected to this office. Upon leaving the office of attorney general I entered a contest for Congress from the Fifth District. I was elected and went into office in March 1921. I have been reelected as Representative in Congress continuously every 2 years to date.

As Congressman I have striven to give the people of my district, State, and county the very best service of which I am capable. I have worked diligently night and day and have given my time and talents to familiarizing myself with the manifold duties and responsibilities of a Member of the House and have sought to perform these duties worthily.

I believe I have done well, because my efforts have been measurably successful. I have received increasing proof of having earned the confidence and respect of not only my colleagues in the House and Senate but also of the faithful public servants in all of the executive and administrative offices where a large part of the Government work is transacted.

When one is successful in doing this he becomes an asset to each citizen that has proper business with the Government to transact through such a Member. I am certain that my success in doing much for the citizenry of my district and State is largely attributable to the confidence and esteem of my coworkers in public office. If elected to the United States Senate, I will carry into a larger and broader field the knowledge and good will gained here and devote them to the continued service of the people of my State and country. I am active, energetic, and have many years of service yet ahead of me. I do not have to learn national legislation. I do not have to become familiar with Government departments or learn to know the public officials to whom the interests of our citizens are entrusted. I know the workings of departments now. I know the public officers in them. I do not have to make a reputation in Washington for fair dealing and for constructive service. I have that reputation now.

I do not have to tell you that I believe in forward-looking social legislation. My record is known throughout the country today as a progressive-minded legislator and I am favorably recognized in that field now.

PROFITS IN WAR

When I entered Congress in March 1921 the country was still shocked and shamed by the profiteering that had gone on during the World War. Nearly 30,000 people had made and salted away millions of dollars. They became millionaires over night in selling munitions and supplies to the Government and our Allies, and in selling the necessities of life to our own population at prices which reached in many instances 500 and 600 percent above the normal pre-war prices. There were even companies that made in excess of 3,000 percent. Testimony showed that but for this unpatriotic and unjustified profiteering the war debt would not have been more than one-half of what it actually was. This war debt constitutes a very large proportion of the entire debt of the Federal Government. I therefore busied myself to prevent the recurrence of similar practices in the future. I was one of a small group in the House that understood how to eliminate profiteering during wars. When a bill was finally passed creating a commission to adopt ways and means to prevent such profiteering in any future war, I was made a member of it by the now Vice President of the United States who was then the Democratic leader in the House. I took an active part in its deliberations and filed a special report to Congress suggesting ways and means of preventing these practices in the future.

My report is as follows:

"In compliance with Public Resolution No. 98, I submit for adoption by the Commission the following:

"(1) The establishment of a national economic council.

"The Commission recommends (a) that an advisory economic council shall be established. Its functions shall be to study economic and social conditions of the United States and to formulate policies which will tend to promote cooperation among all the participants in agriculture, industry, and business, and a more just and equitable participation in, and sharing of the fruits of, the Nation's wealth, industry, and economic opportunities by all of the people of the United States; (b) this council shall also cooperate with existing agencies in working out economic policies which may serve to promote peaceful trade relations with other nations; (c) the national economic council shall advise with the economic councils of other nations for the purpose of studying ways and means of carrying on trade and otherwise maintaining international trade relations in the interest of continued peace between nations.

"(2) The recommendation to Congress of the passing of a joint resolution proposing an amendment to the Constitution of the United States which reads:

"'ARTICLE —

"'During a war in which the United States is engaged, Congress shall have the power to take private property without compensation therefor.'

"(3) The recommendation to Congress of the passing of a joint resolution proposing an amendment to the Constitution of the United States which reads:

"'ARTICLE —

"'The making or renewal of any loan to the government or national of any nation engaged in armed conflict is prohibited, unless the United States is engaged in such conflict as an ally of such nation.

"'Congress shall have the power to enforce this article by appropriate legislation.'"

GOVERNMENT GUARANTY OF BANK DEPOSITS

During my incumbency as attorney general of Mississippi I advocated and urged the enactment of a law to guarantee depositors in State banks against loss through bank failures. The law was passed; but it has been charged, and perhaps with some measure of right, that it could not be operated successfully because the limited resources of State banks were not sufficient to build up a strong reserve out of which depositors could be paid if a substantial number of banks failed. Upon coming to Congress I felt that if a national law could be passed guaranteeing depositors in National and State banks that were members of the Federal Reserve System that it would restore the confidence of depositors in our banking system. I accordingly set about, along with others interested in the subject, to bring into existence such a law. It took a terrible catastrophe such as the closing of all banks in March 1933 to acquaint the people with the serious need of such legislation. The present Congress enacted the legislation. Its passage is approved not only by the depositors of the banks but by the officers and stockholders as well.

FERTILIZER AND POWER AT MUSCLE SHOALS

As a Member and the chairman of the War Department Appropriation Subcommittee it was my duty to make certain appropriations for the Government-owned hydroelectric power plant at Muscle Shoals. Accordingly I gave freely of my time to a study of the good that could come to our State from the genera-

tion of power and the manufacture of fertilizer at this plant. Likewise I made an active fight to preserve that national source of power and other power sites in the Tennessee Valley and its tributaries, for the benefit of the people not only of my own State and neighboring States but of the whole country as well.

With Congressmen Percy Quin, John Rankin, and a small group on the House side, and Senator Norris and a small group on the Senate side, I joined enthusiastically in the fight to prevent these large sources of power from falling into hands of the Power Trust. It was not until President Roosevelt took office that we had any help in the White House. With his help we enacted legislation that marks an epoch in the development of the whole country, sets up a standard for the measurement of power and light rates everywhere, and gives us a practical example of what rural electrification will mean to the people on the farms and in small towns and villages. This will not only save enormous drudgery to the housewife in her ordinary household duties but it will create hundreds of added uses to which electricity will be put at a cost not exceeding that now necessary merely to light an ordinary house. I believe that all of this can be worked out cooperatively by the Tennessee Valley Authority and existing privately owned power companies so as to preserve the public interest and at the same time protect innocent stockholders in existing private companies. Of equal importance to us are the new methods that will be set up for the manufacture of fertilizer. The cost of fertilizer will be reduced by half, and this, too, can be done without destroying the investments of stockholders in existing companies.

LOANS TO SMALL BUSINESS CONCERNS

Along with others, I sought to amend the law creating the Reconstruction Finance Corporation so that any person, firm, or corporation conducting private business could get legitimate loans so as to enlarge its business and continue to employ its workers, or perhaps to save itself from collapse. The Wagner-Garner bill undertook to do this, and I supported it. It was vetoed by President Hoover. During this administration similar legislation has been introduced, is now in process of passage, and before this Congress adjourns will become law. Large and small businesses will then be able to finance themselves through a Government agency. This means the creation of another source of credit and the broadening of the class entitled to credit so as to give to business generally the same advantages that are now enjoyed by railroads, insurance companies, public-service corporations, and most other large corporations. Certainly small and medium-sized business deserves the same consideration at the hands of the Government as do the large and powerful concerns.

SPECULATION ON THE COMMODITY EXCHANGES

Everyone knows that one of the chief causes of the financial crash of 1929 was the wild orgy of speculation on the Wall Street exchanges. A large part of the American public was deceived into investing their life savings in stocks. The stocks were forced higher and higher by inside manipulators, and the innocent investors were caught in the financial collapse that followed in 1929. The tragic losses and business paralysis that followed showed that the time had come for the Government to protect its people from similar catastrophes in the future.

A bill to regulate stock exchanges was proposed. It met with opposition by the powerful financial interests who brought pressure to bear on every Member of the Congress. I gave my support to this stock exchange bill. It passed both Houses of Congress at this session. Some of us believe that this bill is not yet perfect and that it will require able and vigorous work on the part of Members of the coming Congress to strengthen it. It is, however, a long step in the right direction.

MONEY

The President of the United States in my opinion acted wisely in exercising the authority vested in him by Congress by taking this country off the gold standard. I have never been particularly concerned about the types of money to be used. It matters not whether gold, silver, or some other metal is used as the standard, for, after all, it is confidence in the Government that counts. I have believed, however, that we do not have sufficient money to supply the needs of Government and business.

Accordingly, I have supported measures seeking to increase the volume of money. In 1926, counting bank deposits which undoubtedly should be classed as money, we had about $22,000,000,000 more money than we have now. We did not have too much then; and if we did not have too much then, we certainly have too little now. Money itself is not a commodity but is a medium of exchange and a measure of value between different articles. We should certainly have enough of it to enable individuals to exchange articles produced by them for articles produced by others. We should not countenance any system that would curb or lessen exchange between individuals.

The money question is far from being solved. It is of vast consequence to every citizen of the United States, and will require the careful thought and study of serious-minded public officials, if it is settled correctly.

LOANS ON RURAL AND URBAN HOMES

One of the greatest tragedies of the depression has been the loss of homes in cities and of homes and farms in the country. High taxes have been responsible for the loss of thousands of them. I have urged the passage of legislation making provisions for loans at very low rates of interest. The Government should likewise provide loans for private business property, so that owners can pay back taxes and insurance and make needed repairs, improvements, and replacements. The repayment of these loans should be made over a long period of years and on the easiest possible terms. While some help has been given to home owners and credit will be given to private businesses, sufficient relief has not yet been provided. For instance, I believe that the interest rate charged to home owners should not exceed 2 percent per annum, so that every impetus will be furnished citizens of this country to become home owners and home builders.

FEDERAL FUNDS FOR SCHOOLS

In 1920, when I was first a candidate for Congress, I favored "additional Government aid for public schools, such aid to be expended by and at all times to be under the control of State authorities." I accordingly introduced bills to do this. This year I introduced several bills designed to appropriate $100,000,000 for the purpose of keeping schools open in communities where the States and subdivisions of States were unable to do this for themselves. I proposed an amendment to the Civil Works Administration appropriation that would earmark $50,000,000 of this appropriation for the purpose of keeping the schools open through the session just now closing. As a result Hon. Harry Hopkins, the Civil Works Administrator (and I may say, by way of praise, one of the ablest and most patriotic officials I have ever known), seeing the justness of my proposal, himself allotted out of the Civil Works Administration appropriation, sufficient money to pay the teachers and other school employees in communities of 5,000 population and under throughout the present school year in those States unable to keep schools open in such communities out of the State, county, or municipal funds. Schools in my own State were in a serious plight and about $1,500,000 was supplied for this need.

I have favored legislation to grant financial assistance to schools, colleges, and hospitals so that they may operate and not be closed.

I have introduced other measures in the Congress of benefit to culture, scholarship, and the cause of education, and I have been gratified by the favor with which such proposals have been received in the Congress.

FEDERAL LOANS TO STATES AND SUBDIVISIONS OF STATES

I favored and helped to secure the passage of legislation creating agencies to loan money to States and subdivisions thereof, to construct public buildings, to repair them, and to make needed improvements in the States, counties, and communities. I favored a larger grant by the Federal Government than the 30 percent which is now the maximum grant carried in the Public Works Act. I felt that the Federal Government was financially better able than the States to help its citizens and therefore it should provide at least 50 percent of the cost. I believe that if my idea had been incorporated into law the Public Works Administration would have been more successful than it has been and would have increased employment to a much larger extent than has been done.

EMERGENCY RELIEF AND CIVIL WORKS ADMINISTRATION

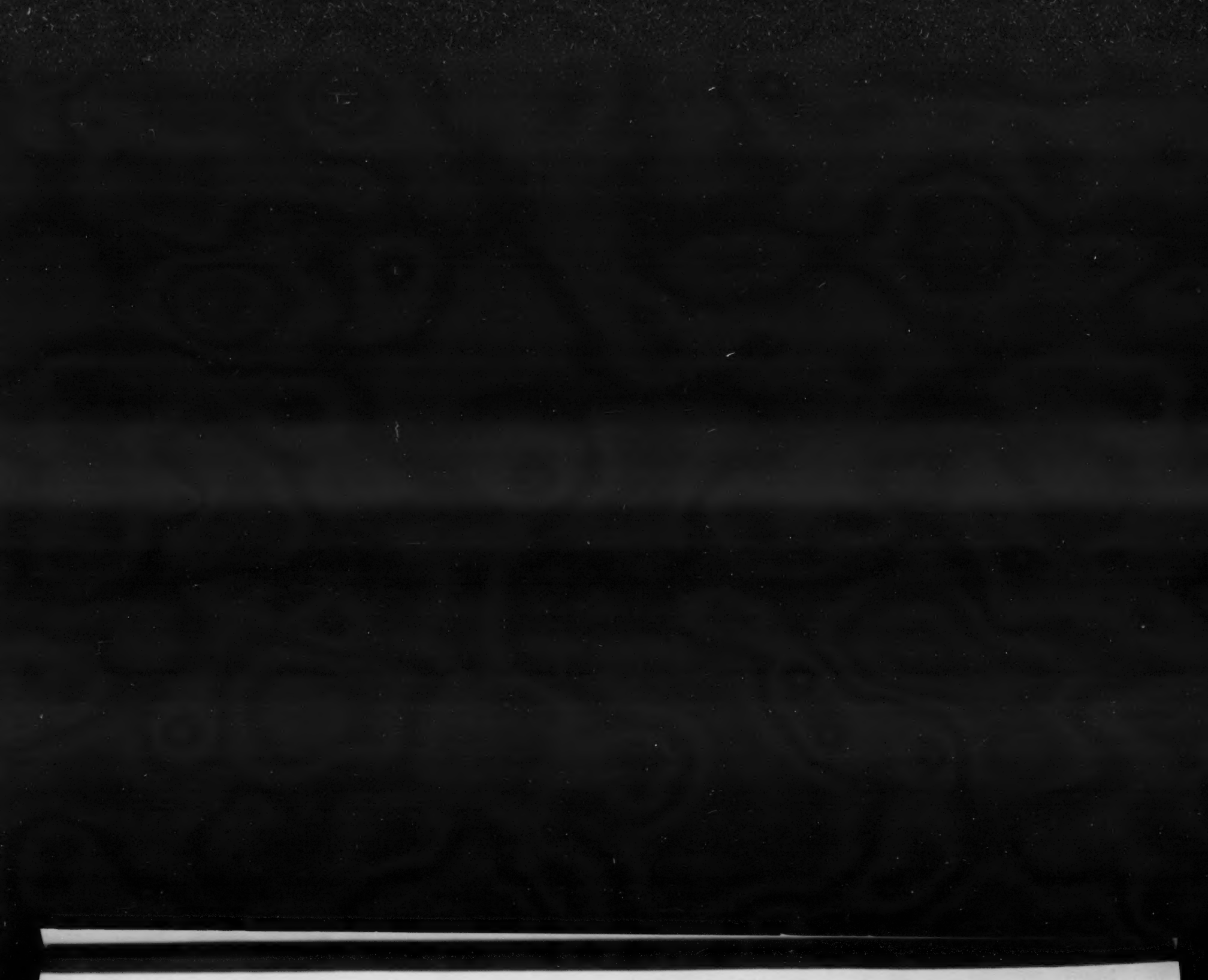
I have felt that the unemployed should be given an opportunity of providing themselves with something on which to live during these terrible times. Accordingly, I have, as a member of the Appropriations Subcommittee, assisted in making adequate appropriations for relief activities. While there is no doubt that much of this money has been wasted, there is also no doubt that it has done great good and has relieved much suffering and distress. I have particularly favored Civil Works employment as opposed to relief because I believe that every man who wants to work should be given an opportunity to work in some useful way. With over 4,000,000 families in the United States now on relief rolls, there can be no turning back. We must either see that these citizens are employed or we must see that they are given some measure of relief. Not that I do not believe in economy, but as long as I am a public official I shall continue to vote public funds for the relief of human suffering and distress.

NATIONAL AND INTERNATIONAL PLANNING

As one of the two Democratic members of the War Policies Commission, a commission set up to study war-time profiteering and ways and means of eliminating it from war, I submitted to the Congress a report that provided for national and international economic and political planning for the future. My idea was to have two separate and distinct boards of experts created. Such boards to serve without pay, except actual traveling expenses, to be selected from all sections of the country and to represent the professions, the trades, the callings, the industries, and all other important groups' interests. One of these boards would study political and economic questions such as unemployment, agricultural relief, old-age pensions, and other important issues and to report its findings to the Congress for study and consideration. Another board, similarly selected and representing all the same interests throughout the country, would study questions of an international nature, legislation that would assure better trade relations between us and our foreign neighbors, ways and means of avoiding suspicion and bad feelings and generally to cooperate with other similar bodies in other countries and to report findings to the Congress. Neither of these commissions or boards should have any power except to make recommendations to the Congress.

FEDERAL FUNDS FOR ROADS

I have urged and voted for all legislation to better our public roads and have voted adequate appropriations of Federal funds for them. I believe that the policy of the Federal Government to pay 50 percent of the cost of the Nation's highways is wrong. Most of the States are now unable to match these funds. The



Federal Government should recognize the necessity of building main thoroughfares, and should pay for their construction. I have introduced at this Congress a bill advocating 6 roads east and west across the continent and 3 roads in a northeasterly and southwesterly direction and 3 roads in a northwesterly and southeasterly direction. I hope as a result of the introduction of this bill that something will be worked out in the very near future to carry out this progressive policy of road-building. I will at this session undertake to earmark $400,000,000 of Public Works money to continue road construction throughout the country.

MEASURES AFFECTING AGRICULTURE

I have been particularly concerned about the economic status of the farmer. I have long realized that this class of our citizens do not have the same measure of protection that is accorded to many other classes. I have favored all measures that had the backing of my party and are calculated to improve farm life and to give farmers a better price for their products. I secured for our State ample funds for the setting up of a fruit and vegetable experiment station.

Experimentation is now in process at this station for improving the types and varieties of pecans in their economical and profitable cultivation in Mississippi and other Southern States. Similar experiments are being conducted with summer apples, blue berries, asparagus, strawberries, peaches, figs, tung oil, sugarcane, and the crossing of sugarcane with sorghum so as to produce a better variety of cane in the northern section of the State and country. Many other experiments in the growing of fruits and vegetables are being made. I secured for the State a soil-erosion project and hope to secure at least one more for another section of the State. As a member of the Appropriations Committee, I have voted adequate funds for the cotton experiment station in the Delta and the State agricultural experiment station at McNeill.

I have supported all measures seeking to reduce the taxes of farmers. I should like to see farms to the extent of $2,000 made tax exempt from ad valorem and other property taxes. I voted for and supported measures calculated to give the farmer better fertilizer at a smaller price, to provide him with electricity to drive his machinery, to pump water to light buildings, and to generally make farm life more attractive.

MILITARY DEFENSE

All sensible people loathe war, just as we loathe disease. More than 75 percent of the expenses of the National Government goes to pay obligations for past wars and to prepare for future ones. The World War, which we were told would be the last, seems to have engendered in the minds of the nations of the world a desire for larger armaments; and now a tremendous race, in preparation for future wars, is in progress. I had hoped that something could be done to stop this mad rush toward another conflagration.

As chairman of the Military Appropriations Subcommittee it is my duty to provide the country with an effective military establishment, and I have done this by providing it with modern and effective instruments of war. The policies that I advocated in this regard, and for which I have been unjustly criticized in the past, are now the accepted policies of the War Department; and our Military Establishment today is infinitely more effective than it has ever been, while appropriations for it have been kept reasonable through the elimination of wasteful practices and obsolete methods and equipment. As chairman of this important committee I have provided the National Guard and other civil components with sufficient funds to meet their needs. I have furnished sufficient funds for the Regular Army. I have been liberal with the Air Corps, because I have always regarded it as one of the most effective branches of the Military Establishment. Eight National Guard units will be established at an early date, and one of these will be located in Mississippi. These units will enable many young men to learn to fly and otherwise qualify themselves as aviators.

VETERANS' LEGISLATION

George Washington, our first President, urged the Congress to remember its obligations to our ex-service men and to provide them with some measure of compensation for the sacrifices they made and the injuries they sustained because of their service in the Army and Navy of our country. From that day down to this our Government has recognized this obligation to its service men and while it has not been generous with this class it has recognized its responsibilities and partially met them. Not only our own country but every other country recognizes this obligation. Since I have been a Member of the Congress I have remembered the service that the men have given, and I have voted to repay them with adequate pensions and compensations for disabilities incurred because of war or incidental to it. Moreover, I have favored disability allowance to these men, and my voice and vote have always been heard sponsoring their causes, because I have believed them just.

I favor the payment to them of the adjusted-service compensation, commonly called the "bonus." I feel that it should have been paid in cash, but since it has not, I now favor not only the payment of the balance due in cash but likewise the remittance of the interest on money borrowed by them. I have accordingly introduced a bill to remit the interest on these certificates which has accumulated.

ECONOMY IN GOVERNMENT

I have recognized the tremendous burdens of taxpayers. I personally know something of them because, in a modest way, I pay taxes. As attorney general of Mississippi and as a Member of Congress I have always stood for wise economy. When the welfare and prosperity of our citizens are involved and they can be relieved by appropriations, I am for adequate appropriations; but the average citizen does not realize how much money is proposed to be squandered on useless activity, for wasteful purposes, and for needless expense. As a member of the Appropriations Committee and as the chosen representative of the Democratic Party having charge of the Private Calendar, on which is placed all private claims, and also as such representative on the Consent Calendar, on which is placed at one time or another practically all of the legislation that passes the House, I have had an unusual opportunity to prevent worthless legislation and appropriations for wasteful, needless, and extravagant purposes. Mr. RAINEY, the Speaker of the House of Representatives, wrote Miss Hattie Harrison, of Raleigh, Miss., 2 years ago that I had been responsible for saving more money to the Government than any man in the American Congress.

OLD-AGE PENSIONS AND GOVERNMENT UNEMPLOYMENT INSURANCE

For several years I have studied and favored legislation that would give to every person desiring work a job. I believe that such a plan is feasible and workable and could be carried into effect with no great amount of effort and a minimum of expense. I have also favored legislation to provide for unemployment insurance while a way is being formulated. I am likewise for an old-age pension system.

FLOOD CONTROL, RIVERS AND HARBORS

As chairman of the War Department subcommittee I have provided adequate funds for rivers and harbors. Likewise I have appropriated all needed funds for the building of levees along the banks of the Mississippi River and other flood protection for the people living in those sections. Appropriations for these objects are carried in the War Department appropriations bill.

LETTER POSTAGE AND POSTAL AND OTHER GOVERNMENT EMPLOYEES

I introduced a bill to restore the 2-cent postage for letters. I believe that if such a bill was passed, the receipts of the Post Office Department would be larger than they are now.

I have always favored all measures to give proper mail service to the cities, towns, and rural communities of my State. Likewise, I have been fair and just during my entire congressional service to postal employees and Government employees.

FOREIGN DEBTS

A renewed agitation in favor of the cancelation or the further remittance of the debts of the foreign governments is now being proposed by certain interests in this country. I voted against a partial remittance of these debts when this legislation was before the Congress originally. I am equally opposed now to the further cancelation or scaling down of them.

PUBLIC HEALTH AND SANITATION

Rural sanitation and public-health appropriations were very small when I came to Congress. I believe that adequate appropriations should be made for these objects. I have helped to increase appropriations for the entire Public Health Service. In 1920 when I was first a candidate for Congress I favored "a national system of health and sanitation for the prevention and cure of disease and especially those of a contagious and infectious nature." While I have not been able to carry this entirely into effect, considerable headway has been made in that direction.

LIBRARY OF CONGRESS

I have been the consistent friend of the Library of Congress, which has become the national library of the people. I was perhaps as much responsible as any person for the acquisition by it of the last Russian Czar's private collection of rare books. Congress passed a bill introduced by me, without a dissenting vote being recorded against it, for the acquisition of the most priceless collection of books of all time, to wit, the Vollbehr collection of 3,000 fifteenth century books, including one of the three perfect copies of the Gutenberg Bible on vellum in existence. This Bible, as is well known, was the first book ever printed, and it is the outstanding book of all times. It constitutes only one of the 3,000 fifteenth century books that was acquired in this purchase which was made by Dr. Putnam, Librarian of the Library of Congress. These great books are a benefit not only to the cause of culture and scholarship but they constitute valuable source material covering that period in our own history when America was discovered, when the Reformation began, and the printing of books was in its infancy.

I have made every effort possible to make our National Law Library one of the best and most workable law libraries in the country. Because of my service in this connection, I have been named vice chairman of the Friends of the Law Library of Congress.

There are other services too numerous to enumerate that I have given not only to the Library of Congress but to the public libraries in the District of Columbia and elsewhere. I am such a firm believer in the institution we know as the library that I have proposed legislation that would put a library in every county seat in the United States.

PAY DEPOSITORS IN CLOSED BANKS

The Government owes a debt to the depositors in failed banks that it should discharge. During the Hoover administration, President Hoover and Mr. Mellon, his Secretary of the Treasury, were constantly urging the people, as a patriotic duty, to keep

their money in banks. They were assured that banks were safe and were even threatened if funds were withdrawn. Having complied with the demands of these high public officials, an obligation has been incurred by the Government that should be fulfilled. Furthermore, the funds of depositors in open banks were made secure by Government aid and Government guaranty of deposits. Certainly this same protection, even though it may be proportionately larger per dollar of deposits, should be accorded to those unfortunate enough to be depositors in banks that have been closed.

PROTECTING THE WORKERS

Claiming to be a friend of labor is a favorite way of appealing for the votes of the workers. It is often made by political candidates who have never studied industrial and labor problems and have taken no part in the solution of these problems. They act on the belief that the workingman is too ignorant to know who his real friends are. They try to curry favor with the workers by bestowing personal favors, trivial benefits, and empty honors on some of them. They have no knowledge or understanding of the human needs and rights of the great mass of workers.

My knowledge of industrial and labor problems and my efforts to solve them are too well known to need defense. My record speaks for itself. By my studies, my votes, and my active efforts, I have helped to protect the working people of this country. I have done this not only because it is right but because the welfare of every community depends on the conditions of its working class. If they have no money to spend the community is that much poorer. If they are exploited and discontented, industrial peace and prosperity give way to lockouts, strikes, injunctions, and industrial warfare. The prosperity of every community depends largely on the amount of purchasing power in the hands of the workers. Their money circulates in trade. They spend it freely.

The workers have as great a right as any other group to organize and to bargain collectively. They have as much right as any of us to be protected from poverty and injustice and exploitation. They share with all of us the right to enjoy life and to be treated as free and self-respecting citizens.

I have fought to secure and maintain these rights. I have opposed the abuses of injunctions and helped to pass the Norris anti-injunction bill. I have supported legislation that will set up a system of retirement pensions for their workers on the part of the railroads. I have favored the abolition of sweatshops and of industrial child labor. I have upheld the workers' right to a living wage and decent working conditions.

I have stood, and shall continue to stand, for what is just and right for the workers of our country. In doing this I consider that I am rendering a service, not only to them and their families but to society as a whole.

CONCLUSION

I have been rewarded with a remarkable degree of confidence, cooperation, and personal friendship on the part of my fellow Members and other Government officials. I am profoundly grateful for this. I trust that I have also made some mark on the legislative history and progress of my country.

I am now voluntarily leaving the House. I have felt that it was only proper that I should render some account of my 14 years of service there. A man's public usefulness cannot be judged by his political promises. He must stand or fall on the principles for which he has stood, on the things which he has accomplished, and on his record of fair dealing and clean living. His past performance in all these directions is the only guaranty of his future conduct.

I hope to continue in public life in a larger field. I am confident that my experience of 8 years as attorney general and the past 14 years in the House will furnish the largest single contribution to my future usefulness.

I have deep personal appreciation of the confidence reposed in me by the people of my district and State. I assure them of my purpose to continue a life of service, wherever I may be, in whole-hearted devotion to public good.

SUPPLY OF TIN

Mr. O'CONNOR, by direction of the Committee on Rules, submitted the following resolution (H.Res. 404, Rept. No. 1849) for printing in the RECORD:

House Resolution 404

Resolved, That the Committee on Foreign Affairs of the House of Representatives, or a subcommittee thereof, is hereby authorized and directed to conduct an investigation of (1) the extent to which the United States is dependent upon foreign nations for its supply of tin; (2) the ownership and control of the tin resources of the world; (3) the possibility of manufacturing the munitions, motors, and other items essential to the national defense and economic welfare of the country without tin, or by the use of any known substitute; (4) the extent to which the nation or nations owning or controlling the tin resources of the world are indebted to the United States for sums due and unpaid; (5) whether acquisition by the United States of foreign tin resources, in fair and mutually agreeable exchange for the debts owing the United States by the nations owning or controlling such resources or otherwise, would improve the present costly and dangerously dependent position of the United States with respect to this matter; and (6) all other questions in relation thereto that would aid Congress in any necessary legislation.

That said committee, or any subcommittee thereof, is hereby authorized to sit and act at such times and places within the United States, whether or not the House is sitting, has recessed, or has adjourned, to hold such hearings, to require the attendance of such witnesses and the production of such books, papers, and documents, by subpena or otherwise, and to take such testimony as it deems necessary. Subpenas shall be issued under the signature of the chairman or any member designated by him and shall be served by any person designated by him. The chairman of the committee or any member thereof may administer oaths to witnesses. Every person who, having been summoned as a witness by authority of said committee or any subcommittee thereof, willfully defaults, or who, having appeared, refuses to answer any question pertinent to the investigation heretofore authorized, shall be held to the penalties provided by section 102 of the Revised Statutes of the United States.

PRISON INDUSTRIES BOARD

The SPEAKER. The unfinished business is the reading of the engrossed copy of the bill, H.R. 9404.

Mr. TARVER. Mr. Speaker, I ask unanimous consent that the reading of the engrossed copy be dispensed with.

Mr. McGUGIN. Mr. Speaker, I object.

The Clerk read the engrossed copy of the bill.

The SPEAKER. The question is on the passage of the bill.

Mr. TABER. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 277, nays 57, not voting 96, as follows:

[Roll No. 163]

YEAS—277

Adair	Douglass	Jones	Perkins
Adams	Dowell	Kahn	Peyser
Arens	Doxey	Kee	Pierce
Arnold	Drewry	Keller	Polk
Ayers, Mont.	Driver	Kelly, Ill.	Powers
Ayres, Kans.	Duffey	Kelly, Pa.	Prall
Bankhead	Duncan, Mo.	Kennedy, Md.	Ramsay
Beam	Dunn	Kenney	Ramspeck
Beiter	Durgan, Ind.	Kloeb	Rankin
Berlin	Eagle	Kniffin	Rayburn
Biermann	Edmiston	Kocialkowski	Reilly
Bland	Eicher	Kopplemann	Richardson
Blanton	Ellenbogen	Kramer	Robertson
Bloom	Ellzey, Miss.	Kurtz	Robinson
Boehne	Englebright	Lambeth	Rogers, Mass.
Bolleau	Evans	Lamneck	Romjue
Brown, Ga.	Faddis	Lanham	Rudd
Brown, Ky.	Farley	Lanzetta	Ruffin
Brown, Mich.	Fernandes	Larrabee	Sabath
Brunner	Fiesinger	Lea, Calif.	Sanders, La.
Buck	Fish	Lehr	Sanders, Tex.
Burch	Fitzgibbons	Lemke	Sandlin
Burke, Calif.	Fitzpatrick	Lewis, Colo.	Schaefer
Burke, Nebr.	Flannagan	Lindsay	Schuetz
Byrns	Ford	Lozier	Schulte
Cady	Foulkes	Ludlow	Scrugham
Caldwell	Frear	Lundeen	Sears
Cannon, Mo.	Frey	McCarthy	Secrest
Carden, Ky.	Fuller	McClintic	Seger
Carmichael	Fulmer	McCormack	Shallenberger
Carpenter, Kans.	Gasque	McDuffie	Sinclair
Carter, Calif.	Gavagan	McFarlane	Sirovich
Cartwright	Gilchrist	McKeown	Sisson
Cary	Gillespie	McMillan	Smith, Va.
Castellow	Gillette	McReynolds	Smith, Wash.
Chapman	Glover	Maloney, Conn.	Snyder
Chavez	Goldsborough	Maloney, La.	Somers, N.Y.
Cochran, Mo.	Granfield	Mansfield	Spence
Coffin	Gray	Martin, Colo.	Steagall
Colden	Greenway	Martin, Mass.	Strong, Tex.
Cole	Greenwood	Martin, Oreg.	Stubbs
Collins, Calif.	Gregory	May	Studley
Collins, Miss.	Griswold	Mead	Sumners, Tex.
Colmer	Guyer	Meeks	Sutphin
Condon	Haines	Miller	Swank
Connery	Harlan	Mitchell	Sweeney
Cooper, Tenn.	Hart	Monaghan, Mont.	Tarver
Corning	Hastings	Montague	Taylor, Colo.
Cox	Healey	Montet	Terry, Ark.
Cravens	Henney	Moran	Thomason
Crosby	Hess	Morehead	Thompson, Ill.
Cross, Tex.	Hildebrandt	Mott	Thompson, Tex.
Crosser, Ohio	Hill, Knute	Murdock	Tobey
Crowe	Hill, Samuel B.	Musselwhite	Turner
Crump	Hoeppel	Nesbit	Turpin
Cullen	Hoidale	O'Brien	Umstead
Cummings	Howard	O'Connell	Utterback
Darden	Huddleston	O'Connor	Vinson, Ga.
Dear	Hughes	Oliver, Ala.	Vinson, Ky.
Deen	Imhoff	Owen	Waldron
DeRouen	Jacobsen	Palmisano	Wallgren
Dickinson	Jenckes, Ind.	Parker	Walter
Disney	Johnson, Minn.	Parks	Wearin
Dobbins	Johnson, Okla.	Parsons	Welch
Dockweiler	Johnson, Tex.	Patman	Werner
Doughton	Johnson, W.Va.	Peavey	West, Ohio

West, Tex.	Williams	Wolverton	Woodruff
White	Wilson	Wood, Ga.	Woodrum
Whittington	Wolcott	Wood, Mo.	Young
Williford			

NAYS—57

Allen	Crowther	Holmes	Reece
Andrews, N.Y.	Culkin	Hope	Reed, N.Y.
Bacharach	Darrow	Kinzer	Snell
Bacon	De Priest	Knutson	Swick
Bakewell	Dirksen	Lambertson	Taber
Beedy	Ditter	Luce	Taylor, Tenn.
Blanchard	Dondero	McFadden	Terrell, Tex.
Bolton	Edmonds	McGugin	Thomas
Buchanan	Eltse, Calif.	McLean	Traeger
Burnham	Fletcher	McLeod	Treadway
Carter, Wyo.	Focht	Mapes	Whitley
Christianson	Foss	Marshall	Wiggelsworth
Clarke, N.Y.	Gifford	Merritt	
Cochran, Pa.	Goodwin	Millard	
Cooper, Ohio	Hancock, N.Y.	Ransley	

NOT VOTING—96

Abernethy	Connolly	Lee, Mo.	Shoemaker
Allgood	Delaney	Lehlbach	Simpson
Andrew, Mass.	Dickstein	Lesinski	Smith, W.Va.
Auf der Heide	Dies	Lewis, Md.	Stalker
Bailey	Dingell	Lloyd	Stokes
Beck	Doutrich	McGrath	Strong, Pa.
Black	Eaton	McSwain	Sullivan
Boland	Gambrill	Marland	Taylor, S.C.
Boylan	Goss	Milligan	Thom
Brennan	Green	Moynihan, Ill.	Thurston
Britten	Griffin	Muldowney	Tinkham
Brooks	Hamilton	Norton	Truax
Browning	Hancock, N.C.	O'Malley	Underwood
Buckbee	Harter	Oliver, N.Y.	Wadsworth
Bulwinkle	Hartley	Peterson	Warren
Busby	Higgins	Pettengill	Weaver
Cannon, Wis.	Hill, Ala.	Plumley	Weideman
Carley, N.Y.	Hollister	Randolph	Wilcox
Carpenter, Nebr.	James	Reid, Ill.	Withrow
Cavicchia	Jeffers	Rich	Wolfenden
Celler	Jenkins, Ohio	Richards	Zioncheck
Chase	Kennedy, N.Y.	Rogers, N.H.	
Church	Kerr	Rogers, Okla.	
Claiborne	Kleberg	Sadowski	
Clark, N.C.	Kvale	Shannon	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Hancock of North Carolina (for) with Mr. Tinkham (against).
Mr. Warren (for) with Mr. Rich (against).
Mr. Withrow (for) with Mr. Hartley (against).
Mr. McGrath (for) with Mr. Hollister (against).
Mr. Randolph (for) with Mr. Andrew of Massachusetts (against).
Mr. Underwood (for) with Mr. Eaton (against).
Mr. Boylan (for) with Mr. Lehlbach (against).
Mr. Lee of Missouri (for) with Mr. Simpson (against).
Mr. Peterson (for) with Mr. Wolfenden (against).
Mr. Taylor of South Carolina (for) with Mr. Jenkins of Ohio (against).
Mr. Sullivan (for) with Mr. Higgins (against).
Mr. Richards (for) with Mr. Doutrich (against).
Mr. Truax (for) with Mr. Cavicchia (against).
Mr. Hill of Alabama (for) with Mr. Connolly (against).
Mr. Dingell (for) with Mr. Muldowney (against).
Mr. Kvale (for) with Mr. Moynihan of Illinois (against).
Mr. Black (for) with Mr. Stalker (against).
Mr. Celler (for) with Mr. Reid of Illinois (against).
Mr. Dickstein (for) with Mr. Stokes (against).

General pairs:

Mr. Allgood with Mr. Wadsworth.
Mr. Weaver with Mr. Plumley.
Mr. Oliver of New York with Mr. Goss.
Mr. McFarlane with Mr. Beck.
Mr. McSwain with Mr. Chase.
Mr. Browning with Mr. James.
Mr. Clark of North Carolina with Mr. Buckbee.
Mr. Delaney with Mr. Strong of Pennsylvania.
Mr. Auf der Heide with Mr. Thurston.
Mr. Kleberg with Mr. Shoemaker.
Mr. Shannon with Mr. Lloyd.
Mr. Brooks with Mr. Gambrill.
Mr. Marland with Mr. Thom.
Mr. Wilcox with Mrs. Norton.
Mr. Harter with Mr. Church.
Mr. Green with Mr. Smith of West Virginia.
Mr. Lewis of Maryland with Mr. Sadowski.
Mr. Kerr with Mr. Dies.
Mr. Bailey with Mr. Abernethy.
Mr. Rogers of New Hampshire with Mr. Lesinski.
Mr. Boland with Mr. Griffin.
Mr. Bulwinkle with Mr. O'Malley.
Mr. Weideman with Mr. Zioncheck.
Mr. Claiborne with Mr. Biermann.
Mr. Busby with Mr. Carley of New York.
Mr. Cannon of Wisconsin with Mr. Hamilton.
Mr. Kennedy of New York with Mr. Jeffers.

Mr. BYRNS. Mr. Speaker, the gentleman from Connecticut, Mr. Goss, the gentleman from Michigan, Mr. JAMES, and the gentleman from New Hampshire, Mr. ROGERS, are absent on account of being members of the subcommittee engaged in an investigation of airplanes. I think this statement should be made to explain their not voting on this roll call.

The result of the vote was announced as above recorded.

On motion by Mr. TARVER, a motion to reconsider the vote by which the bill was passed was laid on the table.

RULES OF PROCEDURE

Mr. BANKHEAD. Mr. Speaker, I call up a privileged report (Rept. No. 1856) from the Committee on Rules (H.Res. 410) and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 410

Resolved, That during the remainder of the second session of the Seventy-third Congress it shall be in order for the Speaker at any time to entertain motions to suspend the rules, notwithstanding the provisions of clause 1, rule XXVII; it shall also be in order at any time during the second session of the Seventy-third Congress for the majority leader to move that the House take a recess, and said motion is hereby made of the highest privilege; and it shall also be in order at any time during the second session of the Seventy-third Congress to consider reports from the Committee on Rules, as provided in clause 45, rule XI, except that the provision requiring a two-thirds vote to consider said reports is hereby suspended during the remainder of this session of Congress.

During the reading of the resolution the following occurred:

Mr. MAPES. Mr. Speaker, I make a point of order.

Mr. BLANTON. Mr. Speaker, a point of order. The gentleman over there ought to hear all this resolution.

Mr. MAPES. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. MAPES. Under the rules, no report from the Committee on Rules can be brought up without a two-thirds vote of the House.

Mr. BANKHEAD. Mr. Speaker, I raise the point of order that the reading of the resolution should be concluded before any point of order can be made against it.

The SPEAKER. The point of order of the gentleman from Alabama [Mr. BANKHEAD] is sustained. The Clerk will conclude the reading of the resolution.

The Clerk concluded the reading of the resolution. [Applause.]

Mr. BANKHEAD. Mr. Speaker, I ask for the immediate consideration of the resolution.

The SPEAKER. The question is, Shall the House now consider the resolution?

Mr. MAPES. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. McLEOD. Mr. Speaker, a point of order.

Mr. BLANTON. I make the point of order that the roll call cannot be interrupted.

Mr. McLEOD. The roll call has not yet started.

The SPEAKER. The gentleman from Michigan will state the point of order.

Mr. McLEOD. I make the point of order that this roll call is not in order.

Mr. BANKHEAD. Mr. Speaker, I make the point of order that a roll call cannot be interrupted.

The SPEAKER. The gentleman from Michigan will state his point of order.

Mr. McLEOD. I make the point of order that this roll call is not in order, because there has not been a chance to even explain the resolution under consideration.

The SPEAKER. The Chair will state that the question of consideration is not debatable. The point of order is overruled.

The Clerk will call the roll.

The question was taken; and there were—yeas 243, nays 92, not voting 96, as follows:

[Roll No. 164]

YEAS—243

Adair	Ayres, Kans.	Biermann	Brown, Ga.
Adams	Bankhead	Bland	Brown, Ky.
Arens	Beam	Blanton	Brown, Mich.
Arnold	Beiter	Bloom	Brunner
Ayers, Mont.	Berlin	Boehne	Buchanan

Buck	Fitzgibbons	Lehr	Romjue
Burch	Fitzpatrick	Lesinski	Rudd
Burke, Calif.	Flannagan	Lewis, Colo.	Ruffin
Burke, Nebr.	Fletcher	Lewis, Md.	Sabath
Busby	Ford	Lindsay	Sanders, La.
Byrns	Foulkes	Lozier	Sanders, Tex.
Cady	Frey	Ludlow	Sandlin
Caldwell	Fuller	McCarthy	Schaefer
Cannon, Mo.	Fulmer	McClintic	Schuetz
Carden, Ky.	Gasque	McCormack	Schulte
Carmichael	Gavagan	McDuffie	Scrugham
Carpenter, Kans.	Gillespie	McFarlane	Sears
Carpenter, Nebr.	Gillette	McKeown	Secrest
Cartwright	Glover	McMillan	Shallenberger
Cary	Goldsborough	McReynolds	Sirovich
Castellow	Granfield	McSwain	Sisson
Chapman	Gray	Maloney, Conn.	Smith, Va.
Cochran, Mo.	Greenway	Maloney, La.	Smith, Wash.
Coffin	Greenwood	Mansfield	Snyder
Colden	Gregory	Martin, Colo.	Somers, N.Y.
Cole	Griswold	Martin, Oreg.	Spence
Colmer	Haines	May	Steagall
Condon	Harlan	Mead	Strong, Tex.
Cooper, Tenn.	Hart	Meeks	Stubbs
Cox	Hastings	Miller	Studley
Cravens	Healey	Milligan	Sutphin
Crosby	Henney	Mitchell	Swank
Cross, Tex.	Hildebrandt	Monaghan, Mont.	Tarver
Crowe	Hill, Knute	Montague	Taylor, Colo.
Crump	Hill, Samuel B.	Montet	Terrell, Tex.
Cullen	Hoidale	Moran	Terry, Ark.
Cummings	Huddleston	Morehead	Thomason
Darden	Hughes	Murdock	Thompson, Ill.
Dear	Imhoff	Musselwhite	Thompson, Tex.
Deen	Jacobsen	Nesbit	Turner
DeRouen	Jenckes, Ind.	O'Brien	Umstead
Dickinson	Johnson, Minn.	O'Connell	Utterback
Disney	Johnson, Okla.	O'Connor	Vinson, Ga.
Dobbins	Johnson, Tex.	Owen	Vinson, Ky.
Dockweiler	Johnson, W.Va.	Palmisano	Wallgren
Doughton	Jones	Parker	Walter
Doxey	Kee	Parks	Wearin
Drewry	Keller	Parsons	Werner
Driver	Kennedy, Md.	Patman	West, Ohio
Duffey	Kenney	Peyser	West, Tex.
Duncan, Mo.	Kloeb	Pierce	White
Durgan, Ind.	Kniffin	Polk	Whittington
Eagle	Kocialkowski	Prall	Williford
Edmiston	Kopplemann	Ramsay	Williams
Eicher	Kramer	Ramspeck	Wilson
Ellenbogen	Lambeth	Rankin	Wood, Ga.
Elizey, Miss.	Lamneck	Rayburn	Wood, Mo.
Faddis	Lanham	Reilly	Woodrum
Farley	Lanzetta	Robertson	Young
Fernandez	Larrabee	Robinson	The Speaker
Fiesinger	Lea, Calif.	Rogers, N.H.	

NAYS—62

Allen	Dirksen	Kahn	Reece
Andrews, N.Y.	Ditter	Kelly, Pa.	Reed, N.Y.
Bacharach	Dondero	Kinzer	Reid, Ill.
Bacon	Dowell	Knutson	Rogers, Mass.
Bakewell	Dunn	Kurtz	Seger
Beedy	Edmonds	Lambertson	Sinclair
Blanchard	Eltse, Calif.	Lemke	Snell
Boileau	Englebright	Luce	Sweeney
Bolton	Fish	Lundeen	Swick
Burnham	Focht	McFadden	Taber
Carter, Calif.	Foss	McGugin	Taylor, Tenn.
Carter, Wyo.	Frear	McLean	Thomas
Christianson	Gifford	McLeod	Tobey
Clarke, N.Y.	Gilchrist	Mapes	Traeger
Cochran, Pa.	Goodwin	Marshall	Treadway
Collins, Calif.	Goss	Martin, Mass.	Turpin
Connery	Guyer	Merritt	Waldron
Cooper, Ohio	Hancock, N.Y.	Millard	Welch
Crosser, Ohio	Hess	Mott	Whitley
Crowther	Hoeppel	Peavey	Wigglesworth
Culkin	Holmes	Perkins	Wolcott
Darrow	Hope	Powers	Wolverton
De Priest	James	Ransley	Woodruff

NOT VOTING—96

Abernethy	Church	Higgins	Oliver, N.Y.
Allgood	Claiborne	Hill, Ala.	Peterson
Andrew, Mass.	Clark, N.C.	Hollister	Pettengill
Auf der Heide	Collins, Miss.	Howard	Plumley
Bailey	Connolly	Jeffers	Randolph
Beck	Corning	Jenkins, Ohio	Rich
Black	Delaney	Kelly, Ill.	Richards
Boland	Dickstein	Kennedy, N.Y.	Richardson
Boylan	Dies	Kerr	Rogers, Okla.
Brennan	Dingell	Kleberg	Sadowski
Britten	Douglass	Kvale	Shannon
Brooks	Doutrich	Lee, Mo.	Shoemaker
Browning	Eaton	Lehlbach	Simpson
Buckbee	Evans	Lloyd	Smith, W.Va.
Bulwinkle	Gambrill	McGrath	Stalker
Cannon, Wis.	Green	Mariand	Stokes
Carley, N.Y.	Griffin	Moynihan, Ill.	Strong, Pa.
Cavicchia	Hamilton	Muldowney	Sullivan
Celler	Hancock, N.C.	Norton	Sumners, Tex.
Chase	Harter	O'Malley	Taylor, S.C.
Chavez	Hartley	Oliver, Ala.	Thom
Thurston	Underwood	Weaver	Withrow
Tinkham	Wadsworth	Weideman	Wolfenden
Truax	Warren	Wilcox	Zioncheck

The Clerk announced the following additional pairs:

On this vote:

Mr. Hancock of North Carolina and Mr. Warren (for) with Mr. Rich (against).

Mr. McGrath and Mr. Randolph (for) with Mr. Kvale (against).

Mr. Underwood and Mr. Boylan (for) with Mr. Beck (against).

Mr. Lee of Missouri and Mr. Peterson (for) with Mr. Withrow (against).

Mr. Taylor of South Carolina and Mr. Sullivan (for) with Mr. Hartley (against).

Mr. Richards and Mr. Truax (for) with Mr. Andrew of Massachusetts (against).

Mr. Hill of Alabama and Dingell (for) with Mr. Eaton (against).

Mr. Black and Mr. Celler (for) with Mr. Evans (against).

Mrs. Norton and Mr. Kerr (for) with Mr. Lehlbach (against).

Mr. Lloyd and Mr. Smith of West Virginia (for) with Mr. Simpson (against).

Mr. Weaver and Mr. Oliver of New York (for) with Mr. Wolfenden (against).

Mr. Pettengill and Mr. Oliver of Alabama (for) with Mr. Jenkins of Ohio (against).

Mr. Bulwinkle and Mr. Cannon of Wisconsin (for) with Mr. Higgins (against).

Mr. Abernethy and Mr. Kennedy of New York (for) with Mr. Doutrich (against).

Mr. Auf der Heide and Mr. Corning (for) with Mr. Cavicchia (against).

Mr. Sumners of Texas and Mr. Sadowski (for) with Mr. Connolly (against).

Mr. Kleberg and Mr. Harter (for) with Mr. Muldowney (against).

Mr. Griffin and Mr. Hamilton (for) with Mr. Moynihan of Illinois (against).

Mr. Green and Mr. Gambrill (for) with Mr. Stokes (against).

Mr. Brennan and Mr. Carley (for) with Mr. Stalker (against).

Mr. Clark of North Carolina and Mr. Delaney (for) with Mr. Tinkham (against).

Mr. Boland and Mr. Kelly of Illinois (for) with Mr. Hollister (against).

Mr. Richardson and Mr. Dickinson (for) with Mr. Buckbee (against).

Until further notice:

Mr. Bland with Mr. Wadsworth.
Mr. Allgood with Mr. Strong of Pennsylvania.
Mr. Browning with Mr. Plumley.
Mr. Mariand with Mr. Britten.
Mr. Collins of Mississippi with Mr. Chase.
Mr. Church with Mr. Shoemaker.
Mr. Dies with Mr. Thom.
Mr. Bailey with Mr. Claiborne.
Mr. Douglass with Mr. Wilcox.
Mr. Jeffers with Mr. Zioncheck.
Mr. Shannon with Mr. Weideman.

The SPEAKER. The Clerk will call my name.

The Clerk called Mr. RAINEY's name, and he voted "yea."

So two-thirds having voted in favor thereof, the motion was agreed to.

Mr. FISH. Mr. Speaker, a parliamentary inquiry.

Mr. BANKHEAD. Mr. Speaker, I ask for the announcement of the vote.

The SPEAKER. For what purpose does the gentleman from New York rise?

Mr. FISH. Mr. Speaker, I rise to object to the pairs. As announced, the pairs have been read as one against one, and they should have been paired and read two against one.

The SPEAKER. These are general pairs.

The result of the vote was announced as above recorded.

Mr. BANKHEAD. Mr. Speaker——

The SPEAKER. The Chair recognizes the gentleman from Alabama.

Mr. MAPES. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. MAPES. Mr. Speaker, I realize that the——

Mr. BYRNS. Mr. Speaker, that is not a point of order. The gentleman should state his point of order.

The SPEAKER. The gentleman will state his point of order.

Mr. MAPES. Mr. Speaker, I am proceeding to state the point of order, if I may proceed.

I realize, as I started to say, that the report of the committee was read, but it was read before the House voted to consider it. No one has a right to send a paper to the desk and have it read out of order, and the question of the consideration of this report of the committee had not at that time been carried by a two-thirds vote. Since the vote of the House there have been no intervening proceedings except

that the gentleman from Alabama started to make a speech. There has been no division of time; there has been no report of the committee to the House, and up to this moment I do not think the gentleman properly has the floor. I think that orderly procedure requires that the report of the committee should be presented after the House has voted to consider it.

Mr. BANKHEAD. I have been recognized by the Speaker.

The SPEAKER. The resolution reported by the gentleman from Alabama from the Committee on Rules was read before the motion to consider it was agreed to. The Chair overrules the point of order.

The Chair recognizes the gentleman from Alabama.

Mr. BANKHEAD. Mr. Speaker, as I started to say, it has developed that it is manifestly necessary, in view of what has taken place upon the floor of the House today and what undoubtedly is contemplated to be the action of the minority in the future as far as this session is concerned, that the Democratic Party, which is clothed with the power and authority to conduct legislation upon the floor of this House, should exercise its privilege and its power to carry through the program of this administration and to enact laws for the benefit of the American people. [Applause.]

If it had not been for the developments upon the floor to which I have referred, the evident intention of the minority with reference to the future, it would not have been necessary for the majority party to have invoked the instrumentality of this rule. [Applause.] It developed, of course, that there was a prolonged—I do not know whether it was quite justified—filibuster from the standpoint of the gentlemen on the other side. It has become apparent that the time has come when the Democratic Party should take charge of this House and of its legislation, and to stop filibusters of this character. [Applause.]

The main purpose of the rule that has been presented is to stop this form of procedure. I want to give the assurance to all the Members that the rule does not take away from the majority of this House in any respect the right to control the activities of the House; and in view of the necessities which compelled us to present this resolution, I appeal to all Democrats to vote for the rule.

Mr. Speaker, I move the previous question upon the rule. [Applause.]

The SPEAKER. The question is, Shall the previous question be ordered?

The previous question was ordered.

Mr. MAPES. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. MAPES. I ask for a division of the resolution.

The SPEAKER. The resolution cannot be divided under the rule. The point of order is overruled.

Mr. MAPES. Will the Speaker listen to a statement on that for a moment? My point of order is that there are three distinct substantive propositions in this resolution, and I ask for a division of the resolution.

The SPEAKER. The Chair will read the rule. The rule states:

> Any motion or resolution to elect the members or any portion of the members of the standing committees of the House and the joint standing committees shall not be divisible, nor shall any resolution or order reported by the Committee on Rules providing a special order of business be divisible.

The point of order is overruled.

Mr. MAPES. Mr. Speaker, may I be heard briefly on the point of order?

The SPEAKER. The Chair will hear the gentleman on the point of order.

Mr. MAPES. Mr. Speaker, it seems to me that the Speaker overlooks entirely the last clause of the sentence which he read.

The rule says:

> On the demand of any Member, before the question is put, a question shall be divided if it include propositions so distinct in substance that one being taken away, a substantive proposition shall remain.

This resolution contains three distinct, substantive propositions. It authorizes the Speaker to recognize anyone at any time during the rest of this session to make a motion to suspend the rules. It also authorizes the Rules Committee to call up a report at any time without waiting a day after the report is submitted. It further authorizes the majority leader to offer a motion to recess at any time. Therefore, there are three distinct, substantive propositions in this resolution.

The proviso in the rule reads:

> *Provided*, That any motion to elect the members or any portion of the members of the standing committees of the House and the joint standing committees shall not be divisible—

Certainly that is not included in this resolution—

> nor shall any resolution or order reported by the Committee on Rules providing a special order of business be divisible.

This is not a rule from the Committee on Rules providing for a special order of business. This is a report from the Committee on Rules to change the rules in a very substantive manner.

I have before me a decision of Speaker Gillett which he made on January 30, 1923, in a case where the Committee on Rules made a report bringing up two different matters which came over from the Senate in the same resolution. A point of order was made, asking for a division, and the point of order was raised that it being a report from the Committee on Rules the matter was not divisible. The Speaker in rendering his decision said:

> The Chair finds that there is a precedent for dividing the rule, although at first blush the Chair would have thought that the statement made by the gentleman from Indiana [Mr. Sanders] was correct; therefore, the Chair thinks that this is divisible, and the vote will first come upon the portion of the rule which applies to Joint Resolution No. 12. The question is on that portion of the resolution applying to Senate Joint Resolution No. 12.

It seems to me that the rule and the precedents clearly entitle the House to a division of the resolution.

The SPEAKER. The Chair is ready to rule.

The matter is perfectly clear. This rule was first adopted in 1789 and was amended in 1837. The gentleman may find a number of precedents along the line he is discussing, which were made prior to the Seventy-third Congress. This rule, however, was amended last on May 3, 1933, by including this language:

> Nor shall any resolution or order reported by the Committee on Rules providing a special order of business be divisible.

This amendment to the rule was made for the express purpose of reaching the question which the gentleman now propounds, as will be clearly shown by the debates which occurred when the amendment to the rule was discussed. The point of order is overruled.

Mr. McGUGIN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. McGUGIN. Mr. Speaker, the parliamentary inquiry is, after the adoption of this rule will 148 Members present continue to be a quorum in the place of 218?

The SPEAKER. That is not a parliamentary inquiry.

Mr. SNELL. Mr. Speaker, I have demanded the yeas and nays on the previous question on two or three occasions.

The SPEAKER. The previous question has been ordered.

Mr. SNELL. Mr. Speaker, may I inquire if a Member does not have a right to demand the yeas and nays?

The SPEAKER. Certainly, the gentleman has the right to demand the yeas and nays. Does the gentleman now demand the yeas and nays?

Mr. SNELL. Yes.

Mr. McLEOD. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. McLEOD. A vote in the affirmative on the question is against the petition to discharge that was signed yesterday?

The SPEAKER. That is not a parliamentary inquiry.

Mr. SNELL. Mr. Speaker, I demand the yeas and nays on ordering the previous question.

The yeas and nays were ordered.

The question was taken; and there were—yeas 238, nays 90, not voting 103, as follows:

[Roll No. 165]

YEAS—238

Adair	Drewry	Kniffin	Robinson
Adams	Driver	Kocialkowski	Rogers, N.H.
Arens	Duffey	Kopplemann	Romjue
Arnold	Duncan, Mo.	Kramer	Rudd
Ayers, Mont.	Durgan, Ind.	Lambeth	Ruffin
Ayres, Kans.	Eagle	Lanham	Sabath
Bankhead	Edmiston	Lanzetta	Sanders, La.
Beam	Eicher	Larrabee	Sanders, Tex.
Beiter	Ellenbogen	Lea, Calif.	Sandlin
Berlin	Elizey, Miss.	Lehr	Schaefer
Biermann	Faddis	Lewis, Colo.	Schuetz
Bland	Farley	Lindsay	Schulte
Blanton	Fernandes	Lozier	Scrugham
Bloom	Fiesinger	Ludlow	Sears
Boehne	Fitzgibbons	McCarthy	Secrest
Brown, Ga.	Fitzpatrick	McClintic	Shallenberger
Brown, Ky.	Flannagan	McCormack	Sirovich
Brown, Mich.	Fletcher	McDuffie	Sisson
Brunner	Ford	McFarlane	Smith, Va.
Buchanan	Foulkes	McKeown	Smith, Wash.
Buck	Frey	McMillan	Snyder
Burch	Fuller	McReynolds	Somers, N.Y.
Burke, Calif.	Fulmer	Maloney, Conn.	Spence
Burke, Nebr.	Gasque	Maloney, La.	Strong, Tex.
Busby	Gavagan	Mansfield	Stubbs
Byrns	Gillespie	Martin, Colo.	Studley
Cady	Gillette	Martin, Oreg.	Sumners, Tex.
Caldwell	Glover	May	Sutphin
Cannon, Mo.	Goldsborough	Mead	Swank
Carden, Ky.	Granfield	Meeks	Tarver
Carmichael	Gray	Miller	Taylor, Colo.
Carpenter, Kans.	Greenway	Milligan	Taylor, S.C.
Cartwright	Greenwood	Mitchell	Terrell, Tex.
Cary	Gregory	Monaghan, Mont.	Terry, Ark.
Castellow	Griswold	Montague	Thomason
Chapman	Haines	Montet	Thompson, Ill.
Cochran, Mo.	Harlan	Moran	Thompson, Tex.
Coffin	Hart	Morehead	Turner
Colden	Hastings	Murdock	Umstead
Cole	Healey	Musselwhite	Utterback
Colmer	Henney	Nesbit	Vinson, Ga.
Condon	Hildebrandt	O'Brien	Vinson, Ky.
Cooper, Tenn.	Hill, Knute	O'Connell	Wallgren
Cox	Hill, Samuel B.	O'Connor	Walter
Cravens	Hoidale	Oliver, Ala.	Wearin
Crosby	Howard	Owen	Werner
Cross, Tex.	Huddleston	Palmisano	West, Ohio
Crowe	Hughes	Parker	West, Tex.
Crump	Imhoff	Parks	White
Cullen	Jacobsen	Parsons	Whittington
Cummings	Jenckes, Ind.	Patman	Willford
Darden	Johnson, Minn.	Peyser	Williams
Dear	Johnson, Okla.	Pierce	Wilson
DeRouen	Johnson, Tex.	Polk	Wood, Ga.
Dickinson	Johnson, W.Va.	Prall	Wood, Mo.
Disney	Jones	Ramsay	Woodrum
Dobbins	Kee	Ramspeck	Young
Dockweiler	Kennedy, Md.	Rayburn	The Speaker
Doughton	Kenney	Reilly	
Doxey	Kloeb	Robertson	

NAYS—90

Allen	Ditter	Kelly, Pa.	Rogers, Mass.
Andrews, N.Y.	Dondero	Kinzer	Seger
Bacharach	Dowell	Knutson	Sinclair
Bacon	Dunn	Kurtz	Snell
Bakewell	Edmonds	Lambertson	Sweeney
Beedy	Eltse, Calif.	Lemke	Swick
Blanchard	Englebright	Luce	Taber
Boileau	Fish	Lundeen	Taylor, Tenn.
Bolton	Focht	McFadden	Thomas
Burnham	Foss	McLean	Tinkham
Carter, Calif.	Frear	McLeod	Tobey
Carter, Wyo.	Gifford	Mapes	Traeger
Christianson	Gilchrist	Marshall	Treadway
Clarke, N.Y.	Goodwin	Martin, Mass.	Turpin
Cochran, Pa.	Goss	Merritt	Waldron
Collins, Calif.	Guyer	Millard	Welch
Connery	Hancock, N.Y.	Mott	Whitley
Cooper, Ohio	Hess	Peavey	Wigglesworth
Crosser, Ohio	Hoeppel	Perkins	Wolcott
Culkin	Holmes	Powers	Wolverton
Darrow	Hope	Ransley	Woodruff
De Priest	James	Reece	
Dirksen	Kahn	Reed, N.Y.	

NOT VOTING—103

Abernethy	Carley, N.Y.	Dies	Jeffers
Allgood	Carpenter, Nebr.	Dingell	Jenkins, Ohio
Andrew, Mass.	Cavicchia	Douglass	Keller
Auf der Heide	Celler	Doutrich	Kelly, Ill.
Bailey	Chase	Eaton	Kennedy, N.Y.
Beck	Chavez	Evans	Kerr
Black	Church	Gambrill	Kleberg
Boland	Claiborne	Green	Kvale
Boylan	Clark, N.C.	Griffin	Lamneck
Brennan	Collins, Miss.	Hamilton	Lee, Mo.
Britten	Connolly	Hancock, N.C.	Lehlbach
Brooks	Corning	Harter	Lesinski
Browning	Crowther	Hartley	Lewis, Md.
Buckbee	Deen	Higgins	Lloyd
Bulwinkle	Delaney	Hill, Ala.	McGrath
Cannon, Wis.	Dickstein	Hollister	McGugin
McSwain	Randolph	Simpson	Underwood
Marland	Rankin	Smith, W.Va.	Wadsworth
Moynihan, Ill.	Reid, Ill.	Stalker	Warren
Muldowney	Rich	Steagall	Weaver
Norton	Richards	Stokes	Weideman
O'Malley	Richardson	Strong, Pa.	Wilcox
Oliver, N.Y.	Rogers, Okla.	Sullivan	Withrow
Peterson	Sadowski	Thom	Wolfenden
Pettengill	Shannon	Thurston	Zioncheck
Plumley	Shoemaker	Truax	

So the previous question was ordered.

The Clerk announced the following additional pairs:

On this vote:

Mr. Deen (for) with Mr. Plumley (against).
Mr. Warren (for) with Mr. Rich (against).
Mr. Hancock of North Carolina (for) with Mr. Kvale (against).
Mr. Randolph (for) with Mr. Beck (against).
Mr. Underwood (for) with Mr. Withrow (against).
Mr. Lee of Missouri (for) with Mr. Hartley (against).
Mr. McGrath (for) with Mr. Andrew of Massachusetts (against).
Mr. Peterson (for) with Mr. Eaton (against).
Mr. Boylan (for) with Mr. Lehlbach (against).
Mr. Sullivan (for) with Mr. Simpson (against).
Mr. Corning (for) with Mr. Wolfenden (against).
Mr. Richards (for) with Mr. Jenkins of Ohio (against).
Mr. Truax (for) with Mr. Higgins (against).
Mr. Hill of Alabama (for) with Mr. Doutrich (against).
Mr. Dingell (for) with Mr. Cavicchia (against).
Mr. Black (for) with Mr. Connolly (against).
Mr. Celler (for) with Mr. Muldowney (against).
Mr. Dickstein (for) with Mr. Moynihan of Illinois (against).
Mr. Weaver (for) with Mr. Stokes (against).
Mr. Oliver of New York (for) with Mr. Stalker (against).
Mr. Bulwinkle (for) with Mr. Evans (against).
Mr. Kennedy of New York (for) with Mr. Buckbee (against).
Mr. Brennan (for) with Mr. Crowther (against).
Mr. Browning (for) with Mr. Hollister (against).
Mr. McSwain (for) with Mr. Britten (against).
Mrs. Norton (for) with Mr. McGugin (against).

Until further notice:

Mr. Allgood with Mr. Wadsworth.
Mr. Griffin with Mr. Thurston.
Mr. Green with Mr. Reid of Illinois.
Mr. Douglass with Mr. Chase.
Mr. Carley of New York with Mr. Shoemaker.
Mr. Kerr with Mr. Cannon of Wisconsin.
Mr. Claiborne with Mr. Marland.
Mr. Harter with Mr. Pettengill.
Mr. Wilcox with Mr. Hamilton.
Mr. Church with Mr. Weideman.
Mr. Collins of Mississippi with Mr. Zioncheck.
Mr. Delaney with Mr. Smith of West Virginia.
Mr. Shannon with Mr. Lloyd.
Mr. Boland with Mr. Keller.
Mr. Clark of North Carolina with Mr. Kelly of Illinois.
Mr. Brooks with Mr. Thom.
Mr. Kleberg with Mr. Jeffers.

Mr. McGUGIN. Mr. Speaker, I qualify and vote "no."

Mr. VINSON of Kentucky. Mr. Speaker, I challenge the right of the gentleman from Kansas to vote. The gentleman was not in the room when his name was called, because I took particular pains to look.

Mr. McGUGIN. I was not in the room when my name was called?

The SPEAKER. Was the gentleman from Kansas [Mr. McGUGIN] in the Chamber, listening, when his name should have been called?

Mr. McGUGIN. I thought I was here when my name was called, otherwise I would not have voted.

The SPEAKER. Was the gentleman in the Chamber listening during the roll call?

Mr. McGUGIN. I was not in the room during the entire roll call. I was called out to answer the telephone.

Mr. VINSON of Kentucky. The gentleman was not in the room at the time his name was called.

The SPEAKER. The gentleman must have been in the room when his name should have been called in order to qualify.

Mr. McGUGIN. All right; I will withdraw the vote.

The SPEAKER. The gentleman does not qualify.

Mr. SIROVICH. Mr. Speaker, I qualify and vote "yea."

Mr. McGUGIN. Mr. Speaker, I request the Speaker to call upon the Member to state publicly he was in the room when his name was called; otherwise the gentleman does not qualify.

Mr. SIROVICH. I qualify, Mr. Speaker.

Mr. McGUGIN. Mr. Speaker, I make the point of order the Speaker has not yet propounded the question.

The SPEAKER. The Chair asked the gentleman if he qualified and he answered in the affirmative, and the Chair has the utmost confidence in the veracity of the gentleman from New York.

Mr. McGUGIN. I do not question his veracity, but I insist on the rule being applied.

The SPEAKER. The gentleman has qualified.

Mr. RANKIN. Mr. Speaker, am I recorded?

The SPEAKER. The gentleman is not recorded.

Mr. RANKIN. I am sorry. I was called out of the Chamber for a moment and did not hear my name called.

The SPEAKER. The Clerk will call my name.

The Clerk called Mr. RAINEY's name, and he voted "yea."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the adoption of the resolution.

Mr. SNELL. Mr. Speaker, I ask for the yeas and nays on the adoption of the resolution.

The yeas and nays were ordered.

The question was taken; and there were—yeas 241, nays 92, answered "present" 1, not voting 97, as follows:

[Roll No. 166]

YEAS—241

Adair	Doughton	Kocialkowski	Rogers, N.H.
Adams	Doxey	Kopplemann	Romjue
Arens	Drewry	Kramer	Rudd
Arnold	Driver	Lambeth	Ruffin
Ayers, Mont.	Duffey	Lamneck	Sabath
Ayres, Kans.	Duncan, Mo.	Lanham	Sadowski
Bankhead	Durgan, Ind.	Lanzetta	Sanders, La.
Beam	Eagle	Larrabee	Sanders, Tex.
Beiter	Edmiston	Lea, Calif.	Sandlin
Berlin	Eicher	Lehr	Schaefer
Biermann	Ellenbogen	Lewis, Colo.	Schuetz
Bland	Ellzey, Miss.	Lindsay	Schulte
Blanton	Faddis	Lozier	Scrugham
Bloom	Farley	Ludlow	Sears
Boehne	Fernandez	McCarthy	Secrest
Brown, Ga.	Fiesinger	McClintic	Shallenberger
Brown, Ky.	Fitzgibbons	McCormack	Sirovich
Brown, Mich.	Fitzpatrick	McFarlane	Sisson
Brunner	Flannagan	McKeown	Smith, Va.
Buchanan	Fletcher	McMillan	Smith, Wash.
Buck	Ford	McReynolds	Snyder
Burch	Frey	Maloney, Conn.	Somers, N.Y.
Burke, Calif.	Fuller	Maloney, La.	Spence
Burke, Nebr.	Fulmer	Mansfield	Steagall
Busby	Gasque	Martin, Colo.	Strong, Tex.
Byrns	Gavagan	Martin, Oreg.	Stubbs
Cady	Gillespie	May	Studley
Caldwell	Gillette	Mead	Sumners, Tex.
Cannon, Mo.	Glover	Meeks	Sutphin
Carden, Ky.	Goldsborough	Miller	Swank
Carmichael	Granfield	Milligan	Tarver
Carpenter, Kans.	Gray	Mitchell	Taylor, Colo.
Carpenter, Nebr.	Greenway	Monaghan, Mont.	Terrell, Tex.
Cartwright	Greenwood	Montague	Terry, Ark.
Cary	Gregory	Montet	Thomason
Castellow	Griswold	Moran	Thompson, Ill.
Chapman	Haines	Morehead	Thompson, Tex.
Cochran, Mo.	Harlan	Murdock	Turner
Coffin	Hart	Musselwhite	Umstead
Colden	Hastings	Nesbit	Utterback
Cole	Healey	O'Brien	Vinson, Ga.
Colmer	Henney	O'Connell	Vinson, Ky.
Condon	Hildebrandt	O'Connor	Wallgren
Cooper, Tenn.	Hill, Knute	Oliver, Ala.	Walter
Corning	Hill, Samuel B.	Owen	Wearin
Cox	Hoidale	Palmisano	Werner
Cravens	Huddleston	Parker	West, Ohio
Crosby	Hughes	Parks	West, Tex.
Cross, Tex.	Imhoff	Parsons	White
Crowe	Jacobsen	Patman	Whittington
Crump	Jenckes, Ind.	Peyser	Williford
Cullen	Johnson, Minn.	Pierce	Williams
Cummings	Johnson, Okla.	Polk	Wilson
Darden	Johnson, Tex.	Prall	Wood, Ga.
Dear	Johnson, W.Va.	Ramsay	Wood, Mo.
Deen	Jones	Ramspeck	Woodrum
DeRouen	Kee	Rankin	Young
Dickinson	Kennedy, Md.	Rayburn	The Speaker
Disney	Kenney	Reilly	
Dobbins	Kloeb	Robertson	
Dockweiler	Kniffin	Robinson	

NAYS—92

Allen	Carter, Calif.	Crowther	Edmonds
Andrews, N.Y.	Carter, Wyo.	Culkin	Eltse, Calif.
Bacharach	Christianson	Darrow	Englebright
Bacon	Clarke, N.Y.	De Priest	Fish
Bakewell	Cochran, Pa.	Dirksen	Focht
Blanchard	Collins, Calif.	Ditter	Foss
Boileau	Connery	Dondero	Frear
Bolton	Cooper, Ohio	Dowell	Gifford
Burnham	Crosser, Ohio	Dunn	Gilchrist
Goodwin	Lambertson	Peavey	Taylor, Tenn.
Goss	Lemke	Perkins	Thomas
Guyer	Luce	Powers	Tinkham
Hancock, N.Y.	Lundeen	Ransley	Tobey
Hess	McFadden	Reece	Traeger
Hoeppel	McGugin	Reed, N.Y.	Treadway
Holmes	McLean	Rogers, Mass.	Turpin
Hope	McLeod	Seger	Waldron
James	Mapes	Sinclair	Welch
Kahn	Marshall	Snell	Whitley
Kelly, Pa.	Martin, Mass.	Strong, Pa.	Wigglesworth
Kinzer	Merritt	Sweeney	Wolcott
Knutson	Millard	Swick	Wolverton
Kurtz	Mott	Taber	Woodruff

ANSWERED "PRESENT"—1

Beedy

NOT VOTING—97

Abernethy	Connolly	Kennedy, N.Y.	Richardson
Allgood	Delaney	Kerr	Rogers, Okla.
Andrew, Mass.	Dickstein	Kleberg	Shannon
Auf der Heide	Dies	Kvale	Shoemaker
Bailey	Dingell	Lee, Mo.	Simpson
Beck	Douglass	Lehlbach	Smith, W.Va.
Black	Doutrich	Lesinski	Stalker
Boland	Eaton	Lewis, Md.	Stokes
Boylan	Evans	Lloyd	Sullivan
Brennan	Foulkes	McDuffie	Taylor, S.C.
Britten	Gambrill	McGrath	Thom
Brooks	Green	McSwain	Thurston
Browning	Griffin	Marland	Truax
Buckbee	Hamilton	Moynihan, Ill.	Underwood
Bulwinkle	Hancock, N.C.	Muldowney	Wadsworth
Cannon, Wis.	Harter	Norton	Warren
Carley, N.Y.	Hartley	Oliver, N.Y.	Weaver
Cavicchia	Higgins	O'Malley	Weideman
Celler	Hill, Ala.	Peterson	Wilcox
Chase	Hollister	Pettengill	Withrow
Chavez	Howard	Plumley	Wolfenden
Church	Jeffers	Randolph	Zioncheck
Claiborne	Jenkins, Ohio	Reid, Ill.	
Clark, N.C.	Keller	Rich	
Collins, Miss.	Kelly, Ill.	Richards	

So the resolution was agreed to.

The Clerk announced the following additional pairs:

Mr. McDuffie (for) with Mr. Beedy (against).
Mr. Warren (for) with Mr. Rich (against).
Mr. Hancock of North Carolina (for) with Mr. Kvale (against).
Mr. Randolph (for) with Mr. Beck (against).
Mr. Underwood (for) with Mr. Withrow (against).
Mr. Lee of Missouri (for) with Mr. Hartley (against).
Mr. McGrath (for) with Mr. Andrew of Massachusetts (against).
Mr. Peterson (for) with Mr. Eaton (against).
Mr. Boylan (for) with Mr. Lehlbach (against).
Mr. Sullivan (for) with Mr. Simpson (against).
Mr. Richards (for) with Mr. Jenkins of Ohio (against).
Mr. Truax (for) with Mr. Higgins (against).
Mr. Hill of Alabama (for) with Mr. Doutrich (against).
Mr. Dingell (for) with Mr. Cavicchia (against).
Mr. Black (for) with Mr. Connolly (against).
Mr. Celler (for) with Mr. Muldowney (against).
Mr. Dickstein (for) with Mr. Moynihan of Illinois (against).
Mr. Weaver (for) with Mr. Stokes (against).
Mr. Oliver of New York (for) with Mr. Stalker (against).
Mr. Bulwinkle (for) with Mr. Evans (against).
Mr. Kennedy of New York (for) with Mr. Buckbee (against).
Mr. Browning (for) with Mr. Hollister (against).
Mr. McSwain (for) with Mr. Britten (against).
Mr. Brennan (for) with Mr. Wolfenden (against).
Mrs. Norton (for) with Mr. Plumley (against).
Mr. Delaney (for) with Mr. Reid of Illinois (against).

Until further notice:

Mr. Douglass with Mr. Chase.
Mr. Allgood with Mr. Wadsworth.
Mr. Griffin with Mr. Thurston.
Mr. Carley of New York with Mr. Shoemaker.
Mr. Green with Mr. Keller.
Mr. Cannon of Wisconsin with Mr. Foulkes.
Mr. Lloyd with Mr. Bailey.
Mr. Shannon with Mr. Dies.
Mr. Smith of West Virginia with Mr. Richardson.
Mr. Kerr with Mr. Auf der Heide.
Mr. Boland with Mr. Lewis of Maryland.
Mr. Marland with Mr. Brooks.
Mr. Taylor of South Carolina with Mr. Gambrill.
Mr. Pettengill with Mr. Wilcox.
Mr. Church with Mr. Weideman.
Mr. Chavez with Mr. Kelly of Illinois.
Mr. Collins of Mississippi with Mr. Thom.
Mr. Clark of North Carolina with Mr. Harter.
Mr. Claiborne with Mr. Zioncheck.
Mr. Kleberg with Mr. Jeffers.

Mr. BEEDY. Mr. Speaker, I have a live pair with the gentleman from Alabama, Mr. McDUFFIE. I therefore withdraw my vote of "no" and answer "present."

The SPEAKER. The Clerk will call my name.

The Clerk called Mr. RAINEY's name, and he voted "aye."

The result of the vote was announced as above recorded.

THE COMMUNICATIONS BILL

Mr. BANKHEAD, from the Committee on Rules, submitted the following privileged resolution (H.Res. 411, Rept. No. 1861) for printing in the RECORD:

House Resolution 411

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 3285, an act to provide for the regulation of interstate and foreign communications by wire or radio, and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the Chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the substitute amendment and any other amendments recommended by the Committee on Interstate and Foreign Commerce, and such substitute, for the purpose of amendment, shall be considered under the 5-minute rule as an original bill. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion except one motion to recommit.

INVESTIGATION OF CERTAIN REAL-ESTATE PRACTICES

Mr. SABATH, from the Committee on Rules, submitted the following privileged resolution (H.Res. 412, Rept. No. 1861) for printing in the RECORD:

House Resolution 412

Resolved, That the Speaker of the House of Representatives be, and he is hereby, authorized and empowered to appoint a committee of seven Members of the House to investigate the methods of organization, the activities, and practices of real estate "reorganization" or "bondholders" committees, or similar or other groups, by use of the mails or otherwise, to determine whether misrepresentation or unfairness have been practiced in acquiring or representing such securities, in assessing expenses against the bondholders, and disposing of or managing the properties by such committees, trustees, receivers, or other persons against which the securities were issued as liens, and in the employment of attorneys or other persons, or in failing to adequately report to said security owners, and in what manner the rights and equities of bondholders and owners can be protected against undue and unjustified loss upon their investment. The committee shall report to the Congress as soon as practicable the results of its study together with its recommendations for necessary legislation.

SEC. 2. For the purpose of this resolution, the committee or any subcommittee thereof is authorized to hold such hearings, to sit and act at such times and places in the United States, whether or not the House is sitting, has recessed, or has adjourned, to require by subpena or otherwise the attendance of such witnesses and the production of such books and documents, to administer such oaths, and take such testimony as it deems necessary and advisable.

FINANCIAL AFFAIRS OF VETERANS

Mr. GREENWOOD, from the Committee on Rules, submitted the following privileged resolution (H.Res. 409) (Report No. 1859) for printing in the RECORD:

House Resolution 409

Resolved, That the Committee on Veterans' Affairs of the House of Representatives, or a subcommittee thereof, be, and it is hereby, authorized and directed to investigate the method and manner of handling of funds and the financial affairs of the veterans receiving money as compensation or pensions from the United States Government while under guardianship and subject to the supervision of the United States Veterans' Administration; the losses to the estates of such veterans from negligence, neglect, or misappropriation of funds by guardians and/or conservators; and the manner and method of appointing said guardians, conservators, or other persons; the losses sustained by such veterans while under guardians by reason of the sale of worthless securities by the guardians to such wards; the responsibility for the mishandling of the estates of veterans under guardians; the adequacy of guardians' bonds, as provided under the regulations of the Veterans' Administration; and all other questions in relation to the estates of such veterans as are under guardians and receiving compensation, pensions, or other money or things of value from the Government of the United States by reason of veterans' legislation that would aid the Congress in any necessary remedial legislation.

The committee shall report to the House not later than January 10, 1935, the results of its investigation, together with such recommendations for legislation as it deems advisable.

That said committee or any subcommittee thereof is authorized to sit and act at such time and places within the United States, whether or not the House is sitting, has recessed, or has adjourned, to hold such hearings, to require the attendance of such witnesses, and production of such books, papers, and documents by subpena or otherwise to take such testimony. Subpenas shall be issued under the signature of the chairman or any member designated by him, and shall be served on any person designated by him. The chairman of the committee or any member thereof may administer oaths to witnesses. Every person who, having been summoned as a witness by authority of said committee or who, having appeared, refuses to answer any question pertinent to the investigation heretofore authorized shall be held to the penalties provided by section 102 of the Revised Statutes of the United States.

Mr. SNELL. Mr. Speaker, may I ask the majority leader what will be the program for the rest of the afternoon?

Mr. BYRNS. The gentleman from Texas [Mr. RAYBURN] will call up the conference report on the stock exchange bill. As the gentleman knows, we have an evening session.

Mr. SNELL. And that will be the last thing before the recess?

Mr. BYRNS. Yes.

INTERNATIONAL DEBTS (H.DOC. NO. 392)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and referred to the Committee on Ways and Means and ordered printed:

To the Congress of the United States:

In my address to the Congress January 3 I stated that I expected to report later in regard to debts owed the Government and people of this country by the governments and people of other countries. There has been no formal communication on the subject from the Executive since President Hoover's message of December 19, 1932.

The developments are well known, having been announced to the press as they occurred. Correspondence with debtor governments has been made public promptly and is available in the annual report of the Secretary of the Treasury. It is, however, timely to review the situation.

Payments on the indebtedness of foreign governments to the United States which fell due in the fiscal year ended June 30, 1932, were postponed on the proposal of President Hoover announced June 20, 1931, and authorized by the joint resolution of Congress approved December 23, 1931. Yugoslavia alone suspended payment while rejecting President Hoover's offer of postponement.

In the 6 months of July to December 1932, which followed the end of the Hoover moratorium year, payments of $125,000,000 from 12 governments fell due. Requests to postpone the payments due December 15, 1932, were received from Great Britain, France, Belgium, Czechoslovakia, Estonia, Latvia, Lithuania, and Poland. The replies made on behalf of President Hoover through the Department of State declined these requests, generally stating that it was not in the power of the Executive to grant them, and expressing a willingness to cooperate with the debtor government in surveying the entire situation. After such correspondence, Czechoslovakia, Finland, Great Britain, Italy, Latvia, and Lithuania met their contractual obligations, while Belgium, Estonia, France, and Poland made no payment.

In a note of December 11, 1932, after the United States had declined to sanction postponement of the payment due December 15, the British Government, in announcing its decision to make payment of the amount due on December 15, made the following important statement:

For reasons which have already been placed on record His Majesty's Government are convinced that the system of intergovernmental payments in respect of the war debts as it existed prior to Mr. Hoover's initiative on June 20, 1931, cannot be revived without disaster. Since it is agreed that the whole subject should be reexamined between the United States and the United Kingdom, this fundamental point need not be further stressed here.

In the view of His Majesty's Government therefore, the payment to be made on December 15 is not to be regarded as a resumption of the annual payments contemplated by the existing agreement. It is made because there has not been time for discussion with regard to that agreement to take place and because the United States Government have stated that in their opinion such a payment would greatly increase the prospects of a satisfactory approach to the whole question.

His Majesty's Government propose accordingly to treat the payment on December 15 as a capital payment of which account should be taken in any final settlement and they are making arrangements to effect this payment in gold as being in the circumstances least prejudicial of the methods open to them.

This procedure must obviously be exceptional and abnormal, and His Majesty's Government desire to urge upon the United States Government the importance of an early exchange of views with the object of concluding the proposed discussion before June 15 next in order to obviate a general break-down of the existing intergovernmental agreements.

The Secretary of State, Mr. Stimson, replied to this note on the same day that acceptance by the Secretary of the Treasury of funds tendered in payment of the December 15 installment cannot constitute approval of or agreement to any condition or declaration of policy inconsistent with the terms of the agreement inasmuch as the Executive has no power to amend or to alter those terms either directly or by implied commitment.

No payment was made by France December 15, 1932, as the French Chamber of Deputies, by a vote on the morning of December 14, refused authorization to make the payment. The resolution voted by the French Chamber at that time invited the French Government to convoke as soon as possible, in agreement with Great Britain and other debtors, a general conference for the purpose of adjusting all international obligations and putting an end to all international transfers for which there is no compensating transaction. The resolution stated that the chamber, despite legal and economic considerations, would have authorized settlement had the United States been willing to agree in advance to the convening of the conference for these purposes.

This resolution of the French Chamber is to be read in relation with the public statements of policy made by President Hoover and by myself on November 23, 1932. President Hoover said:

The United States Government from the beginning has taken the position that it would deal with each of the debtor governments separately, as separate and distinct circumstances surrounded each case. Both in the making of the loans and in the subsequent settlements with the different debtors, this policy has been rigidly made clear to every foreign government concerned.

I said:

I find myself in complete accord with the four principles discussed in the conference between the President and myself yesterday and set forth in a statement which the President has issued today.

These debts were actual loans made under distinct understanding and with the intention that they would be repaid.

In dealing with the debts each government has been and is to be considered individually, and all dealings with each government are independent of dealings with any other debtor government. In no case should we deal with the debtor governments collectively.

Debt settlements made in each case take into consideration the capacity to pay of the individual debtor nations.

The indebtedness of the various European nations to our Government has no relations whatsoever to reparations payments made or owed to them.

Of the $125,000,000 due and payable December 15, 1932, the Treasury received $98,750,000, of which $95,550,000 was the British payment made subsequent to the above correspondence, and the other $3,000,000 represented payments by five other debtor nations. The amounts due from Belgium, Estonia, France, Hungary, and Poland which were not received amounted to $25,000,000, of which $19,260,000 was due and payable by France.

In my statement issued November 23, 1932, I had said:

I firmly believe in the principle that an individual debtor should at all times have access to the creditor; that he should have opportunity to lay facts and representations before the creditor; and that the creditor always should give courteous, sympathetic, and thoughtful consideration to such facts and representations.

This is a rule essential to the preservation of the ordinary relationships of life. It is a basic obligation of civilization. It applies to nations as well as to individuals.

The principle calls for a free access by the debtor to the creditor. Each case should be considered in the light of the conditions and necessities peculiar to the case of each nation concerned.

On January 20, 1933, President Hoover and I agreed upon the following statement:

The British Government has asked for a discussion of the debts. The incoming administration will be glad to receive their representative early in March for this purpose. It is, of course, necessary to discuss at the same time the world economic problems in which the United States and Great Britain are mutually interested, and therefore that representatives should also be sent to discuss ways and means for improving the world situation.

On March 4, 1933, the situation with regard to the indebtedness of other governments to the United States was, in brief, as follows:

France: The French Parliament had refused to permit payment of $19,261,432.50 interest due on the $3,863,650,000 bonds of France owned by the United States.

Great Britain: With respect to the British bonded debt held by the Treasury in the principal amount of $4,368,000,000, Great Britain in meeting a due payment of $30,000,000 principal and $65,550,000 interest had stated that the payment was not to be regarded as a resumption of the annual payments contemplated under the funding agreement of June 19, 1923, but was to be treated, so far as the British Government was concerned, as a capital payment of which account should be taken in any final settlement.

Italy: With respect to the $2,004,900,000 principal amount of bonds of the Italian Government held by the United States Treasury, the Italian Government had paid the sum of $1,245,437 interest due December 15, 1932; but in doing so it referred to a resolution of the Grand Council of Fascism, adopted December 5, 1932, in which "a radical solution of the 'sponging of the slate' type was declared to be necessary for the world's economic recovery."

Czechoslovakia, in making a payment of $1,500,000 principal due December 15, 1932, on its debt of $165,000,000, had stated that "this payment constitutes in the utmost self-denial of the Czechoslovak people their final effort to meet the obligation under such extremely unfavorable circumstances."

Belgium had declined to pay $2,125,000 interest due December 15, 1932, on its bonds of $400,680,000, held by the Treasury of the United States, and in doing so had cited circumstances which it stated, "prevent it from resuming, on December 15, the payments which were suspended by virtue of the agreements made in July 1931", adding, "Belgium is still disposed to collaborate fully in seeking a general settlement of intergovernmental debts and of the other problems arising from the depression."

Poland had not paid the $232,000 principal and $3,070,980 interest due December 15, 1932, on its bond in the principal amount of $206,057,000 held by the Treasury of the United States.

Of the nine other governments whose bonds are held by the Treasury of the United States, Estonia and Hungary had not met payments due December 15, 1932.

Austria is availing itself of a contractual right to postpone payments.

Greece was making only partial payments on its foreign bonded indebtedness, including that held by the United States.

Yugoslavia had declined to sign any Hoover moratorium agreement and had stopped paying.

No payment by Rumania had fallen due since the close of the Hoover moratorium.

Finland, Latvia, and Lithuania were current in their payments.

Although I had informal discussions concerning the British debt with the British Ambassador even before March 4, 1933, and in April there was further discussion of the subject with the Prime Minister of Great Britain and between experts of the two Governments, it was not possible to reach definitive conclusions. On June 13 the British Government gave notice that in the then existing circumstances it was not prepared to make the payment due June 15, 1933, but would make an immediate payment of $10,000,000 as an acknowledgment of the debt pending a final settlement. To this notice reply was made by the Acting Secretary of State, pointing out that it is not within the discretion of the President to reduce or cancel the existing debt owed to the United States nor to alter the schedule of debt payments contained in the existing settlement. At the same time I took occasion to announce that in view of the representations of the British Government, the accompanying acknowledgment of the debt itself, and the payment made, I had no personal hesitation in saying that I would not characterize the result-

ant situation as a default. In view of the suggestion of the expressed desire of the British Government to make representations concerning the debt, I suggested that such representations be made in Washington as soon as convenient.

The Agricultural Adjustment Act, approved May 12, 1933, had authorized the President for a period of 6 months from that date to accept silver in payment of installments due from any foreign government, such silver to be accepted at not to exceed a price of 50 cents an ounce. In the payments due June 15, 1933, the Governments of Great Britain, Czechoslovakia, Finland, Italy, Lithuania, and Rumania took advantage of this offer.

On June 15, 1933, payments of about $144,000,000 were due from foreign governments, the larger amounts being about $76,000,000 from Great Britain, almost $41,000,000 from France, and $13,500,000 from Italy. The amounts actually paid into the Treasury were $11,374,000, of which $10,000,000 was paid by Great Britain and $1,000,000 by Italy. Communications were received from most of the debtor governments asking a discussion of the debt question with the United States Government.

In October 1933 representatives of the British Government arrived in Washington and conferred for some weeks with representatives of this Government. These discussions made clear the existing difficulties and the discussions were adjourned.

The British Government then stated that it continued to acknowledge the debt without prejudicing its right again to present the matter of readjustment, and that it would express this acknowledgment tangibly by a payment of $7,500,000 on December 15. In announcing this I stated that in view of the representations, of the payment, and of the impossibility of accepting at that time any of the proposals for a readjustment of the debt, I had no personal hesitation in saying that I should not regard the British Government as in default.

On December 15, 1933, there was due and payable by foreign governments on their debt-funding agreements and Hoover moratorium agreements a total of about $153,000,000. The payments actually received were slightly less than $9,000,000, including $7,500,000 paid by Great Britain, $1,000,000 by Italy, and about $230,000 by Finland.

At the present time Finland remains the only foreign government which has met all payments on its indebtedness to the United States punctually and in full.

It is a simple fact that this matter of the repayment of debts contracted to the United States during and after the World War has gravely complicated our trade and financial relationships with the borrowing nations for many years.

These obligations furnished vital means for the successful conclusion of a war which involved the national existence of the borrowers, and later for a quicker restoration of their normal life after the war ended.

The money loaned by the United States Government was in turn borrowed by the United States Government from the people of the United States, and our Government in the absence of payment from foreign governments is compelled to raise the shortage by general taxation of its own people in order to pay off the original Liberty bonds and the later refunding bonds.

It is for these reasons that the American people have felt that their debtors were called upon to make a determined effort to discharge these obligations. The American people would not be disposed to place an impossible burden upon their debtors but are nevertheless in a just position to ask that substantial sacrifices be made to meet these debts.

We shall continue to expect the debtors on their part to show full understanding of the American attitude on this debt question. The people of the debtor nations will also bear in mind the fact that the American people are certain to be swayed by the use which debtor countries make of their available resources—whether such resources would be applied for the purposes of recovery as well as for reasonable payment on the debt owed to the citizens of the United States or for purposes of unproductive nationalistic expenditure or like purposes.

In presenting this report to you, I suggest that in view of all existing circumstances no legislation at this session of the Congress is either necessary or advisable.

I can only repeat that I have made it clear to the debtor nations again and again that "the indebtedness to our Government has no relation whatsoever to reparations payments made or owed to them", and that each individual nation has full and free opportunity individually to discuss its problem with the United States.

We are using every means to persuade each debtor nation as to the sacredness of the obligation and also to assure them of our willingness, if they should so request, to discuss frankly and fully the special circumstances relating to means and method of payment.

Recognizing that the final power lies with the Congress, I shall keep the Congress informed from time to time and make such new recommendations as may later seem advisable.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *June 1, 1934.*

[Applause.]

MEMORIAL DAY

Mr. CONNERY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a Memorial Day address by my colleague [Mr. HEALEY].

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. CONNERY. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following Memorial Day address of my colleague from Massachusetts, Mr. HEALEY:

Comrade Commander, comrades of the Grand Army, comrades of the Spanish-American War, my comrades of the World War, ladies, and gentlemen, I am deeply appreciative of the kind invitation of my friend, the venerable commander, one of the most distinguished survivors of the Civil War, to speak here today.

Today, throughout the land, in all our splendid cities, in every town, village, and hamlet, Americans pause to observe another Memorial Day. And it is reassuring for the future of our country to know that in the busy strife for existence, and the terrible stress of the times, we can lay aside the material things of life to pause in reverent remembrance to honor those veterans of our armed forces who have answered the last call of their great Commander in Chief.

In instituting the great custom of Memorial Day in 1868 General Logan said, "It is our purpose to inaugurate this observance with the hope that it will be kept from year to year while a survivor of the war remains to honor the memory of the departed." How faithfully the veterans of the Civil War have honored this request and kept this trust will be freely attested by those of the generations of Americans who have lived during the lifetime of the veterans of that great struggle. And as the last of the old comrades muster out and fall in with the ranks of that silent army, when the roll of the drum beats its last tattoo and shall fall upon no familiar ears—yet we shall still remember and observe and commemorate this day—for we commemorate not alone the memory of those who have died but it is also a day upon which we consecrate ourselves anew to the living spirit of those who have died.

Later generations of Americans, rightfully impressed with the full significance of this day, will keep the campfires burning and hold high the torch of liberty, for which the veterans of all our wars have fought and bled and died and have passed on to us that we may keep it ever flaming bright.

Although this day was originally set aside in memory of the departed comrades of the Civil War, it has now so developed itself as to embrace a Nation-wide tribute to all those heroes who have laid down their lives or fought for our common country and have now passed on to their just reward.

So today while in accordance with hallowed custom, we decorate the graves of the hero dead with garlands of flowers, and pay tribute with swinging march and martial music to their valor, let us not forget that in the words of the immortal Lincoln, speaking seventy-odd years ago upon the battlefield of Gettysburg, "The world will little note nor long remember what we say here but it can never forget what they did here"—let us never, I repeat, forget the fact that by any sonorous phrase, or mighty pageantry, we can neither add nor detract from the greatness of their achievement or its undying glory.

When the last member of the Grand Army has passed away, and when the last veteran of our last war has joined his comrades of all wars in another land—when the granite shaft at Bunker Hill, and all our great monuments and memorials commemorative of our battles and our war heroes have succumbed to the ravages of time—the history and lessons of our great wars will still live on; for in them is contained the source and well-

spring of patriotic inspiration, the foundation and strength for the many generations of Americans yet unborn.

This day is not, therefore, entirely reserved to honor and commemorate the dead but, in the theme of the undying address of Lincoln at Gettysburg, should mark the rededication of Americans to the principles and ideals for which their brave men fought and died. Today as we pause from our busy activities the whole drama of our American life and progress as a nation passes before us in review. Our development as a nation has been so inseparably bound with our great wars as to mark the various epochs or cycles in our economic and social progress.

The Revolutionary War won us our existence as a nation; the Civil War ratified it and confirmed it in blood; the Spanish-American War proved that we were willing to fight for the extension of the principles of freedom to the oppressed peoples of the American Hemisphere; the World War emphasized the purity of these motives, and evidenced to the world that Americans were willing to die that our ideals and principles in Government might be disseminated throughout the world. Economically, these great contests had a profound effect upon the Nation and its people, uprooting old ideas and changing time-worn customs.

The period of uncertainty that followed the Revolutionary War under the Articles of Confederation was indeed a time of trial and difficulty; the reconstruction period after the Civil War, which gave rise to sectional hatreds and jealousies, required, for the sake of a strong and united Nation, the elimination of those corrosive and destructive passions and the reestablishment and reaffirmation of the great American principles of liberty, equality, and justice. After the Spanish-American War we embarked in a great effort to extend those principles. And now, in the period following the World War, we are engaged in a great program of reconstruction, social and economic, to overcome the disastrous effects of that appalling struggle. All these periods have to a marked degree tremendously influenced the customs and habits of the American people.

So, today, in reviewing the progress and achievements of the past, the glories and sacrifices of those who have gone before, the faith, courage, and determination, and the will to endure of our forefathers—all these wars and periods weld into one continuous stream borne by the insuperable spirit of the American people to preserve and safeguard, even to the death, the great principles of the Republic. Permanently inscribed in the Declaration of Independence this spirit and these principles have survived for over 200 years and are still vital and undiminished in our people today.

Indeed, how appropriate today, how pertinently applicable are the words of Lincoln, spoken over 70 years ago: "It is for us the living, rather to be dedicated here to the unfinished work which they who fought here have thus far so nobly advanced. It is rather for us to be dedicated to the task remaining before us, that from these honored dead we take increased devotion, that we here highly resolve that these dead shall not have died in vain, that this Nation under God, shall have a new birth of freedom and that a government of the people, by the people, and for the people shall not perish from the earth." And how prophetic were his words, for the American people today are having a new birth of freedom.

The strength of a government is no greater than the strength of its people, so spoke Grover Cleveland; its power and force are no greater than that which is imbued in it by the devotion, patriotism, self-sacrifice, and loyalty of its citizens. A government is constituted for the common good of the people. It is created to enhance and increase the benefits which are derived from individual action and personal effort. The Government can harmonize the interests of all its individuals and attain ends through concerted and harmonious action which individual effort could not attain. It can preserve the peace that we may work more effectively, unhampered by fear of violence to our persons and property. It can promote the general welfare and morals of the people that the people in general may be enlightened. It can build roads and establish libraries that we may derive the benefits from a common undertaking that we could never have from individual enterprise. It can maintain armies and navies that our internal security may be insured and that we may be free from apprehension of invasion from a foreign foe. All these things a government can and should do.

But a government fundamentally rests upon the aggregate of persons who form its citizenry. A government cannot have an assured existence without having within its realms a rugged and patriotic body of individuals. The government must depend upon the individuals for its support, maintenance, and perpetuation. But the individuals cannot depend forever upon the government for their sustenance, although in times of great national emergency such as the present, when the individuals are denied, because of chaotic economic conditions, an opportunity to pursue gainful employment, the duty of a government to draw upon its reserve power to render assistance to these individuals, to the end that there shall not be suffering, starvation and privation, is perfectly clear.

We have just been through a period, following the World War, of prosperity that was abnormal, inflated, and unnatural. The resulting depression, which came from the bursting of the bubble, was so severe and terrible that our Government was on the verge of destruction. In the mad scramble for excessive profits and material wealth, the ideal of our fathers of gain through merit and accomplishment, and the dignity of reward commensurate only with work, gave place to an unnatural desire for profits without desert and wealth without achievement. Wild speculation was rife and unscrupulous; money changers exploited the hysterical psychology of the times for their own gain. They fostered and encouraged this destructive ideal, to the end that they might reap profits thereby. Money and material wealth became the sole end of endeavor. The realization of social values completely disappeared. The world forgot the joy of achievement and the thrill of creative effort. It is only natural that, with so inhuman an end as the goal of all activity, the means to the end should adhere to even more ignoble practices. It was the inevitable result that there should be a great class of persons exploited and that eventually wealth should be concentrated into the hands of a few while the great mass of people were deprived of what was their due. Along with that, corruption became rife in political office. In the mad hysteria the citizenry of our Nation, who should be eternally vigilant that the integrity of their Government should be maintained, not only permitted but fostered such corruption through their negligence, and freedom itself, while boasting of liberty, was clanking in chains—the chains of special privilege and political corruption. Finally, when the frail fundaments cracked, the whole structure came tumbling down, plunging us into misery and privation. Man had forgotten his irrevocable duties to himself, to his fellow man, and to his God. When the resultant chaos came, he searched again, in the desolation and ruins for the fundamental principles of human equity. Chastened, he looked for leadership and found none, for privilege and donned the habiliments of authority.

But Divine Providence, that Providence to which the forefathers looked and in which they placed their trust did not betray him. On March the 4th of last year, when we were sunk in the depths of despair, a great leader, Franklin D. Roosevelt, arose and succeeded to the Presidency of the United States. In his inaugural address he said, "This is preeminently the time to speak the truth, the whole truth, frankly and boldly. Nor need we shrink from honestly facing conditions of our country today. This great Nation will endure, as it has endured, will revive, and will prosper. In every dark hour of our life a leadership of frankness and vigor has met with that understanding and support of the people themselves which is essential to victory. I am convinced that you will again give that support to leadership in these critical days."

Comrades and friends, more than half a century elapsed between the addresses of both of these great leaders of America, Lincoln and Roosevelt. Both of them spoke at a time when the Nation faced a most severe crisis and danger lay within our borders. How ably did they express the eternal spirit of Americans—a spirit that has endured and will continue to endure.

We are still faced with the great foe of depression but the firm grip of the enemy has somewhat relaxed, the dark clouds of despair are giving away and the sunlight of hope and confidence is shining through.

Realizing now, that our form of government was dangerously tottering, that the free institutions for which our forefathers struggled and the brave heroes whose memories we honor today fought and bled, was perilously near falling, that our Government, in the words of Lincoln, was severely tested, as to whether a nation so conceived and so dedicated to principles of individual liberty could really endure much longer. Our Nation has met that test again.

Our task is now to rebuild and strengthen those institutions, to reawaken the responsibilities of our citizens, to renew the faith and courage that our forefathers possessed, to muster the combined aid of every agency of the Government, all its powers—to summon its entire resources and combine and coordinate all these forces in a continued war on the depression. In this fight we have had and we must continue to have the best brains of our Nation, the most courageous fighters, the stoutest hearts, and the confidence and utmost cooperation of all our citizens. We must build anew; we must eliminate the evils of the past, not merely to effectuate a temporary relief but to pass on to generations to come this great and generous heritage willed to us by the founders of this Nation. To this summons to arms I know that all those who have served the armed forces of our country and their sons and daughters will readily respond. America's great social problems must be solved and solved permanently; we must not have suffering and starvation in the midst of plenty. Selfishness and greed must give way in this great struggle; and all of us now, more clearly than at any stage of our national existence, recognizing our interdependence one upon the other, must rededicate ourselves today to the great task of the moment.

The heroic dead demand no less. For that was the America they fought and died for—an America where men would find a haven from oppression, where the many would not be exploited for the selfish few; an America that would not tolerate starvation and privation; an America that safeguarded the rights of property, but is not forgetful that she enshrined forever in her Declaration of Independence that every individual is entitled to life, liberty, and the pursuit of happiness, free from the exactions of greed and the shackles of economic tyranny.

So when the time comes for us to pass on to those who shall succeed us that which they whose memory we honor today fought and conserved for us we can truly say in the words of Kathryn Lee Bates, in the mighty lines of America the Beautiful:

O beautiful for patriots dream,
That see beyond the years
Thine alabaster cities gleam,
Undimmed by human tears.

Mr. McLEOD. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 8479) to promote resumption of industrial activity, increase employment, and restore confidence by fulfillment of the implied guaranty by the United States Government of deposit safety in national banks.

The SPEAKER. The gentleman is not recognized for that purpose.

Mr. FIESINGER. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

Mr. SNELL. What is the order of business?

Mr. RAYBURN. I supposed the order of business was to take up the conference report on the stock exchange bill.

Mr. FIESINGER. Very well. I will defer my request.

Mr. RAYBURN. Mr. Speaker, I call up the conference report on the bill (H.R. 9323) to provide for the regulation of securities exchanges and of over-the-counter markets operating in interstate and foreign commerce and through the mails, to prevent inequitable and unfair practices on such exchanges and markets, and for other purposes; and I ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. Without objection, the Clerk will read the statement.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 9323) to provide for the regulation of securities exchanges and of over-the-counter markets operating in interstate and foreign commerce and through the mails, to prevent inequitable and unfair practices on such exchanges and markets, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"TITLE I. REGULATION OF SECURITIES EXCHANGES

"SHORT TITLE

"SECTION 1. This act may be cited as the 'Securities Exchange Act of 1934.'

"NECESSITY FOR REGULATION AS PROVIDED IN THIS TITLE

"SEC. 2. For the reasons hereinafter enumerated, transactions in securities as commonly conducted upon securities exchanges and over-the-counter markets are affected with a national public interest which makes it necessary to provide for regulation and control of such transactions and of practices and matters related thereto, including transactions by officers, directors, and principal security holders, to require appropriate reports, and to impose requirements necessary to make such regulation and control reasonably complete and effective, in order to protect interstate commerce, the national credit, the Federal taxing power, to protect and make more effective the national banking system and the Federal Reserve System, and to insure the maintenance of fair and honest markets in such transactions:

"(1) Such transactions (a) are carried on in large volume by the public generally and in large part originate outside the States in which the exchanges and over-the-counter markets are located and/or are effected by means of the mails and instrumentalities of interstate commerce; (b) constitute an important part of the current of interstate commerce; (c) involve in large part the securities of issuers engaged in interstate commerce; (d) involve the use of credit, directly affect the financing of trade, industry, and transportation in interstate commerce, and directly affect and influence the volume of interstate commerce; and affect the national credit.

"(2) The prices established and offered in such transactions are generally disseminated and quoted throughout the United States and foreign countries and constitute a basis for determining and establishing the prices at which securities are bought and sold, the amount of certain taxes owing to the United States and to the several States by owners, buyers, and sellers of securities, and the value of collateral for bank loans.

"(3) Frequently the prices of securities on such exchanges and markets are susceptible to manipulation and control, and the dissemination of such prices gives rise to excessive speculation, resulting in sudden and unreasonable fluctuations in the prices of securities which (a) cause alternately unreasonable expansion and unreasonable contraction of the volume of credit available for trade, transportation, and industry in interstate commerce, (b) hinder the proper appraisal of the value of securities and thus prevent a fair calculation of taxes owing to the United States and to the several States by owners, buyers, and sellers of securities, and (c) prevent the fair valuation of collateral for bank loans and/or obstruct the effective operation of the national banking system and Federal Reserve System.

"(4) National emergencies, which produce wide-spread unemployment and the dislocation of trade, transportation, and industry, and which burden interstate commerce and adversely affect the general welfare, are precipitated, intensified, and prolonged by manipulation and sudden and unreasonable fluctuations of security prices and by excessive speculation on such exchanges and markets, and to meet such emergencies the Federal Government is put to such great expense as to burden the national credit.

"DEFINITIONS AND APPLICATION OF TITLE

"SEC. 3. (a) When used in this title, unless the context otherwise requires—

"(1) The term 'exchange' means any organization, association, or group of persons, whether incorporated or unincorporated, which constitutes, maintains, or provides a market place or facilities for bringing together purchasers and sellers of securities or for otherwise performing with respect to securities the functions commonly performed by a stock exchange as that term is generally understood, and includes the market place and the market facilities maintained by such exchange.

"(2) The term 'facility' when used with respect to an exchange includes its premises, tangible or intangible property whether on the premises or not, any right to the use of such premises or property or any service thereof for the purpose of effecting or reporting a transaction on an exchange (including, among other things, any system of communication to or from the exchange, by ticker or otherwise, maintained by or with the consent of the exchange), and any right of the exchange to the use of any property or service.

"(3) The term 'member', when used with respect to an exchange, means any person who is permitted either to effect transactions on the exchange without the services of another person acting as broker, or to make use of the facilities of an exchange for transactions thereon without payment of a commission or fee or with the payment of a commission or fee which is less than that charged the general public, and includes any firm transacting a business as broker or dealer of which a member is a partner, and any partner of any such firm.

"(4) The term 'broker' means any person engaged in the business of effecting transactions in securities for the account of others, but does not include a bank.

"(5) The term 'dealer' means any person engaged in the business of buying and selling securities for his own account, through a broker or otherwise, but does not include a bank, or any person insofar as he buys or sells securities for his own account, either individually or in some fiduciary capacity, but not as a part of a regular business.

"(6) The term 'bank' means (A) a banking institution organized under the laws of the United States (B) a member bank of the Federal Reserve System, (C) any other banking institution, whether incorporated or not, doing business under the laws of any State or of the United States, a substantial portion of the business of which consists of receiving deposits or exercising fiduciary powers similar to those permitted to national banks under section 11 (k) of the

Federal Reserve Act, as amended, and which is supervised and examined by State or Federal authority having supervision over banks, and which is not operated for the purpose of evading the provisions of this title, and (D) a receiver, conservator, or other liquidating agent of any institution or firm included in clauses (A), (B), or (C) of this paragraph.

"(7) The term 'director' means any director of a corporation or any person performing similar functions with respect to any organization, whether incorporated or unincorporated.

"(8) The term 'issuer' means any person who issues or proposes to issue any security; except that with respect to certificates of deposit for securities, voting-trust certificates, or collateral-trust certificates, or with respect to certificates of interest or shares in an unincorporated investment trust not having a board of directors or of the fixed, restricted management, or unit type, the term 'issuer' means the person or persons performing the acts and assuming the duties of depositor or manager pursuant to the provisions of the trust or other agreement or instrument under which such securities are issued; and except that with respect to equipment-trust certificates or like securities, the term 'issuer' means the person by whom the equipment or property is, or is to be, used.

"(9) The term 'person' means an individual, a corporation, a partnership, an association, a joint-stock company, a business trust, or an unincorporated organization.

"(10) The term 'security' means any note, stock, treasury stock, bond, debenture, certificate of interest or participation in any profit-sharing agreement or in any oil, gas, or other mineral royalty or lease, any collateral-trust certificate, preorganization certificate or subscription, transferable share, investment contract, voting-trust certificate, certificate of deposit, for a security, or, in general, any instrument commonly known as a 'security'; or any certificate of interest or participation in, temporary or interim certificate for, receipt for, or warrant or right to subscribe to or purchase, any of the foregoing; but shall not include currency or any note, draft, bill of exchange, or banker's acceptance which has a maturity at the time of issuance of not exceeding 9 months, exclusive of days of grace, or any renewal thereof the maturity of which is likewise limited.

"(11) The term 'equity security' means any stock or similar security; or any security convertible, with or without consideration, into such a security, or carrying any warrant or right to subscribe to or purchase such a security; or any such warrant or right; or any other security which the Commission shall deem to be of similar nature and consider necessary or appropriate, by such rules and regulations as it may prescribe in the public interest or for the protection of investors, to treat as an equity security.

"(12) The term 'exempted security' or 'exempted securities' shall include securities which are direct obligations of or obligations guaranteed as to principal or interest by the United States; such securities issued or guaranteed by corporations in which the United States has a direct or indirect interest as shall be designated for exemption by the Secretary of the Treasury as necessary or appropriate in the public interest or for the protection of investors; securities which are direct obligaticns of or obligations guaranteed as to principal or interest by a State or any political subdivision thereof or any agency or instrumentality of a State or any political subdivision thereof or any municipal corporate instrumentality of one or more States; and such other securities (which may include, among others, unregistered securities, the market in which is predominantly intrastate) as the Commission may, by such rules and regulations as it deems necessary or appropriate in the public interest or for the protection of investors, either unconditionally or upon specified terms and conditions or for stated periods, exempt from the operation of any one or more provisions of this title which by their terms do not apply to an 'exempted security' or to 'exempted securities.'

"(13) The terms 'buy' and 'purchase' each include any contract to buy, purchase, or otherwise acquire.

"(14) The terms 'sale' and 'sell' each include any contract to sell or otherwise dispose of.

"(15) The term 'Commission' means the Securities and Exchange Commission established by section 4 of this title.

"(16) The term 'State' means any State of the United States, the District of Columbia, Alaska, Hawaii, Puerto Rico, the Philippine Islands, the Canal Zone, the Virgin Islands, or any other possession of the United States.

"(17) The term 'interstate commerce' means trade, commerce, transportation, or communication among the several States, or between any foreign country and any State, or between any State and any place or ship outside thereof.

"(b) The Commission and the Federal Reserve Board, as to matters within their respective jurisdictions, shall have power by rules and regulations to define technical, trade, and accounting terms used in this title insofar as such definitions are not inconsistent with the provisions of this title.

"(c) No provision of this title shall apply to, or be deemed to include, any executive department or independent establishment of the United States, or any lending agency which is wholly owned, directly or indirectly, by the United States, or any officer, agent, or employee of any such department, establishment, or agency, acting in the course of his official duty as such, unless such provision makes specific reference to such department, establishment, or agency.

"SECURITIES AND EXCHANGE COMMISSION

"SEC. 4. (a) There is hereby established a Securities and Exchange Commission (hereinafter referred to as the 'Commission') to be composed of five commissioners to be appointed by the President by and with the advice and consent of the Senate. Not more than three of such commissioners shall be members of the same political party, and in making appointments members of different political parties shall be appointed alternately as nearly as may be practicable. No commissioner shall engage in any other business, vocation, or employment than that of serving as commissioner, nor shall any commissioner participate, directly or indirectly, in any stock-market operations or transactions of a character subject to regulation by the Commission pursuant to this title. Each commissioner shall receive a salary at the rate of $10,000 a year and shall hold office for a term of 5 years, except that (1) any commissioner appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed, shall be appointed for the remainder of such term, and (2) the terms of office of the commissioners first taking office after the date of enactment of this title shall expire, as designated by the President at the time of nomination, one at the end of 1 year, one at the end of 2 years, one at the end of 3 years, one at the end of 4 years, and one at the end of 5 years, after the date of enactment of this title.

"(b) The Commission is authorized to appoint and fix the compensation of such officers, attorneys, examiners, and other experts as may be necessary for carrying out its functions under this act, without regard to the provisions of other laws applicable to the employment and compensation of officers and employees of the United States, and the Commission may, subject to the civil-service laws, appoint such other officers and employees as are necessary in the execution of its functions and fix their salaries in accordance with the Classification Act of 1923, as amended.

"TRANSACTIONS ON UNREGISTERED EXCHANGES

"SEC. 5. It shall be unlawful for any broker, dealer, or exchange, directly or indirectly, to make use of the mails or any means or instrumentality of interstate commerce for the purpose of using any facility of an exchange within or subject to the jurisdiction of the United States to effect any transaction in a security, or to report any such transaction, unless such exchange (1) is registered as a national securities exchange under section 6 of this title, or (2) is exempted from such registration upon application by the exchange because, in the opinion of the Commission, by reason of the limited volume of transactions effected on such exchange, it

is not practicable and not necessary or appropriate in the public interest or for the protection of investors to require such registration.

"REGISTRATION OF NATIONAL SECURITIES EXCHANGES

"SEC. 6. (a) Any exchange may be registered with the Commission as a national securities exchange under the terms and conditions hereinafter provided in this section, by filing a registration statement in such form as the Commission may prescribe, containing the agreements, setting forth the information, and accompanied by the documents, below specified:

"(1) An agreement (which shall not be construed as a waiver of any constitutional right or any right to contest the validity of any rule or regulation) to comply, and to enforce so far as is within its powers compliance by its members, with the provisions of this title, and any amendment thereto and any rule or regulation made or to be made thereunder;

"(2) Such data as to its organization, rules of procedure, and membership, and such other information as the Commission may by rules and regulations require as being necessary or appropriate in the public interest or for the protection of investors;

"(3) Copies of its constitution, articles of incorporation with all amendments thereto, and of its existing bylaws or rules or instruments corresponding thereto, whatever the name, which are hereinafter collectively referred to as the 'rules of the exchange'; and

"(4) An agreement to furnish to the Commission copies of any amendments to the rules of the exchange forthwith upon their adoption.

"(b) No registration shall be granted or remain in force unless the rules of the exchange include provision for the expulsion, suspension, or disciplining of a member for conduct or proceeding inconsistent with just and equitable principles of trade, and declare that the willful violation of any provisions of this title or any rule or regulation thereunder shall be considered conduct or proceeding inconsistent with just and equitable principles of trade.

"(c) Nothing in this title shall be construed to prevent any exchange from adopting and enforcing any rule not inconsistent with this title and the rules and regulations thereunder and the applicable laws of the State in which it is located.

"(d) If it appears to the Commission that the exchange applying for registration is so organized as to be able to comply with the provisions of this title and the rules and regulations thereunder and that the rules of the exchange are just and adequate to insure fair dealing and to protect investors, the Commission shall cause such exchange to be registered as a national securities exchange.

"(e) Within 30 days after the filing of the application, the Commission shall enter an order either granting or, after appropriate notice and opportunity for hearing, denying registration as a national securities exchange, unless the exchange applying for registration shall withdraw its application or consent to the Commission's deferring action on its application for a stated longer period after the date of filing. The filing with the Commission of an application for registration by an exchange shall be deemed to have taken place upon the receipt thereof. Amendments to an application may be made upon such terms as the Commission may prescribe.

"(f) An exchange may, upon appropriate application in accordance with the rules and regulations of the Commission, and upon such terms as the Commission may deem necessary for the protection of investors, withdraw its registration.

"MARGIN REQUIREMENTS

"SEC. 7. (a) For the purpose of preventing the excessive use of credit for the purchase or carrying of securities, the Federal Reserve Board shall, prior to the effective date of this section and from time to time thereafter, prescribe rules and regulations with respect to the amount of credit that may be initially extended and subsequently maintained on any security (other than an exempted security) registered on a national securities exchange. For the initial extension of credit, such rules and regulations shall be based upon the following standard: An amount not greater than whichever is the higher of—

"(1) 55 percent of the current market price of the security, or

"(2) 100 percent of the lowest market price of the security during the preceding 36 calendar months, but not more than 75 percent of the current market price.

"Such rules and regulations may make appropriate provision with respect to the carrying of undermargined accounts for limited periods and under specified conditions; the withdrawal of funds or securities; the substitution or additional purchases of securities; the transfer of accounts from one lender to another; special or different margin requirements for delayed deliveries, short sales, arbitrage transactions, and securities to which paragraph (2) of this subsection does not apply; the bases and the methods to be used in calculating loans, and margins, and market prices; and similar administrative adjustments and details. For the purposes of paragraph (2) of this subsection, until July 1, 1936, the lowest price at which a security has sold on or after July 1, 1933, shall be considered as the lowest price at which such security has sold during the preceding 36 calendar months.

"(b) Notwithstanding the provisions of subsection (a) of this section, the Federal Reserve Board, may, from time to time, with respect to all or specified securities or transactions, or classes of securities, or classes of transactions, by such rules and regulations (1) prescribe such lower margin requirements for the initial extension or maintenance of credit as it deems necessary or appropriate for the accommodation of commerce and industry, having due regard to the general credit situation of the country, and (2) prescribe such higher margin requirements for the initial extension or maintenance of credit as it may deem necessary or appropriate to prevent the excessive use of credit to finance transactions in securities.

"(c) It shall be unlawful for any member of a national securities exchange or any broker or dealer who transacts a business in securities through the medium of any such member, directly or indirectly to extend or maintain credit or arrange for the extension or maintenance of credit to or for any customer—

"(1) On any security (other than an exempted security) registered on a national securities exchange, in contravention of the rules and regulations which the Federal Reserve Board shall prescribe under subsections (a) and (b) of this section.

"(2) Without collateral or on any collateral other than exempted securities and/or securities registered upon a national securities exchange, except in accordance with such rules and regulations as the Federal Reserve Board may prescribe (A) to permit under specified conditions and for a limited period any such member, broker, or dealer to maintain a credit initially extended in conformity with the rules and regulations of the Federal Reserve Board, and (B) to permit the extension or maintenance of credit in cases where the extension or maintenance of credit is not for the purpose of purchasing or carrying securities or of evading or circumventing the provisions of paragraph (1) of this subsection.

"(d) It shall be unlawful for any person not subject to subsection (c) to extend or maintain credit or to arrange for the extension or maintenance of credit for the purpose of purchasing or carrying any security registered on a national securities exchange, in contravention of such rules and regulations as the Federal Reserve Board shall prescribe to prevent the excessive use of credit for the purchasing or carrying of or trading in securities in circumvention of the other provisions of this section. Such rules and regulations may impose upon all loans made for the purpose of purchasing or carrying securities registered on national securities exchanges limitations similar to those imposed upon members, brokers, or dealers by subsection (c) of this section and the rules and regulations thereunder. This subsection and the

rules and regulations thereunder shall not apply (A) to a loan made by a person not in the ordinary course of his business, (B) to a loan on an exempted security, (C) to a loan to a dealer to aid in the financing of the distribution of securities to customers not through the medium of a national securities exchange, (D) to a loan by a bank on a security other than an equity security, or (E) to such other loans as the Federal Reserve Board shall, by such rules and regulations as it may deem necessary or appropriate in the public interest or for the protection of investors, exempt, either unconditionally or upon specified terms and conditions or for stated periods, from the operation of this subsection and the rules and regulations thereunder.

"(c) The provisions of this section or the rules and regulations thereunder shall not apply on or before July 1, 1937, to any loan or extension of credit made prior to the enactment of this title or to the maintenance, renewal, or extension of any such loan or credit, except to the extent that the Federal Reserve Board may by rules and regulations prescribe as necessary to prevent the circumvention of the provisions of this section or the rules and regulations thereunder by means of withdrawals of funds or securities, substitutions of securities, or additional purchases or by any other device.

"RESTRICTIONS ON BORROWING BY MEMBERS, BROKERS, AND DEALERS

"SEC. 8. It shall be unlawful for any member of a national securities exchange, or any broker or dealer who transacts a business in securities through the medium of any such member, directly or indirectly—

"(a) To borrow in the ordinary course of business as a broker or dealer on any security (other than an exempted security) registered on a national securities exchange except (1) from or through a member bank of the Federal Reserve System, (2) from any nonmember bank which shall have filed with the Federal Reserve Board an agreement, which is still in force and which is in the form prescribed by the Board, undertaking to comply with all provisions of this act, the Federal Reserve Act, as amended, and the Banking Act of 1933, which are applicable to member banks and which relate to the use of credit to finance transactions in securities, and with such rules and regulations as may be prescribed pursuant to such provisions of law or for the purpose of preventing evasions thereof, or (3) in accordance with such rules and regulations as the Federal Reserve Board may prescribe to permit loans between such members and/or brokers and/or dealers, or to permit loans to meet emergency needs. Any such agreement filed with the Federal Reserve Board shall be subject to termination at any time by order of the Board, after appropriate notice and opportunity for hearing, because of any failure by such bank to comply with the provisions thereof or with such provisions of law or rules or regulations; and, for any willful violation of such agreement, such bank shall be subject to the penalties provided for violations of rules and regulations prescribed under this title. The provisions of sections 21 and 25 of this title shall apply in the case of any such proceeding or order of the Federal Reserve Board in the same manner as such provisions apply in the case of proceedings and orders of the Commission.

"(b) To permit in the ordinary course of business as a broker his aggregate indebtedness to all other persons, including customers' credit balances (but excluding indebtedness secured by exempted securities), to exceed such percentage of the net capital (exclusive of fixed assets and value of exchange membership) employed in the business, but not exceeding in any case 2,000 percent, as the Commission may by rules and regulations prescribe as necessary or appropriate in the public interest or for the protection of investors.

"(c) In contravention of such rules and regulations as the Commission shall prescribe for the protection of investors to hypothecate or arrange for the hypothecation of any securities carried for the account of any customer under circumstances (1) that will permit the commingling of his securities without his written consent with the securities of any other customer, (2) that will permit such securities to be commingled with the securities of any person other than a bona fide customer, or (3) that will permit such securities to be hypothecated, or subjected to any lien or claim of the pledgee, for a sum in excess of the aggregate indebtedness of such customers in respect of such securities.

"(d) To lend or arrange for the lending of any securities carried for the account of any customer without the written consent of such customer.

"PROHIBITION AGAINST MANIPULATION OF SECURITY PRICES

"SEC. 9. (a) It shall be unlawful for any person, directly or indirectly, by the use of the mails or any means or instrumentality of interstate commerce, or of any facility of any national securities exchange, or for any member of a national securities exchange—

"(1) For the purpose of creating a false or misleading appearance of active trading in any security registered on a national securities exchange, or a false or misleading appearance with respect to the market for any such security, (A) to effect any transaction in such security which involves no change in the beneficial ownership thereof, or (B) to enter an order or orders for the purchase of such security with the knowledge that an order or orders of substantially the same size, at substantially the same time, and at substantially the same price, for the sale of any such security, has been or will be entered by or for the same or different parties, or (C) to enter any order or orders for the sale of any such security with the knowledge that an order or orders of substantially the same size, at substantially the same time, and at substantially the same price, for the purchase of such security, has been or will be entered by or for the same or different parties.

"(2) To effect, alone or with one or more other persons, a series of transactions in any security registered on a national securities exchange creating actual or apparent active trading in such security, or raising or depressing the price of such security, for the purpose of inducing the purchase or sale of such security by others.

"(3) If a dealer or broker, or other person selling or offering for sale or purchasing or offering to purchase the security, to induce the purchase or sale of any security registered on a national securities exchange by the circulation or dissemination in the ordinary course of business of information to the effect that the price of any such security will or is likely to rise or fall because of market operations of any one or more persons conducted for the purpose of raising or depressing the price of such security.

"(4) If a dealer or broker, or other person selling or offering for sale or purchasing or offering to purchase the security, to make, regarding any security registered on a national securities exchange, for the purpose of inducing the purchase or sale of such security, any statement which was at the time and in the light of the circumstances under which it was made, false or misleading with respect to any material fact, and which he knew or had reasonable ground to believe was so false or misleading.

"(5) For a consideration, received directly or indirectly from a dealer or broker, or other person selling or offering for sale or purchasing or offering to purchase the security, to induce the purchase or sale of any security registered on a national securities exchange by the circulation or dissemination of information to the effect that the price of any such security will or is likely to rise or fall because of the market operations of any one or more persons conducted for the purpose of raising or depressing the price of such security.

(6) To effect either alone or with one or more other persons any series of transactions for the purchase and/or sale of any security registered on a national securities exchange for the purpose of pegging, fixing, or stabilizing the price of such security in contravention of such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors.

"(b) It shall be unlawful for any person to effect, by use of any facility of a national securities exchange, in contravention of such rules and regulations as the Commission

may prescribe as necessary or appropriate in the public interest or for the protection of investors—

"(1) any transaction in connection with any security whereby any party to such transaction acquires any put, call, straddle, or other option or privilege of buying the security from or selling the security to another without being bound to do so; or

"(2) any transaction in connection with any security with relation to which he has, directly or indirectly, any interest in any such put, call, straddle, option, or privilege; or

"(3) any transaction in any security for the account of any person who he has reason to believe has, and who actually has, directly or indirectly, any interest in any such put, call, straddle, option, or privilege with relation to such security.

"(c) It shall be unlawful for any member of a national securities exchange directly or indirectly to endorse or guarantee the performance of any put, call, straddle, option, or privilege in relation to any security registered on a national securities exchange, in contravention of such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors.

"(d) The terms 'put', 'call', 'straddle', 'option', or 'privilege' as used in this section shall not include any registered warrant, right, or convertible security.

"(e) Any person who willfully participates in any act or trancation in violation of subsection (a), (b), or (c) of this section, shall be liable to any person who shall purchase or sell any security at a price which was affected by such act or transaction, and the person so injured may sue in law or in equity in any court of competent jurisdiction to recover the damages sustained as a result of any such act or transaction. In any such suit the court may, in its discretion, require an undertaking for the payment of the costs of such suit, and assess reasonable costs, including reasonable attorneys' fees, against either party litigant. Every person who becomes liable to make any payment under this subsection may recover contribution as in cases of contract from any person who, if joined in the original suit, would have been liable to make the same payment. No action shall be maintained to enforce any liability created under this section, unless brought within 1 year after the discovery of the facts constituting the violation and within 3 years after such violation.

"(f) The provisions of this section shall not apply to an exempted security.

"REGULATION OF THE USE OF MANIPULATIVE AND DECEPTIVE DEVICES

"SEC. 10. It shall be unlawful for any person, directly or indirectly, by the use of any means or instrumentality of interstate commerce or of the mails, or of any facility of any national securities exchange—

"(a) To effect a short sale, or to use or employ any stop-loss order in connection with the purchase or sale, of any security registered on a national securities exchange, in contravention of such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors.

"(b) To use or employ, in connection with the purchase or sale of any security registered on a national securities exchange or any security not so registered, any manipulative or deceptive device or contrivance in contravention of such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors.

"SEGREGATION AND LIMITATION OF FUNCTIONS OF MEMBERS, BROKERS, AND DEALERS

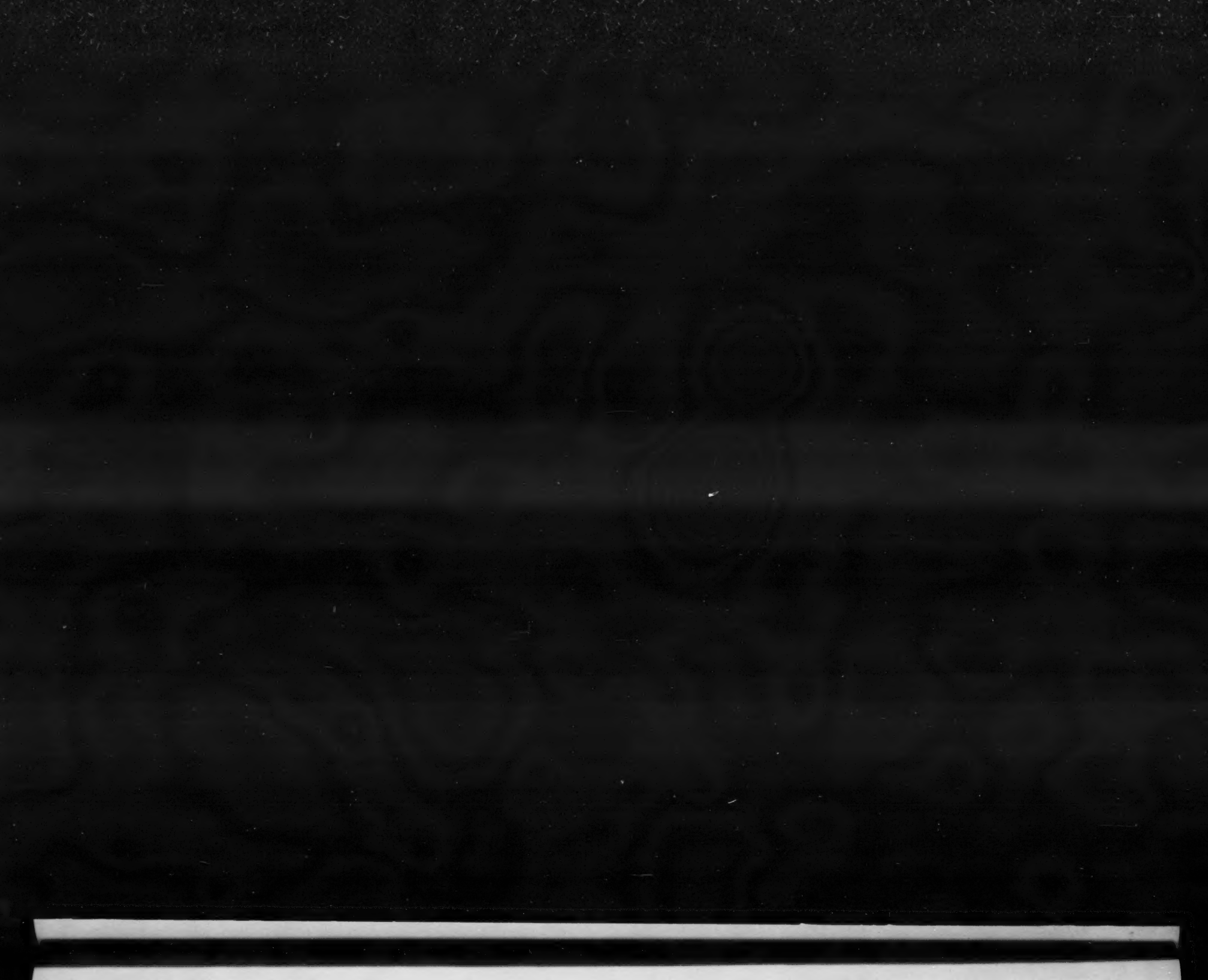
"SEC. 11. (a) The Commission shall prescribe such rules and regulations as it deems necessary or appropriate in the public interest or for the protection of investors, (1) to regulate or prevent floor trading by members of national securities exchanges, directly or indirectly for their own account or for discretionary accounts, and (2) to prevent such excessive trading on the exchange but off the floor by members, directly or indirectly for their own account, as the Commission may deem detrimental to the maintenance of a fair and orderly market. It shall be unlawful for a member to effect any transaction in a security in contravention of such rules and regulations, but such rules and regulations may make such exemptions for arbitrage transactions, for transactions in exempted securities, and, within the limitations of subsection (b) of this section, for transactions by odd-lot dealers and specialists, as the Commission may deem necessary or appropriate in the public interest or for the protection of investors.

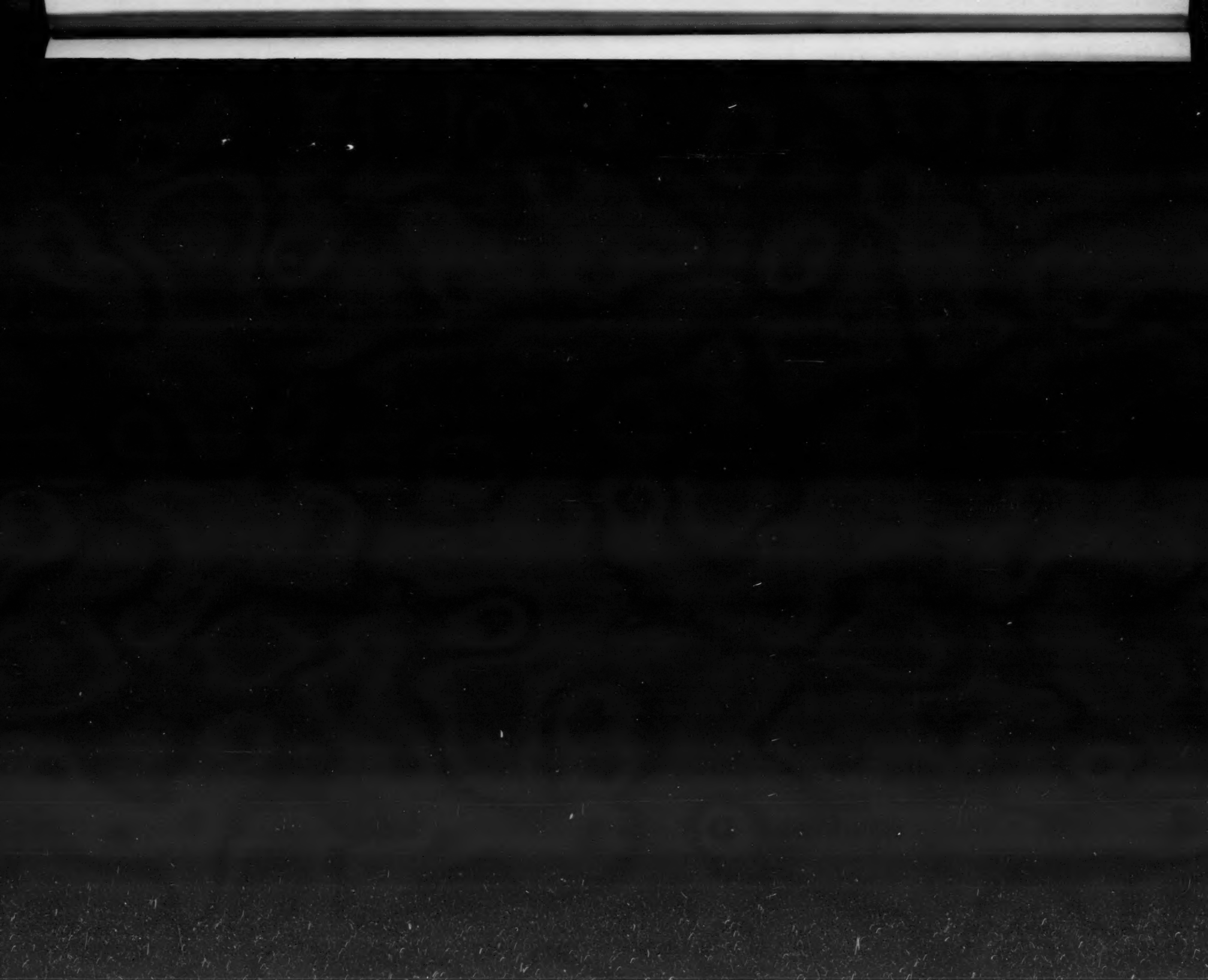
"(b) When not in contravention of such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors, the rules of a national securities exchange may permit (1) a member to be registered as an odd-lot dealer and as such to buy and sell for his own account so far as may be reasonably necessary to carry on such odd-lot transactions, and/or (2) a member to be registered as a specialist. If under the rules and regulations of the Commission a specialist is permitted to act as a dealer, or is limited to acting as a dealer, such rules and regulations shall restrict his dealings so far as practicable to those reasonably necessary to permit him to maintain a fair and orderly market, and/or to those necessary to permit him to act as an odd-lot dealer if the rules of the exchange permit him to act as an odd-lot dealer. It shall be unlawful for a specialist or an official of the exchange to disclose information in regard to orders placed with such specialist which is not available to all members of the exchange, to any person other than an official of the exchange, a representative of the Commission, or a specialist who may be acting for such specialist; but the Commission shall have power to require disclosure to all members of the exchange of all orders placed with specialists, under such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors. It shall also be unlawful for a specialist acting as a broker to effect on the exchange any transaction except upon a market or limited price order.

"(c) If because of the limited volume of transactions effected on an exchange, it is in the opinion of the Commission impracticable and not necessary or appropriate in the public interest or for the protection of investors to apply any of the foregoing provisions of this section or the rules and regulations thereunder, the Commission shall have power, upon application of the exchange and on a showing that the rules of such exchange are otherwise adequate for the protection of investors, to exempt such exchange and its members from any such provision or rules and regulations.

"(d) It shall be unlawful for a member of a national securities exchange who is both a dealer and a broker, or for any person who both as a broker and a dealer transacts a business in securities through the medium of a member or otherwise, to effect through the use of any facility of a national securities exchange or of the mails or of any means or instrumentality of interstate commerce, or otherwise in the case of a member, (1) any transaction in connection with which, directly or indirectly, he extends or maintains or arranges for the extension or maintenance of credit to or for a customer on any security (other than an exempted security) which was a part of a new issue in the distribution of which he participated as a member of a selling syndicate or group within 6 months prior to such transaction: *Provided*, That credit shall not be deemed extended by reason of a bona fide delayed delivery of any such security against full payment of the entire purchase price thereof upon such delivery within 35 days after such purchase, or (2) any transaction with respect to any security (other than an exempted security) unless, if the transaction is with a customer, he discloses to such customer in writing at or before the completion of the transaction whether he is acting as a dealer for his own account, as a broker for such customer, or as a broker for some other person.

"(e) The Commission is directed to make a study of the feasibility and advisability of the complete segregation of the functions of dealer and broker, and to report the results of its study and its recommendations to the Congress on or before January 3, 1936.





"REGISTRATION REQUIREMENTS FOR SECURITIES

"SEC. 12. (a) It shall be unlawful for any member, broker, or dealer to effect any transaction in any security (other than an exempted security) on a national securities exchange unless a registration is effective as to such security for such exchange in accordance with the provisions of this title and the rules and regulations thereunder.

"(b) A security may be registered on a national securities exchange by the issuer filing an application with the exchange (and filing with the Commission such duplicate originals thereof as the Commission may require), which application shall contain—

"(1) Such information, in such detail, as to the issuer and any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the issuer, and any guarantor of the security as to principal or interest or both, as the Commission may by rules and regulations require, as necessary or appropriate in the public interest or for the protection of investors, in respect of the following:

"(A) The organization, financial structure, and nature of the business;

"(B) The terms, position, rights, and privileges of the different classes of securities outstanding;

"(C) The terms on which their securities are to be, and during the preceding 3 years have been, offered to the public or otherwise;

"(D) The directors, officers, and underwriters, and each security holder of record holding more than 10 percent of any class of any equity security of the issuer (other than an exempted security), their remuneration and their interests in the securities of, and their material contracts with, the issuer and any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the issuer;

"(E) Remuneration to others than directors and officers exceeding $20,000 per annum;

"(F) Bonus and profit-sharing arrangements;

"(G) Management and service contracts;

"(H) Options existing or to be created in respect of their securities;

"(I) Balance sheets for not more than the 3 preceding fiscal years, certified if required by the rules and regulations of the Commission by independent public accountants;

"(J) Profit-and-loss statements for not more than the 3 preceding fiscal years, certified if required by the rules and regulations of the Commission by independent public accountants; and

"(K) Any further financial statements which the Commission may deem necessary or appropriate for the protection of investors.

"(2) Such copies of articles of incorporation, bylaws, trust indentures, or corresponding documents by whatever name known, underwriting arrangements, and other similar documents of, and voting trust agreements with respect to, the issuer and any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the issuer as the Commission may require as necessary or appropriate for the proper protection of investors and to insure fair dealing in the security.

"(c) If in the judgment of the Commission any information required under subsection (b) is inapplicable to any specified class or classes of issuers, the Commission shall require in lieu thereof the submission of such other information of comparable character as it may deem applicable to such class of issuers.

"(d) If the exchange authorities certify to the Commission that the security has been approved by the exchange for listing and registration, the registration shall become effective 30 days after the receipt of such certification by the Commission or within such shorter period of time as the Commission may determine. A security registered with a national securities exchange may be withdrawn or stricken from listing and registration in accordance with the rules of the exchange and, upon such terms as the Commission may deem necessary to impose for the protection of investors, upon application by the issuer or the exchange to the Commission; whereupon the issuer shall be relieved from further compliance with the provisions of this section and section 13 of this title and any rules or regulations under such sections as to the securities so withdrawn or stricken. An unissued security may be registered only in accordance with such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors. Such rules and regulations shall limit the registration of an unissued security to cases where such security is a right or the subject of a right to subscribe or otherwise acquire such security granted to holders of a previously registered security and where the primary purpose of such registration is to distribute such unissued security to such holders.

"(e) Notwithstanding the foregoing provisions of this section, the Commission may by such rules and regulations as it deems necessary or appropriate in the public interest or for the protection of investors permit securities listed on any exchange at the time the registration of such exchange as a national securities exchange becomes effective, to be registered for a period ending not later than July 1, 1935, without complying with the provisions of this section.

"(f) The Commission is directed to make a study of trading in unlisted securities upon exchanges and to report the results of its study and its recommendations to Congress on or before January 3, 1936. Notwithstanding the foregoing provisions of this section, the Commission may, by such rules and regulations as it deems necessary or appropriate for the protection of investors, prescribe terms and conditions under which, upon the application of any national securities exchange, such exchange (1) may continue until June 1, 1936, unlisted trading privileges to which a security had been admitted on such exchange prior to March 1, 1934, and for such purpose exempt such security and the issuer thereof from the provisions of this section and sections 13 and 16, or (2) may extend until July 1, 1935, unlisted trading privilege to any security registered on any other national securities exchange which security was listed on such other exchange on March 1, 1934. A security for which unlisted trading privileges are so continued shall be considered a 'security registered on a national securities exchange' within the meaning of this title. The rules and regulations of the Commission relating to such unlisted trading privileges for securities shall require that quotations of transactions upon any national securities exchange shall clearly indicate the difference between fully listed securities and securities admitted to unlisted trading privileges only.

"PERIODICAL AND OTHER REPORTS

"SEC. 13. (a) Every issuer of a security registered on a national securities exchange shall file the information, documents, and reports below specified with the exchange (and shall file with the Commission such duplicate originals thereof as the Commission may require), in accordance with such rules and regulations as the Commission may prescribe as necessary or appropriate for the proper protection of investors and to insure fair dealing in the security—

"(1) Such information and documents as the Commission may require to keep reasonably current the information and documents filed pursuant to section 12.

"(2) Such annual reports, certified if required by the rules and regulations of the Commission by independent public accountants, and such quarterly reports, as the Commission may prescribe.

"(b) The Commission may prescribe, in regard to reports made pursuant to this title, the form or forms in which the required information shall be set forth, the items or details to be shown in the balance sheet and the earning statement, and the methods to be followed in the preparation of reports, in the appraisal or valuation of assets and liabilities, in the determination of depreciation and depletion, in the differentiation of recurring and nonrecurring income, in the differentiation of investment and operating income, and in the preparation, where the Commission deems it necessary

or desirable, of separate and/or consolidated balance sheets or income accounts of any person directly or indirectly controlling or controlled by the issuer, or any person under direct or indirect common control with the issuer; but in the case of the reports of any person whose methods of accounting are prescribed under the provisions of any law of the United States, or any rule or regulation thereunder, the rules and regulations of the Commission with respect to reports shall not be inconsistent with the requirements imposed by such law or rule or regulation in respect of the same subject matter, and, in the case of carriers subject to the provisions of section 20 of the Interstate Commerce Act, as amended, or carriers required pursuant to any other act of Congress to make reports of the same general character as those required under such section 20, shall permit such carriers to file with the Commission and the exchange duplicate copies of the reports and other documents filed with the Interstate Commerce Commission, or with the governmental authority administering such other act of Congress, in lieu of the reports, information and documents required under this section and section 12 in respect of the same subject matter.

"(c) If in the judgment of the Commission any report required under subsection (a) is inapplicable to any specified class or classes of issuers, the Commission shall require in lieu thereof the submission of such reports of comparable character as it may deem applicable to such class or classes of issuers.

"PROXIES

"SEC. 14. (a) It shall be unlawful for any person, by the use of the mails or by any means or instrumentality of interstate commerce or of any facility of any national securities exchange or otherwise to solicit or to permit the use of his name to solicit any proxy or consent or authorization in respect of any security (other than an exempted security) registered on any national securities exchange in contravention of such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors.

"(b) It shall be unlawful for any member of a national securities exchange or any broker or dealer who transacts a business in securities through the medium of any such member to give a proxy, consent, or authorization in respect of any security registered on a national securities exchange and carried for the account of a customer in contravention of such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors.

"OVER-THE-COUNTER MARKETS

"SEC. 15. It shall be unlawful, in contravention of such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest and to insure to investors protection comparable to that provided by and under authority of this title in the case of national securities exchanges, (1) for any broker or dealer, singly or with any other person or persons, to make use of the mails or any means or instrumentality of interstate commerce for the purpose of making or creating, or enabling another to make or create, a market, otherwise than on a national securities exchange, for both the purchase and sale of any security (other than an exempted security or commercial paper, bankers' acceptances, or commercial bills, or unregistered securities the market in which is predominantly intrastate and which have not previously been registered or listed), or (2) for any broker or dealer to use any facility of any such market. Such rules and regulations may provide for the regulation of all transactions by brokers and dealers on any such market, for the registration with the Commission of dealers and/or brokers making or creating such a market, and for the registration of the securitites for which they make or create a market and may make special provision with respect to securities or specified classes thereof listed, or entitled to unlisted trading privileges, upon any exchange on the date of the enactment of this title, which securities are not registered under the provisions of section 12 of this title.

"DIRECTORS, OFFICERS, AND PRINCIPAL STOCKHOLDERS

"SEC. 16. (a) Every person who is directly or indirectly the beneficial owner of more than 10 percent of any class of any equity security (other than an exempted security) which is registered on a national securities exchange, or who is a director or an officer of the issuer of such security, shall file, at the time of the registration of such security or within 10 days after he becomes such beneficial owner, director, or officer, a statement with the exchange (and a duplicate original thereof with the Commission) of the amount of all equity securities of such issuer of which he is the beneficial owner, and within 10 days after the close of each calendar month thereafter, if there has been any change in such ownership during such month, shall file with the exchange a statement (and a duplicate original thereof with the Commission) indicating his ownership at the close of the calendar month and such changes in his ownership as have occurred during such calendar month.

"(b) For the purpose of preventing the unfair use of information which may have been obtained by such beneficial owner, director, or officer by reason of his relationship to the issuer, any profit realized by him from any purchase and sale, or any sale and purchase, of any equity security of such issuer (other than an exempted security) within any period of less than 6 months, unless such security was acquired in good faith in connection with a debt previously contracted, shall inure to and be recoverable by the issuer, irrespective of any intention on the part of such beneficial owner, director, or officer in entering into such transaction of holding the security purchased or of not repurchasing the security sold for a period exceeding 6 months. Suit to recover such profit may be instituted at law or in equity in any court of competent jurisdiction by the issuer, or by the owner of any security of the issuer in the name and in behalf of the issuer if the issuer shall fail or refuse to bring such suit within 60 days after request or shall fail diligently to prosecute the same thereafter; but no such suit shall be brought more than 2 years after the date such profit was realized. This subsection shall not be construed to cover any transaction where such beneficial owner was not such both at the time of the purchase and sale, or the sale and purchase, of the security involved, or any transaction or transacting which the Commission by rules and regulations may exempt as not comprehended within the purpose of this subsection.

"(c) It shall be unlawful for any such beneficial owner, director, or officer, directly or indirectly, to sell any equity security of such issuer (other than an exempted security), if the person selling the security or his principal (1) does not own the security sold, or (2) if owning the security, does not deliver it against such sale within 20 days thereafter, or does not within 5 days after such sale deposit it in the mails or other usual channels of transportation; but no person shall be deemed to have violated this subsection if he proves that notwithstanding the exercise of good faith he was unable to make such delivery or deposit within such time, or that to do so would cause undue inconvenience or expense.

"(d) The provisions of this section shall not apply to foreign or domestic arbitrage transactions unless made in contravention of such rules and regulations as the Commission may adopt in order to carry out the purposes of this section.

"ACCOUNTS AND RECORDS, REPORTS, EXAMINATIONS OF EXCHANGES, MEMBERS, AND OTHERS

"SEC. 17. (a) Every national securities exchange, every member thereof, every broker or dealer who transacts a business in securities through the medium of any such member, and every broker or dealer making or creating a market for both the purchase and sale of securities through the use of the mails or of any means or instrumentality of interstate commerce, shall make, keep, and preserve for such periods, such accounts, correspondence, memoranda, papers, books, and other records, and make such reports, as the Commission by its rules and regulations may prescribe as necessary or appropriate in the public interest or for the

protection of investors. Such accounts, correspondence, memoranda, papers, books, and other records shall be subject at any time or from time to time to such reasonable periodic, special, or other examinations by examiners or other representatives of the Commission as the Commission may deem necessary or appropriate in the public interest or for the protection of investors.

"(b) Any broker, dealer, or other person extending credit who is subject to the rules and regulations prescribed by the Federal Reserve Board pursuant to this title shall make such reports to the Board as it may require as necessary or appropriate to enable it to perform the functions conferred upon it by this title. If any such broker, dealer, or other person shall fail to make any such report or fail to furnish full information therein, or, if in the judgment of the Board it is otherwise necessary, such broker, dealer, or other person shall permit such inspections to be made by the Board with respect to the business operations of such broker, dealer, or other person as the Board may deem necessary to enable it to obtain the required information.

"LIABILITY FOR MISLEADING STATEMENTS

"SEC. 18. (a) Any person who shall make or cause to be made any statement in any application, report, or document filed pursuant to this title or any rule or regulation thereunder, which statement was at the time and in the light of the circumstances under which it was made false or misleading with respect to any material fact, shall be liable to any person (not knowing that such statement was false or misleading) who, in reliance upon such statement, shall have purchased or sold a security at a price which was affected by such statement, for damages caused by such reliance, unless the person sued shall prove that he acted in good faith and had no knowledge that such statement was false or misleading. A person seeking to enforce such liability may sue at law or in equity in any court of competent jurisdiction. In any such suit the court may, in its discretion, require an undertaking for the payment of the costs of such suit, and assess reasonable costs, including reasonable attorneys' fees, against either party litigant.

"(b) Every person who becomes liable to make payment under this section may recover contribution as in cases of contract from any person who, if joined in the original suit, would have been liable to make the same payment.

"(c) No action shall be maintained to enforce any liability created under this section unless brought within 1 year after the discovery of the facts constituting the cause of action and within 3 years after such cause of action accrued.

"POWERS WITH RESPECT TO EXCHANGES AND SECURITIES

"SEC. 19. (a) The Commission is authorized, if in its opinion such action is necessary or appropriate for the protection of investors—

"(1) After appropriate notice and opportunity for hearing, by order to suspend for a period not exceeding 12 months or to withdraw the registration of a national securities exchange if the Commission finds that such exchange has violated any provision of this title or of the rules and regulations thereunder or has failed to enforce, so far as is within its power, compliance therewith by a member or by an issuer of a security registered thereon.

"(2) After appropriate notice and opportunity for hearing, by order to deny, to suspend the effective date of, to suspend for a period not exceeding 12 months, or to withdraw, the registration of a security if the Commission finds that the issuer of such security has failed to comply with any provision of this title or the rules and regulations thereunder.

"(3) After appropriate notice and opportunity for hearing, by order to suspend for a period not exceeding 12 months or to expel from a national securities exchange any member or officer thereof whom the Commission finds has violated any provision of this title or the rules and regulations thereunder, or has effected any transaction for any other person who, he has reason to believe, is violating in respect of such transaction any provision of this title or the rules and regulations thereunder.

"(4) And if in its opinion the public interest so requires, summarily to suspend trading in any registered security on any national securities exchange for a period not exceeding 10 days, or with the approval of the President, summarily to suspend all trading on any national securities exchange for a period not exceeding 90 days.

"(b) The Commission is further authorized, if after making appropriate request in writing to a national securities exchange that such exchange effect on its own behalf specified changes in its rules and practices, and after appropriate notice and opportunity for hearing, the Commission determines that such exchange has not made the changes so requested, and that such changes are necessary or appropriate for the protection of investors or to insure fair dealing in securities traded in upon such exchange or to insure fair administration of such exchange, by rules or regulations or by order to alter or supplement the rules of such exchange (insofar as necessary or appropriate to effect such changes) in respect of such matters as (1) safeguards in respect of the financial responsibility of members and adequate provision against the evasion of financial responsibility through the use of corporate forms or special partnerships; (2) the limitation or prohibition of the registration or trading in any security within a specified period after the issuance or primary distribution thereof; (3) the listing or striking from listing of any security; (4) hours of trading; (5) the manner, method, and place of soliciting business; (6) fictitious or numbered accounts; (7) the time and method of making settlements, payments, and deliveries and of closing accounts; (8) the reporting of transactions on the exchange and upon tickers maintained by or with the consent of the exchange, including the method of reporting short sales, stopped sales, sales of securities of issuers in default, bankruptcy or receivership, and sales involving other special circumstances; (9) the fixing of reasonable rates of commission, interest, listing, and other charges; (10) minimum units of trading; (11) odd-lot purchases and sales; (12) minimum deposits on margin accounts; and (13) similar matters.

"(c) The Commission is authorized and directed to make a study and investigation of the rules of national securities exchanges with respect to the classification of members, the methods of election of officers and committees to insure a fair representation of the membership, and the suspension, expulsion, and disciplining of members of such exchanges. The Commission shall report to the Congress on or before January 3, 1935, the results of its investigation, together with its recommendations.

"LIABILITIES OF CONTROLLING PERSONS

"SEC. 20. (a) Every person who, directly or indirectly, controls any person liable under any provision of this title or of any rule or regulation thereunder shall also be liable jointly and severally with and to the same extent as such controlled person to any person to whom such controlled person is liable, unless the controlling person acted in good faith and did not directly or indirectly induce the act or acts constituting the violation or cause of action.

"(b) It shall be unlawful for any person, directly or indirectly, to do any act or thing which it would be unlawful for such person to do under the provisions of this title or any rule or regulation thereunder through or by means of any other person.

"(c) It shall be unlawful for any director or officer of, or any owner of any of the securities issued by, any issuer of any security registered on a national securities exchange, without just cause to hinder, delay, or obstruct the making or filing of any document, report, or information, required to be filed under this title or any rule or regulation thereunder.

"INVESTIGATIONS; INJUNCTIONS AND PROSECUTION OF OFFENSES

"SEC. 21. (a) The Commission may, in its discretion, make such investigations as it deems necessary to determine whether any person has violated or is about to violate any provision of this title or any rule or regulation thereunder, and may require or permit any person to file with it a statement in writing, under oath or otherwise as the Commission

shall determine, as to all the facts and circumstances concerning the matter to be investigated. The Commission is authorized, in its discretion, to publish information concerning any such violations, and to investigate any facts, conditions, practices, or matters which it may deem necessary or proper to aid in the enforcement of the provisions of this title, in the prescribing of rules and regulations thereunder, or in securing information to serve as a basis for recommending further legislation concerning the matters to which this title relates.

"(b) For the purpose of any such investigation, or any other proceeding under this title, any member of the Commission or any officer designated by it is empowered to administer oaths and affirmations, subpena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, or other records which the Commission deems relevant or material to the inquiry. Such attendance of witnesses and the production of any such records may be required from any place in the United States or any State at any designated place of hearing.

"(c) In case of contumacy by, or refusal to obey a subpena issued to, any person, the Commission may invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on, or where such person resides or carries on business, in requiring the attendance and testimony of witnesses and the production of books, papers, correspondence, memoranda, and other records. And such court may issue an order requiring such person to appear before the Commission or member or officer designated by the Commission, there to produce records, if so ordered, or to give testimony touching the matter under investigation or in question; and any failure to obey such order of the court may be punished by such court as a contempt thereof. All process in any such case may be served in the judicial district whereof such person is an inhabitant or wherever he may be found. Any person who shall, without just cause, fail or refuse to attend and testify or to answer any lawful inquiry or to produce books, papers, correspondence, memoranda, and other records, if in his power so to do, in obedience to the subpena of the Commission, shall be guilty of a misdemeanor and, upon conviction, shall be subject to a fine of not more than $1,000 or to imprisonment for a term of not more than 1 year, or both.

"(d) No person shall be excused from attending and testifying or from producing books, papers, contracts, agreements, and other records and documents before the Commission, or in obedience to the subpena of the Commission or any member thereof or any officer designated by it, or in any cause or proceeding instituted by the Commission, on the ground that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject him to a penalty or forfeiture; but no individual shall be prosecuted or subject to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, documentary or otherwise, except that such individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying.

"(e) Whenever it shall appear to the Commission that any person is engaged or about to engage in any acts or practices which constitute or will constitute a violation of the provisions of this title, or of any rule or regulation thereunder, it may in its discretion bring an action in the proper district court of the United States, the Supreme Court of the District of Columbia, or the United States courts of any Territory or other place subject to the jurisdiction of the United States, to enjoin such acts or practices, and upon a proper showing a permanent or temporary injunction or restraining order shall be granted without bond. The Commission may transmit such evidence as may be available concerning such acts or practices to the Attorney General, who may, in his discretion, institute the necessary criminal proceedings under this title.

"(f) Upon application of the Commission the district courts of the United States, the Supreme Court of the District of Columbia, and the United States courts of any Territory or other place subject to the jurisdiction of the United States, shall also have jurisdiction to issue writs of mandamus commanding any person to comply with the provisions of this title or any order of the Commission made in pursuance thereof.

"HEARINGS BY COMMISSION

"SEC. 22. Hearings may be public and may be held before the Commission, any member or members thereof, or any officer or officers of the Commission designated by it, and appropriate records thereof shall be kept.

"RULES AND REGULATIONS; ANNUAL REPORTS

"SEC. 23. (a) The Commission and the Federal Reserve Board shall each have power to make such rules and regulations as may be necessary for the execution of the functions vested in them by this title, and may for such purpose classify issuers, securities, exchanges, and other persons or matters within their respective jurisdictions.

"(b) The Commission and the Federal Reserve Board, respectively, shall include in their annual reports to Congress such information, data, and recommendation for further legislation as they may deem advisable with regard to matters within their respective jurisdictions under this title.

"INFORMATION FILED WITH THE COMMISSION

"SEC. 24. (a) Nothing in this title shall be construed to require, or to authorize the Commission to require, the revealing of trade secrets or processes in any application, report, or document filed with the Commission under this title.

"(b) Any person filing any such application, report, or document may make written objection to the public disclosure of information contained therein, stating the grounds for such objection, and the Commission is authorized to hear objections in any such case where it deems it advisable. The Commission may, in such cases, make available to the public the information contained in any such application, report, or document only when in its judgment a disclosure of such information is in the public interest; and copies of information so made available may be furnished to any person at such reasonable charge and under such reasonable limitations as the Commission may prescribe.

"(c) It shall be unlawful for any member, officer, or employee of the Commission to disclose to any person other than a member, officer, or employee of the Commission, or to use for personal benefit, any information contained in any application, report, or document filed with the Commission which is not made available to the public pursuant to subsection (b) of this section: *Provided*, That the Commission may make available to the Federal Reserve Board any information requested by the Board for the purpose of enabling it to perform its duties under this title.

"COURT REVIEW OF ORDERS

"SEC. 25. (a) Any person aggrieved by an order issued by the Commission in a proceeding under this title to which such person is a party may obtain a review of such order in the Circuit Court of Appeals of the United States, within any circuit wherein such person resides or has his principal place of business, or in the Court of Appeals of the District of Columbia, by filing in such court, within 60 days after the entry of such order, a written petition praying that the order of the Commission be modified or set aside in whole or in part. A copy of such petition shall be forthwith served upon any member of the Commission, and thereupon the Commission shall certify and file in the court a transcript of the record upon which the order complained of was entered. Upon the filing of such transcript such court shall have exclusive jurisdiction to affirm, modify and enforce or set aside such order, in whole or in part. No objection to the order of the Commission shall be considered by the court unless such objection shall have been urged before the Commission. The finding of the Commission as to the facts, if supported by substantial evidence, shall be conclusive. If

either party shall apply to the court for leave to adduce additional evidence, and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for failure to adduce such evidence in the hearing before the Commission, the court may order such additional evidence to be taken before the Commission and to be adduced upon the hearing in such manner and upon such terms and conditions as to the court may seem proper. The Commission may modify its findings as to the facts, by reason of the additional evidence so taken, and it shall file such modified or new findings, which, if supported by substantial evidence, shall be conclusive, and its recommendation, if any, for the modification or setting aside of the original order. The judgment and decree of the court, affirming, modifying, and enforcing or setting aside, in whole or in part, any such order of the Commission, shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in sections 239 and 240 of the Judicial Code, as amended (U.S.C., title 28, secs. 346 and 347).

"(b) The commencement of proceeding under subsection (a) shall not, unless specifically ordered by the court, operate as a stay of the Commission's order.

"UNLAWFUL REPRESENTATIONS

"SEC. 26. No action or failure to act by the Commission or the Federal Reserve Board, in the administration of this title shall be construed to mean that the particular authority has in any way passed upon the merits of, or given approval to, any security or any transaction or transactions therein, nor shall such action or failure to act with regard to any statement or report filed with or examined by such authority pursuant to this title or rules and regulations thereunder, be deemed a finding by such authority that such statement or report is true and accurate on its face or that it is not false or misleading. It shall be unlawful to make, or cause to be made, to any prospective purchaser or seller of a security any representation that any such action or failure to act by any such authority is to be so construed or has such effect.

"JURISDICTION OF OFFENSES AND SUITS

"SEC. 27. The district courts of the United States, the Supreme Court of the District of Columbia, and the United States courts of any Territory or other place subject to the jurisdiction of the United States shall have exclusive jurisdiction of violations of this title or the rules and regulations thereunder, and of all suits in equity and actions at law brought to enforce any liability or duty created by this title or the rules and regulations thereunder. Any criminal proceeding may be brought in the district wherein any act or transaction constituting the violation occurred. Any suit or action to enforce any liability or duty created by this title or rules and regulations thereunder, or to enjoin any violation of such title or rules and regulations, may be brought in any such district or in the district wherein the defendant is found or is an inhabitant or transacts business, and process in such cases may be served in any other district of which the defendant is an inhabitant or wherever the defendant may be found. Judgments and decrees so rendered shall be subject to review as provided in sections 128 and 240 of the Judicial Code, as amended (U.S.C., title 28, secs. 225 and 347). No costs shall be assessed for or against the Commission in any proceeding under this title brought by or against it in the Supreme Court or such other courts.

"EFFECT ON EXISTING LAW

"SEC. 28. (a) The rights and remedies provided by this title shall be in addition to any and all other rights and remedies that may exist at law or in equity; but no person permitted to maintain a suit for damages under the provisions of this title shall recover, through satisfaction of judgment in one or more actions, a total amount in excess of his actual damages on account of the act complained of. Nothing in this title shall affect the jurisdiction of the securities commission (or any agency or officer performing like functions) of any State over any security or any person insofar as it does not conflict with the provisions of this title or the rules and regulations thereunder.

"(b) Nothing in this title shall be construed to modify existing law (1) with regard to the binding effect on any member of any exchange of any action taken by the authorities of such exchange to settle disputes between its members, or (2) with regard to the binding effect of such action on any person who has agreed to be bound thereby, or (3) with regard to the binding effect on any such member of any disciplinary action taken by the authorities of the exchange as a result of violation of any rule of the exchange, insofar as the action taken is not inconsistent with the provisions of this title or the rules and regulations thereunder.

"VALIDITY OF CONTRACTS

"SEC. 29. (a) Any condition, stipulation, or provision binding any person to waive compliance with any provision of this title or of any rule or regulation thereunder, or of any rule of an exchange required thereby shall be void.

"(b) Every contract made in violation of any provision of this title or of any rule or regulation thereunder, and every contract (including any contract for listing a security on an exchange) heretofore or hereafter made the performance of which involves the violation of, or the continuance of any relationship or practice in violation of, any provision of this title or any rule or regulation thereunder, shall be void (1) as regards the rights of any person who, in violation of any such provision, rule, or regulation, shall have made or engaged in the performance of any such contract, and (2) as regards the rights of any person who, not being a party to such contract, shall have acquired any right thereunder with actual knowledge of the facts by reason of which the making or performance of such contract was in violation of any such provision, rule, or regulation.

"(c) Nothing in this title shall be construed (1) to affect the validity of any loan or extension of credit (or any extension or renewal thereof) made or of any lien created prior or subsequent to the enactment of this title, unless at the time of the making of such loan or extension of credit (or extension or renewal thereof) or the creating of such lien, the person making such loan or extension of credit (or extension or renewal thereof) or acquiring such lien shall have actual knowledge of facts by reason of which the making of such loan or extension of credit (or extension or renewal thereof) or the acquisition of such lien is a violation of the provisions of this title or any rule or regulation thereunder, or (2) to afford a defense to the collection of any debt or obligation or the enforcement of any lien by any person who shall have acquired such debt, obligation, or lien in good faith for value and without actual knowledge of the violation of any provision of this title or any rule or regulation thereunder affecting the legality of such debt, obligation, or lien.

"FOREIGN SECURITIES EXCHANGES

"SEC. 30. (a) It shall be unlawful for any broker or dealer, directly or indirectly, to make use of the mails or of any means or instrumentality of interstate commerce for the purpose of effecting on an exchange not within or subject to the jurisdiction of the United States, any transaction in any security the issuer of which is a resident of, or is organized under the laws of, or has its principal place of business in, a place within or subject to the jurisdiction of the United States, in contravention of such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors or to prevent the evasion of this title.

"(b) The provisions of this title or of any rule or regulation thereunder shall not apply to any person insofar as he transacts a business in securities without the jurisdiction of the United States, unless he transacts such business in contravention of such rules and regulations as the Commission may prescribe as necessary or appropriate to prevent the evasion of this title.

"REGISTRATION FEES

"SEC. 31. Every national securities exchange shall pay to the Commission on or before March 15 of each calendar year a registration fee for the privilege of doing business as a national securities exchange during the preceding calendar year or any part thereof. Such fee shall be in an amount

equal to one five-hundredths of 1 percent of the aggregate dollar amount of the sales of securities transacted on such national securities exchange during the preceding calendar year and subsequent to its registration as a national securities exchange.

"PENALTIES

"SEC. 32. Any person who willfully violates any provision of this title, or any rule or regulation thereunder the violation of which is made unlawful or the observance of which is required under the terms of this title, or any person who willfully and knowingly makes, or causes to be made, any statement in any application, report, or document required to be filed under this title or any rule or regulation thereunder, which statement was false or misleading with respect to any material fact, shall upon conviction be fined not more than $10,000, or imprisoned not more than 2 years, or both, except that when such person is an exchange, a fine not exceeding $500,000 may be imposed; but no person shall be subject to imprisonment under this section for the violation of any rule or regulation if he proves that he had no knowledge of such rule or regulation.

"SEPARABILITY OF PROVISIONS

"SEC. 33. If any provision of this act, or the application of such provision to any person or circumstances, shall be held invalid, the remainder of the act, and the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

"EFFECTIVE DATE

"SEC. 34. This act shall become effective on July 1, 1934, except that sections 6 and 12 (b), (c), (d), and (e) shall become effective on September 1, 1934; and sections 5, 7, 8, 9 (a) (6), 10, 11, 12 (a), 13, 14, 15, 16, 17, 18, 19, and 30 shall become effective on October 1, 1934.

"TITLE II—AMENDMENTS TO SECURITIES ACT OF 1933

"SECTION 201. (a) Paragraph (1) of section 2 of the Securities Act of 1933 is amended to read as follows:

"'(1) The term "security" means any note, stock, treasury stock, bond, debenture, evidence of indebtedness, certificate of interest or participation in any profit-sharing agreement, collateral-trust certificate, preorganization certificate or subscription, transferable share, investment contract, voting-trust certificate, certificate of deposit for a security, fractional undivided interest in oil, gas, or other mineral rights, or, in general, any interest or instrument commonly known as a "security", or any certificate of interest or participation in, temporary or interim certificate for, receipt for, guaranty of, or warrant or right to subscribe to or purchase, any of the foregoing.'

"(b) Paragraph (4) of such section 2 is amended to read as follows:

"'(4) The term "issuer" means every person who issues or proposes to issue any security; except that with respect to certificates of deposit, voting-trust certificates, or collateral-trust certificates, or with respect to certificates of interest or shares in an unincorporated investment trust not having a board of directors (or persons performing similar functions), or of the fixed, restricted management, or unit type, the term "issuer" means the person or persons performing the acts and assuming the duties of depositor or manager pursuant to the provisions of the trust or other agreement or instrument under which such securities are issued; except that in the case of an unincorporated association which provides by its articles for limited liability of any or all of its members, or in the case of a trust, committee, or other legal entity, the trustees or members thereof shall not be individually liable as issuers of any security issued by the association, trust, committee, or other legal entity; except that with respect to equipment-trust certificates or like securities, the term "issuer" means the person by whom the equipment or property is or is to be used; and except that with respect to fractional undivided interests in oil, gas, or other mineral rights, the term "issuer" means the owner of any such right or of any interest in such right (whether whole or fractional) who creates fractional interests therein for the purpose of public offering.'

"(c) Paragraph (10) of such section 2 is amended to read as follows:

"'(10) The term "prospectus" means any prospectus, notice, circular, advertisement, letter, or communication, written or by radio, which offers any security for sale; except that (a) a communication shall not be deemed a prospectus if it is proved that prior to or at the same time with such communication a written prospectus meeting the requirements of section 10 was sent or given to the person to whom the communication was made, by the person making such communication or his principal, and (b) a notice, circular, advertisement, letter, or communication in respect of a security shall not be deemed to be a prospectus if it states from whom a written prospectus meeting the requirements of section 10 may be obtained and, in addition, does no more than identify the security, state the price thereof, and state by whom orders will be executed.'

"SEC. 202. (a) Paragraph (2) of section 3 (a) of such act is amended to read as follows:

"'(2) Any security issued or guaranteed by the United States or any Territory thereof, or by the District of Columbia, or by any State of the United States, or by any political subdivision of a State or Territory, or by any public instrumentality of one or more States or Territories, or by any person controlled or supervised by and acting as an instrumentality of the Government of the United States pursuant to authority granted by the Congress of the United States, or any certificate of deposit for any of the foregoing, or any security issued or guaranteed by any national bank, or by any banking institution organized under the laws of any State or Territory or the District of Columbia, the business of which is substantially confined to banking and is supervised by the State or Territorial banking commission or similar official; or any security issued by or representing an interest in or a direct obligation of a Federal Reserve bank;'

"(b) Paragraph (4) of such section 3 (a) is amended by striking out 'corporation' and inserting in lieu thereof 'person.'

"(c) Such section 3 (a) is further amended by striking out the period at the end of paragraph (8) and inserting in lieu thereof a semicolon, and by inserting immediately after such paragraph (8) the following new paragraphs:

"'(9) Any security exchanged by the issuer with its existing security holders exclusively where no commission or other remuneration is paid or given directly or indirectly for soliciting such exchange;

"'(10) Any security which is issued in exchange for one or more bona fide outstanding securities, claims or property interests, or partly in such exchange and partly for cash, where the terms and conditions of such issuance and exchange are approved, after a hearing upon the fairness of such terms and conditions at which all persons to whom it is proposed to issue securities in such exchange shall have the right to appear, by any court, or by any official or agency of the United States, or by any State or Territorial banking or insurance commission or other governmental authority expressly authorized by law to grant such approval;

"'(11) Any security which is a part of an issue sold only to persons resident within a single State or Territory, where the issuer of such security is a person resident and doing business within, or, if a corporation, incorporated by and doing business within, such State or Territory.'

"SEC. 203. (a) Paragraph (1) of section 4 of such act is amended (1) by striking out 'not with or through an underwriter and'; and (2) by striking out 'last' and inserting in lieu thereof 'first.'

"(b) Paragraph (3) of such section 4 is hereby repealed.

"SEC. 204. Subsection (c) of section 5 of such act is hereby repealed.

"SEC. 205. Paragraph (1) of section 10 (b) of such act is amended to read as follows:

"'(1) When a prospectus is used more than 13 months after the effective date of the registration statement, the information in the statements contained therein shall be as of a date not more than 12 months prior to such use, so far as such information is known to the user of such prospectus or can be furnished by such user without unreasonable effort or expense.'

"SEC. 206. (a) Section 11 (a) of such act is amended by adding after the last line thereof the following new sentence: 'If such person acquired the security after the issuer has made generally available to its security holders an earning statement covering a period of at least 12 months beginning after the effective date of the registration statement, then the right of recovery under this subsection shall be conditioned on proof that such person acquired the security relying upon such untrue statement in the registration statement or relying upon the registration statement and not knowing of such omission, but such reliance may be established without proof of the reading of the registration statement by such person.'

"(b) Clauses (C) and (D) of paragraph (3) of section 11 (b) of such act are amended to read as follows: '(C) as regards any part of the registration statement purporting to be made on the authority of an expert (other than himself) or purporting to be a copy of or extract from a report or valuation of an expert (other than himself), he had no reasonable ground to believe and did not believe, at the time such part of the registration statement became effective, that the statements therein were untrue or that there was an omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or that such part of the registration statement did not fairly represent the statement of the expert or was not a fair copy of or extract from the report or valuation of the expert; and (D) as regards any part of the registration statement purporting to be a statement made by an official person or purporting to be a copy of or extract from a public official document, he had no reasonable ground to believe and did not believe, at the time such part of the registration statement became effective, that the statements therein were untrue, or that there was an omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or that such part of the registration statement did not fairly represent the statement made by the official person or was not a fair copy of or extract from the public official document.'

"(c) Subsection (c) of such section 11 is amended to read as follows:

"'(c) In determining, for the purpose of paragraph (3) of subsection (b) of this section, what constitutes reasonable investigation and reasonable ground for belief, the standard of reasonableness shall be that required of a prudent man in the management of his own property.'

"(d) Subsection (e) of such section 11 is amended to read as follows:

"'(e) The suit authorized under subsection (a) may be to recover such damages as shall represent the difference between the amount paid for the security (not exceeding the price at which the security was offered to the public) and (1) the value thereof as of the time such suit was brought, or (2) the price at which such security shall have been disposed of in the market before suit, or (3) the price at which such security shall have been disposed of after suit but before judgment if such damages shall be less than the damages representing the difference between the amount paid for the security (not exceeding the price at which the security was offered to the public) and the value thereof as of the time such suit was brought: *Provided*, That if the defendant proves that any portion or all of such damages represents other than the depreciation in value of such security resulting from such part of the registration statement, with respect to which his liability is asserted, not being true or omitting to state a material fact required to be stated therein or necessary to make the statements therein not misleading, such portion of or all such damages shall not be recoverable. In no event shall any underwriter (unless such underwriter shall have knowingly received from the issuer for acting as an underwriter some benefit, directly or indirectly, in which all other underwriters similarly situated did not share in proportion to their respective interests in the underwriting) be liable in any suit or as a consequence of suits authorized under subsection (a) for damages in excess of the total price at which the securities underwritten by him and distributed to the public were offered to the public. In any suit under this or any other section of this title the court may, in its discretion, require an undertaking for the payment of the costs of such suit, including reasonable attorney's fees, and if judgment shall be rendered against a party litigant, upon the motion of the other party litigant, such costs may be assessed in favor of such party litigant (whether or not such undertaking has been required) if the court believes the suit or the defense to have been without merit, in an amount sufficient to reimburse him for the reasonable expenses incurred by him, in connection with such suit, such costs to be taxed in the manner usually provided for taxing of costs in the court in which the suit was heard.'

"SEC. 207. Section 13 of such act is amended (a) by striking out '2 years' wherever it appears therein and inserting in lieu thereof '1 year'; (b) by striking out '10 years' and inserting in lieu thereof '3 years'; and (c) by inserting immediately before the period at the end thereof a comma and the following: 'or under section 12 (2) more than 3 years after the sale'.

"SEC. 208. Section 15 of such act is amended by inserting immediately before the period at the end thereof a comma and the following: 'unless the controlling person had no knowledge of or reasonable ground to believe in the existence of the facts by reason of which the liability of the controlled person is alleged to exist.'

"SEC. 209. (a) The first sentence of subsection (a) of section 19 of such act is amended by inserting after the word 'accounting' a comma and the word 'technical.'

"(b) Subsection (a) of such section 19 is further amended by adding at the end thereof the following new sentence: 'No provision of this title imposing any liability shall apply to any act done or omitted in good faith in conformity with any rule or regulation of the Commission, notwithstanding that such rule or regulation may, after such act or omission, be amended or rescinded or be determined by judicial or other authority to be invalid for any reason.'

"SEC. 210. Upon the expiration of 60 days after the date upon which a majority of the members of the Securities and Exchange Commission appointed under section 4 of title I of this act have qualified and taken office, all powers, duties, and functions of the Federal Trade Commission under the Securities Act of 1933 shall be transferred to such Commission, together with all property, books, records, and unexpended balances of appropriations used by or available to the Federal Trade Commission for carrying out its functions under the Securities Act of 1933. All proceedings, hearings, or investigations commenced or pending before the Federal Trade Commission arising under the Securities Act of 1933 shall be continued by the Securities and Exchange Commission. All orders, rules, and regulations which have been issued by the Federal Trade Commission under the Securities Act of 1933 and which are in effect shall continue in effect until modified, superseded, revoked, or repealed. All rights and interests accruing or to accrue under the Securities Act of 1933, or any provision of any regulation relating to, or out of action taken by, the Federal Trade Commission under such act, shall be followed in all respects and may be exercised and enforced.

"SEC. 211. The Commission is authorized and directed to make a study and investigation of the work, activities, personnel, and functions of protective and reorganization committees in connection with the reorganization, readjustment, rehabilitation, liquidation, or consolidation of persons and

properties and to report the result of its studies and investigations and its recommendations to the Congress on or before January 3, 1936."

And the Senate agree to the same.

SAM RAYBURN,
GEORGE HUDDLESTON,
CLARENCE F. LEA,
CARL E. MAPES,
Managers on the part of the House.

DUNCAN U. FLETCHER,
ALBEN W. BARKLEY,
JAMES F. BYRNES,
PHILLIPS LEE GOLDSBOROUGH,
JAMES COUZENS,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the bill (H.R. 9323) to provide for the regulation of securities exchanges and of over-the-counter markets operating in interstate and foreign commerce and through the mails, to prevent inequitable and unfair practices on such exchanges and markets, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment strikes out all of the House bill after the enacting clause. The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for both the House bill and the Senate amendment. The differences between the House bill and the substitute agreed upon by the conferees are noted in the following outline, except for incidental changes made necessary by reason of the agreements reached by the conferees and minor and clarifying changes.

The House bill provides that the administration of the act, other than those provisions to be administered by the Federal Reserve Board, shall be under the Federal Trade Commission, and in section 3 (a) (15) the term "Commission" is defined to mean the "Federal Trade Commission." The Senate amendment defines the term to mean the "Federal Securities Exchange Commission." In view of the action taken by the conferees in placing the administration of the act under a separate commission the term "Commission" is defined in the substitute to mean the "Securities and Exchange Commission."

The House bill (sec. 3 (b)) authorizes the Commission and the Federal Reserve Board to define accounting, technical, and trade terms, and provides that such definitions, insofar as not inconsistent with the provisions of the act, shall have the force of law. The Senate amendment contains a similar provision except that the authority is confined to the Commission, and it is not provided that such definitions shall have the force of law. The substitute retains the House provision except that it is not provided that the definitions "shall have the force of law." This phrase was omitted as unnecessary, since courts commonly give the force of law to administrative interpretations of statutory terms, unless clearly inconsistent with the legislative intent.

The House bill (sec. 4) and the Senate amendment each contain a provision prohibiting the use of the mails or instrumentalities of interstate commerce in using any facility of an exchange unless the exchange is registered under the act or is exempted from registration by the Commission by reason of the limited volume of transactions effected thereon. The House bill contains the further provision that such exemption may be withdrawn by the Commission under specified circumstances. This provision is omitted from the substitute as being unnecessary, since it is thought that the power of the Commission to make the exemption necessarily includes the power to limit the exemption or to withdraw it.

The House bill (sec. 6) and the Senate amendment, in their provisions relating to margin requirements, differ principally in that (1) under the House bill a standard is included for the guidance of the Federal Reserve Board in prescribing its rules and regulations with respect to the amount of credit that may be initially extended on any registered security, subject to the power of the Board to prescribe higher or lower margin requirements in the case of the initial extension of credit if it finds that certain specified conditions prevail to warrant such action, and (2) the House bill places under the Federal Reserve Board the administration of all the margin provisions, whereas the Senate bill places the administration of all such provisions under the Commission except insofar as they relate to member banks of the Federal Reserve System, and to this extent the Senate amendment provides that the margin provisions shall be under the jurisdiction of the Federal Reserve Board. The substitute follows rather closely the provisions of the House bill except that the provision granting authority to the Federal Reserve Board to lower or raise margin requirements in case of the initial extension of credit is applied as well to the maintenance of credit. The House bill gives authority to the Federal Reserve Board to lower or raise margin requirements with respect to "all or specified securities or classes of securities, or classes of transactions." The substitute modifies this provision so that such authority is also given with respect to "specified transactions." The House bill provides that the rules and regulations under the section relating to margin requirements shall not apply on or before January 31, 1939. The Senate amendment fixes the date in the corresponding provision in the Senate amendment at June 30, 1936. The substitute fixes the date at July 1, 1937.

The House bill (sec. 7 (c) and (d)) and the Senate amendment contain similar prohibitions against the hypothecation by members, brokers, and dealers of securities carried for customers' accounts, with the difference, however, that in the Senate bill the prohibitions apply only if the action is in contravention of such rules and regulations as the Commission shall prescribe for the protection of investors. The substitute adopts the Senate provision.

The House bill (sec. 8 (a) (2)) contains a provision prohibiting any series of transactions in a registered security for the purpose of raising or depressing the price of such security. The corresponding provision in the Senate amendment prohibits the manipulation of the price of a registered security by means of any series of transactions effected with the specific intent of raising or depressing such price. Both provisions were intended to prohibit pool activities, the rigging, jiggling, or marking up or down of prices by manipulative operations. The substitute, combining the ideas underlying the Senate and the House provisions, prohibits any series of transactions in a registered security creating actual or apparent active trading in such security, or raising or depressing the price of such security, for the purpose of inducing the purchase or sale of such security by others.

The House bill (sec. 8 (a) (4)) makes it unlawful for a dealer or broker or other person selling or offering for sale, or purchasing or offering to purchase, a registered security, to induce the purchase or sale of such security by making a statement of any material fact regarding such security which he knows or has reasonable ground to believe is false or misleading. It further provides that any such statement, insofar as it is limited to facts set forth in an application, report, or document filed pursuant to the act, shall not be deemed false or misleading unless the person making such statement knew or had reasonable ground to believe that it was false or misleading. The Senate amendment covers substantially the same ground but requires only that the statement be made for the purpose of inducing the purchase or sale of a registered security, and expressly provides that a statement shall be construed to include any omission to state a material fact. The latter provision is omitted from the substitute as surplusage in view of the fact that a statement obviously may be misleading because of a material omission. The Senate amendment also puts the burden of proving good faith in the making of the statement upon the defendant in a civil suit. The substitute provides that it shall be un-

lawful for a dealer or broker or other person selling or offering for sale, or purchasing or offering to purchase the security, to make regarding any security registered on a national securities exchange, for the purpose of inducing the purchase or sale of such security, any statement which was, at the time and in the light of the circumstances under which it was made, false or misleading in regard to any material fact, and which he knew or had reasonable ground to believe was so false or misleading.

The House bill provision (sec. 8 (a) (6)) which subjects to the regulation of the Commission any series of transactions for the purchase and sale of any registered security for the purpose of pegging, fixing, or stabilizing the price of such security, was accepted with an amendment making it clear that the regulation of such operation extended to a series of transactions for the purchase and/or sale of the security. The substitute provision clarifying the House bill conforms in substance to the Senate amendment.

The House bill (sec. 8 (e)) provides that civil suits based upon the violation of the provisions of the act relating to manipulative practices must be brought within a period within 3 years after the violation upon which the action was based. The Senate amendment limits the time within which such suits may be brought to 1 year after the discovery of the facts constituting the violation, and in any case to 5 years after such violation. The substitute requires such suits to be brought within 1 year after discovery of the facts constituting the violation and in any event within 3 years after such violation. The substitute also provides that in the case of any such suit the court may in its discretion require an undertaking for the payment of the costs of such suit, and assess reasonable costs, including reasonable attorneys' fees, against either party litigant.

The House bill (sec. 9) and the Senate amendment contain similar provisions regulating the use of manipulative devices, except that the Senate amendment contains a provision prohibiting the use or employment in connection with the purchase or sale of any security of any manipulative or deceptive device or contrivance—

Which the Commission may declare to be detrimental to the interests of investors.

The substitute includes this provision of the Senate amendment with the modification that it is made unlawful to use or employ any such device or contrivance—

In contravention of such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors.

The House bill (sec. 10) contains a prohibition against a specialist disclosing to any person other than a representative of the Commission or a specialist who may be acting for him information in regard to orders placed with him which is not available to all members of the exchange, and authorizes the Commission to require disclosure to all members of all orders placed with specialists. The Senate amendment contains a provision similar to that in the House bill except that it permits specialists to disclose information to an official of the exchange and, instead of authorizing the Commission to provide disclosure, provides that nothing in the section shall be construed to prevent the rules of an exchange requiring disclosure to all members of all orders placed with a specialist. The substitute adopts the House provision, except that it declares that—

It shall be unlawful for a specialist or an official of the exchange to disclose information in regard to orders placed with such specialist which is not available to all members of the exchange, to any person other than an official of the exchange, a representative of the Commission, or a specialist who may be acting for such specialist.

The House bill (sec. 10 (c)) and the Senate amendment each contains a provision authorizing the exemption of any exchange from the provisions of the section because of the limited volume of transactions on the exchange. The House provision gives authority to the Commission to withdraw such exemption in specified circumstances. This provision is omitted from the substitute as unnecessary, since it is thought that the authority to make the exemption necessarily includes the authority to limit the exemption or to withdraw it.

The House bill (sec. 11 (a)) and the Senate amendment both prohibit transactions in any security on a national securities exchange unless a registration is effective as to the security in accordance with the provisions of the act, but in the House bill such prohibition applies to "any person", whereas in the Senate amendment it applies only to a "member, broker, or dealer." The substitute contains the Senate provision.

The House bill (sec. 11 (b)) and the Senate amendment impose similar requirements as to information to be filed with an application for the registration of a security on a national securities exchange. The substitute takes some of the provisions from the House bill and some from the Senate amendment. The information which may be required under the substitute which was not required under the House bill is specified in paragraphs (D), (E), (F), (G), and (H), inclusive, of section 12 (b) (1), and includes the following: The underwriters of the security; each security holder of record holding more than 10 percent of any class of any equity security of the issuer (other than any exempted security); the remuneration of underwriters, and the interests of underwriters and such security holders in the securities of, and their material contracts with, the issuer and any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the issuer; the remuneration to others than directors and officers exceeding $20,000 (the House bill having specified $10,000); bonus and profit-sharing arrangements; and management and service contracts (the House bill having required information as to management and service contracts "of material importance to investors"). The substitute also contains the provision from the Senate amendment authorizing the Commission to require "any further financial statements which the Commission may deem necessary or appropriate for the protection of investors."

The House bill (sec. 11 (f)) and the Senate amendment both authorize the Commission to make a study of trading in unlisted securities upon exchanges and to report to Congress with respect thereto. The date for the making of the report is fixed at January 3, 1935, in the House bill and January 3, 1936, in the Senate amendment. The substitute adopts the Senate amendment.

The House bill (sec. 12 (b)) authorizes the Commission to prescribe, in regard to reports made under the act, in accordance with accepted principles of accounting, the form or forms in which the required information shall be set forth, and the items or details to be shown in the balance sheets and profit-and-loss statements. The Senate amendment contains a similar provision, except that it specifies that the Commission may prescribe the items and details to be shown in the balance sheet and the earning statement, the methods to be followed in the preparation of reports, in the appraisal or valuation of assets and liabilities, in the determination of depreciation and depletion, in the differentiation of recurring and nonrecurring income, in the differentiation of investment and operating income, and in the preparation of separate and/or consolidated balance sheets or income accounts of any person directly or indirectly controlling or controlled by, or any person under direct or indirect common control with, the issuer. The substitute retains the provision of the Senate amendment. In this same subsection the House bill provides that in the case of the reports of any person "whose accounting is subject to the provisions of" any law of the United States or any State, or any rule or regulation thereunder, the rules and regulations of the Commission with respect to reports shall not be inconsistent with the requirements imposed by such law or rule or regulation. The Senate amendment contains a similar provision, except that it does not apply in the case of a person whose accounting is subject only to the provisions of State law or regulations, and only applies where the rules and regulations of the Commission and the requirements under other laws are in respect of the same subject

matter. The substitute contains the Senate provision, with the modification that the persons covered are described as those "whose methods of accounting are prescribed under" the provisions of any law of the United States, or any rule or regulation thereunder. The provision of the House bill last referred to above is subject to the exception that it shall not prevent the Commission from imposing such "additional requirements with respect to such reports, within the scope of this section and section 11", as it may deem necessary for the protection of investors. This provision is omitted from the substitute as unnecessary, in view of the limitation imposed by the words "in respect of the same subject matter" contained in the provision above referred to. Another provision in the same subsection of the House bill provides that no additional requirements shall be imposed upon carriers subject to the provisions of section 20 (a) of the Interstate Commerce Act, as amended. The Senate amendment contains a provision that carriers subject to section 20 (a) of the Interstate Commerce Act shall not be subject to the provisions of sections 12 and 13 of the Senate bill, except that the Commission may require such carriers to file duplicate copies of reports or other documents filed with the Interstate Commerce Commission; and it further provides that carriers subject to section 20 (but not to sec. 20 (a)) of the Interstate Commerce Act shall be exempt from the provisions of section 13 of the Senate bill, except that the Commission may require the filing of duplicate copies of reports and documents filed with the Interstate Commerce Commission. The substitute provides that in the case of carriers subject to the provisions of section 20 of the Interstate Commerce Act (which will include as well those carriers subject to sec. 20 (a) of such act) the Commission shall permit such carriers to file duplicate copies of the reports and other documents filed with the Interstate Commerce Commission in lieu of the reports, information, and documents required under sections 12 and 13 in respect of the same subject matter. This provision in the substitute also applies to carriers required, pursuant to any other act of Congress, to make reports of the same general character as those required under such section 20. This provision is included because of the anticipated transfer to the proposed Federal Communications Commission of jurisdiction of carriers which are at the present time subject to the provisions of such section 20.

The House bill does not contain a provision corresponding to that contained in subsection (d) of section 13 of the Senate amendment providing that "nothing in this title shall be construed as authorizing the Commission to interfere with the management of the affairs of an issuer." This provision is omitted from the substitute as unnecessary, since it is not believed that the bill is open to misconstruction in this respect.

The House bill (sec. 14) and the Senate amendment contain similar provisions regarding the regulation of over-the-counter markets except that the provision in the House bill applies to any security other than an exempted security, and the Senate amendment specifically includes certain other securities within the exemption. The substitute contains the specific Senate exemptions except that they are modified so as to cover "commercial paper, bankers' acceptances, or commercial bills, or unregistered securities the market in which is predominantly intrastate and which have not been previously registered or listed."

The House bill (sec. 15) requires every person who is directly or indirectly the beneficial owner of more than 5 percent of any class of any equity security (other than an exempted security) which is registered on a national securities exchange, to file information regarding his ownership of securities of such issuer. The Senate provision is almost identical except that it specifies 10 percent. The substitute adopts the Senate provision. The Senate amendment also contains a provision requiring any such beneficial owner, and any director, or officer of the issuer to yield to the issuer any profit realized by him from any purchase and sale, or any sale and purchase, of any equity security of the issuer (other than an exempted security) within a period of less than 6 months, unless the security was acquired in good faith in connection with a debt previously contracted, and authorizes the issuer to recover such profit by suit. The substitute includes the Senate provision but provides that no such suit by the issuer shall be brought more than 2 years after the date the profit was realized. Another provision of the Senate amendment is included in the substitute, providing that the section does not apply to foreign or domestic arbitrage transaction unless they are in contravention of such rules and regulations as the Commission may adopt. This section of the House bill contains a subsection to the effect that the provisions of the section shall not apply if the registration of the equity security has been secured without the consent of the issuer thereof. The provision is omitted from the substitute as being unnecessary in view of the authority of the Commission to make exemptions and in view of the fact that if in any case registration is permitted otherwise than by issuers it will be subject to the control of the Commission.

The House bill (section 17) and the Senate amendment each contains a provision relating to civil liability of any person making a false or misleading statement in any application, report, or document filed pursuant to the act. In the House bill this section is made to apply to "any person (including any director or officer, or any accountant or other expert)." The words in parenthesis are omitted in the substitute as being superfluous. A further difference is that the House bill permits escape from liability by the defendant upon proof that he acted in good faith and did not believe that the statement was false or misleading, while the Senate amendment provides for such escape from liability if the person sued shall prove that he acted in good faith and had no knowledge that such statement was false or misleading. The substitute adopts the Senate amendment. The Senate amendment also expressly provides that a statement shall be construed to include any omission to state a material fact, and this provision is omitted from the substitute as surplusage in view of the fact that a statement obviously may be misleading because of a material omission. The substitute contains a further provision from the Senate amendment which is not contained in the House bill, authorizing the court to require an undertaking for the payment of the costs of the suit, and to assess reasonable costs, including reasonable attorneys' fees, against either party litigant. In this same section the House bill provides that no such action shall be maintained unless brought within 3 years after the violation upon which it is based, while the Senate amendment provides that no such action shall be maintained "unless brought within 1 year after discovery of the facts constituting the cause of action, nor unless brought within 5 years after such cause of action accrued." The substitute requires the action to be brought within 1 year after discovery and in any event within 3 years after the cause of action accrued.

The House bill (sec. 18 (a)) authorizes the Commission to suspend registration of a national securities exchange for failure to enforce compliance by its members with the act and rules and regulations thereunder. The Senate amendment also gives such authority to the Commission in any case where the exchange fails to enforce compliance, so far as is within its power, by an issuer of a security registered on such exchange. The substitute includes this Senate provision.

The House bill (sec. 18 (b)) authorizes the Commission, under certain specified circumstances, by rules or regulations to alter or supplement the rules of the exchange in certain respects. The Senate amendment provides that such action of the Commission shall be by order. The substitute provides that such action shall be by rules or regulations or by order. With regard to the matters as to which the Commission may make changes in the rules of the exchange, the substitute includes hours of trading, which is not contained in the House bill, but is contained in the Senate amendment. The substitute omits authority with respect to three matters which are contained in the House bill, but not in the Senate amendment, as follows: Classification of members and methods of election of officers and

committees; the suspension, expulsion, or disciplining of members; and the making available of the names and addresses of holders of listed securities. The Senate amendment contains a provision not contained in the House bill authorizing and directing the Commission to make a study and investigation of the rules of national securities exchanges with respect to the classification of members, the methods of election of officers and committees, and the suspension, expulsion, and disciplining of members, and directing the Commission to report to Congress on or before January 3, 1935. This provision is included in the substitute.

The House bill (sec. 19) makes every person who, directly or indirectly, alone or pursuant to or in connection with any agreement or understanding with one or more persons, controls a person who becomes liable under the act, liable jointly with the controlled person. The Senate amendment does not contain the words "alone or pursuant to or in connection with any agreement or understanding with one or more other persons", and these words are omitted from the substitute as being surplusage. The House bill (sec. 23) limits the general power of the Commission to give out information by providing that any person filing an application, report, or document may make written objection to the disclosure of information contained therein, and the Commission is authorized to hear objections if it deems it advisable, but in any case the Commission may make the information public despite objection if in its judgment the disclosure is in the public interest; but it is made unlawful for any member, officer, or employee of the Commission to make public any information which, after such objection, is not disclosed. The Senate amendment makes a similar provision but provides that in all cases of objections notice and opportunity for private hearing shall be given the objector. The Senate amendment also makes it unlawful for a member, officer, or employee of the Commission to use for his personal benefit any information not made available to the public. The substitute adopts the provisions of the House bill with the addition of the Senate prohibition on use of information for personal benefit.

The House bill (sec. 28 (b)) provides that every contract made in violation of any provision of the act or of any rule or regulation thereunder, and every contract, including any contract for listing a security on an exchange, heretofore made, the performance of which involves the continuance of any relationship or practice prohibited by the act or any rule or regulation thereunder, shall be void as regards any cause of action arising after the effective date of such provision, rule, or regulation. The Senate amendment limits this provision to contracts made in violation of the act or of any rule or regulation thereunder, and to contracts hereafter made, the performance of which involves the violation of, or the continuance of any relationship or practice in violation of, any provision of the act or of any rule or regulation thereunder. The Senate amendment further restricts the provision by making any such contract void not in toto but only as regards (1) the rights of a person who in violation of the act or regulations thereunder shall have made or engaged in the performance of such contract, and (2) the rights of any person who not being a party to such contract shall have acquired any right thereunder with actual knowledge of the facts by reason of which the making or performance of such contract was in violation of the act or regulation. The substitute follows the language of the Senate amendment except that it treats on the same footing contracts made before or after the act where their performance involves a violation of the act or any regulation thereunder.

The House bill (sec. 32) provides that any person who willfully violates any provision of the act, or any rule or regulation the violation of which is made unlawful under the terms of the act, or any person who willfully and knowingly makes or causes to be made any false or misleading statement in an application, report, or document filed under this act shall be subject to a fine of not more than $10,000 or imprisonment for not more than 2 years or both. The Senate amendment contains substantially the same penalty provision, except with respect to violations of rules and regulations and statements required under rules or regulations, and except that it provides for a fine of not more than $25,000 or imprisonment for not more than 5 years. With respect to violations of rules and regulations, or any false or misleading statement in an application, report, or document required to be filed under a rule or regulation, no imprisonment is provided for and a fine of not more than $10,000 is imposed. The substitute contains substantially the House provision except that it is made clear that it is to apply to violations of rules or regulations the observance of which is required under the terms of title I, and it also provides that "no person shall be subject to imprisonment under this section for the violation of any rule or regulation if he proves that he had no knowledge of such rule or regulation."

The House bill (sec. 34) provides that the act shall become effective upon its enactment, except as to certain sections. The substitute provides that sections 6 and 12 (b), (c), (d), and (e) shall become effective on September 1, 1934, as is provided in the Senate amendment, the House bill having fixed this date as July 1, 1934, and that sections 5, 7, 8, 9 (a) (6), 10, 11, 12 (a), 13, 14, 15, 16, 17, 18, 19, and 30 shall become effective on October 1, 1934, as is provided in the Senate amendment, the House bill having fixed this date as August 1, 1934. The substitute provides that the remainder of the act shall become effective on July 1, 1934.

Title II of the Senate amendment provides for amendments to the Securities Act of 1933. The managers on the part of the House agreed to substantially all of such amendments. The purposes of the amendments agreed upon and of the changes made therein as a result of the conference are noted in the following discussion, except for minor clarifying alterations and such amendments and changes as are of an incidental character made necessary to harmonize various provisions affected by the alterations.

The amendment to section 2 (1) of the act is to make clear what is already a matter of interpretation, that certificates of deposit, fractional oil royalty, or leasehold interests, and interests of a similar character are included within the definition of a security and thus subject to the Securities Act. It is also intended to apply the act to interests commonly known as "securities", whether or not such interests are represented by any document or not. Thus the statute will apply to inscribed shares, and its provisions cannot be evaded by simply refraining from issuing to the subscriber any documentary evidence of his interest. The phrase "certificate of interest in property, tangible or intangible", is stricken out as possibly involving too broad and uncertain application. In conference it was agreed to include guaranties specifically. Their inclusion in section 2 (1) and the omission of specific mention of guarantors in section 2 (4), as proposed by these amendments, will make it clear that guarantors are to be treated as issuers of securities only if the guaranties are incorporated in securities distributed to investors. They will also indicate that the securities of which such guarantors are to be treated as issuers are the guaranties and do not include the securities guaranteed. The result is properly to limit their responsibility under section 11 to the registration statement filed as to the guaranty.

The amendments to section 2 (4) include a definition of the issuer of fractional undivided interests in oil, gas, and other mineral rights. They also provide that the liability of an issuer shall not attach individually to the trustees or members of a trust or committee. The basis for the application of absolute liability under section 11 to the issuer of securities is the principle that one should not retain the fruits of an unfair bargain. In the case of a trust or committee, it is the trust or committee, rather than the trustees or members, which profits from the bargain. Consequently the latter should not have the issuer's liability. The amendment reaches the result attained by the Commission's interpretation that the trusts and committees, recognized as entities by section 2 (2), are themselves the issuers of their securities. In conference the words "or persons" were

restored, on the ground that their proposed elimination would not affect the interpretation of the section and the result desired would be accomplished by the amendment last discussed.

The purpose of the amendments to section 2 (10) are (1) to make clear beyond any doubt the interpretation of the commission that literature accompanying a prospectus, as well as literature sent subsequently to the sending of a prospectus, shall not be required to conform to the prospectus requirements of section 10 of the act, and (2) to remove from a person required to furnish a prospectus the absolute duty to see that the prospectus is received by the person to whom it is sent. It seems sufficient to require proof of the actual sending of a prospectus without making the sender take all risk of nondelivery.

The amendments to section 3 (a) (2) have three purposes: (1) To put the District of Columbia upon a parity with the States with reference to the exemption of bank stocks issued by banks organized under the laws of the District of Columbia (2) to exempt municipal bondholders' protective committees; and (3) to extend the scope of the public instrumentality exemption to expanding activities in which governments are engaging.

Section 4 (a) (4) is proposed to be amended to correct an obvious error in the original act which limited this exemption to corporate organizations when its extension to unincorporated associations is equally defensible in practice and theory.

The amendments adding new sections 3 (a) (9), 3 (a) (10), and 3 (a) (11) are based upon sections 4 (3) and 5 (c) of the original act, which are proposed to be repealed. By placing these exemptions under section 3 it is made clear that securities entitled to exemption on original issuance retain their exemption; if the issuer is not obliged to register in order to make the original distribution, dealers within a year are subject to no restriction against dealing in the securities. The result is in line with the Commission's interpretation of the act as it stood before, but the amendment removes all doubt as to its correctness.

Section 3 (a) (9), which is based upon the first clause of old section 4 (3), contains slight verbal changes of a clarifying character, affirming the Commission's interpretation that the type of commission or other remuneration the payment of which will remove the exemption is that paid for soliciting an exchange. The changes to this amendment made in conference are intended only to clarify its meaning.

The new section 3 (a) (10) substantially incorporates the exemption provided by the second clause of the existing section 4 (3), but extends its provisions to cover readjustments of rights of holders of securities, claims, and property interests under court or similar supervision, even though the original issuer of the securities, debtor on the claims, or owner of the property in which interests are held, is not itself in the process of a reorganization. This makes the exemption available in many cases of real-estate reorganizations to which, under the wording of the existing section 4 (3), its application is now denied. The exemption also is made to apply where the supervision is exercised by officials and agencies of the United States, such as the Comptroller of the Currency, the Federal Reserve Board, and the Farm Credit Administration. The supervision of similar State authorities, such as banking and insurance commissioners, will make the exemption available in corresponding cases, such as the reorganization of State banks or insurance companies. A limitation on the exemption has been added by the conferees in the requirement that the approval of the court or official, in order to be effective, must follow a hearing on the fairness of the terms and conditions of the issuance and exchange of the securities at which persons who are to receive such securities shall have a right to appear. Security holders' committees are to be denied the opportunity of obtaining exemptions under this section if they secure and exercise an exclusive right to appear for their depositors at hearings on plans of reorganization.

The new section 3 (a) (11) incorporates the existing section 5 (c) of the act and further makes clear that the exemption is not limited to the use of the mails if sales in the course of the distribution of the issue are limited to residents within a single State or Territory. Thus a person who comes within the purpose of the exemption, but happens to use a newspaper for the circulation of his advertising literature, which newspaper is transmitted in interstate commerce, does not thereby lose the benefits of the exemption.

The purposes of the amendments to section 4 (1) are (1) to remove the phrase "not with or through an underwriter" in the second clause of the section, and (2) to correct an error in the third clause of the section, making it clear that the original date of the public offering is the date from which the year is to be calculated during which a dealer is bound to supply his customers with a prospectus. The Commission has recognized by its interpretations that a "public offering" is necessary for "distribution." Therefore there can be no underwriter within the meaning of the act in the absence of a public offer and the phrase eliminated in the second clause is really superfluous. The conferees eliminated the third proposed amendment to this subsection on the ground that the participants in employees' stock-investment plans may be in as great need of the protection afforded by availability of information concerning the issuer for which they work as are most other members of the public.

The repeal of sections 4 (3) and 5 (c) is in conformity with the purpose of the amendments adding new sections 3 (a) (9), 3 (a) (10), and 3 (a) (11).

The purpose of the amendment to section 10 (b) (1) is to place only a reasonable instead of an absolute duty upon the user of a prospectus 13 months after its issuance of keeping the information therein up to date. It was originally conceived that users of prospectuses could protect themselves by contract with the issuer, but it appears only too likely that users of the prospectus will not exercise this forethought, and therefore will be left in a situation where they cannot of their own accord conform with the requirements of the act.

Section 11 (a) is amended so as to require proof that the purchaser of a security, at the time he acquired the security, relied upon the untrue statement in the registration statement or upon the registration statement and did not know of the omission. But this requirement is imposed only in the case of purchase after a period of 12 months subsequent to the effective registration date, and then only when the issuer shall have published an earning statement to its security holders covering a period of at least 12 months after the registration date. The basis of this provision is that in all likelihood the purchase and price of the security purchased after publication of such an earning statement will be predicated on that statement rather than upon the information disclosed upon registration.

The amendments to section 11 (b) (3) restate the substance of the existing provisions in language calculated more clearly to express the standard of care applicable in these cases. A clause in the amendments proposed by the Senate, continuing a requirement to the defense additional to those in the existing section, was eliminated by agreement in conference.

The amendment to section 11 (c) removes possible uncertainties as to the standard of reasonableness by substituting for the present language the accepted common-law definition of the duty of a fiduciary.

The amendments to section 11 (e) have three purposes: (1) To permit the defendant in an action under section 11 to reduce the damages so that he will not be liable for damages which he proves had no relation to his misconduct; (2) To permit an underwriter who does not knowingly receive preferential treatment to limit his total liability as regards all suits brought under section 11 to the aggregate offering price of that part of the issue underwritten by him and actually distributed; and (3) to provide, as a defense against blackmail suits as well as a defense against purely contentious litigation on the part of the defendant, that a court can require a bond for costs and can assess costs either against the plaintiff if his suit had no merit or against the

defendant if his defense had none. The suggested amendments seem equitable. The changes in wording from the Senate amendments, agreed upon in conference, make it clear (1) that the limitation of underwriter's liability is not denied unless the preferential treatment was knowingly received and (2) that the extent of his liability is to be based upon the amount underwritten and distributed.

The amendments to section 13 reduce the periods of limitations on actions from those at present provided by the section. They also correct an apparently inadvertent omission by making the limitation expressly applicable to actions under section 12 (2).

Section 15 is proposed to be amended so as more accurately to carry out its real purpose. The mere existence of control is not made a basis for liability if it is shown that the controlling person had no knowledge of or reasonable ground to believe in the existence of the facts upon which the liability of the controlled person is alleged to be based.

The purpose of the amendments to section 19 (a) is to permit the regulations of the Commission, under the powers conferred upon it, adequately to protect persons who rely upon them in good faith. The powers of the Commission are also extended to include the defining of technical as well as trade and accounting terms.

Section 210 of title II of the substitute transfers the administration of the Securities Act from the Federal Trade Commission to the proposed Securities and Exchange Commission.

Sections 211 to 214 of this title, inclusive, as passed by the Senate, contained several amendments designed to place under requirements comparable to the registration requirement many protective committees which are now enjoying exemption therefrom under section 3 (a) (1), also to require periodical reports from them, and to notify all persons solicited if the composition of the soliciting committee or the terms of its deposit agreement failed to meet the recommendations of the Commission, as established by it by general rules. All these amendments were rejected in conference, on the ground that such changes in the treatment of committees should not be undertaken without more information indicating their advisability. To secure this information, the substitute section 211 agreed upon in conference authorizes and directs the Commission to make a study and investigation of such committees and to submit a report and recommendations on or before January 3, 1936.

SAM RAYBURN,
GEORGE HUDDLESTON,
CLARENCE F. LEA,
CARL E. MAPES,
Managers on the part of the House.

Mr. RAYBURN. Mr. Speaker, I shall take just a moment in explanation of the conference report and then I shall yield to the gentleman from Ohio [Mr. COOPER], or the gentleman from Michigan [Mr. MAPES], or anyone else.

Mr. COOPER of Ohio. Mr. Speaker, will the gentleman yield?

Mr. RAYBURN. Yes.

Mr. COOPER of Ohio. I have no statement to make. I think the chairman of the committee should make a statement to the House in respect to the conference report.

Mr. RAYBURN. Mr. Speaker, I shall make a short statement. I think it might be said that this report of the committee on conference follows very closely the House bill, and also the Senate bill for the reason that in many of the paragraphs of the bill the provisions of the Senate and the House were practically identical.

There were two or three material differences between the bill that the House passed and the bill that the Senate passed. In the first place, the Senate added an amendment which provided for the creation of an independent commission to administer this act, and had a loose margin requirement in their bill. Their bill also provided for a splitting of any margin requirements which might be fixed; that is, that the margin requirement for the Federal Reserve banks should be in the Federal Reserve Board, and that the fixing of any margins for brokers and nonmember banks should be in the Commission. The House Membership thought that that would be a very serious mistake, and we so stated on the floor of the House.

In other words, if you had one body controlling margins, and the Senate bill provided loose margins, that body could fix the margin at anything it pleased. The Federal Reserve Board could fix a margin for a member bank which was on one corner of a street, and the commission, having control of margins for nonmember banks, could fix a different margin for a nonmember bank on another corner of the street, and you might run credit back and forth from one bank to the other, according as to which appeared to be the most favorable market to the prospective borrower. Also, some Members of the Senate shied very much over allowing the Federal Reserve Board, as we had provided in our bill, to fix margins for brokers, thinking they would mix up the Federal Reserve System with the stock exchange. We prevailed in that. We concentrated the margin requirements in the Federal Reserve Board, where we think all credit ought to lie. We also prevailed in the initial margins for borrowings being 45 percent, or a loan value of 55 percent unless the Federal Reserve Board, in its wisdom, made an affirmative finding that in the interest of trade and commerce it should be made higher or lower.

The House conferees prevailed on those two points, which we thought very vital; the House conferees yielded on the independent commission. As far as I am individually concerned, I still think it would have been better all the way around if the administration of the Securities Act had remained in the Federal Trade Commission and if the administration of this act had gone to the Federal Trade Commission, and for this reason: I think it is of great importance that the people who are going to be controlled and regulated by and under this law should know what the rules and regulations are to be at the earliest possible date, and I think, as other members of the House conference think, that it would bring about the rules and regulations at an earlier date if left to the Federal Trade Commission, but we finally yielded, and the law will be administered by a commission of five members, and the Federal Securities Act of 1933 by this conference-report agreement is transferred to this new commission, where I thought all the time it ought to be.

The Senate added a new section to the bill with reference to these protective committees, and we were not opposed to that in principle, but there are at least 13,000 of these protective committees in the United States, and to thrust this matter upon this new commission when it was organizing we thought would be too much, and that it might not result in any good. So in lieu of that we provided that this commission should study this matter of protective committees and report back to Congress by the 1st of January 1936.

Our bill provided the act should go into effect upon its passage. It was thought when setting out this new commission it might be better to change the date to July 1, 1934, and that was done.

Mr. Speaker, those are the material matters that I think are in the bill. That was the one point upon which we yielded, and the others run along practically with what the House bill had in it. I think that is all I desire to state.

Mr. FISH. Mr. Speaker, will the gentleman yield 5 minutes to me?

Mr. RAYBURN. In a moment. I first yield to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Has any change been made in the bill relative to short selling?

Mr. RAYBURN. No; it is practically the same as the House provision.

Mr. SABATH. That leaves it up to the board or commission to pass upon?

Mr. RAYBURN. Yes.

Mr. COLE. In the consideration of the bill in the House there were no changes made in the Securities Act of 1933?

Mr. RAYBURN. Yes. I forgot about that.

Mr. COLE. There were some amendments added to the stock-exchange bill in the Senate?

Mr. RAYBURN. Yes.

Mr. COLE. Does the conference report change the Senate amendments of the Securities Act of 1933 in any respect?

Mr. RAYBURN. It does not change them in any respect except to revise them and take them over, not make any additions to.

Before I yield the floor I may say there were some amendments to the Securities Act of 1933 put on in the Senate. As I said in my statement on the floor, some people have gone out and unnecessarily frightened prospective issuers of securities with reference to the provisions of the Securities Act of 1933. I am frank to say that I had seen those amendments before they were offered in the Senate. It was thought that there were at least some psychological amendments that might go in, some clarifying amendments, and perhaps one or two material amendments. There has been a question ever since the adoption of the Securities Act of 1933 with reference to the underwriter. We make it clear in these amendments that hereafter under no circumstances shall an underwriter be held responsible for any more of the issue than he himself personally underwrites.

In other words, if there is an issue of securities of $500,000 and an underwriter assumes the responsibility of putting upon the market $100,000, in no way can that be mixed with the other $400,000, and he can in no way be held responsible for any statement that anyone else makes.

Another rather material amendment goes to the responsibilities of directors and officers of corporations making these issues. It has been argued by many, and was argued during the consideration of the act of 1933, that before a purchaser of a security could recover from an issuer for a false or misleading statement, he should prove that he absolutely relied upon this false or misleading statement that was made. There is one thing certain, if that kind of section were put into the bill it would defeat action in 99 cases out of 100. But we did agree to an amendment put on by the Senate which provides that after the first financial statement of the issuer is made, then the man who buys a security in commerce after that must prove that he relied upon the statement and that he was deceived by the false and misleading statement. Up until the year or 23 months before some corporation makes a financial statement, the law remains the same as to the liability of officers and directors for false and misleading statements.

Those were the main amendments in the Securities Act. There are some clarifying amendments, but they are more psychological, I think, than material.

Does the gentleman from Michigan [Mr. MAPES] desire some time?

Mr. MAPES. Mr. Speaker, I had not intended to discuss the conference report, and I do not care to do so now. The gentleman from Texas [Mr. RAYBURN] has called attention to the high points in the report. I joined in signing the report of the conferees. The bill is not materially different as reported by the conference committee from what it was when it was passed by the House of Representatives. In my judgment, the chief difference is the establishment of a new commission to administer the act and the Securities Act, instead of the Federal Trade Commission, as provided in the House bill. It is my judgment, too, that those who are responsible for and who were the proponents of this change will live to rue the day that the change was made. It seems to me it would be preferable to leave the administration of this act with the Federal Trade Commission and to have the broad general policies of the act determined by that Commission as a body, some members of which will not be absorbed entirely in the administration of the act and would, therefore, bring to bear upon the questions of policy perhaps a broader viewpoint for that reason.

As the gentleman from Texas [Mr. RAYBURN] has explained, the Senate conferees insisted upon this new commission, and the House conferees yielded on that point, on the theory that, after all, it was not a major provision of the bill.

Personally I think this is very desirable and wholesome legislation. No one knows just how a law of this kind will work out in practice, but I have confidence that it will prove to be very much in the interest of the general public and the country.

Mr. RAYBURN. Mr. Speaker, I yield to the gentleman from Ohio [Mr. COOPER].

Mr. COOPER of Ohio. Mr. Speaker, when this bill was before the House, I voiced my objections to certain provisions of the bill. I was in hope that when we went into conference they could be modified or eliminated altogether. The Committee on Interstate and Foreign Commerce, especially the conferees, have worked hard to put this measure together. There is no one, except the members of the committee, who knows what a great problem this has been for us during the last 10 or 12 weeks. I want to commend the Chairman of the Committee on Interstate and Foreign Commerce for his fairness, for the manner in which he has conducted the hearings as chairman of the committee, and also the proceedings of the conference; also all the other members of the committee, and especially those who were members of the conference committee.

The provisions of the bill to which I objected when it was before the House are still in the measure, and I think it is only fair for me to say at this time that it would be rather inconsistent for me to change my attitude now and vote for the measure. Therefore, I shall vote against the conference report.

Mr. RAYBURN. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Speaker, I voted against this bill, somewhat reluctantly, when it came before the House, because I believed that some regulation of the stock exchange was necessary. I believed at the time there were a number of rather drastic provisions in the bill. Therefore, when it came to a final vote, I voted against it, with the hope that when the conferees met they would bring back a workable, better, and more acceptable bill by eliminating some of the drastic provisions.

I am glad today not only to go on record as favoring the conference report but I also hope to vote for it. I commend the chairman of the committee and the conferees for the ability they displayed and their fairness in yielding on the Bulwinkle amendment for a separate commission and for including modifications of the Securities Act which I believe will be beneficial to business and help the flow of capital into industry. They partially accepted the amendment I proposed, to put in the word "order" alongside "regulations" so as to protect private-property rights. I hope the chairman of the committee will ask for a roll call. I believe that there are a score or more of Republicans who did not vote for the bill originally who, if given an opportunity, today will vote for it because they believe the conference report is much fairer and that the measure is greatly improved and in the public interest.

There is only one provision which, in my judgment, is in dispute, and that is the question of margins. I, frankly, do not know enough about it to know whether the provision in regard to margin in the conference report is workable. Time alone will tell. Members of the stock exchange tell us that it will ruin their business. The members of the committee who heard the witnesses at the hearings state that it is the proper thing to do in order to protect the American public. We do not know ourselves as Members of Congress which is correct; only actual trial will tell, and if we are wrong, we will have to formulate new legislation. But in the meanwhile it is evident that most of the rest of the provisions of the bill are workable. We started to pass a bill to regulate the exchange, and the committee taking the radical and socialistic concoctions of the junior "brain trust", amounting almost to economic and financial atrocities, has written perhaps what is as fair a bill as could be passed at this session to regulate the exchanges in order to prevent

a recurrence of excessive speculation and to safeguard, as far as possible, marginal gambling which has caused financial panics and enormous financial losses and ruin to millions of industrious Americans.

Mr. RAYBURN. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, ladies, and gentlemen, when in 1929 it became generally known that the deposits, as well as other available cash, were being withdrawn from legitimate channels for speculative and gambling purposes, I realized the danger that confronted the country and endeavored in my humble way to arrest the vicious and dangerous wave of speculation then engulfing the Nation by appealing to President Hoover, the Federal Reserve, and to the controlling stock-exchange officials, but they paid no heed to my warning.

Therefore, Mr. Speaker, in December of that fateful year I introduced my first resolution to investigate the stock exchanges and also several other bills, one to tax short selling and one to prevent short selling, believing that short selling is a crime, because in the end it brings about the complete destruction of the value of all stocks as well as bonds.

I shall not detain you today with a recital of all the activities and work of the committee during 4½ years, but permit me to say that I am immensely pleased that the committee have been able to agree on a bill. They did not go perhaps as far as I wish they had gone, but I am immensely pleased with the results that have been accomplished and shall support the conference report. I am firmly convinced that this bill will bring about control of the greatest gambling institution in the world. [Applause.]

Mr. Speaker, ladies, and gentlemen, it is my opinion that of all the legislation enacted during my 28 years' service—yes, from the inception of the Government—none was of greater importance or will be more beneficial to the American people than this stock-exchange regulation bill of 1934, provided, of course, it is sanely and efficiently enforced.

I very much deplore that the Federal Reserve Board, which is more or less controlled by the banking institutions, not only of this country but also of England, has been given in this act the power to determine marginal requirements. I had hoped that the responsibility and enforcement would not be divided.

As many of you know, since December 9, 1929, I have made many speeches on this subject, and 2 months before that I started what I believed to be a righteous crusade against the palpable, vicious practices that were tolerated and practiced on all the stock exchanges; therefore I hesitate to address the House at this late date on this subject, important though it be; but I feel that I owe it to the country and to myself to set forth in permanent form the motives that have ever actuated me, with modest ability, in trying to eliminate the obnoxious and nefarious abuses that caused the catastrophic, economic, and financial hurricane which, by the way, was not a providential act, but the act of a few greedy, avaricious, modern Herods, malefactors, most of whom had by most questionable methods acquired great wealth and assumed high social and business positions. I refer, of course, to that unenviable class that has never honestly produced or created any portion of its wealth.

Mr. Speaker, when, in the fall of 1928 and early in 1929, bank deposits were being withdrawn, especially from small banks, I persistently and insistently and continuously urged officers of these institutions to ascertain for what purpose those withdrawals were being made. Shortly thereafter I was, unfortunately, confirmed in my suspicion that these withdrawals were being made for the purpose of investing in stocks and bonds; but no amount of suasion or argument by officials of these banks could deter the depositors from so doing.

Vividly remembering the conditions that brought about the panic of 1893 and the panic of 1907, I felt it to be my duty to urge strenuously that people desist from such dubious investments and adventurous speculations, but, unfortunately, the press of the country, encouraged and prodded by President Coolidge, President Hoover, Secretary Mellon, Assistant Secretary Mills, the House of Morgan, and other large financiers, together with many of the officials of the largest corporations, made the people believe that we were on the verge of still greater prosperity, which would continue forever.

But, Mr. Speaker, ladies, and gentlemen, reading the financial reports and other news of our economic status as of that date, I could easily discern that we could not possibly maintain that unprecedented activity, and that sooner or later we would be engulfed in the maelstrom of our own folly. In that belief I was also, unfortunately, confirmed. In June and July, when the directors of most of the large corporations started in an astute and clever manner to unload gradually their holdings and securities, when call money started to rise and reached 15, 18, and 20 percent, and the small bankers all over the Nation were being urged to send their available cash to Wall Street, I urged the directors of several small banks not to yield to the temptation of gambling, and thereby deprive legitimate business of necessary and proper credit.

But, as was shown later, the temptation was too great to resist the clarion calls of the Wall Street musicians and the balances of cash in assets used by individuals for this were withdrawn from every section of our land, so that not only the employees and people in private life but also the small manufacturers and small business men all over the United States were inveigled into parting with their hard-earned and accumulated savings, and in that way the country was milked dry of nearly all available cash, which found its eternal resting place in the coffers of the Wall Street manipulators.

Realizing that the value of stocks had been driven to such an unreasonable height, in many instances 10 or 20 times their value, and that the banks, as well as many of the insurance companies, in their greed and lust for great profits had loaned at a high rate of interest millions and millions of the people's money in connection with these fictitious prices of stock, I feared the awful crash that later came.

It was not until then that we heard a word of warning from the Federal Reserve Board; and that is the reason I am unwilling to give that recreant institution that so inexcusably and untenably failed in its plain, unmistakable duty to safeguard the credit of the Nation the power that is being given it in this bill.

Sensing the approaching danger and the catastrophic hurricane that ensued, long before the storm broke with such great fury, I urged minimizing or an actual suspension of the activities of the stock exchanges, and I especially urged the immediate cessation of all short selling of stocks.

Feeling that the professional manipulators who were responsible for this criminal inflation would at the first chance take the other side and start a forced selling campaign by those who had purchased on their advice on margins, and thereby effect a demoralization if not a complete destruction of prices, I appealed by letters and telegrams to President Hoover, to the Federal Reserve Board, to the Secretary of the Treasury, to the blessed House of Morgan, and to the responsible officers of the stock exchanges.

I am reminded by copies of many telegrams and letters in my files that I pleaded earnestly with these rascals of the stock exchanges that they should, if not for the country's sake, then for their own ultimate sake, immediately stop these malignant practices that were even then so unerringly pointing to destruction. I called timely attention to the effect these practices would have if these unscrupulous, soulless Herods were permitted to continue that ruthless program of annihilation.

On December 9, 1929, the first day of the Seventy-second Congress, I took the floor of this House and though the storm had then almost completely engulfed us, made a plea that there was still time within which to save the Nation and the millions of honest investors from complete ruin, but my appeals and warnings received about as much thoughtful attention as does the wave that hits yonder shore, because the answer was, "Let the liquidation take its course." No

effort was made to minimize the effect of that soul-stirring catastrophe.

During the entire 3 years, 1930, 1931, and 1932, not a single effort was made by the powerful, predatory banking interests or the spineless Hoover administration to soften the blow or arrest the progress of this raging financial storm; but I did not desist. Early in 1930 and 1931 I pleaded with the Federal Reserve Board with the emphasis of hand upon heart to accept for rediscount the Reconstruction Finance Corporation paper, short-term municipal paper, and mortgages on the homes of American citizens; and though the Federal Reserve Board had ample power to rediscount Reconstruction Finance Corporation paper to the extent of two billions, which would have strengthened, if not saved, the credit of the Nation, yet the Federal Reserve Board supinely refused to act, while the indefensible practices on the stock exchanges continued to force the sale of millions upon millions of securities held by the various banks and like institutions, until late in 1932 there was an average loss on all investments of our country of more than 83 percent. Many securities even became absolutely valueless. During these trying and heart-rending times of complete despair the gentleman of the stock exchanges through their hundreds of new branches established in every village and hamlet in the United States continued to reap a harvest by circulating false and misleading rumors through a subsidized press and their own representatives in all parts of the country.

I charge again today that the authors of that great Nation-wide crash were the stock exchanges, the criminal inflation, the unpardonable, shameful manipulation of stocks, the unwarranted issuance of millions and millions of new shares of stocks, the overcapitalization of companies and corporations, the merger of corporations, all for the purpose of giving them additional new worthless issues to unload at 10 times their value upon a gullible and credulous public.

As will be recalled, six, yes, as many as ten million shares a day were traded on the New York Exchange, the curb, and other exchanges throughout the United States. Iniquitous gambling pools to sell short were being organized and everything possible was being done to destroy the last vestige of worth in any of these issues. During these trying days I pleaded and pleaded and urged and urged and appealed and appealed to the New York Stock Exchange to arrest and to stop this damnable procedure, to stop the short selling, to stop the pool operations and many other baneful abuses practiced there, all for the one purpose and it alone, namely, to make profits for themselves regardless of the cost to the country. Instead of complying with my appeals and supplications and exhortations the stock exchanges engaged in publicity directed by the greatest experts in that field. They directed radiobroadcasts and issued thousands and thousands of bulletins and press notices to disparage me and my efforts in opposing their vile machinations.

Naturally, I am gratified, after 4½ years of trial, to see a remedial and just law going upon the statutes, which law, I hope, may forever prevent such panics as those of 1893, 1907, and the archcrime of 1929. When I say crime, Mr. Speaker, I mean crime. That was the greatest crime perpetrated against a nation of 130,000,000 freedmen in the history of the world. True, from time to time the multitudes have suffered from war, from devastation of their country by foreign enemies, by pestilence, by floods, by great conflagrations, but these were understandable acts of Providence. Not so, however, as to the ruthless and indelible destruction of 1929 which caused more suffering, which caused untold deaths among men and women and children through malnutrition, which filled thousands of cemeteries with unmerited suicides, and made thousands upon thousands homeless, and deprived 16,000,000 men of employment with which to earn their bread. These were not providential visitations but were due solely to the unchecked greed of stock gamblers.

Millions upon millions of willing men and women, stalwart American citizens, lost their farms, their homes, their self-respect, their all. Millions of depositors lost the savings that they had calculated to allow them to spend the declining years of life in earned happiness and peace after storm-tossed careers. Not even old men and old women and orphans escaped this scourge. The thirst for the life-blood of society was so strong that nothing could prevail against it. I am told that even blind men and women were robbed without mercy or conscience. Over 16,000,000 men and women, willing workers all, were, through no fault of their own, deprived of the means of livelihood and were reduced to the deplorable necessity of asking their Government, their cities, and their municipalities for aid, which aid has bankrupted many States and municipalities and caused an enormous increase in the public debt of the National Government. These are the unpardonable crimes these shameless racketeers, these flagitious buccaneers, these cold-blooded murderers will have to meet before the bar of history.

All this was brought about by a few designing men who continued to live in luxury in their palatial homes here and abroad and on their expensive yachts, living shamelessly upon the ill-gotten profits garnered from the misery of millions of suffering human beings. And, as if to add insult to injury, these criminals yet have the temerity, the gall, the audacity, the impudence, and the effrontery to say to us representatives of 130,000,000 free people, "You must not go too far to abbreviate our privileges; we have an institution that is needed as a legitimate agency of business, as a legitimate exchange."

Mr. Speaker and ladies and gentlemen, I fully recognize that we need a legitimate exchange, but we should unmistakably put an end to the illegitimate, dishonest, vicious trespasses and excesses of this or any other similar institution in the United States.

Again, I very much deplore that we have in the United States many intelligent, well-meaning men who permit themselves to be used by this dastardly institution, which has admitted, under the compulsion of an official oath, that it has expended more than a billion dollars in propaganda to prevent this wholesome legislation.

I am today more proud of my associates than I have ever been. Undeniably real representatives of a free electorate, you have done a great work for a great people. I have always maintained that the vast majority of public officials, especially of the Congress, are not only honest and of splendid ability, but they desire faithfully to serve the people. The vote on this legislation proves unmistakably that any attempt on the part of the unrighteous to browbeat is always doomed to failure. I admit that here and there we find a man in public life who forgets his duty, his oath of office, and who permits his name, his character, his intellect, to be used by the vested interests behind such as the stock exchanges; but what, I ask, makes men dishonest; who, I ask, is it that is responsible for men going wrong? It is the temptation, it is the bribes, in one way or another, left-handed and right-handed, that are forthcoming from these greedy, avaricious degenerates who have tempted and who will continue to tempt deserving men.

If I personally had the necessary power, I would utilize it all, and the entire remainder of my life, in trying to devise legislation whereby, not those who accept bribes but those who give them would be punished.

In conclusion, I cannot refrain from stating that I am glad that I have been in a position to in some degree bring about this remedial legislation. I hope with all my heart this legislation may prevent a repetition of the unprecedented crime of 1929 by the stock exchanges of the United States; and though the important Committee on Interstate and Foreign Commerce of the House is entitled to great credit in this connection, yet the real credit for this very good work belongs and must go to that intrepid, splendid, courageous, determined, forward-looking, sincere leader of leaders in the betterment of humankind, who had the best interests of the masses at heart, and whose only aim in the world is to improve the conditions of the masses, the greatest of all the great Presidents, Franklin Delano Roosevelt.

I wish to insert for the RECORD a statement of suggestions by Mr. A. N. Ridgley, of Brooklyn, N.Y., a writer and financial expert, who aided me greatly from the beginning of my crusade against the unfair practices of the stock exchange. I feel that Mr. Ridgley's statement carries some very honest and concrete suggestions, and hope they will receive real consideration at the hands of those entrusted with the enforcement of this act:

THE STOCK EXCHANGE BILL—IS IT ENFORCEABLE?

The vicious Wall Street system is finally, after a century of unchallenged domination which it has abused beyond all limits of decency and public safety, at bay. But it has not given up hope of being able to regain, by cunning and sly subterfuge, at least a goodly part of its power and vast spoils.

It is perhaps idle to point out certain omissions that will enable many clauses to be made ineffective, assuming, as is reasonable, that the gentlemen appointed to administer the bill are without personal, practical knowledge of Wall Street's underground methods, and do not understand the intricacies and technicalities of the great racket. A man may have learned how to swim from a book, but to be a lifeguard he needs experience in deep water.

There are some things, however, that the Commission in any case will do well to ponder. One or both sides of manipulative transactions can be taken care of through Canada or London, and even the houses who execute the orders need not know the facts. In the case of ordinary "wash" sales and matched orders, only an expert can or will detect what is going on. Plans already have been almost perfected to get around some clauses of the bill. Toronto houses can establish branches in New York, and through them the financing can be done and the stocks carried right here—flouting the supposed margin rules, for the business will be outside of our laws.

Or the broker as an individual can make a personal loan to a responsible customer, who can indirectly apply this loan to his margin account. It is just a question of credit and understanding. The margin clause is good, however, in that it will tend to restrict over-speculation by the outside public and keep away small people who have no business to be in Wall Street. But in any case, no matter what the original margin may be it should be kept good; otherwise, big margins are playing right into the hands of master manipulators, who can after unloading on the public easily mark down prices 50 percent and thus "trim" the outsider for far more than the former usual 10 or 12 percent.

The three real and efficient remedies, which can and should be enforced, the bill being construed to cover them, if the Commission knows its job, will absolutely protect the public without anything else whatever, and will be helpful rather than harmful to all honest enterprises. They follow:

First. Criminal proceedings with prison sentences against proven pool operators: The clearing-house sheets of the New York Stock and Curb Exchanges to be examined daily by Federal officials, who are shifted frequently to various posts to prevent bribery or collusion, and the entry ledgers of all exchange houses to be completely open to a Federal committee whenever there are crossed purchases and sales appearing on the clearing-house sheets, thus tracing pool operations and operators and brokers therein.

Second. Frequent (if possible, monthly) complete financial statements, intelligible to the layman, from all and every corporation listed on any stock exchange, showing not only earnings, conditions, and prospects, but of what "surplus" consists, whether it be cash, goodwill, frozen assets, or mere junk; showing all income and outlay, including salaries and secret bonuses, fees, commissions, and profits paid to bankers and executives, and secret rebates to favored customers. The statements also should be made positively to show the names of stockholders, especially executives and directors, owning 1,000 shares or more, and the change in their holdings since the previous statement.

Third. A dictum absolutely forbidding overcapitalization and split-ups (as recently done by National Distillers, near top price, of course). This includes all no-par stocks. The millions of no-par-value stuff with nothing back of it except rainbow promises, and unloaded on the public and country banks at 10 to 50 times its worth, with the "split-ups", were what caused the crash and its tragic aftermaths. The sole objective of each and every split-up always is to facilitate "distribution" of stock that has been manipulated to figures so high that it has become much less saleable to the public because of the large outlay involved. Split-ups are simply a sales device, and have always been a most successful one for entrapping the unwary.

All stocks listed should have a definite par value fully covered by cash or its equivalent. If this had been done and companies forced to pay cash for new plants instead of merely using the printing press (with free printings for favored insiders) bank failures would have been infinitely fewer. If done now it will be a deadly blow to manipulation.

These are really adequate remedies that can be enforced and, if enforced, will prove an insurmountable barrier to banksters and pool sharks—far more effective than tinkering with margin requirements, which actually is no remedy at all for the exploitation of the investor, and may indeed prove the reverse. Statesmen who are interested in these matters can obtain further data in my pamphlets: Preventable Panics, Wall Street's Crime, Inflation-Deflation, etc., postfree. (They were quoted in both Houses of Congress.)

Mr. DIRKSEN. Mr. Speaker, will the gentleman yield for a question?

Mr. RAYBURN. I yield.

Mr. DIRKSEN. The gentleman will remember that in the discussion when the bill was under consideration in the House I voiced some apprehension about the small corporate entities whose securities were unregistered, that they might be placed under undue restrictions with respect to the over-the-counter markets. I understand the bill has been amended and an exception has been made in their favor.

Mr. RAYBURN. An exception is made in unregistered securities of companies predominantly intrastate in character.

Mr. Speaker, I move the previous question.

The question was taken; and the Speaker announced that the ayes seemed to have it.

Mr. FISH. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were refused.

So the conference report was agreed to.

On motion of Mr. RAYBURN, a motion to reconsider the vote whereby the conference report was agreed to was laid on the table.

CHILD LABOR AMENDMENT

The SPEAKER laid before the House a further letter from the secretary of commonwealth of the State of Pennsylvania, announcing ratification by the General Assembly of that State of the proposed child-labor amendment.

THE PUERTO RICAN SUGAR QUOTA FIXED BY THE DEPARTMENT OF AGRICULTURE IS UNFAIR, UNJUST, AND ECONOMICALLY UNSOUND

Mr. LANZETTA. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. LANZETTA. Mr. Speaker, the quota of 803,000 tons fixed by the Department of Agriculture for Puerto Rico is unfair, unjust, and economically unsound in view of its present sugar crop of about 1,100,000 tons. It is a severe and drastic limitation of the amount of sugar they can send to the United States; and it will cause serious disturbances to its economic structure and untold suffering and hardships to its people, more than half of whom are in some way or other wholly dependent upon sugar, its largest and most important industry. In the face of such a large crop, the least that might have been done for Puerto Rico would have been to fix its quota at 875,000 tons, the figure agreed upon at the sugar conference of 1933.

The Sugar Act of May 9, 1934, is an outright discrimination and is unfair and unjust to the 1,600,000 American citizens of Puerto Rico. While it fixes definite quotas for areas in continental United States it leaves the determination of the Puerto Rican quota to the Secretary of Agriculture. Besides, it restricts the production of refined sugar in the island, while it puts no limitation whatsoever on the continental refiners. There is no reason or justice for this distinction between continental citizens and those who inhabit our island possessions. They should and must be accorded the same treatment and consideration.

We must repair this wrong. Senator COPELAND and myself have introduced a bill (S. 3590 and H.R. 9570) which amends the Sugar Act to the extent that it gives Puerto Rico a definite raw-sugar quota of 875,000 tons and removes all restrictions on its refined sugar. Only by the passage of this bill will the people of Puerto Rico receive the consideration and treatment that they rightfully deserve as American citizens.

STREET AND HIGHWAY SAFETY

Mr. FIESINGER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. FIESINGER. Mr. Speaker, I introduced in the House today a resolution to encourage public movement of street

and highway safety, and in connection therewith I desire to make a statement.

The manner in which our streets and highways are used by both automobile drivers and pedestrians has been called the "great American gamble." We find that the losses last year in this form of chance-taking amounted to around 30,000 people killed, nearly a million people injured seriously, and an economic waste of $2,000,000,000. Already this year deaths are from 20 to 25 percent greater than they were the same time last year, and unless steps can be taken to rid our streets and highways of the careless, automobile-accident fatalities will reach a total of from 35,000 to 36,000 this year, which would be the high mark thus far in the number of casualties.

The record of the number of persons killed and injured nonfatally in automobile accidents in 1933, as in previous years, resembles a list of war casualties. When it is remembered that since the beginning of 1930 nearly 4,000,000 persons have suffered nonfatal injuries and nearly 125,000 have been killed, it can only be concluded that the American public is willing to take part in a concerted program designed to prevent some of these casualties.

The record of automobile-accident casualties for the remainder of the present decade, on the basis of the experience of the last 4 years, will be nearly 190,000 deaths and approximately 6,000,000 injured—a total for the decade of around 315,000 killed and 10,000,000 injured.

Thus in a 10-year period the number of people killed by automobiles would exceed America's record of soldiers killed during all the history of this country, and would surpass the fatal battle casualties of the American Expeditionary Forces in the World War more than six times. The number of persons injured nonfatally from automobile accidents during the present decade would exceed by more than 50 times the A.E.F.'s record of soldiers wounded nonfatally in action. Thus it is evident that our automobile-accident problem is a most serious one, and that only by arousing a public consciousness as to this terrible loss of life and limb can we hope to safeguard our people as they drive and walk on our streets and highways.

Let us look at the number of deaths in the United States from automobile accidents in the past 10 years. They total around 275,000. In the past 15 years more people have been killed in automobile accidents than the country lost by wounds incurred in battle in the 15 years in which it was engaged in its six major wars—the Revolutionary War, the War of 1812, the Mexican War, Civil War, Spanish-American War, and World War.

Some people may say that nothing can be done to improve this record of deaths and injuries from automobile accidents. There is just as much defeatism when the automobile accident record is discussed as there is about crime, war, or anything else. But I want to point out that smallpox, yellow fever, and many dread scourges are almost unheard of today. Diphtheria is becoming less frequent and real progress is recorded against tuberculosis. Some of these campaigns have involved scientific research, some merely education, some combinations of the two, and from the results of these efforts to improve health conditions of the country at large, we may be assured that ways can be found, as they must, to prevent death and injury from automobile accidents.

The education of the public in the safe use of streets and highways can do much to safeguard life and limb, and this resolution by the Congress would be a step in that direction, as it would serve to focus public attention on the problem, thereby gaining public support for the many agencies working to prevent automobile accidents. There are some facts available that show what has and what has not been accomplished by education along the lines of automobile-accident prevention. Among all ages there has been an increase of 96 percent in deaths from automobile accidents from 1922 through 1931.

All age groups except one contributed to this increase. The one age group which showed a decrease was that of children between 5 and 9 years old. These children had safety drummed into them in the schools. If the public at large could also be reached with the safety message, might we not assume that the loss of life and limb would grow less instead of greater? That some way of inculcating safe-driving ideas will have to be found is self-evident, and it also is self-evident that something can be done to make our streets and highways safer. The effect of arousing public consciousness of the seriousness of the automobile-accident problem will be apparent, when we realize that every minute of driving an automobile requires the operator to make some decision that often means the difference between life and death, well-being and serious injury, and that every time a pedestrian sets out upon street or highway he is called upon to make some decision that often means the difference between life and death, well-being and serious injury. The driver is called upon to decide whether under the circumstances the car ahead shall be passed, whether to insist on taking the right-of-way at the intersection or crossroad, even though another driver may be bent also on assuming the right-of-way, whether to slow down on a road because of the hazards of traffic, an approaching curve, hill, or crossing. The pedestrian is called upon to decide whether to cross the intersection against the light, whether to hurry across the middle of the block rather than at the crosswalk, whether to risk his life by appearing in the street from behind a parked car; to walk along a country highway after night without a light or some distinguishable object to serve as a warning of his presence.

The consequences of the accidents which happen with too persistent regularity are painful injuries, even death—not only to the drivers themselves but their passengers, occupants of other cars, pedestrians who may or may not have played a part in the incidents. But if people realized the dangers, many automobile accidents would never happen.

The fundamental prerequisite to a reduction in the loss of life and limb and damage to property from automobile accidents is the realization and the exercise of personal responsibility by those using the streets and highways. In the use of the streets and highways, the exercise of personal responsibility serves always as a deterrent of improper actions.

The frequency with which automobile accidents occur at locations presumably under control indicates that neither regulation nor enforcement can supplant personal responsibility. Carelessness in the use of streets and highways on so widespread a scale will cease when people begin to exercise the restraint that comes with an appreciation and exercise of personal responsibility.

Practically two-thirds of the automobile accidents of 1933 were due in some degree to driving errors. Among these, exceeding the speed limit resulted in the greatest number of deaths. To drive fast, or too fast for the conditions, is to increase the probability of death in the event of an accident.

Pedestrians, however, should realize the hazard which they face in the improper use of streets and highways.

As set forth in the title and preamble of this resolution, its adoption by the Congress would result in an annual proclamation by the President of the United States and a concerted public movement of street and highway safety. There are millions of our citizens who are eager to participate in a program of safeguarding life and limb, if only they are called upon for assistance by the proper authorities. I, therefore, urge the adoption of this resolution by the Congress, believing as I do that the well-being of our citizens at large throughout the United States will be enhanced by the movement which its adoption will set in motion.

PROTECTION OF OUR OWN INDUSTRIES

MR. STUBBS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. STUBBS. Mr. Speaker, your attention and that of my colleagues is challenged to a matter of very serious import in which national policy is concerned. Our country is rich in its agricultural fertility and endowed minerally to the extent that we are almost independent and self-con-

tained regarding essential products, commodities, and minerals. Such of these as we do not produce nor mine we can obtain from more than one other source.

However, there is an agricultural product—grown in my district, I am proud to say—which is essential and moreover vital in its indispensability, which is produced nowhere in the world except in California and Japan.

Hippocrates, known historically as the "Father of Medicine", was not only cognizant of the virtues of menthol but it was the principal drug of his limited materia medica, being used at that day for the alleviation of pain by external application.

Menthol is universally used as a necessary ingredient of many medicines and preparations for the relief and cure of pulmonary disorders and respiratory diseases.

The Veterans' Administration, with the Army and Navy of the United States, are comparatively large purchasers of menthol in periodic replenishment of their supplies. We now arrive at a matter of vital national concern. Menthol being an irreplaceable drug, indicated in the treatment of the most common disorders, it is trite to say that the California industry should have the support of our Government divisions, considering that in the event of an emergency which would deprive us of the Japanese supply that it would require 3 years to propagate sufficient plant supply in California to furnish the domestic needs in our country.

The flooding of our mercantile distributive channels with goods and wares produced and manufactured in countries of low labor cost, aided by a policy of deliberate currency depreciation, resulted in a creeping paralysis of industry and merchandising in our country, with the result that Congress memorialized a national policy in title III, section 2, Public Act 428, Seventy-second Congress, which requires the purchase by governmental subdivisions of products and commodities produced within the United States, unless the price is unreasonable.

It is my contention that the reasonable price determination is to be arrived at from a consideration of the costs of production and manufacture within the United States and not by comparison with the cost of a product produced in an alien clime by workers paid a mere pittance and brought into this country under a depreciated currency, which at times has reached a value of 16 cents a yen, as compared with a parity of 49.75 cents a yen.

Certainly the grand object of Congress is not furthered nor is the law observed when the Veterans' Administration, by a mere comparison of prices with the Japanese product, decides that the price of the California product is unreasonable without consideration, apparently, of the effect of deliberate currency depreciation, or more relevantly, the costs of production within the United States of the domestic product operating under the Blue Eagle in the industrial division of the industry and remunerating native California farm laborers and ranch owners in the agricultural part of the undertaking.

In their competitive bids the California industry has placed before the Veterans' Administration complete cost data showing the price asked for the domestic product is reasonable from the costs incurred, but apparently the Veterans' Administration insist on favoring the Japanese product on the basis of a mere price comparison. The policy of the Veterans' Administration in this respect has proven in the past to have been "penny-wise and pound-foolish."

Japanese menthol is controlled by a trust commonly known as the "Skynt" combination, deriving its name from the initial letters of the five firms who compose it. Whether one buys the product of S, K, Y, N, or T, the price is identical. Until 1922 this monopoly controlled the price of menthol in the world, as the sole source was Japan. As they pleased, the selling price of this essential product was controlled, resulting in an almost vertical rise of several hundred percent in price at various periods.

With the establishment of the industry in California in 1922 menthol was bringing $8 a pound in New York. The year before it had brought $4.50 a pound. While the Japanese earthquake in no way increased costs, it was thought advantageous to increase prices arbitrarily to $13.50 a pound, and we find the Veterans' Administration paying $12 a pound for Japanese menthol in the year 1924.

The first production of California came on the market in 1924, amounting to 600 pounds, which was increased 300 percent in the succeeding year to 1,800 pounds, and continued to increase each successive year, until in 1930 a peak of 15,000 was reached. Now, note the effect of price resulting from the California competition:

Year	Imports of Japanese menthol to United States and average price annually		California production (pounds)
	Pounds	Price at New York	
1918	172,000	$5.30	
1919	296,000	8.40	
1920	206,000	9.00	[1]
1921	165,000	4.50	
1922	182,000	8.00	
1923	198,000	[2] 13.50	
1924	194,000	13.00	600
1925	284,000	11.50	1,800
1926	452,000	6.00	4,000
1927	539,000	4.50	5,500
1928	193,000	5.10	9,000
1929	391,000	5.20	12,000
1930	325,000	4.00	15,000
1931	326,000	3.75	13,000
1932	[3]	3.50	6,000
1933	[3]	2.00	3,500
1934	[3]		None

[1] Propagation of roots in California preparatory to commercial production.
[2] Veterans' Administrator pays $12 a pound.
[3] Not available.

O Mr. Speaker, in the face of these eloquent figures could the most ardent internationalist conscientiously say that the backbone of Japanese monopoly in menthol was not broken by the California industry?

Bear in mind, please, that I have set out average annual data as to prices. As a matter of fact, the United States Department of Agriculture informs us in their Technical Bulletin No. 378, on the "Commercial possibilities of Japanese mint in the United States as a source of natural menthol", that in 1923 menthol reached $20 a pound.

Is there a single apologist of that unnatural clan who deplore our commercial progress and would present to alien industry and commerce our rich domestic markets who will raise his voice to say that the Japanese arbitrarily and artificially skyrocketed to the skies and plummeted to the depths the price of a life-saving product, and that this manipulation is justifiable?

Are the veterans of the various wars lying in our many Government hospitals to depend on the whim and caprice of a foreign nation whose occupation of foreign soil was the occasion of numerous notes from our Department of State involving the violation of solemn treaties while a division of the United States continues to favor an alien monopoly in contravention of the policy expressed by this Congress in the plainly written law of the land?

Mr. Speaker, I have one more anomaly to add to my sorry story. The farmers of menthol in my district have found it necessary to plow up the menthol and replant the same acreage to cotton, as it was impossible to meet the ruinous prices resulting from Japanese yen depreciation. This results, of course, in increased production of a crop which our Department of Agriculture has paid out Government money to reduce.

Thus while one division of our Government stifles an independent and vital industry by favoring an alien product contrary to the expressed national policy enacted into law, another division concerned with agriculture is burdened with an increase in a crop which is already overproduced.

Today the menthol industry in California is tottering to its grave. The splendid distillation plant at Shafter, Calif., and the elaborate refining factory at Burbank may rust and rot, and in time serve as monuments to the efforts of the California farmers and chemists who undertook to relieve their country from the grasping monopoly of an alien folk who exacted an unconscionable and unholy profit from those

who were wracked on their sick bed by those dreaded respiratory diseases which only menthol alleviates.

In this year of 1934 there will be no production of California menthol and this industry is again returned to the Japanese monopoly to do with as they will. Someone exercising the responsibility of government is answerable.

RESULTS OF MEASURES ENACTED BY EXTRA SESSION OF SEVENTY-THIRD CONGRESS

Mr. SNYDER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. SNYDER. Mr. Speaker and Members of the House, records show on the statute books of the several counties, States, and the Nation that the bad management or unjointed set-up of Government procedure for 12 years prior to March 4, 1933, had plunged the Nation into the worst panic or depression this country ever experienced. It was apparent, and it is now magnified to be the truth, that the helter-skelter plan of the Government, or, rather, lack of plan, was the major cause of the crash in November 1929. This condition was brought about by the unsound leadership, or lack of leadership, of the Republican Party of this country.

It is no uncommon thing to make a mistake in judgment. One cannot be criticized for making such a mistake; but the individual, as well as the group, can be criticized for the lack of planning to meet emergencies. Of course, where there is no vision the people perish. Evidently the Nation's Republican leadership during the fat years of 1922–29 had no vision. There was no planning. The crash came in November 1929. Five million, ten million, fifteen million—and in February 1933 it had mounted to some eighteen million men out of employment. That was bad indeed, but the worst part of it was that there was no plan whatever in the Nation's set-up to put them back to work.

Not only were these 18 million out of employment in February 1933, but the women and children that were depending upon this employment added some 35 million more to the group, and we had on March 4, 1933, when the present administration went into power, some 50 million men, women, and children depending on relief from some source.

That there was no plan or set-up of activity is shown by the fact that we had in this Nation hundreds of thousands of bales of cotton in our warehouses without a market, yet tens of thousands of children shivering in the cold because of lack of clothes. We had millions of bushels of wheat in our granaries, yet thousands and thousands of men, women, and children hungry for bread. We had hundreds of thousands of pounds of leather stored up by the producers of leather, and yet multiplied thousands of women and children walking the rough roads and chilly streets without shoes. Surely in this day of scientific management and planning something could have been done to adjust such a situation.

On March 4, 1933, President Roosevelt said in his inaugural address, "We must have action and action now."

The Seventy-third Congress, of which I am proud to be a Member, went into action March 8, 1933. This Congress rolled up their sleeves, as it were, and went to work in behalf of the farmer and the laborer and the business man. They enacted some 15 measures that not only have, and will, take care of these groups socially and economically, but will also make it possible for the operators of our mills and factories and mines to operate at a living profit and at the same time pay men a living wage.

Never before in the history of the United States Congress has there been such careful planning and such thoughtful action taken in behalf of labor. Never before has a set-up provided the machinery by which cutthroat business transactions can be eliminated. Never before has Congress made it possible for the owners and operators of mills and mines and factories to stabilize their business and plan for the future.

We have now arrived at the place where we can say that the set-up of the measures enacted by the first session of the Seventy-third Congress are fundamentally sound and effective. A space of some 8 or 10 months of application to the physical and human needs of the Nation has demonstrated that these measures are at least 80 or 90 percent sound. Those of us who worked for and supported these measures said that if they worked out 66⅔ percent efficiently and effectively, we would be satisfied. President Roosevelt said, after we had passed the measures and put them in his hands to sign, that he did not expect them to work out 100 percent, but if they did not work out satisfactorily he would ask Congress to make adjustments until they did work out. He asked Congress this session to make some adjustments, and we made them.

Once in a while we hear some one individual or see some article decrying the constitutionality of some of the measures that Congress passed. Is it not a fine thing that we have at least 120,000,000 of the people who believe that the Constitution of the United States is, and of right ought to be, broad enough and flexible enough to care for the people of the United States? The framers of the Constitution took care of that. Some self-opinionated judge here and there may hand down a decision about the constitutionality of some measure. Some Darrow may harrow over some codes and give his one-sided opinion about their adaptability to social and economic needs. Some partisan standpatter may yell or howl about the application of these several measures as they are being applied throughout the Nation on farm and in mill and factory. But all they need to do is just to check up the actual social and economic conditions in the country now as compared with March 4, 1933.

Such a check-up tells the story. Of course, our memories are bad at times, and in this case the memory of our Republican leaders is very bad. The Republican layman and the Democratic layman have a vivid picture in front of them of the conditions now as compared with February 1933. You go to any town or city or hamlet on a Saturday evening now, this June 1934, and walk into the drug store or the shoe store or the clothing store and observe the purchases now as compared with 2 years ago June 1.

I know we are not out of this bottomless pit of depression. I know we have just started out. But I know that we have gone up so many steps and we are now on the first landing platform. A good place to be, because the platform is built of such armor plate and durability that the great masses of the American people have this day confidence that this platform will hold until we accumulate enough energy to land on the second level. We will land there just as soon as the measures enacted by this regular session of Congress are put into action and have an opportunity to function over a space of months.

Yes; I know there are thousands and millions of men out of work. I know that there are yet millions to be fed and clothed and sheltered. I know that we must have many more adjustments before we are economically safe. But it is consoling for Congress to know that the farmers and the laborers and the businessmen have patience. They still have before them the picture of the dreary days of 1930, 1931, and 1932. They know that we were some 10 years being plunged into this catastrophe, and they are going to give the Seventy-third Congress and the Seventy-fourth Congress and President Roosevelt an opportunity to build a structure that will care for their business and for their families at all times.

The great masses know that this Nation cannot go back to the old haphazard, dog-eat-dog and big-fellow-gobble-up-little-fellow Government procedure, such as was in operation from 1920 to 1932. They know that the fundamentals underlying this Roosevelt program are sound. They know that the principles of the N.R.A. are here to stay. These principles may go under some other name in the future, or they may be disguised under some other camouflage, but the basic principles embodied will always be the basic principles of operation of the several businesses in the Nation.

This is the first time in the history of the Nation that, for instance, the miners had an opportunity to participate

in collective bargaining, and as soon as this code has had an opportunity to adjust itself here and there, both miners and operators will be happy. The farmers are beginning to see that the allotment plan and processing plan will finally stabilize their business. The laborer in general realizes that this is the high-water mark of his efforts to receive due consideration at the hands of those who use his services. And the nice thing about it is that all but a few of the big giant businesses are beginning to see that it is better to have a cooperative procedure in running their businesses than a cutthroat, haphazard procedure.

THE PRISON-LABOR BILL

Mr. DITTER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. DITTER. Mr. Speaker, the bill before us at this time is one demanding our best thought and study. It authorizes the creation of a corporate body to determine the extent to which industrial operations shall be carried on in Federal penal and correctional institutions. It further authorizes the transfer to the corporation of the powers and duties presently vested in the Attorney General with respect to prison industry. It authorizes and directs the Secretary of the Treasury of the United States to transfer all balances standing to the credit of the prison industries working capital fund to the newly created corporation. This marks such a complete change in policy and program as to demand most serious attention.

The study of the subject of prison industry is not a new one. The problems connected with this subject have received the careful attention of public-spirited citizens for a number of years. Lawyers, penologists, social-service workers, and many others have applied themselves in an effort to find a solution which will be satisfactory to private industry and still provide a means of employment to the unfortunate individuals making up the population of our penal institutions.

Two distinct factors present themselves for consideration—one the sociological, the other the industrial. Each merits conscientious application. Each has its claims for recognition. Each deserves painstaking study and thought.

The elimination of the treadmill and the shot pile and the introduction of industrial pursuits marked the beginning of the modern prison. No one will dispute the advancement which has resulted from the adoption of industrial endeavors in our penal institutions. The innovation introduced approximately 150 years ago has definitely proved its worth, and the claim can be sustained that no other single factor has contributed more in the transformation of these institutions from places of degradation to institutions of rehabilitation than the introduction of an industrial program.

The retention or rejection of a penal industrial program is not the question before us. We are considering the matter of policies of administration rather than the subject of principles. Our study should include not only a consideration of the experiences gained in the past, since the system of prison industry was introduced, but also with due regard for the conditions which free industry is facing today.

The demand for this legislation comes largely from certain industries who alleged that an unfair proportion of competition has been created by prison industries in their particular field of industrial activity. It has been represented that the measure is endorsed by business and social-welfare agencies interested in the problem. My conviction is that these bodies will regret the enactment of the legislation which I fear will tend to further emphasize the worth of a profitable penal industrial program rather than the value of such a program as a helpful means for the reformation of the individual. The goal in this worthy endeavor should not be profits, it should be the building of lives. Its primary purpose should not be a favorable balance sheet, it should be the investment of effort in character building. The objective should not be the establishment of self-sustaining jails but the formation by the individual of habits of thrift and industry—the recognition of obligations to their dependents—the development of a sense of self-respect and the appreciation of the value of honest work.

The personnel of the contemplated board of directors of the corporation includes a representative of industry, a representative of labor, a representative of agriculture, a representative of the consumer, and a representative of the Attorney General. Certainly it cannot be successfully argued that this body will have as its chief concern the social welfare side of this program. Except for the representative of the Attorney General's Office, the body is completely a body representing business interests. Industry, labor, agriculture, consumers—each anxious for the protection of its own sphere of activity; each chiefly concerned with its own relation to the subject; each hopeful that from the administration of a policy its interests may best be served. I am of the opinion that the Attorney General and his associates should continue to be charged with the obligation of solving this problem. Certainly this Cabinet member and his associates are in a better position to further the objectives of individual benefit to the prisoners than the directors of a corporate entity whose purposes most naturally would tend toward mercenary ends.

From the standpoint of the present industrial condition of the country it is my conviction that no change of policy should be made which might open the door to further competition on the part of prison industries with private business. We should recognize that society and all social welfare endeavors are maintained and sustained by the industrial life of the country. Without industry as a profitable project the social state would inevitably collapse.

I am honored in being one of the Representatives of a great industrial State. I am charged with the duty of protecting the industries of my home county against further possible encroachment by governmental agencies, bureaus, commissions, or boards. In each town in my district, in which industries provide the means of livelihood for her citizens, there are those who depend upon me for their protection. We have definite knowledge that an effort has been made in the past to introduce on a large scale the manufacture of metal furniture in one of the penal institutions in our State. This program was only thwarted by the alertness of the Congress and the fact that this body had retained unto itself a degree of supervision of this subject. If the bill presently before us is enacted, the proposed corporate entity will be a law unto itself. It will have unlimited powers and discretion, and in its hands will be placed the right of sole determination with respect to the further extension of prison industry. In view of the possible dangers it cannot be successfully argued that a bill of this character is either wise or helpful.

I should like to present to the committee having charge of the bill the value of continuing in the hands of the Attorney General with congressional supervision the subject of prison industry with the recommendation that there be assigned by the Attorney General certain of the personnel of his staff to make a further study of the subject and that he be prepared to present his recommendations to the next Congress, embodying a constructive program which would embrace a consideration of both the sociological and the industrial phases of the subject.

ORDER OF BUSINESS

Mr. SNELL. Mr. Speaker, will the majority leader tell us the program for tomorrow?

Mr. BYRNS. The communications bill will be taken up. I do not know whether we will get through with it tomorrow or not.

Mr. SNELL. That will come up under a special rule?

Mr. BYRNS. It will come up under a special rule. I do not know of anything else to come up especially tomorrow.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. KLEBERG, for today, on account of illness in family.

To Mr. LLOYD (at the request of Mr. WALLGREN), on account of illness.

To Mr. O'MALLEY, for 3 days, on account of important business.

To Mr. RICHARDS, for Friday and Saturday, on account of important business.

To Mr. DIES (at the request of Mr. THOMASON), on account of illness.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 2032. An act for the relief of Richard A. Chavis;

H.R. 3985. An act for the relief of Charles T. Moll; and

H.R. 9061. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1935, and for other purposes.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1932. An act for the relief of Alfred Hohenlohe, Alexander Hohenlohe, Konrad Hohenlohe, and Viktor Hohenlohe by removing cloud on title;

S. 2623. An act to amend the act entitled "An act to require the erection of fire escapes in certain buildings in the District of Columbia, and for other purposes", approved March 19, 1906, as amended; and

S. 3290. An act to amend an act entitled "An act to establish a Board of Indeterminate Sentence and Parole for the District of Columbia and to determine its functions, and for other purposes", approved July 15, 1932.

SPEAKER PRO TEMPORE

The SPEAKER. The Chair designates the gentleman from New York [Mr. O'CONNOR] to preside as Speaker pro tempore tonight.

RECESS

Mr. BYRNS. Mr. Speaker, I move that the House stand in recess until 7:30 o'clock p.m., at which time bills on the Private Calendar will be considered.

The motion was agreed to; accordingly (at 5 o'clock and 24 minutes p.m.), pursuant to its previous order, the House stood in recess until 7:30 p.m.

AFTER RECESS

The recess having expired, the House was called to order at 7:30 o'clock p.m., by the Speaker pro tempore [Mr. O'CONNOR].

MASSACHUSETTS BONDING & INSURANCE CO.

Mr. DOUGLASS. Mr. Speaker, by unanimous consent it was understood that the bill (H.R. 4838) for the relief of the Massachusetts Bonding & Insurance Co., a corporation organized and existing under the laws of the State of Massachusetts, could be called at the beginning of this evening's session.

The Clerk read the title of the bill.

Mr. HOPE. Reserving the right to object, I am not familiar with the bill. May I ask the gentleman whether this bill has been objected to by anyone on this side?

Mr. DOUGLASS. The gentleman from Texas [Mr. BLANTON] objected to the bill the last time. He wanted to be sure that the bond was not for a day or so, but was for a permanent time. I have an amendment which will be read directly that the bond shall have no time limit so far as expiration is concerned.

The gentleman will remember this case. It involved the theft of money orders from the Philipsborn's mail order house in Chicago. These mail orders were endorsed by Philipsborn's and were being sent to a national bank in Chicago. In transit to the bank they were stolen. The Massachusetts Bonding & Insurance Co. had insured Philipsborn's, a mail-order company, and became subrogated to their rights. This money will come back from the Treasury Department from the fund of the Post Office Department covering mail orders which have been lost and not paid.

Mr. HOPE. Does the Department approve the bill?

Mr. DOUGLASS. The Department approves the bill. In a report, signed by Ambrose O'Connell, Executive Assistant to the Postmaster General, it is stated: "Although this Department is powerless to grant relief, the claim appears to be a just one."

Mr. HOPE. Does the gentleman state that the objection which the gentleman from Texas [Mr. BLANTON] made is taken care of?

Mr. DOUGLASS. He wanted to be sure a sufficent bond was given, so I have prepared an amendment to the effect there shall be no time limit on the band. It is improbable that these mail orders will ever be recovered. Under the law, after a year and a half mail orders cannot be cashed in any event, so the Government is safe, and the money really belongs to the company. It is not a case of reimbursing the company for a bond given in the case of a prisoner.

Mr. HOPE. Mr. Speaker, I withdraw my reservation of objection.

Mr. SWICK. Will this cost the Government anything?

Mr. DOUGLASS. The amount of the stolen mail orders which belonged to this company was $22,000. The bond will be double that amount in order to protect the Government.

Mr. REED of New York. The Government has the money?

Mr. DOUGLASS. The Government has the money.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to the Massachusetts Bonding & Insurance Co., a corporation organized under the laws of the State of Massachusetts, out of the fund credited to unpaid money orders more than 1 year old, or out of any money in the Treasury not otherwise appropriated, the sum of $22,216.47, being the aggregate of 3,418 money orders made payable to Philipsborn's, the Outer Garment House, and endorsed and made payable to the National Bank of the Republic, and stolen from said Philipsborn's on December 11, 1919, and never recovered or paid, which sum the Massachusetts Bonding & Insurance Co. paid to said Philipsborn's under its contract of indemnity, and became subrogated to the rights of Philipsborn's as the payee of said money orders: *Provided*, That the said Massachusetts Bonding & Insurance Co. shall first file in the Treasury Department of the United States a bond in the penal sum of $44,432.94, with such surety or sureties as may be acceptable to the Secretary of the Treasury, to indemnify and save harmless the United States from any loss on account of the stolen postal money orders herein described.

Mr. DOUGLASS. Mr. Speaker, I offer some amendments, which I send to the desk.

The Clerk read as follows:

Amendments offered by Mr. DOUGLASS: Page 1, line 3, after the word "the", strike out the words "Secretary of the Treasury" and insert in lieu thereof the words "Postmaster General."

Page 1, line 7, after the word "old" and the comma, strike out the words "out of any money in the Treasury not otherwise appropriated,".

Page 2, line 9, after the word "the", strike out the word "Treasury" and insert in lieu thereof the words "Post Office."

Page 2, line 10, after the figures "$44,432.94", insert the words "without limitation on the period of liability,".

Page 2, line 11, after the words "to the", strike out the words "Secretary of the Treasury" and insert in lieu thereof the words "Postmaster General."

The amendments were agreed to.

With the following committee amendment: On page 2, line 14, after the word "described", insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BOSTON STORE CO.

Mr. SABATH. Mr. Speaker, by unanimous consent it was understood that the bill (H.R. 7292) for the relief of the Boston Store Co., a corporation, Chicago, Ill., could be called up at the beginning of this evening's session.

The SPEAKER. Does this bill have a privileged status?

Mr. SABATH. It has. I obtained unanimous consent at the last session to call it up this evening.

The Clerk read the title of the bill.

Mr. BLANCHARD. Mr. Speaker, reserving the right to object, may I ask the gentleman from Illinois if it is satisfactory to whomever has charge of the bill on this side to let it go through this evening.

Mr. SABATH. The only objection that was raised to the bill was by the gentleman from Michigan [Mr. WEIDEMAN]. The gentleman informs me that he had no real objection to the bill; that it was a personal matter more than anything else.

Mr. BLANCHARD. Who was in charge?

Mr. SABATH. I do not know.

Mr. BLANCHARD. No objection was raised?

Mr. SABATH. No. This bill has passed the House twice before, but always rather late, and no action was taken on it in the session.

Mr. McFARLANE. What does the bill involve?

Mr. SABATH. It is on account of money paid to the Government by the Boston Store Co. on account of certain cots that were not received in proper order. They were damaged and broken up. The Government has the money, and they were ready to return the money and did send a voucher, as I understand, but there was some question about the matter and the voucher was returned. The situation remained this way, and I may say the bill has passed twice before.

Mr. McFARLANE. How much is involved?

Mr. SABATH. Six thousand two hundred and forty-six dollars. There is a favorable report from the Department.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $6,246 to the Boston Store Co., a corporation of Chicago, Ill., such sum representing a loss incurred because of misrepresentation in the purchase of cots from the quartermaster supply officer of the surplus property branch at Chicago, Ill., August 16, 1921, which claim had at one time been allowed and paid, but subsequently, because of some technicality, now cured, returned to the Treasury upon request.

With the following committee amendment:

On page 2, line 2, after the word "request", insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HURRICANE LOSSES IN TEXAS

The Clerk called the next bill, H.R. 6857, to reimburse officers, enlisted men, and civilian employees of the Army and their families and dependents, or their legal representatives, for losses sustained as a result of the hurricane which occurred in Texas on August 16, 17, and 18, 1915.

Mr. BLANTON. Mr. Speaker, I reserve the right to object. This bill involves $401,042 for certain claimants and an additional amount of $42,899 for other claimants. I do not think the Government of the United States is an insurer of individuals against losses occasioned by acts of God, and if we are going to begin doing this we ought to go back and pay all the people who may have sustained such losses for the last 100 years.

When we have earthquakes in California we grant relief. When we have floods on the Atlantic or Pacific coasts we grant relief to the people there, but we do not reimburse them for their individual losses; and a bill involving nearly one-half million dollars, taking this money out of the tax-burdened people's already depleted Treasury in the twinkling of an eye, I am against, and I object to the bill.

Mrs. CLARKE of New York. Will the gentleman withhold his objection?

Mr. BLANTON. Certainly; if our distinguished colleague from New York desires to be heard.

Mrs. CLARKE of New York. Does the gentleman understand that this does not involve any appropriation, as the money is already in the miscellaneous fund?

Mr. BLANTON. I want to say to my friend that that is the most mistaken idea you could ever undertake to put over on the people. If $443,000 has already been appropriated but not yet spent, and it is then spent for the purposes of this bill, it is money of the people that will be lost.

Mrs. CLARKE of New York. These men were sent down there to protect the people.

Mr. BLANTON. Of course, we do not have to make a new appropriation, because certain money has already been appropriated, but not to pay these claims. Therefore, in order to get this $443,000 it is necessary to pass this bill.

Mrs. CLARKE of New York. These troops were sent there to protect the property of the people and were encamped on a desolate shore instead of in proper quarters.

Mr. BLANTON. I was sent here to represent the people of my district, and when a street car ran into a brand new automobile of mine and damaged me about $1,500 in cash, the Government did not make that good to me. I lost it. We sustain losses every day because of misfortune or accident or bad luck.

Mrs. CLARKE of New York. I am sorry the gentleman takes that position. I consider this a just claim.

Mr. BLANTON. I am sorry, because I would like to go along with the distinguished lady from New York, because nothing would give me greater pleasure than to grant her a favor.

Mrs. CLARKE of New York. I am not asking it as a favor, Mr. Speaker.

Mr. BLANTON. Mr. Speaker, I object.

D. F. TYLER CORPORATION AND THE NORFOLK DREDGING CO.

The Clerk called the next bill, H.R. 7163, for the relief of the D. F. Tyler Corporation and the Norfolk Dredging Co.

Mr. McFARLANE. Mr. Speaker, reserving the right to object, I should like to have the bill explained.

Mr. DARDEN. Mr. Speaker, this dredging was undertaken according to specifications issued by the United States Government. A part of these specifications provided that certain sections of Chesapeake Bay had been set aside for the refuse which had already been surveyed and set aside. In its specifications the Government stated that this dredged material should be deposited on this ground. This company bid on the contract, was awarded the contract, and deposited the material there. It was later found that the ground granted the Government in many instances had been granted by people who had no authority to make such grants. Suits were brought against the dredging companies in the courts of Norfolk and they were held liable to the extent of the amount requested in this bill. There was no negligence or fault on the part of the company involved here.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. DARDEN. I will be pleased to yield.

Mr. BLANTON. While this bill involves $14,000, I shall not object to it because, I may state to my colleague from Texas, the War Department recommends in favor of it. By reason of the favorable recommendation of the War Department I shall not object.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to the D. F. Tyler Corporation and the Norfolk Dredging Co., jointly, $14,727.11, out of any money in the Treasury not otherwise appropriated, in full settlement of all claims against the Government of the United States by reason of court judgments and claims against them on account of dumping of dredged material on certain oysters, oyster grounds, and marshlands, under a contract dated March 15, 1932, between the United States and the said D. F. Tyler Corporation, for dredging in the Nansemond River, Va.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 2, line 1, after the word "dated", strike out "March 15, 1932", and insert in lieu thereof "January 19, 1931."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THEODORE W. BELAND

Mr. DUFFEY. Mr. Speaker, I ask unanimous consent to return to Calendar No. 129, H.R. 4952, for the relief of Theodore W. Beland.

Mr. BLANTON. Is there any special order on this?

The CHAIRMAN. The Chair is informed that it has a special status.

The Clerk read the title of the bill.

Mr. BLANTON. Reserving the right to object, how much is involved in this bill?

Mr. DUFFEY. Thirty-two dollars and thirty cents.

Mr. BLANTON. I have no objection.

The Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $32.30 to Theodore W. Beland, an employee of the Lighthouse Service, in full and final settlement for expenses incurred in the operation of a privately owned automobile on Government business during April 1929.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SARAH SMOLEN

The Clerk called the next bill on the Private Calendar, H.R. 7367, for the relief of Sarah Smolen.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Sarah Smolen, of New York City, N.Y., not to exceed $5,000 in monthly installments of $50 each, to be disbursed through the United States Employees' Compensation Commission, in full settlement of all claims against the Government on account of the death of her husband, the late Joseph Smolen, who was a special employee of the New York City Office of the Bureau of Narcotics, Treasury Department, and who mysteriously disappeared and is believed to have been killed while engaged in official Government business on or about October 4, 1931.

With the following committee amendment:

On page 2, line 5, insert the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JAMES SLEVIN

The Clerk called the next bill on the Private Calendar, H.R. 7728, for the relief of James Slevin.

The SPEAKER pro tempore. Without objection, a similar Senate bill (S. 2636) will be substituted for the House bill.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to James Slevin, Island Park, Long Island, N.Y., $1,425, being the amount found due him as damages to his property at Island Park, N.Y., by reason of an Army airplane crash on September 8, 1933.

With the following committee amendment:

In line 6, page 1, after the figures "$1,425", insert "in full settlement of all claims against the Government of the United States", and in line 9, strike out the period, insert a colon, and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The similar House bill was laid on the table.

ALLEGHENY FORGING CO.

The Clerk read the next bill on the Private Calendar, H.R. 8077, for the relief of the Allegheny Forging Co.

The SPEAKER pro tempore. Is there objection?

Mr. BLANTON. Reserving the right to object, this has an adverse report from the War Department.

Mr. HANCOCK of New York. Will the gentleman withhold his objection?

Mr. BLANTON. Secretary of War Hurley says:

Nothing has transpired which would appear to require or justify a change in this Department's attitude toward this claim as indicated above. It is accordingly recommended that the bill transmitted with your letter be not favorably considered.

Mr. HANCOCK of New York. Mr. Speaker, the three bills, nos. 564, 565, and 566 on the calendar, H.R. 8077, 8078, and 8079, for the relief of the Allegheny Forging Co., are similar. The gentleman from Pennsylvania [Mr. MULDOWNEY] is necessarily absent. His office called me up a few moments ago and said that these bills were regarded by Mr. MULDOWNEY as of great personal importance to him, and asked me to request that they be passed without prejudice, so that he might be here to explain them to the gentleman from Texas.

Mr. BLANTON. Mr. Speaker, I ask that those three bills of the Allegheny Forging Co. be passed over without prejudice.

Mr. HANCOCK of New York. Mr. Speaker, and I add to that request that they be called at the head of the next Private Calendar.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

JEANNETTE WEIR

The Clerk called the next bill, H.R. 8108, for the relief of Jeannette Weir.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $1,000, in full settlement of all claims against the Government of the United States, to Jeannette Weir for injuries sustained by being struck by a United States mail truck January 4, 1922.

With the following committee amendment:

Page 1, line 8, at the end of the bill, strike out the period, insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MAY L. MARSHALL, ADMINISTRATRIX

The Clerk called the next bill, H.R. 8115, for the relief of May L. Marshall, administratrix of the estate of Jerry A. Litchfield.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay out of any money in the Treasury not otherwise appropriated, and in full settlement against the Government, the sum of $5,000 to May L. Marshall, administratrix of the estate of Jerry A. Litchfield, who was killed on the night of December 7, 1925, in a collision between the barge *Pine Grove* and the highway bridge at Coinjock, N.C., while said bridge was owned and operated by the United States, and by the lowering of the draw of said bridge on the pilot house of the barge *Pine Grove*, in which said Jerry A. Litchfield was a passenger: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to, or received by, any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive, any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding.

SEC. 2. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time and passed and a motion to reconsider laid on the table.

WALTER L. WILSEY

The Clerk called the next bill, H.R. 8157, for the relief of First Lt. Walter T. Wilsey.

The SPEAKER pro tempore. Is there objection?

Mr. McFARLANE. Mr. Speaker, I should like to have this bill explained.

Mr. BLANTON. It involves only $147.50.

Mr. McFARLANE. Is this the same claim that the gentleman from Michigan now has before the Committee on Military Affairs?

Mr. GOODWIN. No; this is a bill that has been passed on by the Secretary of War and favorably reported both by the Senate and the House.

Mr. McFARLANE. Do they approve it?

Mr. GOODWIN. Yes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The SPEAKER pro tempore. The Chair is informed that there is a similar Senate bill, S. 2973, on the Speaker's table, and without objection the Clerk will report the Senate bill.

There was no objection, and the Clerk reported the Senate bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to First Lt. Walter T. Wilsey the sum of $147.50, in full settlement of all claims against the Government of the United States, which amount was stolen from the safe of Company A, Fourth Motor Repair Battalion, Quartermaster Corps, Camp Holabird, Md., on March 6, 1925, and reimbursed to the said company by Lieutenant Wilsey: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

A similar House bill (H.R. 8157) was laid on the table.

HEIRS OF C. K. BOWEN, DECEASED

The Clerk called the next bill, H.R. 8328, for the relief of the heirs of C. K. Bowen, deceased.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Mary E. Christenson, Houston, Tex.; Mrs. F. N. Heiman, Seabrook, Tex.; Mrs. A. B. Christenson, Burbank, Calif.; and C. K. Bowen, Burbank, Calif., heirs of C. K. Bowen, deceased, out of any money in the Treasury not otherwise appropriated and in full settlement against the Government, the sum of $450.50, for damages sustained by the said heirs of the said C. K. Bowen, deceased, who lost his life during the hurricane of September 8, 1900, when the light station at Halfmoon Shoal, Tex., was demolished, and the said C. K. Bowen, deceased, was drowned, as shown by Public Document No. 109 of the Fifty-seventh Congress, first session, dated December 7, 1901.

With the following committee amendment:

Page 2, line 6, at the end of the bill strike out the period, insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

PATRICK HENRY WALSH

The Clerk called the next bill, S. 170, for the relief of Patrick Henry Walsh.

The SPEAKER pro tempore. Is there objection?

Mr. BLANTON. Mr. Speaker, I reserve the right to object. The Post Office Department recommends adversely on this bill. Under the circumstances I object.

MRS. ASA CASWELL HAWKINS

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent to return to Calendar No. 497, S. 1078, for the relief of Mrs. Asa Caswell Hawkins.

The SPEAKER pro tempore. Is there objection?

Mr. HOPE. What is that bill?

Mr. DOUGHTON. It is a bill to which the gentleman's attention has been called.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Asa Caswell Hawkins, widow of Asa C. Hawkins, of the county of Lenoir and the State of North Carolina, the sum of $5,000 in full compensation for the death of said Asa C. Hawkins, who was killed while employed by and assisting Federal prohibition agents in the enforcement of the National Prohibition Act: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

CATHERINE WRIGHT

The Clerk called the next bill, S. 620, for the relief of Catherine Wright.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Catherine Wright, of San Francisco, Calif., the sum of $5,000, in full satisfaction of her claim against the United States for damages arising out of the embezzlement by a former United States commissioner for the northern district of California of a like sum deposited with him as bail on August 2, 1930, by John F. Sullivan.

With the following committee amendment:

Page 1, line 10, at the end of the bill, strike out the period, insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

SULTZBACH CLOTHING CO.

The Clerk called the next bill, S. 1191, for the relief of the Sultzbach Clothing Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Sultzbach Clothing Co. the sum of $6,000. Such sum represents the amount of a fine paid by Sultzbach Clothing Co. pursuant to a conviction for violating certain provisions of the Lever Act of August 10, 1917, as amended, prior to the declaration by the Supreme Court of the United States of the unconstitutionality of such provisions.

With the following committee amendments:

Page 1, line 6, after "$6,000", insert "in full settlement of all claims against the Government of the United States."

Page 2, line 1, after the word "provisions", strike out the period, insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

EMMA FERGUSON STARRETT

The Clerk called the next bill, S. 1401, to pay a gratuity to Emma Ferguson Starrett.

There being no objection, the Clerk read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Emma Ferguson Starrett, widow of Henry P. Starrett, late American consul general at Algiers, Algeria, the sum of $8,000, equal to 1 year's salary of her deceased husband.

With the following committee amendment:

Page 1, line 8, after the word "husband", insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill, as amended, was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

M. THOMAS PETROY

The Clerk called the next bill, S. 1430, for the relief of M. Thomas Petroy.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to M. Thomas Petroy (alias Mieczyslaw Piotrowsky), formerly a private, Service Troop, Eleventh Regiment United States Cavalry, the sum of $193.36 in full satisfaction of his claim against the United States for loss of personal property in the fire which destroyed the saddle and harness rooms of such troop at the Presidio of Monterey, Calif., on January 1, 1925.

With the following committee amendment:

Page 1, line 11, after the figures "1925", insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

W. R. M'LEOD

Mr. SEARS. Mr. Speaker, I ask unanimous consent to return to Calendar No. 454, H.R. 5606, for the relief of W. R. McLeod.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

Mr. BLANTON. Reserving the right to object, is there a special order on this bill?

Mr. SEARS. This is the bill of my colleague, Mr. WILCOX, of Florida, which about 2 weeks ago got up to final passage. All the Speaker had to do was say that the bill was passed, when a point of no quorum was raised.

Mr. BLANTON. When we act on them, we then forget the issues involved, when we have the file in our office. What was involved?

Mr. SEARS. A post office was robbed.

Mr. BLANTON. How much is involved?

Mr. SEARS. Three hundred and seventy-four dollars.

Mr. BLANTON. There is no objection on my part.

Mr. HANCOCK of New York. Reserving the right to object, does this bill have a favorable report from the Post Office Department?

Mr. SEARS. It has a favorable report from the Post Office Department, and it got up to final passage, when a point of no quorum was raised.

Mr. HANCOCK of New York. Was it objected to on the floor of the House?

Mr. SEARS. The objections were withdrawn. All the Speaker had to do was say the bill was passed when somebody made a point of no quorum.

The SPEAKER pro tempore. The Chair is informed that this bill is the unfinished business from the last call of the Private Calendar, so it is proper to call it up at this time.

Is there objection to the present consideration of the bill?

Mr. HANCOCK of New York. Reserving the right to object, was this bill objected to the last time?

Mr. SEARS. No; it was not.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $374.02, and when appropriated the Treasurer of the United States is hereby authorized and directed to pay same to W. R. McLeod, postmaster at Apopka, Fla., to reimburse him in the amount of postal funds stolen from the post office by burglars.

With the following committee amendment:

Page 1, line 9, after the word "burglars" insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The amendment was agreed to.

The Clerk read as follows:

Amendment offered by Mr. ZIONCHECK: In line 5, on page 1, strike out "$374.02" and insert in lieu thereof "$200."

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MICHAEL BELLO

The Clerk called the next bill, S. 1516, for the relief of Michael Bello.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay Michael Bello, as administrator of John Bello, out of any money in the Treasury not otherwise appropriated, the sum of $5,000 in full settlement of all claims against the Government for injuries resulting in the death of the said John Bello when he was struck by a United States Army truck from Fort Tilden, Borough of Queens, New York City, operated by a private in the United States Army attached to the Seventh Company United States Coast Artillery Corps. Said accident occurred on February 4, 1932, while the deceased was riding a bicycle in a southwesterly direction along Cryders Lane, Whitestone, Borough of Queens, New York City, and the United States Army truck was making a left turn into Cryders Lane from Fifteenth Avenue, Whitestone, Borough of Queens, New York City.

With the following committee amendment:

Page 2, line 7, after the word "city", insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HEIRS OF JAMES TAYLOR

The Clerk called the next bill, H.R. 7543, to compensate the heirs of James Taylor, a deceased Cherokee Indian, for all their title, interest, or claim to certain lands in the State of North Carolina, now held by the United States as a part of the forest reserve, and for other purposes.

The SPEAKER pro tempore. Is there objection?

Mr. BLANTON. Mr. Speaker, reserving the right to object, this involves $389,000. That is a large sum. I object.

Mr. HOPE. Mr. Speaker, I object.

BILL PASSED OVER

The Clerk called the next bill, H.R. 8448, for the relief of N. Lester Troast.

Mr. BLANTON. Mr. Speaker, reserving the right to object, this is the bill of my colleague, Mr. WEIDEMAN. The gentleman could not be here tonight. I ask unanimous consent that this be passed over without prejudice.

The SPEAKER pro tempore. The gentleman means it is to be at the head of the calendar?

Mr. BLANTON. Yes. It is to follow the ones that are under special order.

Mr. HOPE. Well, I object to that. I have no objection to the bill's being passed over. I shall object to its being made a special order for the next call of the calendar.

Mr. BLANTON. It would serve no purpose to pass it over unless it were to be placed at the foot of the special orders. It is just to give the gentleman from Michigan [Mr. WEIDEMAN] an opportunity to be here.

The SPEAKER pro tempore. Without objection the bill will go over without prejudice to the next call of the Private Calendar.

There was no objection.

N. LESTER TROAST

The Clerk called the next bill, H.R. 8448, for the relief of N. Lester Troast.

The SPEAKER pro tempore. Without objection a similar Senate bill will be substituted for the House bill.

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $144.28 to N. Lester Troast, of Juneau, Alaska, in full settlement of expenses incurred by him under official orders in connection with the use of his personally owned automobile on official business at Wrangell, Alaska, while supervising the construction of an Indian boarding school at that place.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider and a similar House bill were laid on the table.

LAURA B. CRAMPTON

The Clerk called the next bill, H.R. 452, for the relief of Laura B. Crampton.

Mr. BROWN of Kentucky. Mr. Speaker, reserving the right to object, may I have an explanation of the bill? I see nothing in the bill limiting the amount or saying anything about the amount that is asked for.

Mr. CARTER of California. The bill merely allows the claimant to present her case to the United States Compensation Commission.

Mr. BROWN of Kentucky. Is not this a case where the statute of limitations has run and it is desired to lift the bar of the statute?

Mr. CARTER of California. I may say to the gentleman from Kentucky that the report shows that an application was made to but never received by the Employees' Compensation Commission. The claimant states she mailed an application. According to the report, the doctor verifies this statement of the claimant and states that an application was sent to the United States Employees' Compensation Commission. Evidently it was not received by the Commission.

Mr. HOPE. Mr. Speaker, may I say to the gentleman from Kentucky that we have passed a great many similar bills, not only at this session but also at previous sessions. The bill merely permits the United States Employees' Compensation Commission to adjudicate the claim.

There being no objection the Clerk read the bill as follows:

Be it enacted, etc., That the United States Employees' Compensation Commission be, and is hereby, given jurisdiction to hear and determine the claim of Laura B. Crampton for compensation for an injury sustained in July 1924, said claim having been made out within 1 year from the time of injury and through some error failing to receive the attention of the Commission.

With the following committee amendment:

Page 1, line 4, after the word "Commission" strike out the balance of line 4 and all of lines 5, 6, 7, 8, and 9, and insert in lieu thereof the following: "is hereby authorized to consider and determine, in the same manner and to the same extent as if application for the benefits of the Employees' Compensation Act had been made within the 1-year period required by sections 17 and 20 thereof, the claim of Laura B. Crampton, on account of injuries alleged to have been sustained by her employment in the service of the United States as an oral hygienist at the United States Veterans' Administration Hospital at San Fernando, Calif.: *Provided*, That she shall file notice of such injury and claim for compensation therefor not later than 60 days from the enactment of this act: *And provided further*, That no benefits shall accrue prior to the enactment of this act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM BROOKS SORSBY

The Clerk called the next bill, H.R. 7788, for the relief of William Brooks Sorsby.

Mr. McREYNOLDS. Mr. Speaker, I ask unanimous consent that this bill be referred to the Committee on Foreign Affairs. It got on this calendar by mistake.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

LUCY STEWART

The Clerk called the next bill, H.R. 8589, for the relief of Lucy Stewart.

The SPEAKER pro tempore. Without objection a similar Senate bill will be substituted for this House bill.

There was no objection.

The Clerk read the Senate bill as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Lucy Cobb Stewart, widow of Nathaniel B. Stewart, late consul general at Barcelona, the sum of $9,000, such sum representing 1 year's salary of her deceased husband, who died while at his post of duty.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider and a similar House bill were laid on the table.

DEPARTMENT OF COMMERCE

The Clerk called the next bill, H.R. 6622, authorizing the Secretary of Commerce to lease certain Government land at Woods Hole, Mass.

Mr. McFARLANE. Mr. Speaker, reserving the right to object, may the bill be explained to us?

Mr. BLANCHARD. Mr. Speaker, the author of the bill is absent because of a slight indisposition, but at his request I shall try to answer any questions that may be asked, and I think perhaps I can on a bill of this character, although I would not attempt it for anyone else.

Mr. McFARLANE. What does the bill provide?

Mr. BLANCHARD. The bill provides that the Government may lease the property.

Mr. McFARLANE. How much money is involved?

Mr. BLANCHARD. I would not attempt to answer that, but it is to be assumed that the lease will be made on whatever terms are deemed fair to the Government and to the private interests concerned. It is a bill providing for the lease of property the Government is not now using. The Government activity at this point desires to get away from the congested conditions around the Coast Guard station and the Bureau of Fisheries.

Mr. McFARLANE. Does the Department of Commerce want it?

Mr. BLANCHARD. Yes; it is recommended by the Department. I think it is perfectly safe to pass the bill. It is to be used by the yacht club. One of the purposes of the bill is to relieve the congested conditions about the fisheries station and likewise the Coast Guard station as a result of the yachts being around these stations.

There being no objection the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of Commerce be, and he hereby is, authorized and directed to lease—for such period and on such terms as the Secretary shall deem advisable—to the Woods Hole Yacht Club, Inc., of Woods Hole, Mass., that portion of the land owned by the United States Government, at Penzance Point, or Long Neck, Woods Hole, bounded and described as follows, namely: Side A, from boundary mark in direction 224°14'45" true, a distance of 90 feet, which comes to high-water mark; side B, from boundary mark in direction 111°14'45" true, a distance of 215 feet; side C, from easterly end of side B in direction 190°29'15" true, a distance of 74 feet, which comes to the high-water mark; side D, from the southerly end of side C in a westerly direction along the irregular high-water line to the southerly end of side A and including the rocks lying offshore: *Provided, however*, That the Secretary shall not execute such lease unless and until all persons who have any interest in said premises under the provisions of the deed of gift conveying to the United States the land of which said parcel is a part, and any act relating to the conveyance of such premises to the United States, shall have waived and released for the term of such lease all their right, title, and interest therein, and shall consent that the said lease shall not operate to divest the United States of the title to said property or any part thereof.

With the following committee amendment:

Page 2, line 19, after the word "therein", strike out the period, insert a comma, and add: "and shall consent that the said lease shall not operate to divest the United States of the title to said property or any part thereof."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GEORGE A. CARDEN AND ANDERSON T. HERD

The Clerk called the next bill, H.R. 8482, conferring jurisdiction upon the Court of Claims of the United States to hear, consider, and render judgment on certain claims of George A. Carden and Anderson T. Herd.

Mr. BROWN of Kentucky. Mr. Speaker, I object.

Mr. GREGORY. Will the gentleman withhold his objection?

Mr. BROWN of Kentucky. I withhold my objection.

Mr. GREGORY. I hope the gentleman will withdraw his objection to this bill. It is one involving a debt which the United States owes to some of its citizens.

The facts in this case are that George A. Carden and Anderson T. Herd bought a number of Austrian ships, which were used as merchant ships before our declaration of war against Germany and Austria. After the United States entered the war they found a need for these ships. In the meantime Carden and Herd had sold these ships to a syndicate at a profit of something like six or seven hundred thousand dollars. The President requested that these ships be taken over by the United States. If the Government had to acquire them by going into court and bringing suit, it would have cost the Government many thousands of dollars.

Carden and Herd relinquished their right to sell these ships to the syndicate with the express understanding that they should have the right to operate them as other merchant ships were operated throughout the country. They had no means whatever of getting any recompense for the loss of their contract which they had with the Government.

Mr. BROWN of Kentucky. Mr. Speaker, reserving the right to object. This claim, it is stated by the report, grew out of the war period around 1917. My reason for objecting, in the absence of an explanation, was simply the fact that if we start resurrecting claims against the Government as far back as 1917, pretty soon we will be going back to the Civil War and then to the Revolutionary War. But out of respect for the opinion of my colleague from Kentucky, I withdraw my objection.

Mr. HOPE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

CHARLESTOWN SAND & STONE CO.

The Clerk called the next bill, S. 2790, for the relief of the Charlestown Sand & Stone Co., of Elkton, Md.

Mr. BLANTON. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

Mr. GOLDSBOROUGH. Will the gentleman withhold that for a moment?

Mr. BLANTON. I withhold my request.

Mr. GOLDSBOROUGH. This is a bill we have been considering for a great many years, and I hope the gentleman will reconsider and allow this bill to be taken up at this time.

Mr. BLANTON. The Department does not make a favorable report on the bill.

Mr. GOLDSBOROUGH. They do not make a report either way. May I make an explanation?

Mr. BLANTON. This bill involves $12,000.

Mr. GOLDSBOROUGH. This company has been 15 years getting compensation for the destruction of its property by the Government, to my personal knowledge.

Mr. BLANTON. Does the gentleman know this bill is a just one against the Government?

Mr. GOLDSBOROUGH. Yes.

Mr. BLANTON. The gentleman knows that of his own knowledge?

Mr. GOLDSBOROUGH. I have personal knowledge of that fact.

Mr. BLANTON. Mr. Speaker, I withdraw my request and reservation of objection.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to the Charlestown Sand and Stone Co., of Elkton, Md., out of any money in the Treasury not otherwise appropriated, the sum of $12,385.99 in full settlement of the additional freight charges incurred by said company in the fulfillment of the requirements of the United States engineer office under the contract of August 23, 1917, for furnishing and delivering cement, sand, and gravel (or broken stone) to Fort Saulsbury, Del., for the construction of gun and mortar batteries.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHEROKEE INDIANS

The Clerk called the next bill, H.R. 6275, authorizing and directing that 5 percent of any amount or amounts appropriated to pay claims of the Cherokee Indians against the United States be paid to Frank J. Boudinot, his heirs or personal representatives, in full for his services and expenses for and on behalf of said Indians prior to July 19, 1923, and for other purposes.

Mr. HANCOCK of New York. Mr. Speaker, I object.

Mr. HASTINGS. Will the gentleman withhold his objection?

Mr. HANCOCK of New York. I will be glad to withhold my objection.

Mr. HASTINGS. I feel sure I can explain this bill satisfactorily to the gentleman. Not a dollar comes out of the Treasury.

There used to be a Cherokee Government prior to 1898. When the Curtis bill was passed June 28, 1898, it practically destroyed that government. Frank J. Boudinot represented the Cherokee Indians from that time on up until the jurisdictional bill was passed after I came to Congress on March 19, 1924.

This bill has been entirely rewritten. This bill refers the matter to the Court of Claims and permits the Court of Claims to determine the value of these services to be paid out of the amount the Cherokees may recover. None of this money comes out of the Treasury of the United States. If the Court of Claims decides in favor of the Cherokees, and renders judgment in their favor the court will then ascertain the amount that Boudinot ought to be paid for looking after and keeping these claims alive for 25 or 30 years and in finally securing the passage of the jurisdictional bill on March 19, 1924.

The Indians themselves have passed a resolution asking for the enactment of this bill and sent a representative to Washington and who appeared before the subcommittee in support of the bill. The bill was rewritten. It does not pay Boudinot anything, except that it allows the court, if judgment is rendered on any of the claims pending, to take into consideration his services prior to the passage of the jurisdictional bill, and to a date mentioned in the report. I am sure that if the gentleman understood the bill and the services rendered, he would have no objection.

Mr. HANCOCK of New York. As the gentleman knows, a very strong report has been written against this bill by the Secretary of the Treasury.

Mr. HASTINGS. I may say, and I do this upon my own responsibility, that since this bill has been rewritten, the Bureau of Indian Affairs has no objection to the bill. I am authorized to say that, and I do make that statement as I have been so advised by the Indian Bureau representative.

Mr. HANCOCK of New York. The statement is made, and I noted this particularly, that this man Boudinot has been paid in full for all services rendered by him to the Cherokee Nation.

Mr. HASTINGS. That is a mistake.

Mr. HANCOCK of New York. He claims compensation for some excellent work done by the gentleman from Oklahoma.

Mr. HASTINGS. I know the circumstances in connection with these services. I know that Frank Boudinot has given his entire time for 25 or 30 years to keeping these claims alive.

I know it is due to his efforts from 1898 up to the time I secured the passage of the original jurisdiction bill through Congress that the claims were kept alive and during this time he came each year to Washington.

This bill does not pay him any money. Let me emphasize that to the gentleman. There is a Senate bill that is identical with the reported House bill. It does not pay him any money direct, but it allows the court, if these Indians secure a judgment, to take into consideration his services prior to the date of the passage of the jurisdictional bill and pay him what these services are reasonably worth.

Mr. HANCOCK of New York. The gentleman does not believe that the payment of $21,502 was adequate compensation?

Mr. HASTINGS. That was only an advancement and if he is paid, that will be adjusted.

Mr. HANCOCK of New York. It is possible under this bill for this gentleman to receive a fee of $1,000,000 at the expense of the Cherokee Nation.

Mr. HASTINGS. No; under the reported bill it goes to the court, as the gentleman from Wisconsin [Mr. PEAVEY] and other members of the House Indian Affairs Committee will agree, and the Senate bill, which is identical with the

reported House bill, allows the Court of Claims to take his services for this length of time into consideration and render a judgment for whatever they think his services were worth, and not a dollar comes out of the Federal Treasury.

Mr. HANCOCK of New York. It comes out of the Cherokee Nation.

Mr. HASTINGS. It comes out of any judgment that may be found due the Cherokee Indians, and they recommend the passage of the bill.

Mr. HANCOCK of New York. The gentleman is from the Cherokee Nation and is far more interested in the Cherokee Indians than I am, and I therefore take his word for it.

Mr. HASTINGS. I can vouch for the statements I have made.

The SPEAKER pro tempore. Without objection, the Clerk will report a similar Senate bill.

There being no objection, the Clerk read the Senate bill (S. 3117) as follows:

Be it enacted, etc., That in compliance with request of the Cherokee Indians upon final determination by the Court of Claims of any suit or suits against the United States by the said Indians, sometimes known as the "Cherokee Nation", or by any class, classes, or bands thereof, commenced and prosecuted under the authority of the acts of Congress approved March 19, 1924 (43 Stat.L. 27), and/or April 25, 1932 (47 Stat.L. 137), and in the event judgment or judgments shall be rendered in favor of said Indians, or any of them, the said Court of Claims is hereby authorized and directed to include in its decrees allowances to Frank J. Boudinot, a member of the Cherokee Tribe of Indians, who has for many years been active in pressing the claims of the Cherokees against the United States by their request and direction and at his own expense, or to his heirs, personal representatives, or assigns, a reasonable percentage, not to exceed 5 percent, of such recoveries: *Provided*, That such allowances to said Frank J. Boudinot shall be in addition to any and all fees and expenses authorized by said acts of Congress of March 19, 1924, and April 25, 1932; and this act shall not be construed to affect in any way the contracts with attorneys entered into thereunder.

The SPEAKER pro tempore. Does the gentleman desire the committee amendment to the House bill added to the Senate bill?

Mr. HASTINGS. Mr. Speaker, the Senate bill is identical with the reported House bill.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL FEDERATION OF WOMEN'S CLUBS

The Clerk called the next bill, S. 2696, to amend an act entitled "An act granting a charter to the General Federation of Women's Clubs."

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That sections 2 and 4 of the act entitled "An act granting a charter to the General Federation of Women's Clubs", approved March 3, 1901, as amended by an act approved April 28, 1904, be, and the same are hereby, amended to read as follows:

"SEC. 2. That the said corporation is authorized to acquire, by devise, bequest, or otherwise, hold, purchase, and convey such real and personal estate as shall or may be required for the purpose of its incorporation not exceeding $1,500,000, with authority in said corporation, should it be by it deemed necessary so to do, to mortgage or otherwise encumber the real estate which it may hereafter own or acquire and may give therefor such evidences of indebtedness as such corporation may decide upon."

"SEC. 4. That said corporation be, and it is hereby, authorized to hold its meetings at such places outside of Washington, in the District of Columbia, as it from time to time may deem best."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PRINTZ-BIEDERMAN CO., CLEVELAND, OHIO

The Clerk called the next bill, H.R. 5020, to pay the Printz-Biederman Co., of Cleveland, Ohio, the sum of $741.40, money paid as duty on merchandise imported under section 308 of the Tariff Act.

Mr. BROWN of Kentucky. Mr. Speaker, I object.

JOE G. BAKER

The Clerk called the next bill, H.R. 5109, for the relief of Joe G. Baker.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding the provisions and limitations of sections 17 to 20, both inclusive, of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 17, 1916, as amended, the United States Employees' Compensation Commission is hereby authorized and directed to receive and consider, when filed, the claim of Joe G. Baker, of Gas City, Ind., for disability incurred by him on the 6th day of August 1931 while in the employment of the Veterans' Administration Hospital at Marion, Ind., and to determine said claim upon its merits: *Provided*, That no benefits shall accrue prior to the enactment of this act.

With the following committee amendment:

Page 2, line 1, after the word "disability" insert the words "alleged to have been."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DALLAS COUNTY CHAPTER OF THE AMERICAN RED CROSS

The Clerk called the next bill, H.R. 7953, for the relief of the Dallas County Chapter of the American Red Cross.

Mr. BLANTON. Mr. Speaker, the Veterans' Administration claims that this was a case of pure negligence, and recommends against the allowance of the bill, and I object.

Mr. SUMNERS of Texas. Will the gentleman reserve his objection for a moment?

Mr. BLANTON. Yes; but as a prelude to what the gentleman will say, let me show you what General Hines has reported.

This is Gen. Frank T. Hines, who has been the Administrator of Veterans' Affairs for some years. He says:

Therefore it is not believed that the Government should be held responsible for this negligence on their part. Favorable consideration of this proposed measure on the part of the committee is not recommended.

I should like to favor my colleague and withdraw my objection, but I feel that I should object.

Mr. SUMNERS of Texas. I do not ask the gentleman to withdraw it, but to let me make a statement.

Mr. BLANTON. But when the Department makes an adverse recommendation like this I feel it is my duty to object, but I shall reserve the objection.

Mr. SUMNERS of Texas. I can quite appreciate the force of the gentleman's reasons for objecting. The committee investigating the matter arrived at a different conclusion from General Hines.

These are briefly the facts. I want to state the facts, and then the gentleman from Texas can exercise his own judgment.

A colored soldier was in the hospital at Tuskegee, Ala. While in that hospital, the Dallas Red Cross was contacted. The question is whether the Red Cross was negligent or not.

After the hospital had contacted the Dallas Red Cross in regard to this soldier, the Dallas Red Cross got in contact with the former employer of this soldier. Later on the soldier died and the Red Cross of Dallas was advised of that fact and was asked to attempt to locate the sister of this dead soldier.

The Dallas Red Cross attempted so to do but was unsuccessful.

Later on a man and a woman appeared at the Dallas chapter with a communication from the Veterans' Bureau addressed to the sister of the deceased soldier. This woman claimed to be a sister of the deceased soldier. She asked their assistance in filling out the blank, and the Dallas Red Cross assisted her in filling out the blank.

Later on she appeared with the warrant, or whatever you call it, and the Red Cross endorsed the warrant and aided her in getting the money.

Now, I submit to my colleague that the institution performing this action used due diligence. They were asked to locate the sister of the soldier, and they attempted to do it.

Mr. BLANTON. I want to ask the gentleman some questions, but he is so shrewd I fear his answers may overpower me.

Mr. SUMNERS of Texas. Do not destroy the witness.

Mr. BLANTON. The Red Cross assisted this woman in getting the money. Where did they get the check?

Mr. SUMNERS of Texas. The colored woman got the check.

Mr. BLANTON. This colored woman brought the check there and the Red Cross identified her as the proper payee, when she was not, and endorsed it, and she got the Government money on that check. Suppose a bank had done that. Would not you say that the bank was responsible?

Mr. SUMNERS of Texas. Does the gentleman want me to reply to that?

Mr. BLANTON. When a bank identifies the gentleman and myself and cashes checks for us, it is responsible to the bank on which those checks are drawn for our proper identification.

Mr. SUMNERS of Texas. I shall take up just 1 minute more.

The SPEAKER pro tempore. The gentleman has already consumed 5 minutes.

Mr. BLANTON. However much I regret to do it, Mr. Speaker, I am forced to object. I object.

WILLIAM THOMAS

The Clerk called the next bill, H.R. 8587, to extend the benefit of the Employees' Compensation Act of September 7, 1916, to William Thomas.

The SPEAKER pro tempore. Is there objection?

Mr. HANCOCK of New York. Mr. Speaker, I reserve the right to object. I have two amendments which I think are in line with the practice here which I would want to have accepted before I would not object. I want to have the words "alleged to have been" after the word "injuries", in line 7, page 1 of the bill and before the word "sustained", and to add at the end of the bill the proviso that no benefits shall accrue by reason of the enactment of this act.

Mr. BURKE of Nebraska. Of course, it is proper to have the first one inserted.

Mr. HANCOCK of New York. I should like to have the other proviso inserted.

Mr. BURKE of Nebraska. That is rather objectionable.

Mr. HANCOCK of New York. It is our universal practice.

Mr. BURKE of Nebraska. Naturally I shall accept it if I have to.

Mr. HANCOCK of New York. I shall have to insist upon it.

The SPEAKER pro tempore. Is there objection?

Mr. BLANTON. Mr. Speaker, the Department recommends adversely against this, does it not?

Mr. BURKE of Nebraska. I think not. You will not find an adverse report, but merely there was no complaint made to the Quartermaster Corps. The sergeant in charge of this man, who employed him and was present at the time the accident occurred, swears to the fact. The Department says that it does not know anything about it.

Mr. BLANTON. Here is what the Department says about this bill:

In view of the fact that no record has been found of the injury alleged to have been sustained by the claimant, I am unable to express a favorable opinion of the proposed legislation.

Mr. BURKE of Nebraska. That is not an adverse opinion; and we produced evidence, and we produced this injured man, who appeared before the committee himself.

Mr. BLANTON. The committee sent this bill up to the War Department for a favorable report, if they could get it. The War Department investigated, and it says, "We are unable to express a favorable opinion of the proposed legislation." I take it that that is a polite way of making an unfavorable report.

Mr. BURKE of Nebraska. All that the War Department says is this: "We have examined our records and we do not find any record that this accident was reported." And, to overcome that, we produced the evidence of the sergeant who was in charge of the man, who was present at the time of the accident when this short circuit knocked this man 6 feet and injured him, and we produced the man himself, and he came before the committee.

Mr. BLANTON. I happen to know, because I have investigated lots of such cases, that when there is an accident the first thing the War Department does is to make a complete investigation and have a complete report made of the accident. In all these papers it says it could not find any report that would show that this is a meritorious claim, and, therefore, did not give a favorable recommendation. I hate to object, but I shall have to do it.

Mr. BURKE of Nebraska. Will the gentleman reserve it?

Mr. BLANTON. Yes.

Mr. BROWN of Kentucky. Mr. Speaker, I am on the Claims Committee. When the War Department objects to a bill, they tell us about it straight out.

Mr. BLANTON. But Mr. Hurley was a little polite in this instance, and they did not tell the committee he objected to it.

Mr. BURKE of Nebraska. This was away up in North Dakota in an outlying post. The records were not adequately kept for some reason or other. We produced the sergeant in charge of the man, and we brought the man himself before the committee to testify, and they examined him as you would examine a man in court. They made this favorable report, and merely because the War Department have not given their approval of it does not mean that they disapprove of it.

The SPEAKER pro tempore. Is there objection?

Mr. BLANTON. Wait a minute, Mr. Speaker. The gentleman from Kentucky is on this committee that reported this bill?

Mr. BROWN of Kentucky. Yes.

Mr. BLANTON. The gentleman investigated this case carefully?

Mr. BROWN of Kentucky. The committee investigated it, and from the facts we thought it ought to be favorably reported in the absence of any adverse report from the War Department. We have numerous bills in which the Department reports adversely in view of the fact that they had no information on which to base an unfavorable report.

Mr. BLANTON. What justification has the gentleman for saying that the War Department always specifically recommends against the passage of a bill when they do object to it?

Mr. BROWN of Kentucky. They say it in every report they make if they have the facts.

Mr. BLANTON. Then the gentleman does not consider this an unfavorable report?

Mr. BROWN of Kentucky. No; we do not.

Mr. BLANTON. Mr. Speaker, I withdraw my objection.

The SPEAKER pro tempore. The Clerk will report the bill.

The Clerk read the bill, as follows:

Be it enacted, etc., That the United States Employees' Compensation Commission be, and it is hereby, authorized and directed to extend to William Thomas, a former civilian employee of the United States Quartermaster Corps, on account of injuries sustained by him during October 1927, while he was working in his capacity as a boilermaker at Fort Abraham Lincoln, N.Dak., the provisions of an act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916.

Mr. HANCOCK of New York. Mr. Speaker, I offer the following amendments, which I send to the desk.

The Clerk read as follows:

Amendments offered by Mr. HANCOCK of New York: Page 1, line 7, after the word "injuries", insert the words "alleged to have been", and at the end of the bill insert: *"Provided*, That no benefits shall accrue by reason of the enactment of this act."

The amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DALLAS COUNTY CHAPTER OF AMERICAN RED CROSS

Mr. BLANTON. Mr. Speaker, I objected to Calendar No. 590, a bill introduced by my colleague Mr. SUMNERS of Texas. It involves $541. From statements made to me by my colleague and several other Members who helped to report the bill, I withdraw my objection.

I ask unanimous consent to return to that bill, H.R. 7953, and to vacate the former action on it.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $541.33 to the Dallas County Chapter of the American Red Cross as reimbursement of amount paid by virtue of their endorsement of Government check erroneously issued to one Fannie Hilliard.

With the following committee amendments:

Page 1, line 5, after the figures, insert: "in full settlement of all claims against the Government of the United States"; and at the end of line 10, insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LAWRENCE A. JETT

The Clerk called the next bill, H.R. 8616, for the relief of Lawrence A. Jett.

Mr. HANCOCK of New York and Mr. BROWN of Kentucky objected.

MICK C. COOPER

The Clerk called the next bill, S. 90, for the relief of Mick C. Cooper.

Mr. BROWN of Kentucky. Mr. Speaker, I object.

HARRY HARSIN

The Clerk called the next bill, S. 176, for the relief of Harry Harsin.

Mr. BLANTON. Mr. Speaker, this is another one of these $28,000 losses in a post office, and while I feel that many of these losses occur through negligence, and carelessness, and indifference on the part of postmasters and postal employees, in view of the fact the Department recommends the passage of this bill, I shall not object.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit Harry Harsin, postmaster at Asbury Park, N.J., in his accounts, with the sum of $28,022, the amount of money and postage stamps lost in the burglary of the post office at Asbury Park, N.J., on July 6, 1929.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMERICAN BONDING CO. OF BALTIMORE

The Clerk called the next bill, S. 252, for the relief of the American Bonding Co. of Baltimore.

Mr. McFARLANE. Reserving the right to object, I should like to have this bill explained.

The SPEAKER pro tempore. It is a Senate bill.

Mr. McFARLANE. That does not make any difference.

Mr. SUTPHIN. The gentleman should read the report.

Mr. McFARLANE. I do not have it.

The SPEAKER pro tempore. Is there objection?

Mr. McFARLANE. I object.

FRED H. COTTER

The Clerk called the next bill, S. 254, for the relief of Fred H. Cotter.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the requirements of sections 15 to 20, both inclusive, of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended, are hereby waived in the case of Fred H. Cotter, of Portland, Oreg., formerly employed by the Bureau of Public Roads, Department of Agriculture, who is alleged to have contracted disease on November 17, 1929, while in the performance of his duties as such employee, and the United States Employees' Compensation Commission is authorized and directed to consider and act upon any claim filed by him under the provisions of such act, as amended, within 1 year after the date of enactment of this act, for compensation for disability resulting from such disease; but compensation, if any, shall be paid from and after the date of enactment of this act. Such payments of compensation shall be made out of funds heretofore or hereafter appropriated for the payment of awards under the provisions of such act, as amended.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EDITH N. LINDQUIST

The Clerk called the next bill, S. 413, for the relief of Edith N. Lindquist.

Mr. BROWN of Kentucky. Mr. Speaker, I object.

LUECO R. GOOCH

The Clerk called the next bill, S. 1077, for the relief of Lueco R. Gooch.

There being no objection the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Lueco R. Gooch, of Henderson, N.C., out of any money in the Treasury not otherwise appropriated, the sum of $516.28, in full satisfaction of all claims against the United States on account of expenditures made by him in the medical treatment of his son, Lueco R. Gooch, Jr., private, Company C, One Hundred and Twentieth Infantry, North Carolina National Guard, who was injured in the line of duty on July 16, 1929, at Camp Glenn, N.C., during the field-training period July 7 to July 21, 1929.

With the following committee amendment:

Page 2, line 3, at the end of the line insert the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WHITE BROS. & CO.

The Clerk called the next bill, S. 1088, authorizing adjustment of the claim of White Bros. & Co.

Mr. McFARLANE. Mr. Speaker, I object.

MARION VON BRUNING

The Clerk called the next bill, S. 1731, for the relief of Marion Von Bruning (nee Marion Hubbard Treat).

Mr. BROWN of Kentucky. Mr. Speaker, I object.

Mr. GOSS. Reserving the right to object, will the gentleman state what his objection is?

Mr. BROWN of Kentucky. The Alien Property Custodian took over custody of this property, and during the time he had that they are asking him to pay rent on it. If you are

going to do this, it seems to me the Government will be liable to every alien whose property was seized during the war.

Mr. GOSS. Of course, here is due process by law now, under the Alien Property Custodian, as carried each year in the independent offices appropriation bill. From this year on that is all being handled by the Department of Justice. There is no other way that people can get any relief.

Mr. HOPE. Will the gentleman yield?

Mr. BROWN of Kentucky. I yield.

Mr. HOPE. In this case, if the gentleman will note in reading the report, the Alien Property Custodian himself asked Congress at one time to appropriate the money to pay this rent. There does not seem to have been any question as to the liability of the Government for the rent. It occupied the property and did pay rent for a period of 9 months.

Mr. GOSS. There is no chance to have private lawyers in these cases any more, inasmuch as it has all been turned over to the Department of Justice.

The SPEAKER pro tempore. Is there objection to the consideration of the bill?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $1,900 to Marion Von Bruning (nee Marion Hubbard Treat), in full settlement of all claims against the Government for balance due her for rent for the use and occupation of the premises known as no. 1758 N Street NW., city of Washington, District of Columbia, as offices by the Alien Property Custodian for the period from July 1, 1918, to December 17, 1920.

With the following committee amendment:

Page 2, line 2, after the figures, insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill as amended was ordered to be read a third time, was read a third time, and passed, and a motion to reconsider was laid on the table.

ESTELLE JOHNSON

The Clerk called the next bill, S. 1994, for the relief of Estelle Johnson.

There being no objection, the Clerk read the Senate bill as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to redeem in favor of Estelle Johnson, 3¾ percent United States Treasury certificate of indebtedness, series A–1933, no. 1798, in the denomination of $500, issued February 1, 1932, matured February 1, 1933, without interest and without presentation of said certificate, which is alleged to have been lost or destroyed: *Provided*, That the said certificate of indebtedness shall not have been previously presented and paid: *And provided further*, That the said Estelle Johnson shall first file in the Treasury Department a bond in the penal sum of double the amount of the principal of said certificate of indebtedness in such form and with such corporate surety as may be acceptable to the Secretary of the Treasury to indemnify and save harmless the United States from any loss on account of the certificate of indebtedness hereinbefore described.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CLAUDIA L. POLSKI

The Clerk called the next bill, S. 2023, for the relief of Claudia L. Polski.

There being no objection, the Clerk read the Senate bill as follows:

Be it enacted, etc., That the requirements of sections 17 and 20 of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties", approved September 7, 1916, as amended, are hereby waived in favor of Claudia L. Polski, formerly a nurse in the United States Public Health Service, and the United States Employees' Compensation Commission is authorized and directed to consider and act upon any claim made by her for compensation for injury suffered in the performance of her duties as such nurse under the other provisions of such act as amended.

With the following committee amendments:

Page 1, line 11, after the word "injury", insert "alleged to have been."

At the end of line 2, page 2, insert a colon and the following: "*Provided*, That no benefits shall accrue prior to the enactment of this act."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHARLES J. WEBB SONS CO., INC.

The Clerk called the next bill, S. 2138, for the relief of Charles J. Webb Sons Co., Inc.

Mr. BROWN of Kentucky. Mr. Speaker, reserving the right to object, what does this bill involve?

Mr. BLANTON. It involves $18,648 for money that was paid in to the Government as a settlement. This is an attempt to get it back, and I doubt very seriously whether it ought to be paid by the Government.

Mr. BROWN of Kentucky. That is my doubt also.

Mr. BLANCHARD. Mr. Speaker, is this a jurisdictional bill?

Mr. BLANTON. No; it provides for a payment right out of the Treasury.

Mr. BROWN of Kentucky. Mr. Speaker, I object.

T. BROOKS ALFORD

Mr. HOPE. Mr. Speaker, I ask unanimous consent to return to Calendar No. 452, the bill (H.R.5543) for the relief of T. Brooks Alford.

In explanation I may say that I objected to this bill at the previous call of the Private Calendar. So far as I know, there was no other objection. After giving further study to the bill I think perhaps the claimant is entitled to something; but not as much as the bill asks.

Mr. BLANTON. What does the gentleman propose to do about it?

Mr. HOPE. Compromise across the table.

Mr. BLANTON. With whom is the gentleman proposing to compromise across the table?

Mr. HOPE. I am not compromising with anybody.

Mr. BLANTON. How much does the gentleman propose to reduce the bill?

Mr. HOPE. I suggest an amendment reducing the amount from $4,000 to $2,000, which I think will adequately compensate the claimant.

Mr. BLANTON. With that reduction made, I have no objection to its passage.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to T. Brooks Alford, of Charleston, S.C., the sum of $4,000, such sum to constitute reimbursement of the said T. Brooks Alford on account of money expended by him from his personal funds, and losses of personal property sustained by him, incident to and as a result of his services as a consular officer of the Department of State in Russia during the World War.

With the following committee amendment:

Page 2, line 2, after the word "War", insert the following: "*Provided*, That no part of the amount appropriated in this act

in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

Mr. HOPE. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Hope: Page 1, line 6, strike out "$4,000" and insert "$2,000."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A. E. SHELLEY

The Clerk called the next bill, S. 2377, for the relief of A. E. Shelley.

There being no objection the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he hereby is, authorized and directed to pay to A. E. Shelley, of Heber, Ariz., out of any money in the Treasury not otherwise appropriated, the sum of $691.20 in full satisfaction of his claim against the United States for damages on account of injuries sustained on April 6, 1931, which resulted from running into a United States Forest Service telephone wire near Heber, Ariz., which had been negligently left partially down by employees of such Service.

With the following committee amendment:

Page 1, line 11, after the word "Service", insert the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COHEN, GOLDMAN & CO., INC.

The Clerk called the next bill, S. 2554, for the relief of Cohen, Goldman & Co., Inc.

Mr. BROWN of Kentucky. Mr. Speaker, I object.

Mr. PEYSER. Mr. Speaker, will not the gentleman withhold his objection?

Mr. BROWN of Kentucky. Mr. Speaker, I reserve my objection to permit the gentleman to make an explanation of the bill.

Mr. PEYSER. Mr. Speaker, this is a Senate bill which provides for the payment of an amount awarded by the Court of Claims, but the statute of limitations has run. The report shows that this man was buffeted around from one department to another. There is no question as to the amount, for the Court of Claims has granted it. The Senate has passed the bill. I feel sure if the gentleman will study the report he will withdraw his objection.

Mr. BROWN of Kentucky. I have not had an opportunity to study the report.

Mr. PEYSER. That is the situation.

Mr. BLANTON. This bill calls for the payment of $19,030 out of the Treasury of the United States.

Mr. BROWN of Kentucky. The amount involved is of no consequence with me, for if the Government is morally obligated to pay $1,000,000 it should pay it just as much as though it were only $1. What I am wondering is whether this is a case where the claimants slept on their rights and allowed the statute of limitations to run, and whether we should revive the claim if they have done that.

Mr. PEYSER. They did not sleep on their rights. There was a counterclaim involved in the case, and in the negotiations involving the claim and the counterclaim the statute of limitations ran by a few days only. The Senate has considered the claim and passed the bill. I have both the Senate report and the House report. The gentleman is a member of the Committee on Claims but I do not know whether he was present at the time this bill was presented.

Mr. BLANTON. Mr. Speaker, this is a bill to which I have been objecting for a long time. I have adverse reports on it.

Mr. Speaker, I object.

CLAUDE A. BROWN AND RUTH M'CURRY BROWN

The Clerk called the next bill, S. 2750, for the relief of Claude A. Brown and Ruth McCurry Brown, natural guardians of Mamie Ruth Brown.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to redeem, in favor of Claude A. Brown and Ruth McCurry Brown, natural guardians of Mamie Ruth Brown, 3½ percent United States Treasury note, series A–1930–32, no. A–oo,018,061, in the denomination of $1,000, issued March 15, 1927, called for redemption March 15, 1931, matured March 15, 1932, without interest and without presentation of said note, which is alleged to have been destroyed: *Provided*, That the said note shall not have been previously presented: *And provided further*, That the said Claude A. Brown and Ruth McCurry Brown shall first file in the Treasury Department a bond in the penal sum of double the amount of the principal of the said note, in such form and with such corporate surety as may be acceptable to the Secretary of the Treasury to indemnify and save harmless the United States from any loss on account of the note hereinbefore described.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

M'NEILL-ALLMAN CONSTRUCTION CO., ET AL.

The Clerk called the next bill, H.R. 5668, authorizing the relief of the McNeill-Allman Construction Co., Inc., of W. E. McNeill, Lee Allman, and John Allman, stockholders of the McNeill-Allman Construction Co., Inc., and W. E. McNeill, dissolution agent of McNeill-Allman Construction Co., to sue in the United States Court of Claims.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That jurisdiction be, and it is hereby, conferred upon the Court of Claims, with right of appeal to the Supreme Court of the United States by either party, to hear, examine, and adjudicate and render judgment upon the claim of McNeill-Allman Construction Co., Inc., of W. E. McNeill, Lee Allman, and John Allman, stockholders of the McNeill-Allman Construction Co., Inc., and W. E. McNeill, dissolution agent of McNeill-Allman Construction Co., for a refund of internal-revenue income and excess-profits taxes paid by said McNeill-Allman Construction Co., Inc., to the collector of internal revenue for the internal-revenue district of North Carolina in the sum of $4,320 for the fiscal year ending May 31, 1922, said Court of Claims being hereby granted jurisdiction to hear and determine the merits of said claim without regard to any statutory limitations with respect to the allowance of a refund thereof should the same be found by said court to be legally or equitably due or refundable, such statute of limitation being hereby expressly waived.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DR. A. W. PEARSON AND PEABODY HOSPITAL

The Clerk called the next bill, H.R. 7121, authorizing the Secretary of the Treasury to pay Dr. A. W. Pearson, of Peever, S.Dak., and the Peabody Hospital, at Webster, S.Dak., for medical services and supplies furnished to Indians.

Mr. HOPE. Mr. Speaker, reserving the right to object, may I ask the author of this bill a question? The bill states that this shall be in full settlement of all claims and waives all claims and liens which these parties hold against

the Indians' property. Is it a fact that these Indians have some property which is subject to payment of these claims?

Mr. HILDEBRANDT. No. The bill was amended from covering nonward Indians to indigent Indians. These patients are only the emergency cases and involve a long list of such cases.

Mr. HOPE. Have these Indians any resources at all?

Mr. HILDEBRANDT. They have no property whatever.

Mr. HOPE. There are no funds from which these claims can be paid?

Mr. HILDEBRANDT. No.

Mr. HOPE. Does the gentleman think this is a fair and reasonable charge for the services performed?

Mr. HILDEBRANDT. I do, because of the fact, in the first place the bill was much larger than it is now. This bill has been cut down to the emergency cases only. No ordinary medical cases are incorporated in this bill.

Mr. HOPE. The gentleman has no objection to the usual attorney's fee amendment, limiting the amount which may be paid for attorney's fees?

Mr. HILDEBRANDT. I have no objection to such an amendment.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $4,764.40 to Dr. A. W. Pearson, of Peever, S.Dak., and the sum of $11,675.97 to the Peabody Hospital, at Webster, S.Dak., or as much thereof as is necessary, in full and final settlement, waiving all liens and claims they hold against the Indians' property for medical services and supplies furnished to indigent nonward Indians of the Sisseton Agency in South Dakota during the fiscal years 1920 to 1931, inclusive, such services and supplies having been furnished with the knowledge and approval of the superintendent in charge of the said reservation.

With the following committee amendment:

On page 2, line 2, after the word "indigent", strike out the word "nonward."

The committee amendment was agreed to.

Mr. HOPE. Mr. Speaker, I offer an amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. HOPE: On page 2, line 6, after the word "reservation", strike out the period and insert a colon and add the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MORRIS SPIRT

The Clerk called the next bill, H.R. 529, for the relief of Morris Spirt.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Morris Spirt, of Waterbury, Conn., the sum of $1,500, plus interest thereon at the rate of 5 percent per annum from July 19, 1920, to the date of the enactment of this act. Such sum is the amount of a fine paid on such date into the Treasury of the United States pursuant to a plea of guilty to an indictment for violation of certain provisions of the act entitled "An act to provide further for the national security and defense by encouraging the production, conserving the supply, and controlling the distribution of food products and fuel", approved August 10, 1917 (popularly known as the "Lever Act"), prior to the declaration by the Supreme Court of the United States of the invalidity of such provisions.

With the following committee amendment:

On page 1, line 6, after the figures "$1,500", strike out the remainder of lines 6 and 7 and the words "enactment of this act" in line 8 and insert in lieu thereof the following: "in full settlement of all claims against the Government of the United States."

On page 2, after line 8, after the word "provisions", insert the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MICHAEL PETRUCELLI

The Clerk called the next bill, H.R. 1792, for the relief of Michael Petrucelli.

Mr. HOPE. Mr. Speaker, reserving the right to object, may I ask for an explanation?

Mr. MALONEY of Connecticut. The sponsor of the bill is not present. The bill was introduced by the gentleman from Connecticut [Mr. BAKEWELL], but it so happens that the claimant is a resident of my city. I am entirely familiar with the accident and the history of this case, and I am also familiar with the several people involved, among them prominent physicians in my community and neighborhood who have offered affidavits in connection with this case.

Mr. HOPE. I have no objection to some payment being made in this case, but it seems to me the evidence contained in the report does not indicate a degree of injury which would warrant a payment of $5,000.

Mr. MALONEY of Connecticut. If the gentleman will permit, I should like to point out the circumstances of the case.

Mr. HOPE. May I request the gentleman to go into the severity of the injuries, and if they are permanent or not? There is nothing in the report to indicate whether or not the injuries are permanent.

Mr. BLANCHARD. What was the total amount of the hospital and doctors' bills?

Mr. MALONEY of Connecticut. The doctors' and hospital bills amounted to approximately $1,500.

This young man was confined to the hospital for months following the accident. There was testimony presented by doctors under oath, including an outstanding physician in my own community, which showed that the young man has not recovered and that he will suffer all his life as a result of this accident. I think this is an exceedingly small amount.

Mr. HOPE. Which doctor is that?

Mr. MALONEY of Connecticut. That is Dr. Otis.

Mr. HOPE. Does Dr. Otis say that this party has suffered a permanent injury?

Mr. MALONEY of Connecticut. Yes. That is contained somewhere in the statement of Dr. Otis. I read it just a few moments ago.

Mr. HOPE. Would the gentleman have any objection to an amendment reducing the amount to $3,000?

Mr. MALONEY of Connecticut. I trust the gentleman will not ask for that reduction. Originally this party asked for $10,000 but was prevailed upon to reduce the amount because of the customary practice of Congress. His hospital bill was $1,500, and he is now being treated by a physician.

Mr. HOPE. Is the man at this time so incapacitated that he cannot perform manual labor?

Mr. MALONEY of Connecticut. I would not say he cannot perform some manual labor, but the testimony of the doctors indicates he was seriously injured.

Mr. HOPE. Is the gentleman personally acquainted with the claimant?

Mr. MALONEY of Connecticut. Yes.

Mr. HOPE. Is the gentleman willing to state on his own responsibility that he has suffered permanent injuries?

Mr. MALONEY of Connecticut. I am of that opinion, and I base that on the testimony of a physician in whom I have absolute confidence. Dr. Otis is one of the noted doctors of Connecticut.

Mr. HOPE. Mr. Speaker, I withdraw my reservation of objection.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Michael Petrucelli, of Meriden, Conn., the sum of $10,000 in full settlement of all claims against the United States for injury received on July 20, 1931, near Newington, Conn., by reason of an accident in which an airplane of the United States Army was involved.

With the following committee amendments:

Page 1, line 6, strike out "$10,000 in full payment" and insert in lieu thereof "$5,000 in full settlement."

At the end of line 10 insert a colon and the following:

"*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHARLES P. SHIPLEY SADDLERY & MERCANTILE CO.

Mr. GUYER. Mr. Speaker, I ask unanimous consent to return to Private Calendar No. 505, the bill (H.R. 4573) for the relief of Charles P. Shipley Saddlery & Mercantile Co.

The Clerk read the title of the bill.

Mr. BROWN of Kentucky. Mr. Speaker, reserving the right to object, what is this bill?

Mr. GUYER. This is a bill that reimburses a man who had a saddlery shop at Fort Funston. All of the rest of the claimants have been paid except Shipley.

Mr. BLANTON. To what extent were they cut down?

Mr. GUYER. They were cut down just like this one has been.

Mr. BLANTON. How much has this claim been cut?

Mr. GUYER. To $11,000. His claim was $17,000.

Mr. BLANTON. Let me ask my friend this question: Does he think it fair to ask to go back to bills that we have left in our offices?

Mr. GUYER. Hardly; but I was away that night on Government business and could not be here.

I am reading this testimony from the report. Mr. Kerr asked:

We want to know what would be the reaction up there in the War Department if we were to allow him (Shipley) the cost of the conduct of that business up there?

He had built a $14,000 building and made about $10,000, and they said that he had made $10,000 and therefore he comes out even.

Mr. BLANTON. Does the Department recommend the bill?

Mr. GUYER. That is what I am telling the gentleman. Major Keith represented the War Department, and Mr. Kerr asked him:

Do you think that would be the right thing to do?

Major Keith said:

As I said a moment ago, that is a matter for you gentlemen.

Mr. BLANTON. What does the Secretary of War say about it?

Mr. GUYER. Then Mr. Kerr said:

You absolutely cut him out of every cent of cost incidental to the conduct of that business there?

Major KEITH. Yes.

Mr. BLANTON. What does the Secretary of War say about it?

Mr. GUYER. He said it was previously considered by the Secretary of War, who took no favorable action.

Mr. BLANTON. You certainly have a report there from the Secretary of War.

Mr. GUYER. Yes; he states it was considered, and the former Secretary took no favorable action, and, therefore, he says that favorable action is not considered.

Mr. BLANTON. Then he recommends against it?

Mr. GUYER. Not exactly against it. He hedges a little on that, but the representative of the War Department said, "It is all right if you gentlemen say so."

Here is a man who spent $14,000 for a building, and they took his lease away.

Mr. BLANTON. Mr. Speaker, I shall interpose no objection if the gentleman will ask that this bill take its place following the special-order bills at the next call of the Private Calendar, so as to give us a chance to look over our reports in our office.

Mr. GUYER. That is fair, and I make that request.

The SPEAKER pro tempore. Without objection, the bill will be considered at the next call of the Private Calendar following the other special orders.

R. A. CHAMBERS

The Clerk called the next bill, H.R. 2671, for the relief of R. A. Chambers.

Mr. HANCOCK of New York and Mr. BROWN of Kentucky objected.

Mr. TARVER. Mr. Speaker, will both of the gentlemen reserve their objections?

Mr. HANCOCK of New York. This is too old a claim, I will say to my friend from Georgia.

Mr. TARVER. I want to find out the basis of the objection.

Of course, the gentleman from Kentucky will realize that from one standpoint, at least, this is a very meritorious case, this man having been kicked by a Kentucky mule recently transported to Georgia, which was the cause of his injury.

I realize there has been quite a lot of discussion here about going back of the act of September 7, 1916. If gentlemen have agreed on a policy by which they do not intend to permit going back of that date in any case, I have no objection to the application of the same rule to this claim as to the others; but if there are to be cases considered that originated prior to September 7, 1916, the date of the passage of the Employees' Compensation Act, then I insist this case is just as meritorious as any that might be presented of this character. Have you or have you not fixed upon a rule not to go back of September 7, 1916?

Mr. HANCOCK of New York. Yes; so far as I am concerned, every bill assigned to me asking for adjudication of claims prior to the passage of the act of 1916 has been objected to.

Mr. TARVER. And is that the policy on this side of the House?

Mr. BROWN of Kentucky. I may say to the gentleman that this is the first occasion I have sat at this table, and this is only by sufferance of the gentleman from Ohio [Mr. TRUAX], who is necessarily absent. Since I have been here tonight, it has been my present policy to object to each one of these bills that goes back of that act.

Mr. TARVER. Of course, that is a policy of very short standing if it only goes back to the time the gentleman came in tonight.

Mr. DUFFEY. Regular order.

The SPEAKER pro tempore. The regular order is called for. Is there objection?

Mr. HANCOCK of New York. I object.

ESTATE OF AMBROSE R. TRACY AND HIS CHILDREN

The Clerk called the next bill on the Private Calendar, H.R. 2674, for the relief of the estate of Ambrose R. Tracy and his children.

The SPEAKER pro tempore. Is there objection?

Mr. HANCOCK of New York. I object.

Mr. TARVER. Will the gentleman reserve his objection?

Mr. HANCOCK of New York. I will.

Mr. TARVER. I hope the gentleman from New York will read the report of the committee carefully. I will not impose on the patience of the House to state it in detail, but this man's claim for compensation was rejected by the Employees' Compensation Commission, as you will see, on account of this fact.

He went to a hospital at Fort Bayard, N.Mex., for the purpose of attending his brother, who was a veteran of the World War, and who was receiving treatment for tuberculosis.

He accepted employment for the purpose of being near his brother. In the course of his employment he was thrown in continual contact with tubercular patients, and as a result he contracted tuberculosis.

The Employees' Commission took the attitude, as shown by the report, that the compensation ought not to be allowed, because he went there for the purpose of being near his brother, and that probably he contracted the tuberculosis from his brother.

Certainly he had a better opportunity to contract it from other people, but even if he did contract it from his brother, he was entitled clearly to compensation.

Two or three years ago Congress allowed compensation to a man in the Agricultural Department who had tuberculosis 2 years after he ceased his employment. Now, why should you not give this man's widow and his little children some compensation?

Mr. HANCOCK of New York. This man was an electrician, and it did not bring him in contact with the patients at all. The only contact he had with the patients was with his brother, who was suffering from tuberculosis. There is no evidence in the case that it was contracted from the patients, no evidence to sustain the claim.

Mr. TARVER. The gentleman has not read the report. Let me quote from one of the specialists who says that Mr. Tracy was in constant attendance and had ample opportunity by exposure to contract pulmonary tuberculosis.

Mr. LESINSKI. The regular order, Mr. Speaker.

Mr. TARVER. Will not the gentleman reserve his call for the regular order for a little while? I think this is a deserving case.

The SPEAKER pro tempore. Is there objection?

Mr. HANCOCK of New York. Mr. Speaker, I object.

Mr. TARVER. Mr. Speaker, will the gentleman reserve his objection?

Mr. HANCOCK of New York. Yes.

Mr. TARVER. Two of these children have died with tuberculosis since the claim was filed. Would not the gentleman be willing to allow a lump sum, say, of $1,000, in full settlement of this claim on account of the circumstances that I have undertaken to go into? It certainly would not be an injustice to the Government.

Mr. FOULKES. What is the amount asked for now?

Mr. HANCOCK of New York. Two thousand six hundred dollars. Of course, it is a pitiful case. We have the utmost sympathy for the widow and children, but there are no facts on which to base the award.

Mr. TARVER. There is the testimony of several officials in which they strongly support the contention. Allow these two tubercular children to get treatment, let them have $1,000, and let them try to save their lives. They are poverty stricken.

Mr. HANCOCK of New York. The gentleman would melt the heart of stone, but there are a great many unfortunate people who are suffering from tuberculosis.

Mr. TARVER. Not where their trouble came about under these circumstances.

Mr. HANCOCK of New York. Whose misfortunes are not connected with the Government.

Mr. LESINSKI. Mr. Speaker, I demand the regular order.

The SPEAKER pro tempore. Is there objection?

Mr. HANCOCK of New York. Mr. Speaker, I object.

HARRY E. GOOD, ADMINISTRATOR

The Clerk called the next bill, H.R. 3243, for the relief of Harry E. Good, administrator de bonis non of the estate of Ephraim N. Good, deceased.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to redeem in favor of Harry E. Good, of Winamac, Ind., administrator de bonis non of the estate of Ephraim N. Good, deceased, United States registered notes numbered 650051, 650052, for $100 each, and 122336, for $1,000, of third Liberty loan 4½ percent convertible gold notes of 1928, inscribed "Ephraim N. Good", said notes having been stolen in the robbery of the First State Bank of Star City, Ind., after having been assigned in blank but not acknowledged before any officer as required by the regulations of the Treasury Department: *Provided*, That said notes shall not have been presented to the Treasury Department for payment: *Provided further*, That said Harry E. Good shall first file with the Treasury Department a bond in the penal sum of double the amount of the principal of the said notes and payable in such form and with such surety of sureties as may be acceptable to the Secretary of the Treasury, with condition to indemnify and save harmless the United States from any loss on account of the notes herein described.

With the following committee amendment:

Page 1, line 7, strike out "notes nos. 650051, 650052, for $100 each, and 122336 for $1,000, of third Liberty Loan 4½ percent convertible gold notes of 1928, inscribed 'Ephraim N. Good', said notes having been stolen in the robbery of the First National Bank of Star City, Ind., after having been assigned in blank but not acknowledged before any officer as required by the regulations of the Treasury Department" and insert in lieu thereof "bonds nos. 650051, 650052, in the denomination of $100 each, and no. 122336, in the denomination of $1,000, of the third Liberty Loan 4¼ percent bonds of 1928, inscribed 'Ephraim N. Good', with interest from March 15, 1928, to September 15, 1928, without presentation of the bonds, said bonds having been assigned in blank by the heirs of the payee, and subsequently stolen from the First State Bank, Star City, Ind.":

Page 2, line 11, strike out the word "notes" and insert "bonds."

Page 2, line 16, strike out the word "notes" and insert "bonds" and strike out the word "payable" and insert "the final interest thereon payable September 15, 1928."

Page 2, line 17, after the word "such", insert "corporate."

Line 18, page 2, strike out the words "of surety."

Page 2, line 21, strike out the word "notes" and insert the word "bonds."

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

GLADDING, M'BEAN & CO.

The Clerk called the next bill, H.R. 3782, for the relief of Gladding, McBean & Co.

The SPEAKER pro tempore. Is there objection?

Mr. BLANTON. Mr. Speaker, I ask unanimous consent that this bill go over without prejudice.

Mr. CARTER of California. Mr. Speaker, there are a number of these subcontractors who suffered a loss, all of whom have been paid except this one concern. It was left out of the bill through an oversight.

Mr. BLANTON. The Secretary of the Treasury says that he could not favorably recommend the bill.

Mr. CARTER of California. That may be true, but that has nothing to do with the justice of this claim.

Mr. BLANTON. The author of the bill is not here.

Mr. CARTER of California. No.

Mr. BLANTON. I thought we should pass it over until he could be here. I insist upon my request that the bill be passed over without prejudice, so that the author may be here.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The SPEAKER pro tempore. The bill will be a special order on the call after the last special order.

E. E. HALL

The Clerk called the next bill, H.R. 4446, for the relief of E. E. Hall.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to E. E. Hall, Richmond, Va., out of any money in the Treasury not otherwise appropriated, the sum of $1,000 in full settlement for personal injuries caused by a United States Army truck.

With the following committee amendments:

Page 1, line 6, after the word "settlement", insert "of all claims against the Government of the United States", and at the end of the bill strike out the period, insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

PURCHASERS OF LANDS, BROOKLAWN, N.J.

The Clerk called the next bill, H.R. 4672, for the relief of certain purchasers of lands in the borough of Brooklawn, State of New Jersey.

The SPEAKER pro tempore. Is there objection?

Mr. BROWN of Kentucky. Mr. Speaker, I object.

Mr. WOLVERTON. Mr. Speaker, will the gentleman reserve his objection?

Mr. BLANTON. The gentleman ought not to expect a bill of this magnitude to be passed here without reading in the twinkling of an eye. He is too good a lawyer and he has spent too many days in a courthouse trying a case of this magnitude.

Mr. SUTPHIN. Has the gentleman read the bill?

Mr. BLANTON. I have read it, I guess, as many times as the gentleman has.

Mr. SUTPHIN. Does the gentleman realize that there are many municipalities in this country where houses were bought from the Government under false and misleading misrepresentation? I have one in my district now where the Government guaranteed the title and the poor people have now to pay taxes for 10 years. What does the Department say? They say, "We are helpless; we thought we were doing right." The case has been carried to the Supreme Court.

Mr. BLANTON. This is no way to try it.

Mr. SUTPHIN. It is not a question of money; it is a matter of principle.

Mr. BLANTON. Then, I think our friend from Kentucky did a good work when he objected.

The SPEAKER pro tempore. Is there objection?

Mr. WOLVERTON. Mr. Speaker, will the gentleman permit me to make a statement?

Mr. BROWN of Kentucky. Mr. Speaker, I reserve my objection.

Mr. WOLVERTON. In answer to the gentleman from Texas who has made reference to the fact that I am too good a lawyer to ask for a trial and favorable consideration of a claim of this kind, I should say that if the gentleman has as favorable opinion of my legal ability as his remarks would indicate, I am hopeful he will agree with me as to the justice of this claim when I have stated the facts.

Mr. BLANTON. I think the gentleman is one of the ablest lawyers in the House. I think he has a splendid record as a prosecuting attorney, and I have absolute confidence in him.

Mr. WOLVERTON. I thank the gentleman. I shall cherish the kind words he has just spoken.

I should like to call to the gentleman's attention that this bill, now before the House, will not require the payment of the amount indicated by him.

Mr. BLANTON. I want to say to my friend, I saw him tested on a committee hearing once where he did such splendid work for this Government, where, in my judgment, he helped save not hundreds of thousands of dollars but millions of dollars, and because of that splendid service of the gentleman I shall not stand in his way if he can get by the gentleman from Kentucky [Mr. BROWN].

Mr. WOLVERTON. I thank the gentleman.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. BROWN of Kentucky. Mr. Speaker, I object.

Mr. WOLVERTON. Will the gentleman reserve his objection for a moment? Will not the gentleman from Kentucky give me an opportunity to call to his attention the fact, that this claim has the favorable opinion of the United States Shipping Board, and in that connection will the gentleman permit me to read a resolution which the Board passed with reference to this claim, which appears on page 10 of the report? The concluding paragraph of the resolution reads as follows:

Further resolved, That the said the Brooklawn Real Estate Tax Payer's Association be further advised that the Board expresses its sympathy with the object of the petition filed and will favorably recommend the passage by Congress of a proper bill to cover the situation.

Now, if the gentleman will look at the last page of the report he will find that under the title "recommendation", and signed by H. I. Cone, Chairman of the Board, these words, "the present Board concurs in that resolution and recommends the passage by Congress of a proper bill to cover the situation." I assure the gentleman the claim upon which this bill is founded was carefully investigated by the Shipping Board, also by the Claims Committee of the House, and by the Claims Committee of the Senate. Each has given the bill its unqualified approval. In fact, everybody who has examined or investigated the subject matter of this claim, including the gentleman from Wisconsin [Mr. BLANCHARD], than whom there is no more conscientious Member of the House, who made a most careful investigation, has recommended its payment.

The SPEAKER pro tempore. The gentleman has consumed 5 minutes. Is there objection to the present consideration of the bill?

Mr. BROWN of Kentucky. Reserving the right to object, may I say to the gentleman that I happen to be a member of the Claims Committee. However, I was not present at the time when this bill was considered, but on the face of it, it seems to me that since these individuals entered into this contract, a number of them have fulfilled their contracts and a number of them have defaulted, and they are now asking the Government to make good.

Mr. WOLVERTON. The gentleman is mistaken, if he will permit me to read just a very brief editorial from the Philadelphia Bulletin——

Mr. BROWN of Kentucky. I will say to the gentleman that I dislike to be influenced myself, even by my own home newspapers, and I would rather the gentleman would give me some other reason than an editorial.

Mr. WOLVERTON. I suggested the reading of that editorial for the reason: It states the case so briefly that I thought the gentleman would appreciate it if I did it in that way. The editorial is from the Philadelphia Bulletin, which is one of the outstanding independent newspapers of the East. It reads as follows:

BROOKLAWN REFUND CLAIM

Favorable report of the House Committee on Claims on the Wolverton bill making refunds totaling $93,000 to 106 individuals who purchased homes at Brooklawn, N.J., built by the Government to house shipyard workers during the war, is amply warranted by the facts.

The beneficiaries of the proposed refund lived up to the letter of their agreements with the Federal agency, meeting their obligations in full, keeping up interest, taxes, installments on second mortgages, and finally refinancing first liens. When the Government disposed of its remaining interest in the wartime village to a private corporation, those who had not settled on the original terms were tendered all sorts of inducements to take title to occupied premises.

Defaulted interest payments and unpaid taxes were remitted, and outstanding mortgages were shaved by as much as 40 percent, thus putting a premium upon delinquency. This procedure worked double harm to first purchasers by depreciating real-estate values throughout the community, carrying them below existing mortgage levels, thus interposing a bar to refinancing operations which even the home-loan banks have been unable to overcome.

Justice is due those who bought from the Government in good faith and have done their part.

The SPEAKER pro tempore. The gentleman has consumed 5 minutes.

Mr. McFARLANE. Mr. Speaker, regular order.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. BROWN of Kentucky. Mr. Speaker, I object.

Mr. WOLVERTON. Will the gentleman withdraw his objection and permit the bill to be passed over without prejudice?

Mr. BROWN of Kentucky. Yes; I will do that.

The SPEAKER pro tempore. Without objection, the bill will be passed over, to follow the special orders heretofore entered.

There was no objection.

LAWRENCE S. COPELAND

The Clerk called the next bill, H.R. 5409, for the relief of Lawrence S. Copeland.

Mr. McFARLANE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice to the next call of the Private Calendar.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

WILLIAM J. KENELY

The Clerk called the next bill, H.R. 5584, for the relief of William J. Kenely.

Mr. HOPE. Mr. Speaker, I should like to ask the author of the bill if he will accept an amendment reducing the amount to $300, the sum recommended by the Navy Department?

Mr. McLEAN. Mr. Speaker, I think the sum of $600 is a very reasonable amount in this case. The gentleman will find in the report a very clear acknowledgment of negligence on the part of the Government in the matter.

The claim grows out of the following circumstances: The claimant was a member of a fishing party on a boat off Sandy Hook. On the day in question a detachment of Marines were at target practice on the proving ground on Sandy Hook; and there is a clear acknowledgment on the part of the Navy Department that the usual precautions were not taken that day.

Mr. HOPE. Mr. Speaker, I am perfectly willing to concede that there is the possibility of some liability on the part of the Government but I would not be willing to withdraw my objection unless the gentleman would agree to an amendment reducing the amount to $300, because that, clearly, is all the claimant is shown to have suffered in the way of damages, as shown in the report.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. HOPE. I yield.

Mr. BLANTON. The thing that makes me suspicious of the bill is that it was introduced for $25,000; then it has been cut down to $600; and the Department now says $300 is about right.

Mr. HOPE. That is the Department's recommendation. If the gentleman is willing to accept $300 as recommended by the Department I shall not object.

Mr. BLANTON. The gentleman would be willing to accept the amount of $600 recommended in the bill as amended; would he not?

Mr. McLEAN. Six hundred dollars? Yes.

Mr. BLANTON. That was reduced from $25,000.

Mr. McLEAN. Mr. Speaker, will the gentleman allow me to explain that? This is my first term in Congress. This bill was introduced by two of my predecessors. When it first came to my attention, my experience at the bar taught me that the amount was absolutely beyond all reason. At the urgent request of the claimant I introduced the bill, but I told him there was absolutely no chance of that amount being allowed and urged him to accept an amount which would be reasonable and fair under all of the circumstances. I told him that there was no doubt that the liability of the Government was easily established and the only question was the measure of damages.

Now, let us as reasonable men consider this case. Here is a man sitting in a boat who gets a bullet in his back unexpectedly and spends $300 for medical services, which the Navy Department is willing to admit; and then it was proved before the committee that he was deprived of his ability to work as a roofer, not being able to use his arm for a considerable time afterward.

Mr. HOPE. The Department says that the maximum damage is $300.

Mr. McLEAN. For medical services and expenses.

Mr. HOPE. For medical expenses and loss of time.

Mr. McLEAN. As I read the report, the Department does not take into consideration the loss of earning power and the element of pain and suffering in its $300 estimate.

Mr. BLANTON. Mr. Speaker, the gentleman was so conscientious in telling his constituent that he was not going to let him get $25,000, and would approve only $600, that I think we ought to reward him and pass his bill.

Mr. HOPE. Mr. Speaker, I do not believe I should agree to permit this bill to pass even for $600 unless the gentleman is willing to agree to an amendment reducing the amount.

Mr. SUTPHIN. Mr. Speaker, is it possible that a man can be hit by a projectile and be allowed only costs of medical attention and be allowed nothing in the way of damages for pain, suffering, loss of time and earning capacity?

Mr. HOPE. But the $300 includes medical expenses and loss of time.

Mr. SUTPHIN. But it does not include loss of earning capacity, which should be taken into consideration, of course.

Mr. HOPE. Mr. Speaker, will the gentleman agree to an amendment limiting the amount to $500?

Mr. McLEAN. Mr. Speaker, I will accept an amendment reducing the amount to $500.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, and there is hereby appropriated for such payment, to William J. Kenely the sum of $25,000 for personal injuries caused through being struck by a bullet fired by one of a detachment of United States marines engaged in target practice, no warning of which was given, as is usual for the safety of passenger and other vessels plying the waters adjacent to Fort Hancock and Sandy Hook, N.Y.

With the following committee amendment:

Page 1, line 7, strike out "$25,000" and insert in lieu thereof the following: "$600, in full settlement of all claims against the Government of the United States."

Mr. HOPE. Mr. Speaker, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. HOPE to the committee amendment: "Strike out '$600' and insert in lieu thereof '$500.'"

The amendment to the committee amendment was agreed to.

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 2, line 2, at the end of the bill add the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WARD J. LAWTON

The Clerk called the next bill, H.R. 5835, for the relief of Ward J. Lawton, special disbursing agent, Lighthouse Service, Department of Commerce.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States is hereby authorized and directed to credit in the accounts of Ward J. Lawton, special disbursing agent, Lighthouse Service, Department of Commerce, the sum of $204 paid to the Liberty Brush Co., Philadelphia, Pa., May 17, 1932, which was later disallowed by the Comptroller General of the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COHEN, GOLDMAN & CO.

Mr. PEYSER. Mr. Speaker, I ask unanimous consent to return to 605 on the Private Calendar, the bill S. 2554, for the relief of Cohen, Goldman & Co., not for the purpose of reconsideration but to ask that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The bill was passed over without prejudice.

WESTERN UNION TELEGRAPH CO.

The Clerk called the next bill, H.R. 5947, authorizing adjustment of the claim of the Western Union Telegraph Co. Co.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to adjust and settle the claim of the Western Union Telegraph Co. for refund of certain overpayment of rent in 1931, amounting to $512.22, under its license numbered miscellaneous 12293, dated February 17, 1923, for the use of certain War Department submarine telegraph cables nos. 336 and 462, between Fort Stevens, Oreg., Fort Columbia and Fort Canby, Wash., and to allow in full and final settlement of said claim not to exceed the sum of $512.22. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $512.22, or so much thereof as may be necessary, for the payment of said claim.

With the following committee amendment:

On page 2, at the end of line 5, insert the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ARTHUR SMITH

The Clerk called the next bill, H.R. 6350, for the relief of Arthur Smith.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Arthur Smith, of Bangor, Maine, the sum of $210.35 as reimbursement for the loss of private property on August 27, 1919, in connection with the operation and maintenance of the United States Army.

With the following committee amendments:

On page 6, after the figures "$210.35", strike out the words "as reimbursement" and insert "in full settlement of all claims against the Government of the United States."

On page 1, line 10, after the word "Army", strike out the period, insert a colon, and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

JOHN B. GRAYSON

The Clerk called the next bill, H.R. 6945, for the relief of John B. Grayson.

Mr. BROWN of Kentucky. Mr. Speaker, I object.

Mr. SMITH of Virginia. Mr. Speaker, will the gentleman withhold his objection?

Mr. BROWN of Kentucky. I withhold the objection.

Mr. SMITH of Virginia. May I inquire what the gentleman's objection is?

Mr. BROWN of Kentucky. From this report this is a case where a postmaster put his son on the pay roll and the Civil Service furnished another list of employees which did not contain the name of this man's son. I do not think the postmaster or any other public official ought to load the pay roll up with members of their own families.

Mr. SMITH of Virginia. I just wanted the gentleman's point of view.

In the first place, may I say that this was not the postmaster's son, although the report I believe shows that to be a fact. There is a statement in the report he was the postmaster's son, but I believe that is incorrect. I know his family personally, and I know that he is not the postmaster's son.

The postmaster was authorized and directed to employ a temporary clerk. He had authority under the Civil Service regulations to do that for 3 months, which he did. In the meantime the Civil Service list was made up. Then it became the postmaster's duty to take a name off the Civil Service list. A discussion arose with the Post Office Department as to whether he could keep this man until he could qualify on another list. What happened was that the Post Office Department, as you will see by the report, recommends that he be paid this sum of money which he had to pay in order to settle his account with the Comptroller. The Comptroller says in the report, as will be noticed, that he paid this because the Post Office Department asked him to hold this matter up.

Mr. BLANTON. Will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Texas.

Mr. BLANTON. May I say to the gentleman from Kentucky that we went into this matter very carefully. The Department says they do not think this was a willful viola-

tion by the postmaster but was a mistake, and the Department recommends the bill. It involves $400, and I hope the gentleman will allow it to pass.

Mr. BROWN of Kentucky. So far as I am concerned, if it involved $400,000 it would not make any difference. If it ought to be paid, the Government should pay it. May I ask, what is the relationship between the postmaster and this individual?

Mr. SMITH of Virginia. He is a nephew.

Mr. BROWN of Kentucky. Mr. Speaker, I object.

CAPT. FRANK J. M'CORMACK

The Clerk called the next bill, H.R. 6998, for the relief of Capt. Frank J. McCormack.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $1,813.79 to Capt. Frank J. McCormack, said sum representing deduction in pay while in the Quartermaster Corps, United States Army.

With the following committee amendments:

On page 1, line 6, insert the words "in full settlement of all claims against the Government of the United States."

On page 1, line 9, after the word "Army", strike out the period, insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read a third time, and passed, and a motion to reconsider was laid on the table.

ROCCO D'AMATO

The Clerk called the next bill, H.R. 7736, for the relief of Rocco D'Amato.

Mr. BROWN of Kentucky. Mr. Speaker, reserving the right to object, can the gentleman tell us something about this bill?

Mr. LANZETTA. Yes; this is a bill to reimburse Rocco D'Amato in the sum of $1,000 to cover bond which he posted to guarantee the return of an alien. The alien escaped and failed to report, and it was through the efforts of D'Amato that the alien was finally apprehended and deported. The bill is recommended by the Department of Labor, as the gentleman will notice if he will read the last paragraph of the report.

Mr. BROWN of Kentucky. On this type of bill I think we are wrong in allowing them to go through, but we let the gentleman from New York [Mr. WADSWORTH], pay an insurance company $20,000 and I guess we might as well let this man have $1,000. I withdraw my objection, Mr. Speaker.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay Rocco D'Amato the sum of $1,000, in full settlement of all claims against the Government of the United States, being the amount of bonds deposited as security to guarantee the production of an alien and filed with the inspector in charge of immigration at New York and later forfeited because of the failure of the bondsman to produce the alien on the date of appearance in compliance with the terms of the delivery bond.

With the following committee amendment:

Page 1, line 11, strike out the period, insert a colon, and add the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

B. J. SAMPLE

The Clerk called the next bill, H.R. 8650, for the relief of B. J. Sample.

Mr. BROWN of Kentucky. Mr. Speaker, I reserve the right to object.

Mr. FULMER. Mr. Speaker, I may state to the gentleman that this bill passed the Senate in the Seventy-second Congress, and the facts connected with the claim are as follows:

The Post Office Department advertised for bids based on a mileage of 104 miles. After the bid had been accepted and the contractor had entered the service he found there were 130.6 miles. He reported this to the Post Office Department and asked either to be given additional pay or released from his contract. They refused to do either. The Department at the time they asked for it knew that the route was 130.6 miles.

Mr. BLANTON. Mr. Speaker, since there has been a controversy over this bill, and next time we take up private bills we will have plenty of time to consider the calendar, and in view of the fact we have passed on 65 bills tonight, and this is our second night session, why not adjourn?

Mr. FULMER. Will the gentleman wait a moment, because I do not think the gentleman from Kentucky will object to the bill.

Mr. BLANTON. Yes; I am willing to wait.

Mr. FULMER. This is clearly due this party, because he wanted to resign and they said they would hold his bondsman responsible.

Mr. BROWN of Kentucky. Was not this man a native of the section and did he not know the distance involved?

Mr. FULMER. No; for the reason he based his bid on the advertisement and found out later the exact mileage and then asked to be released.

Mr. BROWN of Kentucky. Is he still carrying the mail?

Mr. FULMER. No; they later canceled the route.

Mr. BROWN of Kentucky. I withdraw my objection, Mr. Speaker.

Mr. BLANTON. Does the Department report favorably on this bill?

Mr. BROWN of Kentucky. No; they do not.

Mr. FULMER. They did not report unfavorably, but stated that the other administration did not make a favorable report. However, they did not report against it.

Mr. McFARLANE. How much was this man getting?

Mr. FULMER. The route was 130.6 miles instead of 104 miles, and for the time he served the difference amounted to a little over $1,000.

Mr. McFARLANE. That is the amount involved?

Mr. FULMER. A little over $1,000; yes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to B. J. Sample the sum of $1,324.14 for carrying the mail upon star route no. 20183, between Allendale and Augusta, the said sum representing pay for mileage on said route in excess of the mileage advertised by the Post Office Department as a correct mileage of the route.

With the following committee amendment:

Page 1, line 5, after the amount "$1,324.14", insert "in full settlement of all claims against the Government of the United States"; and at the end of line 11 insert: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, with-

hold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

STELLA E. WHITMORE

The Clerk called the next bill on the Private Calendar, H.R. 8688, for the relief of Stella E. Whitmore,

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to redeem in favor of Stella E. Whitmore, of Bloomington, Ill., temporary coupon bonds nos. 2951251 to 2951254, inclusive, in the denomination of $50 each, of the third Liberty Loan 4¼-percent bond maturing September 15, 1928, without presentation of said bonds: *Provided*, That the said bonds shall not have been previously presented and paid: *Provided further*, That the said Stella E. Whitmore shall first file in the Treasury Department of the United States a bond in the penal sum equal to the amount of the principal of said bonds, in such form and with such surety or sureties as may be acceptable to the Secretary of the Treasury, to indemnify and save harmless the United States from any loss on account of the stolen and destroyed bonds hereinbefore described.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FIRST STATE BANK & TRUST CO., OF MISSION, TEX.

The Clerk called the next bill on the Private Calendar, H.R. 8727, for the relief of the First State Bank & Trust Co., of Mission, Tex.

The SPEAKER pro tempore. Is there objection?

Mr. TERRELL of Texas. I object until I find out something about this.

Mr. WEST of Texas. This bond was deposited in 1928, a registered bond. It matured September 15, 1928. It disappeared, fell off into the wastebasket and burned, and never has been presented.

Mr. BLANTON. The bill requires an indemnity bond. And it is in the form the Department requested. We have passed a lot of these cases.

Mr. TERRELL of Texas. The Treasurer says that it may turn up after awhile.

Mr. WEST of Texas. Yes; but that was in 1928.

Mr. TERRELL of Texas. What have you learned about it since?

Mr. WEST of Texas. It was recommended by the committee. It was reported out in 1928. Three years have expired.

Mr. TERRELL of Texas. I have no objection to it except that I do not want the Government to pay it twice.

Mr. WEST of Texas. There is no chance for that, for the 3 years have expired.

Mr. BLANTON. This bill is now drawn exactly in the form that the Treasury Department recommended, and the bill requires a proper indemnity bond to be given.

Mr. TERRELL of Texas. If they are going to give bond so that the Government will not pay it twice, I have no objection.

There being no further objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to redeem in favor of the First State Bank & Trust Co. of Mission, Tex., United States registered bond no. 89539 for $1,000 of the third Liberty Loan 4½-percent-per-annum bonds of 1928, registered in the name of Alpha G. Decker, with interest from March 15, 1928, to September 15, 1928, without presentation of the bond, said bond having been assigned in blank by the registered payee and alleged to have been lost, stolen, or destroyed in the First State Bank & Trust Co. of Mission, Tex.: *Provided*, That the said bond shall not have been previously presented and paid: *And provided further*, That the said First State Bank & Trust Co. shall first file in the Treasury Department of the United States a bond in the penal sum of double the amount of the principal of the said bond and the final interest payable thereon September 15, 1928, in such form and with such surety or sureties as may be acceptable to the Secretary of the Treasury to indemnify and save harmless the United States from any loss on account of the bond hereinbefore described.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. LESINSKI. Mr. Speaker, I make the point that no quorum is present.

The SPEAKER pro tempore. The Chair will count. [After counting.] Obviously there is not a quorum present.

ADJOURNMENT

Mr. BYRNS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 35 minutes p.m.) the House adjourned until tomorrow, Saturday, June 2, 1934, at 12 o'clock noon.

COMMITTEE HEARING

COMMITTEE ON IRRIGATION AND RECLAMATION

(Saturday, June 2, 10:30 a.m.)

Hearings on H.R. 9124, a bill to provide for the distribution of power revenues on Federal reclamation projects, and for other purposes.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

493. A letter from the Secretary of Commerce, transmitting draft of proposed legislation authorizing the disposition of certain lighthouse reservations which are no longer required by the Department of Commerce; to the Committee on Interstate and Foreign Commerce.

494. A letter from the Acting Secretary of War, transmitting draft of a bill to authorize an appropriation for the construction and installation of safe ammunition-storage facilities at Edgewood Arsenal, Md.; to the Committee on Military Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. COLLINS of California: Committee on Indian Affairs. H.R. 9477. A bill granting certain property to the State of Wisconsin for institutional purposes; without amendment (Rept. No. 1846). Referred to the Committee of the Whole House on the state of the Union.

Mr. DINGELL: Committee on Insular Affairs. S. 1574. An act to provide a government for American Samoa; with amendment (Rept. No. 1848). Referred to the Committee of the Whole House on the state of the Union.

Mr. RAYBURN: Committee on Interstate and Foreign Commerce. S. 3285. An act to provide for the regulation of interstate and foreign communications by wire or radio, and for other purposes; with amendment (Rept. No. 1850). Referred to the Committee of the Whole House on the state of the Union.

Mr. CHAVEZ: Committee on the Public Lands. H.R. 8397. A bill to provide for the creation of the Saratoga National Historical Park in the State of New York, and for other purposes; with amendment (Rept. No. 1852). Referred to the Committee of the Whole House on the state of the Union.

Mr. STEAGALL: Committee on Banking and Currency. H.R. 9045. A bill to amend section 5219 of the Revised Statutes as amended; with amendment (Rept. No. 1853). Referred to the Committee of the Whole House on the state of the Union.

Mr. CHAVEZ: Committee on the Public Lands. H.R. 9116. A bill extending and continuing to January 12, 1936, the provisions of the act entitled "An act authorizing the Secretary of the Interior to determine and confirm by patent

in the nature of a deed of quitclaim the title to lots in the city of Pensacola, Fla.", approved January 12, 1925; without amendment (Rept. No. 1854). Referred to the Committee of the Whole House on the state of the Union.

Mr. CHAVEZ: Committee on the Public Lands. S. 1947. An act to provide for the creation of the St. Croix Island National Monument located near the mouth of the St. Croix River in the State of Maine, and for other purposes; with amendment (Rept. No. 1855). Referred to the Committee of the Whole House on the state of the Union.

Mr. CHAPMAN: Committee on Interstate and Foreign Commere. H.R. 9721. A bill authorizing the Spencer County Bridge Commission, of Spencer County, Ind., to construct, maintain, and operate a toll bridge across the Ohio River between Rockport, Ind., and Owensboro, Ky.; without amendment (Rept. No. 1857). Referred to the House Calendar.

Mr. MILLIGAN: Committee on Interstate and Foreign Commerce. H.R. 9698. A bill authorizing the Florence Bridge Board of Trustees to construct, maintain, and operate a toll bridge across the Missouri River at or near Florence, Douglas County, Nebr.; with amendment (Rept. No. 1858). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. PEAVEY: Committee on Indian Affairs. S. 2585. An act authorizing and directing the Secretary of the Interior to cancel patent in fee issued to Victoria Arconge; without amendment (Rept. No. 1847). Referred to the Committee of the Whole House.

Mr. EICHER: Committee on Claims. H.R. 4824. A bill for the relief of Flensburger Dampfercompagnie; with amendment (Rept. No. 1862). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on Claims. H.R. 6864. A bill for the relief of the Norfolk Southern Railroad Co.; with amendment (Rept. No. 1863). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on Claims. H.R. 7849. A bill for the relief of certain creditors of J. R. and J. A. Whelan, Inc.; with amendment (Rept. No. 1864). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 9574. A bill for the relief of Jacob Santavy; with amendment (Rept. No. 1865). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 9717. A bill conferring jurisdiction in the Court of Claims to hear and determine the claim of George B. Gates; without amendment (Rept. No. 1866). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 9762. A bill for the relief of Thomas J. Allen, Jr.; with amendment (Rept. No. 1867). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on the Post Office and Post Roads was discharged from the consideration of the bill (H.R. 9660) for the relief of C. T. Mingle, and the same was referred to the Committee on Claims.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. JOHNSON of Minnesota: A bill (H.R. 9821) to provide a moratorium on interest payments on farm mortgages in certain drought-stricken areas; to the Committee on Agriculture.

By Mr. DISNEY: A bill (H.R. 9822) authorizing an appropriation for payment to the Osage Tribe of Indians on account of their lands sold by the United States; to the Committee on Indian Affairs.

By Mr. COLE: A bill (H.R. 9823) to provide for geographical survey, to expedite public works and national planning, to provide employment, and for other purposes; to the Committee on Ways and Means.

By Mr. GRISWOLD: Resolution (H.Res. 409) for the appointment of a committee to investigate the methods and manner of handling of funds and the financial affairs of veterans receiving money as compensation or pensions from the United States Government while under guardianship and subject to the supervision of the United States Veterans' Administration; to the Committee on Rules.

By Mr. CARPENTER of Nebraska: Resolution (H.Res. 413) for the relief of farmers; to the Committee on Agriculture.

Also resolution (H.Res. 414) for the relief of farmers; to the Committee on Agriculture.

By Mr. PALMISANO: Resolution (H.Res. 415) requesting the Secretary of Labor to compile a list of the labor-saving devices, and for other purposes; to the Committee on Labor.

Also, joint resolution (H.J.Res. 363) authorizing the War Department to permit the Old Guard, Maryland National Guard, the use of certain reserve ordnance stores; to the Committee on Military Affairs.

By Mr. FIESINGER: Joint resolution (H.J.Res. 364) authorizing and requesting the President of the United States to issue annually a proclamation setting apart the month of September of each year as "safety month"; to the Committee on the Judiciary.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Montana concerning the Poplar River irrigation project; to the Committee on Irrigation and Reclamation.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. DISNEY introduced a bill (H.R. 9824) for the relief of Frank S. Nipper, which was referred to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

4890. By Mr. KENNEY: Resolution of the Diocese of South Florida, of the Episcopal Church, Tampa, Fla., that theater managers should be allowed to freely select which pictures they will show in their theaters to go on record as opposing the system of block booking and so state that in their opinion it should be governed by a national law; to the Committee on Interstate and Foreign Commerce.

4891. Also, petition of the Sacred Heart Holy Name Society, in the town of Lyndhurst, N.J., calling upon Senators and Representatives in Congress to support the amendment to section 301 of Senate bill 2910, providing for the insurance of equity of opportunity for educational, religious, agricultural, labor, cooperative, and similar non-profit-making associations seeking licenses for radio broadcasting by incorporating into the statute a provision for the allotment to said non-profit-making associations of at least 25 percent of all radio facilities not employed in public use; to the Committee on Merchant Marine, Radio, and Fisheries.

4892. By Mr. LINDSAY: Petition of the George F. Driscoll Co., Brooklyn, N.Y., urging the use of marble, bronze, and other ornaments in the new post-office lobbies; to the Committee on the Post Office and Post Roads.

4893. Also, petition of the Arkell Safety Bag Co., New York City, opposing the Smith bill to amend the Agricultural Adjustment Administration Act (S. 3326); to the Committee on Appropriations.

4894. Also, petition of the Sheldon-Foster Supply Co., Brooklyn, N.Y., opposing the Wagner labor-disputes bill; to the Committee on Labor.

4895. Also, petition of the National Packing Box Factory, James H. Dykeman, Inc., Brooklyn, N.Y., opposing the Wagner labor-disputes bill (S. 2926); to the Committee on Labor.

4896. Also, petition of the William H. Strang Warehouses, Inc., Brooklyn, N.Y., opposing the Wagner labor-disputes bill; to the Committee on Labor.

4897. Also, petition of the Domestic Laundry, Brooklyn, N.Y., opposing the Wagner labor-disputes bill; to the Committee on Labor.

4898. Also, petition of the American Mining Congress, Washington, D.C., opposing the Wagner labor-disputes bill and the Connery 30-hour-week bill; to the Committee on Labor.

4899. Also, petition of National Organization Masters, Mates, and Pilots of America, New York City, favoring House bill 9689, to amend the Railway Labor Act of 1926; to the Committee on Interstate and Foreign Commerce.

4900. Also, telegram from the Brooklyn Savings Bank, David H. Lanman, president, Brooklyn, N.Y., opposing the Wagner bill (S. 2926); to the Committee on Labor.

4901. Also, petition of Edward J. Ryan, Brooklyn, N.Y., opposing the 3-cent-per-pound tax on coconut oil coming from the Philippines; to the Committee on Ways and Means.

4902. Also, petition of the Carl H. Schultz Corporation, E. C. McCullough, president, Brooklyn, N.Y., opposing the Wagner labor-disputes bill, as amended; to the Committee on Labor.

4903. Also, petition of the Namm Store, Brooklyn, N.Y., opposing the Wagner labor-disputes bill; to the Committee on Labor.

4904. Also, telegram of the Brooklyn Borough Gas Co., Mary E. Dillon, president, Coney Island, N.Y., opposing the Wagner labor-disputes bill (S. 2926); to the Committee on Labor.

4905. By Mr. LUCE: Petition of junior and senior high-school girls of Perkins Institution, Watertown, Mass., protesting the passage of House bill 8751; to the Committee on Labor.

4906. By Mr. RUDD: Petition of National Organization Masters, Mates, and Pilots of America, New York City, favoring the passage of House bill 9689, amending the Railroad Labor Act of 1926; to the Committee on Interstate and Foreign Commerce.

4907. Also, petition of the Carl H. Schultz Corporation, Brooklyn, N.Y., opposing the passage of the Wagner disputes bill; to the Committee on Labor.

4908. Also, petition of the Peoples National Bank, Brooklyn, N.Y., opposing the passage of the Steagall bill (H.R. 9045); to the Committee on Banking and Currency.

4909. Also, petition of the Sheldon-Foster Supply Co., Brooklyn, N.Y., opposing the passage of the Wagner labor-disputes bill; to the Committee on Labor.

4910. Also, petition of the Namm Store, Brooklyn, N.Y., opposing the passage of the Wagner disputes bill; to the Committee on Labor.

4911. Also, petition of the American Mining Congress, Washington, D.C., opposing the passage of the Connery 30-hour-week bill, also opposing the Wagner labor-disputes bill; to the Committee on Labor.

4912. Also, petition of the William H. Strang Warehouses, Inc., Brooklyn, N.Y., opposing the passage of the Wagner disputes bill; to the Committee on Labor.

4913. Also, petition of the Brooklyn Savings Bank, Brooklyn, N.Y., opposing the Wagner bill (S. 2926); to the Committee on Labor.

4914. Also, petition of the Domestic Laundry, Brooklyn, N.Y., opposing tbe Wagner labor-disputes bill; to the Committee on Labor.